

# LIMITED PROCEDURES ENGAGEMENT

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Woodland Hills School District  
Allegheny County, Pennsylvania

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January 2016



Commonwealth of Pennsylvania  
Department of the Auditor General  
Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE  
AUDITOR GENERAL

Mr. Alan N. Johnson, Superintendent  
Woodland Hills School District  
531 Jones Avenue  
North Braddock, Pennsylvania 15104

Ms. Tara Reis, Board President  
Woodland Hills School District  
531 Jones Avenue  
North Braddock, Pennsylvania 15104

Dear Mr. Johnson and Ms. Reis:

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

Mr. Alan Johnson

Ms. Tara Reis

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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.

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

January 28, 2016

cc: **WOODLAND HILLS SCHOOL DISTRICT** Board of School Directors

**Status of Prior Findings and Observations**

**Prior Finding No. 1**

**Internal Control Weakness Noted in Transportation Data Reporting**

Prior Finding Condition

Our prior audit of the District's pupil transportation records and reports for the 2008-09 and 2009-10 school years found weaknesses in the District's system of internal controls.

Prior Recommendations

Our prior audit finding recommended that the District should:

1. Develop internal policies and procedures regarding how the District will record miles with pupils, miles without pupils, and the largest number of pupils assigned to each vehicle.
2. Establish internal policies and procedures for ensuring that the District accurately reports its transportation data to the Pennsylvania Department of Education (PDE).
3. Review subsequent years' transportation data to ensure that District personnel accurately reported daily mileage and pupil counts to PDE.
4. Ensure District personnel are familiar with transportation guidelines and instructions and retain all required documentation for audit.

Current Status

During our current audit, we found that the District implemented all of our prior recommendations.

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**Prior Finding No. 2**

**Continued Failure to Monitor Bus Drivers' Qualifications**

Prior Finding Condition

In our prior two audits of the District, our review of personnel records found that the District's personnel failed to monitor the qualifications of all bus drivers utilized by its transportation contractors. In addition, the District's Board of School Director's (Board) failed to annually approve all of the bus drivers utilized by the District's contractors.

Prior Recommendations

Our prior audit finding recommended that the District should:

1. Establish policies and to ensure that the District's Transportation Director reviews each driver's qualifications prior to board approval.

2. Ensure the Board annually approves the lists of contracted bus drivers once the District's Transportation Director has determined all drivers meet the required qualifications.
3. Develop procedures to ensure that the transportation contractor does not allow any driver to transport students without the required board approval.
4. Ensure that the transportation contractor provides the District with written notice if current drivers have been charged with or convicted of criminal offenses.
5. Ensure that the files maintained by the District are up-to-date and complete.

Current Status

During our current audit, we found that the District implemented all of our prior years' recommendations.

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**Prior Finding No. 3**

**Continued Failure to Develop Memorandum of Understanding with Local Law Enforcement**

Prior Finding Condition

Our prior two audits of the District's records found that the District failed to enter into a Memorandum of Understanding (MOU) between the District and one local law enforcement agency.

Prior Recommendations

Our prior audit finding recommended that the District should:  
  
Continue to negotiate with the one remaining local law enforcement agency to get it to sign a MOU with the District's students and staff.

Current Status

During our current audit, we found that the District has updated MOUs with local law enforcement.

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**Prior Observation No. 1**

**Amount Paid Pupil Transportation Contractor Greatly Exceeds Pennsylvania Department of Education Final Formula Allowance**

Prior Observation Condition

Our prior audit of the District's contracted pupil transportation costs for the school years ending June 30, 2009 and 2010, found that the District was paying its transportation contractor significantly more than the Commonwealth's transportation allowance, which PDE calculates for reimbursement purposes.

Prior Recommendations

Our prior audit observation recommended that the District should:

1. Prior to negotiating a new contract, be cognizant of the State's final formula allowance.
2. Routinely seek competitive bids for all of the District's pupil transportation services to ensure the most efficient costs to the District and its taxpayers.
3. Prepare pupil transportation contracts to ensure the local effort share is as minimal as permitted by establishing the base rate and increases in line with the State's final formula allowance for all pupil transportation costs.
4. Continuously monitor pupil transportation costs and require contractors to justify any increase in costs to the District.

Current Status

During our current audit, we found that the District is in the last year of its current transportation agreement for the 2015-16 school year. The District plans to be cognizant of the State's formula allowance and our recommendations for future contracts.

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**Prior Observation No. 2**

**The District's Charter School Costs are Rising**

Prior Observation Condition

During our prior audit, we reviewed 22 financial indicators at the District to determine its financial stability and found that the costs associated with charter schools are rising.

Prior Recommendations

Our prior audit observation recommended that the District should:

1. Conduct a survey with parents sending their children to a charter school to determine the reason why the District is losing students.
2. Monitor the costs to the District related to charter schools, and any other relevant financial benchmarks, on a continuous basis.
3. Develop a method for tracking and evaluating the performance of the charter schools it authorizes, so that it can take steps to hold them accountable. The process should include a thorough evaluation of the charter schools' renewal applications.

Current Status

During our current audit, we found that the District implemented all of our prior recommendations.

## **Distribution List**

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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  
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 letter is a matter of public record and is available online at [www.PaAuditor.gov](http://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](mailto:news@PaAuditor.gov).