

# PERFORMANCE AUDIT

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## West Jefferson Hills School District Allegheny County, Pennsylvania

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April 2017



Commonwealth of Pennsylvania  
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE  
AUDITOR GENERAL

Dr. Michael Ghilani, Superintendent  
West Jefferson Hills School District  
835 Old Clairton Road  
Jefferson Hills, Pennsylvania 15025

Mr. Brian Fernandes, Board President  
West Jefferson Hills School District  
835 Old Clairton Road  
Jefferson Hills, Pennsylvania 15025

Dear Dr. Ghilani and Mr. Fernandes:

We have conducted a performance audit of the West Jefferson Hills School District (District) for the period July 1, 2012, through June 30, 2015, 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:

- Contracting
- Hiring Practices
- 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 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

April 6, 2017

cc: **WEST JEFFERSON HILLS SCHOOL DISTRICT** Board of School Directors

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## Background Information

School Characteristics 2015-16 School Year <sup>A</sup>	
County	Allegheny
Total Square Miles	20
Resident Population <sup>B</sup>	20,500
Number of School Buildings	5
Total Teachers	204
Total Full or Part-Time Support Staff	125
Total Administrators	17
Total Enrollment for Most Recent School Year	2,863
Intermediate Unit Number	3
District Vo-Tech School	Steel Center AVTS

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

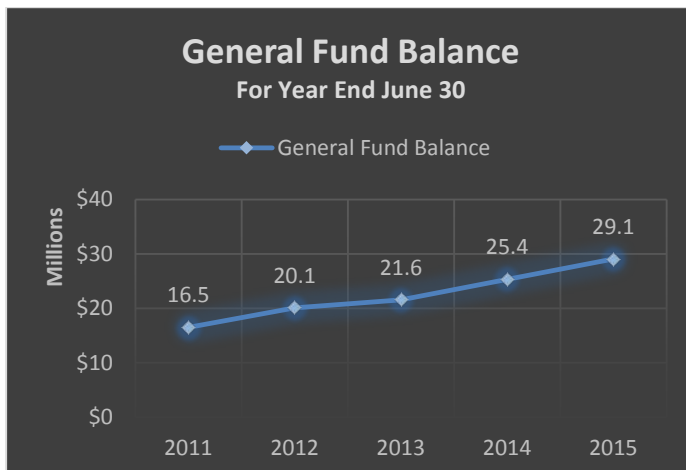
B - Source: United States Census  
<http://www.census.gov/2010census>.

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

Students are the primary focus of the West Jefferson Hills School District where, in partnership with families and community, the mission is to educate and prepare all students to become active, contributing members of society by providing a challenging, innovative educational program guided by an exceptional staff in a safe, positive, caring environment, all of which promote excellence.

