

PERFORMANCE AUDIT

Williamsport Area School District Lycoming County, Pennsylvania

January 2016



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
Twitter: @PAAuditorGen
www.PaAuditor.gov

EUGENE A. DePASQUALE
AUDITOR GENERAL

Dr. Don C. Adams, Superintendent
Williamsport Area School District
2780 West Fourth Street
Williamsport, Pennsylvania 17701

Ms. Lori Baer, Board President
Williamsport Area School District
2780 West Fourth Street
Williamsport, Pennsylvania 17701

Dear Dr. Adams and Ms. Baer:

We have conducted a performance audit of the Williamsport Area School District (District) for the period July 1, 2012 through June 30, 2015. We evaluated the District's performance in the following areas:

- Contracting
- School Safety
- Bus Driver Requirements

The audit was conducted pursuant to Section 403 of The Fiscal Code and in accordance with the Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings 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.

Our audit found that the District performed adequately in the areas listed above.

We appreciate the District's cooperation during the course of the audit.

Sincerely,

A handwritten signature in black ink, appearing to read "Eugene A. DePasquale".

Eugene A. DePasquale
Auditor General

January 7, 2016

cc: **WILLIAMSPORT AREA SCHOOL DISTRICT** Board of School Directors

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Background Informationⁱ

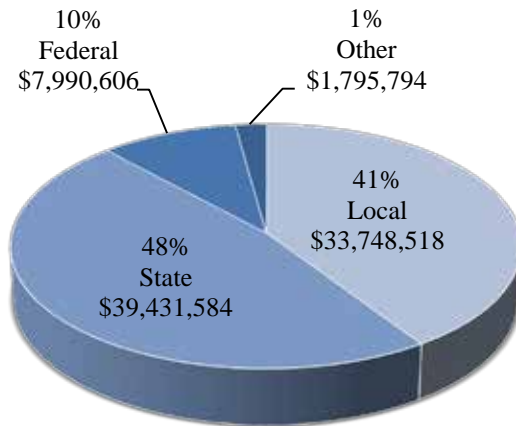
School Characteristics 2014-15 School Year ⁱⁱ	
County	Lycoming
Total Square Miles	98
Resident Population ⁱⁱⁱ	41,746
Number of School Buildings	8
Total Teachers	418
Total Full or Part-Time Support Staff	358
Total Administrators	44
Total Enrollment for Most Recent School Year	5,033
Intermediate Unit Number	17
District Vo-Tech School	District Operated

Mission Statement

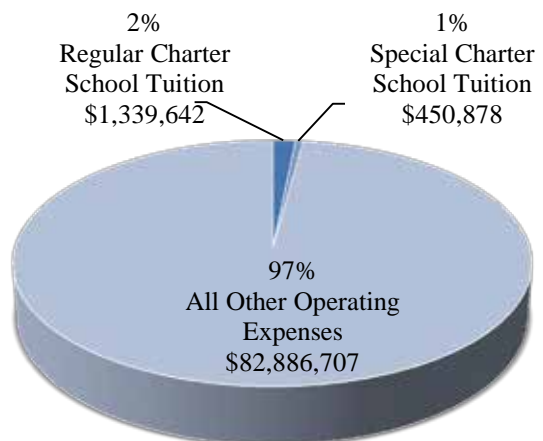
“Developing responsible citizens through excellence in education.”

