

BERKS CAREER AND TECHNOLOGY CENTER  
BERKS COUNTY, PENNSYLVANIA  
PERFORMANCE AUDIT REPORT

APRIL 2012



The Honorable Tom Corbett  
Governor  
Commonwealth of Pennsylvania  
Harrisburg, Pennsylvania 17120

Mr. Oscar Manbeck  
Joint Operating Committee Chairperson  
Berks Career and Technology Center  
1057 County Road  
Leesport, Pennsylvania 19533

Dear Governor Corbett and Mr. Manbeck:

We conducted a performance audit of the Berks Career and Technology Center (BCTC) to determine its compliance with applicable state laws, contracts, grant requirements and administrative procedures. Our audit covered the period June 9, 2010 through September 13, 2011, except as otherwise indicated in the report. Additionally, compliance specific to state subsidy and reimbursements was determined for the school years ended June 30, 2010 and June 30, 2009. 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.

Our audit found that the BCTC complied, in all significant respects, with applicable state laws, contracts, grant requirements, and administrative procedures, except as detailed in the finding noted in this report. A summary of these results is presented in the Executive Summary section of the audit report.

Our audit finding and recommendations have been discussed with BCTC's management and their responses are included in the audit report. We believe the implementation of our recommendations will improve BCTC's operations and facilitate compliance with legal and administrative requirements. We appreciate the BCTC's cooperation during the conduct of the audit.

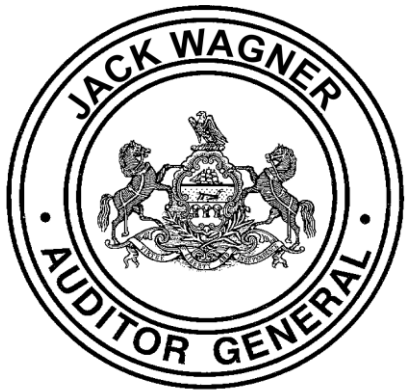
Sincerely,

/s/

JACK WAGNER  
Auditor General

April 25, 2012

cc: **BERKS CAREER AND TECHNOLOGY CENTER** Joint Operating Committee Members



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## **Executive Summary**

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### **Audit Work**

The Pennsylvania Department of the Auditor General conducted a performance audit of the Berks Career and Technology Center (BCTC). Our audit sought to answer certain questions regarding the BCTC's compliance with applicable state laws, contracts, grant requirements, and administrative procedures; and to determine the status of corrective action taken by the BCTC in response to our prior audit recommendations.

Our audit scope covered the period June 9, 2010 through September 13, 2011, except as otherwise indicated in the audit scope, objectives, and methodology section of the report. Compliance specific to state subsidy and reimbursements was determined for school years 2009-10 and 2008-09.

### **School Background**

According to School officials, in school year 2009-10 the BCTC provided educational services to 1,845 secondary pupils and 254 post-secondary pupils through the employment of 70 teachers, 90 full-time and part-time support personnel, and 12 administrators. The operation, administration and management of the school are directed by a joint operating committee (JOC) which is comprised of 16 members from the following school districts:

Antietam  
Boyertown Area  
Brandywine Heights Area  
Conrad Weiser Area  
Daniel Boone Area

Exeter Township  
Fleetwood Area  
Governor Mifflin  
Hamburg Area  
Kutztown Area  
Oley Valley  
Schuylkill Valley  
Tulpehocken Area  
Twin Valley  
Wilson  
Wyomissing Area

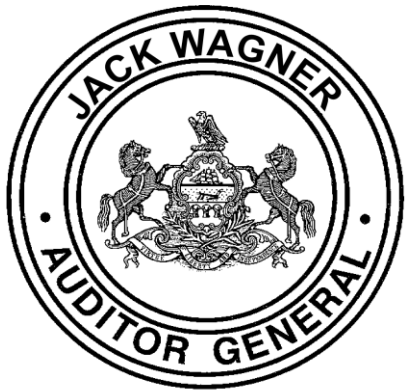
The JOC members are appointed by the individual school boards at the December meeting, each to serve a three year term. Lastly, the BCTC received more than \$1.6 million in state funding in school year 2009-10.

### **Audit Conclusion and Results**

Our audit found that the BCTC complied, in all significant respects, with applicable state laws, contracts, grant requirements, and administrative procedures except for one compliance-related matter reported as a finding.

**Finding: School Bus Drivers' Qualifications Deficiencies.** Our audit of personnel records for current bus drivers of the BCTC found that not all drivers had the required documentation on file (see page 6).

**Status of Prior Audit Findings and Observations.** There were no findings or observations included in our prior audit report.





