

# PERFORMANCE AUDIT

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## Cranberry Area School District Venango County, Pennsylvania

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April 2018



Commonwealth of Pennsylvania  
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE  
AUDITOR GENERAL

Mr. William C. Vonada II, Superintendent  
Cranberry Area School District  
3 Education Drive  
Seneca, Pennsylvania 16346

Mr. Thomas Neely, Board President  
Cranberry Area School District  
3 Education Drive  
Seneca, Pennsylvania 16346

Dear Mr. Vonada and Mr. Neely:

We have conducted a performance audit of the Cranberry Area 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:

- Governance
- Data Integrity
- Bus Driver Requirements

We also evaluated the application of best practices in the area of school safety. Due to the sensitive nature of this issue and the need for the results of this review to be confidential, we did not include the results in this report. However, we communicated the results of our review of school safety to District officials, the Pennsylvania Department of Education, and other appropriate officials as deemed necessary.

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.

Mr. William C. Vonada II  
Mr. Thomas Neely  
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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,



Eugene A. DePasquale  
Auditor General

April 16, 2018

cc: **CRANBERRY AREA SCHOOL DISTRICT** Board of School Directors

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## Background Information

School Characteristics 2015-16 School Year <sup>A</sup>	
County	Venango
<b>Total Square Miles</b>	158
<b>Resident Population<sup>B</sup></b>	9,495
<b>Number of School Buildings</b>	2
<b>Total Teachers</b>	100
<b>Total Full or Part-Time Support Staff</b>	63
<b>Total Administrators</b>	7
<b>Total Enrollment for Most Recent School Year</b>	1,154
<b>Intermediate Unit Number</b>	6
<b>District Vo-Tech School</b>	Venango Technology Center

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

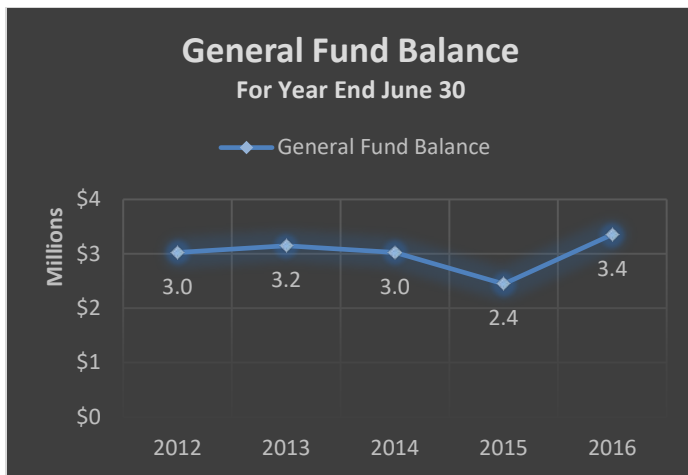
B - Source: United States Census  
<http://www.census.gov/2010census>.

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

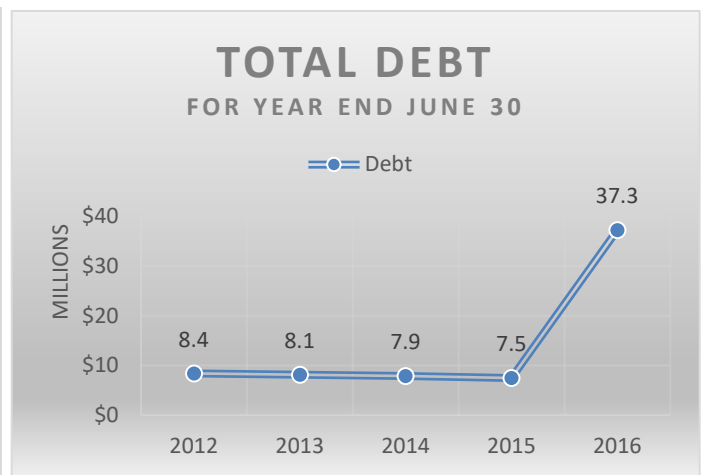
Cranberry Area School District's purpose, in partnership with our community, is to engage, educate and inspire our students to pursue their greatest potential.

