

# LIMITED PROCEDURES ENGAGEMENT

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## Hempfield School District Lancaster County, Pennsylvania

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September 2016



Commonwealth of Pennsylvania  
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE  
AUDITOR GENERAL

Dr. Christopher S. Adams, Superintendent  
Hempfield School District  
200 Church Street  
Landisville, Pennsylvania 17538

Mr. William H. Otto, Board President  
Hempfield School District  
200 Church Street  
Landisville, Pennsylvania 17538

Dear Dr. Adams and Mr. Otto:

We conducted a Limited Procedures Engagement (LPE) of the Hempfield School District (District) to determine its compliance with certain relevant state laws, regulations, policies, and administrative procedures (relevant requirements). The LPE covers the period July 1, 2012 to June 30, 2015, except for any areas of compliance that may have required an alternative to this period. The engagement was conducted pursuant to authority derived from Article VIII, Section 10 of the Constitution of the Commonwealth of Pennsylvania and The Fiscal Code (72 P.S. § 402 and 403), but was not conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States.

As we conducted our LPE procedures, we sought to determine answers to the following questions, which serve as our LPE objectives:

- Did the District have documented board policies and administrative procedures related to the following?
  - Internal controls
  - Budgeting practices
  - The Right-to-Know Law
  - The Sunshine Act
- Were the policies and procedures adequate and appropriate, and have they been properly implemented?
- Did the District comply with the relevant requirements in the Right-to-Know Law and the Sunshine Act?
- Did the District take appropriate corrective action to address the findings made in our prior audit, and were the actions taken into effect?

Dr. Christopher S. Adams

Mr. William H. Otto

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Our engagement found that the District properly implemented policies and procedures for the areas mentioned above and complied, in all significant respects, with relevant requirements.

Sincerely,

A handwritten signature in black ink, appearing to read "Eugene A. DePasquale". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Eugene A. DePasquale  
Auditor General

September 23, 2016

cc: **HEMPFIELD SCHOOL DISTRICT** Board of School Directors

### **Status of Prior Findings and Observations**

#### **Prior Finding No. 1**

#### **Certification Deficiencies**

#### **Prior Finding Condition**

During the prior audit of the District, we found employees who lacked appropriate certification. Specifically, there were seven employees who were not properly certified for the positions to which they were assigned, and one employee whose certification was inactive.

#### **Prior Recommendations**

We recommended that the District should:

1. Require the individuals cited in this finding to immediately obtain proper certification for the positions assigned or reassign them to positions for which they are properly certified.
2. Require all individuals employed by the District to obtain the appropriate certificate prior to starting employment with the District.
3. Establish procedures to ensure emergency permits are obtained in a timely manner.
4. Ask for guidance from the Pennsylvania Department of Education's (PDE) Bureau of School Leadership and Teacher Quality (BSLTQ) in writing to reduce the opportunity of miscommunication.

We also recommended that PDE should:

5. Recover the subsidy forfeitures resulting from the deficiencies.

#### **Current Status**

Our current review found that the District and PDE complied with our recommendations. Each employee cited for improper certification during the prior audit has since acquired the appropriate certification for the position to which they are assigned or is no longer employed at the District. The District has established procedures to ensure that all employees have an appropriate certificate prior to starting employment. BSLTQ is consulted when necessary, and emergency permits are obtained when needed.

On December 26, 2013, PDE recovered the subsidy forfeiture from the District in the amount of \$25,602.

**Prior Finding No. 2**

**Inadequate Documentation to Verify the Accuracy of Data Submitted for the Hempfield School District's Reimbursement**

**Prior Finding Condition**

During our prior audit of the District, we found that the District did not obtain adequate documentation to support transportation records for the 2008-09 and 2009-10 school years. These transportation records are reported to PDE, and the District receives reimbursement for transportation expenses based on these documentation.

**Prior Recommendations**

We recommended that the District should:

1. Immediately begin to obtain odometer readings from their buses in order to compute a weighted or sample average for the mileage in accordance with PDE instructions.
2. Calculate either a sample or weighted average for each bus that is reported to PDE.
3. Maintain all odometer readings used in the calculation of the averages.
4. Ensure that personnel responsible for reporting transportation data are familiar with and follow the guidelines put forth by PDE each school year.

**Current Status**

Our current review found that the District complied with our recommendations. The District now uses the sample average method to compute the vehicle mileage data reported to PDE. The odometer readings used to compute the sample average for each bus were retained for audit.

**Prior Finding No. 3**

**Internal Control Weaknesses Regarding the Reporting of Membership Data**

**Prior Finding Condition**

Membership data reports from the District's student information system could not be reconciled to the final membership data reports from the Pennsylvania Information Management System (PIMS). Unexplainable discrepancies were noted. Therefore, the data could not be audited.

**Prior Recommendations**

We recommended that the District should:

1. Develop and implement procedures to ensure supporting documentation for child accounting data is retained in a manner that it can be retrieved, so that it will be available for audit.

2. Develop and implement written procedures for collecting and maintaining membership data.
3. Develop and implement procedures to reconcile student detail reports to final PDE reports.
4. Ensure that all membership days are properly reported under the correct classification.
5. Review years subsequent to our audit and ensure data from the District is reconciled to final PDE reports. If errors are found, the revision should be submitted to PDE.

Current Status

Our current review found that the District complied with our recommendations. The District developed written procedures for collecting and maintaining membership data. The Data Manager/PIMS Administrator ensures supporting documentation for child accounting data is retained and readily available for audit. The Coordinator of Student Services is responsible to reconcile membership reports and ensure that membership is reported correctly.

## **Distribution List**

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This letter was initially distributed to the Superintendent of the District, the Board of School Directors, and the following stakeholders:

**The Honorable Tom W. Wolf**  
Governor  
Commonwealth of Pennsylvania  
Harrisburg, PA 17120

**The Honorable Pedro A. Rivera**  
Secretary of Education  
1010 Harristown Building #2  
333 Market Street  
Harrisburg, PA 17126

**The Honorable Timothy Reese**  
State Treasurer  
Room 129 - Finance Building  
Harrisburg, PA 17120

**Mrs. Danielle Mariano**  
Director  
Bureau of Budget and Fiscal Management  
Pennsylvania Department of Education  
4th Floor, 333 Market Street  
Harrisburg, PA 17126

**Dr. David Wazeter**  
Research Manager  
Pennsylvania State Education Association  
400 North Third Street - Box 1724  
Harrisburg, PA 17105

**Mr. Nathan Mains**  
Executive Director  
Pennsylvania School Boards Association  
400 Bent Creek Boulevard  
Mechanicsburg, PA 17050

This letter is a matter of public record and is available online at [www.PaAuditor.gov](http://www.PaAuditor.gov). Media questions about the letter can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 229 Finance Building, Harrisburg, PA 17120; via email to: [news@PaAuditor.gov](mailto:news@PaAuditor.gov).