

# LIMITED PROCEDURES ENGAGEMENT

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North Penn School District  
Montgomery County, Pennsylvania

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August 2017



Commonwealth of Pennsylvania  
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE  
AUDITOR GENERAL

Dr. Curtis R. Dietrich, Superintendent  
North Penn School District  
401 East Hancock Street  
Lansdale, Pennsylvania 19446

Mr. Vincent Sherpinsky, Board President  
North Penn School District  
401 East Hancock Street  
Lansdale, Pennsylvania 19446

Dear Dr. Dietrich and Mr. Sherpinsky:

We conducted a Limited Procedures Engagement (LPE) of the North Penn 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, 2016, 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 finding made in our prior audit?

Dr. Curtis R. Dietrich  
Mr. Vincent Sherpinsky  
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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 cursive script, appearing to read "Eugene A. DePasquale".

Eugene A. DePasquale  
Auditor General

July 31, 2017

cc: **NORTH PENN SCHOOL DISTRICT** Board of School Directors

## Background Information

School Characteristics 2015-16 School Year <sup>A</sup>	
County	Montgomery
<b>Total Square Miles</b>	42.73
<b>Resident Population<sup>B</sup></b>	98,175
<b>Number of School Buildings</b>	18 <sup>1</sup>
<b>Total Teachers</b>	986
<b>Total Full or Part-Time Support Staff</b>	891
<b>Total Administrators</b>	59
<b>Total Enrollment for Most Recent School Year</b>	12,786
<b>Intermediate Unit Number</b>	23
<b>District Vo-Tech School</b>	North Montco Technical Career Center

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>

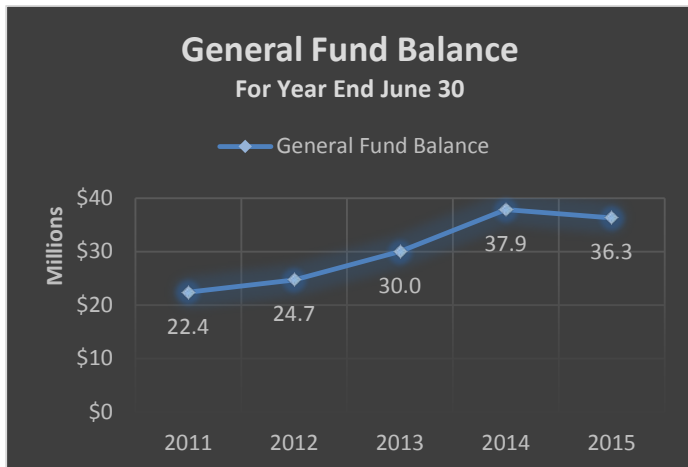
**Vision:** The North Penn School District is student-centered with a focus on academic challenge, meaningful experiences and personal responsibility.

**Mission:** The North Penn School District is an effective, innovative, student-centered community of teaching and learning where every student is empowered to:

- Become an independent, adaptable, life-long learner who uses knowledge to create new understandings;
- Exhibit creative, collaborative and critical thinking;
- Achieve at his or her highest potential; and
- Live as a positive, responsible and contributing citizen of the 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**.



