

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

AUGUST 2011

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

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

Dear Governor Corbett 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 August 13, 2009 through February 3, 2011, except as otherwise indicated in the report. Additionally, compliance specific to state subsidy and reimbursements was determined for the school years ended June 30, 2010 and June 30, 2009. 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.

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

Sincerely,

/s/

JACK WAGNER
Auditor General

August 29, 2011

cc: **CENTRAL WESTMORELAND CAREER AND TECHNOLOGY CENTER** Joint
Operating Committee Members

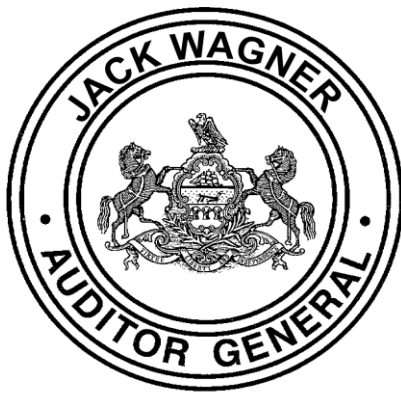


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Executive Summary

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; and to determine the status of corrective action taken by the CWCTC in response to our prior audit recommendations.

Our audit scope covered the period August 13, 2009 through February 3, 2011, 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 2009-10 and 2008-09.

School Background

According to School officials, in school year 2009-10 the CWCTC provided educational services to 1,057 secondary pupils and 432 post-secondary pupils through the employment of 43 teachers, 62 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 comprises nine members from the following school districts:

Belle Vernon Area
Greensburg Salem
Hempfield Area
Jeannette City

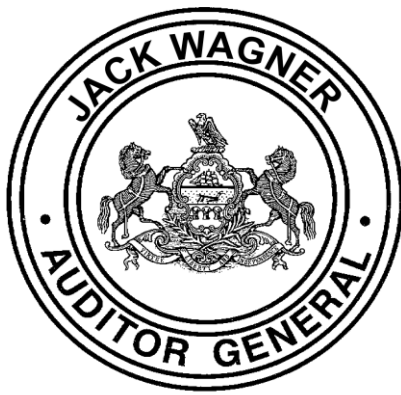
Mount Pleasant Area
Norwin
Penn-Trafford
Southmoreland
Yough

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 2009-10.

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. For the audited period, our audit of the CWCTC 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 CWCTC from an audit we conducted of the 2007-08 and 2006-07 school years, we found the CWCTC had taken appropriate corrective action in implementing our recommendations pertaining to unmonitored vendor system access and logical access control weaknesses (see page 7).



Audit Scope, Objectives, and Methodology

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 August 13, 2009 through February 3, 2011, except for the verification of professional employee certification which was performed for the period July 1, 2009 through January 1, 2011.

Regarding state subsidy and reimbursements, our audit covered school years 2009-10 and 2008-09.

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 (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

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?
- ✓ Does the School ensure that Joint Operating Committee members appropriately comply with the Public Official and Employee Ethics Act?
- ✓ 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?
- ✓ Did the School use an outside vendor to maintain its membership data and if so, are there internal controls in place related to vendor access?
- ✓ Did the School take appropriate corrective action to address recommendations made in our prior audits?

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.

Our audit examined the following:

- Records pertaining to professional employee certification, state ethics compliance, and financial stability.
- Items such as meeting minutes.

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

Lastly, to determine the status of our audit recommendations made in a prior audit report released on January 26, 2010, we reviewed the CWCTC's response to DE dated August 18, 2010. We then performed additional audit procedures targeting the previously reported matters.

Findings and Observations

For the audited period, our audit of the Central Westmoreland Career and Technology Center resulted in no findings or observations.

Status of Prior Audit Findings and Observations

Our prior audit of the Central Westmoreland Career and Technology Center (CWCTC) for the school years 2007-08 and 2006-07 resulted in one reported observation. The observation pertained to unmonitored vendor system access and logical access control weaknesses. As part of our current audit, we determined the status of corrective action taken by the CWCTC to implement our prior recommendations. We analyzed the CWCTC Board's written response provided to the Department of Education, performed audit procedures, and questioned CWCTC personnel regarding the prior observation. As shown below, we found that the CWCTC did implement recommendations related to unmonitored vendor system access and logical access control weaknesses.

School Years 2007-08 and 2006-07 Auditor General Performance Audit Report

Observation: **Unmonitored Vendor System Access and Logical Access Control Weaknesses**

Observation
Summary:

Our prior audit found the 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 audit procedures, we determined that a risk existed 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 was adequately monitoring all vendor activity in its system.

Recommendations: Our audit observation recommended that the CWCTC:

1. Establish separate information technology policies and procedures for controlling the activities of vendor/consultants and employees, and have vendors/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 user IDs 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.

Current Status: During our current audit procedures we found that the CWCTC did implement the recommendations.

Distribution List

This report was initially distributed to the career and technology center superintendent of record, the joint operating committee, our website address at www.auditorgen.state.pa.us, and the following:

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

The Honorable Ronald J. Tomalis
Secretary of Education
1010 Harristown Building #2
333 Market Street
Harrisburg, PA 17126

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

Ms. Lori A. Graham
Assistant Director, Bureau of Budget and
Fiscal Management
Department of Education
4th 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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