

# PERFORMANCE AUDIT

---

## Fort LeBoeuf School District Erie County, Pennsylvania

---

October 2015



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

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

Mr. Richard Emerick, Superintendent  
Fort LeBoeuf School District  
34 East 9<sup>th</sup> Street, P.O. Box 810  
Waterford, Pennsylvania 16441

Mr. Bruce Hordusky, Board President  
Fort LeBoeuf School District  
34 East 9<sup>th</sup> Street, P.O. Box 810  
Waterford, Pennsylvania 16441

Dear Mr. Emerick and Mr. Hordusky:

We have conducted a performance audit of the Fort LeBoeuf School District (District) for the period March 29, 2013 through August 10, 2015. We evaluated the District's performance in the following areas:

- Governance
- Contracting
- School Safety
- Bus Driver Requirements

We also determined the status of corrective action taken by the District in response to our prior audit recommendations.

This audit was conducted pursuant to Section 403 of The Fiscal Code and in accordance with the Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan 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

October 15, 2015

cc: **FORT LEOEUF SCHOOL DISTRICT** Board of School Directors

## Table of Contents

---

---

	Page
Background Information .....	1
Findings and Observations .....	4
Status of Prior Audit Findings and Observations .....	5
Appendix: Audit Scope, Objectives, and Methodology .....	6
Distribution List .....	9

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

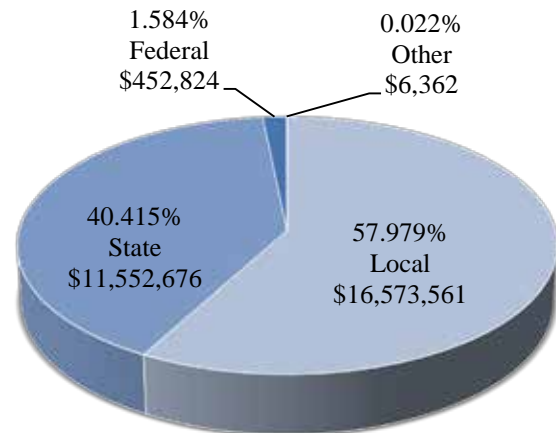
School Characteristics 2014-15 School Year <sup>ii</sup>	
County	Erie
Total Square Miles	111.7
Resident Population <sup>iii</sup>	14,150
Number of School Buildings	5
Total Teachers	164
Total Full or Part-Time Support Staff	307
Total Administrators	14
Total Enrollment for Most Recent School Year	2,137
Intermediate Unit Number	5
District Vo-Tech School	Erie County Technical School

### Mission Statement

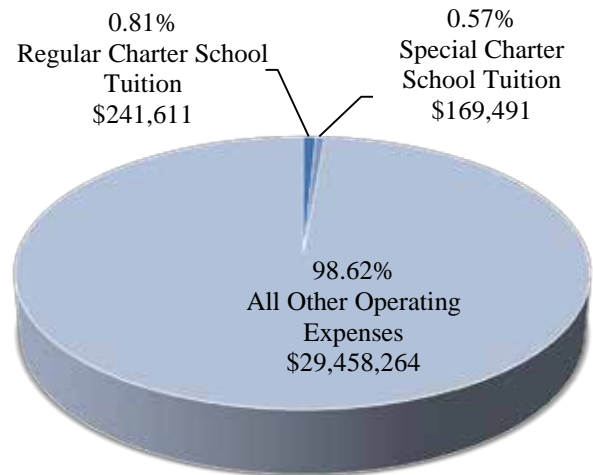
“The mission of the Fort LeBoeuf School District is to partner with stakeholders to educate all students to the maximum of their abilities by fostering 21<sup>st</sup> Century Skills in a safe and caring atmosphere, conducive to learning.”

## Financial Information

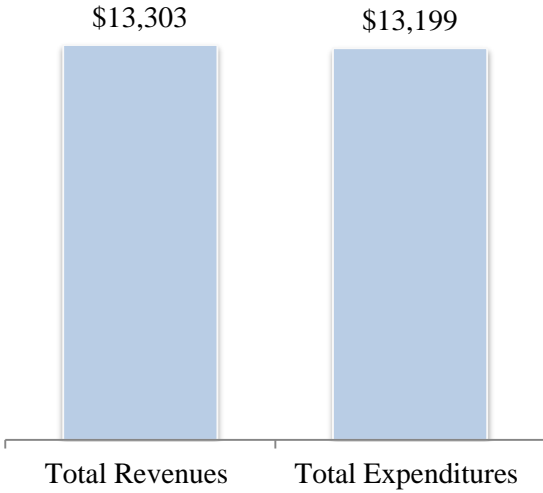
### Revenue by Source for 2013-14 School Year