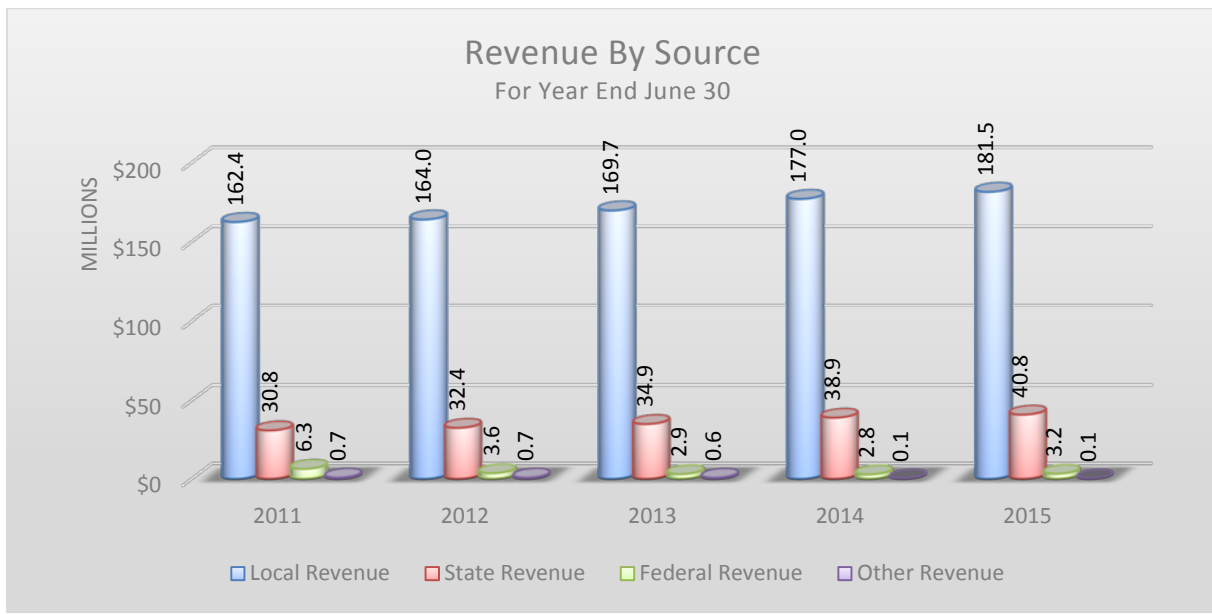
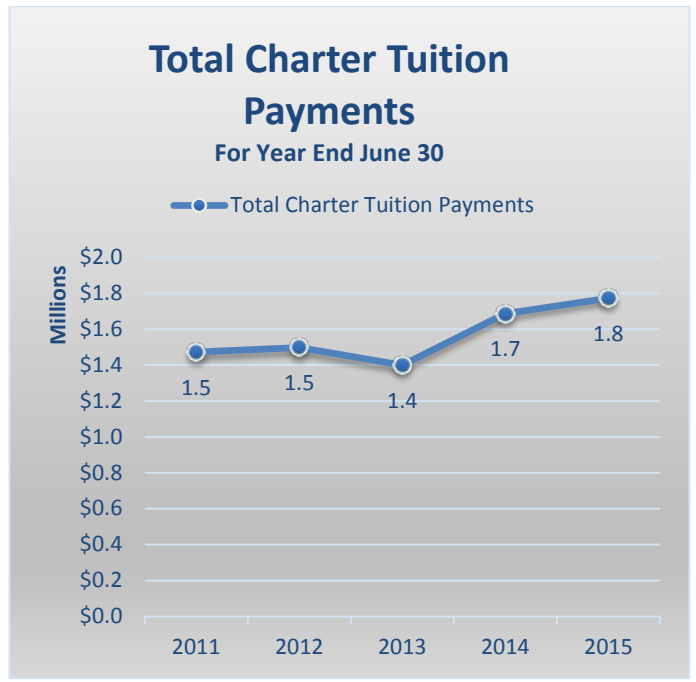
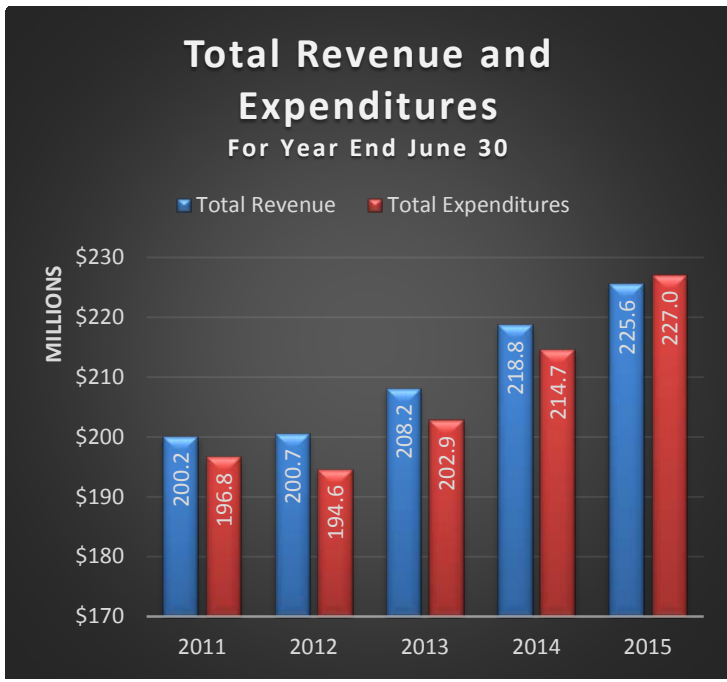
**Note:** General Fund Balance is comprised of the District's Committed, Assigned and Unassigned Fund Balances.



