



WEST SHORE SCHOOL DISTRICT
YORK COUNTY, PENNSYLVANIA
PERFORMANCE AUDIT REPORT

MARCH 2013

COMMONWEALTH OF PENNSYLVANIA

EUGENE A. DEPASQUALE - AUDITOR GENERAL

DEPARTMENT OF THE AUDITOR GENERAL



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**EUGENE A. DePASQUALE
AUDITOR GENERAL**

The Honorable Tom Corbett
Governor
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania 17120

Dr. Anthony J. Tezik, Ed.D, Board President
West Shore School District
507 Fishing Creek Road, P.O. Box 803
New Cumberland, Pennsylvania 17070

Dear Governor Corbett and Dr. Tezik:

We conducted a performance audit of the West Shore School District (WSSD) to determine its compliance with applicable state laws, contracts, grant requirements, and administrative procedures. Our audit covered the period May 22, 2009, through October 5, 2012, except as otherwise indicated in the report. Additionally, compliance specific to state subsidy and reimbursements was determined for the school years ended June 30, 2010, and June 30, 2009. Our audit was conducted pursuant to 72 P.S. § 403 and in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States.

Our audit found that the WSSD complied, in all significant respects, with applicable state laws, contracts, grant requirements, and administrative procedures.

We appreciate the WSSD's cooperation during the conduct of the audit.

Sincerely,

March 4, 2013

/s/
EUGENE A. DEPASQUALE
Auditor General

cc: **WEST SHORE SCHOOL DISTRICT** Board Members



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Executive Summary

Audit Work

The Pennsylvania Department of the Auditor General conducted a performance audit of the West Shore School District (WSSD). Our audit sought to answer certain questions regarding the District's compliance with applicable state laws, contracts, grant requirements, and administrative procedures, and to determine the status of corrective action taken by the WSSD in response to our prior audit recommendations.

Our audit scope covered the period May 22, 2009, through October 5, 2012, except as otherwise indicated in the audit scope, objectives, and methodology section of the report. Compliance specific to state subsidy and reimbursements was determined for school years 2009-10 and 2008-09.

District Background

The WSSD encompasses approximately 78 square miles. According to 2000 federal census data, it serves a resident population of 54,207. According to District officials, in school year 2009-10 the WSSD provided basic educational services to 7,926 pupils through the employment of 678 teachers, 420 full-time and part-time support personnel, and 39 administrators. Lastly, the WSSD received more than \$23.6 million in state funding in school year 2009-10.

Audit Conclusion and Results

Our audit found that the WSSD complied, in all significant respects, with applicable state laws, contracts, grant requirements, and administrative procedures. We report no findings or observations in this report.

Status of Prior Audit Findings and Observations

With regard to the status of our prior audit recommendations to the WSSD from an audit we conducted of the 2007-08, 2006-07, 2005-06 and 2004-05, school years, we found the WSSD had taken appropriate corrective action in implementing our recommendations pertaining to the Memorandum of Understanding (see page 7).



Audit Scope, Objectives, and Methodology

Scope

What is a school performance audit?

School performance audits allow the 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, the PA Department of Education, and other concerned entities.

Our audit, conducted under authority of 72 P.S. § 403, is not a substitute for the local annual 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.

Our audit covered the period May 22, 2009, through October 5, 2012, except for the verification of professional employee certification which was performed for the period July 1, 2011, through August 28, 2012.

Regarding state subsidy and reimbursements, our audit covered school years 2009-10 and 2008-09.

While all districts have the same school years, some have different fiscal years. Therefore, for the purposes of our audit work and to be consistent with Pennsylvania Department of Education (PDE) reporting guidelines, we use the term school year rather than fiscal year throughout this report. A school year covers the period July 1 to June 30.

Objectives

What is the difference between a finding and an observation?

Our performance audits may contain findings and/or observations related to our audit objectives. Findings describe noncompliance with a statute, regulation, policy, contract, grant requirement, or administrative procedure. Observations are reported when we believe corrective action should be taken to remedy a potential problem not rising to the level of noncompliance with specific criteria.

