

LIMITED PROCEDURES ENGAGEMENT

Shaler Area School District
Allegheny County, Pennsylvania

February 2017



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



Commonwealth of Pennsylvania
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EUGENE A. DePASQUALE
AUDITOR GENERAL

Mr. Sean Aiken, Superintendent
Shaler Area School District
1800 Mount Royal Boulevard
Glenshaw, Pennsylvania 15116

Dr. April Kwiatkowski, Board President
Shaler Area School District
1800 Mount Royal Boulevard
Glenshaw, Pennsylvania 15116

Dear Mr. Aiken and Dr. Kwiatkowski:

We conducted a Limited Procedures Engagement (LPE) of the Shaler Area 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, 2012, through June 30, 2015, 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 take appropriate corrective action to address the findings made in our prior audit, and were the actions taken into effect?

Mr. Sean Aiken
Dr. April Kwiatkowski
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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.

We appreciate the District's cooperation during the conduct of the engagement.

Sincerely,

A handwritten signature in black ink, appearing to read "Eugene A. DePasquale". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Eugene A. DePasquale
Auditor General

February 10, 2017

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

Background Information

School Characteristics 2015-16 School Year ^A	
County	Allegheny
Total Square Miles	14.4
Resident Population ^B	39,285
Number of School Buildings	8
Total Teachers	367
Total Full or Part-Time Support Staff	150
Total Administrators	28
Total Enrollment for Most Recent School Year	4,354
Intermediate Unit Number	3
District Vo-Tech School	A.W. Beattie Career Center

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

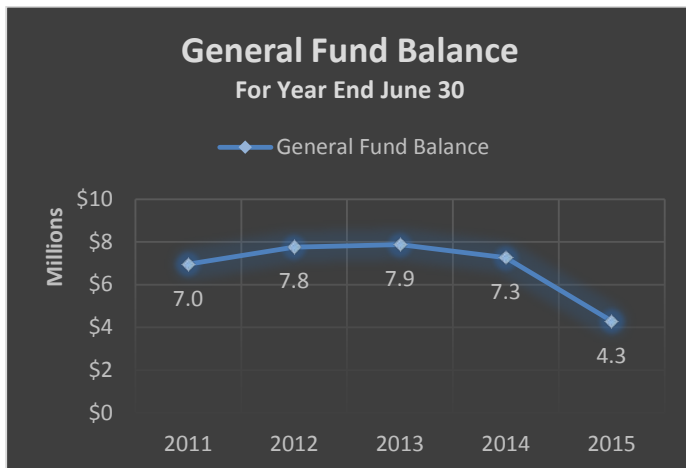
B - Source: United States Census
<http://www.census.gov/2010census>

Mission Statement^A

The Shaler Area School District will educate and challenge all students to maximize their academic, social, emotional, and physical potential. Students will strive for excellence in information processing skills, problem solving, and effective communication. Our safe and caring learning environment, created in partnership with parents and community, will inspire life-long learners who are contributing citizens, responsive to change and sensitive to the needs of others.

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**.