**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.

<sup>1</sup> The District has a credit recovery school (Northbridge School). Academic data is not published for credit recovery schools.

**Financial Information Continued**



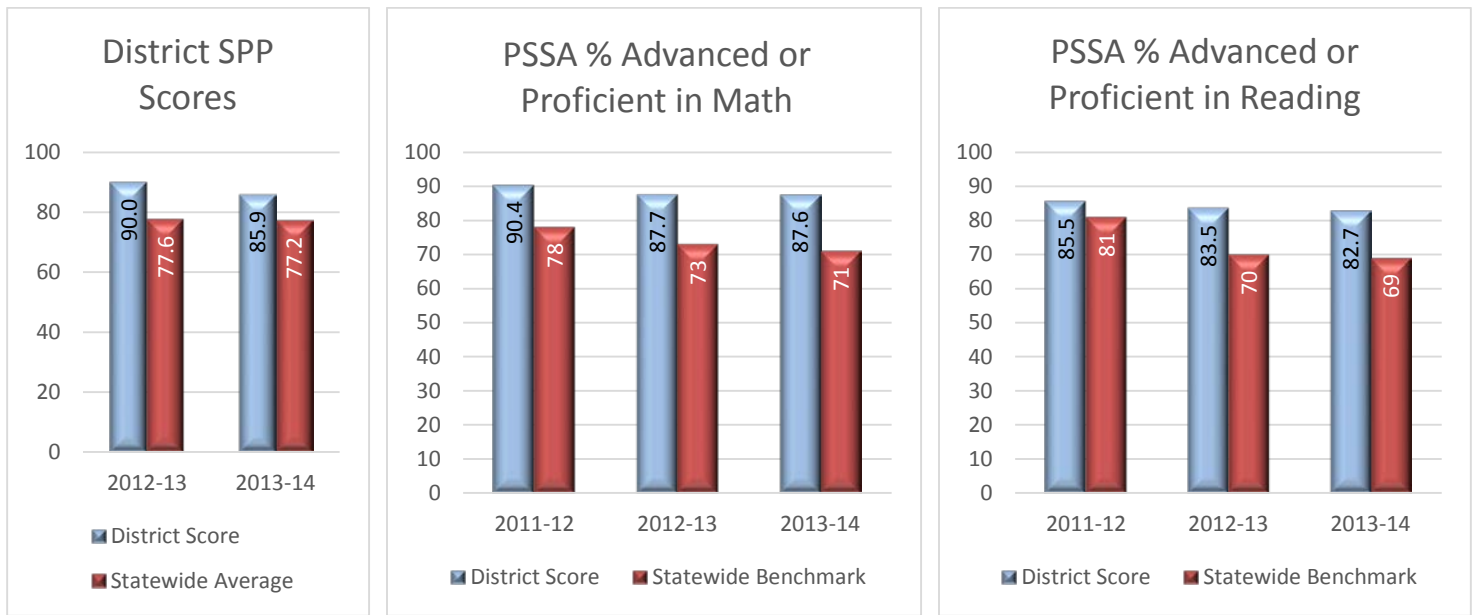
## Academic Information

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>North Penn SD</i>	90.0	85.9	90.4	87.7	87.6	85.5	83.5	82.7
<i>SPP Grade<sup>5</sup></i>	A	B						



