

PERFORMANCE AUDIT

Juniata County School District Juniata County, Pennsylvania

April 2016



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE
AUDITOR GENERAL

Mr. Keith Yarger, Superintendent
Juniata County School District
75 South Seventh Street
Mifflintown, Pennsylvania 17059

Ms. Amy L. Wagner, Board President
Juniata County School District
75 South Seventh Street
Mifflintown, Pennsylvania 17059

Dear Mr. Yarger and Ms. Wagner:

We have conducted a performance audit of the Juniata County School District (District) for the period July 1, 2012 through February 3, 2016. We evaluated the District's performance in the following areas:

- Contracting
- Data Integrity
- School Safety
- Bus Driver Requirements

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

April 28, 2016

cc: **JUNIATA COUNTY SCHOOL DISTRICT** Board of School Directors

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Background Informationⁱ

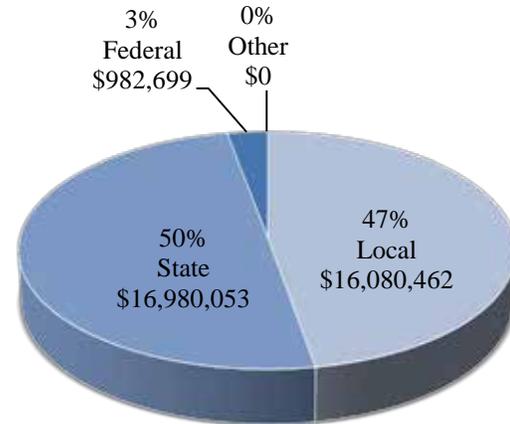
School Characteristics 2014-15 School Year ⁱⁱ	
County	Juniata
Total Square Miles	372
Resident Population ⁱⁱⁱ	23,786
Number of School Buildings	11
Total Teachers	210
Total Full or Part-Time Support Staff	101
Total Administrators	12
Total Enrollment for Most Recent School Year	2,874
Intermediate Unit Number	11
District Vo-Tech School	The Academy

Mission Statement

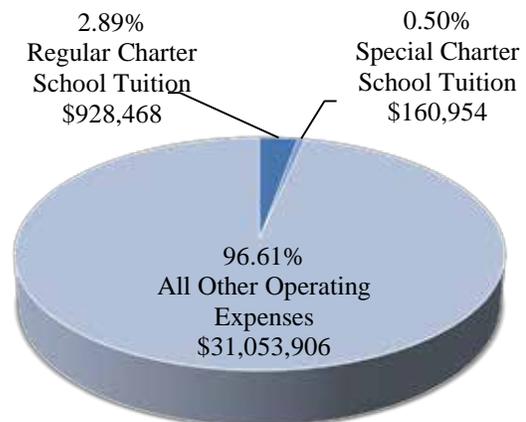
“The mission of the Juniata County School District is to educate our students to accept challenges, pursue goals, and become life-long learners as productive members of society.”

Financial Information

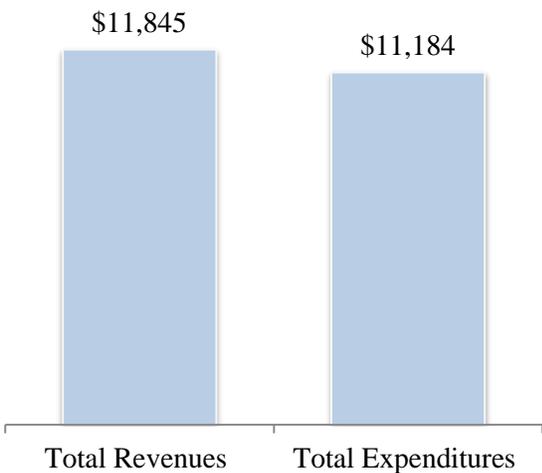
Revenue by Source for 2014-15 School Year