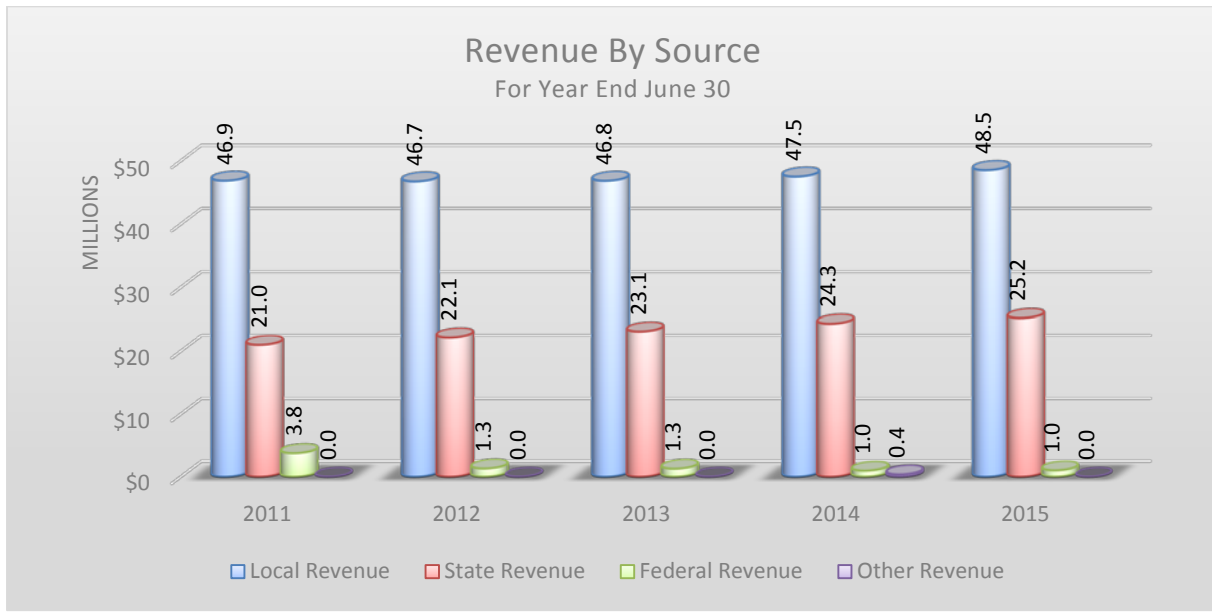
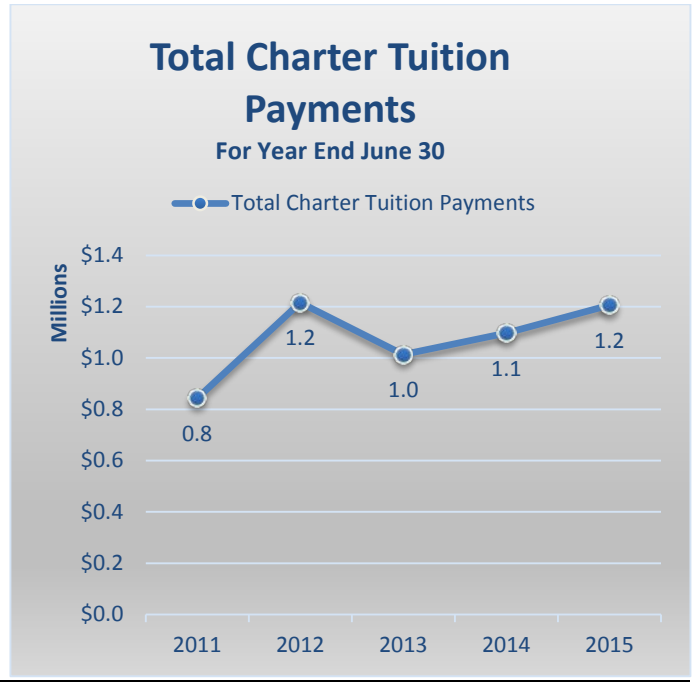
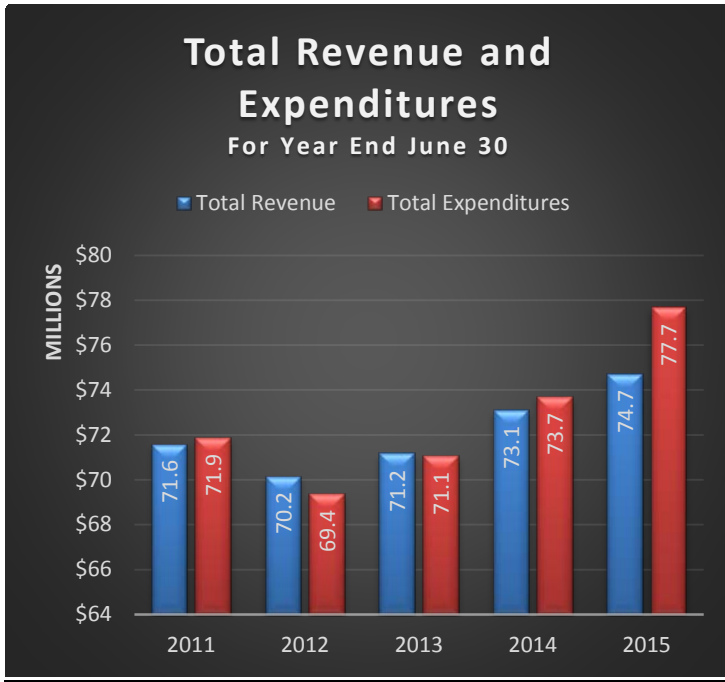


Note: General Fund Balance is comprised of the District's Committed, Assigned and Unassigned Fund Balances.