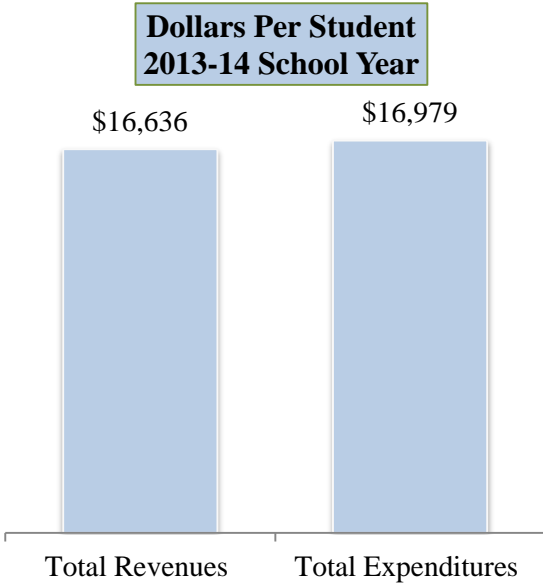
Financial Information

Revenue by Source for 2013-14 School Year



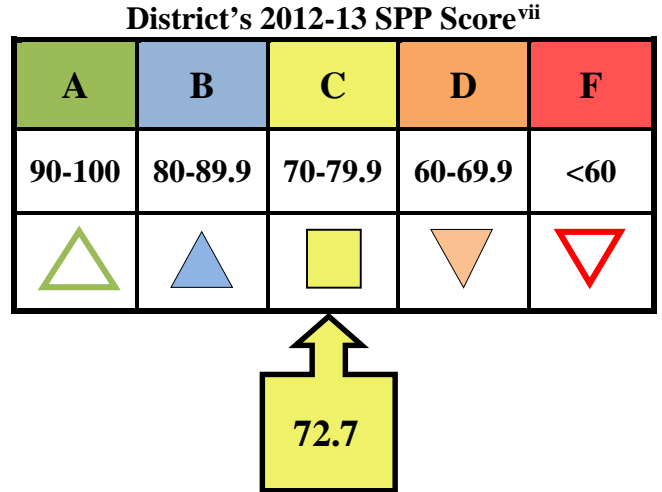
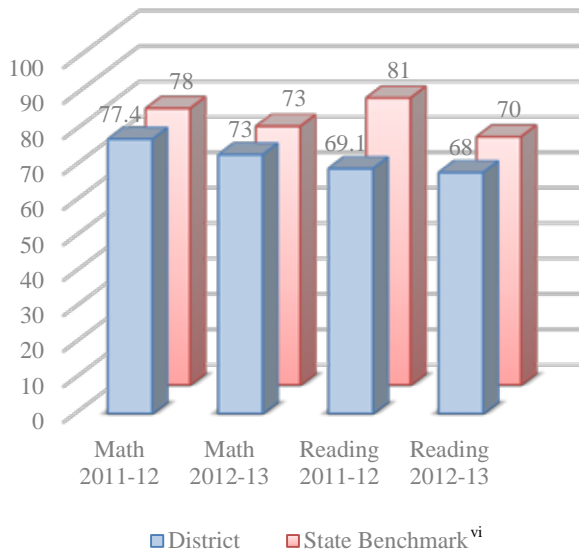
Select Expenditures for 2013-14 School Year





Academic Information

Percentage of District Students Who Scored "Proficient" or "Advanced" on 2011-12 and 2012-13 PSSA^{iv v}



**Individual Building SPP and PSSA Scores^{viii}
2012-13 School Year**

School Building¹	SPP Score	PSSA % School Proficient and Advanced in Math	PSSA % Statewide Benchmark of 73% Above or Below	PSSA % School Proficient and Advanced in Reading	PSSA % Statewide Benchmark of 70% Above or Below	Federal Title I Designation (Reward, Priority, Focus, No Designation)^{ix}
Cochran Elementary	66.3	59	14	60	10	No Designation
Curtin Middle	70.4	74	1	66	4	No Designation
Hepburn-Lycoming Elementary	79	81	8	77	7	Reward
Jackson Elementary	70.7	66	7	58	12	No Designation
Lycoming Valley Middle School	70.9	83	10	71	1	No Designation
Round Hills Elementary	78.7	85	12	80	10	No Designation
Sheridan Elementary	62.9	68	5	54	16	No Designation
Stevens Elementary	70.4	59	14	54	16	No Designation
Williamsport Area High School	79.8	70	3	79	9	No Designation

¹ The District has consolidated schools since the 2012-13 school year.

Findings and Observations

For the audited period, our audit of the District resulted in no findings or observations.

Status of Prior Audit Findings and Observations

Our prior audit of the District released on April 15, 2014, resulted in two findings. As part of our current audit, we determined the status of corrective action taken by the District to implement our prior audit recommendations. We reviewed the District's written response provided to the Pennsylvania Department of Education (PDE), interviewed District personnel, and performed audit procedures as detailed in each status section below.