Select Expenditures for 2014-15 School Year

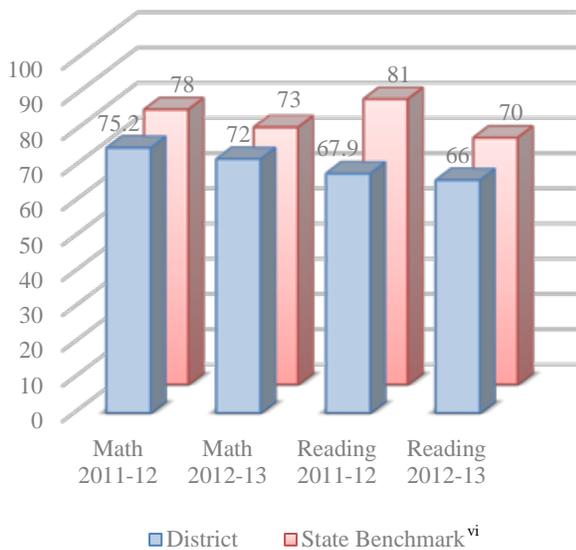


**Dollars Per Student
2014-15 School Year**



Academic Information

Percentage of District Students Who Scored "Proficient" or "Advanced" on 2011-12 and 2012-13 PSSA^{iv v}



District's 2012-13 SPP Score^{vii}

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



**Individual Building SPP and PSSA Scores^{viii}
2012-13 School Year**

School Building	SPP Score	PSSA % School Proficient and Advanced in Math	PSSA % Statewide Benchmark of 73% Above or Below	PSSA % School Proficient and Advanced in Reading	PSSA % Statewide Benchmark of 70% Above or Below	Federal Title I Designation (Reward, Priority, Focus, No Designation)^{ix}
East Juniata Junior Senior High School	70.4	66	7	72	2	No Designation
Fayette Township Elementary School	79.9	80	7	80	10	No Designation
Fermanagh Mifflintown Elementary School	68.1	64	9	55	15	Focus
Juniata Senior High School	70.5	63	10	70	---	No Designation
Lack-Tuscarora Elementary School	60.6	63	10	38	32	No Designation
Monroe Township Elementary School	84.7	82	9	70	---	Reward
Mountain View Elementary School	63.3	75	2	65	5	No Designation
Thompsontown Delaware Elementary School	81.1	87	14	79	9	No Designation
Tuscarora Middle School	61.7	70	3	63	7	No Designation
Tuscarora Valley Elementary School	74.7	71	2	58	12	No Designation
Walker Township Elementary School	79.5	87	14	80	10	No Designation

Findings and Observations

For 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 June 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 in June 24, 2013

Prior Finding No. 1: The District Lacks Sufficient Internal Controls Over Its Student Membership Data (Resolved)

Prior Finding Summary:

Our prior audit of the District's data integrity found that its internal controls needed to be improved. Specifically, our prior audit found that the District did not adequately resolve differences in child accounting data between its student information system (SIS) and the Pennsylvania Information Management System (PIMS).

Prior Recommendations:

We recommended that the District should:

1. Analyze its child accounting student information system to determine what changes, if any, are required to bring the system up-to-date (i.e., software updates, new software, etc.) and to ensure that manual adjustments required for membership data are minimal.
2. If manual adjustments are required, maintain notations and/or worksheets to show how reported totals are derived for audit purposes.
3. Develop a child accounting manual to help ensure that there are adequate child accounting and reconciliation procedures and that residency classifications and other child accounting data are accurately reported.
4. Develop procedures to ensure that data entered into SIS is accurate. This should be done whether data entry is centralized or decentralized.
5. Perform routine reconciliations throughout the school year to help ensure that end-of-year reconciliations are minimal.

6. Print and track PIMS error messages, and maintain them for audit purposes. Ensure that these errors are corrected in accordance with the Pennsylvania Department of Education (PDE) instructions.
7. Develop procedures to ensure that student membership data is not double-counted i.e., double-reporting the time students are at the career and technology center, as this is now reported by the career and technology center.
8. Develop procedures to ensure that students who have ten or more consecutive days of unexcused absence are identified and handled in accordance with State Board of Education regulations.
9. Determine whether the District would benefit from having a child accounting committee that would help to ensure that all individuals involved in the child accounting function, including administrators, have input in how child accounting is handled and what procedures are put into place to ensure accuracy.
10. Ensure that forms used for entries, withdrawals, transfers, and re-entries clearly indicate the purpose of the form (i.e., entry, withdrawal, etc.), and include the name of the student and the effective date of the action that is to be taken. Registration forms should include all information that is needed for the purposes of entering a new student into the District's SIS.

