

LIMITED PROCEDURES ENGAGEMENT

Keystone Oaks School District Allegheny County, Pennsylvania

January 2017



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

Dr. William P. Stropkaj, Superintendent
Keystone Oaks School District
1000 Kelton Avenue
Pittsburgh, Pennsylvania 15216

Mr. Matthew Cesario, Board President
Keystone Oaks School District
1000 Kelton Avenue
Pittsburgh, Pennsylvania 15216

Dear Dr. Stropkaj and Mr. Cesario:

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

Dr. William P. Stropkaj
Mr. Matthew Cesario
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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

December 23, 2016

cc: **KEYSTONE OAKS SCHOOL DISTRICT** Board of School Directors

Background Information

School Characteristics 2014-15 School Year ^A	
County	Allegheny
Total Square Miles	4.5
Resident Population ^B	21,000
Number of School Buildings	5
Total Teachers	151
Total Full or Part-Time Support Staff	105
Total Administrators	14
Total Enrollment for Most Recent School Year	1,907
Intermediate Unit Number	3
District Vo-Tech School	Parkway West Career and Technology Center

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

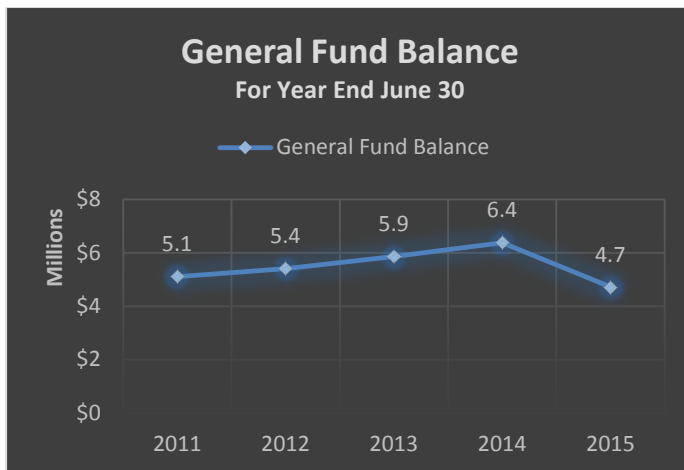
B - Source: United States Census
<http://www.census.gov/2010census>

Mission Statement^A

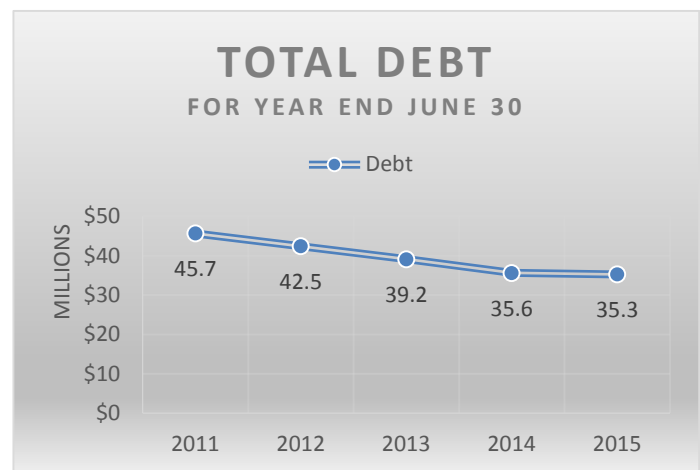
The mission of the Keystone Oaks School District is to create and maintain a learning community in an educational environment that supports the engagement of all students in achieving their maximum potential as responsible and contributing members of a global society.

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**.

