

PERFORMANCE AUDIT

Wellsboro Area School District Tioga County, Pennsylvania

May 2012



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



Commonwealth of Pennsylvania
Department of the Auditor General
Harrisburg, PA 17120-0018
Facebook: Pennsylvania Auditor General
Twitter: @PAAuditorGen
www.PaAuditor.gov

EUGENE A. DePASQUALE
AUDITOR GENERAL

Dr. Brenda M. Freeman, Superintendent
Wellsboro Area School District
227 Nichols Street
Wellsboro, Pennsylvania 16901

Mr. Matthew Feil, Board President
Wellsboro Area School District
227 Nichols Street
Wellsboro, Pennsylvania 16901

Dear Dr. Freeman and Mr. Feil:

We have conducted a performance audit of the Wellsboro Area 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:

- Governance
- Administrator Contract Buy-Out
- Contracting
- Bus Driver Requirements
- School Safety

The audit was conducted pursuant to Section 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

April 28, 2017

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

Table of Contents

	Page
Background Information	1
Finding(s)	5
Status of Prior Audit Findings and Observations	6
Appendix: Audit Scope, Objectives, and Methodology	7
Distribution List	10

Background Information

School Characteristics 2015-16 School Year ^A	
Counties	Tioga & Lycoming
Total Square Miles	330
Resident Population ^B	11,793
Number of School Buildings	4
Total Teachers	116
Total Full or Part-Time Support Staff	75
Total Administrators	10
Total Enrollment for Most Recent School Year	1,534
Intermediate Unit Number	17
District Vo-Tech School	None

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

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

Mission Statement^A

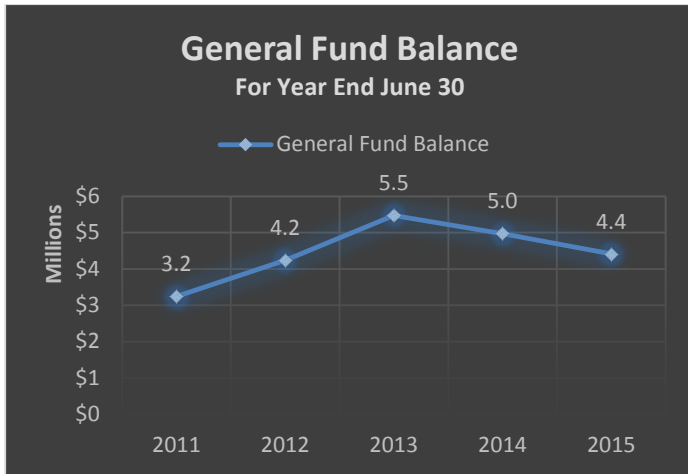
Every Child, Every Opportunity, Every Day...Striving For Success

We Believe:

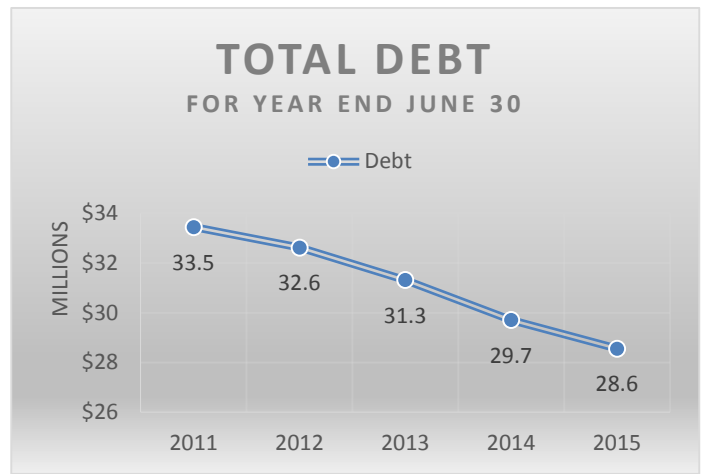
- Education, with measurable goals and high expectations, empowers all individuals to achieve full potential.
- Because every individual is important and unique, education endeavors to meet the varying abilities that may require different learning strategies so that all individuals can learn.
- Each individual has the right to a respectful, safe learning environment that promotes academic excellence, responsibility, creativity, cooperation, critical thinking, and life-long learning.
- Positive educational experiences reinforce honesty, integrity, strong moral character, and appreciation of diversity.
- A proactive educational partnership must include open communication between family, school, and community to provide for our area's cultural, social, and intellectual development.

