

LIMITED PROCEDURES ENGAGEMENT

Blacklick Valley School District Cambria County, Pennsylvania

August 2016



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



Commonwealth of Pennsylvania
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EUGENE A. DePASQUALE
AUDITOR GENERAL

Dr. John Mastillo, Superintendent
Blacklick Valley School District
555 Birch Street
Nanty Glo, Pennsylvania 15943

Mr. Arthur Wurm, Board President
Blacklick Valley School District
555 Birch Street
Nanty Glo, Pennsylvania 15943

Dear Dr. Mastillo and Mr. Wurm:

We conducted a Limited Procedures Engagement (LPE) of the Blacklick Valley School District (District) 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, 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:

- Did the District 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 District comply with the relevant requirements in the Right-to-Know Law and the Sunshine Act?
- Did the District take appropriate corrective action to address the finding made in our prior audit, and were the actions taken into effect?

Dr. John Mastillo
Mr. Arthur Wurm
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Our engagement found that the District properly implemented policies and procedures for the areas mentioned above and complied, in all significant respects, with relevant requirements. We appreciate the District cooperation during the conduct of the engagement.

Sincerely,



Eugene A. DePasquale
Auditor General

August 18, 2016

cc: **BLACKLICK VALLEY SCHOOL DISTRICT** Board of School Directors

Status of Prior Findings

Finding

Violation of the Retirement Code

Prior Finding Condition

Our review of the District's board meeting minutes for October 21, 2009, found that the Board of School Directors (Board) accepted a letter of retirement from the former Superintendent, effective December 31, 2009. At the same meeting, the Board appointed the former Superintendent to serve as acting Superintendent, effective January 1, 2010. During his employment as acting Superintendent, he also began receiving his retirement annuities, beginning in January 2010. Consequently, the former Superintendent's return to service appeared to have violated the Public School Employees' Retirement Code (Retirement Code).

Prior Recommendations

We recommended that the District should:

1. Develop procedures to ensure that retirees are only brought back to service in an employment emergency or during a personnel shortage, and submit those facts to the Public School Employees' Retirement System (PSERS) for review.

We also recommended that PSERS should:

2. Review the employment of the retiree for compliance and render an opinion on the appropriateness of the return to service.
3. If annuity payments are determined to be improper, PSERS should make the necessary corrections to pension benefits.

Current Status

Our current engagement found that the District's Board developed a resolution on September 18, 2013, requiring the District to strictly adhere to the Retirement Code.

As stated in emails provided to the auditor from a PSERS representative on June 29, 2016, PSERS denied the former Superintendent's request to consider his post-January 2010 employment as emergency service. PSERS determined that the former Superintendent never actually retired because there was no break in service. The former Superintendent currently has an appeal pending with PSERS regarding this matter.

Distribution List

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

Secretary of Education

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Harrisburg, PA 17126

The Honorable Timothy Reese

State Treasurer

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This letter is a matter of public record and is available online at 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.