



**WEST MIDDLESEX AREA SCHOOL DISTRICT
MERCER COUNTY, PENNSYLVANIA
PERFORMANCE AUDIT REPORT**

DECEMBER 2013

COMMONWEALTH OF PENNSYLVANIA
EUGENE A. DEPASQUALE - AUDITOR GENERAL
DEPARTMENT OF THE AUDITOR GENERAL



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EUGENE A. DePASQUALE
AUDITOR GENERAL

The Honorable Tom Corbett
Governor
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania 17120

Mr. Tracy Hemminger, Board President
West Middlesex Area School District
3951 Sharon Road
West Middlesex, Pennsylvania 16159

Dear Governor Corbett and Mr. Hemminger:

We conducted a performance audit of the West Middlesex Area School District (District) to determine its compliance with certain relevant state laws, regulations, contracts, grant requirements, and administrative procedures (relevant requirements). Our audit covered the period October 5, 2011 through April 19, 2013, except as otherwise indicated in the report. Additionally, compliance specific to state subsidies and reimbursements was determined for the school years ended June 30, 2012 and June 30, 2011. Our audit was conducted pursuant to Section 403 of The Fiscal Code, 72 P.S. § 403, and in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States.

Our audit found that the District complied, in all significant respects, with relevant requirements, except as detailed in two (2) findings noted in this report. However, we identified one (1) matter unrelated to compliance that is reported as an observation. It should be noted that one (1) of the findings, related to pupil transportation reporting, has been included in our previous two (2) audits of the District. A summary of the results is presented in the Executive Summary section of the audit report.

Our audit findings, observation, and recommendations have been discussed with the District's management, and their responses are included in the audit report. We believe the implementation of our recommendations will improve the District's operations and facilitate compliance with legal and administrative requirements. We appreciate the District's cooperation during the conduct of the audit.

Sincerely,

A handwritten signature in cursive script, appearing to read "Eugene A. DePasquale".

EUGENE A. DEPASQUALE
Auditor General

December 19, 2013

cc: **WEST MIDDLESEX AREA SCHOOL DISTRICT** Board of School Directors

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Executive Summary

Audit Work

The Pennsylvania Department of the Auditor General conducted a performance audit of the West Middlesex Area School District (District) in Mercer County. Our audit sought to answer certain questions regarding the District's compliance with certain relevant state laws, regulations, contracts, grant requirements, and administrative procedures and to determine the status of corrective action taken by the District in response to our prior audit recommendations.

Our audit scope covered the period October 5, 2011 through April 19, 2013, except as otherwise indicated in the audit scope, objectives, and methodology section of the report. Compliance specific to state subsidies and reimbursements was determined for the 2011-12 and 2010-11 school years.

District Background

The District encompasses approximately 52 square miles. According to 2010 federal census data, it serves a resident population of 7,454. According to District officials, the District provided basic educational services to 1,070 pupils through the employment of 87 teachers, 67 full-time and part-time support personnel, and seven (7) administrators during the 2011-12 school year. Lastly, the District received \$7,467,233 in state funding in the 2011-12 school year.

Audit Conclusion and Results

Our audit found that the District complied, in all significant respects, with certain relevant state laws, regulations, contracts, grant requirements, and administrative procedures, except for two (2) compliance related matters reported as findings. In addition, we identified one (1) matter unrelated to compliance that is reported as an observation.

Finding No. 1: Continuing Pupil Transportation Reporting Errors and Lack of Supporting Documentation. Our audit of the West Middlesex Area School District (District) found errors in the pupil transportation reports it submitted to the Pennsylvania Department of Education for the 2010-11 school year. In addition, the District lacked supporting documentation from the payments it made to its transportation contractors (see page 6).

Finding No. 2: Lack of Documentation Needed to Verify Bus Drivers' Qualifications. Our audit of the West Middlesex Area School District's school bus drivers' qualifications for the 2012-13 school year found that not all required records were on file at the time of audit (see page 11).

Observation: The District Lacks Sufficient Internal Controls Over its Student Record Data. The West Middlesex Area School District does not have adequate controls in place regarding its submission of child accounting data into the Pennsylvania Information Management System (see page 14).

Status of Prior Audit Findings and

Observations. With regard to the status of our prior audit recommendations to the West Middlesex Area School District (District) from an audit released on January 20, 2012, we found that the District had taken appropriate corrective action in implementing our recommendations in regard to nonpublic students transported but did not take appropriate corrective action in implementing the remaining recommendations relating to pupil transportation (see page 18).

