

PERFORMANCE AUDIT

Waynesboro Area School District Franklin County, Pennsylvania

January 2019



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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**EUGENE A. DePASQUALE
AUDITOR GENERAL**

Dr. Tod F. Kline, Superintendent
Waynesboro Area School District
210 Clayton Avenue
Waynesboro, Pennsylvania 17268

Ms. Karen Herald, Board President
Waynesboro Area School District
210 Clayton Avenue
Waynesboro, Pennsylvania 17268

Dear Dr. Kline and Ms. Herald:

We have conducted a performance audit of the Waynesboro Area School District (District) for the period July 1, 2013 through June 30, 2017, 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
- Transportation Operations
- Administrator Contract Buyout
- Bus Driver Requirements

We also evaluated the application of best practices in the area of school safety. Due to the sensitive nature of this issue and the need for the results of this review to be confidential, we did not include the results in this report. However, we communicated the results of our review of school safety to District officials, the Pennsylvania Department of Education, and other appropriate officials as deemed necessary.

The audit was conducted pursuant to Sections 402 and 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 bulleted areas listed above.

Dr. Tod F. Kline
Ms. Karen Herald
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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". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Eugene A. DePasquale
Auditor General

January 23, 2019

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

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Background Information

School Characteristics 2017-18 School Year ^A	
County	Franklin
Total Square Miles	89.16
Number of School Buildings	6
Total Teachers	282
Total Full or Part-Time Support Staff	228
Total Administrators	17
Total Enrollment for Most Recent School Year	4,636
Intermediate Unit Number	12
District Vo-Tech School	Franklin County Career and Technology Center

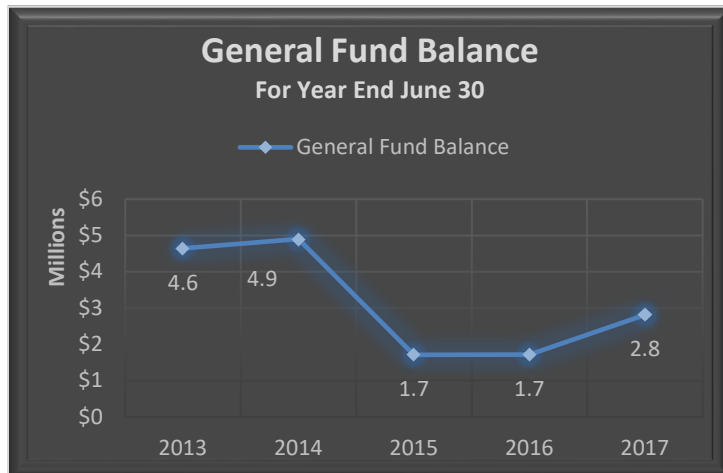
A - Source: Information provided by the District administration and is unaudited.

Mission Statement^A

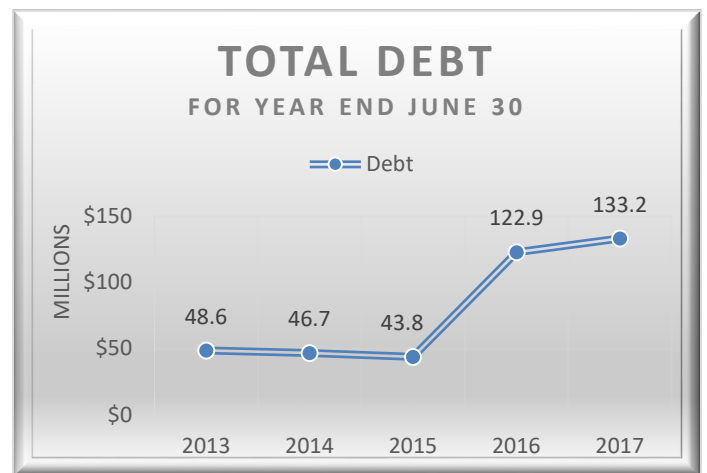
Educate and Empower Students for Future Success.

Financial Information

The following pages contain financial information about the Waynesboro Area School District (District) obtained from annual financial data reported to the Pennsylvania Department of Education (PDE) and available on the PDE's public website. This information was not audited and is presented for **informational purposes only**.