## Financial Information

The following pages contain financial information about the Cranberry Area 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**.

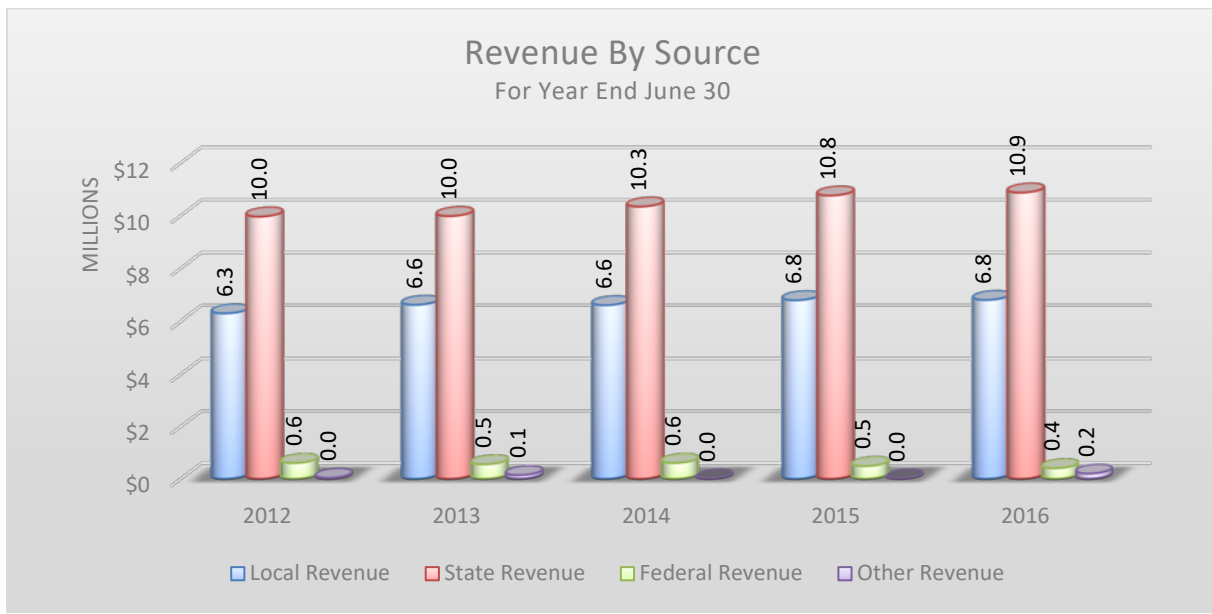
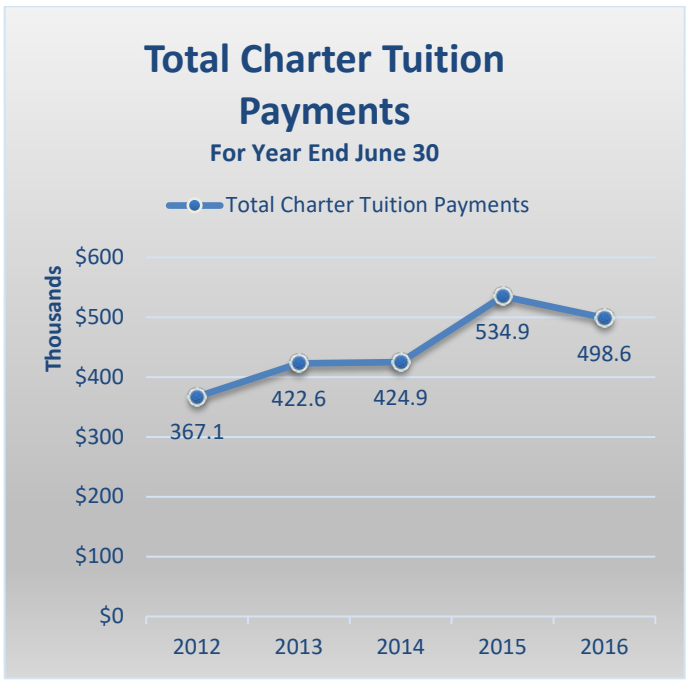
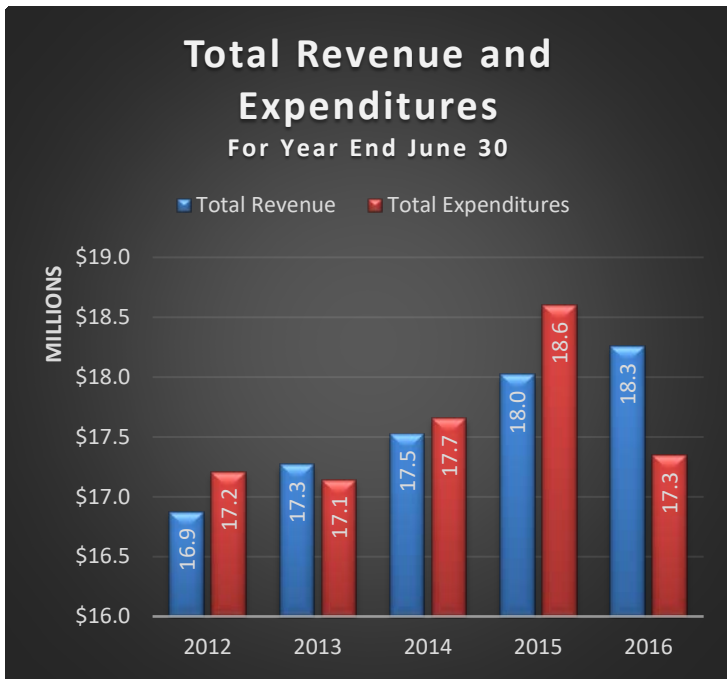


