

# PERFORMANCE AUDIT

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## Cheltenham Township School District Montgomery County, Pennsylvania

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August 2016



Commonwealth of Pennsylvania  
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE  
AUDITOR GENERAL

Dr. Wagner Marseille, Superintendent  
Cheltenham Township School District  
2000 Ashbourne Road  
Elkins Park, Pennsylvania 19027

Mr. William England, Board President  
Cheltenham Township School District  
2000 Ashbourne Road  
Elkins Park, Pennsylvania 19027

Dear Dr. Marseille and Mr. England:

We have conducted a performance audit of the Cheltenham Township 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:

- Student Membership Data
- Administrator Contract Buy-Out
- Bus Driver Requirements
- School Safety

The audit was conducted pursuant to Section 403 of The Fiscal Code (72 P.S. § 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

August 25, 2016

cc: **CHELtenham TOWNSHIP SCHOOL DISTRICT** Board of School Directors

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## Background Information

School Characteristics 2015-16 School Year <sup>A</sup>	
County	Montgomery
Total Square Miles	9
Resident Population <sup>B</sup>	37,024
Number of School Buildings	7
Total Teachers	391
Total Full or Part-Time Support Staff	147
Total Administrators	34
Total Enrollment for Most Recent School Year	4,674
Intermediate Unit Number	23
District Vo-Tech School	Eastern Center for Arts and Technology

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

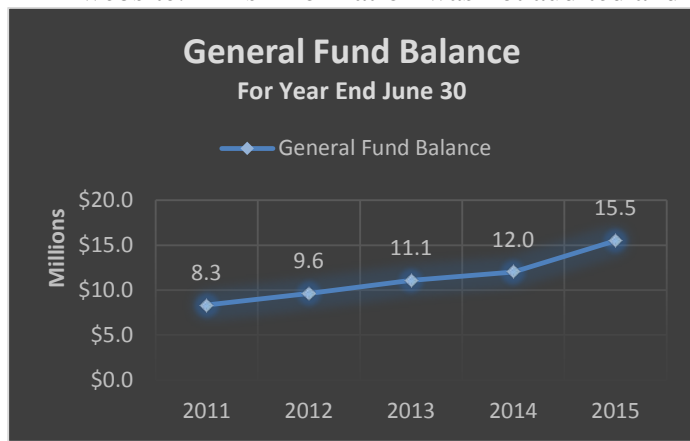
B - Source: United States Census  
<http://www.census.gov/2010census>

## Mission Statement<sup>A</sup>

“Drawing on its cultural richness, creativity, and tradition of scholastic excellence, the School District of Cheltenham Township strives to nurture each child through a wealth of academic endeavors and community partnership that provide the skills and the vision needed to lead a productive and meaningful life beyond our classroom walls.”