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

Financial Information Continued



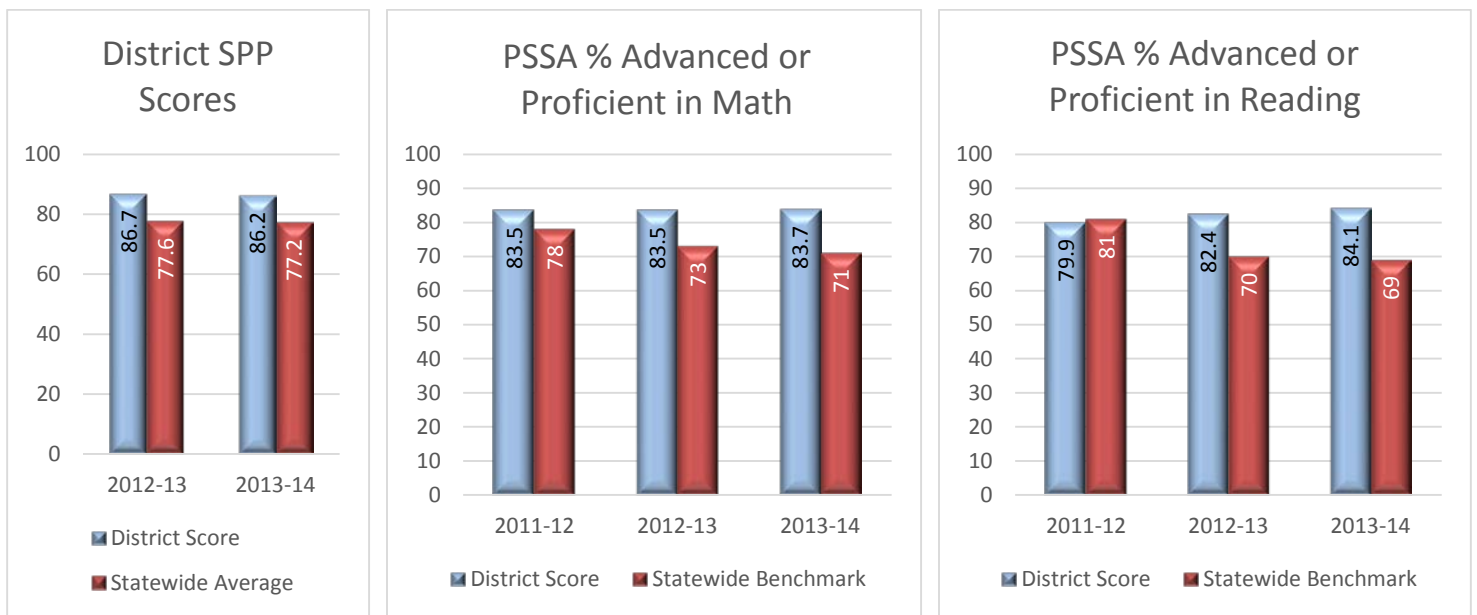
Academic Information

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.¹ 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.² PSSA benchmarks and goals are determined by PDE each school year and apply to all public school entities.³ 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>Shaler Area SD</i>	86.7	86.2	83.5	83.5	83.7	79.9	82.4	84.1
<i>SPP Grade⁴</i>	B	B						



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

² Statewide averages for SPP scores were calculated based on all district school buildings throughout the Commonwealth, excluding charter and cyber charter schools.

³ 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.

⁴ 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).

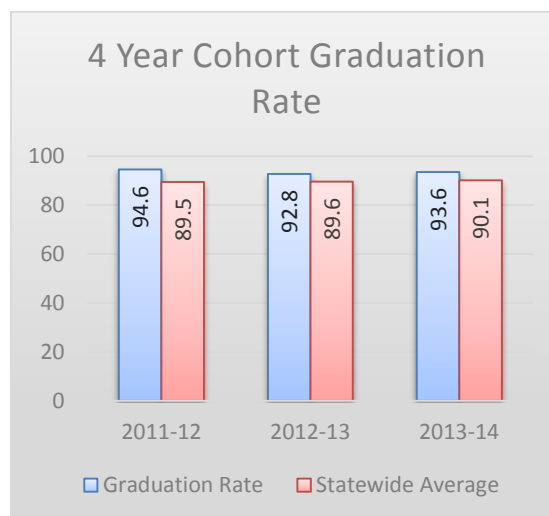
Individual School Building SPP and PSSA Scores

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.⁵

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>Burchfield Primary School</i>	92.7	94.8	94.1	89.4	96.0	91.8	91.4	90.7
<i>Jeffery Primary School</i>	85.3	84.1	81.0	86.5	78.9	72.4	80.8	76.9
<i>Marzolf Primary School</i>	90.1	92.7	96.7	89.5	93.0	79.6	87.7	88.4
<i>Reserve Primary School</i>	88.4	93.1	85.2	90.0	87.9	77.8	85.0	91.4
<i>Rogers Primary School</i>	92.3	94.4	93.3	92.7	87.0	93.4	89.7	93.5
<i>Shaler Area Elementary School</i>	73.7	73.3	79.7	74.2	75.7	74.3	69.1	70.9
<i>Shaler Area High School</i>	88.9	79.7	59.5	64.9	71.2	71.0	78.4	82.9
<i>Shaler Area Middle School</i>	82.1	77.8	78.1	80.5	80.1	79.2	77.4	78.4

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.⁶



⁵ PDE's data does not provide any further information regarding the reason a score was not published.

⁶ <http://www.education.pa.gov/Data-and-Statistics/Pages/Cohort-Graduation-Rate-.aspx>.

