

PERFORMANCE AUDIT

William Penn School District Delaware County, Pennsylvania

November 2016



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE
AUDITOR GENERAL

Ms. Jane A. Harbert, Superintendent
William Penn School District
100 Green Avenue
Lansdowne, Pennsylvania 19050

Ms. Jennifer Hoff, Board President
William Penn School District
100 Green Avenue
Lansdowne, Pennsylvania 19050

Dear Ms. Harbert and Ms. Hoff:

We have conducted a performance audit of the William Penn 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:

- Financial Stability
- Administrator Buy-Out
- Bus Driver Requirements
- School Safety

The audit was conducted pursuant to Section 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

November 7, 2016

cc: **WILLIAM PENN SCHOOL DISTRICT** Board of School Directors

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Background Information

School Characteristics 2014-15 School Year ^A	
County	Delaware
Total Square Miles	5
Resident Population ^B	42,116
Number of School Buildings	11
Total Teachers	374
Total Full or Part-Time Support Staff	60
Total Administrators	31
Total Enrollment for Most Recent School Year	5,042
Intermediate Unit Number	25
District Vo-Tech School	Delaware County Technical School, Folcroft and Aston Campuses

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

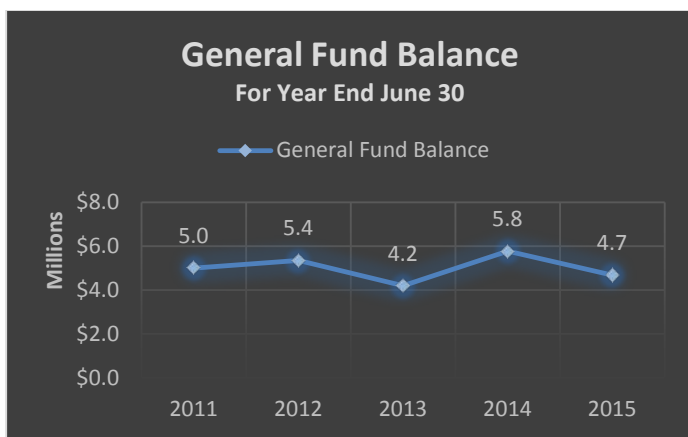
B - Source: United States Census
<http://www.census.gov/2010census>

Mission Statement^A

“The William Penn School District, having high expectations and accountability for all, is committed to a continuous learning ethic that promotes student achievement and prepares students to make positive choices.”