Audit Scope, Objectives, and Methodology

Scope

What is a school performance audit?

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, and other concerned entities.

Our audit, conducted under authority of Section 403 of The Fiscal Code, 72 P.S. § 403, is not a substitute for the local annual 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.

Our audit covered the period October 5, 2011 through April 19, 2013, except for the verification of professional employee certification which was performed for the period July 1, 2011 through March 25, 2013.

Regarding state subsidies and reimbursements, our audit covered the 2011-12 and 2010-11 school years.

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 Pennsylvania Department of Education (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.

Objectives

What is the difference between a finding and an observation?

Our performance audits may contain findings and/or observations related to our audit objectives. Findings describe noncompliance with a statute, regulation, policy, contract, grant requirement, or administrative procedure. Observations are reported when we believe corrective action should be taken to remedy a potential problem not rising to the level of noncompliance with specific criteria.

Performance audits draw conclusions based on an evaluation of sufficient, appropriate evidence. Evidence is measured against criteria, such as laws and defined business practices. Our audit focused on assessing the District's compliance with certain relevant state laws, regulations, contracts, grant requirements, and administrative procedures. However, as we conducted our audit procedures, we sought to determine answers to the following questions, which serve as our audit objectives:

- ✓ Were professional employees certified for the positions they held?
- ✓ In areas where the District received transportation subsidies, was the District, and any contracted vendors, in compliance with applicable state laws and procedures?
- ✓ Did the District, and any contracted vendors, ensure that current bus drivers were properly qualified, and

did they have written policies and procedures governing the hiring of new bus drivers?

- ✓ Were votes made by the District's Board of School Directors free from apparent conflicts of interest?
- ✓ Did the District have sufficient internal controls to ensure that the membership data it reported to PDE through the Pennsylvania Information Management System was complete, accurate, valid, and reliable?
- ✓ Were there any declining fund balances that may pose a risk to the District's fiscal viability?
- ✓ Did the District take appropriate steps to ensure school safety?
- ✓ Did the District have a properly executed and updated Memorandum of Understanding with local law enforcement?
- ✓ Were there any other areas of concern reported by independent auditors, citizens, or other interested parties?
- ✓ Did the District take appropriate corrective action to address recommendations made in our prior audit?

Methodology

What are internal controls?

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.
- Compliance with certain relevant state laws, regulations, contracts, grant requirements, and administrative procedures.

Government Auditing Standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our results and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our results and conclusions based on our audit objectives.

The District's 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, 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, as they relate to the District's compliance with relevant requirements 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.

In order to properly plan our audit and to guide us in possible audit areas, we performed analytical procedures in the areas of state subsidies and reimbursements, pupil transportation, pupil membership, and comparative financial information.

Our audit examined the following:

- Records pertaining to pupil transportation, bus driver qualifications, professional employee certification, state ethics compliance, financial stability, tuition receipts, and deposited state funds.
- Items such as board meeting minutes and policies and procedures.

Additionally, we interviewed select administrators and support personnel associated with the District's operations.

Lastly, to determine the status of our audit recommendations made in a prior audit report released on January 20, 2012, we reviewed the District's response to PDE. We then performed additional audit procedures targeting the previously reported matters.

Findings and Observations

Finding No. 1

Continuing Pupil Transportation Reporting Errors and Lack of Supporting Documentation

Criteria relevant to the finding:

Chapter 23 of the State Board of Education Regulations, Section 23.4 (22 Pa. Code 23.4) states, in part:

“The board of directors of a school district is responsible for all aspects of pupil transportation programs, including the following:

(5) The furnishing of rosters of pupils to be transported on each school bus run and trip.

(6) The maintenance of a record of pupils transported to and from school, including determination of pupils’ distances from home to pertinent school bus loading zones.”

Section 518 of the Public School Code, 24 P.S. § 5-518, requires retention of these records for a period of not less than six years.

Instructions for completing the Pennsylvania Department of Education’s End-of-Year Pupil Transportation reports provides that the local agency (LEA) must maintain records of miles with pupils, miles without pupils, and the largest number of pupils assigned to each vehicle. Additionally, the instructions provide procedures, information, and data used by the LEA should be retained for audit purposes.

