

STATE OF DELAWARE
OFFICE OF
AUDITOR OF ACCOUNTS

PENCADER CHARTER
HIGH SCHOOL

TIME AND ATTENDANCE
SPECIAL INVESTIGATION

FIELDWORK END DATE: JULY 30, 2009

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State of Delaware
Office of Auditor of Accounts
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At a Glance

Working Hard to Protect YOUR Tax Dollars

Why We Did This Review

The Office of Auditor of Accounts (AOA) received a hotline call alleging that the School Leader of Pencader Charter High School (the School) took excessive sick and vacation time. The complainant also alleged that teachers were not required to make up time for the three snow days that occurred during the 2008-2009 School Year.

Background

Pencader Charter High School is located in New Castle, Delaware with an educational focus on business and finance. The School opened in September 2006 and for the School Year 2008-2009 (SY08-09), had 575 students. Pencader Charter High School graduated its first class of students in 2009.

For further information on this release, please contact:

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PENCADER CHARTER HIGH SCHOOL TIME AND ATTENDANCE SPECIAL INVESTIGATION

What We Found

Pencader Charter High School's administrative policy, allows a 12-month employee to receive 10 vacation and 10 sick days a year. The School Leader, a 12-month employee, carried over 11 days of sick leave from prior years for a total of 21 sick days available for SY08-09. The School Leader took 14 days of sick leave and 10 days of vacation in SY08-09, and thus the School Leader complied with policy. AOA does recommend additional oversight of the School Leader's time and attendance records by the School Board.

Pencader Charter High School was closed for snow on three days: January 28, March 2, and March 3, 2009. Teacher contracts require teachers to work 188 days. The school year for teachers was extended one day (June 11) and teachers were mandated to make up time for the closed days. Additional teacher time was documented on a form, and reviewed and approved by school management. All teachers met the requirement of management to work the necessary number of days.

What We Recommend

The School Leader should present vacation and sick time taken to the School Board during the annual evaluation process. The School Board should evaluate the School Leader's attendance along with other job performance requirements.

Please read the complete report for a full list of findings/recommendations and to review the School's response to our findings.

TABLE OF CONTENTS

Audit Authority	1
Allegation and Background	2
Objectives, Scope, and Methodology	3
Conclusions	4
Findings and Recommendations	5
Distribution of Report	6

AUDIT AUTHORITY

Title 29, Del. C. c. 29 authorizes the Auditor of Accounts to file written reports containing:

1. Whether all expenditures have been for the purpose authorized in the appropriations;
2. Whether all receipts have been accounted for and paid into the State Treasury as required by law;
3. All illegal and unbusinesslike practices;
4. Recommendations for greater simplicity, accuracy, efficiency, and economy; and
5. Such data, information and recommendations as the Auditor of Accounts may deem advisable and necessary.

ALLEGATION AND BACKGROUND

ALLEGATION

The Office of Auditor of Accounts (AOA) received the following hotline complaint on Pencader Charter High School:

1. The School Leader is never at work, but is able to take vacation weeks.
2. Three snow days were missed during the 2008-2009 School Year; however, teachers were not required to make up these days.

BACKGROUND

Pencader Charter High School is located in New Castle, Delaware with an educational focus on business and finance. The school opened in September 2006 and for the School Year 2008-2009 had 575 students.

OBJECTIVES, SCOPE, & METHODOLOGY

OBJECTIVES

AOA's objectives were as follows:

- To determine that the School Leader's vacation, sick, and compensation time is correctly recorded in school time keeping records.
- To determine that teachers and students completed the required number of days and or time for the 2008-2009 School Year.

SCOPE

AOA's audit scope was for School Year 2008-2009 and covered the period of July 1, 2008 through June 30, 2009.

The investigation was performed in accordance with the President's Council on Integrity and Efficiency, *Quality Standards for Investigations*.

METHODOLOGY

Investigative techniques included:

- Interviews and inquiry.
- Inspection and confirmation of documentation.

CONCLUSIONS

ALLEGATION	RESULTS OF TESTING	CONCLUSION
<p>The School Leader is never at work, but is able to take vacation weeks.</p>	<p>School policies allow 12-month employees to receive 10 vacation and 10 sick days a year. The School Leader, a 12-month employee, carried over 88 hours (11 days) of sick leave from the prior year, for a total of 21 sick leave days available for SY08-09. School records indicate that the School Leader took 14 days of sick leave and 10 days of vacation in SY08-09. AOA did note one instance where a Notification of Absence form for the School Leader was not on file. Additionally, there is no oversight of the School Leader's time and attendance by the School Board. AOA recommends that the School Board review the School Leader's time and attendance annually.</p>	<p>Unsubstantiated.</p>
<p>Three snow days were missed during the 2008-2009 School Year; however, teachers were not required to make up these days.</p>	<p>The School was closed for snow on three days: January 28, March 2, and March 3, 2009. Teacher contracts require teachers to work 188 days. Teachers were required to work one additional day, June 11, and were required to make up time for the closed days. Based on testing performed, all teachers met the requirement of management to work the required number of days.</p>	<p>Unsubstantiated.</p>

FINDINGS AND RECOMMENDATIONS

Finding #1 – Oversight of School Leader’s Time and Attendance

Criteria

The Committee of Sponsoring Organizations of the Treadway Commission's report, *Internal Control - Integrated Framework* (COSO) defines control activities as " . . . the policies and procedures that help ensure management directives are carried out. They help ensure that necessary actions are taken to address risks to achievement of the entity's objectives. Control activities occur throughout the organization, at all levels and in all functions. They include a range of activities as diverse as approvals, authorizations, verifications, reconciliations, reviews of operating performance, security of assets, and segregation of duties."

Guidance based on the Statement on Auditing Standards No. 99, *Consideration of Fraud in a Financial Statement Audit*, issued jointly by several organizations including The American Institute of Certified Public Accountants and the Association of Certified Fraud Examiners, states, "The audit committee's (or the board of directors where no audit committee exists) evaluation and oversight not only helps make sure that senior management fulfills its responsibility, but also can serve as a deterrent to senior management engaging in fraudulent activity . . ."

Condition

There is no oversight of the School Leader's vacation and sick leave. The School Leader's secretary will prepare the documentation and update the attendance record card.

Cause

Management was unaware of the need for additional oversight.

Effect

Time off may not be properly documented.

Recommendation

The School Leader should present vacation and sick time taken to the School Board during the annual evaluation process. The School Board should evaluate the School Leader's attendance along with other job performance requirements.

Auditee Response

The Pencader Charter High School School Board accepts and agrees with the recommendation of the auditor. The School Leader will present to the School Board, on a bi-annual basis, vacation and sick leave taken and the School Leader's attendance will be evaluated along with other job performance requirements.

DISTRIBUTION OF REPORT

Copies of this report have been distributed to the following public officials:

The Honorable Jack Markell, Governor, State of Delaware

The Honorable Russell T. Larson, Controller General, Office of the Controller General

The Honorable Joseph R. Biden, III, Attorney General, Office of the Attorney General

Officials of Audited Entities

Mr. Brad Catts, School Leader, Pencader Charter High School

Mr. Mike Hamilton, President, Pencader Charter High School Board