

# LIMITED PROCEDURES ENGAGEMENT

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## Cameron County School District Cameron County, Pennsylvania

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November 2016



Commonwealth of Pennsylvania  
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE  
AUDITOR GENERAL

Dr. Keith S. Wolfe, Superintendent  
Cameron County School District  
601 Woodland Avenue  
Emporium, Pennsylvania 15834

Mr. Paul Abriatis, Board President  
Cameron County School District  
601 Woodland Avenue  
Emporium, Pennsylvania 15834

Dear Dr. Wolfe and Mr. Abriatis:

We conducted a Limited Procedures Engagement (LPE) of the Cameron County 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 Law?
- Did the District take appropriate corrective action to address the findings and observation made in our prior audit, and were the actions taken into effect?

Dr. Keith S. Wolfe  
Mr. Paul Abriatis  
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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,

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

November 10, 2016

cc: **CAMERON COUNTY SCHOOL DISTRICT** Board of School Directors

## Background Information

School Characteristics 2015-16 School Year <sup>A</sup>	
County	Cameron
Total Square Miles	398
Resident Population <sup>B</sup>	5,085
Number of School Buildings	2
Total Teachers	52
Total Full or Part-Time Support Staff	34
Total Administrators	3
Total Enrollment for Most Recent School Year	578
Intermediate Unit Number	9
District Vo-Tech School	Seneca Highlands CTC

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

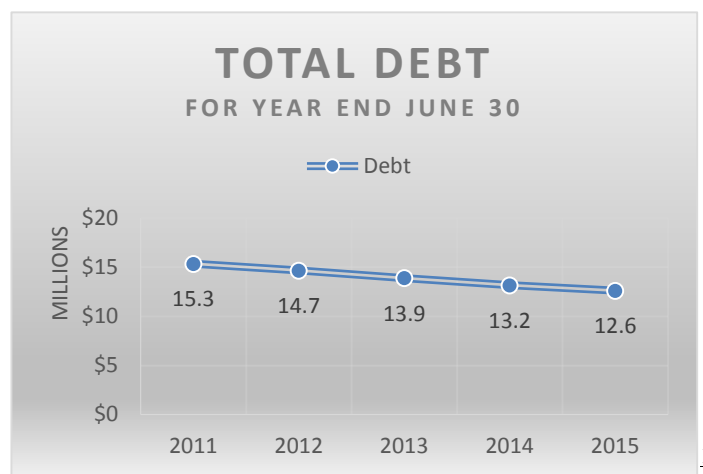
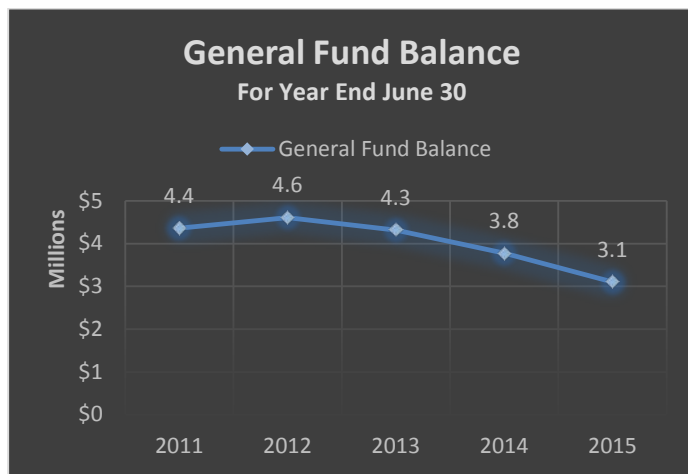
B - Source: United States Census  
<http://www.census.gov/2010census>

## Mission Statement<sup>A</sup>

“The Cameron County School District is a community dedicated to the pursuit of knowledge, character, and excellence. Through a system of shared responsibilities, the Cameron County School District will strive to prepare students to function as responsible, productive citizens in a constantly changing world.”

