

# PERFORMANCE AUDIT

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## Washington School District Washington County, Pennsylvania

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January 2018



Commonwealth of Pennsylvania  
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE  
AUDITOR GENERAL

Dr. James Konrad, Superintendent  
Washington School District  
311 Allison Avenue  
Washington, Pennsylvania 15301

Mr. Jeffrey Fine, Board President  
Washington School District  
311 Allison Avenue  
Washington, Pennsylvania 15301

Dear Dr. Konrad and Mr. Fine:

We have conducted a performance audit of the Washington School District (District) for the period July 1, 2012, through June 30, 2016, except as otherwise indicated in the audit scope, objective, and methodology section of the report. We evaluated the District's performance in the following areas as further described in the appendix of this report:

- Financial Stability
- Transportation Operations
- Data Integrity
- Bus Driver Requirements
- School Safety

The audit was conducted pursuant to Sections 402 and 403 of The Fiscal Code (72 P.S. §§ 402 and 403), 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 3, 2018

cc: WASHINGTON SCHOOL DISTRICT Board of School Directors

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## Background Information

School Characteristics 2015-16 School Year <sup>A</sup>	
County	Washington
<b>Total Square Miles</b>	9
<b>Resident Population<sup>B</sup></b>	13,663
<b>Number of School Buildings</b>	2 <sup>1</sup>
<b>Total Teachers</b>	133
<b>Total Full or Part-Time Support Staff</b>	64
<b>Total Administrators</b>	9
<b>Total Enrollment for Most Recent School Year</b>	1,464
<b>Intermediate Unit Number</b>	1
<b>District Vo-Tech School</b>	Western Area CTC

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

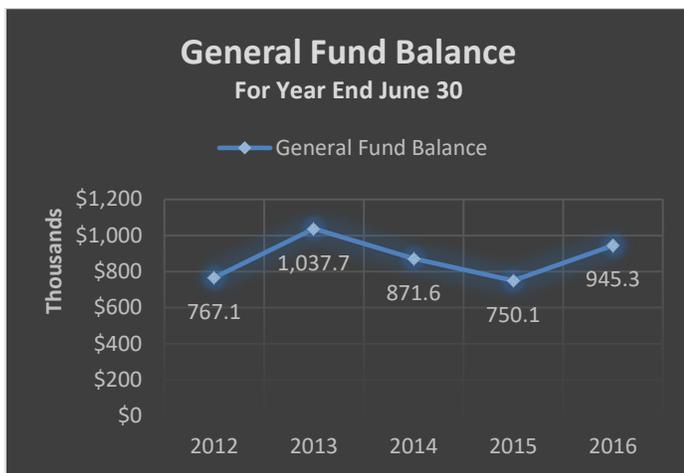
B - Source: United States Census <http://www.census.gov/2010census>.

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

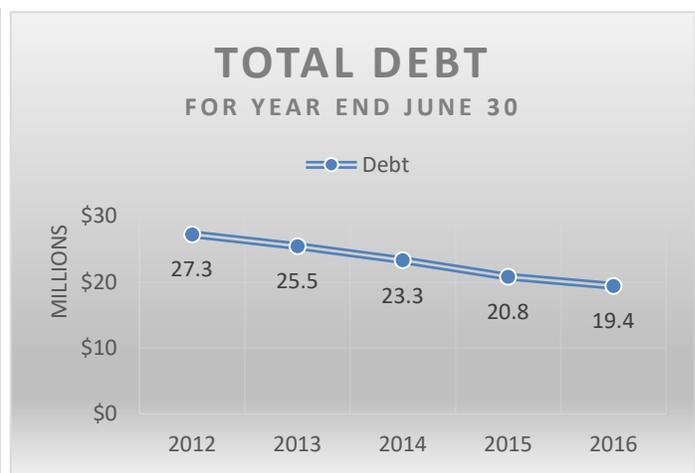
Washington School District is committed to educating ALL students under the guidance of our dedicated staff members. We provide our learners with lifelong tools to navigate a course toward growth and advancement while collectively supporting and celebrating student, staff and community achievement.

