

# PERFORMANCE AUDIT

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## Parkway West Career and Technology Center Allegheny County, Pennsylvania

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November 2014



Commonwealth of Pennsylvania  
Department of the Auditor General  
Eugene A. DePasquale • Auditor General



Commonwealth of Pennsylvania  
Department of the Auditor General  
Harrisburg, PA 17120-0018  
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**EUGENE A. DePASQUALE**  
**AUDITOR GENERAL**

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

Ms. Joyce Snell  
Joint Operating Committee Chairperson  
Parkway West Career and  
Technology Center  
7101 Steubenville Pike  
Oakdale, Pennsylvania 15071

Dear Governor Corbett and Ms. Snell:

We conducted a performance audit of the Parkway West Career and Technology Center (Center) to determine its compliance with certain relevant state laws, regulations, contracts, grant requirements, and administrative procedures (relevant requirements). Our audit covered the period January 24, 2011 through July 14, 2014, except as otherwise indicated in the report. Additionally, compliance specific to state subsidies and reimbursements was determined for the school years ended June 30, 2011 and June 30, 2012. Our audit was conducted pursuant to Section 403 of The Fiscal Code, 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 Center complied, in all significant respects, with relevant requirements.

We appreciate the Center's cooperation during the conduct of the audit.

Sincerely,

A handwritten signature in black ink, appearing to read "Eugene A. DePasquale".

Eugene A. DePasquale  
Auditor General

November 20, 2014

cc: **PARKWAY WEST 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 Parkway West Career and Technology Center (Center) in Allegheny County. Our audit sought to answer certain questions regarding the Center's compliance with certain relevant state laws, regulations, contracts, grant requirements, and administrative procedures and to determine the status of corrective action taken by the Center in response to our prior audit recommendations.

Our audit scope covered the period January 24, 2011 through July 14, 2014, except as otherwise indicated in the audit scope, objectives, and methodology section of the report. Compliance specific to state subsidies and reimbursements was determined for the 2010-11 and 2011-12 school years.

### **Center Background**

According to Center officials, the Center provided educational services to 592 secondary pupils and zero (0) post-secondary pupils through the employment of 32 teachers, twelve (12) full-time and part-time support personnel, and four (4) administrators during the 2011-12 school year. A joint operating committee (JOC), which is comprised of twelve (12) members from the following school districts, directs the operation, administration, and management of the school:

Carlynton  
Chartiers Valley  
Cornell

Keystone Oaks  
Montour  
Moon Area  
Mt. Lebanon  
Quaker Valley  
South Fayette Township  
Sto-Rox  
Upper St. Clair Township  
West Allegheny

The JOC members are appointed by the individual school boards at the December meeting, each to serve a one-year term. The Center received \$644,511 in state funding in the 2011-12 school year.

### **Audit Conclusion and Results**

Our audit found that the Center complied, in all significant respects, with certain relevant state laws, regulations, contracts, grant requirements, and administrative procedures. Our audit resulted in no findings or observations.

**Status of Prior Audit Findings and Observations.** With regard to the status of our prior audit recommendations to the Parkway West Career and Technology Center (Center) from an audit released on August 29, 2011, we found that the Center had taken appropriate corrective action in implementing our recommendations pertaining to updating its Memorandum of Understanding with local law enforcement (see page 6).

## Audit Scope, Objectives, and Methodology

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### Scope

*What is a school performance audit?*

School performance audits allow the Pennsylvania 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 Pennsylvania Department of Education, and other concerned entities.

Our audit, conducted under authority of Section 403 of The Fiscal Code, 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 January 24, 2011 through July 14, 2014, except for the verification of professional employee certification, which was performed for the period July 1, 2013 through June 30, 2014.

Regarding state subsidies and reimbursements, our audit covered the 2010-11 and 2011-12 school years.