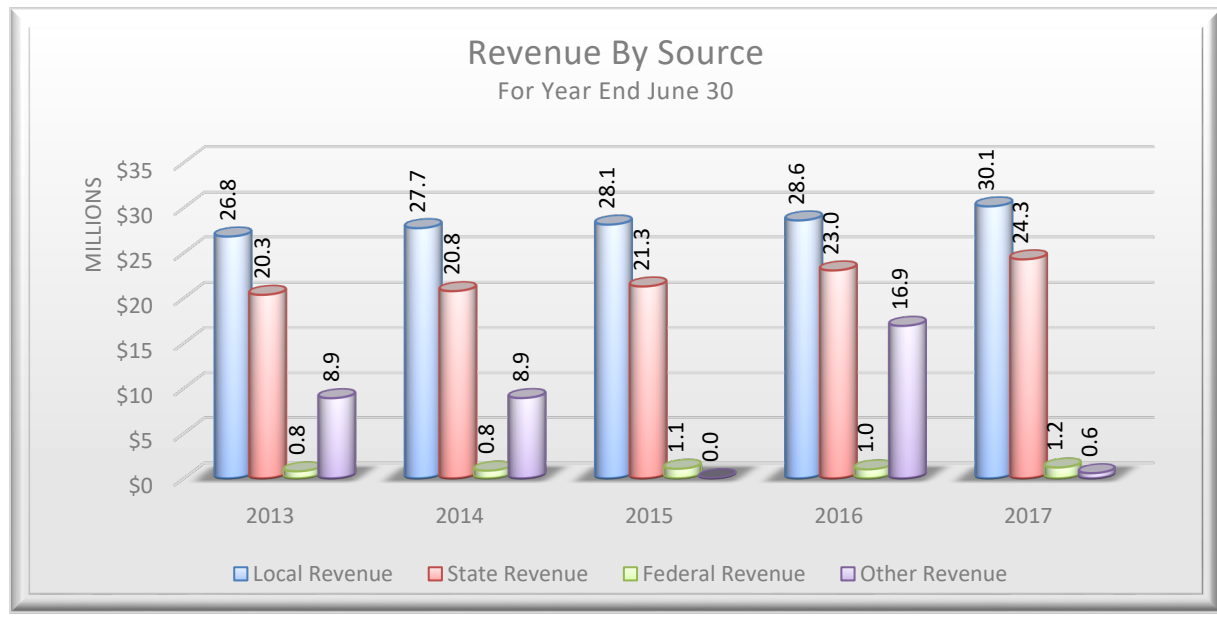
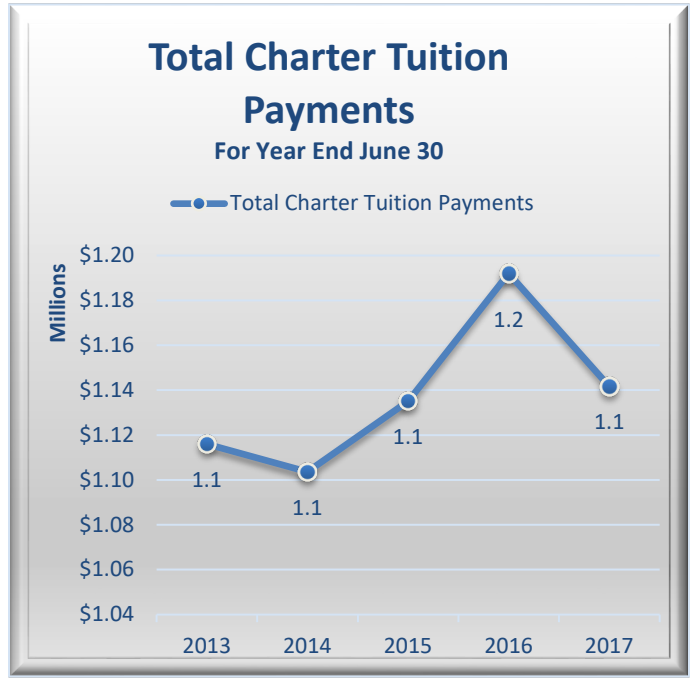
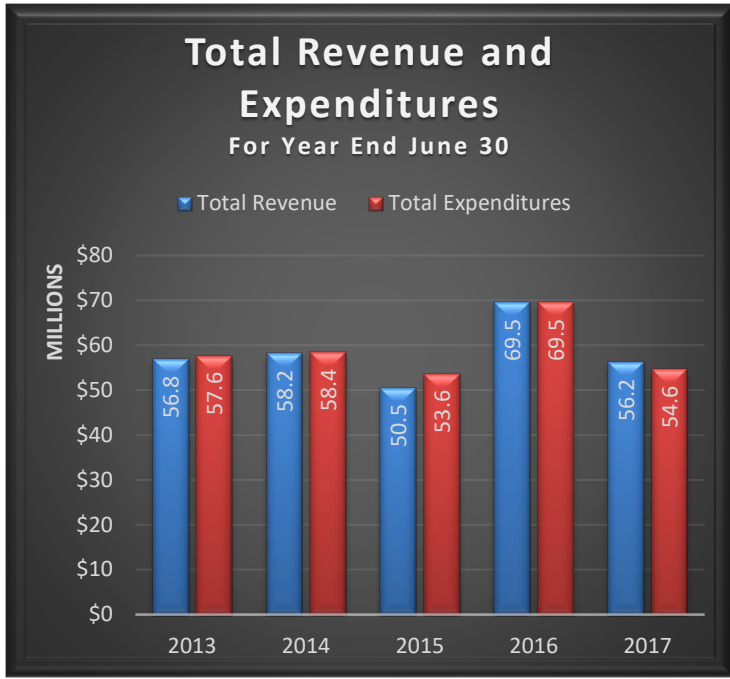


Note: General Fund Balance is comprised of the District's Committed, Assigned and Unassigned Fund Balances.



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

Financial Information Continued



Academic Information

The graphs on the following pages present School Performance Profile (SPP) scores, Pennsylvania System of School Assessment (PSSA) scores, Keystone Exam results, and 4-Year Cohort Graduation Rates for the District obtained from the PDE's data files for the 2014-15, 2015-16 and 2016-17 school years.¹ These scores are provided in the District's audit report for **informational purposes only**, and they were not audited by our Department. Please note that if one of the District's schools did not receive a score in a particular category and year presented below, the school will not be listed in the corresponding graph.² Finally, benchmarks noted in the following graphs represent the statewide average of all public school buildings in the Commonwealth that received a score in the category and year noted.³

What is a SPP score?