## Financial Information

The following pages contain financial information about the Washington School District (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**.



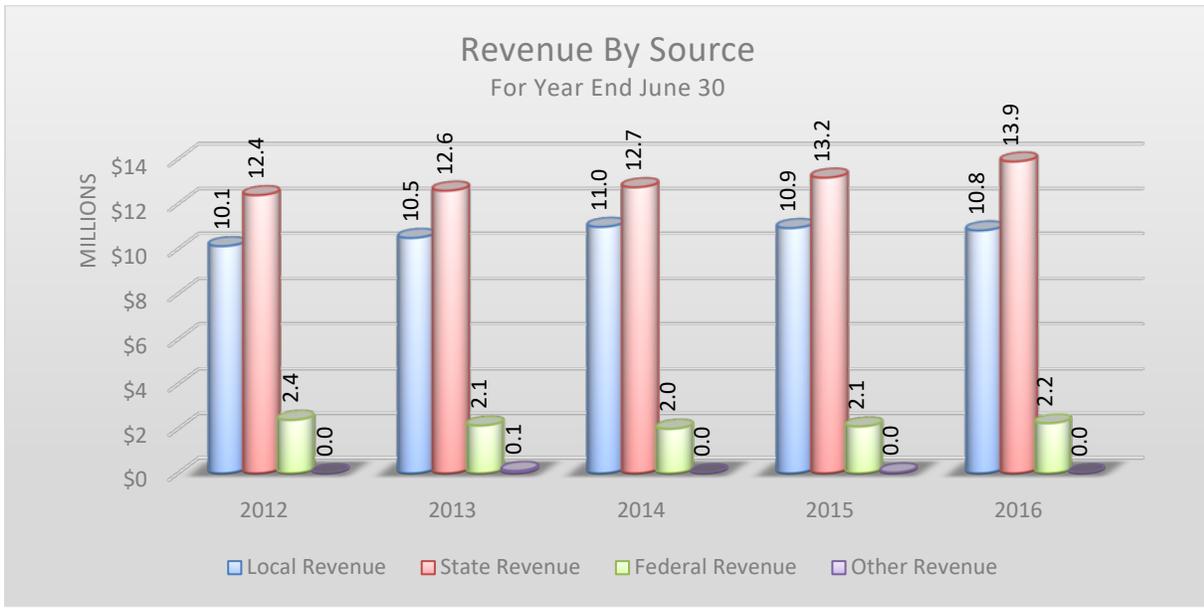
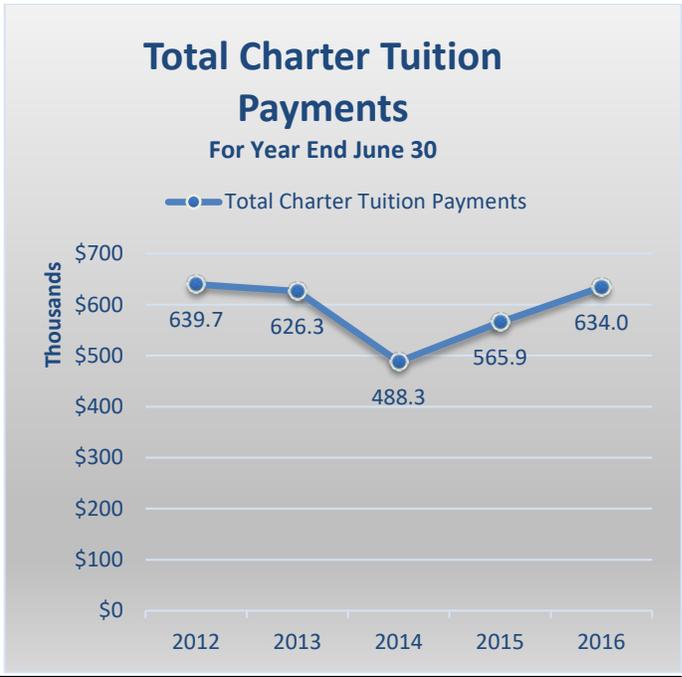
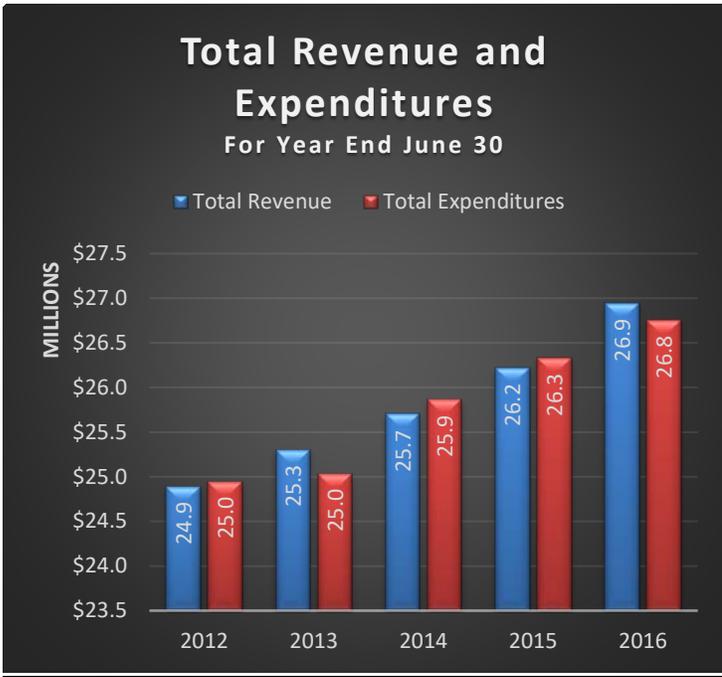
**Note:** General Fund Balance is comprised of the District's Committed, Assigned and Unassigned Fund Balances.