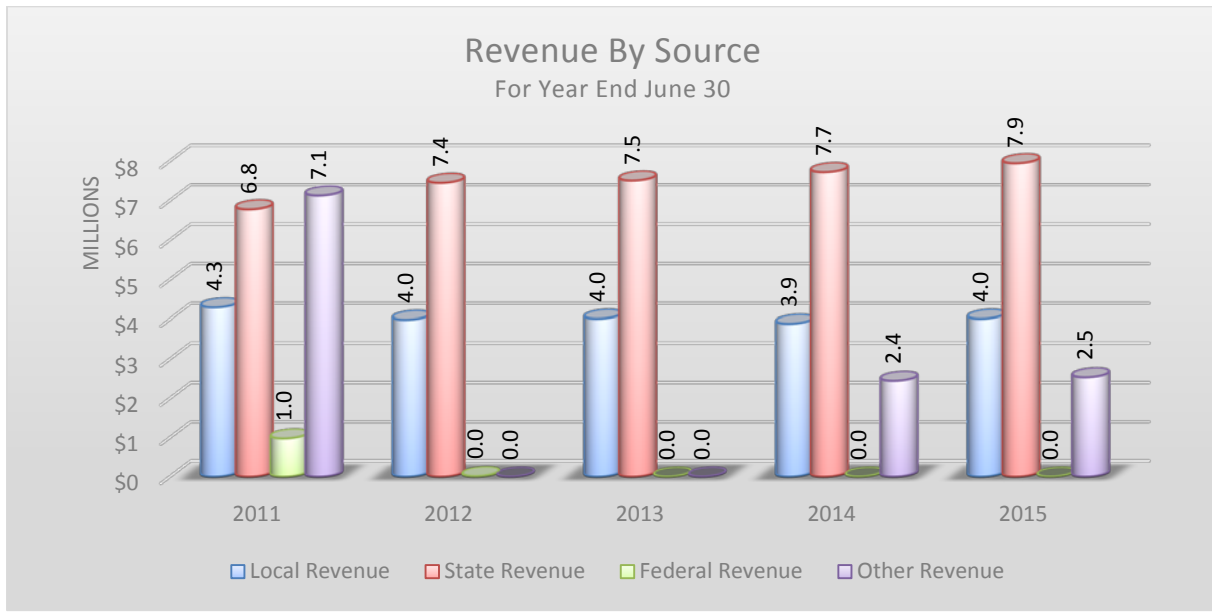
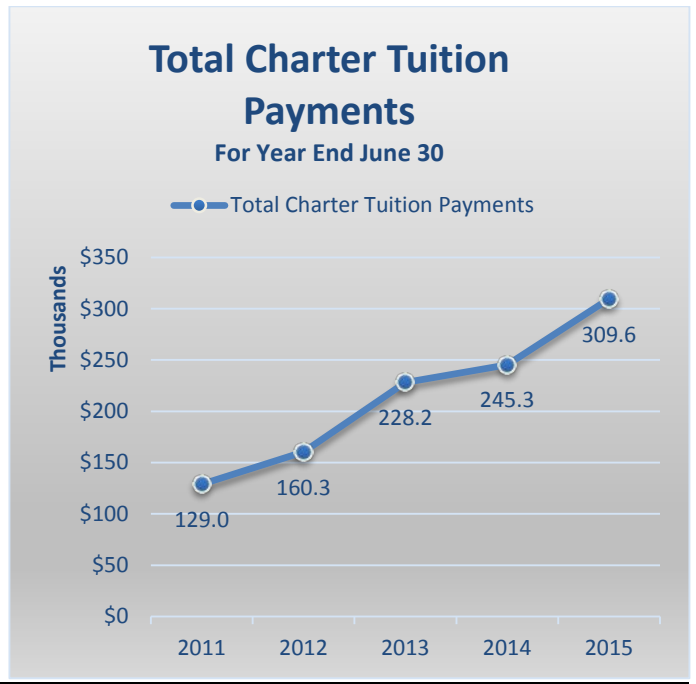
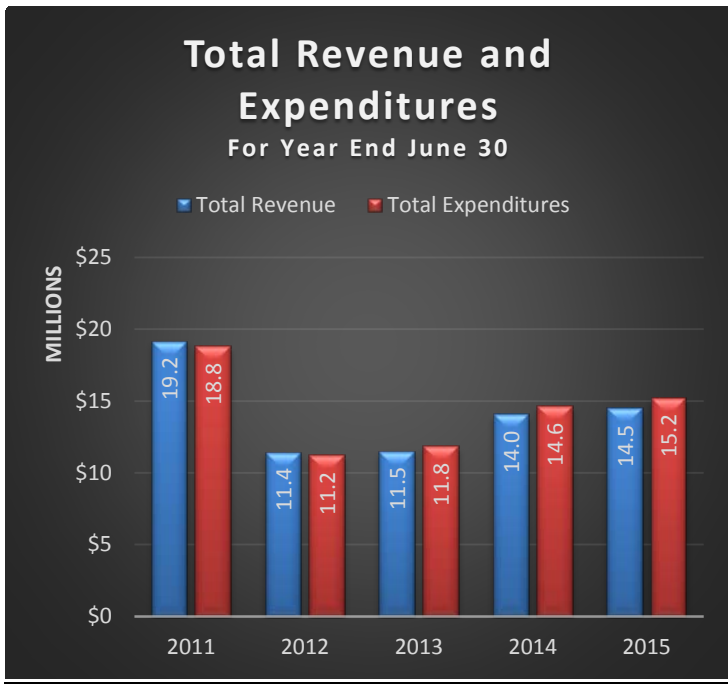
## Financial Information