## Audit Scope, Objectives, and Methodology

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### Scope

*What is a school performance audit?*

School performance audits allow the Department of the Auditor General to determine whether state funds, including school subsidies, are being used according to the purposes and guidelines that govern the use of those funds. Additionally, our audits examine the appropriateness of certain administrative and operational practices at each Local Education Agency (LEA). The results of these audits are shared with LEA management, the Governor, the PA Department of Education, and other concerned entities.

Our audit, conducted under authority of 72 P.S. § 403, is not a substitute for the local annual audit required by the Public School Code of 1949, as amended. We conducted our audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States.

Our audit covered the period June 9, 2010 through September 13, 2011, except for the verification of professional employee certification which was performed for the period April 23, 2010 through August 31, 2011.

Regarding state subsidy and reimbursements, our audit covered school years 2009-10 and 2008-09.

While all LEAs have the same school years, some have different fiscal years. Therefore, for the purposes of our audit work and to be consistent with Department of Education reporting guidelines, we use the term school year rather than fiscal year throughout this report. A school year covers the period July 1 to June 30.

### Objectives

*What is the difference between a finding and an observation?*

Our performance audits may contain findings and/or observations related to our audit objectives. Findings describe noncompliance with a statute, regulation, policy, contract, grant requirement, or administrative procedure. Observations are reported when we believe corrective action should be taken to remedy a potential problem not rising to the level of noncompliance with specific criteria.

Performance audits draw conclusions based on an evaluation of sufficient, appropriate evidence. Evidence is measured against criteria, such as laws and defined business practices. Our audit focused on assessing the BCTC's compliance with applicable state laws, contracts, grant requirements and administrative procedures. However, as we conducted our audit procedures, we sought to determine answers to the following questions, which serve as our objectives:

- ✓ Were professional employees certified for the positions they held?
- ✓ In areas where the School receives state subsidy and reimbursements based on pupil membership (e.g. vocational education), did it follow applicable laws and procedures?

- ✓ Is the School's pupil transportation department, including any contracted vendors, in compliance with applicable state laws and procedures?
- ✓ Does the School ensure that Joint Operating Committee members appropriately comply with the Public Official and Employee Ethics Act?
- ✓ Are there any declining fund balances which may impose risk to the fiscal viability of the School?
- ✓ Did the School pursue a contract buy-out with an administrator and if so, what was the total cost of the buy-out, reasons for the termination/settlement, and do the current employment contract(s) contain adequate termination provisions?
- ✓ Were there any other areas of concern reported by local auditors, citizens, or other interested parties which warrant further attention during our audit?
- ✓ Is the School taking appropriate steps to ensure school safety?
- ✓ Did the School use an outside vendor to maintain its membership data and if so, are there internal controls in place related to vendor access?
- ✓ Did the School take appropriate corrective action to address recommendations made in our prior audits?

## **Methodology**

*Government Auditing Standards* require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings, observations and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

BCTC management is responsible for establishing and maintaining effective internal controls to provide reasonable assurance that the School is in compliance with applicable laws, contracts, grant requirements, and administrative procedures. Within the context of our audit objectives, we obtained an understanding of internal

*What are internal controls?*

Internal controls are processes designed by management to provide reasonable assurance of achieving objectives in areas such as:

- Effectiveness and efficiency of operations;
- Relevance and reliability of operational and financial information;
- Compliance with applicable laws, contracts, grant requirements and administrative procedures.

controls and assessed whether those controls were properly designed and implemented.

Any significant deficiencies found during the audit are included in this report.

In order to properly plan our audit and to guide us in possible audit areas, we performed analytical procedures in the areas of state subsidies/reimbursement and pupil transportation.

Our audit examined the following:

- Records pertaining to bus driver qualifications, professional employee certification, state ethics compliance, and financial stability.
- Items such as meeting minutes and pupil membership records.

Additionally, we interviewed selected administrators and support personnel associated with BCTC operations.

## Findings and Observations

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### Finding

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*Criteria relevant to the finding:*

Section 111 of the Public School Code, 24 P.S. § 1-111 (Act 34 of 1985, as amended) requires prospective school employees who have direct contact with children, including independent contractors and their employees, to submit a report of criminal history record information obtained from the Pennsylvania State Police. Section 111 lists convictions for certain criminal offenses that, if indicated on the report to have occurred within the preceding five years, would prohibit the individual from being hired.

Additionally, as of April 1, 2007, under Act 114 of 2006, as amended, (see 24 P.S. § 1-111(c.1), public and private schools have been required to review federal criminal history record information (CHRI) records for all prospective employees and independent contractors who will have contact with children, and make a determination regarding the fitness of the individual to have contact with children. The Act requires the report to be reviewed in a manner prescribed by PDE. The review of CHRI reports is required prior to employment, and includes school bus drivers and other employees hired by independent contractors who have contact with children.

### School Bus Drivers' Qualifications Deficiencies

Our audit of personnel records for current bus drivers of the Berks Career and Technology Center (BCTC) found that not all drivers had the required documentation on file.

