

LIMITED PROCEDURES ENGAGEMENT

Richland School District
Cambria County, Pennsylvania

September 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

Mr. Arnold Nadonley, Superintendent
Richland School District
1 Academic Avenue, Suite 200
Johnstown, Pennsylvania 15904

Ms. Kathy Glatke, Board President
Richland School District
1 Academic Avenue, Suite 200
Johnstown, Pennsylvania 15904

Dear Mr. Nadonley and Ms. Glatke:

We conducted a Limited Procedures Engagement (LPE) of the Richland 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. § 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 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, observation, and comments made in our prior audit, and were the actions taken into effect?

Mr. Arnold Nadonley
Ms. Kathy Glattke
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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's cooperation during the conduct of the engagement.

Sincerely,



Eugene A. DePasquale
Auditor General

September 29, 2016

cc: **RICHLAND SCHOOL DISTRICT** Board of School Directors

Status of Prior Finding and Observation

Prior Finding

Errors in Reporting Non-resident Membership Resulted in Underpayments of \$10,196 in Tuition for Children Placed in Private Homes

Prior Finding Condition

During our prior audit of the District's non-resident student membership for the 2008-09 and 2009-10 school years, we found errors in reports submitted to the Pennsylvania Department of Education (PDE) by the District. These District reported errors resulted in underpayments of \$10,196 to the District in Commonwealth-paid tuition for non-resident students.

Prior Recommendations

We recommended that the District should:

1. Review the Pennsylvania Information Management System (PIMS) manual of reporting for instructions on the proper reporting of non-resident students.
2. Review membership reports submitted to PDE for years subsequent to the audit, and if similar errors are found, submit revised reports to PDE.

We also recommended that PDE should:

3. Adjust the District's allocations to correct the underpayment of \$10,196.

Current Status

During our current review of the District's nonresident student membership for the 2014-15 school year, we found that the District correctly classified non-resident students. The District did implement our prior recommendations and now reviews the PIMS manual of reporting prior to reporting non-resident students to PDE.

On August 28, 2014, PDE adjusted the District's allocations to correct the \$10,196 underpayment to the District.

Prior Observation

The District Lacks Sufficient Internal Controls Over Its Student Data

Prior Observation Condition

Our prior review of the District's controls over data integrity found that internal controls needed to be improved.

Prior Recommendations

We recommended that the District should:

1. Print out the District's Student Information System (SIS) membership reports and PIMS reports after the PIMS upload is completed for that school year, perform reconciliations between the District's child accounting software data and the PIMS reports, and retain them for audit purposes.
2. Contact the SIS software vendor to determine whether the vendor's SIS software has the capability of backing up school year specific data.
3. Contact the SIS software vendor or the PIMS help desk to resolve differences between calendar fact templates.
4. Reference the PIMS manual of reporting for instructions in the proper reporting of the home portion of area vocational-technical school rotation patterns.
5. Develop documented procedures (e.g. procedure manuals, policies or other written instructions) to ensure continuity over PIMS data submission if those involved persons were to leave the District suddenly or otherwise be unable to upload PIMS data to PDE.
6. Review membership reports submitted to PDE for years subsequent to the audit, and if similar errors are found, submit reviewed reports to PDE.

Current Status

Our review of the District's membership procedures revealed the District implemented all of our recommendations.

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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The Honorable Timothy Reese

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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.