**Note:** General Fund Balance is comprised of the District's Committed, Assigned and Unassigned Fund Balances.



**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.

## 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>1</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>2</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>3</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>4</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>1</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>2</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>3</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>4</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>5</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>6</sup>

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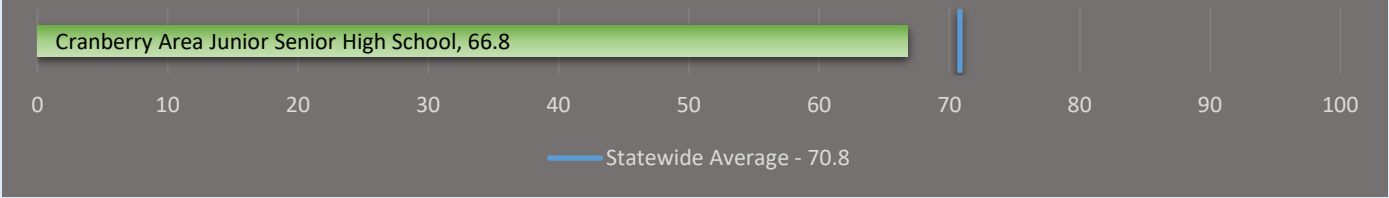
<sup>5</sup> PDE has determined that PSSA scores issued beginning with the 2014-15 school year and after are not comparable to prior years due to restructuring of the exam. (Also, see footnote 4).

<sup>6</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>.

