

LIMITED PROCEDURES ENGAGEMENT

Wissahickon School District Montgomery County, Pennsylvania

June 2019



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE
AUDITOR GENERAL

Dr. James A. Crisfield, Superintendent
Wissahickon School District
601 Knight Road
Ambler, Pennsylvania 19002

Mr. Joseph Antonio, Board President
Wissahickon School District
601 Knight Road
Ambler, Pennsylvania 19002

Dear Dr. Crisfield and Mr. Antonio:

We conducted a Limited Procedures Engagement (LPE) of the Wissahickon School District (District) to determine its compliance with certain relevant state laws, regulations, policies, and administrative procedures (relevant requirements). The LPE covers the period July 1, 2014 through June 30, 2018, except for any areas of compliance that may have required an alternative to this period. The engagement was conducted pursuant to authority derived from Article VIII, Section 10 of the Constitution of the Commonwealth of Pennsylvania and the Fiscal Code, 72 P.S. §§ 402 and 403, but was not conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States.

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

- Did the District have documented board policies and administrative procedures related to the following?
 - Internal controls
 - Budgeting practices
 - The Right-to-Know Law
 - The Sunshine Act
- Were the policies and procedures adequate and appropriate, and have they been properly implemented?
- Did the District comply with the relevant requirements in the Right-to-Know Law and the Sunshine Act?

- Did the District correctly calculate and report transportation data to the Pennsylvania Department of Education (PDE), and did the District receive the correct amount of transportation reimbursement? (24 P.S. §§ 13-1301, -1302, -1305, -1306; 22 Pa. Code Chap. 11)

Our engagement found that the District properly implemented policies and procedures for the areas mentioned above and complied, in all significant respects, with relevant requirements except as detailed in the finding in this report.

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 PDE, and other appropriate officials as deemed necessary.

The finding and our related recommendations have been discussed with the District's management, and their responses are included in the finding section of this report. We believe the implementation of our recommendations will improve the District's operations and facilitate compliance with legal, administrative requirements, and best practices. We appreciate the District's cooperation during the conduct of the engagement.

Sincerely,



Eugene A. DePasquale
Auditor General

June 25, 2019

cc: **WISSAHICKON SCHOOL DISTRICT** Board of School Directors

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Background Information

School Characteristics 2018-19 School Year ^A	
County	Montgomery
Total Square Miles	23
Number of School Buildings	6
Total Teachers	386
Total Full or Part-Time Support Staff	241
Total Administrators	36
Total Enrollment for Most Recent School Year	4,704
Intermediate Unit Number	23
District Vo-Tech School	North Montco Technical Career Center

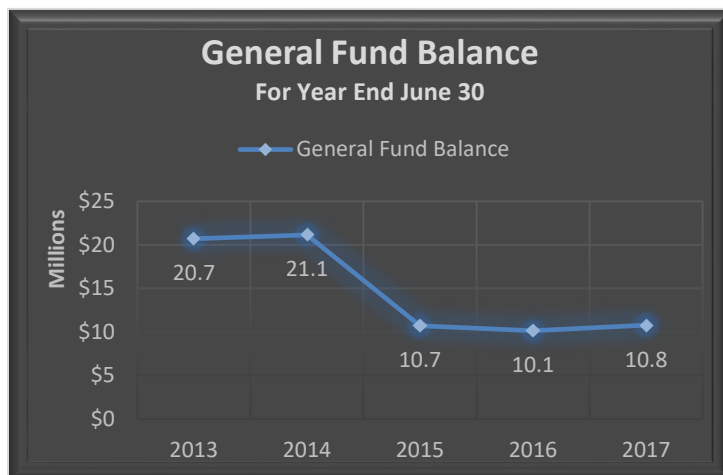
A - Source: Information provided by the District administration and is unaudited.

Mission Statement^A

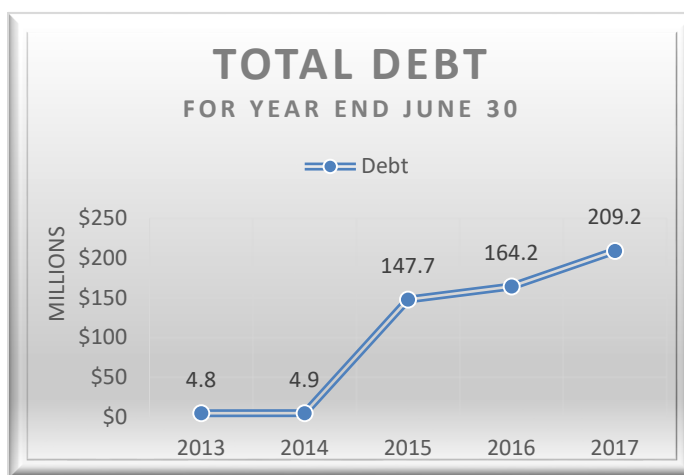
The mission of the Wissahickon School District, a community rich in diversity and committed to educational excellence, is to empower each student to excel to their fullest potential and contribute in full measure to the health, safety, welfare and prosperity of our community.