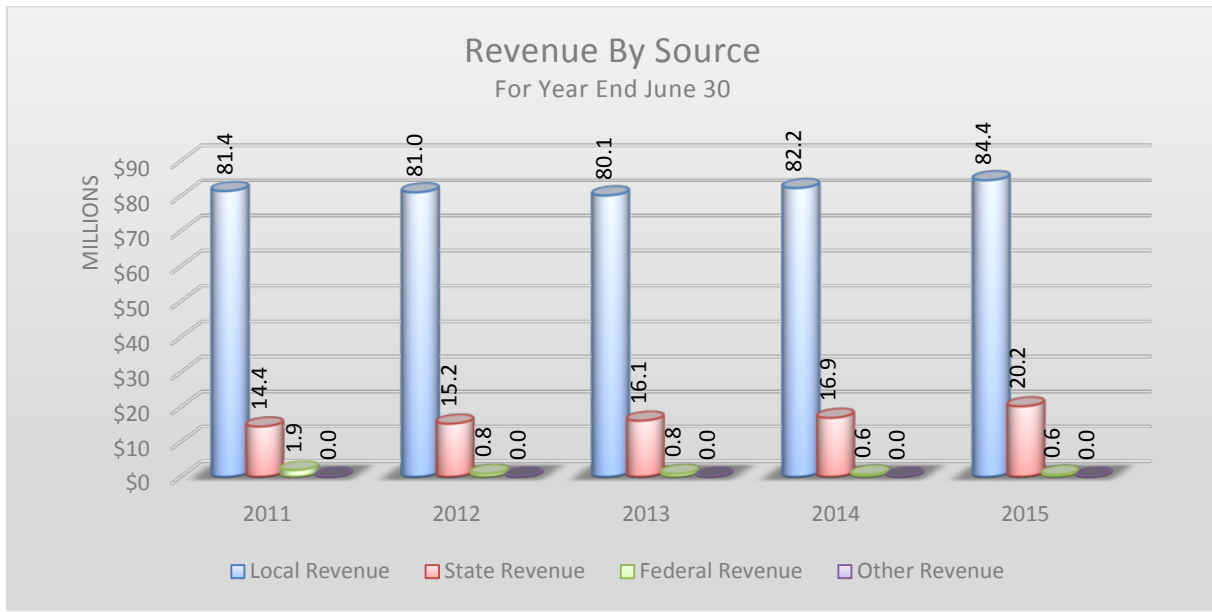
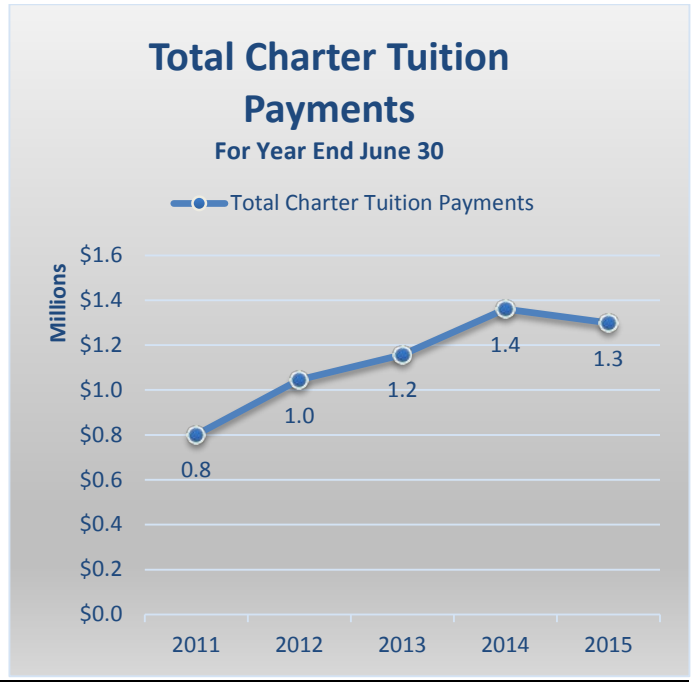
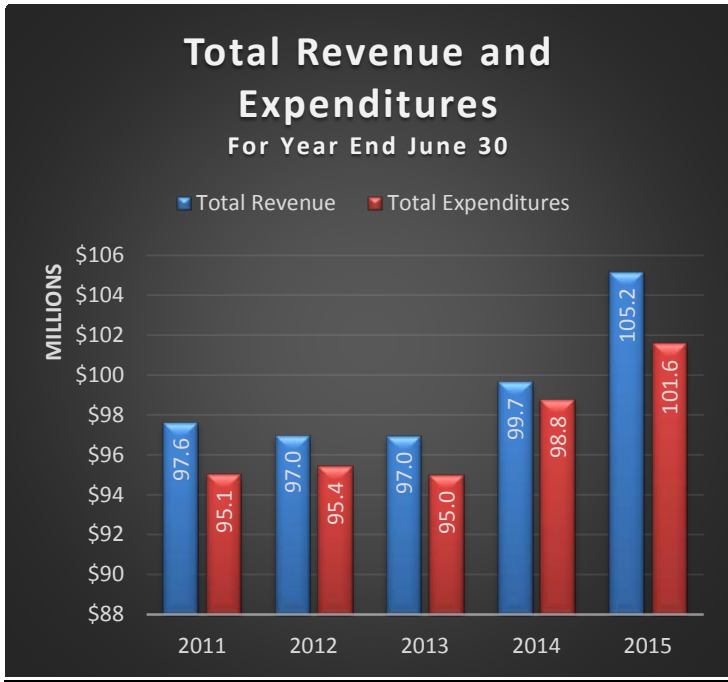
## Financial Information

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**.