A SPP score serves as a benchmark for schools to reflect on successes, achievements, and yearly growth. The PDE issues a SPP score using a 0-100 scale for all school buildings in the Commonwealth annually, which is calculated based on standardized testing (i.e., PSSA and Keystone exam scores), student improvement, advance course offerings, and attendance and graduation rates. Generally speaking, a SPP score of 70 or above is considered to be a passing rate.

The PDE started issuing a SPP score for all public school buildings beginning with the 2012-13 school year. For the 2014-15 school year, the PDE only issued SPP scores for high schools taking the Keystone Exams as scores for elementary and middle schools were put on hold due to changes with PSSA testing.⁴ The PDE resumed issuing a SPP score for all schools for the 2015-16 school year.

What is the Keystone Exam?

The Keystone Exam measures student proficiency at the end of specific courses, such as Algebra I, Literature, and Biology. The Keystone Exam was intended to be a graduation requirement starting with the class of 2017, but that requirement has been put on hold until the 2020-21 school year.⁵ In the meantime, the exam is still given as a standardized assessment and results are included in the calculation of SPP scores. The Keystone Exam is scored using the same four performance levels as the PSSAs, and the goal is to score Proficient or Advanced for each course requiring the test.

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

² The PDE's data does not provide any further information regarding the reason a score was not published for a specific school. However, readers can refer to the PDE's website for general information regarding the issuance of academic scores.

³ Statewide averages were calculated by our Department based on individual school building scores for all public schools in the Commonwealth, including district schools, charters schools, and cyber charter schools.

⁴ According to the PDE, SPP scores for elementary and middle schools were put on hold for the 2014-15 school year due to the state's major overhaul of the PSSA exams to align with PA Core standards and an unprecedented drop in public schools' PSSA scores that year. Since PSSA scores are an important factor in the SPP calculation, the state decided not to use PSSA scores to calculate a SPP score for elementary and middle schools for the 2014-15 school year. Only high schools using the Keystone Exam as the standardized testing component received a SPP score.

⁵ Act 39 of 2018, effective July 1, 2018, amended the Public School Code to further delay the use of Keystone Exams as a graduation requirement for an additional year until the 2020-21 school year. *See* 24 P.S. § 1-121(b)(1).

What is the PSSA?

The PSSA is an annual, standardized test given across the Commonwealth to students in grades 3 through 8 in core subject areas, including English and Math. The PSSAs help Pennsylvania meet federal and state requirements and inform instructional practices, as well as provide educators, stakeholders, and policymakers with important information about the state's students and schools.

The 2014-15 school year marked the first year that PSSA testing was aligned to the more rigorous PA Core Standards.⁶ The state uses a grading system with scoring ranges that place an individual student's performance into one of four performance levels: Below Basic, Basic, Proficient, and Advanced. The state's goal is for students to score Proficient or Advanced on the exam in each subject area.

