

# LIMITED PROCEDURES ENGAGEMENT

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Commodore Perry  
School District  
Mercer County, Pennsylvania

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May 2015



Commonwealth of Pennsylvania  
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE  
AUDITOR GENERAL

The Honorable Tom W. Wolf  
Governor  
Commonwealth of Pennsylvania  
Harrisburg, Pennsylvania 17120

Ms. Cathy Adsit, Board President  
Commodore Perry School District  
3002 Perry Highway  
Hadley, Pennsylvania 16130

Dear Governor Wolf and Ms. Adsit:

We conducted a Limited Procedures Engagement (LPE) of the Commodore Perry School District (District) to determine its compliance with certain relevant state laws, regulations, policies, and administrative procedures (relevant requirements). The LPE covers the period April 22, 2013 through April 2, 2015, 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. § 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:

- Does the District have documented board policies and administrative procedures related to the following?
  - Internal controls
  - Budgeting practices
  - Compliance with the Right-to-Know Law
  - Compliance with the Sunshine Law
- Are the policies and procedures adequate and appropriate, and have they been appropriately implemented?
- Did the District take appropriate corrective action to address the findings, observations, and verbal comments made in our prior audit, and were the actions taken into effect?

The Honorable Tom W. Wolf  
Ms. Cathy Adsit  
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Our engagement found that the District complied, in all significant respects, with relevant requirements.

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 14, 2015

cc: **COMMODORE PERRY SCHOOL DISTRICT** Board of School Directors

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

### **Finding No. 1**

#### **Failure to Have Established Internal Controls Relating to Contracted Bus Drivers' Qualifications**

#### **Finding Condition**

Our prior audit of the District's school bus drivers' qualifications found outdated clearances, missing clearances, and expired physical examination forms. In addition, three bus drivers had not been approved by the Board of School Directors prior to transporting District students.

#### **Recommendations**

We recommended the District should:

1. Allow the District's transportation coordinator to attend conferences and training sessions relating to bus drivers' qualifications and recordkeeping requirements.
2. Develop procedures to ensure that the credentials of drivers recommended by the contractor are reviewed prior to board approval to ensure completeness and appropriateness.
3. Review board-established policy to ensure that contractors are not allowed to utilize any driver in the transportation of students prior to the obtaining of all required credentials; the submission of the credentials to the District for review and board approval; and the receipt of verification that the driver has been properly reviewed and approved to transport students.

#### **Current Status**

During our current LPE, we found that the District had implemented recommendations 1 and 2 to ensure that all bus drivers had proper credentials, clearances, and board approval prior to transporting District students. We also found that the District was in the process of implementing recommendation 3.

**Finding No. 2**

**Failure to Ensure that Non-resident Foster Child Information Was Properly Reported for Reimbursement**

**Finding Condition**

In our prior report, the District misreported two non-resident foster children in the 2009-10 school year, resulting in the District failing to receive \$19,498 in Commonwealth-paid tuition. The District's Pennsylvania Information Management System (PIMS) reports and non-resident membership data found that the District did not successfully correct a PIMS error report in the 2011-12 school year, resulting in the elimination of one non-resident child placed in a private home (foster child) from its PIMS report. Consequently the District failed to receive \$16,028 in Commonwealth-paid tuition for foster children.

**Recommendation**

We recommended the District should:

1. Allow the PIMS Coordinator to attend the Pennsylvania Department of Education's (PDE) conferences and training sessions related to PIMS requirements, reporting, and recordkeeping.
2. Develop appropriate written procedures for the student accounting software and PIMS systems to ensure propriety of entry, accuracy of reported data, and report verification.
3. Require responsible District personnel to periodically obtain and review PIMS reports to ensure that PDE-initiated corrective entries are correct and proper.
4. Require the PIMS coordinator to review subsequent years' data to ensure the proper reporting of foster and other non-resident students.
5. Develop an internal control process to review PDE's confirmation of subsidies and reimbursements to ensure that they are properly and timely received.

**Current Status**

During our current LPE, we found that the District did implement our recommendations to ensure that non-resident foster students were properly recognized and reported to PIMS for receipt of Commonwealth-paid tuition.

## **Distribution List**

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This letter was initially distributed to the Superintendent of the District, the Board of School Directors, and the following stakeholders:

The Honorable Tom W. Wolf  
Governor  
Commonwealth of Pennsylvania  
Harrisburg, PA 17120

The Honorable Pedro A. Rivera  
Acting Secretary of Education  
1010 Harristown Building #2  
333 Market Street  
Harrisburg, PA 17126

Christopher B. Craig, *Esq.*  
Acting State Treasurer  
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Mr. Lin Carpenter  
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School Board and Management Services  
Pennsylvania School Boards Association  
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Mechanicsburg, PA 17055

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, 231 Finance Building, Harrisburg, PA 17120; via email to: [news@PaAuditor.gov](mailto:news@PaAuditor.gov).