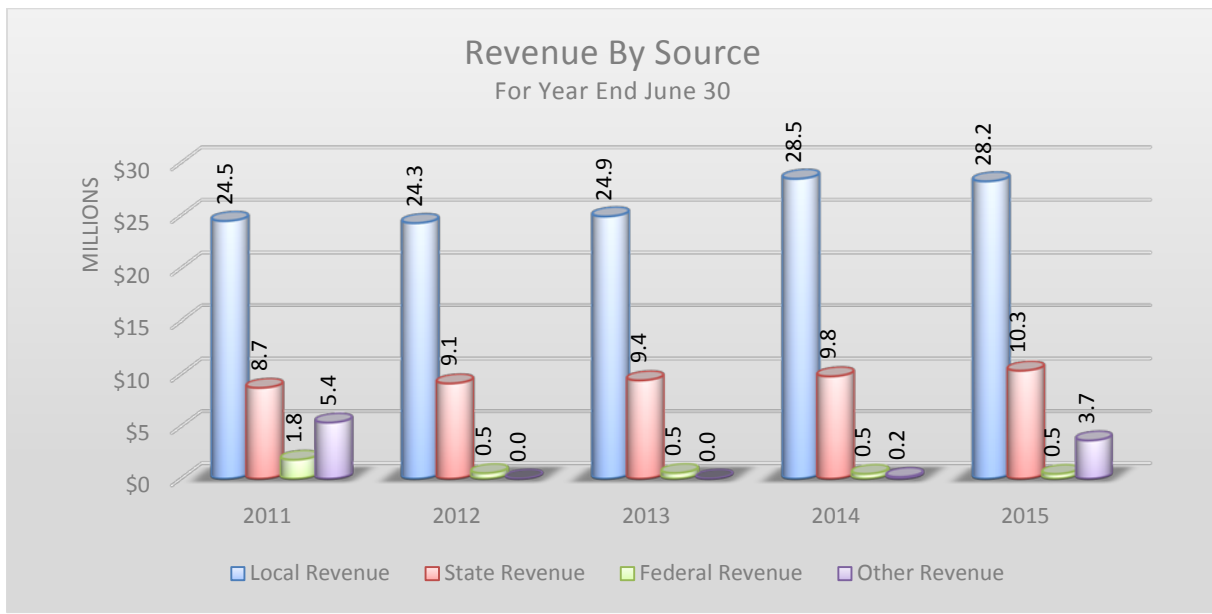
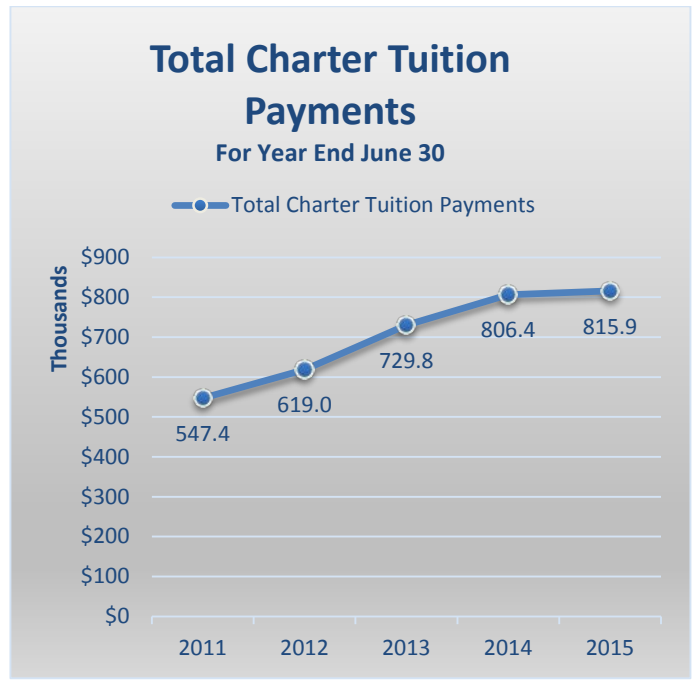
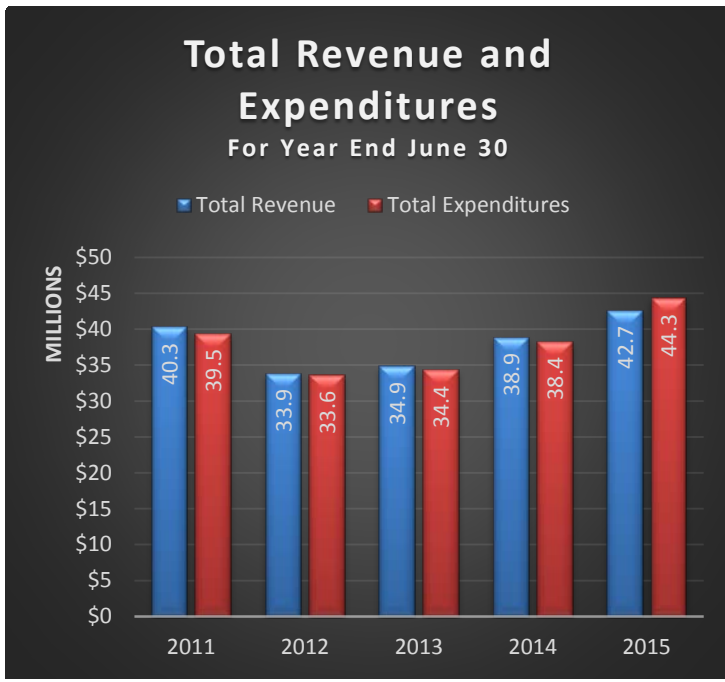