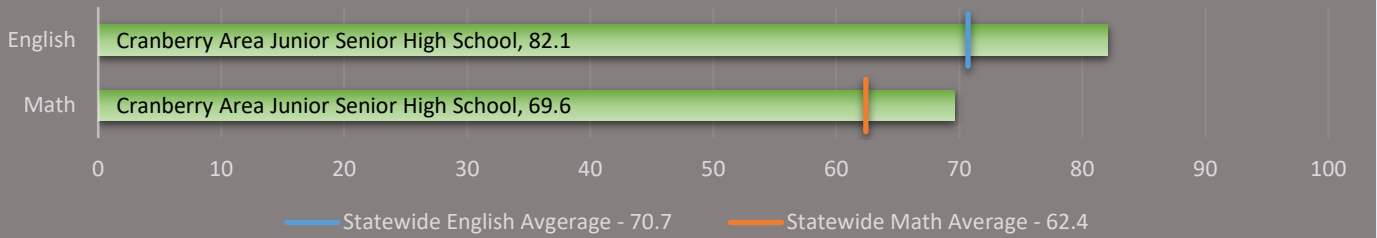


**2014-15 Academic Data**  
**School Scores Compared to Statewide Averages**

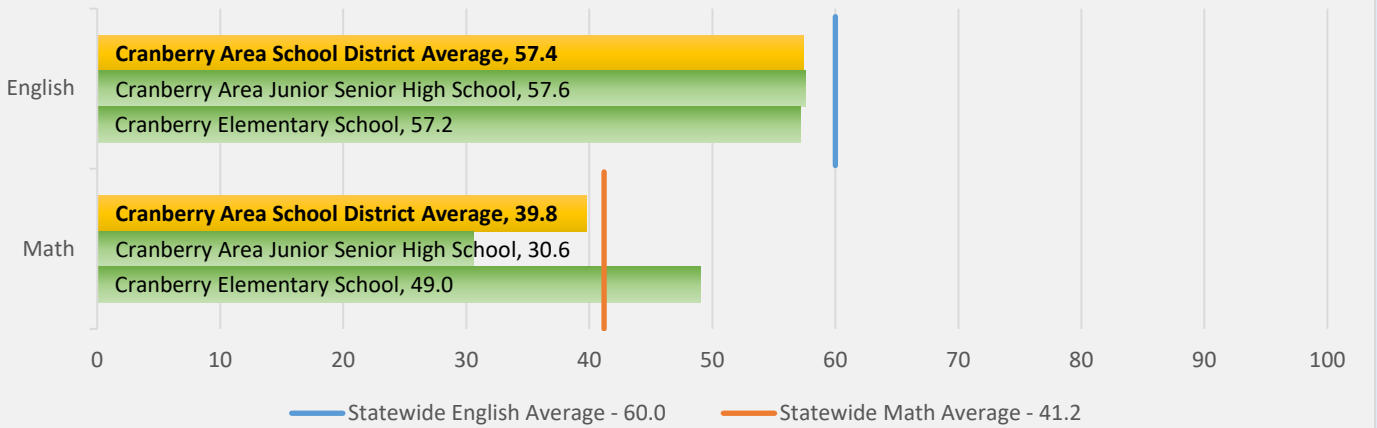
**2014-15 SPP Scores**



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

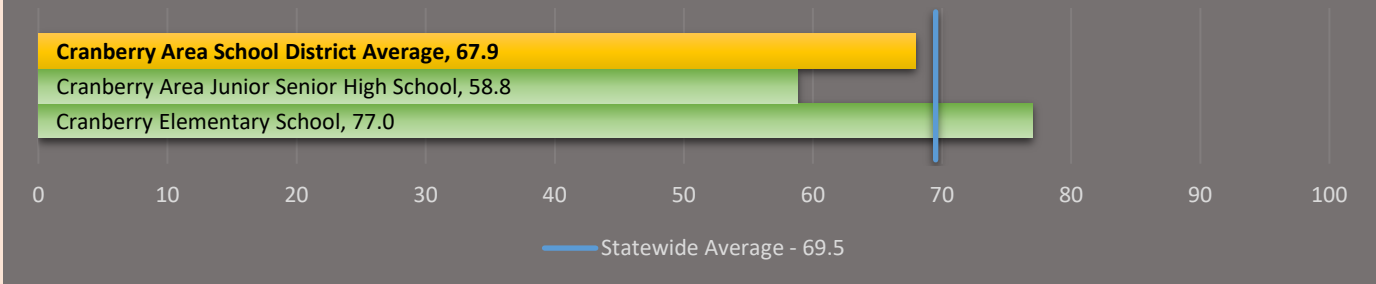


**2014-15 PSSA % Advanced or Proficient**

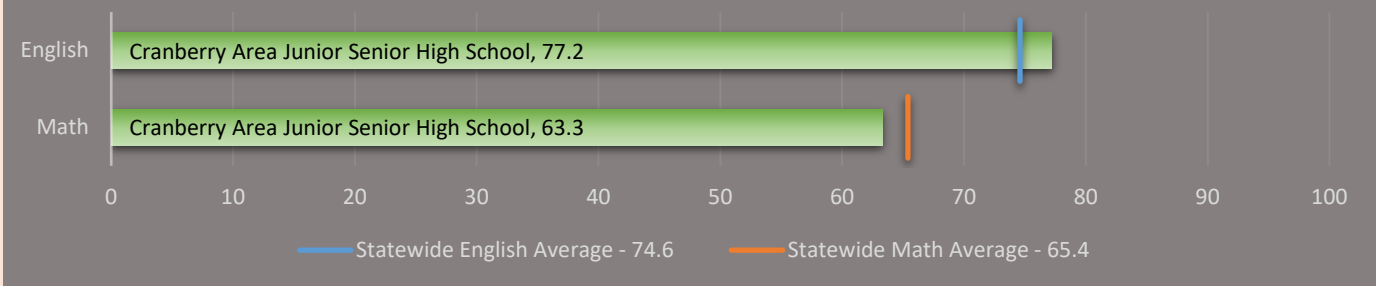


**2015-16 Academic Data**  
**School Scores Compared to Statewide Averages**

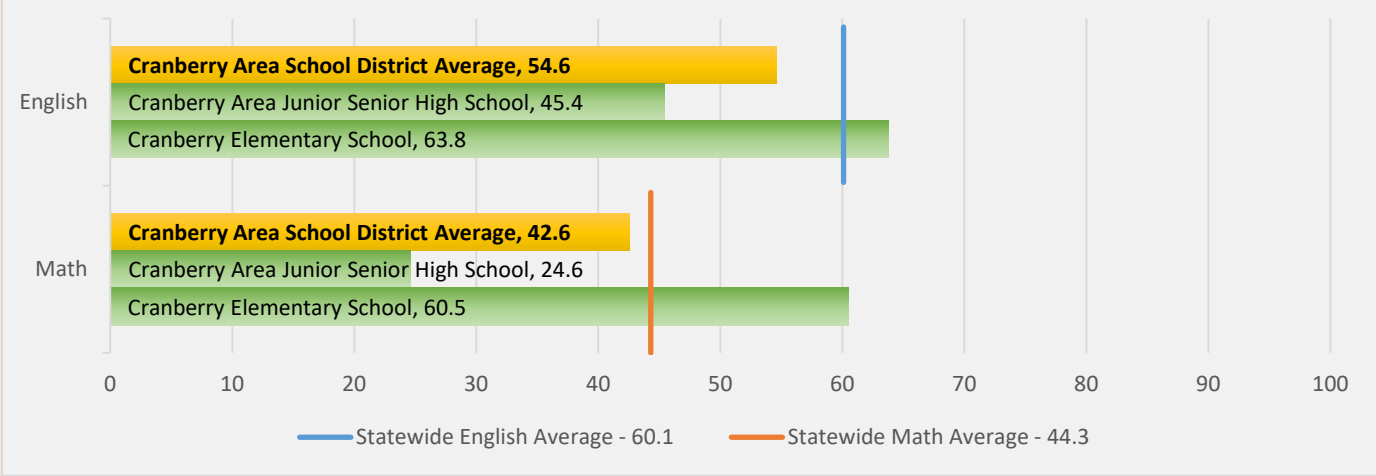
**2015-16 SPP Scores**



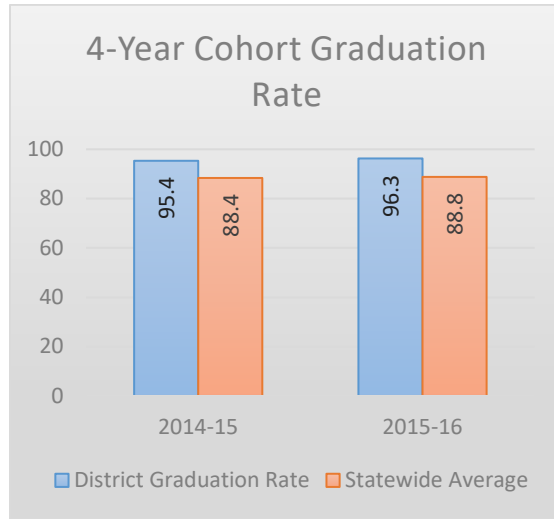
**2015-16 Keystone % Advanced or Proficient**



**2015-16 PSSA % Advanced or Proficient**



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



## **Finding(s)**

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

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

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**O**ur prior audit of the Cranberry Area School District (District) released on September 4, 2014, resulted in three findings and two observations, 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 September 4, 2014**

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**Prior Finding No. 1:**                    **The District's Former Superintendent Failed to Follow Board Policies Resulting in Questionable Purchases and Misused District Resources**