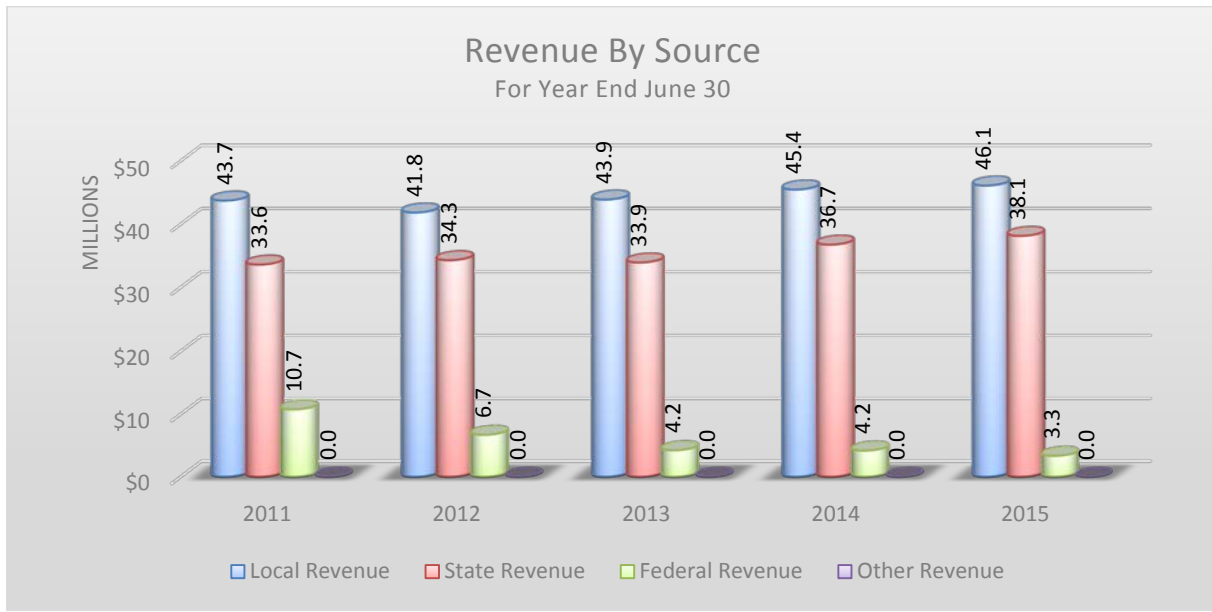
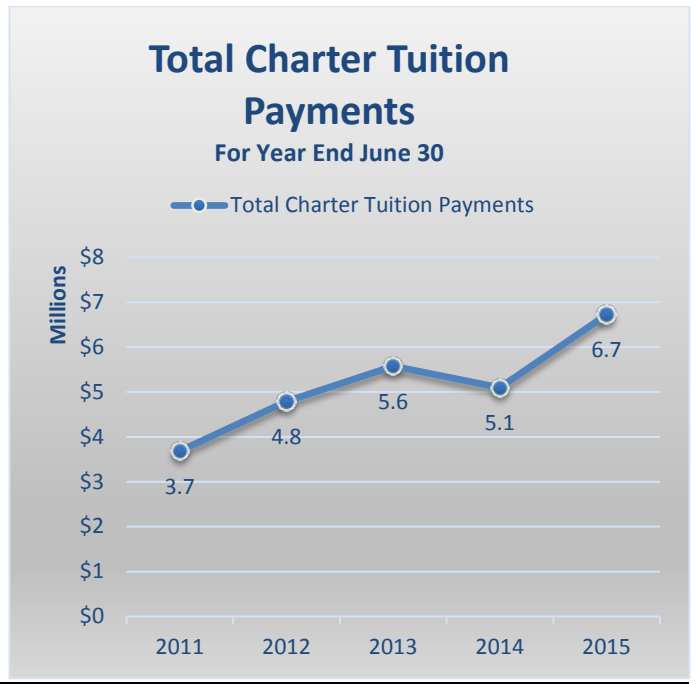
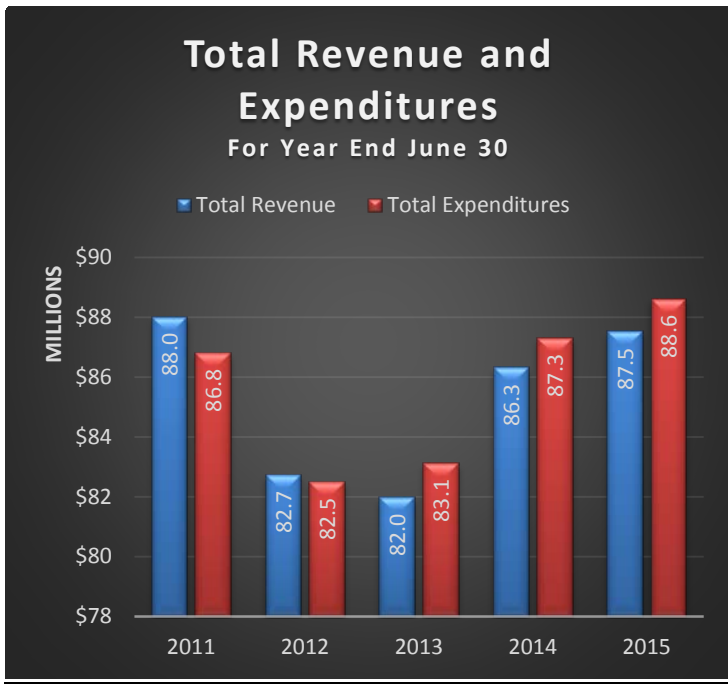
Financial Information

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**.