Financial Information

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

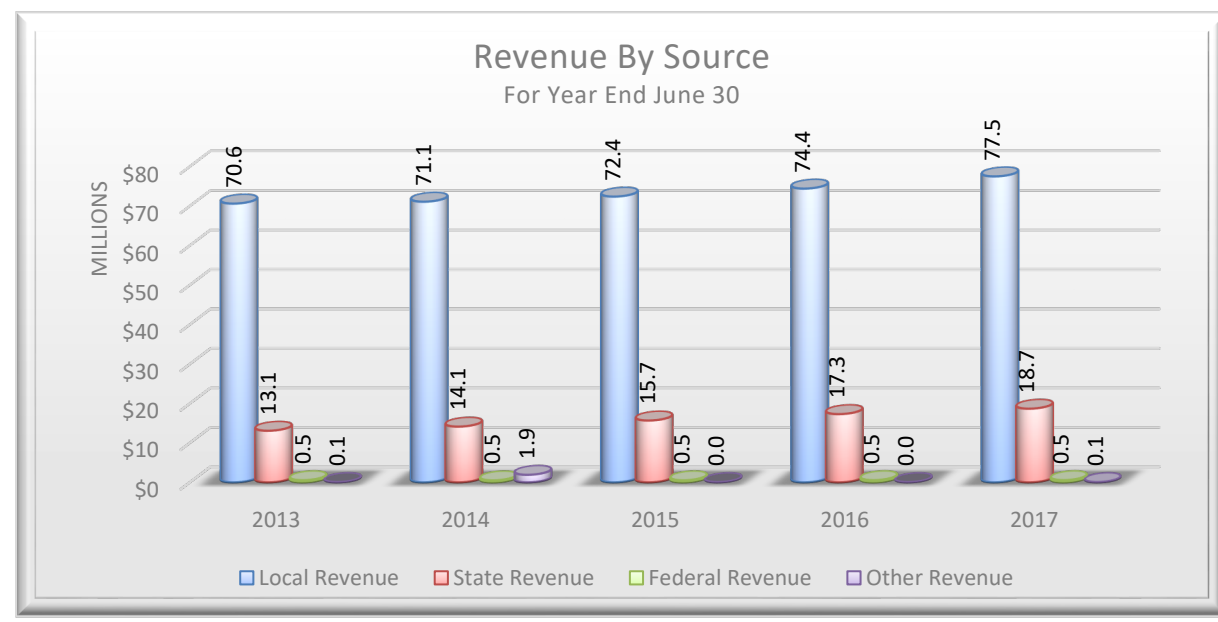
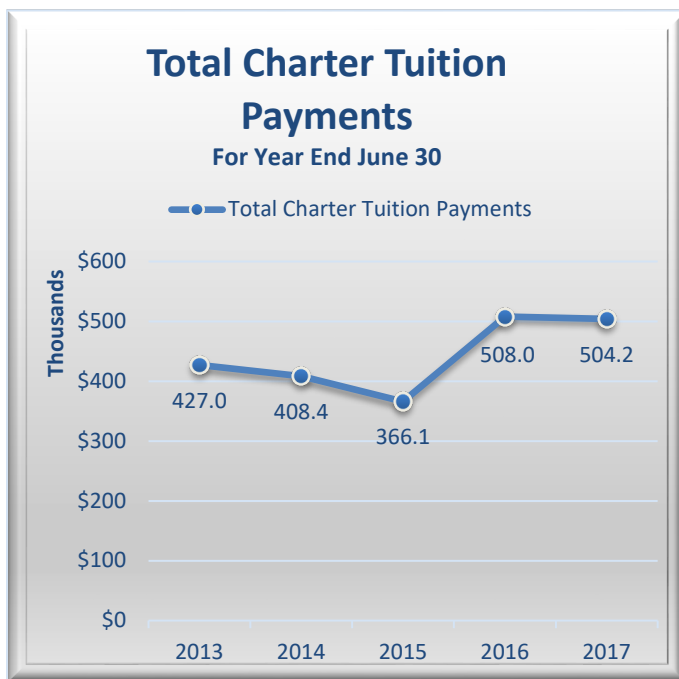
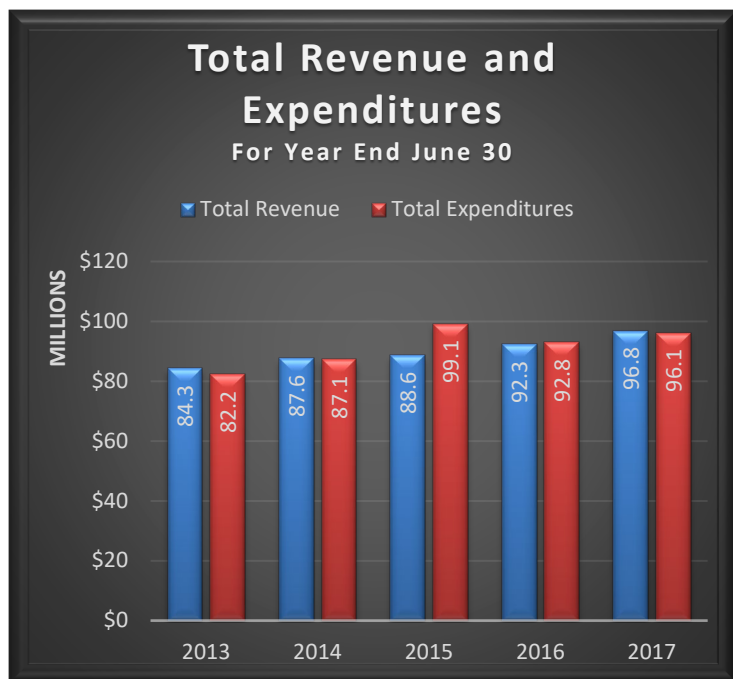


Note: General Fund Balance is comprised of the District's Committed, Assigned and Unassigned Fund Balances.



Note: Total Debt is comprised of Short-Term Borrowing, General Obligation Bonds, Authority Building Obligations, Other Long-Term Debt, Other Post-Employment Benefits, Compensated Absences and Net Pension Liability.