Note: General Fund Balance is comprised of the District's Committed, Assigned and Unassigned Fund Balances.



Note: 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



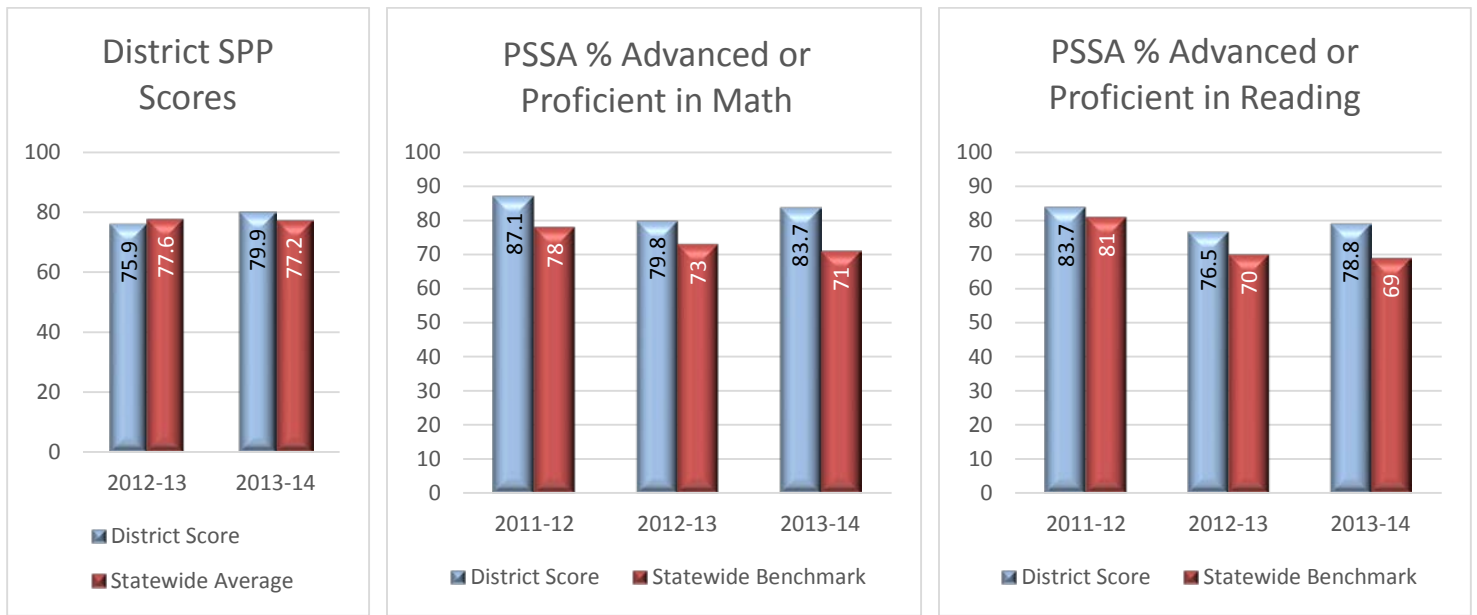
Academic Information

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.¹ 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.² PSSA benchmarks and goals are determined by PDE each school year and apply to all public school entities.³ 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>Keystone Oaks SD</i>	75.9	79.9	87.1	79.8	83.7	83.7	76.5	78.8
<i>SPP Grade⁴</i>	C	C						



¹ PDE is the sole source of academic data presented in this report. All academic data was obtained from PDE's publically available web site.

² Statewide averages for SPP scores were calculated based on all district school buildings throughout the Commonwealth, excluding charter and cyber charter schools.

³ 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.