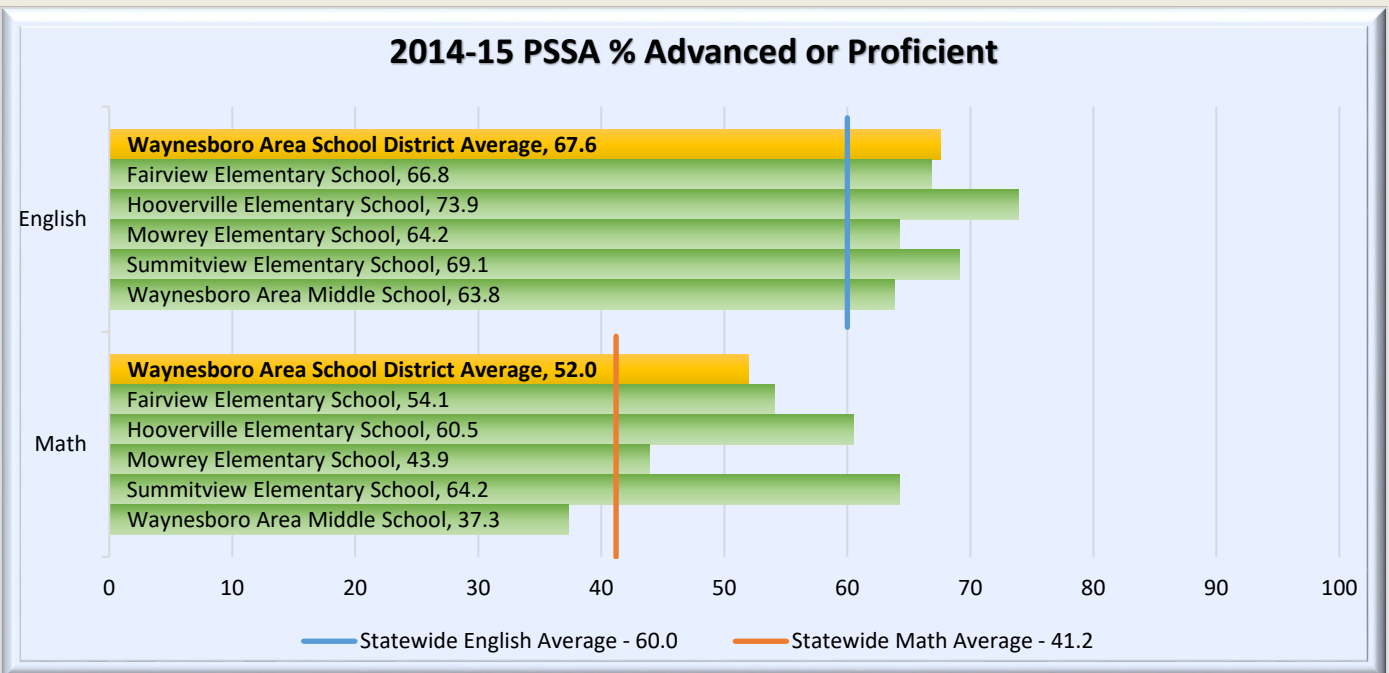
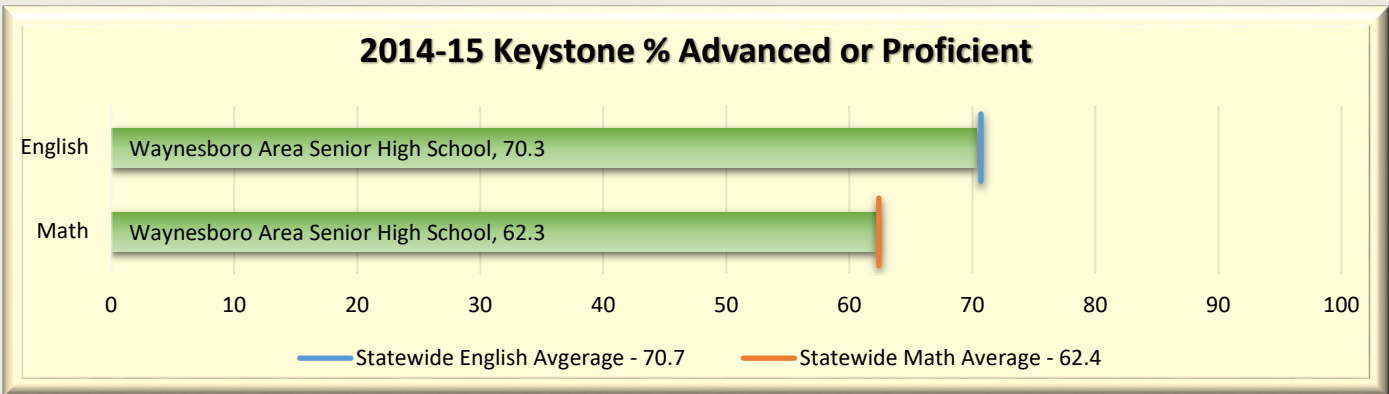
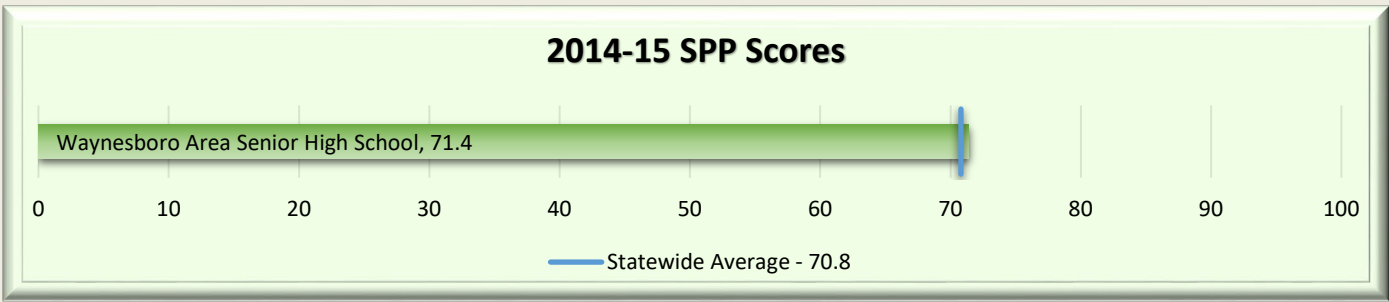
What is a 4-Year Cohort Graduation Rate?

The PDE collects enrollment and graduate data for all Pennsylvania public schools, which is used to calculate graduation rates. 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. Data specific to the 4-year cohort graduation rate is presented in the graph.⁷

⁶ The PDE has determined that PSSA scores issued beginning with the 2014-15 school year and after are not comparable to prior years due to restructuring of the exam.

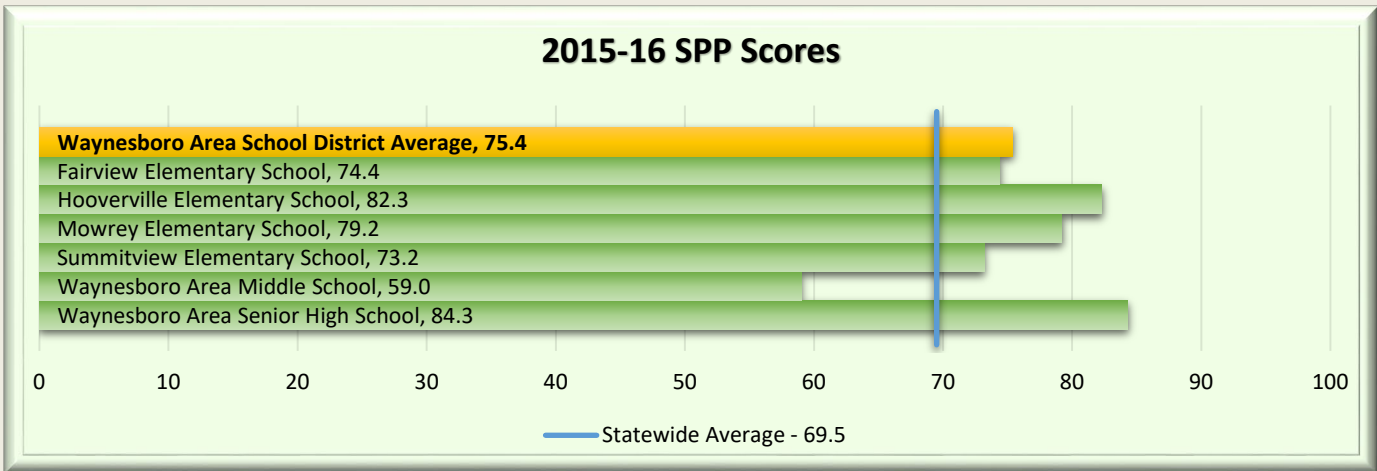
⁷ The PDE also calculates 5-year and 6-year cohort graduation rates. Please visit the PDE's website for additional information: <http://www.education.pa.gov/Data-and-Statistics/Pages/Cohort-Graduation-Rate-.aspx>.