Financial Information Continued



Academic Information

The graphs on the following pages present School Performance Profile (SPP) scores, Pennsylvania System of School Assessment (PSSA) scores, Keystone Exam results, and 4-Year Cohort Graduation Rates for the District obtained from the PDE's data files for the 2014-15, 2015-16 and 2016-17 school years.¹ 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 graph.² 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.³

What is a SPP score?

A SPP score serves as a benchmark for schools to reflect on successes, achievements, and yearly growth. The 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 exam scores), 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.

The PDE started issuing a SPP score for all public school buildings beginning with the 2012-13 school year. For the 2014-15 school year, the 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.⁴ The PDE resumed issuing a SPP score for all schools for the 2015-16 school year.

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 the 2020-21 school year.⁵ 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.

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

² The 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 the PDE's website for general information regarding the issuance of academic scores.

³ 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.

⁴ According to the 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 the PSSA exams to align with PA 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.

⁵ Act 39 of 2018, effective July 1, 2018, amended the Public School Code to further delay the use of Keystone Exams as a graduation requirement for an additional year until the 2020-21 school year. *See* 24 P.S. § 1-121(b)(1).

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.

The 2014-15 school year marked the first year that PSSA testing was aligned to the more rigorous PA Core Standards.⁶ 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 a 4-Year Cohort Graduation Rate?

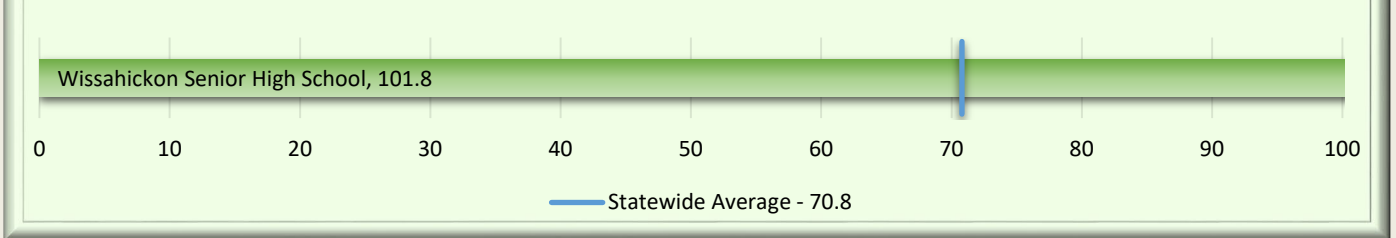
The PDE collects enrollment and graduate data for all Pennsylvania public schools, which is used to calculate graduation rates. Cohort graduation rates are a calculation of the percentage of students who have graduated with a regular high school diploma within a designated number of years since the student 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.⁷

⁶ The 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.

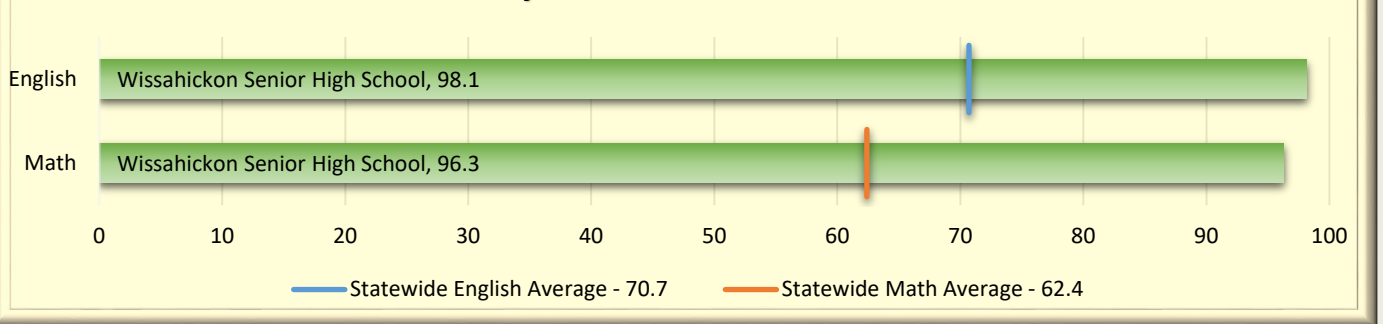
⁷ The PDE also calculates 5-year and 6-year cohort graduation rates. Please visit the PDE's website for additional information: <http://www.education.pa.gov/Data-and-Statistics/Pages/Cohort-Graduation-Rate-.aspx>.