**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 junior high school and high school are combined into one building, but their academic scores are reported separately.

**Financial Information Continued**



## Academic Information

The graphs on the following pages present School Performance Profile (SPP) scores, Pennsylvania System of School Assessment (PSSA), Keystone Exam results, and 4-Year Cohort Graduation Rates for the District obtained from PDE's data files for the 2014-15 and 2015-16 school years.<sup>2</sup> These scores are provided in the District's audit report for **informational purposes only**, and they were not audited by our Department. Please note that if one of the District's schools did not receive a score in a particular category and year presented below, the school will not be listed in the corresponding chart.<sup>3</sup> Finally, benchmarks noted in the following graphs represent the statewide average of all public school buildings in the Commonwealth that received a score in the category and year noted.<sup>4</sup>

### **What is a SPP score?**

A SPP score serves as a benchmark for schools to reflect on successes, achievements, and yearly growth. PDE issues a SPP score using a 0-100 scale for all school buildings in the Commonwealth annually, which is calculated based on standardized testing (i.e. PSSA and Keystone exams), student improvement, advance course offerings, and attendance and graduation rates. Generally speaking, a SPP score of 70 or above is considered to be a passing rate.

PDE started issuing a SPP score for all public school buildings beginning with the 2012-13 school year. For the 2014-15 school year, PDE only issued SPP scores for high schools taking the Keystone Exams as scores for elementary and middle schools were put on hold due to changes with PSSA testing.<sup>5</sup> PDE resumed issuing a SPP score for all schools for the 2015-16 school year.

### **What is the PSSA?**

The PSSA is an annual, standardized test given across the Commonwealth to students in grades 3 through 8 in core subject areas, including English and Math. The PSSAs help Pennsylvania meet federal and state requirements and inform instructional practices, as well as provide educators, stakeholders, and policymakers with important information about the state's students and schools.

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<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> PDE's data does not provide any further information regarding the reason a score was not published for a specific school. However, readers can refer to PDE's website for general information regarding the issuance of academic scores.

<sup>4</sup> Statewide averages were calculated by our Department based on individual school building scores for all public schools in the Commonwealth, including district schools, charters schools, and cyber charter schools.

<sup>5</sup> According to PDE, SPP scores for elementary and middle schools were put on hold for the 2014-15 school year due to the state's major overhaul of PSSA exams to align with state Common Core standards and an unprecedented drop in public schools' PSSA scores that year. Since PSSA scores are an important factor in the SPP calculation, the state decided not to use PSSA scores to calculate a SPP score for elementary and middle schools for the 2014-15 school year. Only high schools using the Keystone Exam as the standardized testing component received a SPP score.