## 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**.

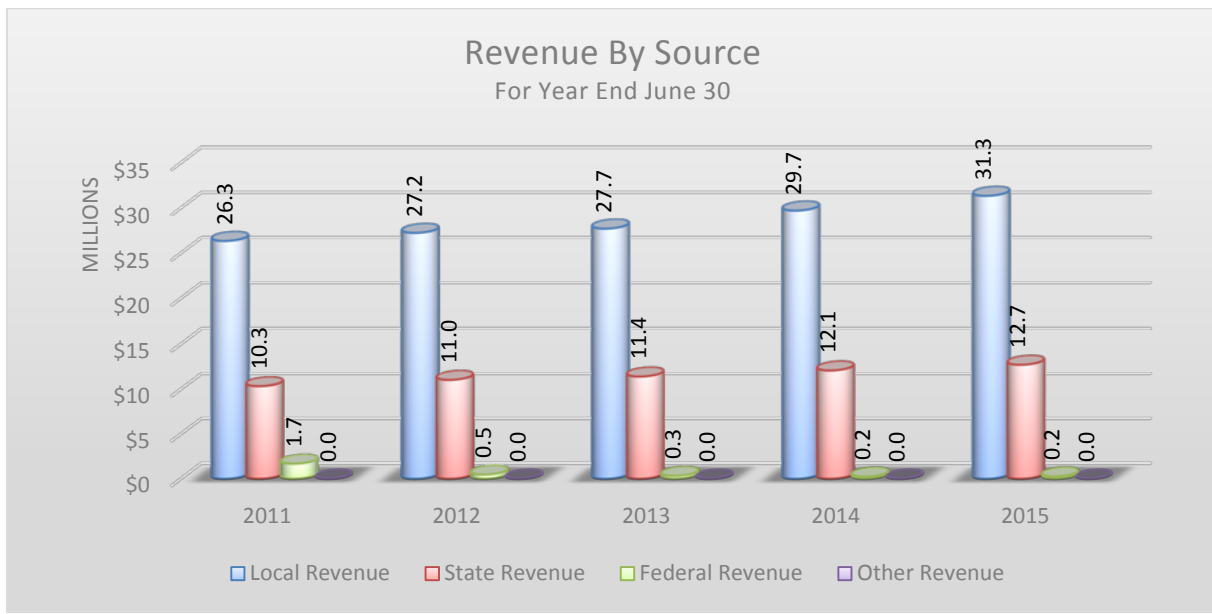
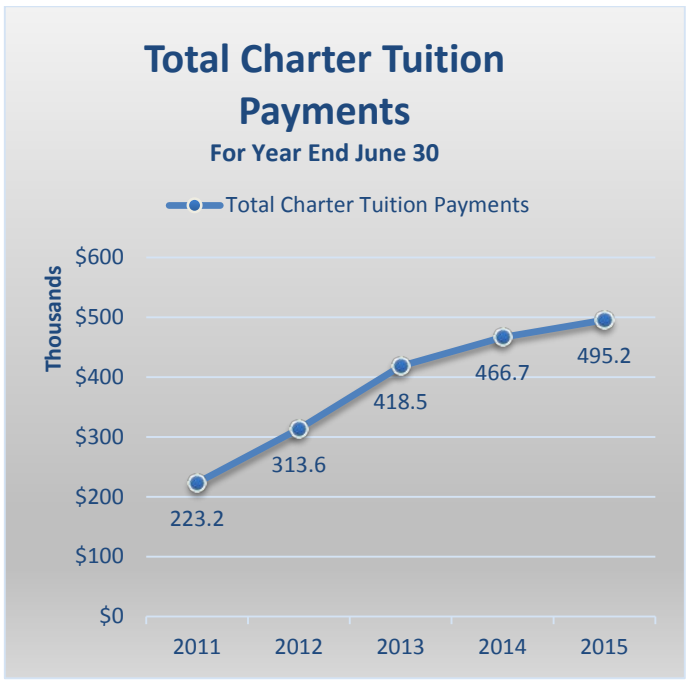
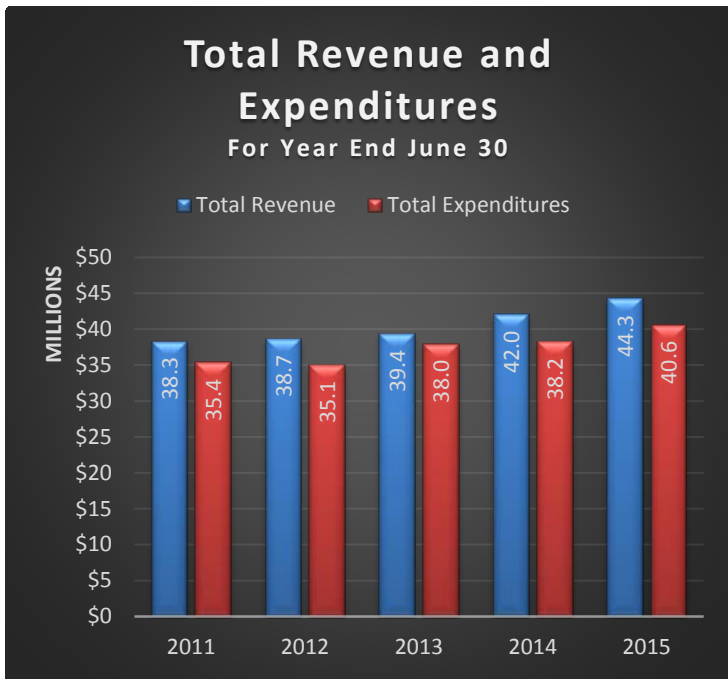