2014-15 Academic Data
School Scores Compared to Statewide Averages

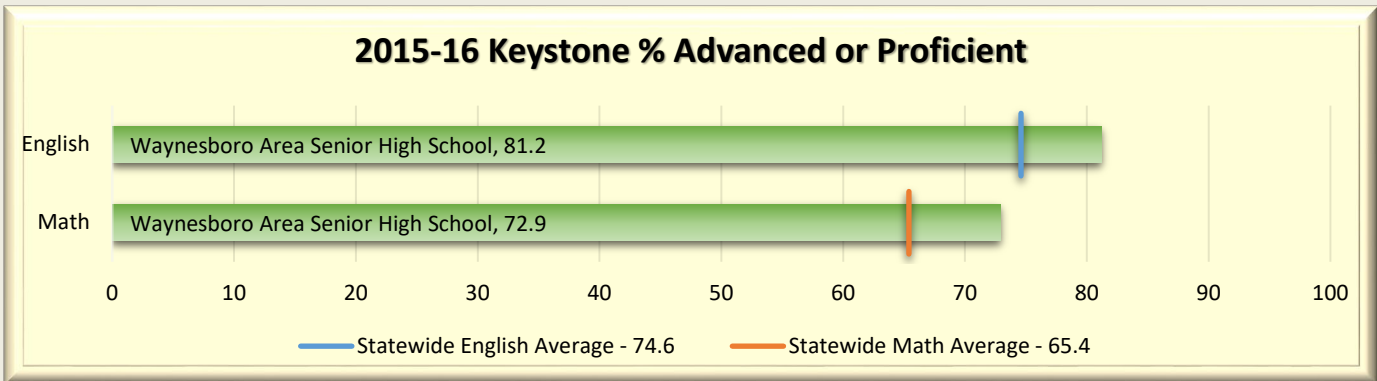


2015-16 Academic Data
School Scores Compared to Statewide Averages

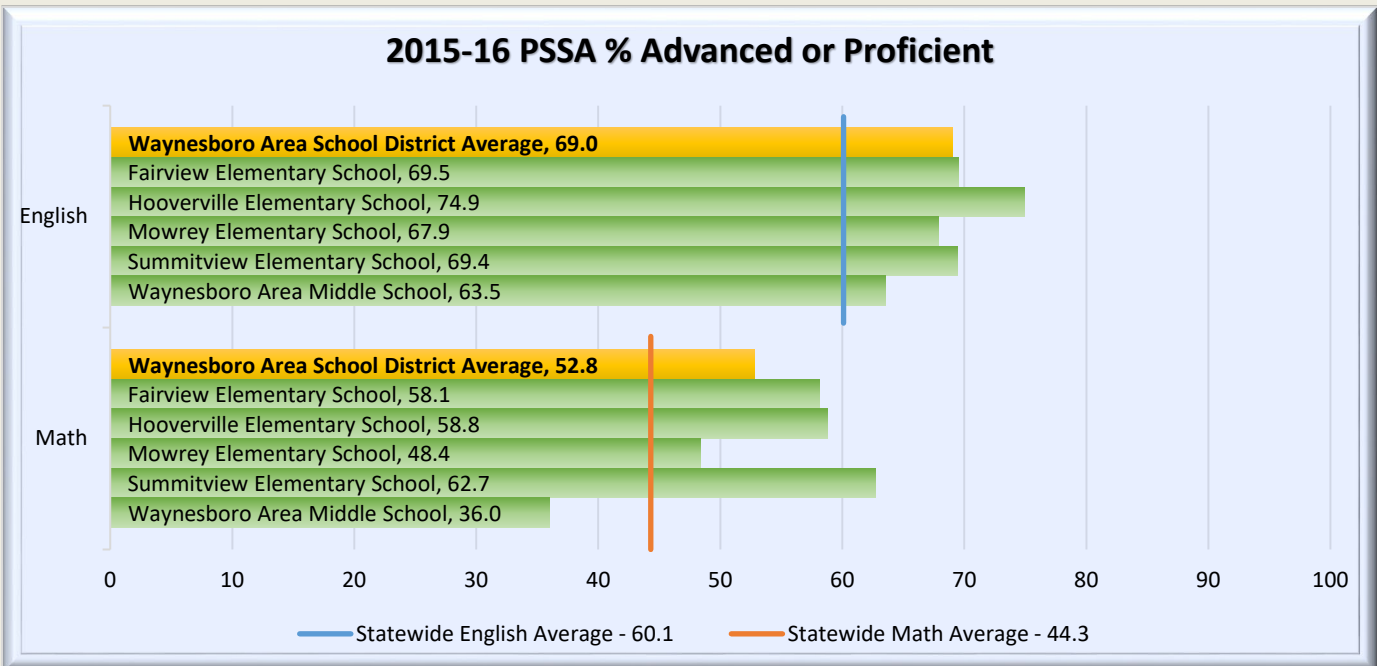
2015-16 SPP Scores



2015-16 Keystone % Advanced or Proficient

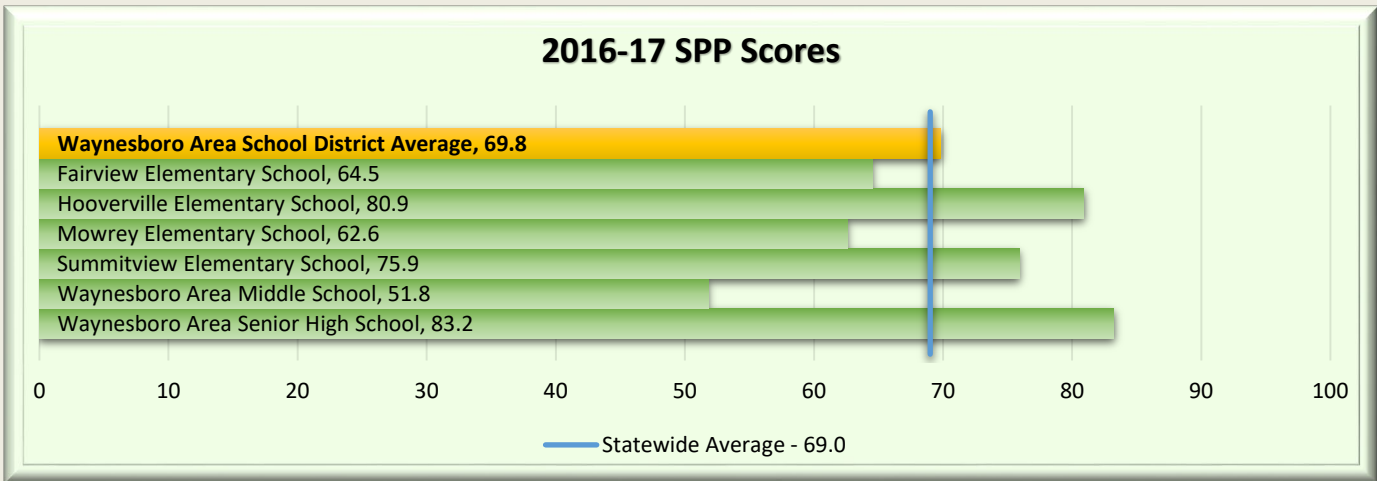


2015-16 PSSA % Advanced or Proficient

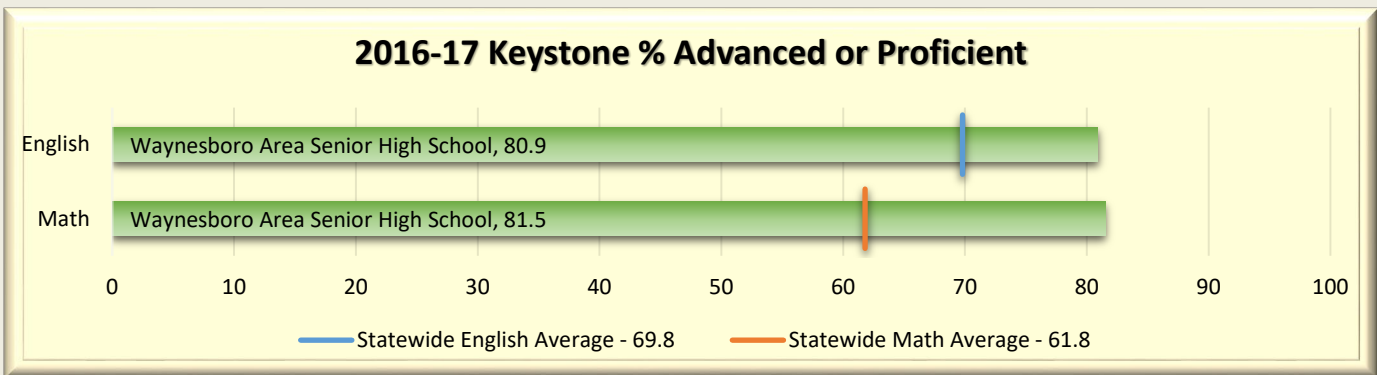


2016-17 Academic Data
School Scores Compared to Statewide Averages

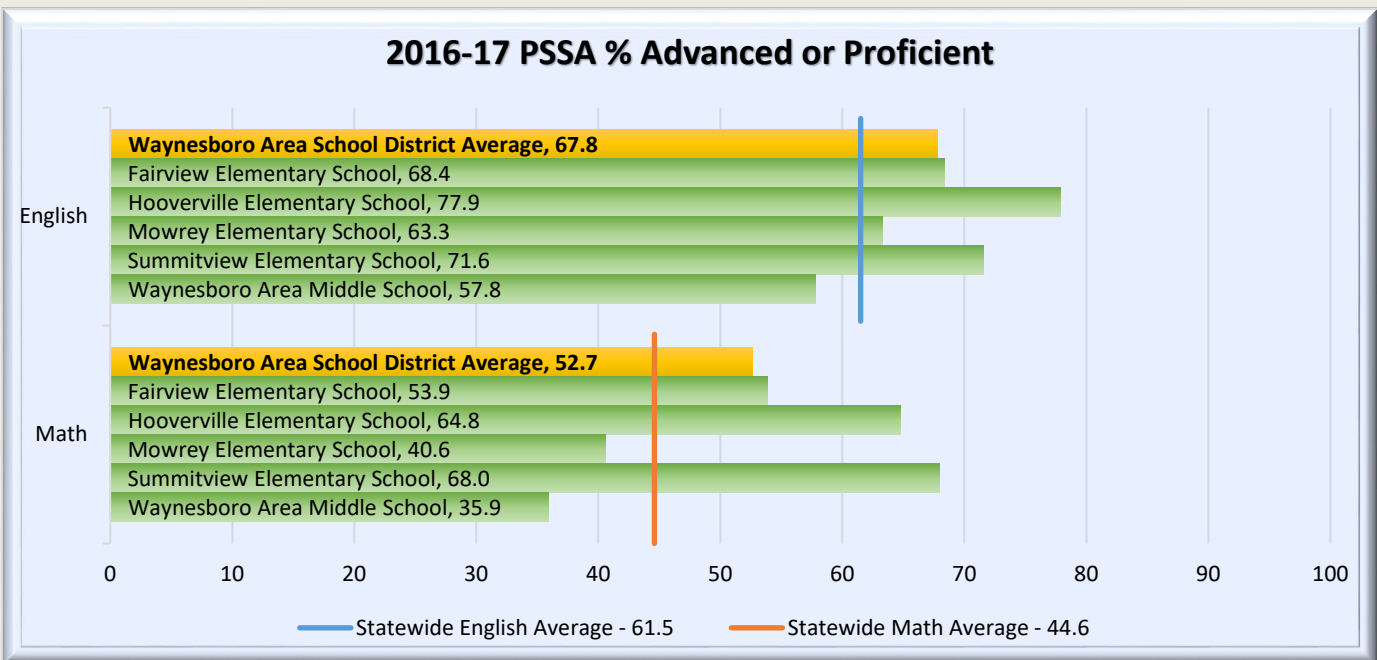
2016-17 SPP Scores



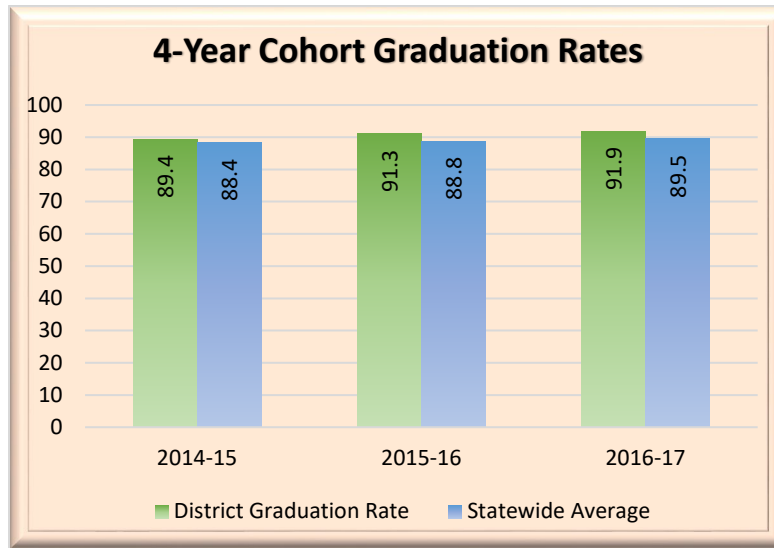
2016-17 Keystone % Advanced or Proficient



2016-17 PSSA % Advanced or Proficient



Graduation Data
District Graduation Rates Compared to Statewide Averages



Finding

For the audited period, our audit of the Waynesboro Area School District resulted in no findings.

Status of Prior Audit Findings and Observations

Our prior audit of the Waynesboro Area School District (District) released on August 28, 2014, 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 the Pennsylvania Department of Education (PDE), interviewed District personnel, and performed audit procedures as detailed in the status section below.

Auditor General Performance Audit Report Released on August 28, 2014

Prior Finding: **Continuing Weaknesses Noted in Pupil Transportation Reporting**

Prior Finding Summary: Our prior audit of the District's pupil transportation reports for the period covering the 2008-09 through 2011-12 school years found continuing internal control weaknesses in the reporting of nonpublic students transported. Specifically, the District could not provide sufficient supporting documentation needed to verify the accuracy of the nonpublic student transportation reimbursement received.

Prior Recommendations: We recommended that the District should:

1. Follow through on the corrective action outlined by the District having the Business Manager take an active role in the internal reconciliation process.
2. Maintain rosters for all nonpublic school students transported.