Our audit of the West Middlesex Area School District (District) found errors in the pupil transportation reports it submitted to the Pennsylvania Department of Education (PDE) for the 2010-11 school year. Specifically, we found errors in the reporting of data regarding district-owned transportation operations, which cost the District over \$10,000, as well as a lack of documentation supporting expenditures for contracted transportation services. This is the third consecutive audit of the District that includes a deficiency in this area of operations.

Reporting Errors

Our audit of the district-owned transportation operations for the 2010-11 school year found that District personnel incorrectly reported the following data elements used in the calculation of the District’s state pupil transportation subsidy:

- “Miles with pupils” was incorrectly reported for fifteen (15) of the District’s sixteen (16) vehicles resulting in a net overstatement of 3.2 miles.
- “Miles without pupils” was incorrectly reported for fifteen (15) of the District’s sixteen (16) vehicles resulting in a net understatement of 40.4 miles.
- Sample average calculation worksheets did not account for changes to the greatest number of pupils assigned to each bus for the entire school year.

The auditors determined that the reporting errors listed above for the 2010-11 school year resulted in a \$10,959 pupil transportation reimbursement underpayment. However, because District personnel could not provide the auditors with all of the necessary documentation to support their pupil transportation reporting, it is also possible that the District had other errors that impacted its state subsidy. For example, the auditors could not determine whether

District personnel had appropriately accounted for students that entered, withdrew, or relocated within the District during the school year because no pupil rosters were available. Instead, all District personnel could provide were the beginning of the school year listings of pupils assigned to each bus. Therefore, the auditors could not conclude on whether the information had been accurately reported to PDE.

Each year, PDE provides school districts with an opportunity to review a preliminary summary of their pupil transportation data. The districts are expected to reconcile this PDE information with the documentation they have on file in order to identify errors. If District personnel had performed this review, they would have found the reporting errors and could have notified PDE before it finalized the District's transportation reports for the 2010-11 school year.

Lack of Documentation for Contracted Carriers

During the 2010-11 school year, the District paid four (4) contractors a total of \$37,869. PDE reimburses districts for pupil transportation based on a complicated formula that includes several data elements. Daily miles with and without pupils, and the greatest number of pupils transported, are integral parts of the transportation reimbursement formula and must be maintained accurately in accordance with the State Board of Education regulations and guidelines. PDE allows districts to use either the sample average method or the weighted average method to report the miles with and miles without pupils, and the greatest number of pupils assigned to a vehicle at any one time.

Our audit found that District personnel could not provide the auditors with the documentation necessary for them to verify the accuracy of the contracted providers' reported daily mileage with and without pupils. In addition, District personnel could not provide any documentation to show how the District calculated the reported mileage. As a result, it was impossible for the auditors to determine whether the District's transportation contractor was paid appropriately. Furthermore, they were unable to verify whether the District received the correct state subsidy for its contracted transportation.

The District has had several opportunities to correct the internal control and documentation weaknesses related to its pupil transportation operations. The deficiencies in the District's pupil transportation operations have been the subject of our past two (2) audit reports, and both times the District has failed to correct this issue. Since the District was aware of this weakness at the time of the 2010-11 reporting, it should have taken corrective actions to ensure that its pupil transportation calculations and reporting were accurate.

Recommendations

The *West Middlesex Area School District* should:

1. Annually reconcile PDE's summary of preliminary pupil transportation data with the information the District has on file in order to identify reporting errors.
2. Maintain the information necessary to verify the contractor's reported mileage and to demonstrate how the District calculated the reported mileage.
3. Conduct an annual internal review to ensure the daily mileage, and pupil counts are accurately recorded and reported to PDE.
4. Prepare and retain on file, the source data used to report pupil transportation data to PDE.
5. Prepare and maintain records of odometer readings between all bus stops and pertinent loading zones, as required by Chapter 23 regulations.
6. Instruct the transportation coordinator to develop appropriate written procedures incorporating independent verification and defining appropriate supporting documentation to ensure the accuracy of the District's records.
7. Perform a review of subsequent years' data to ensure supporting documentation was prepared and retained, and ensure accurate data was reported and resubmit reports to PDE, if necessary.

The *Pennsylvania Department of Education* should:

8. Adjust the District's future allocations to resolve \$10,959 underpayment.

Management Response

“1) Proper PDE Reporting:

In 2010-11 our staff did not properly support and report to PDE the District's daily mileage and pupil count. This was an oversight between the reports submitted and information generated in the transportation department. Currently our staff was aware of this discrepancy and has more accurately recorded and reported to PDE. As recommended we will proceed with developing procedures and policies to properly support reporting to PDE. The Business Manager's office also intends to conduct an annual review of records to ensure daily mileage, pupil counts, and bus routes are accurately reported to PDE.

