

LIMITED PROCEDURES ENGAGEMENT

Northumberland County Career and Technology Center Northumberland County, Pennsylvania

March 2017



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
Facebook: Pennsylvania Auditor General
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EUGENE A. DePASQUALE
AUDITOR GENERAL

Mr. James F. Monaghan, Administrative Director
Northumberland County Career and
Technology Center
1700-2000 West Montgomery Street
Coal Township, Pennsylvania 17866

Mr. Dennis Erdman, Board President
Northumberland County Career and
Technology Center
1700-2000 West Montgomery Street
Coal Township, Pennsylvania 17866

Dear Mr. Monaghan and Mr. Erdman:

We conducted a Limited Procedures Engagement (LPE) of the Northumberland County Career and Technology Center (Center) 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, 2016, 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. §§ 402 and 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 Center 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 Center comply with the relevant requirements in the Right-to-Know Law and the Sunshine Act?
- Did the Center take appropriate corrective action to address the finding made in our prior audit?

Mr. James F. Monaghan
Mr. Dennis Erdman
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Our engagement found that the Center properly implemented policies and procedures for the areas mentioned above and complied, in all significant respects, with relevant requirements.

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

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

March 21, 2017

cc: **NORTHUMBERLAND COUNTY CAREER AND TECHNOLOGY CENTER**
Joint Operating Committee

Background Information

School Characteristics 2015-16 School Year ^A		Mission Statement ^A
County	Northumberland	The NCCTC Mission is to provide an opportunity for all students to develop the necessary attitudes and technical skills to compete in the workforce.
Full-Time or Part-Time School	Part-Time	
Secondary Pupils Enrolled	203	
Post-Secondary Pupils Enrolled	0	
Total Teachers	11	
Total Full or Part-Time Support Staff	10	
Total Administrators	1	
Intermediate Unit Number	16	

A - Source: Information provided by the Center administration and is unaudited.

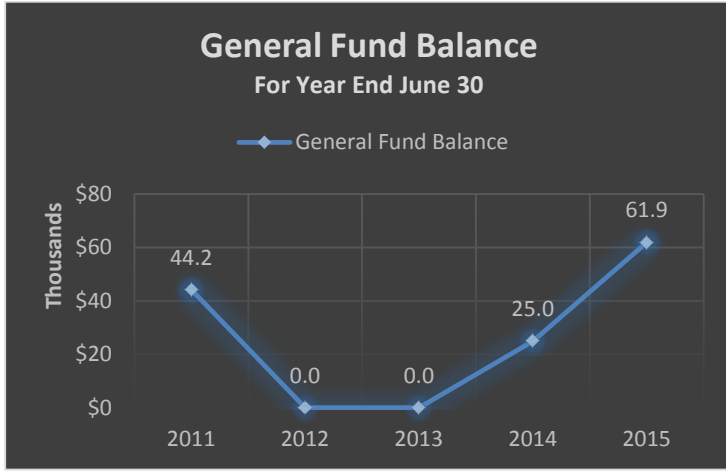
The operation, administration, and management of the Center are directed by a joint operating committee (JOC), which is comprised of seven from the following school districts:

Line Mountain Shamokin Area	Mount Carmel Area
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The JOC members are appointed by the individual school boards at the December meeting, each to serve an annual term.

