

CRAWFORD COUNTY CAREER AND TECHNICAL CENTER
CRAWFORD COUNTY, PENNSYLVANIA
PERFORMANCE AUDIT REPORT

JULY 2011

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

Mr. David Schaef
Joint Operating Committee Chairperson
Crawford County Career and Technical Center
860 Thurston Road
Meadville, Pennsylvania 16335

Dear Governor Corbett and Mr. Schaef:

We conducted a performance audit of the Crawford County Career and Technical Center (CCCTC) to determine its compliance with applicable state laws, regulations, contracts, grant requirements and administrative procedures. Our audit covered the period June 15, 2009 through January 20, 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 CCCTC complied, in all significant respects, with applicable state laws, regulations, contracts, grant requirements, and administrative procedures, except as detailed in one 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 CCCTC's management and their responses are included in the audit report. We believe the implementation of our recommendations will improve CCCTC's operations and facilitate compliance with legal and administrative requirements. We appreciate the CCCTC's cooperation during the conduct of the audit and their willingness to implement our recommendations.

Sincerely,

/s/

JACK WAGNER
Auditor General

[Actual Release Date]

cc: **CRAWFORD COUNTY CAREER AND TECHNICAL CENTER** Joint Operating
Committee Members



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Executive Summary

Audit Work

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

Our audit scope covered the period June 15, 2009 through January 20, 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 CCCTC provided educational services to 521 secondary pupils and 92 post-secondary pupils through the employment of 34 teachers, 13 full-time and part-time support personnel, and 8 administrators. The operation, administration and management of the school are directed by a joint operating committee (JOC) which comprises nine members from the following school districts:

Conneaut
Crawford Central
Penncrest

The JOC members are appointed by the individual school boards at the December meeting, each to serve a three year term. Lastly, the CCCTC received more than \$692,000 in state funding in school year 2009-10.

Audit Conclusion and Results

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

Finding: Certification Deficiency. Our audit of the CCCTC's professional employees' certificates and assignments for the period July 1, 2009 through December 16, 2010, found one individual was assigned to a teaching position without possessing the proper certification from September 1, 2009 through May 11, 2010 (see page 6).

Status of Prior Audit Findings and Observations. With regard to the status of our prior audit recommendations to the CCCTC, we found the CCCTC had not taken appropriate corrective action in implementing our recommendations pertaining to a certification deficiency (see page 8).



Audit Scope, Objectives, and Methodology

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 15, 2009 through January 20, 2011.

Regarding state subsidy and reimbursements, our audit covered school years 2009-10 and 2008-09, except for the review of professional employee certification, which was performed for the period July 1, 2009 through December 16, 2010.

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 law, regulation, 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, regulations, and defined business practices. Our audit focused on assessing the CCCTC's compliance with applicable state laws, regulations, 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?

- ✓ In areas where the School receives state subsidy and reimbursements based on payroll (e.g. Social Security and retirement), 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 buyout 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.

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, regulations, contracts, grant requirements and administrative procedures.

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

Our audit examined the following:

- Records pertaining to pupil transportation, bus driver qualifications, professional employee certification, state ethics compliance, and financial stability.
- Items such as meeting minutes, pupil membership records, and reimbursement applications.
- Tuition receipts and deposited state funds.

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

Lastly, to determine the status of our audit recommendations made in a prior audit report released on January 15, 2010, we performed audit procedures targeting the previously reported matters.

Findings and Observations

Finding

Criteria relevant to the finding:

Section 1202 of the Public School Code (PSC) provides, in part:

No teacher shall teach, in any public school, any branch which he has not been properly certified to teach.

Section 1212 of the PSC provides, in part:

Every district superintendent shall keep an accurate record of valid certificates held by teachers of the school within his jurisdiction.

Section 2518 of the PSC provides, in part:

[A]ny school district, intermediate unit, area vocational-technical school, or other public school in the Commonwealth that has in its employ any person in a position that is subject to the certification requirements of the Department Education but who has not been certified for his position by the Department of Education . . . shall forfeit an amount equal to six thousand dollars (\$6,000) less the product of six thousand dollars (\$6,000) and the district's market value/income aid ratio.

Certification Deficiency

Our audit of professional employees' certificates and assignments for the period July 1, 2009 through December 16, 2010, found one individual was assigned to a teaching position without possessing the proper certification from September 1, 2009 through May 11, 2010. The individual's provisional certificate had expired and was not made permanent.

Information pertaining to the deficiencies was submitted to the Bureau of School Leadership and Teacher Quality (BSLTQ), Department of Education (DE), for its review. BSLTQ determined on January 31, 2011, that the individual was not properly certified; the Crawford County Career and Technology Center is therefore subject to a subsidy forfeiture of \$1,749 for the 2009-10 school year.

A lack of internal control over the tracking of teacher certification requirements caused the deficiency.

Recommendations

The *Crawford County Career and Technical Center* should:

Implement internal controls to ensure appropriate tracking of all employees who are employed on a provisional, certificate.

The *Department of Education* should:

Recover the appropriate subsidy forfeiture.

Management Response

Management stated the following:

Administration does not agree that there has been a lack of internal control over the tracking of teacher certification.

As [the individual] was making the transition from his Vocational I Certification to Vocational II, he was directed by PDE to deliver a clean Act 151 Child Abuse Clearance. . . . , he was not able to get the clearance. Without it, his Vocational II Certification was not processed. Over time, the Vocational I Certification lapsed.

Each time management checked his certification status on-line, the report stated that his certification was “Pending”; this is not unusual. CCCTC Administration did not receive any communication from PDE stating that [he] needed to reapply for an Act 151 Child Abuse Clearance, nor was Administration made aware of any issues with [the individual’s] certification process.

Auditor Conclusion

The BSLTQ is the regulatory agency responsible for determining proper teacher certification. As noted, BSLTQ determined the teacher was not properly certified. Any further disagreement on the part of the District must be addressed to DE.

Status of Prior Audit Findings and Observations

Our prior audit of the Crawford County Career and Technical Center (CCCTC) for the school years 2007-08 and 2006-07 resulted in one reported finding. The finding pertained to a certification deficiency. As part of our current audit, we determined the status of corrective action taken by the CCCTC to implement our prior recommendations. We performed audit procedures and questioned CCCTC personnel regarding the prior finding. As shown below, we found that the CCCTC did not implement recommendations related to the certification deficiency.

School Years 2007-08 and 2006-07 Auditor General Performance Audit Report

Finding: Certification Deficiency

Finding Summary:

Our prior audit of professional employees' certificates and assignments for the 2007-08 and 2006-07 school years found that one individual was assigned a position without possessing the proper certification, resulting in a subsidy forfeiture of \$1,011.

Recommendations:

Our audit finding recommended that the CCCTC:

1. Ensure that all personnel are properly certified for their assignments.
2. Implement a corrective action plan to ensure employees applying for an emergency permit certification receive the emergency before continuing employment.

We also recommended that the Department of Education (DE):

3. Adjust the CCCTC's allocations to recover the subsidy forfeiture of \$1,012.

Current Status:

We followed up on the certification deficiency and found the CCCTC did not take appropriate corrective action to ensure all personnel were properly certified.

Our current audit found another individual was assigned a position without possessing the proper certification (see page 6).

DE withheld the subsidy forfeiture of \$1,012 from the CCCTC's June 1, 2010, vocational education subsidy.

Distribution List

This report was initially distributed to the career and technology center superintendent of record, the joint operating committee, our website address at www.auditor.gen.state.pa.us, and the following:

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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, PA 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.