The 2014-15 school year marked the first year that PSSA testing was aligned to the more rigorous PA Core Standards.<sup>6</sup> The state uses a grading system with scoring ranges that place an individual student's performance into one of four performance levels: Below Basic, Basic, Proficient, and Advanced. The state's goal is for students to score Proficient or Advanced on the exam in each subject area.

### **What is the Keystone Exam?**

The Keystone Exam measures student proficiency at the end of specific courses, such as Algebra I, Literature, and Biology. The Keystone Exam was intended to be a graduation requirement starting with the class of 2017, but that requirement has been put on hold until at least 2020. In the meantime, the exam is still given as a standardized assessment and results are included in the calculation of SPP scores. The Keystone Exam is scored using the same four performance levels as the PSSAs, and the goal is to score Proficient or Advanced for each course requiring the test.

### **What is a 4-Year Cohort Graduation Rate?**

PDE collects enrollment and graduate data for all Pennsylvania public schools, which is used to calculate graduation rates. 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. Data specific to the 4-year cohort graduation rate is presented in the graph.<sup>7</sup>

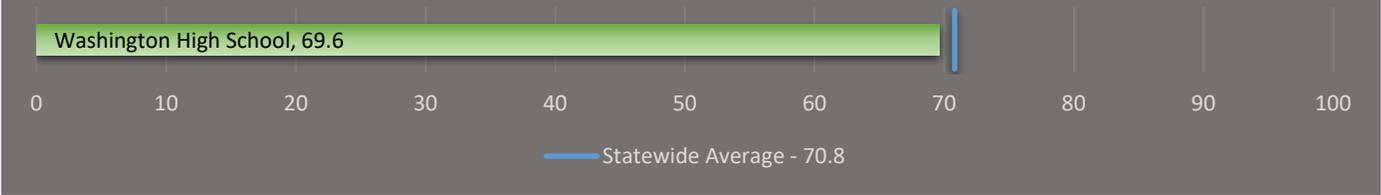
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<sup>6</sup> PDE has determined that PSSA scores issued beginning with the 2014-15 school year and after are not comparable to prior years due to restructuring of the exam. (Also, see footnote 4).

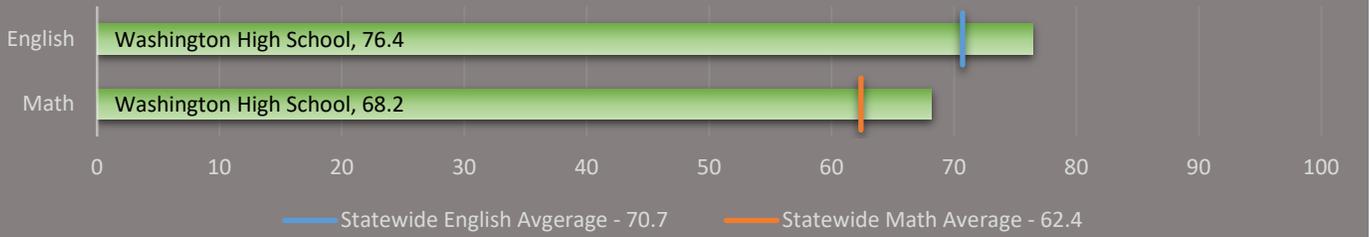
<sup>7</sup> PDE also calculates 5-year and 6-year cohort graduation rates. Please visit PDE's website for additional information: <http://www.education.pa.gov/Data-and-Statistics/Pages/Cohort-Graduation-Rate-.aspx>.

