

# PERFORMANCE AUDIT

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## Bloomsburg Area School District Columbia County, Pennsylvania

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September 2015



Commonwealth of Pennsylvania  
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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**EUGENE A. DePASQUALE**  
**AUDITOR GENERAL**

Dr. Cosmas C. Curry, Superintendent  
Bloomsburg Area School District  
728 East 5<sup>th</sup> Street  
Bloomsburg, Pennsylvania 17815

Mr. Brent Hock, Board President  
Bloomsburg Area School District  
728 East 5<sup>th</sup> Street  
Bloomsburg, Pennsylvania 17815

Dear Dr. Curry and Mr. Hock:

We have conducted a performance audit of the Bloomsburg Area School District (District) for the period April 29, 2013 through June 4, 2015. We evaluated the District's performance in the following areas:

- ü Governance
- ü Hiring and Separations
- ü School Safety

We also determined the status of corrective action taken by the District in response to our prior audit recommendations and found that the District implemented these recommendations.

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

September 17, 2015

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

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## Background Information<sup>i</sup>

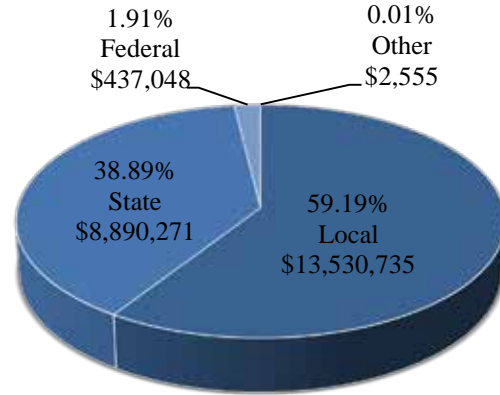
School Characteristics 2014-15 School Year <sup>ii</sup>	
County	Columbia
Total Square Miles	84.2
Resident Population <sup>iii</sup>	20,702
Number of School Buildings	5
Total Teachers	141
Total Full or Part-Time Support Staff	100
Total Administrators	15
Total Enrollment for Most Recent School Year	1,604
Intermediate Unit Number	Central Susquehanna IU 16
District Vo-Tech School	Columbia-Montour AVTS

### Mission Statement

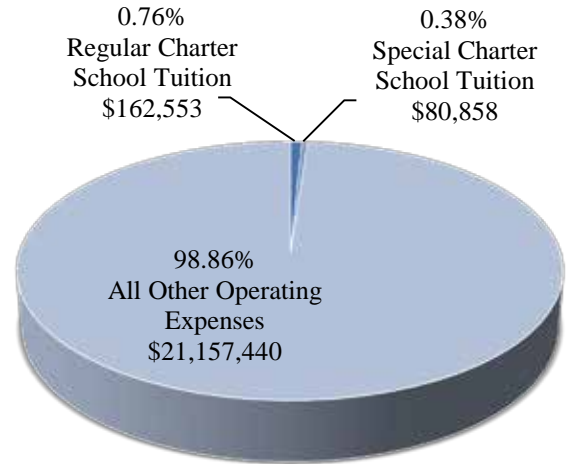
The mission of the District is to prepare its students to become contributing, responsible citizens and life-long learners with the ability to adapt and to succeed in a competitive world.

## Financial Information

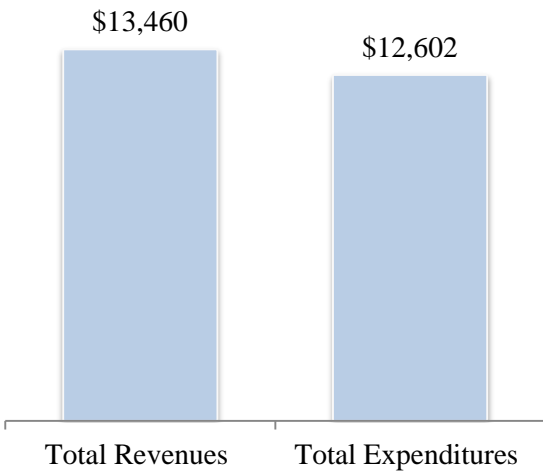
### Revenue by Source for 2013-14 School Year