2014-15 Academic Data
School Scores Compared to Statewide Averages

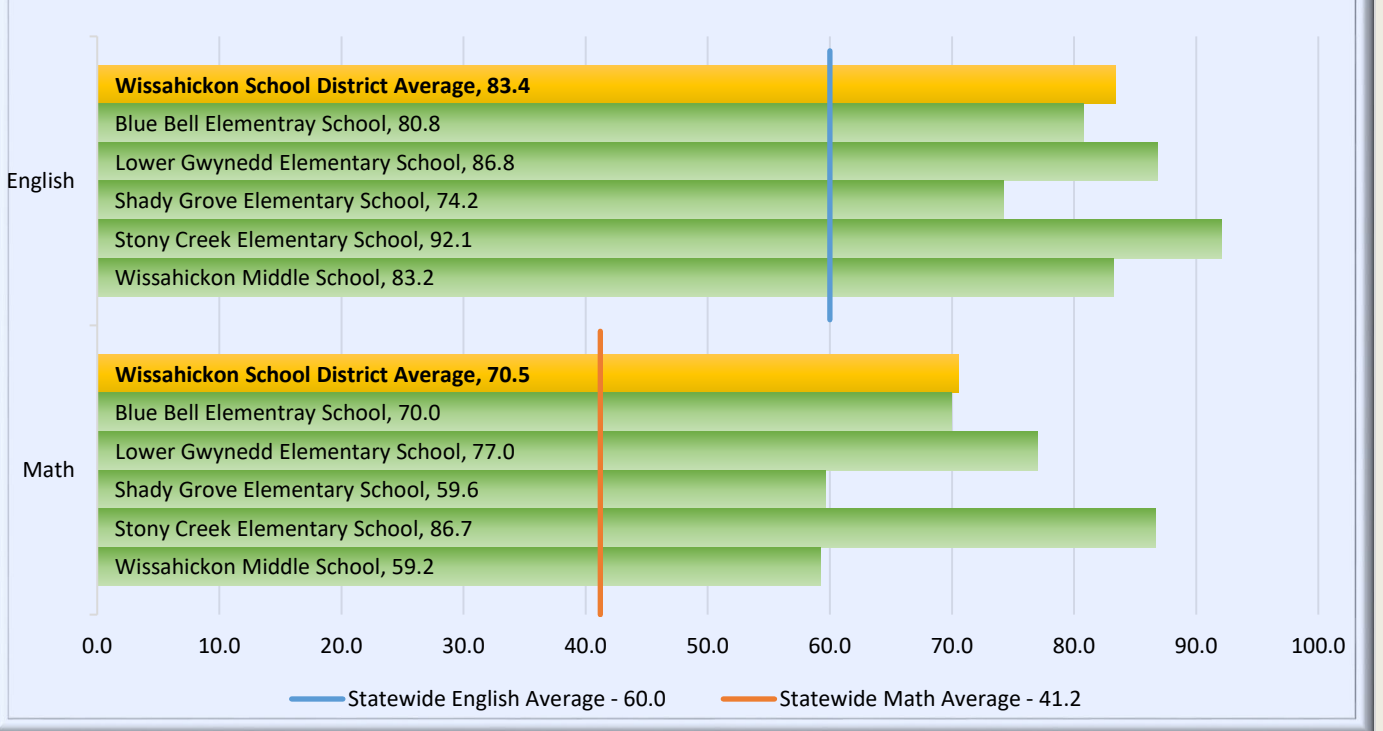
2014-15 SPP Scores



2014-15 Keystone % Advanced or Proficient

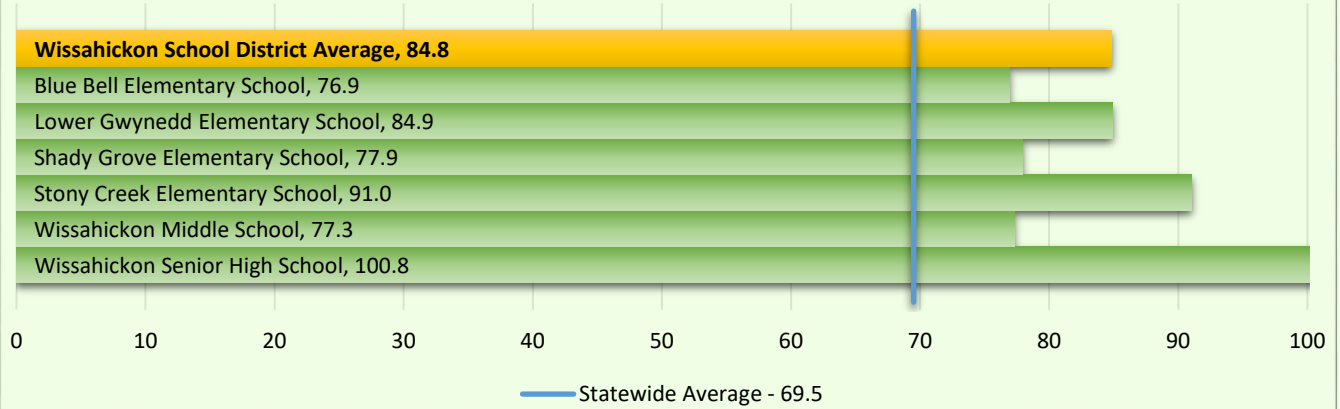


2014-15 PSSA % Advanced or Proficient

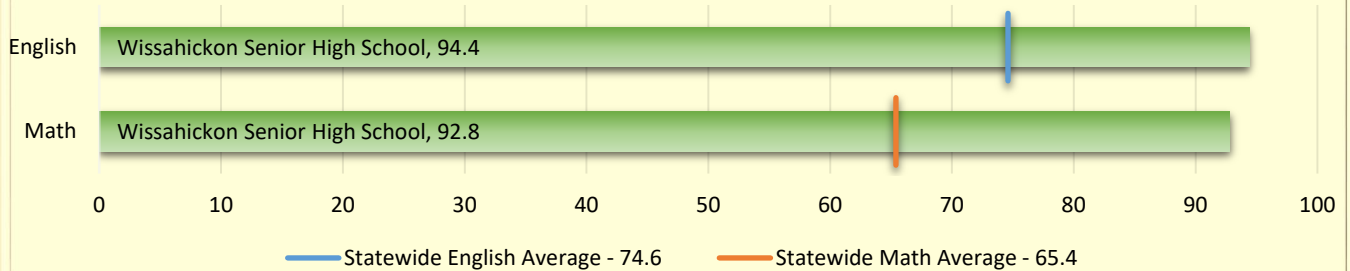