Financial Information

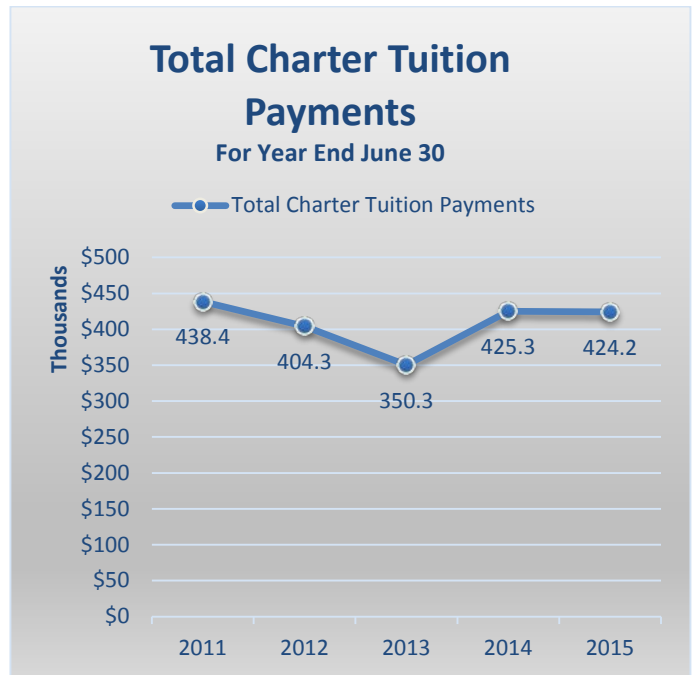
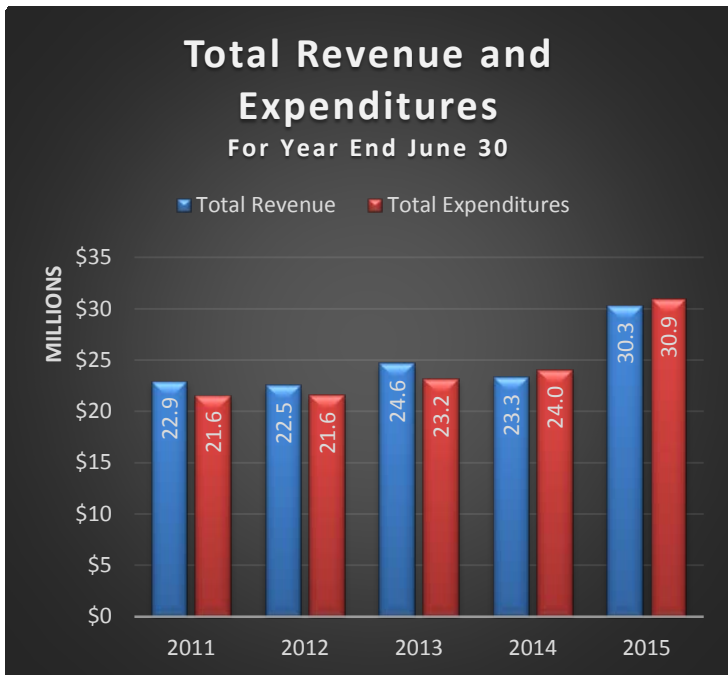
The following pages contain financial information about the District obtained from annual financial data reported to the Pennsylvania Department of Education (PDE) and available on PDE's public website. This information was not audited and is presented for **informational purposes only**.



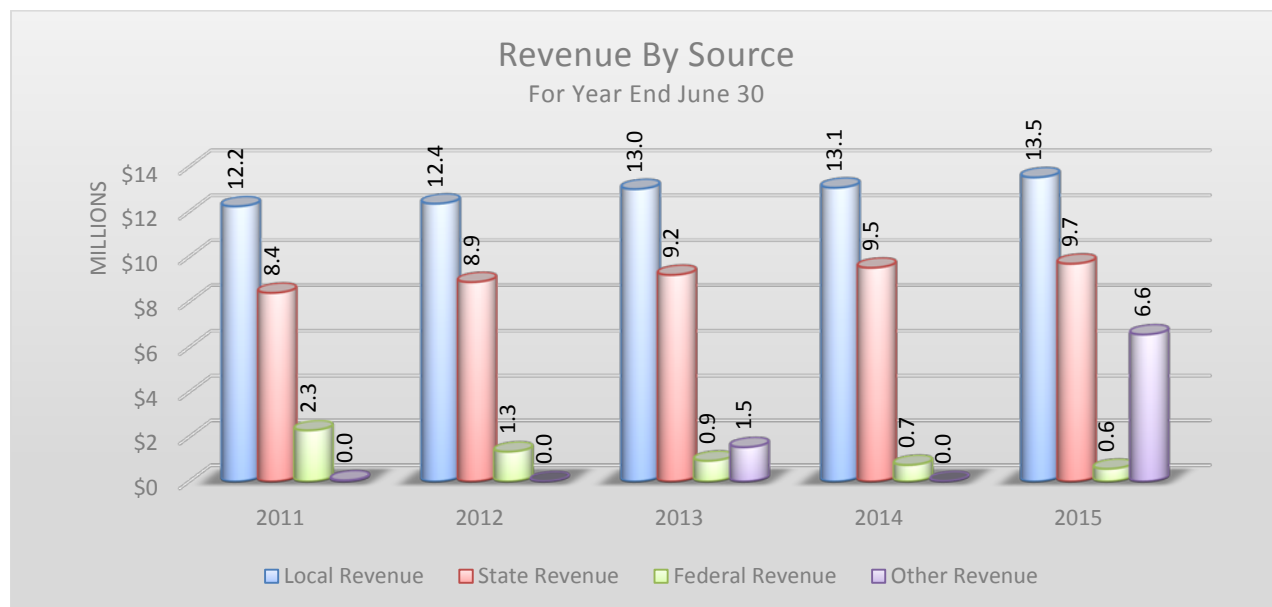
Note: General Fund Balance is comprised of the District's Committed, Assigned and Unassigned Fund Balances.