**2014-15 Academic Data**  
**School Scores Compared to Statewide Averages**

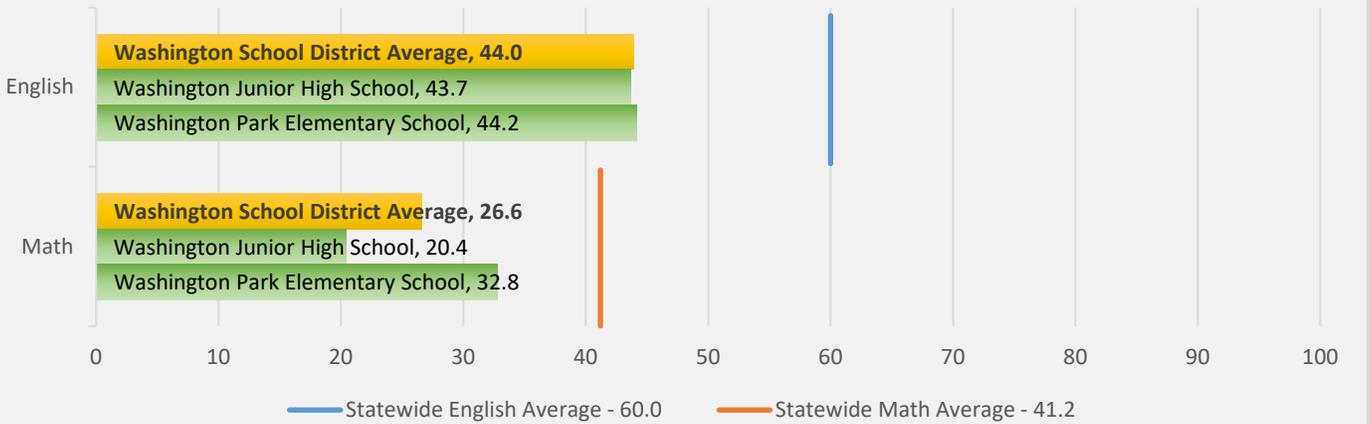
**2014-15 SPP Scores**