Prior Finding Summary:            We found that the former Superintendent failed to follow board policies and procedures governing purchasing, leave, and expense reimbursements. Over a three-year period covering 2010-11 through 2012-13, she over expended District funds, made questionable purchases, and received benefits to which she was potentially not entitled. The former Superintendent was able to circumvent the District's operational policies and avoid accountability for her actions because of a lack of oversight by the Board of School Directors (Board) and weak internal controls in the business office.

Prior Recommendations:            We recommended that the Board should:

1. Request that the former Superintendent pay back the \$745 she spent over and above the \$12,000 allowance the Board approved for her to buy office supplies and redecorate her office.
2. Request that the former Superintendent pay back the \$1,021 she received in overpayment for the buy-back of vacation days.
3. Request and review detailed monthly bills to ensure prudent usage of taxpayer's funds.
4. Ensure the District's administration does not use District equipment and labor for personal use.
5. Ensure cell phone reimbursements/expenses for future superintendents are in compliance with their contract and board

policy, and include a review of a detailed monthly usage statement.

6. Adopt a policy addressing the timely reporting of leave, the proper authorization of administrators leave, and the correct authorization of working from home.

Current Status:

We found that the District did take corrective action to address five of our six recommendations. On October 8, 2014, the District's solicitor requested reimbursement from the former Superintendent; however, no reimbursement was received. The District did not pursue the option of mediation to recover the reimbursement, because doing so was projected to cost more than the \$1,766 we recommended they recover.

Additionally, we found that the District enacted Board Policy No. 710, Use of School Facilities, to ensure that no administrators or staff use District equipment or labor for personal gain. The Board is also provided with detailed monthly bills for inspection and review prior to approval. The District also doesn't provide the current Superintendent with a cell phone and doesn't allow employees to work from home.

However, the District did not adopt a board policy to address the timely reporting of leave, specifically the leave of administrators.

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**Prior Finding No. 2:**

**Certification Deficiencies**

Prior Finding Summary:

The audit of the 2011-12 and 2012-13 school years found one professional employee held a lapsed certificate. A second professional employee was again found to be assigned to a professional position without holding proper certification. The subsidy forfeiture was \$2,372 for the 2011-12 school year and \$2,380 for the 2012-13 school year, for a total of \$4,752.