<sup>1</sup> 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



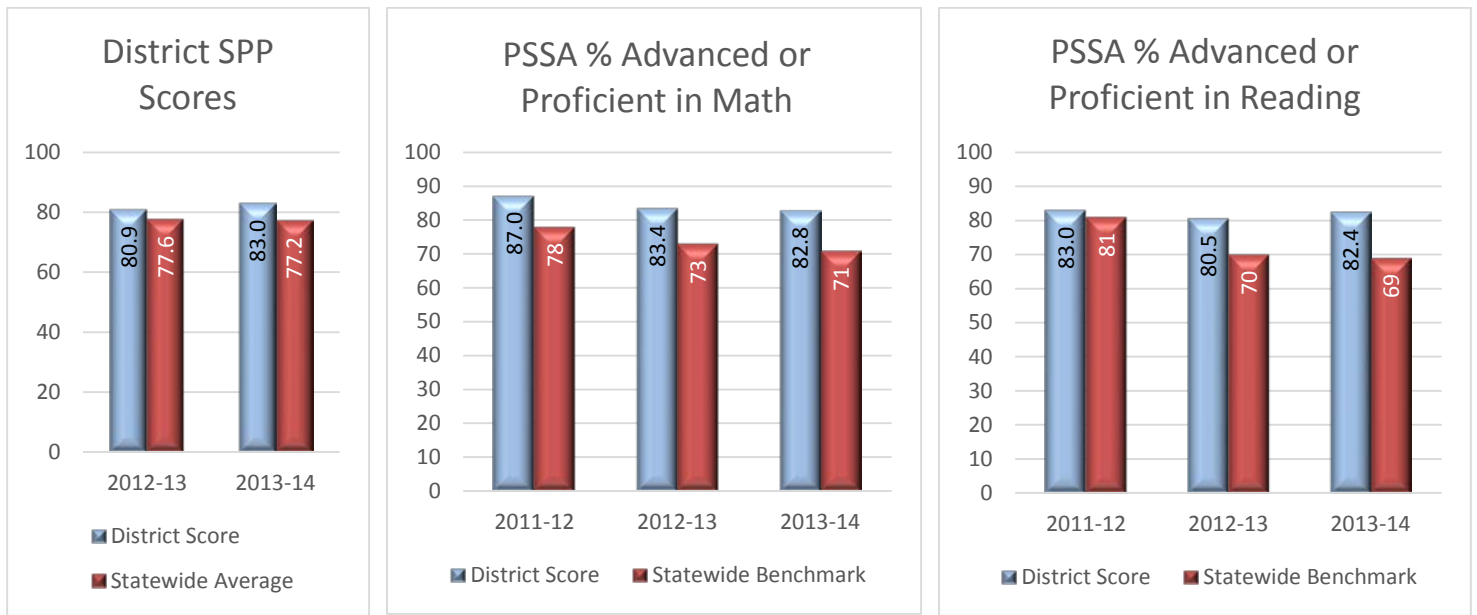
## Academic Information

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.<sup>2</sup> 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.<sup>3</sup> PSSA benchmarks and goals are determined by PDE each school year and apply to all public school entities.<sup>4</sup> 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>Cheltenham Township SD</i>	80.9	83.0	87.0	83.4	82.8	83.0	80.5	82.4
<i>SPP Grade<sup>5</sup></i>	<b>B</b>	<b>B</b>						



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

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

<sup>4</sup> 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.

<sup>5</sup> 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).

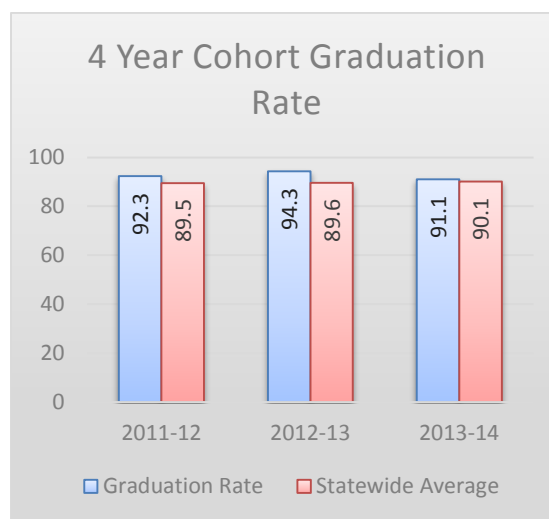
## Individual School Building SPP and PSSA Scores

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.<sup>6</sup>

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
<b>Statewide Benchmark</b>	<b>77.6</b>	<b>77.2</b>	<b>78</b>	<b>73</b>	<b>71</b>	<b>81</b>	<b>70</b>	<b>69</b>
<i>Cedarbrook Middle School</i>	<b>81.5</b>	<b>91.3</b>	<b>88.2</b>	<b>84.7</b>	<b>88.5</b>	<b>90.6</b>	<b>83.1</b>	<b>86.7</b>
<i>Cheltenham Elementary School</i>	<b>87.3</b>	<b>80.3</b>	<b>91.8</b>	<b>88.7</b>	<b>83.6</b>	<b>85.2</b>	<b>80.2</b>	<b>81.3</b>
<i>Cheltenham High School</i>	<b>76.4</b>	<b>74.0</b>	<b>69.8</b>	<b>76.8</b>	<b>74.0</b>	<b>79.4</b>	<b>85.0</b>	<b>84.0</b>
<i>Elkins Park School</i>	<b>69.7</b>	<b>72.1</b>	<b>85.9</b>	<b>78.2</b>	<b>80.4</b>	<b>77.6</b>	<b>70.6</b>	<b>70.6</b>
<i>Glenside Elementary School</i>	<b>82.1</b>	<b>90.9</b>	<b>87.4</b>	<b>81.7</b>	<b>80.0</b>	<b>78.4</b>	<b>76.8</b>	<b>82.8</b>
<i>Myers Elementary School</i>	<b>80.3</b>	<b>85.1</b>	<b>93.1</b>	<b>86.9</b>	<b>87.9</b>	<b>83.4</b>	<b>80.0</b>	<b>85.6</b>
<i>Wyncote Elementary School</i>	<b>88.8</b>	<b>87.6</b>	<b>92.7</b>	<b>86.7</b>	<b>85.0</b>	<b>86.5</b>	<b>87.9</b>	<b>85.5</b>