<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**

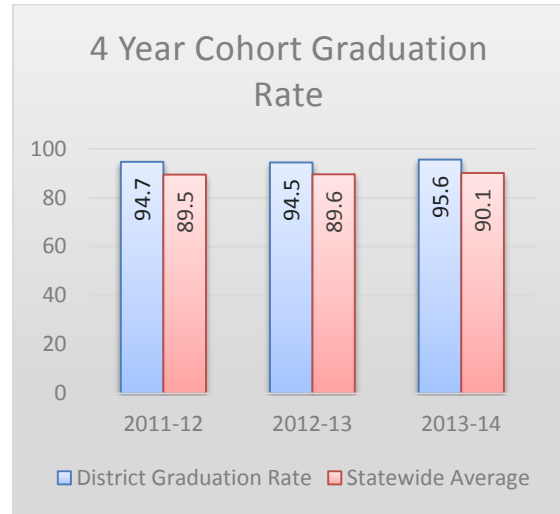
The following table consists of SPP scores and PSSA results for each of the District's school buildings. Any blanks in PSSA data means that PDE did not publish a score for that school for that particular year.<sup>6</sup>

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
<b><i>Statewide Benchmark</i></b>	<b>77.6</b>	<b>77.2</b>	<b>78</b>	<b>73</b>	<b>71</b>	<b>81</b>	<b>70</b>	<b>69</b>
<i>Bridle Path Elementary School</i>	<b>91.1</b>	<b>80.4</b>	<b>93.3</b>	<b>90.0</b>	<b>90.2</b>	<b>86.4</b>	<b>84.8</b>	<b>81.0</b>
<i>General Nash Elementary School</i>	<b>96.7</b>	<b>91.3</b>	<b>95.6</b>	<b>91.0</b>	<b>90.0</b>	<b>89.6</b>	<b>86.8</b>	<b>84.5</b>
<i>Gwynedd Square Elementary School</i>	<b>85.6</b>	<b>86.0</b>	<b>94.1</b>	<b>89.9</b>	<b>89.6</b>	<b>87.7</b>	<b>85.0</b>	<b>86.3</b>
<i>Gwyn-Nor Elementary School</i>	<b>92.8</b>	<b>80.3</b>	<b>90.0</b>	<b>87.1</b>	<b>85.7</b>	<b>84.6</b>	<b>82.7</b>	<b>78.4</b>
<i>Hatfield Elementary School</i>	<b>90.1</b>	<b>86.3</b>	<b>87.1</b>	<b>83.0</b>	<b>86.9</b>	<b>78.4</b>	<b>74.2</b>	<b>78.0</b>
<i>Inglewood Elementary School</i>	<b>89.0</b>	<b>82.9</b>	<b>88.3</b>	<b>86.2</b>	<b>85.4</b>	<b>84.0</b>	<b>78.2</b>	<b>76.7</b>
<i>Knapp Elementary School</i>	<b>81.1</b>	<b>85.5</b>	<b>88.1</b>	<b>84.5</b>	<b>84.8</b>	<b>79.4</b>	<b>76.7</b>	<b>77.1</b>
<i>Kulp Elementary School</i>	<b>80.0</b>	<b>83.4</b>	<b>84.3</b>	<b>81.2</b>	<b>81.4</b>	<b>76.0</b>	<b>79.0</b>	<b>75.8</b>
<i>Montgomery Elementary School</i>	<b>95.4</b>	<b>95.5</b>	<b>96.3</b>	<b>93.8</b>	<b>95.8</b>	<b>92.3</b>	<b>88.6</b>	<b>91.0</b>
<i>North Penn Senior High School</i>	<b>94.3</b>	<b>93.5</b>	<b>84.1</b>	<b>84.9</b>	<b>90.1</b>	<b>85.0</b>	<b>87.6</b>	<b>93.0</b>
<i>North Wales Elementary School</i>	<b>92.2</b>	<b>78.8</b>	<b>90.6</b>	<b>85.7</b>	<b>85.3</b>	<b>86.1</b>	<b>84.8</b>	<b>79.2</b>
<i>Oak Park Elementary School</i>	<b>88.7</b>	<b>83.1</b>	<b>87.6</b>	<b>86.9</b>	<b>83.2</b>	<b>75.6</b>	<b>78.4</b>	<b>76.1</b>
<i>Pennbrook Middle School</i>	<b>97.1</b>	<b>91.9</b>	<b>92.1</b>	<b>90.1</b>	<b>93.1</b>	<b>93.4</b>	<b>90.3</b>	<b>90.9</b>
<i>Penndale Middle School</i>	<b>86.1</b>	<b>85.6</b>	<b>87.7</b>	<b>87.0</b>	<b>84.3</b>	<b>87.0</b>	<b>84.8</b>	<b>86.0</b>
<i>Pennfield Middle School</i>	<b>92.2</b>	<b>86.9</b>	<b>94.5</b>	<b>93.4</b>	<b>93.5</b>	<b>90.5</b>	<b>87.9</b>	<b>90.5</b>
<i>Walton Farm Elementary School</i>	<b>87.4</b>	<b>80.5</b>	<b>92.0</b>	<b>88.1</b>	<b>84.8</b>	<b>88.9</b>	<b>87.0</b>	<b>80.8</b>
<i>York Avenue Elementary School</i>	<b>89.8</b>	<b>88.0</b>	<b>91.8</b>	<b>88.2</b>	<b>84.7</b>	<b>88.3</b>	<b>82.0</b>	<b>81.1</b>