2015-16 Academic Data
School Scores Compared to Statewide Averages

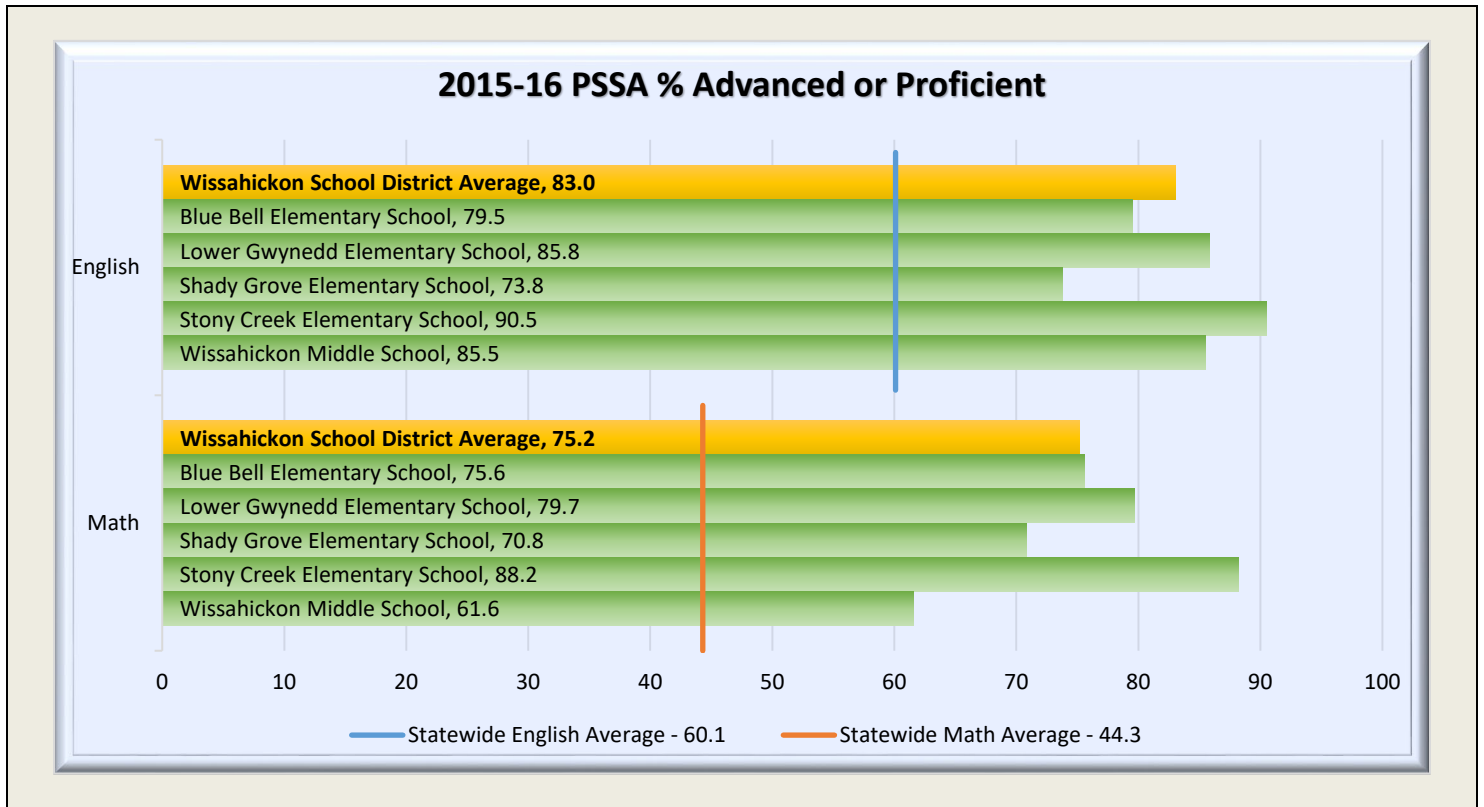
2015-16 SPP Scores



2015-16 Keystone % Advanced or Proficient

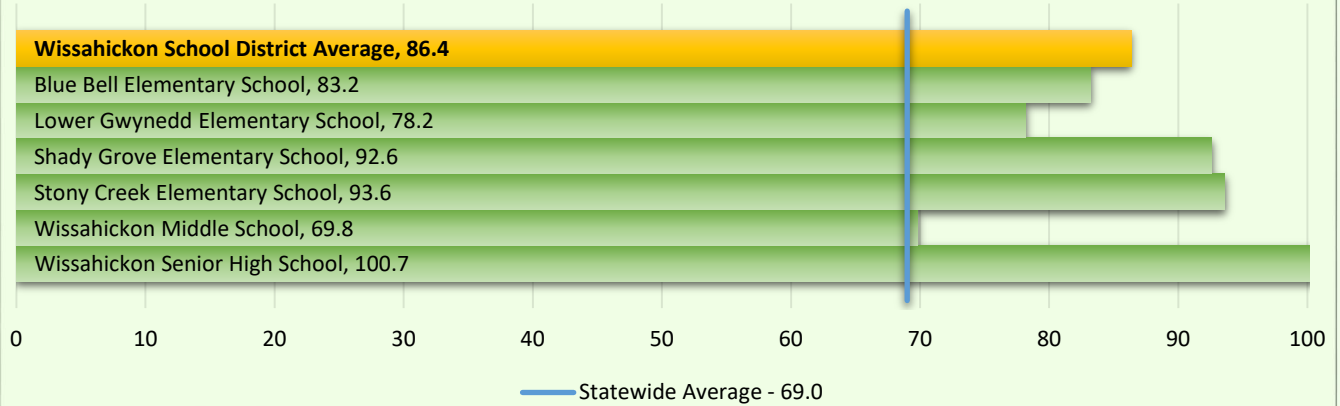


2015-16 Academic Data
School Scores Compared to Statewide Averages (continued)