Financial Information

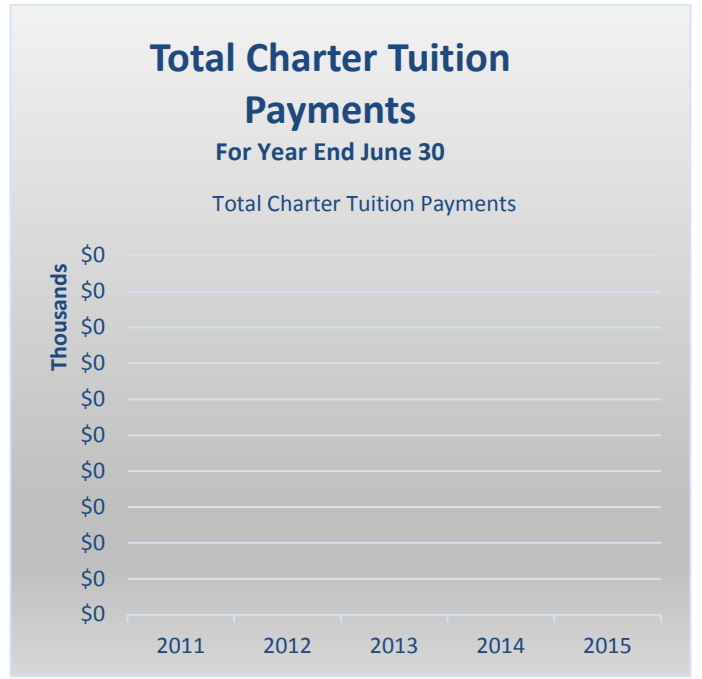
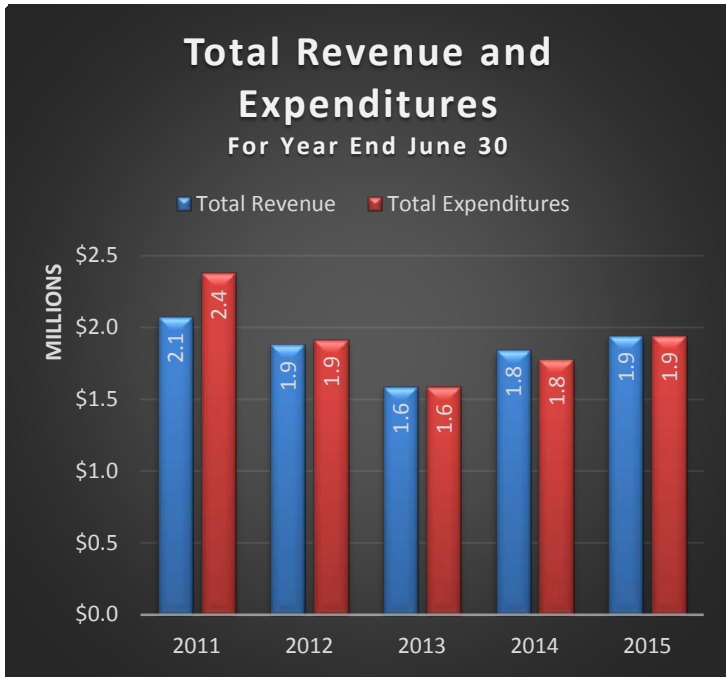
The following pages contain financial information about the Center obtained from annual financial data reported to the Pennsylvania Department of Education (PDE) and available on PDE's public website. This information was not audited and is presented for **informational purposes only**.



Note: General Fund Balance is comprised of the Center's Committed, Assigned and Unassigned Fund Balances.