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 Pennsylvania Department of Education (PDE) 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 Center's compliance with certain relevant 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 audit objectives:

- ✓ Were professional employees certified for the positions they held?
- ✓ Did the Center have sufficient internal controls to ensure that the membership data it reported to PDE through the Pennsylvania Information Management System was complete, accurate, valid, and reliable?
- ✓ Did the Center take appropriate steps to ensure school safety?

- ✓ Did the Center have a properly executed and updated Memorandum of Understanding with local law enforcement?
- ✓ Were votes made by the Center’s Joint Operating Committee free from apparent conflicts of interest?
- ✓ Did the Center take appropriate corrective action to address recommendations made in our prior audit?

## 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 certain relevant state 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 results and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our results and conclusions based on our audit objectives.

The Center’s management is responsible for establishing and maintaining effective internal controls to provide reasonable assurance that the Center is in compliance with certain relevant state laws, regulations, contracts, grant requirements, and administrative procedures (relevant requirements). In conducting our audit, we obtained an understanding of the Center’s internal controls, including any information technology controls, as they relate to the Center’s compliance with relevant requirements that we consider to be significant within the context of our audit objectives. We assessed whether those controls were properly designed and implemented. Any deficiencies in internal controls that were identified during the conduct of our audit and determined to be significant within the context of our audit objectives 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 and reimbursements, pupil transportation, pupil membership, and comparative financial information.

Our audit examined the following:

- Records pertaining to pupil transportation, pupil membership, bus driver qualifications, professional employee certification, state ethics compliance, financial stability, reimbursement applications, tuition receipts, and deposited state funds.

- Items such as board meeting minutes and policies and procedures.

Additionally, we interviewed select administrators and support personnel associated with the Center's operations.

To determine the status of our audit recommendations made in a prior audit report released on August 29, 2011, we reviewed the Center's response to PDE dated August 1, 2012. We then performed additional audit procedures targeting the previously reported matters.

## **Findings and Observations**

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**F**or the audited period, our audit of the Parkway West Career and 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 Parkway West Career and Technology Center (Center) released on August 29, 2011, resulted in one (1) observation. The observation pertained to the failure of the Center to update its Memorandum of Understanding (MOU) with the local law enforcement agency. As part of our current audit, we determined the status of corrective action taken by the Center to implement our prior audit recommendations. We analyzed the Center's written response provided to the Pennsylvania Department of Education, performed audit procedures, and interviewed Center personnel regarding the prior observation. As shown below, we found that the Center did implement our recommendations related to updating its MOU with local law enforcement.

### **Auditor General Performance Audit Report Released on August 29, 2011**

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<b>Observation:</b>	<b>Memorandum of Understanding Not Updated Timely</b>
<u>Observation Summary:</u>	Our prior audit found that the MOU between the Center and the local law enforcement agency had not been reviewed and updated since August 5, 2008.
<u>Recommendations:</u>	Our audit observation recommended that the Center: <ol style="list-style-type: none"><li>1. Continue to review, update, and re-execute the MOU between the Center and the local law enforcement agency.</li><li>2. Adopt a written policy requiring the administration to review and execute the MOU every two (2) years.</li></ol>
<u>Current Status:</u>	During our current audit procedures, we found that the Center did implement the recommendations, and the MOU has been updated and is currently in effect for the period January 14, 2013 through January 14, 2015.

## **Distribution List**

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This report was initially distributed to the Center's Superintendent of Record, the Joint Operating Committee, our website at [www.auditorgen.state.pa.us](http://www.auditorgen.state.pa.us), and the following stakeholders:

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

The Honorable Carolyn Dumaesq  
Acting Secretary of Education  
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The Honorable Robert M. McCord  
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This report is a matter of public record and is available online at [www.auditorgen.state.pa.us](http://www.auditorgen.state.pa.us). Media questions about the report can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 231 Finance Building, Harrisburg, PA 17120; via email to: [news@auditorgen.state.pa.us](mailto:news@auditorgen.state.pa.us).