¹ 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



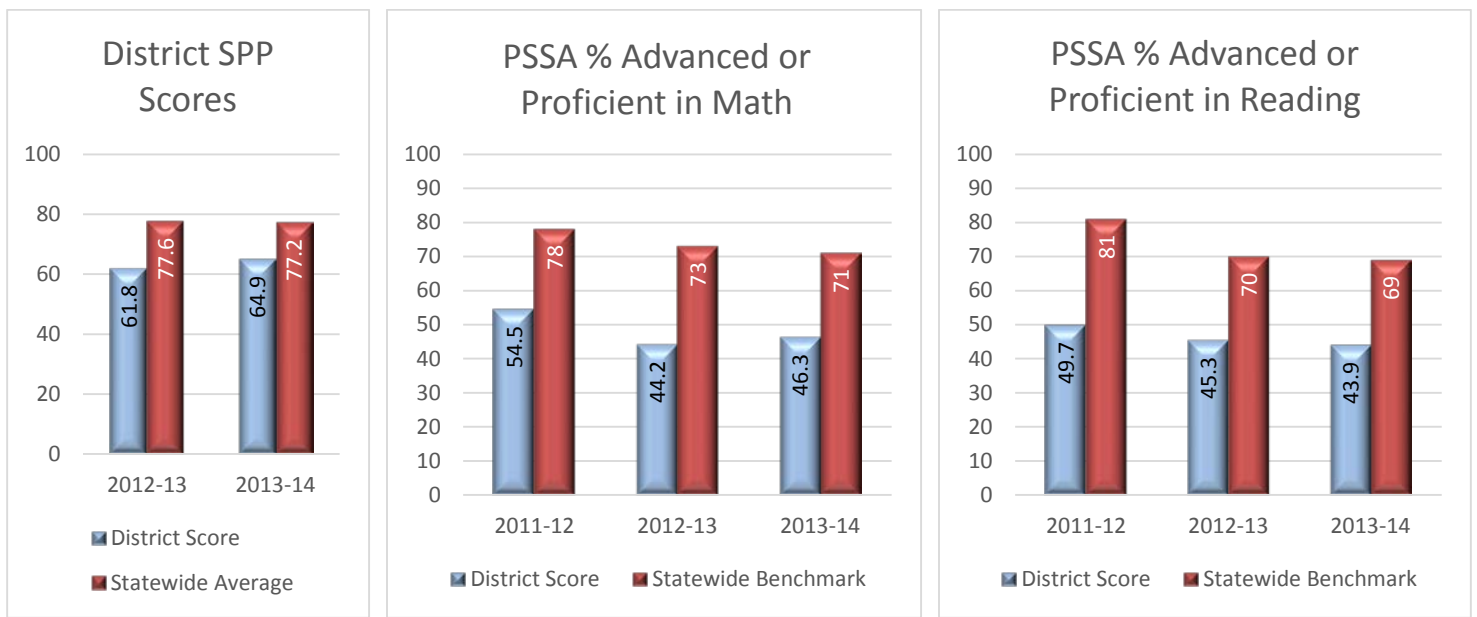
Academic Information

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.² 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.³ PSSA benchmarks and goals are determined by PDE each school year and apply to all public school entities.⁴ 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>William Penn SD</i>	61.8	64.9	54.5	44.2	46.3	49.7	45.3	43.9
<i>SPP Grade⁵</i>	D	D						



² PDE is the sole source of academic data presented in this report. All academic data was obtained from PDE's publically available website.

³ Statewide averages for SPP scores were calculated based on all district school buildings throughout the Commonwealth, excluding charter and cyber charter schools.

⁴ 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.

⁵ 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).

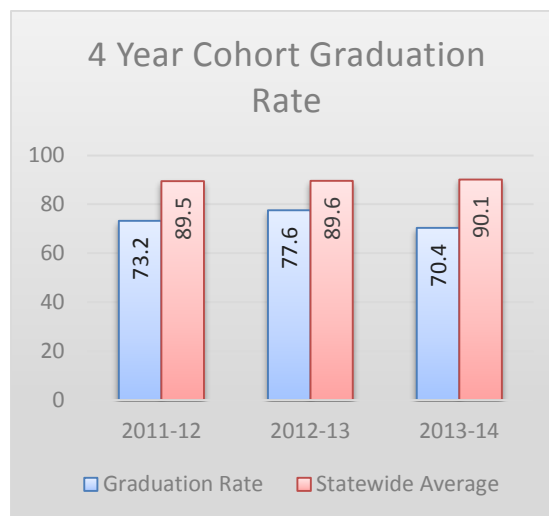
Individual School Building SPP and PSSA Scores