Status of Prior Audit Findings and Observations

Our prior audit of the District released on February 21, 2014, resulted in three findings, as shown below. As part of our current engagement, 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 each status section below.

Auditor General Performance Audit Report Released on February 21, 2014

Prior Finding No. 1: Net Overpayment of \$29,260 in Nonpublic and Charter Pupil Transportation Subsidy

Prior Finding Summary: During our prior audit of the District's student transportation data, we found that the District incorrectly reported the number of nonpublic and charter school students transported for four school years, 2008-09, 2009-10, 2010-11, and 2011-12, resulting in a net overpayment of \$29,260.

Prior Recommendations: Our prior audit recommended that the District should:

Develop internal policies and procedures to ensure that transportation data is accurately collected, verified, and reported timely to PDE reimbursement.

Our prior audit also recommended that PDE should:

Adjust the District's future allocations to correct the net overpayment of \$29,260.

Current Status: We determined that the District did implement our recommendation made in the prior audit. During our current review, we noted that students provided transportation to charter schools are now coded within the transportation software system under the program "charter." Prior to submission of the transportation report, a list of students is generated by program type, non-public and charter. These lists are reviewed for accuracy by District officials.

As of January 3, 2017, adjustments have been made for the 2008-09 school year in the amount of \$18,095 and \$6,930 for the 2009-10 school year. We will follow up on this issue in our next audit to determine if future allocations are adjusted for the errors found in the 2010-11 and 2011-12 school years.

Prior Finding No. 2: Inadequate Documentation to Support Commonwealth-Paid Tuition for Children Placed in Private Homes

Prior Finding Summary: During our prior audit of the District’s pupil membership records, we found for the 2008-09, 2009-10, 2010-11, and 2011-12 school years that the District did not maintain adequate documentation to support the students reported to PDE as nonresident students placed in private homes (foster children). As a result, we were unable to verify the Commonwealth-paid tuition totaling \$251,580 for three school years, 2008-09, 2010-11, and 2011-12.

Prior Recommendations: Our prior audit recommended that the District should:

1. Provide regular in-service training to administrative and clerical personnel responsible for recording and reporting membership data. This training should stress the importance of maintaining accurate and complete records and the relationship of membership data to state subsidies and reimbursements.
2. Develop procedures to ensure proper classification of students enrolling in the District as resident or nonresident students and documents the district of residence of the natural parent or guardian.

Current Status: During our current review, we found that the District did have documentation supporting Commonwealth paid tuition for students placed in private homes. The registrar is now responsible for obtaining the required documents when a student in foster care is registered. In addition, social workers are required to obtain the required documents if a student has a status change regarding foster care.

Our current review also noted that the registrar is required to scan all documents relating to foster care students. The scanned documents are attached to the student permanent record in the student software system. Prior to the submission of the data to PDE, a report is ran to verify that any student coded as a nonresident has proper documentation on file.

Prior Finding No. 3: The District Lacks Sufficient Internal Control Over Its Student Data

Prior Finding Summary: Our prior audit of the District's controls over data integrity found that internal controls need to be improved. Specifically, our review found that:

- The District does not have adequate documented procedures in place to ensure continuity over its the Pennsylvania Information Management System (PIMS) data submission in the event of a sudden change in personnel or child accounting vendors.
- The District did not properly code nonresident students. As a result, nonresident students were uploaded into PIMS as resident students, and the District did not receive the tuition for children placed in private homes (foster students).

It is the responsibility of District management to have in place proper internal policies and procedures to ensure that student data is accurately collected and timely reported. Without these internal controls, the District is assured that it is reporting its data correctly to PDE or that it is receiving the proper subsidy reimbursement.

Prior Recommendations: Our prior audit recommended that the District should:

1. Develop documented procedures (e.g. procedure manuals, policies, or written instructions) to ensure continuity over PIMS data submission if those involved persons were to leave the District suddenly or otherwise be unable to upload PIMS data to PDE.
2. Review the school calendar fact templates for accuracy to ensure that they reflect the correct days in session and days reported.
3. Review procedures for properly coding vendor software relating to nonresident students to ensure nonresident students are correctly uploaded into PIMS.

Current Status: During our current review, we determined that the District has implemented our recommendations as follows:

1. The District's PIMS Administrator attends the annual PIMS Conference and views available question and answer webinars. The PIMS Administrator trains his staff in the proper procedures for uploading accurate information into PIMS, in addition to creating a PIMS procedure manual for the District.

2. The PIMS Administrator reviews all school calendars prior to submission to PIMS; particular attention is given to Act 80 days.
 3. The PIMS Administrator reviews all students coded as nonresident prior to submission of the PIMS data to ensure that proper documentation is on file.
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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
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The Honorable Joe Torsella

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Mr. Nathan Mains

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