

JEFFERSON COUNTY-DUBOIS AREA VOCATIONAL-TECHNICAL SCHOOL

JEFFERSON COUNTY, PENNSYLVANIA

PERFORMANCE AUDIT REPORT

JANUARY 2010



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

Dr. Fred Park  
Joint Operating Committee Chairperson  
Jefferson County-DuBois Area  
Vocational-Technical School  
576 Vo Tech Road  
Reynoldsville, Pennsylvania 15851

Dear Governor Rendell and Dr. Park:

We conducted a performance audit of the Jefferson County-DuBois Area Vocational-Technical School (JCDAVTS) to determine its compliance with applicable state laws, regulations, contracts, grant requirements, and administrative procedures. Our audit covered the period May 30, 2007 through July 17, 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 JCDAVTS complied, in all significant respects, with applicable state laws, regulations, contracts, grant requirements, and administrative procedures.

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

Sincerely,

/s/

JACK WAGNER  
Auditor General

January 25, 2010

cc: **JEFFERSON COUNTY-DUBOIS AREA VOCATIONAL-TECHNICAL SCHOOL**  
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 Jefferson County-Dubois Area Vocational-Technical School (JCDAVTS). Our audit sought to answer certain questions regarding the AVTS's compliance with applicable state laws, regulations, contracts, grant requirements, and administrative procedures; and to determine the status of corrective action taken by the JCDAVTS in response to our prior audit recommendations.

Our audit scope covered the period May 30, 2007 through July 17, 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 JCDAVTS provided educational services to 373 secondary pupils and 49 post-secondary pupils through the employment of 39 teachers, 24 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 comprised of 8 members from the following school districts:

Brockway Area  
Brookville Area  
DuBois Area  
Punxsutawney Area

The JOC members are appointed by the individual school boards at the December meeting, each to serve a three year term. Lastly, the JCDAVTS received more than \$7 million in state funding in school year 2007-08.

### **Audit Conclusion and Results**

Our audit found that the JCDAVTS complied, in all significant respects, with applicable state laws, regulations, contracts, grant requirements, and administrative procedures, and we report no findings or observations in this report.

**Status of Prior Audit Findings and Observations.** With regard to the status of our prior audit recommendations to the JCDAVTS from an audit we conducted of the 2005-06 and 2004-05 school years, we found the JCDAVTS had taken appropriate corrective action in implementing our recommendations pertaining to the Memorandum of Understanding (see page 6).





## 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 30, 2007 through July 17, 2009, except for the verification of professional employee certification which was performed for the 2008-09 school year.

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 (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 JCDAVTS's compliance with applicable state laws, regulations, contracts 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?
- ✓ Is the School taking appropriate steps to ensure school safety?

- ✓ 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 conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our audit objectives.

JCDAVTS 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 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.
- Items such as meeting minutes.

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

Lastly, to determine the status of our audit recommendations made in a prior audit report released on October 22, 2007, we reviewed the JCDAVTS response to DE dated April 28, 2009. 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 Jefferson County-Dubois Area Vocational-Technical School resulted in no findings or observations.

## Status of Prior Audit Findings and Observations

Our prior audit of the Jefferson County-DuBois Area Vocational Technical-School (JCDAVTS) for the school years 2005-06 and 2004-05 resulted in one reported observation. The observation pertained to the Memorandum of Understanding (MOU). As part of our current audit, we determined the status of corrective action taken by the JCDAVTS to implement our prior recommendations. We analyzed the JCDAVTS Joint Operating Committee's (JOC) written response provided to the Department of Education (DE), performed audit procedures, and questioned JCDAVTS personnel regarding the prior observation. As shown below, we found that the JCDAVTS did implement recommendations related to the observation.

<i>School Years 2005-06 and 2004-05 Auditor General Performance Audit Report</i>		
<i>Prior Recommendations</i>	<i>Implementation Status</i>	
<p><i><u>I. Observation:</u></i> <i><u>Memorandum of Understanding Not Updated Timely</u></i></p> <ol style="list-style-type: none"> <li>JOC and administration should review, update and re-execute the MOU between the School and the Pennsylvania State Police (PSP).</li> <li>Approve the MOU and adopt a policy requiring the administration to review and re-execute the MOU every two years.</li> </ol>	<p><b>Background:</b></p> <p>The MOU between the School and the PSP was signed August 27, 1997, and had never been updated.</p>	<p><b>Current Status:</b></p> <p>The School has an updated MOU, dated November 10, 2008, and the JOC adopted a procedure with the PSP to renew the MOU every two years.</p> <p>We concluded that the JCDAVTS <u>did</u> take appropriate corrective action to address our prior recommendations.</p>

## **Distribution List**

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This report was initially distributed to the area vocational-technical school 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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