Prior Recommendations:

We recommended that the District should:

1. Require professional employees to obtain proper Pennsylvania certification prior to being hired.
2. Implement internal controls to ensure appropriate tracking of all employees.

We also recommended that PDE should:

3. Recover the appropriate subsidy forfeitures.

Current Status:

We found that the employee who was working on a lapsed certificate is no longer with the District, and the employee who was assigned to a professional position without holding proper certification obtained the appropriate certification shortly after the conclusion of our prior audit. In addition, the District implemented a new certification tracking method and updated certification procedures. PDE recovered the \$4,752 subsidy forfeiture on December 24, 2014.

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**Prior Finding No. 3:**

**Membership Reporting Errors and the Lack of Internal Controls Resulted in the District being Underpaid \$44,035**

Prior Finding Summary:

We found that student membership reports submitted to PDE for the 2010-11 and 2011-12 school years found errors in the reporting of membership days for children placed in private homes (foster children). The errors resulted in tuition underpayments of \$26,964 and \$4,337, respectively.

In addition, one nonresident parent-paid tuition student was incorrectly reported as a resident student for the 2010-11 school year, resulting in lost tuition funding in the amount of \$9,093. The District determined the tuition was not collectible.

We also found that for the 2011-12 school year one student enrolled at the Venango Technical Center (Center) for 55 days was not appropriately coded in the Pennsylvania Information Management System (PIMS) to give the District credit for the student being enrolled in the Center. This error resulted in an additional tuition underpayment of \$3,641.

Prior Recommendations:

We recommended that the District should:

1. Establish internal controls that include reconciliations of the data that is uploaded into PDE's PIMS program.
2. Verify that the preliminary reports received from PDE are correct, and if not correct, revise and resubmit.
3. Contact the local Center to ensure that they properly identify the District nonresident pupils' membership when completing their PIMS child accounting membership reports to PDE.
4. Obtain and retain appropriate legal documentation to verify the guardianship and residency of all students enrolled within the District.

5. Reference the PIMS manual of reporting for proper instructions in reporting nonresident students.
6. Strengthen internal controls to ensure adherence to PIMS regulations when reporting nonresident students.
7. Ensure that the District's membership team attends PIMS conferences and seminars to stay abreast of reporting requirements.
8. Review membership reports submitted to PDE for school years subsequent to the audit, and if reporting errors are found, contact the PIMS Help Desk for guidance in corrective coding submitting revised reports.

We also recommended that PDE should:

9. Adjust the District's allocations to resolve the total underpayment of \$34,942 in tuition for foster children.

Current Status:

We found that the District took appropriate corrective action to address our recommendations. Specifically, a comparison is made of the District's Student Information System reports to both the PIMS reports and PDE's preliminary Summary of Child Accounting report. The District's PIMS coordinator and the Center's membership coordinator communicate on a regular basis regarding District students enrolled at the Center to ensure proper coding. All necessary legal documentation supporting nonresident students' residency is obtained and retained. The District maintains a copy of the PIMS Manual for reference. The District has implemented the use of an updated and improved building-level registration form, which requires nonresident information, when registering a student.

On June 1, 2015, the District received two payments from PDE, one in the amount of \$26,973 (the slight difference of \$10 was due to PDE's calculation method) and the other for \$4,337. The remaining \$3,641 for the vocational student is still outstanding.



**Prior Observation No. 1: The Board Chose to Pay the Former Superintendent for More Leave than She Was Entitled to Receive**

Prior Observation Summary: The District allowed the former Superintendent to determine her own accrued vacation, sick, personal, and administrative contract leave and then used that number to calculate her leave payout under a Separation Agreement.

Prior Recommendations: We recommended that the District should:

Base payouts on the information being tracked at the District and not on an employee's own calculations.