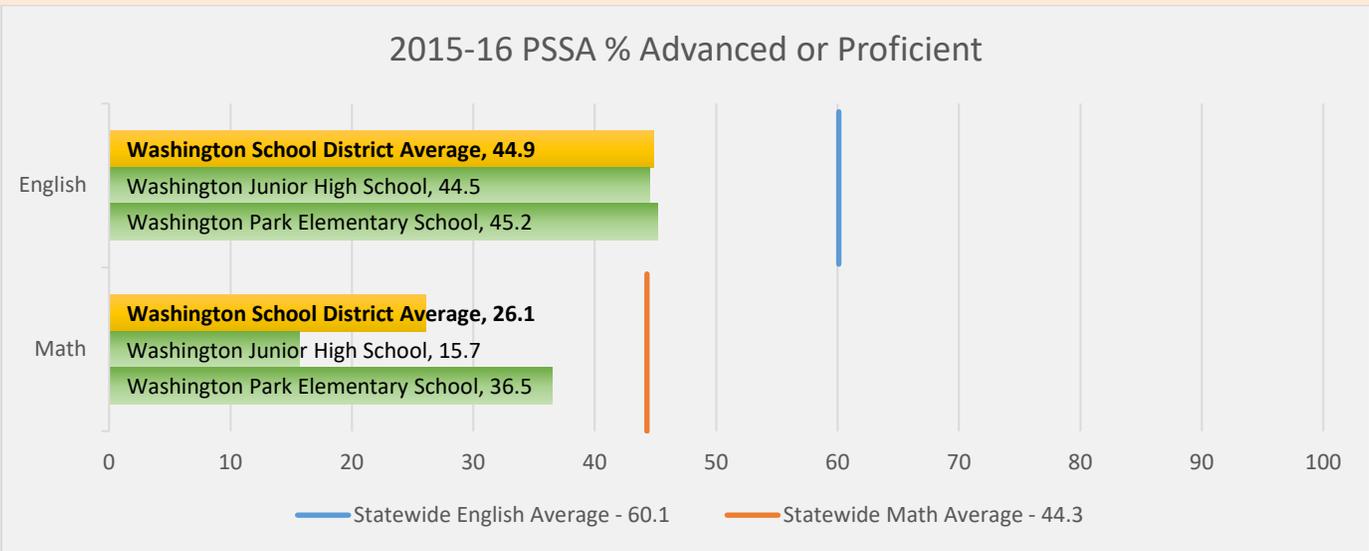
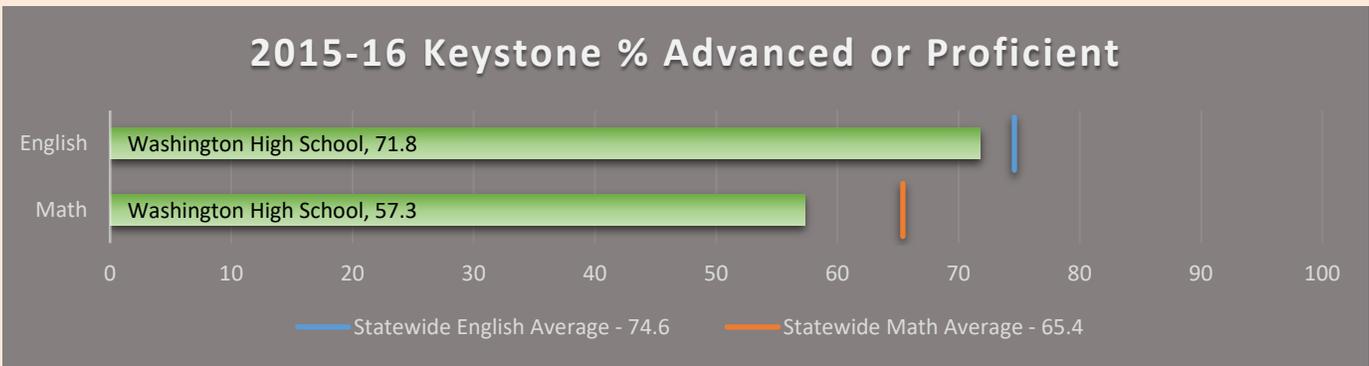
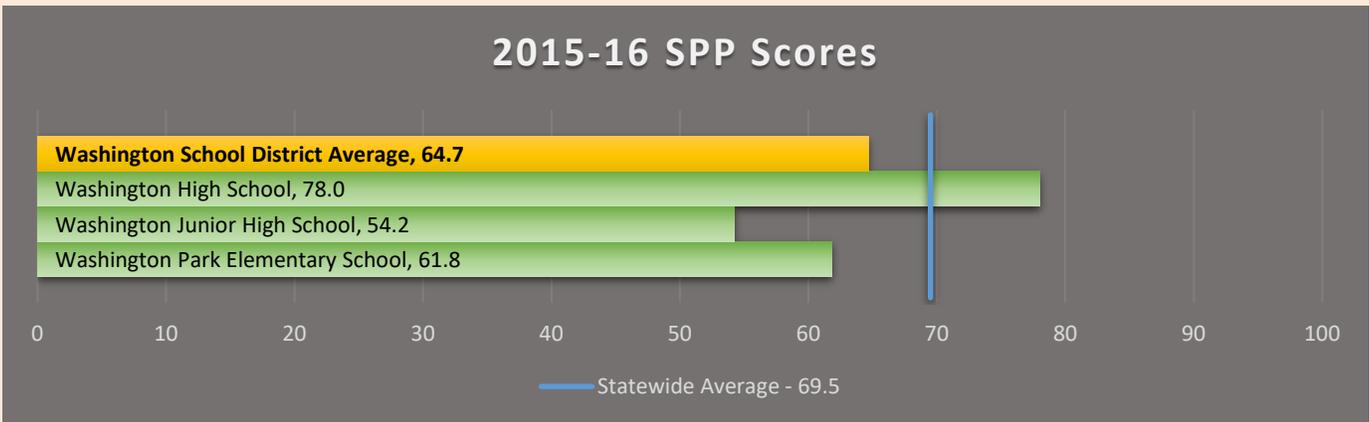
**2014-15 Keystone % Advanced or Proficient**



