

# LIMITED PROCEDURES ENGAGEMENT

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## Tuscarora Intermediate Unit 11 Mifflin County, Pennsylvania

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May 2017



Commonwealth of Pennsylvania  
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE  
AUDITOR GENERAL

Dr. Shawn L. Kovac, Executive Director  
Tuscarora Intermediate Unit 11  
2527 US Highway 522 South  
McVeytown, Pennsylvania 17051

Ms. Janice R. Metzgar, Board President  
Tuscarora Intermediate Unit 11  
2527 US Highway 522 South  
McVeytown, Pennsylvania 17051

Dear Dr. Kovac and Ms. Metzgar:

We conducted a Limited Procedures Engagement (LPE) of the Tuscarora Intermediate Unit 11 (IU) to determine its compliance with certain relevant state laws, regulations, policies, and administrative procedures (relevant requirements). The LPE covers the period July 1, 2012, through June 30, 2016, 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 IU 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 IU comply with the relevant requirements in the Right-to-Know Law and the Sunshine Act?
- Did the IU take appropriate corrective action to address the finding made in our prior audit?

Dr. Shawn L. Kovac  
Ms. Janice R. Metzgar  
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Our engagement found that the IU properly implemented policies and procedures for the areas mentioned above and complied, in all significant respects, with relevant requirements.

We appreciate the IU's cooperation during the conduct of the engagement.

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

May 1, 2017

cc: **TUSCARORA INTERMEDIATE UNIT 11** Board of School Directors

## Background Information

School Characteristics 2015-16 School Year <sup>A</sup>		Mission Statement <sup>A</sup>
County	Mifflin	Provide Exceptional Service.
Students Served in Public Schools	590	
Students Served in Nonpublic Schools	140	
Total Teachers	67	
Total Full or Part-Time Support Staff	16	
Total Administrators	9	
Number of Participating Schools <sup>B</sup>	19	

A - Source: Information provided by the IU administration and is unaudited.  
B - Schools include participating school districts, nonpublic schools, and institutions.

The IU is a legal entity established under the terms of Pennsylvania Law (Act 102, May 4, 1970) to function as a service agency for the following participating school districts, nonpublic schools, and institutions in Mifflin, Juniata, Huntingdon, and Fulton counties:

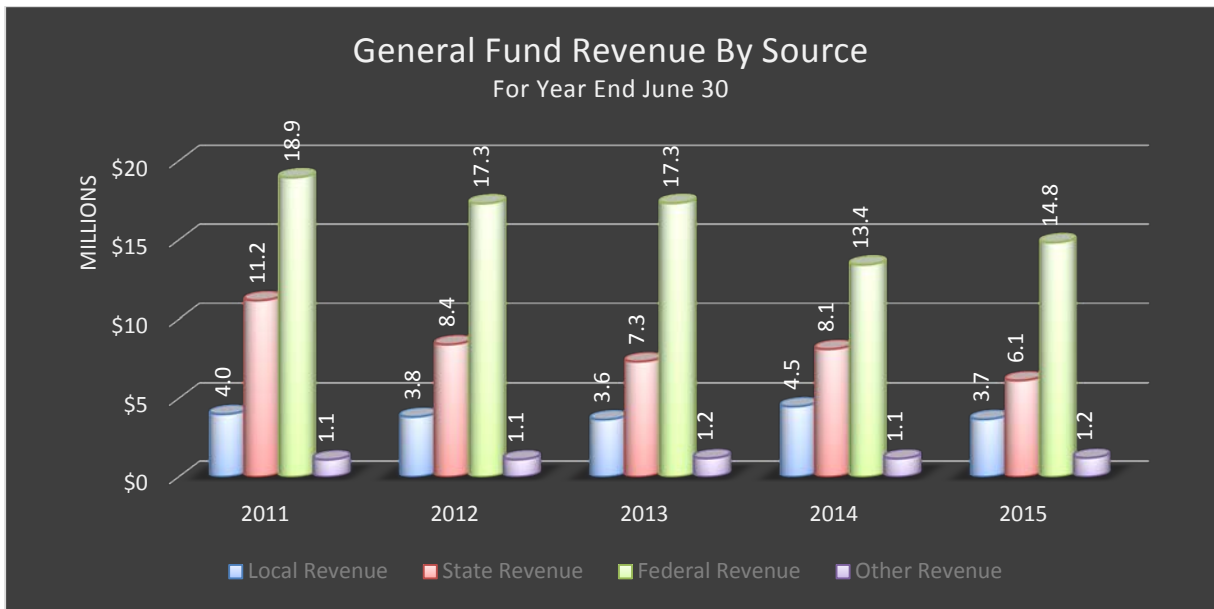
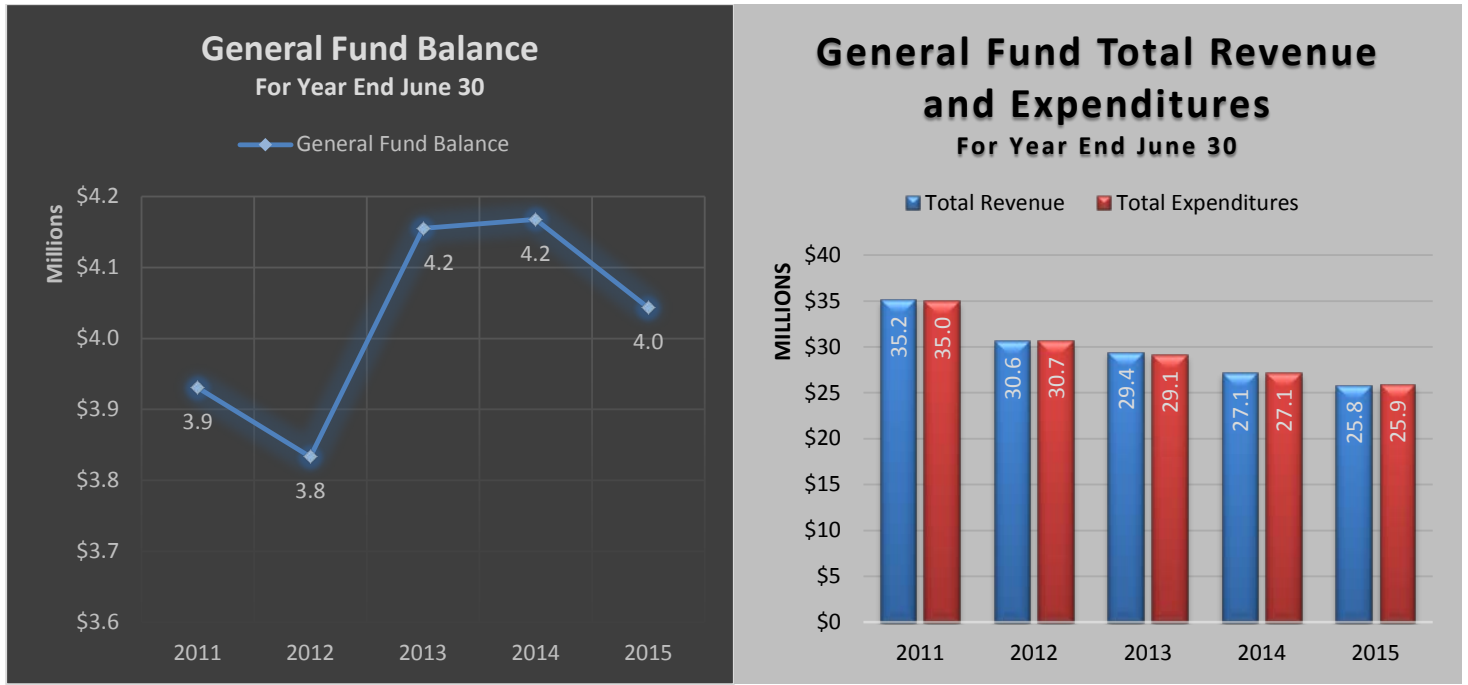
Participating Schools	
Central Fulton School District	Forbes Road School District
Huntingdon Area School District	Juniata County School District
Juniata Valley School District	Mifflin County School District
Mount Union Area School District	Southern Fulton School District
Southern Huntingdon County School District	New Day Charter School
Stone Valley Community Charter School	Belleville Mennonite School
Calvary Christian Academy	Fulton County Community Christian School
Juniata Mennonite School	Mifflin County Christian Academy
Rock Haven Christian School	Sacred Heart Catholic School
Valley View Christian School	

