

WILKES-BARRE AREA CAREER & TECHNOLOGY CENTER  
LUZERNE COUNTY, PENNSYLVANIA  
PERFORMANCE AUDIT REPORT

JULY 2009



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

Mr. James Height, Joint Operating Committee Chairperson  
Wilkes-Barre Area Career & Technology Center  
350 Jumper Road, Plains Township  
P.O. Box 1699  
Wilkes-Barre, Pennsylvania 18705

Dear Governor Rendell and Mr. Height:

We conducted a performance audit of the Wilkes-Barre Area Career & Technology Center (WBACTC) to determine its compliance with applicable state laws, regulations, contracts, grant requirements, and administrative procedures. Our audit covered the period April 26, 2007 through April 22, 2009, except as otherwise indicated in the report. Additionally, compliance specific to state subsidy and reimbursements was determined for the school years ended June 30, 2008, and June 30, 2007, as they were the most recent reimbursements subject to audit. 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 WBACTC complied, in all significant respects, with applicable state laws, contracts, grant requirements, and administrative procedures.

We appreciate the WBACTC's cooperation during the conduct of the audit and their willingness to implement our recommendations.

Sincerely,

/s/

JACK WAGNER  
Auditor General

July 21, 2009

cc: **WILKES-BARRE AREA CAREER & 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 Wilkes-Barre Area Career & Technology Center (WBACTC). Our audit sought to answer certain questions regarding the AVTS's compliance with applicable state laws, regulations, contracts, grant requirements, and administrative procedures.

Our audit scope covered the period April 26, 2007 through April 22, 2009, except as otherwise indicated in the audit scope, objectives, and methodology section of the report.

### **School Background**

According to School officials, in school year 2007-08, the WBACTC provided educational services to 897 secondary pupils and 159 post-secondary pupils through the employment of 40 teachers, 52 full-time and part-time support personnel, and 10 administrators. The operation, administration and management of the school are directed by a joint operating committee (JOC) which is comprised of 5 members from the following school districts:

Crestwood  
Greater Nanticoke Area  
Hanover Area  
Pittston Area  
Wilkes-Barre Area

The JOC members are appointed by the individual school boards at the December meeting, each to serve a 3 year term. Lastly, the WBACTC received more than \$1 million in state funding in school year 2007-08.

### **Audit Conclusion and Results**

Our audit found that the WBACTC complied, in all significant respects, with applicable state laws, regulations, contracts, grant requirements, and administrative procedures. For the audited period, our audit of the WBACTC resulted in no findings or observations.

**Status of Prior Audit Findings and Observations.** There were no findings or observations in our prior audit report for school years 2005-06 and 2004-05 (see page 7).





## 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 April 26, 2007 through April 22, 2009 except for the verification of professional employee certification which was performed for the period January 23, 2007 through April 17, 2009.

Regarding state subsidy and reimbursements, our audit covered school years 2007-08 and 2006-07 because the audit evidence necessary to determine compliance, including payment verification from the Commonwealth's Comptroller Operations and other supporting documentation from the Department of Education (DE), is not available for audit until 16 months, or more, after the close of a school year.

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 DE 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

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 WBACTC'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?

- ✓ Did the School follow applicable laws and procedures in areas dealing with pupil membership and ensure that adequate provisions were taken to protect the data?
- ✓ 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?

## Methodology

### *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.

*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.

WBACTC 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 professional employee certification.
- Items such as meeting minutes.

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

## **Findings and Observations**

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**F**or the audited period, our audit of the Wilkes-Barre Area Career & Technology Center resulted in no findings or observations.

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

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**O**ur prior audit of the Wilkes-Barre Area Career & Technology Center for the school years 2005-06 and 2004-05 resulted in no findings or observations.



## **Distribution List**

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This report was initially distributed to the 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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