

BEAVER COUNTY AREA VOCATIONAL-TECHNICAL SCHOOL

BEAVER COUNTY, PENNSYLVANIA

PERFORMANCE AUDIT REPORT

FOR THE YEARS ENDED JUNE 30, 2006 AND 2005,
AND IN CERTAIN AREAS EXTENDING BEYOND JUNE 30, 2006

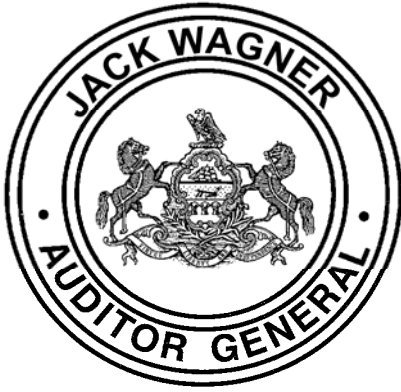


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PERFORMANCE AUDIT REPORT

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AND IN CERTAIN AREAS EXTENDING BEYOND JUNE 30, 2006

BEAVER COUNTY AREA VOCATIONAL-TECHNICAL SCHOOL
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The Honorable Edward G. Rendell
Governor
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania 17120

Dear Governor Rendell:

We have conducted a performance audit of the Beaver County Area Vocational-Technical School for the years ended June 30, 2006 and 2005, and in certain areas extending beyond June 30, 2006. Our audit was conducted pursuant to 72 P.S. § 403 and in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States.

The objective of our audit was to determine if the Beaver County Area Vocational-Technical School complied with applicable state laws, regulations, contracts, grant requirements, and administrative procedures falling within the scope of our audit.

To plan and perform our audit of the Beaver County Area Vocational-Technical School, we considered the school's internal controls pertinent to our audit objectives. Based on our consideration of these internal controls we determined audit procedures for the purpose of reporting on our audit objectives, but not to provide assurance on the effectiveness of the school's internal controls. However, any significant internal control deficiencies found during our audit were included in our report.

The results of our tests indicated that, in all significant respects, the Beaver County Area Vocational-Technical School complied with applicable state laws, regulations, contracts, grant requirements, and administrative procedures falling within the scope of our audit.

Independent Auditor's Report (Continued)

The accompanying supplementary information is presented for purposes of additional analysis. We did not audit the information and, accordingly, express no form of assurance on it.

Sincerely,

April 27, 2007

/s/
JACK WAGNER
Auditor General

BEAVER COUNTY AREA VOCATIONAL-TECHNICAL SCHOOL
PERFORMANCE AUDIT REPORT
BACKGROUND

Background

The school's administrative offices are located at 145 Poplar Drive, Monaca, Pennsylvania.

According to school administrative officials, during the 2005-06 the school year, the school provided educational services to 585 secondary pupils and 14 post-secondary pupils in various vocational and technical fields through the employment of 3 administrators, 20 teachers, and 29 full-time and part-time support personnel.

The operation, administration and management of the school are directed by a joint operating committee (JOC) which is comprised of 15 members from the following school districts:

Aliquippa	Midland Borough
Ambridge Area	Monaca
Beaver Area	New Brighton Area
Big Beaver Falls Area	Riverside Beaver County
Blackhawk	Rochester Area
Center Area	South Side Area
Freedom Area	Western Beaver County
Hopewell Area	

The JOC members are appointed by the individual school boards at the December meeting, each to serve a three year term.

Generally, state subsidies and reimbursements are paid in the year subsequent to the year in which the school incurs the cost that qualifies it for the applicable subsidy or reimbursement. While the Pennsylvania Department of Education (DE) makes partial payments to the school throughout the year, final payments are normally made in June. Refer to the Supplementary Information on pages 7 and 8 of this report for a listing of the state revenue the school received during the 2005-06 and 2004-05 school years and for descriptions of the state revenue received by category.

In July of each year, the Commonwealth's Labor, Education and Community Services, Comptroller's Office confirms the payments that were made by DE throughout the prior fiscal year. Area vocational-technical school (AVTS) annual financial reports and the related certified audits of the payments are generally not available before October 31st of the following fiscal year.

BEAVER COUNTY AREA VOCATIONAL-TECHNICAL SCHOOL
PERFORMANCE AUDIT REPORT
OBJECTIVE, SCOPE AND METHODOLOGY

OBJECTIVE AND SCOPE

Our audit objective was to determine if the Beaver County Area Vocational-Technical School complied with applicable state laws, regulations, contracts, grant requirements, and administrative procedures falling within the scope of our audit.

The scope of our audit covered the years ended June 30, 2006 and 2005, and in certain areas extending beyond June 30, 2006.

METHODOLOGY

Our audit was conducted under authority of 72 P.S. § 403, and does not supplant the local annual audit as required by the Public School Code of 1949, as amended (Public School Code).