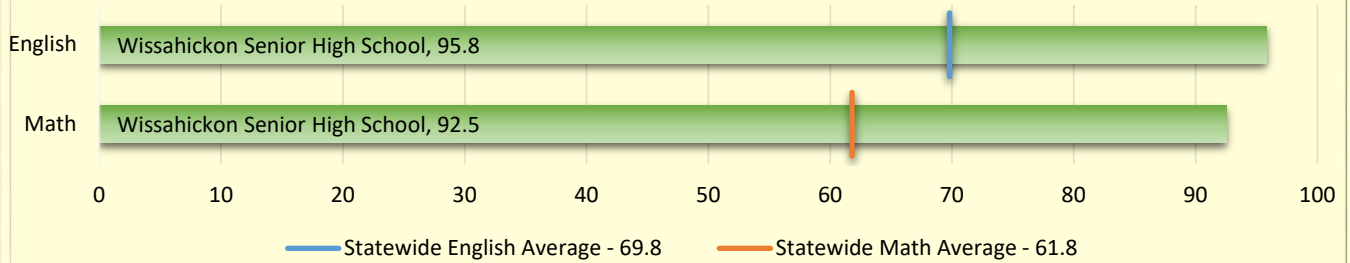


2016-17 Academic Data
School Scores Compared to Statewide Averages

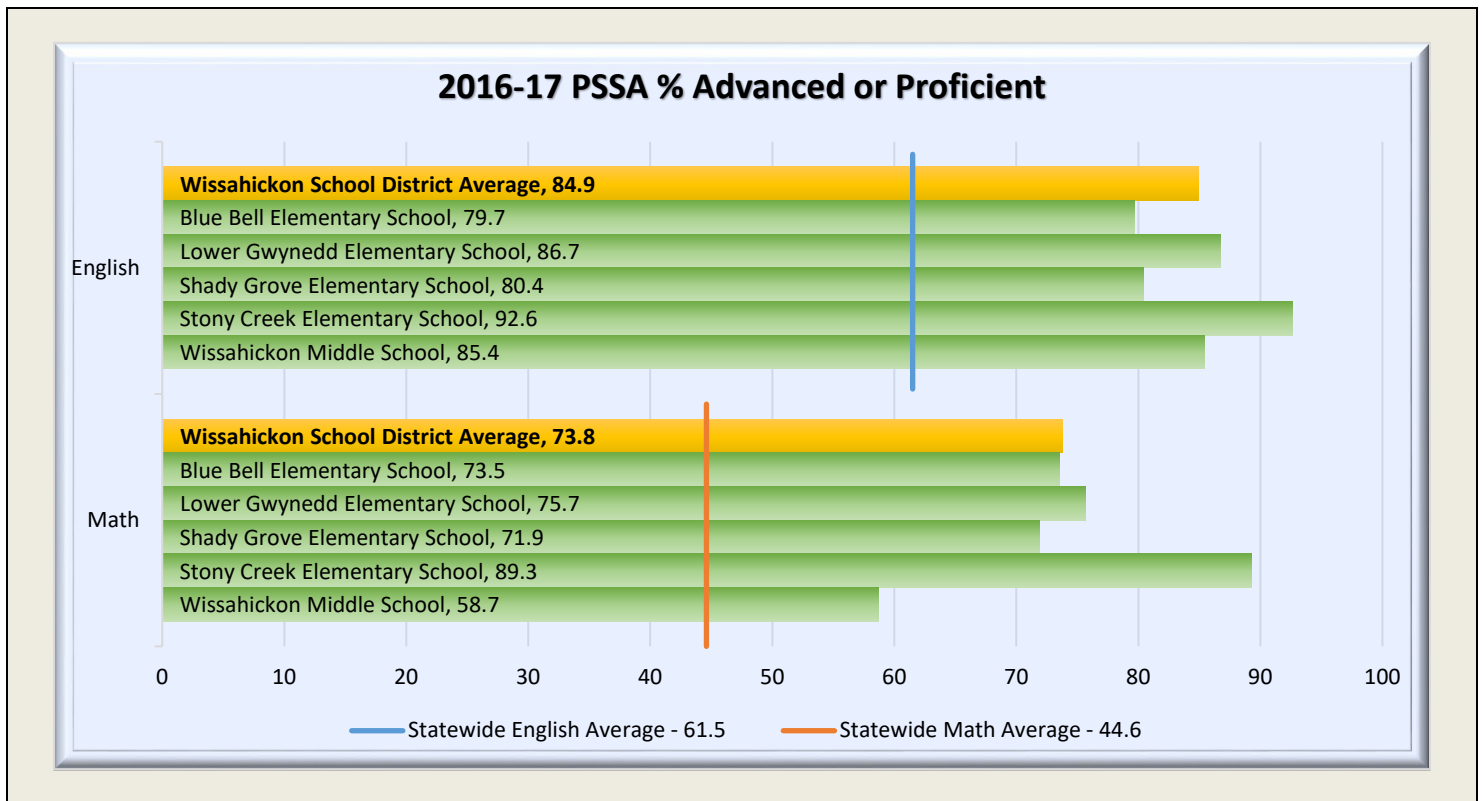
2016-17 SPP Scores



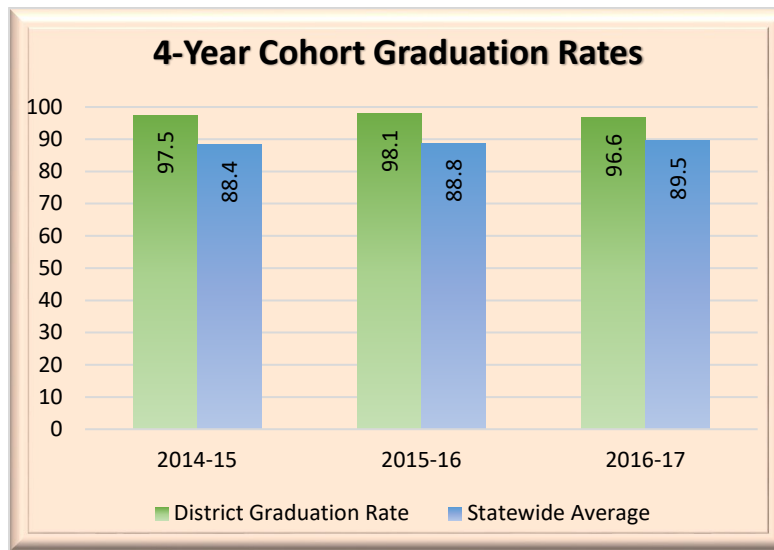
2016-17 Keystone % Advanced or Proficient



2016-17 Academic Data
School Scores Compared to Statewide Averages



Graduation Data
District Graduation Rates Compared to Statewide Averages



Finding

Finding

The District Failed to Retain Documentation to Support the More Than \$2.3 Million Received in Supplemental Transportation Reimbursements

Criteria relevant to the finding:

Record Retention Requirement

Section 518 of the Public School Code (PSC) requires that financial records of a district be retained by the district for a period of not less than six years. *See 24 P.S. § 5-518.*

Supplemental Transportation Subsidy for Nonpublic School Students

Section 2509.3 of the PSC provides that each school district shall receive a supplemental transportation payment of \$385 for each nonpublic school student transported. *See 24 P.S. § 25-2509.3.*

The PSC provides that school districts receive a transportation subsidy for most students who are provided transportation. Section 2541 (relating to payments of pupil transportation) of the PSC specifies the transportation formula and criteria. *See 24 P.S. § 25-2541.*

The Wissahickon School District (District) did not comply with the record retention provisions of the Public School Code (PSC) when it failed to retain adequate source documents to verify the accuracy of over \$2.3 million in transportation reimbursements received from the Pennsylvania Department of Education (PDE) for the 2014-15 through 2017-18 school years.⁸

Without proper documentation, we were unable to determine the appropriateness of the supplemental transportation reimbursement received by the District. It is absolutely essential that records related to the District's transportation reimbursements be retained in accordance with the PSC record retention provision (for a period of not less than six years) and be readily available for audit.⁹ As a state auditing agency, it is extremely concerning to us that the District did not have the necessary and legally required documents available for audit. Periodic auditing of such documents is extremely important for District accountability and verification of accurate reporting.

School districts receive two separate transportation reimbursement payments from the PDE. One reimbursement is broadly based on the number of students transported, the number of days each vehicle was used for transporting students, and the number of miles that vehicles are in service, both with and without students (regular transportation reimbursement). The other reimbursement is based on the number of charter school and nonpublic school students transported (supplemental transportation reimbursement). The lack of documentation discussed in