The following pages contain financial information about the District 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**.



<sup>1</sup> 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.

**Financial Information Continued**



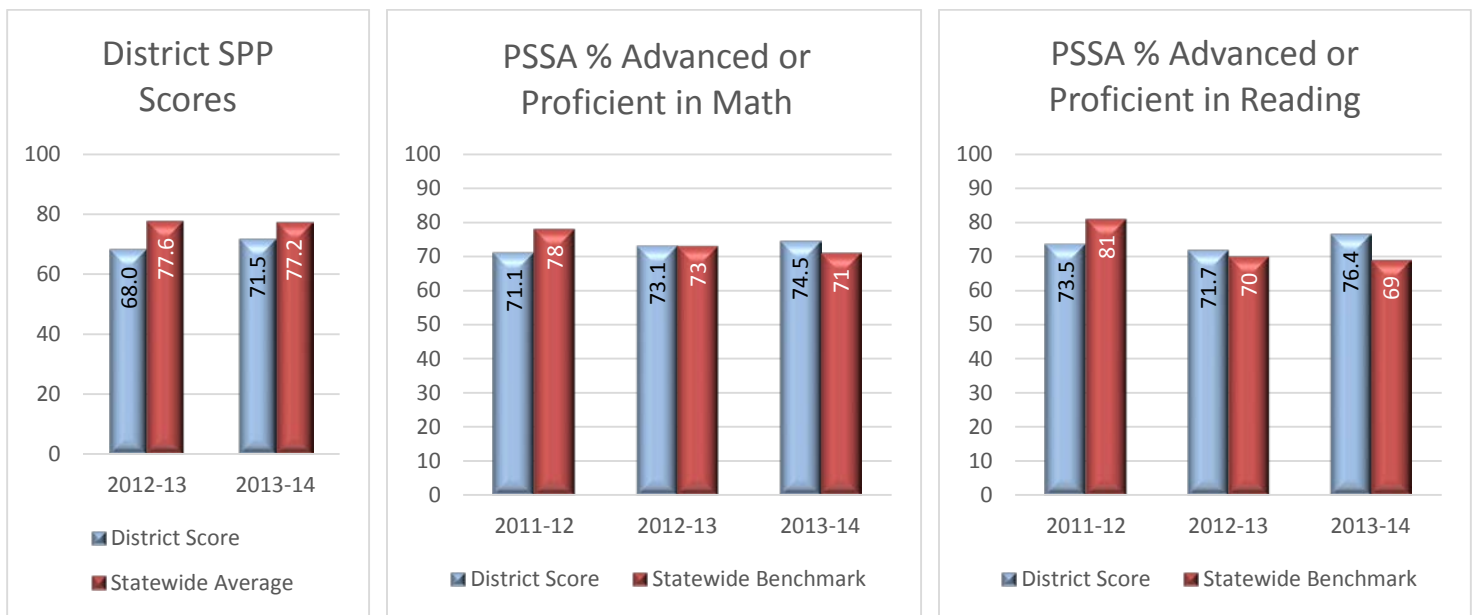
## Academic Information

The following table and charts consist of School Performance Profile (SPP) scores and Pennsylvania System of School Assessment (PSSA) results for the entire District obtained from PDE’s data files.<sup>2</sup> These scores are presented in the District’s audit report for **informational purposes only**, and they were not audited by our Department.

SPP benchmarks represent the statewide average of all district school buildings in the Commonwealth.<sup>3</sup> PSSA benchmarks and goals are determined by PDE each school year and apply to all public school entities.<sup>4</sup> District SPP and PSSA scores were calculated using an average of all of the individual school buildings within the District. Scores below SPP statewide averages and PSSA benchmarks/goals are presented in red.