## 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.<sup>7</sup>



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

<sup>7</sup> <http://www.education.pa.gov/Data-and-Statistics/Pages/Cohort-Graduation-Rate-.aspx#.V1BFCdTD-JA>

## **Finding**

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



## Status of Prior Audit Findings and Observations

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Our prior audit report for the District, released on April 10, 2014, contained two findings. As part of our current audit, we determined the status of corrective actions 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 each status section below.

### Auditor General Performance Audit Report Released on April 10, 2014

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**Prior Finding No. 1: The District Lacks Sufficient Internal Controls Over Its Student Record Data**

Prior Finding Summary: Our prior audit of the District found errors in the student membership data reported to PDE resulting from insufficient internal controls. Specifically, our prior audit found that, during the 2009-10 school year, the District incorrectly reported the district of residence or the residency category for 40 students.

Prior Recommendations: We recommended that the District should:

1. Reconcile the printouts from the District's Student Information System (SIS) with the reports from the Pennsylvania Information Management System (PIMS) to ensure PDE has the correct data.
2. Develop documented procedures (e.g. procedure manuals, policies or written instructions) to ensure that data submitted to PDE is accurate, standardized, and verified.

Current Status: Our current audit found that the District complied with the first recommendation by reconciling the SIS printouts with PIMS reports. However, the District had not yet complied with the second recommendation to develop and document procedures to ensure that data is submitted to PDE correctly.

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**Prior Finding No. 2: Failure to Have All School Bus Drivers' Qualifications on File**

Prior Finding Summary: Our prior audit found that two bus drivers did not have their federal criminal history records on file at the District. It is the District's responsibility to ensure that all employees or contracted individuals who have contact with children have the proper qualification documents on file.

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Prior Recommendations: We recommended that the District should:

1. Ensure all bus drivers' qualifications documents are on file prior to allowing them to transport students.
2. Ensure the bus drivers' personnel files are kept up-to-date and the proper clearances are obtained.
3. Establish procedures to ensure that the contractor's bus drivers' credentials are reviewed for completeness and appropriateness prior to the Board of School Directors' (Board) approval and that the contractor does not allow any bus driver to transport students prior to the Board's review.
4. Review its current bus driver list and work with its contractor to obtain all required clearances based on when the District's Board approved the driver, not when the contractor hired the driver.

Current Status:

Our current audit found that the District did implement the second recommendation and all bus drivers' files are kept up-to-date and the proper clearance are obtained. The District had not yet implemented our recommendations regarding board approval of the drivers and District review of new and current bus drivers' qualification documents. This review was instead conducted by the contractor. During our current audit, District personnel acknowledged that in the future they will review all drivers' credentials and have the Board approve the drivers.

## **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>8</sup> 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 controls<sup>9</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 significant within the context of our audit objectives are included in this report.

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<sup>8</sup> 72 P.S. § 403.

<sup>9</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:

- ✓ Student Membership Data
- ✓ Administrator Contract 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:

- ✓ Did the District accurately report its non-resident student membership data to PDE?
  - To address this objective, we compared the 2014-15 school year's non-resident student list with the 2013-14 school year's list and found 22 students who were on both school year's list. We selected all 22 of these students and verified that each child was appropriately registered with the District. We reviewed each of the student's entry and withdrawal forms, agency placement letters, and documentation of the parents' residence districts. 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 contract(s) contain adequate termination provisions?
  - To address this objective, we reviewed the contract, settlement agreement, board meeting minutes, board policies, Public School Employees' Retirement System's determinations, and payroll records for one administrator who separated from the District during the period July 1, 2013 through June 30, 2015. 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?<sup>10</sup> Also, did the District have adequate written policies and procedures governing the hiring of new bus drivers?
  - To address this objective, we randomly selected 15 of the 91 bus drivers hired by the District's transportation contractor during the school years from July 1, 2012 through June 30 2015, and reviewed documentation to ensure the District complied with the 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 did not disclose any 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, and anti-bullying policies. In addition, we conducted on-site reviews at three out of the District's seven school buildings (all elementary school buildings) to assess whether the District had implemented basic safety practices. 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.

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<sup>10</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**

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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

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400 Bent Creek Boulevard  
Mechanicsburg, PA 17050

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).