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.¹ 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.² PSSA benchmarks and goals are determined by PDE each school year and apply to all public school entities.³ 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

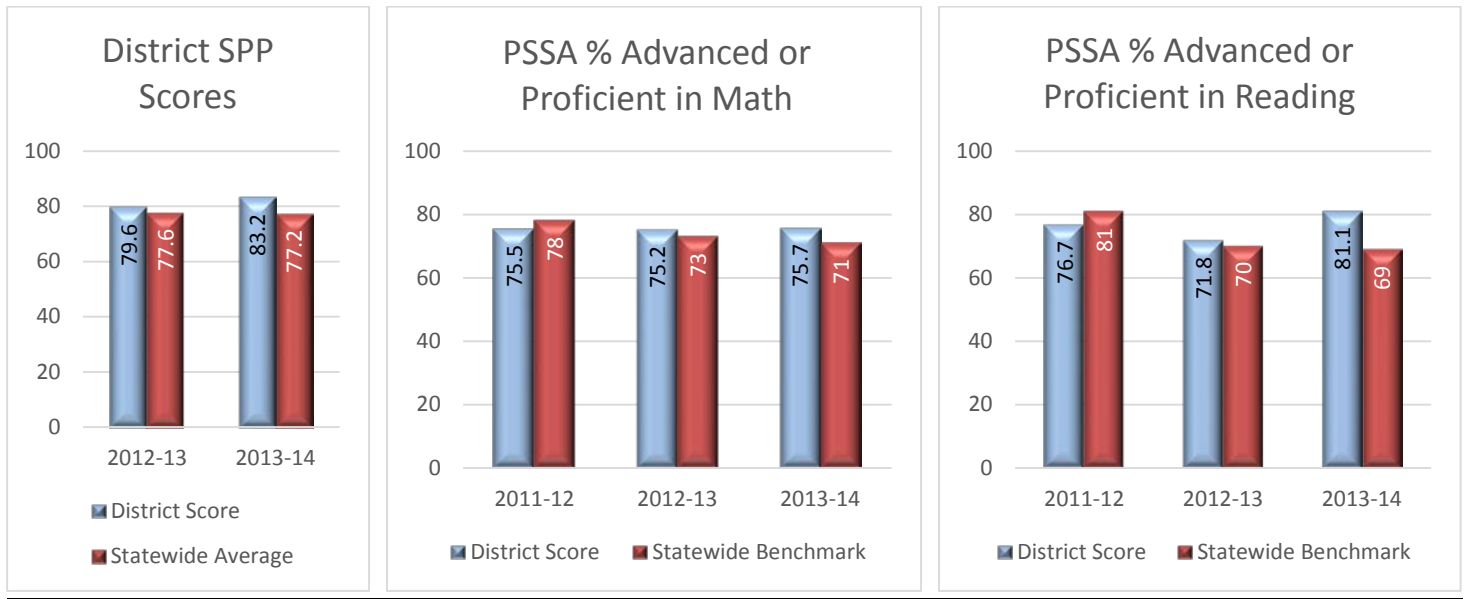
District	SPP Scores		PSSA % Advanced or Proficient in Math			PSSA % Advanced or Proficient in Reading		
	2012-13	2013-14	2011-12	2012-13	2013-14	2011-12	2012-13	2013-14
<i>Statewide Benchmark</i>	77.6	77.2	78	73	71	81	70	69
<i>Wellsboro Area SD</i>	79.6	83.2	75.5	75.2	75.7	76.7	71.8	81.1
<i>SPP Grade⁴</i>	C	B						

¹ PDE is the sole source of academic data presented in this report. All academic data was obtained from PDE's publically available website.