### Select Expenditures for 2013-14 School Year

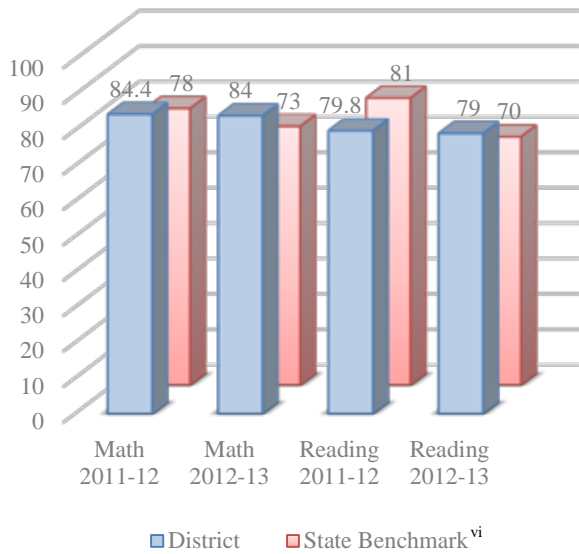


**Dollars Per Student  
2013-14 School Year**



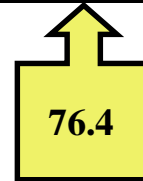
**Academic Information**

**Percentage of District Students Who Scored "Proficient" or "Advanced" on 2011-12 and 2012-13 PSSA<sup>iv v</sup>**



**District's 2012-13 SPP Score<sup>vii</sup>**

A	B	C	D	F
90-100	80-89.9	70-79.9	60-69.9	<60
▲	▲	■	▼	▼



**Individual Building SPP and PSSA Scores<sup>viii</sup>  
2012-13 School Year**

<b>School Building</b>	<b>SPP Score</b>	<b>PSSA % School Proficient and Advanced in Math</b>	<b>PSSA % Statewide Benchmark Proficient and Advanced in Math</b>	<b>PSSA % School Proficient and Advanced in Reading</b>	<b>PSSA % Statewide Benchmark Proficient and Advanced in Reading</b>	<b>Federal Title I Designation (Reward, Priority, Focus, No Designation)<sup>ix</sup></b>
Beaver-Main Elementary	84	96	73	85	70	High Achievement
Bloomsburg Area HS	83.9	68	73	93	70	No Designation
Bloomsburg Area Middle	82.5	89	73	80	70	No Designation
Memorial Elementary	68.7	83	73	72	70	No Designation
WW Evans Memorial Elementary	74.7	83	73	70	70	No Designation

## **Findings and Observations**

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

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

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**O**ur prior audit of the District released on July 24, 2013, resulted in three findings. As part of our current audit, we determined the status of corrective action taken by the District to implement our prior audit recommendations. We interviewed District personnel and performed audit procedures as detailed in each status section below.

### **Auditor General Performance Audit Report Released on July 24, 2013**

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**Finding No. 1:                    Membership Reporting Errors and a Lack of Internal Controls Resulted in the District Not Receiving Its Entitled Subsidy**

Finding Summary:            Our prior audit of the District’s pupil membership reports for the 2010-11 school year found reporting errors, including the understating of non-resident student membership and the improper coding of students. This result of this error was a reimbursement underpayment of \$42,782.

Recommendations:        We recommended that the District should:

1. Establish internal controls that include reconciliations of the data that is uploaded into the Pennsylvania Information Management System.
2. Verify that the preliminary reports from the Pennsylvania Department of Education (PDE) are correct and, if not correct, revise and submit child accounting data so that the final reports from PDE are correct.
3. Review subsequent years’ reports and, if errors are noted, submit revised reports.

We also recommended that PDE should:

4. Revise all reports that have been incorrectly completed and adjust the District’s subsidy affected by the errors.

Current Status:            During our current audit, we found that the District did implement our prior audit recommendations. District administrators were interviewed to determine whether they had taken corrective action. Documentation was reviewed to verify that the administration had implemented the prior audit report’s recommendations. As of the conclusion of our



work at the District on June 4, 2015, PDE had not yet adjusted the District allocations to resolve the underpayment.

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**Finding No. 2:                    **Transportation Reporting Errors and a Lack of Internal Controls Resulted in a \$37,289 Underpayment to the District****

Finding Summary:                    Our prior audit of the District’s transportation reports for the 2008-09 school year found data errors. Specifically, the District’s personnel incorrectly reported the number of days one contractor transported students. The result of this error was a reimbursement underpayment of \$37,289.

Recommendations:                    We recommended that the District should:

1. Institute a system of review that would help ensure reports sent to PDE are accurate.
2. Review subsequent year reports and, if errors are found, submit revised reports to PDE.

We also recommended that PDE should:

3. Adjust the District’s allocation to recover the underpayment of \$37,289.

Current Status:                    During our current audit, we found that the District did implement our prior audit recommendations. District administrators were interviewed to determine whether they had taken corrective action. Documentation was reviewed to verify that the administration had implemented the prior audit report’s recommendations. As of the conclusion of our work at the District on June 4, 2015, PDE had not yet adjusted the District allocations to resolve the underpayment.

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**Finding No. 3:                    **Continued Certification Deficiency****

Finding Summary:                    Our prior audit of the District’s certification and assignments found one employee did not have certification for her teaching assignment. The individual in question was a Spanish teacher who was not certified from August 23, 2010 through April 1, 2011. The District was consequently subject to a subsidy forfeiture of \$2,274 for the 2010-11 school year.

Recommendations:

We recommended that the District should:

1. Assign positions to professional personnel who hold appropriate certification to qualify for their assignments.
2. Implement a system of control that would evidence lapsed or invalid certificates.