Performance audits draw conclusions based on an evaluation of sufficient, appropriate evidence. Evidence is measured against criteria, such as laws and defined business practices. Our audit focused on assessing WSSD's compliance with applicable state laws, contracts, grant requirements, and administrative procedures. However, as we conducted our audit procedures, we sought to determine answers to the following questions, which serve as our audit objectives:

- ✓ Were professional employees certified for the positions they held?
- ✓ Does the District have sufficient internal controls to ensure that the membership data it reported to the Pennsylvania Information Management System is complete, accurate, valid and reliable?

- ✓ Did the District, and any contracted vendors, ensure that their current bus drivers are properly qualified, and does they have written policies and procedures governing the hiring of new bus drivers?
- ✓ Are there any declining fund balances that may impose risk to the District's fiscal viability?
- ✓ Did the District pursue a contract buy-out with an administrator and if so, what was the total cost of the buy-out, what were the reasons for the termination/settlement, and does the current employment contract(s) contain adequate termination provisions?
- ✓ Were there any other areas of concern reported by local auditors, citizens, or other interested parties?
- ✓ Is the District taking appropriate steps to ensure school safety?
- ✓ Did the District have a properly executed and updated Memorandum of Understanding with local law enforcement?
- ✓ Were votes made by the District's board members free from apparent conflicts of interest?
- ✓ Did the District take appropriate corrective action to address recommendations made in our prior audits?

Methodology

Government Auditing Standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings, observations and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings, observations and conclusions based on our audit objectives.

WSSD management is responsible for establishing and maintaining effective internal controls to provide reasonable assurance that the District is in compliance with applicable laws, contracts, grant requirements, and administrative procedures. Within the context of our audit objectives, we obtained an understanding of internal

What are internal controls?

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;
- Compliance with applicable laws, contracts, grant requirements and administrative procedures.

controls and assessed whether those controls were properly designed and implemented. Additionally, we gained a high-level understanding of the District's information technology (IT) environment and evaluated whether internal controls specific to IT were present.

Any significant deficiencies found during the audit are included in this report.

In order to properly plan our audit and to guide us in possible audit areas, we performed analytical procedures in the areas of state subsidies/reimbursement, pupil transportation, and comparative financial information.

Our audit examined the following:

- Records pertaining to bus driver qualifications, professional employee certification, and financial stability.
- Items such as board meeting minutes, and pupil membership records.

Additionally, we interviewed selected administrators and support personnel associated with WSSD operations.

Lastly, to determine the status of our audit recommendations made in a prior audit report released on January 15, 2010, we reviewed the WSSD's response to PDE dated March 26, 2012. We then performed additional audit procedures targeting the previously reported matters.

Findings and Observations

For the audited period, our audit of the West Shore School District resulted in no findings or observations.

Status of Prior Audit Findings and Observations

Our prior audit of the West Shore School District (WSSD) for the school years 2007-08, 2006-07, 2005-06 and 2004-05, resulted in one observation. The observation pertained to the Memorandum of Understanding. As part of our current audit, we determined the status of corrective action taken by the WSSD to implement our prior recommendations. We analyzed the WSSD Board's written response provided to the Pennsylvania Department of Education, performed audit procedures, and questioned WSSD personnel regarding the prior observation. As shown below, we found that the WSSD did implement recommendations related to our observation.

School Years 2007-08, 2006-07, 2005-06 and 2004-05, Auditor General Performance Audit Report

Observation: **Memorandum of Understanding Not Updated Timely**

Observation Summary: Our prior audit found that the Memoranda of Understanding (MOU) between the WSSD and its five local law enforcement agencies were last signed in May 1998 and had not been updated in a timely manner. The WSSD had only obtained updated MOUs from two of the five local law enforcement agencies as of May 22, 2009, which was the fieldwork completion date of the prior audit.

Recommendations: Our audit observation recommended that the WSSD:

1. Ensure that the MOUs between the WSSD and the law enforcement agencies are fully executed by all parties in a timely manner.
2. Follow the general provisions of the WSSD's current MOU which now require that the MOU be re-executed every two years.
3. Adopt a policy requiring the administration to review and re-execute the MOU every two years as stated in the current MOU.

Current Status: Our current audit procedures that the WSSD did implement our recommendations. The MOUs on file are dated March 17, 2011, and have been signed by all five local law enforcement agencies.



Distribution List

This report was initially distributed to the superintendent of the school district, the board members, our website address at www.auditorgen.state.pa.us, and the following:

The Honorable Tom Corbett
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