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

³ 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.

⁴ 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).



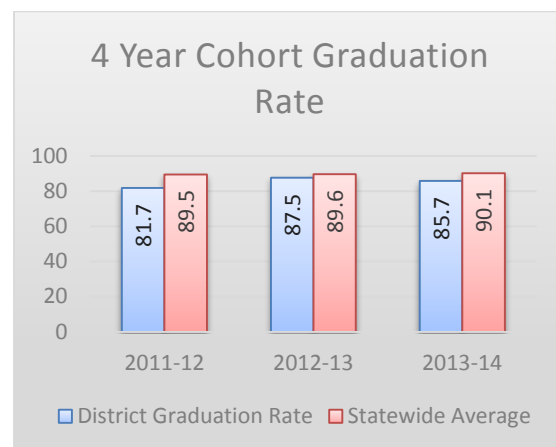
Individual School Building SPP and PSSA Scores

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.⁵

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
<i>Statewide Benchmark</i>	77.6	77.2	78	73	71	81	70	69
<i>Charlotte Lappla Elementary School</i>	82.6	85.8			78.4			79.3
<i>Don Gill Elementary School</i>	73.0	81.3	81.1	84.1	82.3	74.0	69.2	80.4
<i>Rock L Butler Middle School</i>	78.8	78.6	77.5	72.6	73.7	72.4	71.5	77.3
<i>Wellsboro Area High School</i>	83.8	87.1	67.8	68.9	68.6	83.8	74.8	87.4

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.⁶



⁵ PDE’s data does not provide any further information regarding the reason a score was not published.

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

Finding(s)

For the audited period, our audit of the District resulted in no findings.

Status of Prior Audit Findings and Observations

Our prior audit of the District resulted in no findings or observations.

Appendix: Audit Scope, Objectives, and Methodology

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,⁷ 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 controls⁸ 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.

⁷ 72 P.S. §§ 402 and 403.

⁸ 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:

- Governance
- Administrator Contract Buyout
- Contracting
- 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 comply with Public School Code⁹ and their own written policies and procedures when approving monthly bills?
 - To address this objective, we interviewed District personnel and requested board policy and procedures related to the General Fund bill approval process. We reviewed all nine board meeting minutes and the monthly bill lists from July 1, 2015, through March 31, 2016, to determine if the District complied with the Public School Code and their own policies and procedures when approving monthly bills. Our review of this objective did not disclose any reportable issues.
- ✓ 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 did the employment contract comply with the Public School Code¹⁰ and Public School Employees' Retirement System guidelines?
 - To address this objective, we reviewed the contracts, settlement agreements, board meeting minutes, and payroll records for the two contracted administrators who separated employment with the District during the period July 1, 2013, through June 30, 2016. Our review of this objective did not disclose any reportable issues.

⁹ 24 P.S. § 4-439.

¹⁰ 24 P.S. § 10-1073(e)(v).

- ✓ Did the District ensure that its' contracts were current, 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 vendors who had contracts with the District during the 2014-15 school year. We randomly selected 5 out of 24 contracts for detailed testing. Testing included a review of the procurement documents to determine if the contract was procured in accordance with the 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 and the Board of School Director's Statements of Financial Interest to determine if any board member had a conflict of interest in approving the selected contracts. Our review of this objective 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?¹¹ 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 11 bus drivers hired by District bus contractors, during the period July 1, 2013, through February 9, 2017, 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 would ensure compliance, when followed, with bus driver hiring requirements. Our review of this objective did not disclose any reportable issues.

- ✓ Did the District take actions to ensure it provided a safe school environment?¹²
 - To address this objective, we reviewed a variety of documentation including, but not limited to, safety plans, training schedules, anti-bullying policies, and after action reports. In addition, we conducted an on-site review at one of the schools to assess whether the District had implemented basic safety practices.¹³ Due to the sensitive nature of school safety, the results for 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, and, if deemed necessary, with PDE.

¹¹ 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.*

¹² 24 P.S. § 13-1301-A *et seq.*

¹³ Basic safety practices evaluated were building security, bullying prevention, visitor procedures, risk and vulnerability assessments, and preparedness.

Distribution List

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

Director
Bureau of Budget and Fiscal Management
Pennsylvania Department of Education
4th Floor, 333 Market Street
Harrisburg, PA 17126

Dr. David Wazeter

Research Manager
Pennsylvania State Education Association
400 North Third Street - Box 1724
Harrisburg, PA 17105

Mr. Nathan Mains

Executive Director
Pennsylvania School Boards Association
400 Bent Creek Boulevard
Mechanicsburg, PA 17050

This report is a matter of public record and is available online at 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.