We also recommended that PDE should:

3. Adjust the District's allocations to recover the subsidy forfeiture of \$2,274.

Current Status:

During our current audit, we found that the District did implement our prior audit recommendations. District administrators were interviewed to determine whether they had taken corrective action. Documentation was reviewed to verify that the administration had implemented the prior audit report's recommendations. The individual teacher was suspended without pay pending termination and resigned in lieu of termination. On December 26, 2013, PDE adjusted the District's allocations to recover the subsidy forfeiture.

## **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, PDE, and other concerned entities.

Our audit, conducted under authority of Section 403 of The Fiscal Code,<sup>1</sup> is not a substitute for the local annual financial audit required by the Public School Code (PSC) 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 April 29, 2013 through June 4, 2015. In addition, the scope of each individual audit objective is detailed on the next page.

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

The District's management is responsible for establishing and maintaining effective internal controls<sup>2</sup> to provide reasonable assurance that the District is in compliance with certain relevant state laws, regulations, contracts, grant requirements, and administrative procedures. In conducting our audit, we obtained an understanding of the District's internal controls, including any information technology controls that we considered 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>1</sup> 72 P.S. § 403

<sup>2</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, grant requirements, 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, and new or amended policies and procedures. 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:

- Ü Governance
- Ü Hiring and Separations
- Ü School Safety

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

- Ü Did the LEA's Board of School Directors (Board) and administration maintain best practices in overall organizational governance?
  - To address this objective, we surveyed the District's current Board; conducted in-depth interviews with the current Superintendent and his or her staff; and reviewed board meeting books, policies and procedures, reports used to inform the Board about student performance, progress in meeting student achievement goals, budgeting and financial position, and school violence data to determine if the Board was provided sufficient information for making informed decisions.
- Ü Did the LEA follow the PSC and best practices when hiring new staff?
  - To address this objective, we obtained and reviewed the District's hiring policies and procedures. We selected the last three employees hired by the District during the period July 1, 2014 through June 4, 2015, and reviewed documentation to determine if the District complied with the PSC, District policies and procedures, and best practices in hiring new employees. Employees tested were non-certified employees.
- Ü 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. In addition, we conducted an on-site review at one out of the District's four school buildings to assess whether the District had implemented basic safety practices.

To determine whether the District took appropriate corrective action to address findings and implement recommendations made in our prior audit, we interviewed District administrators to determine what corrective action, if any, was taken to address prior audit recommendations. Where appropriate, we obtained documentary evidence and/or performed audit procedures to verify that corrective action was actually taken and those actions were sufficient to address the prior finding.

## **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 Timothy Reese**

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. Lin Carpenter**

Assistant Executive Director for Member Services  
School Board and Management Services  
Pennsylvania School Boards Association  
P.O. Box 2042  
Mechanicsburg, PA 17055

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).

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<sup>i</sup> Source: School district, PDE, and U.S. Census data.

<sup>ii</sup> Source: Information provided by the District administration.

<sup>iii</sup> Source: United States Census <http://www.census.gov/2010census>

<sup>iv</sup> PSSA stands for the Pennsylvania System of School Assessment (PSSA), which is composed of statewide, standardized tests administered by PDE to all public schools and the reporting associated with the results of those assessments. PSSA scores in the tables in this report reflect Reading and Math results for the “All Students” group for the 2011-12 and 2012-13 school years.

<sup>v</sup> PSSA scores, which are Pennsylvania’s mandatory, statewide academic test scores, are issued by PDE. However, the PSSA scores issued by PDE are collected by an outside vendor, Data Recognition Corporation (DRC). The Pennsylvania Department of the Auditor General and KPMG issued a material weakness in internal controls over PDE’s compilation of this academic data in the Single Audit of the Commonwealth of Pennsylvania for the fiscal year ended June 30, 2014, citing insufficient review procedures at PDE to ensure the accuracy of test score data received from DRC.

<sup>vi</sup> 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 school year, the state benchmarks reflect the statewide goals based on annual measurable objectives established by PDE.

<sup>vii</sup> SPP stands for School Performance Profile, which is Pennsylvania’s new method for reporting academic performance scores for all public schools based on a scale from 0% to 100% implemented in the 2012-13 school year by PDE.

<sup>viii</sup> *Id.* Additionally, federal Title I designations of Priority, Focus, Reward, and No Designation are new federal accountability designations issued by PDE to Title I schools only beginning in the 2012-13 school year. Priority schools are the lowest 5%, focus schools are the lowest 10%, and reward schools are the highest 5% of Title I schools. All Title I schools not falling into one of the aforementioned percentage groups are considered “No Designation” schools. The criteria used to calculate the percentage rates is determined on an annual basis by PDE.

<sup>ix</sup> Title I Federal accountability designations for Title I schools originate from PDE and are determined based on the number of students at the school who receive free and/or reduced price lunches. School lunch data is accumulated in PDE’s CN-PEARS system, which is customized software developed jointly with an outside vendor, Colyar, Inc. The Pennsylvania Department of the Auditor General and KPMG issued a significant deficiency in internal controls over the CN-PEARS system in the Single Audit of the Commonwealth of Pennsylvania for the fiscal year ended June 30, 2014.