Current Status: During our current audit, we found that the District did not fully comply with our recommendations. We found that the District did complete a reconciliation of nonpublic school students transported to nonpublic school students reported to the PDE for reimbursement for the 2013-14 through 2016-17 school years. The District did have rosters from the 2013-14 through 2016-17 available for review. We did not find any issues with the number of nonpublic school students reported to the PDE for reimbursement for the 2013-14 and 2014-15 school years. However, for the 2015-16 and 2016-17 school years, we found insignificant nonpublic school student reporting errors that resulted from a change in transportation software. We continue to recommend that the District annually reconcile the number of nonpublic school students transported to the number reported to the PDE to ensure that the accurate amount of reimbursement is received.

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, the Pennsylvania Department of Education (PDE), and other concerned entities.

Our audit, conducted under authority of Sections 402 and 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, 2013 through June 30, 2017. In addition, the scope of each individual audit objective is detailed on the next page.

The Waynesboro Area School District's (District) management is responsible for establishing and maintaining effective internal controls to provide reasonable assurance that the District is in compliance with certain relevant state laws, regulations, contracts, and administrative procedures (relevant requirements).⁹ 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, annual 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 July 1, 2013 through June 30, 2017. 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
- ✓ Transportation Operations
- ✓ Administrator Contract Buyout
- ✓ 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 assessment of financial indicators, 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, General Fund budgets, and independent auditor's reports for the 2012–13 through 2016–17 fiscal years. The financial and statistical data was used to calculate the District's General Fund balance, operating position, charter school costs, debt ratio, and current ratio. These financial indicators were deemed appropriate for assessing the District's financial stability. The financial indicators are based on best business practices established by several agencies, including Pennsylvania Association of School Board Officials, the Colorado Office of the State Auditor, and the National Forum on Education Statistics. Our review of this objective did not disclose any issues.
- ✓ Did the District ensure compliance with applicable laws and regulations governing transportation operations, and did the District receive the correct transportation reimbursement from the Commonwealth?¹⁰
 - To address this objective, we randomly selected 10 of the 54 contracted vehicles used to transport students for the 2015-16 school year. We obtained information that supported data reported to the PDE to ensure that the District reported the

¹⁰ See 24 P.S. §§ 13-1301, 13-1302, 13-1305, 13-1306; 22 Pa. Code Chapter 11.

correct information and received the appropriate transportation subsidies from the PDE. This information included monthly odometer readings, student rosters, and the school calendar.¹¹

- We also reviewed all¹² nonpublic school students reported to the PDE as transported by the District during the 2013-14, 2014-15, 2015-16, and 2016-17 school years.¹³ We reviewed the bus rosters, requests for transportation, and other supporting documentation to determine if the District accurately reported to the PDE the number of nonpublic students transported by the District and that the District received the correct subsidy for these students. Our review of this objective did not disclose any reportable issues.
- ✓ Did the District pursue a contract buyout with an administrator and if so, what was the total cost of the buyout, what were the reasons for the termination/settlement, and did the employment contract(s) comply with the Public School Code¹⁴ and Public School Employees' Retirement System guidelines?
 - To address this objective, we reviewed the contracts, board meeting minutes, board policies, and payroll records for all three administrators who separated employment with the District during the period July 1, 2012 through June 30, 2018. Our review of this objective did not disclose any 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?¹⁵ Also, did the District have written policies and procedures governing the hiring of new bus drivers that would, when followed, provide reasonable assurance of compliance with applicable laws?
 - To address this objective, we randomly selected 11 of the 107 bus drivers transporting District students as of October 31, 2018.¹⁶ We reviewed documentation to ensure the District complied with the requirements for bus drivers. We also determined if the District had written policies and procedures governing the hiring of bus drivers and if those procedures ensure compliance with bus driver hiring requirements. Our review of this objective did not disclose any issues.

¹¹ While representative selection is a required factor for audit sampling methodologies, audit sampling was not applied to achieve this test objective, accordingly, the results of this audit procedure are not, and should not be, projected to the population.

¹² The District was reimbursed for nonpublic students as follows: 181 for the 2013-14 school year; 154 for the 2014-15 school year; 185 for the 2015-16 school year; and 142 for the 2016-17 school year.

¹³ The District reported 181 nonpublic school students transported for the 2013-14 school year, 154 for the 2014-15 school year, 185 for the 2015-16 school year, and 142 for the 2016-17 school year.

¹⁴ 24 P.S. § 10-1073(e)(2)(v).

¹⁵ 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*.

¹⁶ While representative selection is a required factor for audit sampling methodologies, audit sampling was not applied to achieve this test objective, accordingly, the results of this audit procedure are not, and should not be, projected to the population.

- ✓ Did the District take actions to ensure it provided a safe school environment?¹⁷
 - To address this objective, we reviewed a variety of documentation including, safety plans, training schedules, anti-bullying policies, fire drill documentation, and after action reports. In addition, we conducted on-site reviews at three out of the District's six school buildings (one from each education level)¹⁸ to assess whether the District had implemented basic safety practices.¹⁹ Due to the sensitive nature of school safety, the results of our review for this objective area are not described in our audit report. The results of our school safety review were shared with District officials, the PDE, and other appropriate agencies deemed necessary.

¹⁷ 24 P.S. § 13-1301-A *et seq.*

¹⁸ While representative selection is a required factor for audit sampling methodologies, audit sampling was not applied to achieve this test objective, accordingly, the results of this audit procedure are not, and should not be, projected to the population.

¹⁹ Basic safety practices evaluated were building security, bullying prevention, visitor procedures, risk and vulnerability assessments, and preparedness.

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

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Harrisburg, PA 17120

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