The IU is governed by a nine member board appointed by the participating schools on a rotating basis.

Since the IU is a service agency, academic information and graduation rates are not calculated.

## Financial Information

The following pages contain financial information about the IU obtained from annual financial data reported to the Pennsylvania Department of Education (PDE) and available on PDE's public website. This information was not audited and is presented for **informational purposes only**.



## Status of Prior Audit Findings and Observations

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Our prior audit of the IU released on January 14, 2013, resulted in one finding as shown below. As part of our current engagement, we determined the status of corrective action taken by the IU to implement our prior audit recommendations. We reviewed the IU's written response provided to PDE, interviewed IU personnel, and performed audit procedures as detailed in each status section below.

### Auditor General Performance Audit Report Released on January 14, 2013

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#### **Prior Finding:                      Transportation Cost Proration Errors**

Prior Finding Summary: Our prior review of the 2009-10 school year found transportation data was incorrectly reported to PDE for three buses. Our review of contractor invoices found that transportation costs for two districts were incorrectly reported to PDE. The errors resulted in the nine member districts being incorrectly charged for their share of transportation costs.

Prior Recommendations: We recommended that the IU should:

1. Strengthen internal controls to ensure accurate reporting of mileage, days of service, and contractor cost allocations.
2. Thoroughly reconcile all transportation data for accuracy prior to submission to PDE.
3. Review reports subsequent to the audit period and, if similar errors are found, submit revised reports to PDE.

We also recommended that PDE should:

4. Adjust the member districts' future allocations to correct the revisions in the proration of IU costs.

Current Status: The IU implemented all of our recommendations. Beginning with the 2012-13 school year, the IU developed a spreadsheet that calculates mileage based on odometer readings, total reimbursable miles, and daily rates. In addition, a second level of review was added to verify calculations. The fiscal analyst along with transportation personnel verify all calculations for invoices and PDE reports prior to submission. The fiscal analyst reviewed the 2010-11 and 2011-12 school year reports for errors and found none. Our review of mileage, days of service, and contractor cost allocations reported to PDE for the 2014-15 school year disclosed no errors. As of April 7, 2017, PDE has not adjusted the member district's allocations to correct the revisions in the proration of IU transportation costs.

## **Distribution List**

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This letter was initially distributed to the Executive Director of the Intermediate Unit, the Joint Operating Committee, and the following stakeholders:

**The Honorable Tom W. Wolf**

Governor  
Commonwealth of Pennsylvania  
Harrisburg, PA 17120

**The Honorable Pedro A. Rivera**

Secretary of Education  
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Harrisburg, PA 17126

**The Honorable Joe Torsella**

State Treasurer  
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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).