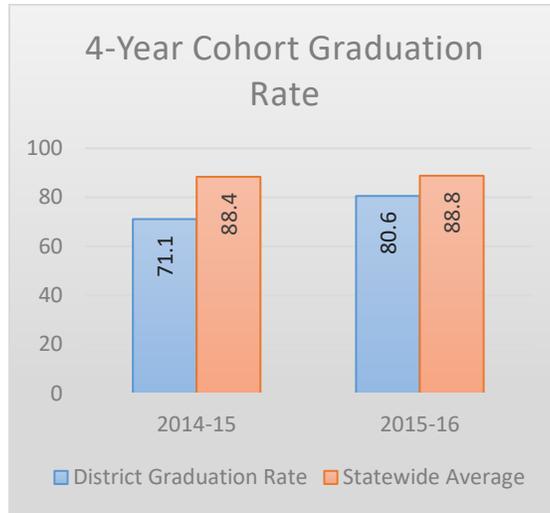
**2014-15 PSSA % Advanced or Proficient**



**2015-16 Academic Data**  
**School Scores Compared to Statewide Averages**



### **4-Year Cohort Graduation Rate**



## **Finding(s)**

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**F**or the audited period, our audit of the Washington School District resulted in no findings.

## **Status of Prior Audit Findings and Observations**

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Our prior audit of the Washington School District (District) released on July 10, 2014, resulted in one finding, as shown below. 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 July 10, 2014**

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**Prior Finding:** **Internal Control Weaknesses and Lack of Supporting Documentation for Nonresident Students Resulted in Questionable Payments Totaling \$92,974**

Prior Finding Summary: Our review of the District's student membership records and reports submitted to PDE for the 2008-09 school year found insufficient supporting documentation regarding the classification of nonresident students placed in private residential treatment facilities. Failing to have on file the appropriate supporting documentation resulted in the auditors being unable to determine the accuracy of \$92,974 received by the District for Commonwealth-paid tuition.

Prior Recommendations: We recommended that the District should:

1. Review all child accounting data submissions for accuracy and sufficiency.
2. Create adequate controls of the Pennsylvania Information Management System's (PIMS) review and submission.
3. Provide regular in-service training to administrative and clerical personnel responsible for recording and reporting membership data. This training should stress the importance of maintaining accurate and complete records, and the relationship of membership data to state subsidies and reimbursements.
4. Provide regular in-service training and/or utilize the PIMS service center to ensure the proper submission of PIMS.
5. Develop procedures to ensure proper classification of students enrolling in the District as resident or nonresident students, and document the district of residence of the natural parent or guardian as stressed in proper PIMS reporting.

6. District should create a policy or procedure to ensure continuity over student enrollment process.

Current Status:

During our current audit, we found that the District has implemented all of our recommendations. The District has procedures in place to review all child accounting data submissions, and these include controls of PIMS review and submission. The District also provides in-service training to all employees involved in the recording and reporting of membership data. The District now utilizes the PIMS service center to ensure proper PIMS submissions. The District has developed procedures to ensure proper reporting of classifications for enrolling students and has created procedures ensuring continuity over the student enrollment process.

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## **Appendix: Audit Scope, Objectives, and Methodology**

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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, Pennsylvania Department of Education (PDE), and other concerned entities.

Our audit, conducted under authority of Sections 402 and 403 of The Fiscal Code,<sup>8</sup> is not a substitute for the local annual financial audit required by the Public School Code 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, 2016. In addition, the scope of each individual audit objective is detailed on the next page.

The Washington School District's (District) management is responsible for establishing and maintaining effective internal controls<sup>9</sup> to provide reasonable assurance that the District is in compliance with certain relevant state laws, regulations, contracts, and administrative procedures (relevant requirements). In conducting our audit, we obtained an understanding of the District's internal controls, including any information technology controls, which 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.

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<sup>8</sup> 72 P.S. §§ 402 and 403.