**Note:** General Fund Balance is comprised of the District's Committed, Assigned and Unassigned Fund Balances.



**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



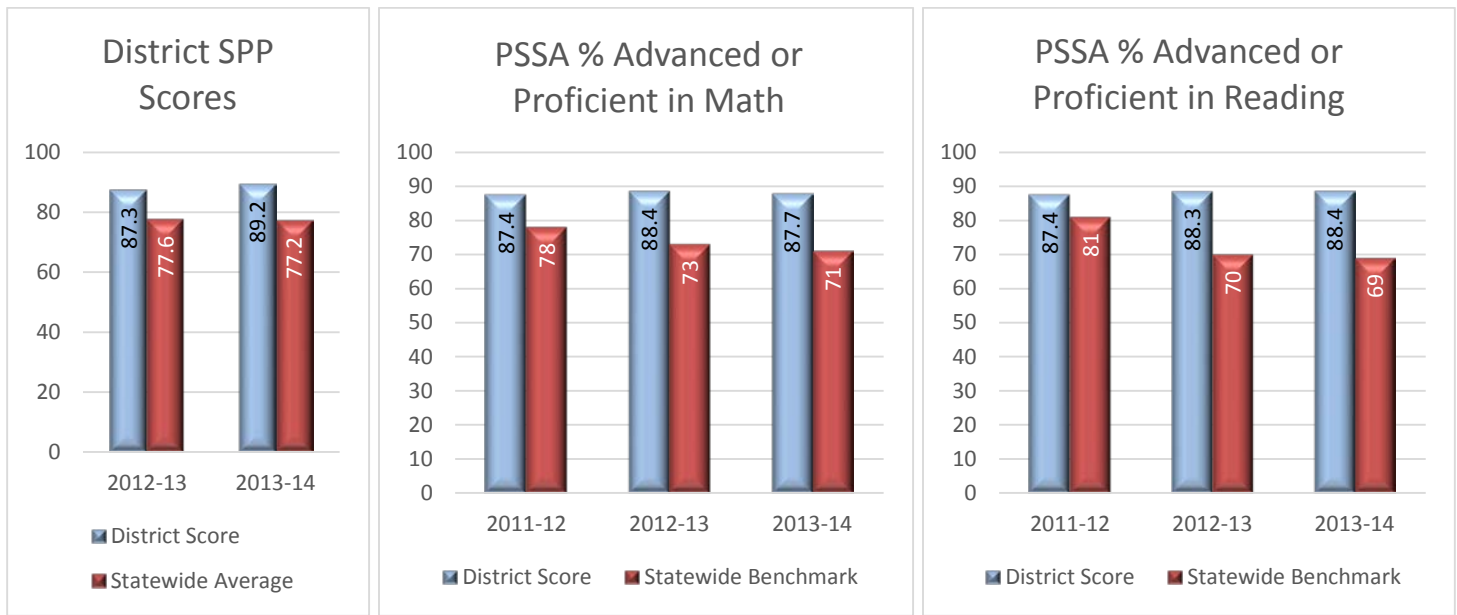
## Academic Information

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.<sup>1</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>2</sup> PSSA benchmarks and goals are determined by PDE each school year and apply to all public school entities.<sup>3</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>West Jefferson Hills SD</i>	87.3	89.2	87.4	88.4	87.7	87.4	88.3	88.4
<i>SPP Grade<sup>4</sup></i>	<b>B</b>	<b>B</b>						



<sup>1</sup> PDE is the sole source of academic data presented in this report. All academic data was obtained from PDE's publicly available website.

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

<sup>3</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>4</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).

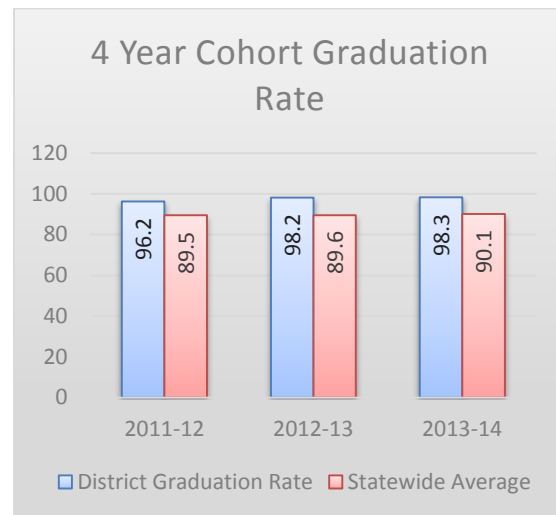
## Individual School Building SPP and PSSA Scores

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>5</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>Statewide Benchmark</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>Gill Hall Elementary School</i>	<b>94.3</b>	<b>97.7</b>	<b>90.9</b>	<b>90.0</b>	<b>92.8</b>	<b>87.4</b>	<b>87.9</b>	<b>89.9</b>
<i>Jefferson Elementary School</i>	<b>86.8</b>	<b>98.5</b>	<b>90.6</b>	<b>90.4</b>	<b>90.1</b>	<b>85.3</b>	<b>85.4</b>	<b>89.0</b>
<i>McClellan Elementary School</i>	<b>77.3</b>	<b>85.1</b>	<b>91.2</b>	<b>87.8</b>	<b>86.9</b>	<b>84.3</b>	<b>82.1</b>	<b>82.5</b>
<i>Pleasant Hills Middle School</i>	<b>90.2</b>	<b>87.5</b>	<b>88.5</b>	<b>88.0</b>	<b>86.8</b>	<b>92.0</b>	<b>91.2</b>	<b>90.2</b>
<i>Thomas Jefferson High School</i>	<b>88.1</b>	<b>77.2</b>	<b>75.6</b>	<b>85.7</b>	<b>81.9</b>	<b>88.0</b>	<b>94.6</b>	<b>90.4</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>6</sup>



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

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

## **Finding(s)**

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



## Status of Prior Audit Findings and Observations

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Our prior audit of the District released on July 10, 2013, resulted in one observation, 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 August 28, 2013, written response provided to PDE, interviewed District personnel, and performed audit procedures as detailed in the status section below.