The proper administration of an AVTS requires the joint operating committee (JOC) members to establish and maintain internal controls to provide reasonable assurance that specific AVTS objectives will be achieved. JOC members are responsible for the adoption and use of policies and procedures that promote the economical and efficient conduct of assigned duties and responsibilities. In completing our audit, we obtained an understanding of the Beaver County Area Vocational-Technical School's internal controls as they relate to the school's compliance with applicable state laws, regulations, contracts, grant requirements, and administrative procedures falling within the scope of our audit. We evaluated and tested documents, files, reports, agreements, and systems, and performed analytical procedures to the extent necessary to satisfy our audit objectives. Additionally, we interviewed selected administrators and operations personnel.

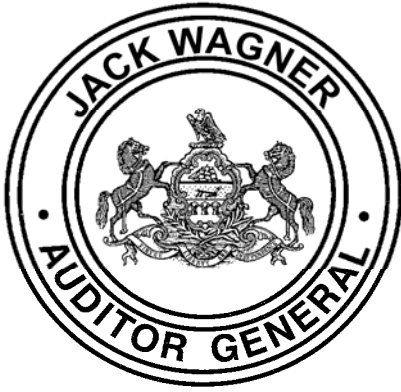
As noted in the Background section of this report, the Department of Education generally pays state subsidies and reimbursements in the fiscal year subsequent to the fiscal year in which the school incurs the qualifying cost. Because we use the payment confirmations, annual financial reports and certified audit data as supporting documentation of actual payments received in the performance of our audit, we cannot begin the field work of a AVTS's operations for a given year until after this information becomes available.

BEAVER COUNTY AREA VOCATIONAL-TECHNICAL SCHOOL
PERFORMANCE AUDIT REPORT

CONCLUSION

The objective of our audit was to determine if the Beaver County Area Vocational-Technical School complied with applicable state laws, regulations, contracts, grant requirements, and administrative procedures falling within the scope of our audit.

The results of our tests indicate that with respect to the items tested, the Beaver County Area Vocational-Technical School complied with applicable state laws, regulations, contracts, grant requirements, and administrative procedures falling within the scope of our audit.



BEAVER COUNTY AREA VOCATIONAL-TECHNICAL SCHOOL
PERFORMANCE AUDIT REPORT

SUPPLEMENTARY INFORMATION
[UNAUDITED]

Schedule of State Revenue Received

The school reported it received state revenue of \$515,824 and \$504,467, respectively, for the years ended June 30, 2006 and 2005, as detailed in the following schedule:

	<u>2006</u>	<u>2005</u>
STATE REVENUE		
Vocational Education	\$389,572	\$375,458
Social Security and Medicare Taxes	83,376	77,850
Retirement	<u>42,876</u>	<u>51,159</u>
<u>TOTAL STATE REVENUE</u>	<u>\$515,824</u>	<u>\$504,467</u>

BEAVER COUNTY AREA VOCATIONAL-TECHNICAL SCHOOL
PERFORMANCE AUDIT REPORT

SUPPLEMENTARY INFORMATION
[UNAUDITED]

Description of State Revenue Received (Source: Pennsylvania Accounting Manual)

Vocational Education

Revenue received from the Commonwealth as subsidy for vocational education expenditures which are classified as current operating expenditures and also for preliminary expenses in establishing an area vocational education school. Payments are made in accordance with Sections 2504, 2506 and 2507 of the Public School Code.

Social Security and Medicare Taxes

Revenue received from the Commonwealth as subsidy designated as the Commonwealth's matching share of the employer's contribution of the Social Security and Medicare taxes for covered employees who are not federally funded.

Retirement

Revenue received from the Commonwealth as subsidy designated as the Commonwealth's matching share of the employer's contribution of retirement contributions for active members of the Public School Employees' Retirement System.

BUREAU OF SCHOOL AUDITS

AUDIT REPORT DISTRIBUTION LIST

This report was initially distributed to the superintendent of record of the area vocational-technical school, the joint operating committee members, our website address at www.auditorgen.state.pa.us, and the following:

The Honorable Edward G. Rendell
Governor
Commonwealth of Pennsylvania
Harrisburg, PA 17120

The Honorable Gerald Zahorchak, D.Ed.
Secretary of Education
1010 Harristown Building #2
333 Market Street
Harrisburg, PA 17126

The Honorable Robin L. Wiessmann
State Treasurer
Room 129 - Finance Building
Harrisburg, PA 17120

Mr. John Godlewski
Director, Bureau of Budget and Fiscal Management
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

Dr. David Davare
Director of Research Services
Pennsylvania School Boards Association
P.O. Box 2042
Mechanicsburg, PA 17055

This report is a matter of public record. Copies of this report may be obtained from the Pennsylvania Department of the Auditor General, Office of Communications, 318 Finance Building, Harrisburg, Pennsylvania 17120. If you have any questions regarding this report or any other matter, you may contact the Department of the Auditor General by accessing our website at www.auditorgen.state.pa.us.