### Select Expenditures for 2013-14 School Year

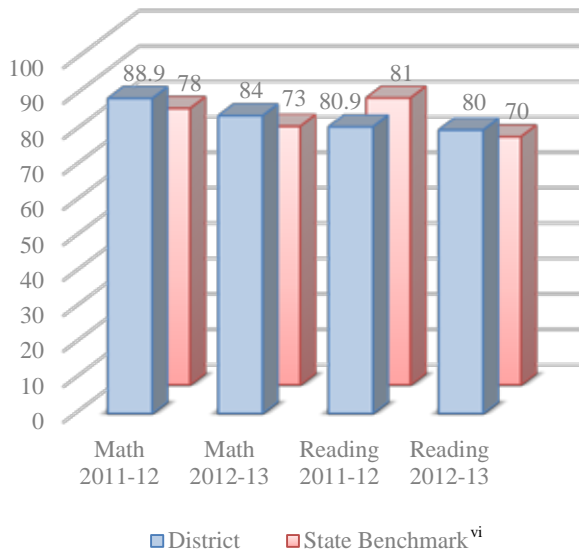


**Dollars Per Student  
2013-14 School Year**



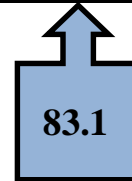
**Academic Information**

**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>
Fort LeBoeuf MS	87.4	88	73	80	70	N/A
Fort LeBoeuf HS	72.9	63	73	83	70	N/A
Mill Village El Sch	90.0	91	73	83	70	No Designation
Robison El Sch	86.7	91	73	84	70	No Designation
Waterford El Sch	83.1	86	73	75	70	No Designation

## **Findings and Observations**

---

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

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

---

Our prior audit of the District released on September 6, 2013, resulted in one finding. 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 in September 6, 2013**

---

**Prior Finding:**                      **Failure to Have All School Bus Drivers' Qualifications on File**

Prior Finding  
Summary:

Our prior audit of the District bus drivers' qualifications for the 2012-13 school year found that the District did not have all the correct records on file at the time of the audit. The personnel records were reviewed for 15 of the 45 bus drivers employed by the District and found that 1 bus driver did not have the correct federal criminal history record on file. The bus driver had a fingerprint clearance done by the Pennsylvania Department of Welfare which is not the required clearance required by PDE.

Prior  
Recommendations:

Our prior audit finding recommended that the District should:

1. Ensure that all future federal criminal record checks are done in accordance with the prescribed method of PDE.
2. Ensure that the District's transportation supervisor reviews each bus driver's qualifications prior to that person transporting students.
3. Ensure the bus driver's personnel files are kept up-to-date and the proper clearances are obtained.

Current Status:

During our current audit, we found that the District did implement our prior recommendations. We found that the District recognized the need for one employee dedicated to handling personnel issues and, during the 2014-15 school year, assigned a full-time personnel secretary, who is responsible to ensure all bus drivers' qualifications are current and on file. Additionally, the District performed an internal review of all bus drivers' personnel files.



## **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,<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 March 29, 2013 through August 10, 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 (relevant requirements). In conducting our audit, we obtained an understanding of the District's internal controls, including any information technology controls, that 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 material within the context of our audit objectives are included in this report.

---

<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 performance in the following areas:

- Governance
- Contracting
- School Safety
- Bus Driver Requirements

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?
  - o To address this objective, we surveyed the District's current Board, conducted in-depth interviews with the current Superintendent and his or her staff, reviewed board meeting books, policies and procedures, and 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 District ensure that its significant contracts were current and were properly obtained, approved, executed, and monitored?
  - o To address this objective, we reviewed the District's procurement and contract monitoring policies and procedures. We obtained a list of contracts for goods and services that were in effect for the 2013-14 school year. We selected four out of nine significant contracts for detailed testing. Testing included a review of the procurement documents to determine if the contract was procured in accordance with the PSC and District policies. We also reviewed documents to determine if the District properly monitored the selected contracts. Finally, we reviewed board meeting minutes and the Board's Statements of Financial Interest to determine if any board member had a conflict of interest in approving the selected contracts.

- 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 on-site reviews at two of the District’s five school buildings (two elementary schools) to assess whether the District had implemented basic safety practices.
  
- Ü Did the District take appropriate corrective action to address findings and implement recommendations made in our prior audit?
  - To address this objective, 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. This review was done as part of the bus driver’s requirements testing.
  
- Ü Did the District ensure that bus drivers transporting District students had the required driver’s license, physical exam, training, background checks, and clearances as outline in applicable laws?<sup>3</sup> Also, did the District have adequate written policies and procedures governing the hiring of new bus drivers?
  - To address this objective, we selected 5 of the 11 new bus drivers hired by the District during the 2014-15 school year 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.

---

<sup>3</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*.

## **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 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).

---

<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 material 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.