Auditor General Performance Audit Report Released on April 15, 2014

Prior Finding No. 1: Membership Reporting Errors and Lack of Internal Controls Resulted in the District Not Receiving Its Entitled Subsidy

Prior Finding Summary:

Our prior audit of the District's pupil membership reports submitted to PDE for the 2009-10 school year found several reporting errors, as well as a lack of internal controls. District personnel inaccurately reported resident and non-resident membership. The lack of internal controls resulted in the District failing to reconcile preliminary data reports from PDE, which resulted in incorrect data being reported on their Final Summary of Child Accounting Membership Report.

Prior Recommendations:

Our prior audit finding recommended that the District should:

1. Establish internal controls that include the reconciliation of the data that is uploaded into the Pennsylvania Information Management System to the District's internal records.
2. Verify that the preliminary reports received from PDE are correct and, if they are not correct, revise and resubmit child accounting data so that the final reports from PDE are correct.

Current Status:

During our current audit, we obtained membership reports for the 2014-15 school year and determined that the District did implement our prior recommendations, internal controls were established, and the District correctly reported membership data to PDE.

Prior Finding No. 2: Documentation Supporting Pupil Transportation Reimbursement Not Available for Audit

Prior Finding Summary:

Our prior audit of the District's mileage and pupil counts reported to PDE by the District for the 2009-10 school year found that District personnel did not maintain adequate documentation to support the mileage reported. Without such documentation, the accuracy of pupil transportation subsidy that the District received from the Commonwealth for the 2009-10 school year could not be determined. The reports the District filed with PDE generated a transportation subsidy of \$1,070,502 for the 2009-10 school year.

Prior Recommendations:

Our prior audit finding recommended that the District should:

1. Require that District personnel maintain a complete record of contracted vehicle data for transporting pupils to and from school to substantiate the miles driven in a school year, in accordance with the Public School Code (PSC) and in compliance with regulations of the State Board of Education of Pennsylvania.
2. Put into place internal policies and procedures to ensure proper, accurate, and timely reporting to PDE, as well as to ensure supporting documentation is retained, as required.

We also recommended that PDE should:

3. Require the District to maintain sufficient and relevant evidence to ensure proper justification of the receipt of state funds.

Current Status:

During our current audit, we obtained transportation records and reviewed data for ten buses for the 2014-15 school year. We determined that the District did implement our prior recommendations, as the District maintained documentation to support mileage reported to PDE, and our review of the ten buses found no errors.

Appendix: Audit Scope, Objectives, and Methodology

School performance audits allow the Pennsylvania 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, PDE, and other concerned entities.

Our audit, conducted under authority of Section 403 of The Fiscal Code,² is not a substitute for the local annual financial audit required by the PSC of 1949, as amended. We conducted our audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings 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.

Scope

Overall, our audit covered the period July 1, 2012 through June 30, 2015. In addition, the scope of each individual audit objective is detailed on the next page.

While all districts have the same school years, some have different fiscal years. Therefore, for the purposes of our audit work and to be consistent with PDE 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.

The District's management is responsible for establishing and maintaining effective internal controls³ to provide reasonable assurance that the District is in compliance with certain relevant state laws, regulations, contracts, grant requirements, and administrative procedures (relevant requirements). In conducting our audit, we obtained an understanding of the District's internal controls, including any information technology controls, that we consider to be significant within the context of our audit objectives. We assessed whether those controls were properly designed and implemented. Any deficiencies in internal controls that were identified during the conduct of our audit and determined to be significant within the context of our audit objectives are included in this report.

² 72 P.S. § 403

³ 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; and compliance with certain relevant state laws, regulations, contracts, grant requirements, and administrative procedures.

Objectives/Methodology

In order to properly plan our audit and to guide us in selecting objectives, we reviewed pertinent laws and regulations, board meeting minutes, academic performance data, financial reports, annual budgets, and new or amended policies and procedures. We also determined if the District had key personnel or software vendor changes since the prior audit.

Performance audits draw conclusions based on an evaluation of sufficient, appropriate evidence. Evidence is measured against criteria, such as laws, regulations, third-party studies, and best business practices. Our audit focused on the District's efficiency and effectiveness in the following areas:

- Contracting
- School Safety
- Bus Driver Requirements

As we conducted our audit procedures, we sought to determine answers to the following questions, which served as our audit objectives:

- ü Did the District ensure that its significant contracts were current and were properly obtained, approved, executed, and monitored?
 - o To address this objective, we reviewed the District's procurement and contract monitoring policies and procedures. We obtained a list of contracts for goods and services that were in effect for the 2014-15 school year. We selected 6 out of 30 significant contracts for detailed testing. Testing included a review of the procurement documents to determine if the contract was procured in accordance with the PSC and District policies. We also reviewed documents to determine if the District properly monitored the selected contracts. Finally, we reviewed board meeting minutes and the Board of School Director's Statements of Financial Interest to determine if any board member had a conflict of interest in approving the selected contracts.