### Auditor General Performance Audit Report Released on July 10, 2013

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**Prior Observation: Amount Paid Pupil Transportation Contractors Greatly Exceeds Pennsylvania Department of Education Allowance**

Prior Observation

Summary:

In our prior audit, we found that the District's contracted pupil costs for the 2008-09 and 2009-10 school years were substantially more than the PDE final formula allowance.

Prior Recommendations: Our prior audit observation recommended that the District should:

1. Ensure that, prior to renegotiating a new contract, the Board of School Directors (Board) and administrative personnel are cognizant of the state's final formula allowance cost formula.
2. Routinely seek competitive bids for all of the District's pupil transportation services to ensure the most efficient cost to the District and its taxpayers.
3. Prepare pupil transportation contracts to ensure the local share is as minimal as possible by establishing the base rate and increases in line with PDE's final formula allowance for all pupil transportation costs.
4. Have District personnel continuously monitor and justify any increase in the District's pupil transportation costs.

Current Status:

During our current audit, we found that the District has not implemented any of our prior recommendations. The District stated that they continue to disagree with our prior observation. The District stated that PDE's calculation formula does not consider appropriate Consumer Price Indexes, gasoline/diesel price increases, special education, parochial student, homeless student and foster student transportation costs. The District continues to pay substantially above the state formula allowance. Transportation expenditures exceeded state formula allowance by 93 percent for the 2015-16 school year.

Furthermore, the District did not seek competitive bids for their current transportation contract. In August 2015, the District negotiated a four-year extension to the contract expiring at the end of the 2015-16 school year; this extension covers the 2016-17 through 2019-20 school years. The District stated that they felt the contract extension was at a favorable rate and noted that this extension called for the annual replacement of older vehicles. The District also cited their long-term relationship with this transportation provider and their level of satisfaction with the quality of the service provided.

We continue to strongly recommend that the District seek competitive bids when the current transportation contract expires. The District can't ensure that they are receiving the best rates until they open the contract for competitive bids.

## **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, PDE, and other concerned entities.

Our audit, conducted under authority of Sections 402 and 403 of The Fiscal Code,<sup>7</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, 2015. In addition, the scope of each individual audit objective is detailed on the next page.

The District's management is responsible for establishing and maintaining effective internal controls<sup>8</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>7</sup> 72 P.S. §§ 402 and 403.

<sup>8</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, 2015. 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:

- Contracting
- Hiring Practices
- 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:

- ✓ Did the District ensure that its contracts were current and were properly obtained, approved, executed, and monitored?
  - To address this objective, we reviewed the District's procurement and contract monitoring policies and procedures. We obtained a list of service vendors for the 2015-16 school year. We haphazardly selected for detailed testing 14 out of the 131 vendors exceeding \$1,000 for services purchased by the District during the period July 1, 2015, through June 30, 2016. We reviewed procurement procedures to determine if the purchase was procured in compliance with Public School Code and District policies. We also reviewed documents and interviewed District personnel to determine if the District monitored the selected contracts. Finally, we reviewed board meeting minutes to determine proper approvals and the Board's Statements of Financial Interest to determine if any board member had a conflict of interest in approving the selected vendors. Our review of this area did not disclose any reportable issues.
- ✓ Did the District follow the Public School Code<sup>9</sup> and the District's policy and procedures when hiring new staff?
  - To address this objective, we obtained and reviewed the District's hiring policies and procedures. We selected the three most recently hired employees during the 2016-17 school year per the board meeting minutes and reviewed documentation to determine if the District complied with the Public School Code and the

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<sup>9</sup> 24 P.S. § 5-508, 24 P.S. § 11-1106, and 24 P.S. § 11-1111.

District's policy and procedures in hiring new employees. Our review of this area did not disclose any reportable issues.

- ✓ 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>10</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 randomly selected 5 of the 18 regular and substitute bus drivers hired by the District's bus contractor during the time period July 1, 2015, through October 31, 2016, 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 these were sufficient to ensure compliance with bus driver hiring requirements. Our review of this area did not disclose any reportable issues.
  
- ✓ Did the District take actions to ensure it provided a safe school environment?<sup>11</sup>
  - To address this objective, we reviewed a variety of documentation including safety plans, training schedules, anti-bullying policies, and after action reports. 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>10</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>11</sup> 24 P.S. § 13-1301-A *et seq.*

## **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  
333 Market Street  
Harrisburg, PA 17126

**The Honorable Joe Torsella**

State Treasurer  
Room 129 - Finance Building  
Harrisburg, PA 17120

**Mrs. Danielle Mariano**

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Harrisburg, PA 17105

**Mr. Nathan Mains**

Executive Director  
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400 Bent Creek Boulevard  
Mechanicsburg, PA 17050

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