### Districtwide SPP and PSSA Scores

District	SPP Scores		PSSA % Advanced or Proficient in Math			PSSA % Advanced or Proficient in Reading		
	2012-13	2013-14	2011-12	2012-13	2013-14	2011-12	2012-13	2013-14
<i>Statewide Benchmark</i>	77.6	77.2	78	73	71	81	70	69
<i>Cameron County SD</i>	68.0	71.5	71.1	73.1	74.5	73.5	71.7	76.4
<i>SPP Grade<sup>5</sup></i>	D	C						



<sup>2</sup> PDE is the sole source of academic data presented in this report. All academic data was obtained from PDE’s publically available website.

<sup>3</sup> Statewide averages for SPP scores were calculated based on all district school buildings throughout the Commonwealth, excluding charter and cyber charter schools.

<sup>4</sup> 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.

<sup>5</sup> The following letter grades are based on a 0-100 point system: A (90-100), B (80-89), C (70-79), D (60-69), F (59 or below).

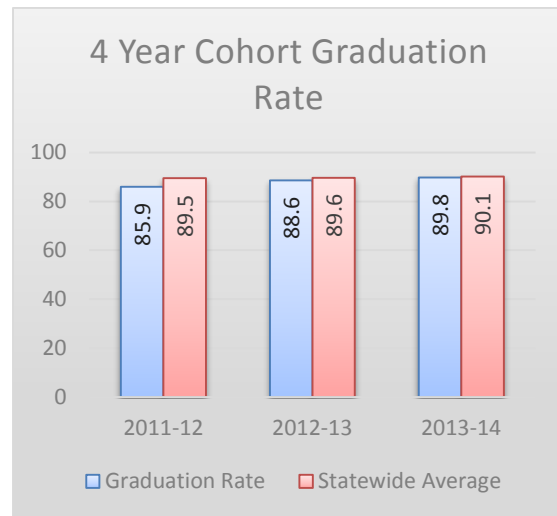
### Individual School Building SPP and PSSA Scores

The following table consists of SPP scores and PSSA results for each of the District’s school buildings. Any blanks in PSSA data means that PDE did not publish a score for that school for that particular year.<sup>6</sup>