- ü Did the District take appropriate actions to ensure it provided a safe school environment?
 - o To address this objective, we reviewed a variety of documentation including, safety plans, training schedules, anti-bullying policies, and after action reports. In addition, we conducted on-site reviews at three out of the District's eight school buildings to assess whether the District had implemented basic safety practices.

- Ü Did the District ensure that bus drivers transporting District students had the required driver’s license, physical exam, training, background checks, and clearances as outlined in applicable laws?⁴ Also, did the District have adequate written policies and procedures governing the hiring of new bus drivers?
 - To address this objective, we selected 5 of the 42 bus drivers hired by the District bus contractor during the period of July 1, 2011 through June 30, 2015, and reviewed documentation to ensure the District complied with bus driver’s requirements. We also determined if the District had written policies and procedures governing the hiring of bus drivers and if those procedures were sufficient to ensure compliance with bus driver hiring requirements.

⁴ 24 P.S. § 1-111, 23 Pa.C.S. § 6344(a.1), 24 P.S. § 2070.1a *et seq.*, 75 Pa.C.S. §§ 1508.1 and 1509, and 22 *Pa. Code Chapter 8*.

Distribution List

This report 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
1010 Harristown Building #2
333 Market Street
Harrisburg, PA 17126

The Honorable Timothy Reese

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. Lin Carpenter

Assistant Executive Director for Member Services
School Board and Management Services
Pennsylvania School Boards Association
P.O. Box 2042
Mechanicsburg, PA 17055

This report is a matter of public record and is available online at www.PaAuditor.gov. Media questions about the report 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.

ⁱ Source: School district, PDE, and U.S. Census data.

ⁱⁱ Source: Information provided by the District administration.

ⁱⁱⁱ Source: United States Census <http://www.census.gov/2010census>

^{iv} PSSA stands for the Pennsylvania System of School Assessment (PSSA), which is composed of statewide, standardized tests administered by PDE to all public schools and the reporting associated with the results of those assessments. PSSA scores in the tables in this report reflect Reading and Math results for the “All Students” group for the 2011-12 and 2012-13 school years.

^v PSSA scores, which are Pennsylvania’s mandatory, statewide academic test scores, are issued by PDE. However, the PSSA scores issued by PDE are collected by an outside vendor, Data Recognition Corporation (DRC). The Pennsylvania Department of the Auditor General and KPMG issued a significant weakness in internal controls over PDE’s compilation of this academic data in the Single Audit of the Commonwealth of Pennsylvania for the fiscal year ended June 30, 2014, citing insufficient review procedures at PDE to ensure the accuracy of test score data received from DRC.

^{vi} 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 school year, the state benchmarks reflect the statewide goals based on annual measurable objectives established by PDE.

^{vii} SPP stands for School Performance Profile, which is Pennsylvania’s new method for reporting academic performance scores for all public schools based on a scale from 0% to 100% implemented in the 2012-13 school year by PDE.

^{viii} *Ibid.* Additionally, federal Title I designations of Priority, Focus, Reward, and No Designation are new federal accountability designations issued by PDE to Title I schools only beginning in the 2012-13 school year. Priority schools are the lowest 5%, focus schools are the lowest 10%, and reward schools are the highest 5% of Title I schools. All Title I schools not falling into one of the aforementioned percentage groups are considered “No Designation” schools. The criteria used to calculate the percentage rates is determined on an annual basis by PDE.

^{ix} Title I Federal accountability designations for Title I schools originate from PDE and are determined based on the number of students at the school who receive free and/or reduced price lunches. School lunch data is accumulated in PDE’s CN-PEARS system, which is customized software developed jointly with an outside vendor, Colyar, Inc. The Pennsylvania Department of the Auditor General and KPMG issued a significant deficiency in internal controls over the CN-PEARS system in the Single Audit of the Commonwealth of Pennsylvania for the fiscal year ended June 30, 2014.