⁸ The District's final Summary of Pupil Transportation Subsidy form for the 2017-18 school year was not available at the time of our audit. A preliminary Summary of Pupil Transportation report provided by the District from February 2019 showed it is to receive \$529,375 in supplemental transportation reimbursement in the summer of 2019.

⁹ *See 24 P.S. § 5-518, last updated by Act 88 of 2002.*

*Criteria relevant to the finding
(continued)*

Total Students Transported

Section 2541(a) of the PSC states, in part: “School districts shall be paid by the commonwealth for every school year on account of pupil transportation which, and the means and contracts providing for which, have been approved by the Department of Education, in the cases hereinafter enumerated, an amount to be determined by multiplying the cost of approved reimbursable students transportation incurred by the district by the district’s aid ratio. In determining the formula for the cost of approved reimbursable transportation, the Secretary of Education may prescribe the methods of determining approved mileages and the utilized passenger capacity of vehicles for reimbursement purposes.” *See* 24 P.S. § 25-2541(a).

Annual Filing Requirement

Section 2543 of the PSC sets forth the requirement for school districts to annually file a **sworn statement** of student transportation data for the prior and current school year with the PDE in order to be eligible for the transportation subsidies. *See* 24 P.S. § 25-2543.

Section 2543 of the PSC, which is entitled, “**Sworn statement** of amount expended for reimbursable transportation; payment; withholding” states, in part: “[A]nnually, each school district entitled to reimbursement on account of pupil transportation shall provide in a format prescribed by the Secretary of Education, data pertaining to pupil transportation for the prior and current school year . . .

this finding pertains to the District’s supplemental transportation reimbursement.

Supplemental Transportation Reimbursement Received

The PSC requires school districts to provide transportation services to students who reside in its district and who attend a charter school or nonpublic school, and it provides for a reimbursement from the Commonwealth of \$385 for each nonpublic school student transported by the district. The District did not transport charter school students during the 2014-15 through 2017-18 school years.

The table below shows the number of nonpublic school students reported to the PDE as transported during our four year audit period and the supplemental transportation reimbursement received for each school year.