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.⁶

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
Statewide Benchmark	77.6	77.2	78	73	71	81	70	69
<i>Aldan Magnet School</i>	69.4	66.3	62.6	52.2	56.2	52.9	49.7	50.4
<i>Ardmore Avenue School</i>	65.6	53.2	59.5	49.2	39.7	55.6	51.2	38.3
<i>Bell Avenue School</i>	51.3	59.2	63.4	43.2	49.1	48.3	36.0	39.3
<i>Colwyn Elementary School</i>	63.5	71.0	43.8	40.2	44.9	47.3	42.5	45.9
<i>East Lansdowne Elementary School</i>	59.3	66.3	45.8	47.4	47.0	47.2	43.7	46.0
<i>Park Lane Elementary School</i>	56.6	72.1	50.6	30.9	37.8	37.8	35.3	32.7
<i>Penn Wood High School (two campuses)</i>	61.8	66.6		38.8	38.6		53.7	51.2
<i>Penn Wood Middle School</i>	59.4	58.1	59.8	50.6	55.0	59.4	53.4	53.2
<i>W B Evans Magnet School</i>	72.4	73.0	61.3	56.3	63.4	55.9	54.0	53.2
<i>Walnut Street Elementary School</i>	58.2	63.6	43.7	33.3	31.4	42.6	33.8	28.6

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.⁷



⁶ PDE's data does not provide any further information regarding the reason a score was not published.

⁷ <http://www.education.pa.gov/Data-and-Statistics/Pages/Cohort-Graduation-Rate-.aspx#.V1BFCDTD-JA>.

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 released on April 12, 2013, resulted in one finding, 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 PDE, interviewed District personnel, and performed audit procedures as detailed in the status section below.

Auditor General Performance Audit Report Released on April 12, 2013

Prior Finding: **The William Penn School District Lacks Sufficient Internal Controls Over Its Student Record Data**

Prior Finding Summary: Our prior review of the District's controls over student record data found that internal controls related to student record data needed to be improved. Specifically, our audit found that the District did not reconcile student membership data from its student information system (SIS) with reports from the Pennsylvania Information Management System (PIMS).

Prior Recommendations: We recommended that the District should:

1. Prior to closing out their child accounting system at the end of the school year, print out necessary documents for reconciliation and future audit review.
2. For years subsequent to our audit period, compare the student listing on the detailed child accounting reports to the students listed on the PIMS reports and ensure that membership data has been submitted to PDE for all students. In addition, ensure that all students appear on both reports and that any revisions that may be necessary are submitted to PDE.

We also recommended that PDE should:

3. Ensure that manual adjustments flow to all reports generated by PIMS.

Current Status: We determined that the District took corrective action. Beginning with the 2012-13 school year data, District personnel perform an annual reconciliation between student data in the SIS and PIMS reports. Student data is archived on a sandbox server for review purposes.

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 Section 403 of The Fiscal Code,⁸ 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 controls⁹ 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.

⁸ 72 P.S. §§ 402 and 403.

⁹ 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, 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 ending June 30, 2011 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:

- ✓ Financial Stability
- ✓ Administrator Buy-Out
- ✓ 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:

- ✓ Based on an analysis of financial data, was the District in a declining financial position, and did it comply with all statutes prohibiting deficit fund balances and the over expending of the District's budget?
 - To address this objective, we reviewed the District's annual financial reports, budgets, independent auditor's reports, and summary of child accounting data for fiscal years July 1, 2011 through June 30, 2015. We also reviewed budgets for the 2015-16 and 2016-17 fiscal years. The financial and statistical data was used to calculate ratios and trends which were deemed appropriate for assessing the District's financial stability. The benchmarks are based on best business practices established by several agencies, including Pennsylvania Association of School Business Officials, the Colorado Office of the State Auditor, and the National Forum on Education Statistics. 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 current employment contracts contain adequate termination provisions?
 - To address this objective, we reviewed the employment contracts, board meeting minutes, board policies, and payroll and leave records for both of the contracted administrators who left the District from July 1, 2012 through February 28, 2016. 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?¹⁰ Also, did the District have adequate written policies and procedures governing the hiring of new bus drivers?
 - To address this objective, we randomly selected 10 of the 89 bus drivers employed by the District's bus contractor as of June 30, 2016, and reviewed documentation to ensure the District complied with bus driver's requirements. We also determined if the District had written policies and procedures governing the hiring of bus drivers and if those procedures were sufficient to ensure compliance with bus driver hiring requirements. Our review of this objective disclosed no reportable issues.

- ✓ Did the District take appropriate actions to ensure it provided a safe school environment?
 - 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 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, PDE.

¹⁰ 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.

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

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The Honorable Timothy Reese

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Harrisburg, PA 17120

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Mr. Nathan Mains

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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.