

LIMITED PROCEDURES ENGAGEMENT

Forbes Road School District Fulton County, Pennsylvania

July 2015



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



Commonwealth of Pennsylvania
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Harrisburg, PA 17120-0018
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EUGENE A. DePASQUALE
AUDITOR GENERAL

Mr. Mark Loucks, Superintendent
Forbes Road School District
159 Red Bird Drive
Waterfall, Pennsylvania 16689

Ms. Teresa Bard, Board President
Forbes Road School District
159 Red Bird Drive
Waterfall, Pennsylvania 16689

Dear Mr. Loucks and Ms. Bard:

We conducted a Limited Procedures Engagement (LPE) of the Forbes Road School District (District) to determine its compliance with certain relevant state laws, regulations, policies, and administrative procedures. The LPE covers the period December 14, 2011 through April 27, 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. § 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 Law
- 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 Law?
- Did the District take appropriate corrective action to address the finding made in our prior audit, and were the actions taken into effect?

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 dark 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

July 30, 2015

cc: **FORBES ROAD SCHOOL DISTRICT** Board of School Directors

Status of Prior Findings and Observations

Finding

Errors in Reporting Non-resident Membership Resulted in Underpayments of \$25,705 in Tuition for Children Placed in Private Homes (Foster Children)

Finding Condition

Our prior audit found that for the 2008-09 school year membership was understated by 179 days, resulting in an underpayment of \$8,794. For the 2009-10 school year membership for non-resident elementary foster children was understated by 358 days, resulting in an underpayment in Commonwealth-paid tuition for foster children of \$16,911. The total of the underpayments for the two school years amounted to \$25,705.

Recommendation

Our finding recommended that the District should:

1. Review membership reports thoroughly prior to submission to the Pennsylvania Department of Education (PDE) to ensure all nonresident membership is properly reported.
2. Review reports submitted subsequent to the years audited and submit revised reports to PDE, if errors are found.
3. Ensure personnel, who are assigned the responsibility of membership, obtain the proper training.

We also recommended that PDE should:

4. Adjust the District's allocations to correct the underpayments of \$25,705.

Current Status

Our current audit found that the District implemented our recommendations. As of completion of our fieldwork, PDE did not adjust the District's allocations recommended in our previous audit.

Distribution List

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. Lin Carpenter
Assistant Executive Director for Member Services
School Board and Management Services
Pennsylvania School Boards Association
P.O. Box 2042
Mechanicsburg, PA 17055

This letter is a matter of public record and is available online at www.PaAuditor.gov. Media questions about the letter can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 231 Finance Building, Harrisburg, PA 17120; via email to: news@PaAuditor.gov.