Table 1

Wissahickon School District Transportation Data Reported to the PDE		
School Year	Nonpublic School Students Reported	Supplemental Transportation Reimbursement Received ¹⁰
2014-15	1,665	\$641,025
2015-16	1,615	\$621,775
2016-17	1,438	\$553,630
2017-18	1,375	\$529,375
Total	6,093	\$2,345,805

The District did not have documentation supporting the number of nonpublic school students reported to the PDE as transported during the 2014-15 through 2017-18 school years. The District could not provide the requests for transportation submitted by either the educating nonpublic schools or the parents/guardians of the nonpublic school students. Without this documentation, we were unable to verify the supplemental transportation reimbursement received.

As illustrated in the table above, the District reported 290 fewer nonpublic school students transported in the 2017-18 school year compared to the 2014-15 school year.

¹⁰ Calculated by multiplying nonpublic school students reported by \$385.

*Criteria relevant to the finding
(continued)*

The Pennsylvania Department of Education (PDE) may, for cause specified by it, withhold such reimbursement, in any given case, permanently, or until the school district has complied **with the law or regulations** of the State Board of Education.” (Emphasis added.) Id

PDE instructions for Local Education Agencies (LEA) on how to complete the PDE-2089

<https://www.education.pa.gov/Documents/Teachers-Administrators/Pupil%20Transportation/eTran%20Application%20Instructions/PupilTransp%20Instructions%20PDE-2089%20SummPupilsTransp.pdf>
(accessed on April 15, 2019)

The “PDE-2089 Summary of Pupils Transported” form is used to report the total number of pupils transported during the school year. This transportation includes LEA-owned vehicles, contracted service and fare-based service, and provides, in part:

Enter the total number of resident NONPUBLIC school pupils you transported to and from school. Documentation identifying the names of these pupils should be retained for review by the Auditor General’s staff. NONPUBLIC school pupils are children whose parents are paying tuition for them to attend a nonprofit private or parochial school. (Any child that your district is financially responsible to educate is a PUBLIC pupil.)

District officials stated that this decrease was due to nonpublic school students returning to the District. Based on our past accumulative experience, such a significant change in data reported from school year to school year is often an indicator of the submission of erroneous data. However, as noted above, we were unable to review documentation supporting the reported information.

Districts that transport students are required to report detailed transportation data annually to the PDE. The PDE reimburses districts based on the detailed information submitted. Transportation data is submitted through an application on the PDE’s secure website and is certified by a sworn statement submitted by each district’s superintendent as required by the PSC. The Wissahickon School District reported this detailed information for each year of the audit period, and the District’s Superintendent signed the certification statement attesting to the accuracy of the data.¹¹

The District lacked procedures detailing the collection, reporting, and retention of source documentation to support supplemental transportation data submitted to the PDE. District officials stated that supporting documentation was not available because the District only required transportation requests for new registrants. However, we found that the District did not have supporting documentation for both new registrants and students who were reported as transported for each year of the audit period. The District did not comply with the PSC requirement that all financial records be retained for a period of not less than six years.

The District failed in its fiduciary duties to act in the best interest of taxpayers and was not in compliance with the PSC by not retaining this information. Without the documentation, we could not determine whether the amount of supplemental transportation reimbursement received was appropriate. The number of nonpublic school students transported and the subsequent transportation reimbursements are significant factors that can impact the District’s overall financial position. Therefore, it is in the best interest of the District to ensure that it regularly and

¹¹ The PSC requires that all school districts annually file a sworn statement of student transportation data for the prior and current school year with the PDE including a certification signed by the superintendent that the district has complied with all applicable provisions of law or state regulations in order to be eligible for transportation subsidies.

consistently meets its fiduciary duties and comply with the PSC's record retention requirements.

Recommendations

The *Wissahickon School District* should:

1. Immediately take the appropriate administrative measures to ensure that it obtains and retains all documentation supporting the supplemental transportation data reported to the PDE, including requests for transportation, in accordance with the PSC's record retention requirements.
2. Establish District procedures that specifically address how transportation data is collected, reviewed, and reported to the PDE.
3. Ensure that record retention procedures are documented and staff are trained on the procedures.
4. Establish a safe and adequate location to store all source documents and calculations supporting the transportation data submitted to the PDE.

Management Response

District management provided the following response:

“The District only required notices for new registrations, for students who withdrew, or no longer required transportation from the non-public schools. Therefore, we were unable to provide documentation for all of the non-public students reported during your audit period. Attempts to rerun prior year bus rosters were inaccurate due to the limitations of ... our current software package for transportation.

[The software vendor] recommends that School Districts delete students from the bus rosters who withdraw during the school year. The software allows for a live database for the current school year and archived databases for prior years as of the archival creation date. Therefore, prior year reports will not include students who withdrew and were deleted from bus rosters prior to the creation of the archival database.

Starting with the 2018-2019 school year and for each year forward, the District is requiring all nonpublic schools to send a complete roster of all students needing transportation. We are also continuing to maintain documentation on new registrations or for students who withdraw or no longer require transportation. We are also maintaining all of this documentation in a non-public student binder for all students for whom the District reports on the PDE-2576 report for subsidy starting with the 2018-2019 school year and for each year moving forward.”

Auditor Conclusion

We are encouraged that the District is taking measures to implement our recommendations. We reiterate that it is vitally important for the District to follow the retention period in accordance with the PSC for a period of not less than six years and that the Superintendent double check the data for accuracy when filing the sworn statement with PDE. We will determine the effectiveness of the District’s corrective actions during our next audit of the District.

Status of Prior Audit Findings and Observations

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

Distribution List

This letter 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
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Harrisburg, PA 17105

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Executive Director
Pennsylvania School Boards Association
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Mechanicsburg, PA 17050

This letter is a matter of public record and is available online at www.PaAuditor.gov. Media questions about the letter 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.