School Name	SPP Scores		PSSA % Advanced or Proficient in Math			PSSA % Advanced or Proficient in Reading		
	2012-13	2013-14	2011-12	2012-13	2013-14	2011-12	2012-13	2013-14
<i>Statewide Benchmark</i>	<i>77.6</i>	<i>77.2</i>	<i>78</i>	<i>73</i>	<i>71</i>	<i>81</i>	<i>70</i>	<i>69</i>
<i>Cameron County Junior Senior High School</i>	<b>62.4</b>	<b>67.8</b>	<b>59.6</b>	<b>69.4</b>	<b>69.8</b>	<b>68.8</b>	<b>65.6</b>	<b>71.6</b>
<i>Woodland Elementary School</i>	<b>73.6</b>	<b>75.1</b>	<b>82.5</b>	<b>76.8</b>	<b>79.2</b>	<b>78.2</b>	<b>77.8</b>	<b>81.2</b>

### 4 Year Cohort Graduation Rates

The cohort graduation rates are a calculation of the percentage of students who have graduated with a regular high school diploma within a designated number of years since the student first entered high school. The rate is determined for a cohort of students who have all entered high school for the first time during the same school year.<sup>7</sup>



<sup>6</sup> PDE’s data does not provide any further information regarding the reason a score was not published.

<sup>7</sup> <http://www.education.pa.gov/Data-and-Statistics/Pages/Cohort-Graduation-Rate-.aspx>.

## Status of Prior Findings and Observations

### Prior Finding No. 1

#### **Failure to Have All School Bus Drivers' Qualifications on File**

##### Prior Finding Condition

Our prior audit of the District's bus drivers' qualifications for the 2011-12 school year, found that not all records were on file with the District at the time of audit. We reviewed the personnel records of five new drivers hired since the prior audit. Our audit found that the District did not have on file, at the time of the audit, the federal criminal history records for two drivers.

##### Prior Recommendations

We recommended the District should:

1. Ensure that the District's transportation coordinator reviews each driver's current qualifications prior to that driver transporting students.
2. Maintain files at the District, separate from the transportation contractor, for all drivers, and work with the contractor to ensure that the District's files are up-to-date and complete.

##### Current Status

During the current engagement, we found that the District implemented our prior audit recommendations. We reviewed all 15 of the District's 2016-17 school year contracted bus drivers' qualifications and determined that, aside from one substitute bus driver not having a current Physical exam form and "S" Bus Driver Endorsement card, all other required clearances, drivers' licenses, physical exam forms, and "S" endorsement cards were on file at the District.

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### Prior Finding No. 2

#### **Internal Control Weaknesses and Lack of Adequate Documentation Supporting Pupil Transportation**

##### Prior Finding Condition

Our prior audit of the District's pupil transportation operations for the 2009-10 school year, found internal control weaknesses and discrepancies between the transportation data submitted to PDE and source documentation on file at the District. The source documentation provided by the District and the bus contractor did not support the daily mileage reported to PDE for transportation reimbursement.



Prior Recommendations

We recommended the District should:

1. Prepare and retain complete daily mileage odometer readings identifying miles with and without pupils for each bus run, including odometer readings between all bus stops, and retain supporting documentation for all changes.
2. Review transportation reports submitted to PDE for years subsequent to our audit and ensure the reported data is accurate.
3. Prior to the start of every school year, have the Board of School Directors (Board) approve all route changes and stops and also any changes that may occur throughout the school year.

Current Status

During our current engagement, we determined that the District implemented our prior audit recommendations. The District now prepares and retains complete daily mileage odometer readings identifying miles with and without pupils for each bus run, including odometer readings between all bus stops, and retains supporting documentation for all changes. Additionally, we determined that bus stops and routes are approved prior to the school year, and all changes to bus stops and routes are approved throughout the year, if a change occurs.