<sup>9</sup> 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, 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, annual financial reports, annual budgets, new or amended policies and procedures, and the independent audit report of the District's basic financial statements for the fiscal years July 1, 2012, through June 30, 2016. 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:

- Financial Stability
- Transportation Operations
- Data Integrity
- Bus Driver Requirements
- School Safety

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

- ✓ Based on an assessment of financial indicators, was the District in a declining financial position, and did it comply with all statutes prohibiting deficit fund balances and the over expending of the District's budget?
  - To address this objective, we reviewed the District's annual financial reports, budgets, and independent auditor's reports for the fiscal years 2012-13 through 2015-16. The financial and statistical data was used to calculate the District's General Fund balance, operating position, charter school costs, debt ratio, and current ratio. These financial indicators were deemed appropriate for assessing the District's financial stability. The financial indicators are based on best business practices established by several agencies, including the Pennsylvania Association of School Business Officials, the Colorado Office of the State Auditor, and the National Forum on Education Statistics. Our review of this objective did not disclose any reportable issues.
- ✓ Did the District ensure compliance with applicable laws and regulations governing transportation operations, and did the District receive the correct transportation reimbursement from the Commonwealth?<sup>10</sup>
  - To address this objective, we randomly selected 6 out of 25 vehicles operated by the District's primary transportation contractor during the 2015-16 school year. We obtained information that supported data reported to PDE during the 2015-16

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<sup>10</sup> See 24 P.S. §§ 13-1301, 13-1302, 13-1305, 13-1306; 22 Pa. Code Chapter 11.

school year to ensure that the District reported the correct information and received the appropriate transportation subsidies from PDE. The information obtained included: odometer readings, daily mileage sheets, student rosters, and weighted calculations. We also reviewed the District's policies and procedures governing the collection of transportation data and submission of these data to PDE. Our review of this objective did not disclose any reportable issues.<sup>11</sup>

- ✓ Was the membership data that the District reported in the Pennsylvania Information Management System accurate, valid, and reliable?
  - To address this objective, we randomly selected 18 out of 1,687 total registered students (5 resident, 8 nonresident, and 5 area vocational-technical schools) from the vendor software listing for the 2015-16 school year and verified that each child was appropriately registered with the District. In addition, we randomly selected 2 out of 24 school terms reported on the Summary of Child Accounting and verified the school days reported on the Instructional Time and Membership Report and matched them to the School Calendar. Our review of this objective did not disclose any reportable issues.<sup>12</sup>
  
- ✓ 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?<sup>13</sup> Also, did the District have written policies and procedures governing the hiring of new bus drivers that would, when followed, provide reasonable assurance of compliance with applicable laws?
  - To address this objective, we obtained a current list of bus drivers as of August 15, 2017, and out of the total population of 24 drivers, from this current list, we randomly selected 5 drivers and reviewed documentation to ensure the District complied with the requirements for bus drivers. We also determined if the District had written policies and procedures governing the hiring of bus drivers and if those procedures ensure compliance, when followed, with bus driver hiring requirements. Our review of this objective did not disclose any reportable issues.<sup>14</sup>

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<sup>11</sup> We selected vehicles randomly in order to obtain a representative selection of vehicles. While the results of the representative selections may be projected to their respective populations, the characteristics present in the population may differ from the characteristics of the items selected.

<sup>12</sup> We selected students and school terms randomly in order to obtain a representative selection. While the results of the representative selections may be projected to their respective populations, the characteristics present in the population may differ from the characteristics of the items selected.

<sup>13</sup> 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*.

<sup>14</sup> We selected drivers randomly in order to obtain a representative selection of drivers. While the results of the representative selections may be projected to their respective populations, the characteristics present in the population may differ from the characteristics of the items selected.

- ✓ Did the District take actions to ensure it provided a safe school environment?<sup>15</sup>
  - 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 a building walk-through of one building not previously reviewed to assess whether the District had implemented basic safety practices.<sup>16</sup> Due to the sensitive nature of school safety, the results of our review of this objective are not described in our report. The results of our review of school safety are shared with the District officials and, if deemed necessary, PDE.

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<sup>15</sup> 24 P.S. § 13-1301-A *et seq.*

<sup>16</sup> Basic safety practices evaluated were building security, bullying prevention, visitor procedures, risk and vulnerability assessments, and preparedness.

## **Distribution List**

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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  
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Harrisburg, PA 17126

**The Honorable Joe Torsella**

State Treasurer  
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Executive Director  
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