We also recommended that PDE should:

11. Review the propriety of subsidies and reimbursements, and determine if any adjustments are required.

Current Status:

During our current audit, we obtained membership reports for the 2012-13, 2013-14, and 2014-15 school years, and determined that the District established internal controls and fully implemented our prior recommendations beginning with the 2014-15 school year. Based on our reviews, membership data was correctly reported to PDE for the 2014-15 school year. Only insignificant membership data errors were noted from our review of 2012-13 and 2013-14 school years.

Prior Finding No. 2: The District Failed to Properly Report Mileage and Pupil Data for Transportation Reimbursements (Resolved)

Prior Finding Summary:

Our prior audit of the District's transportation data found noncompliance issues with the way District personnel reported information to PDE. In addition, we were unable to verify the District's transportation reimbursements of \$2,001,578 for the 2008-09 school year, and \$2,045,309 for the 2009-10 school year, because the District failed to retain all of the proper source documentation.

Prior Recommendations:

We recommended that the District should:

1. Develop and implement procedures to ensure that supporting documentation for transportation data reported to PDE is retained for audit purposes.
2. Obtain appropriate mileage readings and accurate pupil counts to ensure a sample or weighted average can be computed.
3. Compute a sample or weighted average for miles with pupils, miles without pupils, and the number of pupils assigned to vehicles.
4. Review transportation reports submitted to PDE for years subsequent to the audit and, if errors are found, submit revisions to PDE.

Current Status:

During our current audit, we obtained and reviewed transportation reports and determined that the District did implement our prior recommendations beginning with the 2013-14 school year.

Prior Finding No. 3: The District Did Not Have All School Bus Drivers' Qualifications on File (Resolved)

Prior Finding Summary:

Our prior audit of the qualifications of contractor-employed school bus drivers transporting students for the District for the 2011-12 school year, found that two Federal Bureau of Investigation background clearances were not on file at the time of audit.

Prior

Recommendations:

We recommended that the District should:

1. Develop internal control procedures to ensure that all required documentation for drivers is on file with the contractor and the District.
2. Review the files for all drivers to ensure the District is employing only properly qualified drivers.

Current Status:

During our current audit, the District noted it implemented corrective action beginning in July 2013. We reviewed the clearances of the drivers noted to be in question from the prior audit and also reviewed documentation for five randomly selected drivers hired since July 1, 2012, and determined that the District did implement our prior recommendations as noted.

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,¹ 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 February 3, 2016. 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 controls² 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.

¹ 72 P.S. § 403.

² 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:

- Contracting
- Data Integrity
- 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 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 13 contracts for goods and services that were in effect for the 2014-15 school year. We did not verify this list for completeness. We haphazardly selected 4 out of 13 significant contracts for detailed testing. Testing included a review of the procurement documents to determine if the contract was procured in accordance with the Public School Code 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 of School Directors' Statements of Financial Interest to determine if any board member had a conflict of interest in approving the selected contracts.

- ü Did the LEA ensure that the membership data it reported in the PIMS system was accurate, valid, and reliable?
 - o To address this objective, we reviewed all students educated by the career and technology center (formerly known as the Mifflin-Juniata Career and Technology Center) during the 2012-13, 2013-14, and 2014-15 school years. We verified that each students' membership days on District reports agreed to PDE's Summary of Child Accounting Instructional Time and Membership Report and the School Calendar Fact Template.

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.

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 outlined in applicable laws?³ 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 34 bus drivers hired by the District bus contractor, during the period July 1, 2012 through February 3, 2016, 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.

³ 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
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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. 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.

ⁱ Source: School district, PDE, and U.S. Census data.

ⁱⁱ Source: Information provided by the District administration.

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

^{iv} 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.

^v 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 significant 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.

^{vi} 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.

^{vii} 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.

^{viii} *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.

^{ix} 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.