⁴ 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)

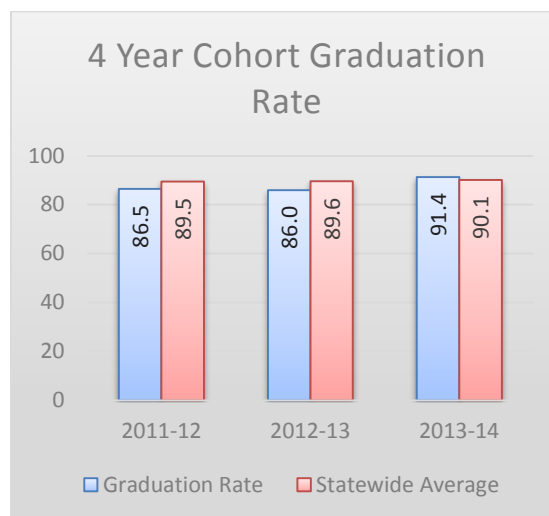
Individual School Building SPP and PSSA Scores

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.⁵

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>	77.6	77.2	78	73	71	81	70	69
<i>Dormont Elementary School</i>	76.1	76.5	92.7	87.3	86.3	86.7	76.1	79.1
<i>Fred L Aiken Elementary School</i>	88.4	86.6	96.0	90.2	88.9	88.8	84.8	77.8
<i>Keystone Oaks High School</i>	71.4	78.2	67.6	55.6	73.4	73.0	67.9	79.6
<i>Keystone Oaks Middle School</i>	67.3	71.7	86.3	83.2	82.2	83.9	79.2	75.6
<i>Myrtle Ave School</i>	76.3	86.3	92.7	82.8	87.7	86.0	74.7	81.9

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.⁶



⁵ PDE's data does not provide any further information regarding the reason a score was not published.

⁶ <http://www.education.pa.gov/Data-and-Statistics/Pages/Cohort-Graduation-Rate-.aspx>

Status of Prior Audit Findings and Observations

Our prior audit of the District released on August 2, 2013, resulted in one observation, as shown below. As part of our current engagement, we determined the status of corrective action taken by the District to implement our prior audit recommendations. We interviewed District personnel, and performed audit procedures as detailed in each status section below.

Auditor General Performance Audit Report Released on August 2, 2013

Prior Observation

The District Lacks Sufficient Internal Controls Over Its Student Data

Prior Observation Condition

During our prior audit of the Keystone Oaks School District's (District) controls over data integrity, we found that internal controls needed to be improved. Our review specifically found that:

The District does not maintain adequate evidence of manual compensating controls related to documentation supporting its student registrations.

The District did not have documentation of residence for the natural parents of one nonresident foster student. The student attended classes at the District for 24 days.

The District did not completely upload the registration for one student who was registered in the District for a period of time, then withdrew, and then subsequently re-registered with the District. In this instance, the District failed to upload the student's second registration into PIMS.

The District's calendar reports did not reconcile. For example, two summary reports from the District's Student Information System (SIS) listed the days in session for Dormont Elementary School as 182. However, the other two reports, the Child Accounting Vendor Data Base report and the PIMS Student Calendar Fact Template, listed the days in session for that school as 180.

Keystone Oaks Middle School and Dormont Elementary School do not maintain permanent record folders for students that transfer to another school district within the state of Pennsylvania.

The District does not have adequate documented procedures in place to ensure continuity over its PIMS data submission in the event of a sudden change in personnel or child accounting vendors.

Prior Recommendations

The *Keystone Oaks School District* should:

1. Maintain adequate evidence of manual compensating controls (i.e. supporting documentation) to support its student registration.
2. Develop documented procedures (e.g. procedures manual, 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 to PDE.
3. 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

During our current review, we have found that the District did implement our prior recommendations. The District has modified its student registration policies to ensure that each step of the student registration process is documented.

The District now keeps a backup PIMS person trained and ready to step in if the PIMS Director becomes unavailable.

The Superintendent has supplied written confirmation that the District reviewed the membership reports for the years subsequent to the prior audit, and no similar problems were found.

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
1010 Harestown 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
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4th Floor, 333 Market Street
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Research Manager
Pennsylvania State Education Association
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Harrisburg, PA 17105

Mr. Nathan Mains

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

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.