Current Status: There were no Separation Agreements entered into by the District during our audit period. Therefore, we were unable to review leave payout calculations. However, the District has implemented a new process for requesting and monitoring leave. This process requires administrators to report leave in advance and leave balances are monitored automatically and not calculated solely by the administrator reporting the leave.

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**Prior Observation No. 2: The Cranberry Area School District Lacks Sufficient Internal Controls Over Its Student Record Data**

Prior Observation Summary: Our review of the District's controls over data integrity found internal controls needed to be improved. Specifically, we found student record data is not reviewed at the building level for consistency and accuracy. Record keeping is decentralized and not performed in a uniform manner. Additionally, with the exception of the PIMS procedure manual received from PDE, the District does not have adequate documented procedures in place to ensure continuity over PIMS data submission in the event of a sudden change in personnel or child accounting vendors.

Prior Recommendations: We recommended that the District should:

1. Implement procedures to ensure that communication is maintained between Information Technology, Child Accounting, and the Business Office personnel.
2. Prepare documented procedures (e.g., procedure manuals, policies, written instruction, etc.) to ensure continuity over PIMS data submission.

3. Cross-train individuals to familiarize them with PDE's child accounting reporting requirements and PIMS reporting procedures, in the event of a sudden change in personnel.

Current Status:

We found that the District has taken corrective action to address our recommendations. The District has implemented a Data Quality Team to review student record data to help ensure accurate data is entered in the student information system. Procedures have been implemented to ensure communication between the Information Technology, Child Accounting, and Business Office personnel, which ensures continuity over PIMS data submission. In addition, individuals have been cross-trained with child accounting reporting requirements and PIMS reporting procedures.

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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, 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, 2016. In addition, the scope of each individual audit objective is detailed on the next page.

The Cranberry Area School District's (District) 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, 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:

- Governance
- 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:

- ✓ Did the District's Board of School Directors (Board) and administration maintain best practices in overall organizational governance?
  - To address this objective, we conducted in-depth interviews with the current Superintendent, reviewed board meeting books, policies and procedures, and reports used to inform the Board about progress in meeting student achievement goals, budgeting and financial position. We also reviewed the District's current Act 93 employment contract and the District's employment contract with the current Superintendent to ensure that leave was reported and used in accordance with contracted language. Our review of this objective did not disclose any reportable issues.
- ✓ Did the District ensure that the membership data it reported in the Pennsylvania Information Management System was accurate, valid, and reliable?
  - To address this objective, we randomly selected 20 out of 1,285 total registered students (5 resident, 5 nonresident, 5 vocational technical center, and 5 intermediate unit students) from the vendor software listing for the 2015-16 school year and verified that each child was appropriately registered with the District. Our review of this objective did not disclose any reportable issues.<sup>9</sup>

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<sup>9</sup> While representative selection is a required factor of audit sampling methodologies, audit sampling methodology was not applied to achieve this test objective; accordingly, the results of this audit procedure are not, and should not be, projected to the population.

- ✓ 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 44 bus drivers employed by both the District and District's bus contractor as of August 28, 2017. We 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 with bus driver hiring requirements. Our review of this objective did not disclose any reportable issues.<sup>11</sup>
  
- ✓ Did the District take actions to ensure it provided a safe school environment?<sup>12</sup>
  - To address this objective, we reviewed a variety of documentation including, safety plans, training schedules, and anti-bullying policies. Due to the sensitive nature of school safety, the results of our review of this objective area are not described in our audit report. The results of our review of school safety are shared with District officials, PDE and, if deemed necessary, other appropriate agencies.

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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> While representative selection is a required factor of audit sampling methodologies, audit sampling methodology was not applied to achieve this test objective; accordingly, the results of this audit procedure are not, and should not be, projected to the population.

<sup>12</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**

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**Mr. Nathan Mains**

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This report is a matter of public record and is available online at [www.PaAuditor.gov](http://www.PaAuditor.gov). Media questions about the report 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).