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

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



## Status of Prior Audit Findings and Observations

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Our prior audit of the District released on June 26, 2014, resulted in one finding, 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 reviewed the District's written response provided to PDE, interviewed District personnel, and performed audit procedures as detailed in each status section below.

### Auditor General Performance Audit Report Released on June 26, 2014

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**Prior Finding:**                    **The District Lacks Sufficient Internal Controls Over Its Student Record Data**

Prior Finding Summary: Our prior review of the student data reports submitted to PDE for the 2009-10, 2010-11, and 2011-12 school years noted that the District lacked sufficient controls over data integrity. Specifically, the District did not resolve errors between reports generated by the Pennsylvania Information Management System (PIMS) and the District's Student Information System (SIS) prior to submission to PDE.

Prior Recommendations: We recommended that the District should:

1. Verify resident and nonresident membership throughout the year and retain proper documentation to support all membership.
2. Print out the SIS membership reports and PIMS reports after the PIMS upload is completed and perform reconciliations between the District's child accounting software data and the PIMS reports, and retain all documentation for audit purposes.
3. Submit error reports when needed and retain them for future audits.
4. Develop documented procedures (e.g., procedure manuals, policies, or other written instructions) and 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.

Current Status: During our current review, we found that the District implemented our prior audit recommendations. The District began reconciling their membership data with the PIMS information during the 2014-15 school year. The District also developed procedures regarding membership data and cross-trained employees during the 2014-15 school year.

## **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 Joe Torsella**

State Treasurer  
Room 129 - Finance Building  
Harrisburg, PA 17120

**Mrs. Danielle Mariano**

Director  
Bureau of Budget and Fiscal Management  
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**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](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).