Several different state statutes and regulations establish the minimum required qualifications for school bus drivers. The ultimate purpose of these requirements is to ensure the protection of the safety and welfare of the students transported in school buses. We reviewed the following six requirements:

1. Possession of a valid driver's license;
2. Completion of school bus driver skills and safety training;
3. Passing a physical examination;
4. Lack of convictions for certain criminal offenses;
5. Federal criminal history record; and
6. Official child abuse clearance statement.

The first three requirements were set by regulations issued by the Pennsylvania Department of Transportation. The fourth and fifth requirements were set by the Public School Code of 1949, as amended. The sixth requirement was set by the Child Protective Services Law.

*Criteria relevant to the finding:*

Similarly, Section 6355 of the Child Protective Services Law, (CPSL) 23 Pa C.S. § 6355, known as Act 151, requires prospective school employees to submit an official clearance statement obtained from the Department of Public Welfare. The CPSL prohibits the hiring of an individual named as the perpetrator of a founded report of child abuse or is named as the individual responsible for injury or abuse in a founded report for school employee.

We reviewed the personnel records of a random sample of 5 of the 76 drivers currently employed by the BCTC and the BCTC's transportation contractors. Our review found that four drivers did not possess the Act 114 federal criminal history record at the time of audit. Therefore, we expanded our sample to include an additional 25 drivers for a total of 30 drivers. As a result of our review, we found:

- Four bus drivers did not possess a valid commercial driver's license with an "S" endorsement.
- Four bus drivers did not possess a valid physical form.
- Three drivers did not possess a Pennsylvania criminal background clearance (Act 34).
- Three drivers did not possess a child abuse clearance (Act 151).
- Eight drivers did not possess a federal criminal background clearance (Act 114).

On September 6, 2011, we informed management of the missing documentation and instructed them to obtain the necessary documents. As of the end of our fieldwork on September 13, 2011, BCTC management was unable to provide us with the necessary documentation. Therefore, we were unable to verify that drivers were properly qualified to have direct contact with children.

During the audit, we also found that the BCTC does not have procedures in place to review all clearances for all drivers prior to allowing them to transport students and does not maintain all bus driver qualification documentation on site. Also, the BCTC does not maintain a complete list of contracted drivers prior to allowing them to transport students.

## **Recommendations**

The *Berks Career and Technology Center* should:

1. Obtain all qualification records and clearances for all of the drivers cited in the finding.

2. Review the qualifications and clearances of all drivers assigned to BCTC routes to ensure they are properly qualified prior to that person transporting students.
3. Establish procedures to obtain and retain the required qualifications for all drivers which transport students. This procedure should also ensure that the BCTC's files are up-to-date and complete.
4. Establish procedures to maintain a list of all current drivers and substitutes assigned to the BCTC along with the date the drivers were approved to transport BCTC students. Also, this list should be approved by the BCTC's Joint Operating Committee.

### **Management Response**

Management stated the following:

The auditors found that all files reviewed for BCTC employed drivers were current and complete. However, for a number of the contracted bus drivers, BCTC did not have all clearances on file at BCTC.

#### Corrective Action:

Upon determining BCTC had not received all clearances from several transportation contractors those contractors were contacted and informed of this contract violation. At this time all clearances for all contracted drivers are on file at BCTC.

In response to the audit findings, BCTC has updated its internal procedures to ensure that in the future, all documentation will be on file at BCTC for each driver prior to transporting students. The Transportation Specialist will maintain a database containing all contracted drivers names, the clearances and credentials for each, and the expiration dates. The Specialist will check monthly and inform contractors of any drivers whose credentials will expire in the next month. If BCTC does not receive updated credentials, the contractor will be informed this driver may not transport BCTC students. The Director of Operations will contact all contractors monthly to determine if any new drivers were hired and could potentially be assigned to BCTC runs. We will require that BCTC must receive all credentials from newly hired drivers

immediately if they are assigned to transport BCTC students.

Furthermore, BCTC will modify the contract language for 2012-2013 for transportation contractors to ensure compliance. This will include language requiring a deadline for submission of all clearances and required documentation for the current school year. Additional language will be added stating that failure by any contractor to provide clearances for any driver prior to the driver transporting BCTC students will be considered a breach of contract, with possible financial penalties or termination of the contract.

**Auditor Conclusion**

BCTC noted all clearances are currently on file. Since these clearances were obtained subsequent to our September 13, 2011, fieldwork completion, these documents will be reviewed during the next audit.

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

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**O**ur prior audit of the Berks Career and Technology Center resulted in no findings or observations.



## **Distribution List**

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This report was initially distributed to the career and technology center superintendent of record, the joint operating committee, our website address at [www.auditorgen.state.pa.us](http://www.auditorgen.state.pa.us), and the following:

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