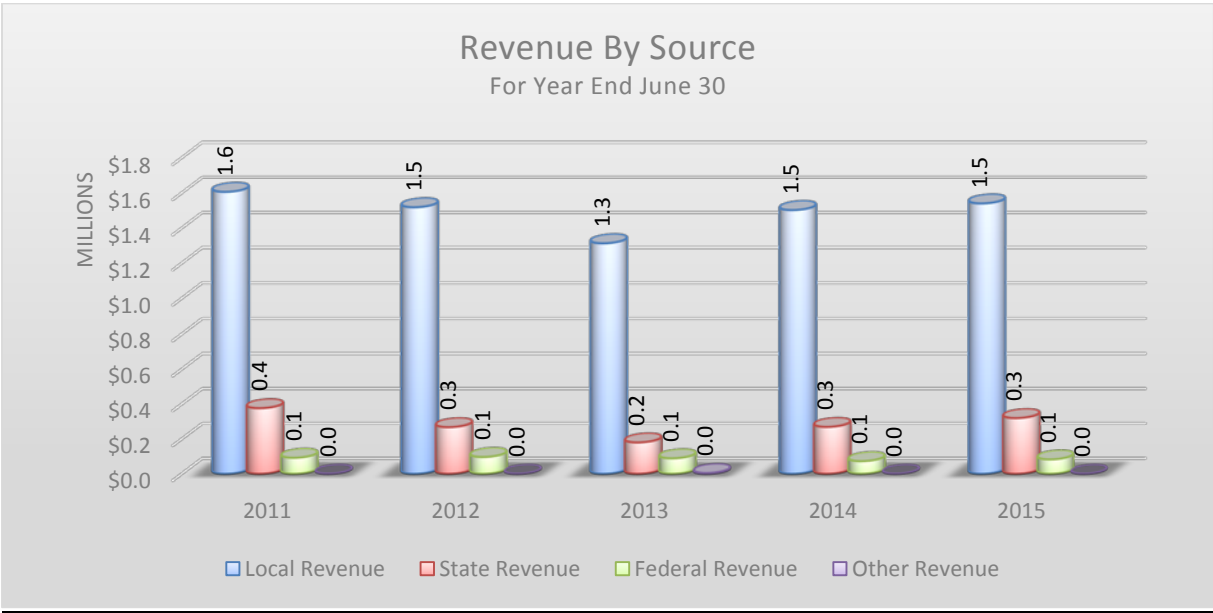


Note: Total Debt is comprised of Short-Term Borrowing, General Obligation Bonds, Authority Building Obligations, Other Long-Term Debt, Other Post-Employment Benefits and Compensated Absences.



Note: Career and technical centers do not make payments to charter schools for tuition. These payments are made by the home district of each student.

Financial Information Continued



Local revenues were primarily obtained from direct payments by the member districts based on the approved budget. Each district’s proportionate share of the operating expenditures was determined by a formula involving average daily membership as specified in the Articles of Agreement.

Academic Information

SPP benchmarks represent the statewide average of all district school buildings in the Commonwealth.¹ PSSA benchmarks and goals are determined by PDE each school year and apply to all public school entities.²

Part-time career and technical centers, such as the Center, do not receive academic scores. Academic instruction in the core content areas occurs in the students' home district and are therefore reported within the scores of the students' home district.³ Full-time comprehensive career and technical centers providing core content receive academic scores.

4 Year Cohort Graduation Rates

Part-time career and technical centers do not report a graduation rate. Each student's graduation rate is reported through the home district for that student. Full-time comprehensive career and technical centers report graduation rates to PDE.

¹ Statewide averages for SPP scores were calculated based on all district school buildings throughout the Commonwealth, excluding charter and cyber charter schools.

² PSSA benchmarks apply to all district school buildings, charters, and cyber charters. In the 2011-12 school year, the state benchmarks reflect the Adequate Yearly Progress targets established under No Child Left Behind. In the 2012-13 and 2013-14 school years, the state benchmarks reflect the statewide goals based on annual measurable objectives established by PDE.

³ <http://paschoolperformance.org/FAQ>.

Status of Prior Audit Findings and Observations

Our prior audit of the Center released on March 20, 2014, resulted in one finding as shown below. As part of our current engagement, we determined the status of corrective action taken by the Center to implement our prior audit recommendations. We interviewed Center personnel and performed audit procedures as detailed in the status section below.

Auditor General Performance Audit Report Released on March 20, 2014

Prior Finding: **The Joint Operating Committee Continues Not to Have a Signed Employment Contract with their Executive Director**

Prior Finding Summary: Our prior audit of the Center found that on June 29, 2011, the JOC approved the hiring of an Administrative Director. However, the JOC failed to execute a written, signed employment contract for the Executive Director.

Prior Recommendations: We recommended that the Center should:

1. Ensure that employment contracts with current and future administrators are properly executed and contain adequate provisions sufficient to protect the Center and participating districts in the event that the employment ends prematurely for any reason.
2. Ensure that all future contracts address the duties, responsibilities, benefits, and performance expectations between the JOC and an Executive Director.
3. Provide as much information as possible to the taxpayers of the participating districts of all details of the contract of the Executive Director.

Current Status: We found that the Center did implement our prior recommendations by entering into a signed employment contract with the Administrative Director on September 11, 2013. However, though this employment contract addresses the duties, responsibilities, benefits, and performance expectations of the executive director, it does not have adequate termination language. We commend the Center for entering into this employment contract, but continue to recommend that adequate termination language is included in all employment contracts.

Distribution List

This letter was initially distributed to the Director of the Center, the Joint Operating Committee, and the following stakeholders:

The Honorable Tom W. Wolf

Governor
Commonwealth of Pennsylvania
Harrisburg, PA 17120

The Honorable Pedro A. Rivera

Secretary of Education
1010 Harristown Building #2
333 Market Street
Harrisburg, PA 17126

The Honorable Joe Torsella

State Treasurer
Room 129 - Finance Building
Harrisburg, PA 17120

Mrs. Danielle Mariano

Director
Bureau of Budget and Fiscal Management
Pennsylvania 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

Mr. Nathan Mains

Executive Director
Pennsylvania School Boards Association
400 Bent Creek Boulevard
Mechanicsburg, PA 17050

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.