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**Prior Finding No. 3**

**The District Spent \$150,000 on an Agreement that Prematurely Terminated Its Superintendent’s Employment Contract**

Prior Finding Condition

A previous audit we conducted found that on May 17, 2012, the District’s Board approved an Agreement of Retirement and Severance Terms (Agreement) under which its former Superintendent would retire/resign toward the end of his second year of service. The Agreement required the District to pay the former Superintendent \$150,000, as well as some health insurance benefits.

Prior Recommendations

We recommended the District should:

1. Enter into employment contracts with prospective superintendents at the three-year minimum term permitted by state law in order to limit potential financial liability of the District and its taxpayers.
2. Specify in the contracts the termination, buy-out, and severance provisions to protect the interests of the District and its taxpayers when employment ends prematurely for any reason.
3. Document in the official board meeting minutes, in detail, why the District chooses to expend large amounts of public money when ending an administrator's contract.

Current Status

Our current engagement determined that on June 16, 2016, the Board hired a new Superintendent. The contract is for the three-year minimum term permitted by state law. Additionally, the contract specifies the termination, buy-out, and severance provisions shall be limited to the terms allowed by the Public School Code.

However, District personnel made us aware of an additional severance agreement between the District and the former Assistant Superintendent that occurred after the release of our prior audit report.

The former Assistant Superintendent's employment contract began on June 23, 2011, and was scheduled to expire on June 23, 2016. On June 20, 2014, the Board President and the former Assistant Superintendent signed a severance agreement to end the former Assistant Superintendent's employment effective June 30, 2014. No reason was given in the board minutes for the early termination of the contract.

The severance agreement required the District to pay the individual \$50,000 in severance pay, as well as payment for his ten unused vacation days totaling \$3,586. The total severance cost was \$53,586.

Based on our current review, we determined the District took corrective action and implemented our prior audit recommendations pertaining to the hiring of a Superintendent at the minimum three-year contract term and including termination provisions in the contract. However, we are concerned that the

Board chose to disregard the recommendations from our prior report and, one year after its release, decided to enter into another costly buy-out to the District.

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**Prior Observation**

**Membership Reporting Errors and Lack of Internal Controls**

**Prior Observation Condition**

Our prior review of the District’s controls over data integrity for the 2009-10 school year, found that internal controls needed to be improved. Specifically, our review found that the District did not have adequate procedures in place to ensure continuity over of its Pennsylvania Information Management Systems (PIMS) data submission in the event of a sudden change in personnel.

**Prior Recommendations**

We recommended the District should:

1. Read and become familiar with the PIMS manual.
2. Prepare documented procedures (e.g. procedure manuals, policies, written instructions, etc.) to ensure continuity over PIMS data submission.
3. Cross-train individuals so they are familiar with PDE’s child accounting reporting requirements and PIMS reporting procedures in the event of a sudden change in personnel.
4. Carefully perform an internal audit prior to submission of pupil membership reports to PDE to ensure all students are classified correctly.
5. Improve communication between personnel if more than one person enters data.
6. Review reports for school years subsequent to our audit years for pupil classification accuracy and revise them if necessary.

**Current Status**

Our current engagement found that the District hired a new child accounting/PIMS assistant in July 2013, who printed out the PIMS manual and has kept a copy in her office since then. The PIMS website is accessed as needed for more recent updates not contained in the original manual. The manuals are referenced to ensure continuity over PIMS data submission.

The District has cross-trained individuals so they are familiar with PDE’s child accounting reporting requirements and PIMS reporting

procedures in the event of a sudden change in personnel and improved communication between personnel who enter data.

Additionally, the District's current child accounting software is able to run a summary of errors report prior to submission of data to PDE.

We determined that the District did implement recommendations 1 through 5. Due to the prior child accounting coordinator leaving the District, current District personnel were unaware whether years subsequent to our audit were reviewed for errors. However, no revised reports were on file at the District.

## **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  
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**Mr. Nathan Mains**

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

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