

CENTRAL WESTMORELAND CAREER AND TECHNOLOGY CENTER  
WESTMORELAND COUNTY, PENNSYLVANIA  
PERFORMANCE AUDIT REPORT

JANUARY 2010



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

Mr. Richard Albright, Joint Operating Committee Chairperson  
Central Westmoreland Career and Technology Center  
240 Arona Road  
New Stanton, Pennsylvania 15672

Dear Governor Rendell and Mr. Albright:

We conducted a performance audit of the Central Westmoreland Career and Technology Center (CWCTC) to determine its compliance with applicable state laws, regulations, contracts, grant requirements and administrative procedures. Our audit covered the period May 4, 2007 through August 13, 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. 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 CWCTC complied, in all significant respects, with applicable state laws, regulations, contracts, grant requirements, and administrative procedures. However, we identified one matter unrelated to compliance that is reported as an observation. A summary of these results is presented in the Executive Summary section of the audit report.

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

Sincerely,

/s/

JACK WAGNER  
Auditor General

January 26, 2010

cc: **CENTRAL WESTMORELAND CAREER AND TECHNOLOGY** 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 Central Westmoreland Career and Technology Center (CWCTC). Our audit sought to answer certain questions regarding the CWCTC's compliance with applicable state laws, regulations, contracts, grant requirements, and administrative procedures.

Our audit scope covered the period May 4, 2007 through August 13, 2009, 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 2007-08 and 2006-07.

### **School Background**

According to School officials, in school year 2007-08 the CWCTC provided educational services to 1,225 secondary pupils and 479 post-secondary pupils through the employment of 43 teachers, 68 full-time and part-time support personnel, and 5 administrators. The operation, administration and management of the school are directed by a joint operating committee (JOC) which is constituted of nine members from the following school districts:

Belle Vernon Area  
Greensburg Salem  
Hempfield Area  
Jeannette City  
Mount Pleasant Area  
Norwin  
Penn-Trafford

Southmoreland  
Yough

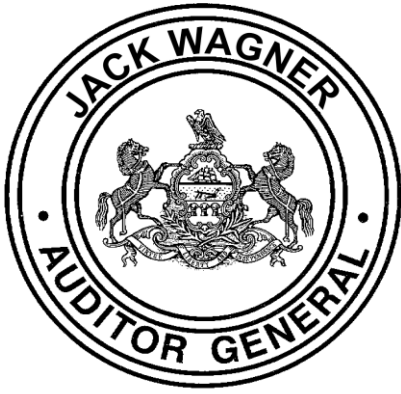
The JOC members are appointed by the individual school boards at the December meeting, each to serve a three year term. Lastly, the CWCTC received more than \$1.1 million in state funding in school year 2007-08.

### **Audit Conclusion and Results**

Our audit found that the CWCTC complied, in all significant respects, with applicable state laws, regulations, contracts, grant requirements, and administrative procedures; however, as noted below, we identified one matter unrelated to compliance that is reported as an observation.

**Observation: Unmonitored Vendor System Access and Logical Access Control Weaknesses.** We determined that a risk exists that unauthorized changes to the CWCTC's data could occur and not be detected because the CWCTC was unable to provide supporting evidence that it is adequately monitoring all activity in its system (see page 6).

**Status of Prior Audit Findings and Observations.** Our prior audit report did not contain any findings or observations for the 2005-06 and 2004-05 school years.





## 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 May 4, 2007 through August 13, 2009, except for the verification of professional employee certification which was performed for the period July 1, 2008 through June 30, 2009.

Regarding state subsidy and reimbursements, our audit covered school years 2007-08 and 2006-07.

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 CWCTC'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?
- ✓ 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.

CWCTC 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, financial stability.
- Items such as meeting minutes.

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

## Findings and Observations

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### Observation

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*What is logical access control?*

“Logical access” is the ability to access computers and data via remote outside connections.

“Logical access control” refers to internal control procedures used for identification, authorization, and authentication to access the computer systems.

### Unmonitored Vendor System Access and Logical Access Control Weaknesses

The Central Westmoreland Career and Technology Center (CWCTC) uses software purchased from an outside vendor for its critical student accounting applications (membership and attendance). The vendor has remote access into the CWCTC’s network servers.

Based on our current year procedures, we determined that a risk exists that unauthorized changes to the CWCTC’s data could occur and not be detected because the CWCTC was unable to provide supporting evidence that it is adequately monitoring all vendor activity in its system. However, since the CWCTC has adequate manual compensating controls in place to verify the integrity of the membership and attendance information in its database, that risk is mitigated. Attendance and membership reconciliations are performed between manual records and reports generated from the Student Accounting System.

Reliance on manual compensating controls becomes increasingly problematic if the CWCTC would ever experience personnel and/or procedure changes that could reduce the effectiveness of the manual controls.

Unmonitored vendor system access and logical access control weaknesses could lead to unauthorized changes to the CWCTC’s membership information and result in the CWCTC not receiving the funds to which it was entitled from the state.

During our review, we found the following weaknesses over vendor access to CWCTC system:

1. The CWCTC does not have current information technology (IT) policies and procedures for controlling the activities of vendor/consultant or employees.
2. The CWCTC does not require written authorization before adding, deleting, or changing a userID.
3. The vendor uses a group userID rather than requiring that each employee has a unique userID and password.

**Recommendations**

The *Central Westmoreland Career and Technology Center* should:

1. Establish separate IT policies and procedures for controlling the activities of vendor/consultants, and employees and have vendor/employees sign this policy.
2. Develop policies and procedures to require written authorization when adding, deleting, or changing a userID.
3. Require the vendor to assign unique userIDs and passwords to vendor employees authorized to access the CWCTC system. Further, the CWCTC should obtain a list of vendor employees with remote access to its data and ensure that changes to the data are made only by authorized vendor representatives.

**Management Response**

Management agreed with the observation but made no further comments at the time of our audit.

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

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**O**ur prior audit of the Central Westmoreland Career and 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 career and technology center's 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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Commonwealth of Pennsylvania  
Harrisburg, PA 17120

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Secretary of Education  
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333 Market Street  
Harrisburg, PA 17126

The Honorable Robert M. McCord  
State Treasurer  
Room 129 - Finance Building  
Harrisburg, PA 17120

Senator Jeffery Piccola  
Chair  
Senate Education Committee  
173 Main Capitol Building  
Harrisburg, PA 17120

Senator Andrew Dinniman  
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Senate Education Committee  
183 Main Capitol Building  
Harrisburg, PA 17120

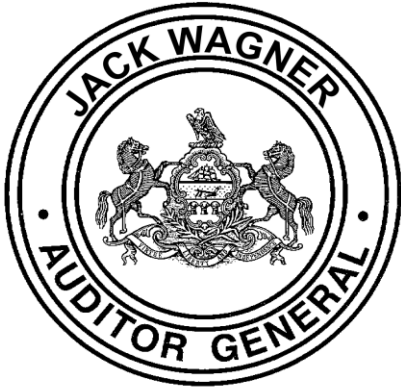
Representative James Roebuck  
Chair  
House Education Committee  
208 Irvis Office Building  
Harrisburg, PA 17120

Representative Paul Clymer  
Republican Chair  
House Education Committee  
216 Ryan Office Building  
Harrisburg, PA 17120

Ms. Barbara Nelson  
Director, Bureau of Budget and Fiscal  
Management  
Department of Education  
4<sup>th</sup> 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



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