Specific Improvements:

- a. We will generate a monthly report from [the transportation software] to document monthly miles with and without children and assigned pupil counts.
We will develop a driver form for each bus to calculate monthly miles with children, and without children, and pupil count, and compare those miles to the [the transportation software] reporting above. Discrepancies and adjustments will be noted. These reports will be independently reviewed to ensure proper information is being recorded for reimbursement.
- b. We will provide the driver single form to contracted carriers to provide both their monthly miles with and without children, and student count, to be submitted with monthly invoices.
- c. We will document yearly verifications of board approved bus routes and mileage to ensure all buses are following the board approved bus routes. Approved bus routes will be supported with proper substantiation.

- d. We will retain all forms used to document reporting to PDE.
- e. We will emphasize to all reporting staff on the necessity to properly complete all required forms and supporting documentation.
- f. We will ensure the reports submitted to PDE are cross referenced to retained support documentation that includes a review by non submitting personnel.
- g. Transportation Supervisor will review Audit Findings and incorporate into an operating document of all procedures necessary to record, verify, report and retain information that reflects on the District's transportation operations.
- h. The Transportation Supervisor will coordinate the review of subsequent year's data to ensure supporting documentation was prepared and retained, and ensure accurate data was reported. If errors are found necessary reports will be resubmitted to PDE.

Specific Notes:

- a. The School Board approves annually all bus routes prior to students being transported.”

Auditor Conclusion

We acknowledge that the District has agreed to put a process in place to address our recommendations. However, this is the third consecutive audit that has identified issues with the District's transportation reporting and operations, and the District continually fails to follow up on our recommendations. We are concerned that action will again not be taken. Nevertheless, we will follow up on this finding during our next cyclical audit of the District.

Finding No. 2

Lack of Documentation Needed to Verify Bus Drivers' Qualifications

Criteria relevant to the finding:

Section 111 of the Public School Code (PSC) (24 P.S. § 1-111) (Act 34 of 1985, as amended) requires prospective school employees who would have direct contact with children, including independent contractors and their employees, to submit a report of criminal history record information obtained from the Pennsylvania State Police, as well as a federal criminal history record. Section 111 lists convictions for certain criminal offenses that would prohibit individuals from being hired and provides that convictions for other felonies and misdemeanors would disqualify individuals for employment if they occurred within ten (10) or five (5) years, respectively.

Additionally, as of April 1, 2007, under Act 114 of 2006 as amended, (see 24 P.S. § 1-111(c.1), public and private schools have been required to review federal criminal history record information (CHRI) records for all prospective employees and independent contractors who will have contact with children, and make a determination regarding the fitness of the individual to have contact with children. The Act requires the report to be reviewed in a manner prescribed by the Pennsylvania Department of Education. The review of CHRI reports is required prior to employment, and includes school bus drivers and other employees hired by independent contractors who have contact with children.

Our audit of the West Middlesex Area School District's (District) school bus drivers' qualifications for the 2012-13 school year found a lack of documentation needed to verify that all of the District's bus drivers possessed the minimum required qualifications for employment.

Several different statutes and regulations establish the minimum required qualifications for school bus drivers. The purpose of these requirements is to ensure the safety and welfare of the students transported in school buses.

The District employed a total of nineteen (19) bus drivers for the 2012-13 school year. Our auditors reviewed the personnel records of three (3) of the nineteen (19) who were newly hired in that year. In addition, we also examined the records of two (2) bus drivers employed by the District's contractor. Our review found that two (2) contracted carrier drivers' qualification documents were not on file at the District. We requested that the District provide us with the following documents:

1. Valid driver's license.
2. Certification of school bus driver skills and safety training.
3. Certification of a physical examination.
4. State criminal history background check.
5. Federal Criminal History Record.
6. Official child abuse clearance statement.

On April 8, 2013, we informed the District's management of the missing documentation, and instructed them to immediately obtain the necessary documents, so they could ensure the drivers were properly qualified to have direct contact with children. On April 9, 2013, District personnel provided documentation for the two (2) drivers. However, in neither case was a current driver's license provided. On

*Criteria relevant to the finding
(continued):*

Regarding the maintenance of documentation, Section 111 (7)(b) of the PSC, 24 P.S. § 1-111(7)(b), provides, in part: “Administrators shall maintain a copy of the required information and shall require each applicant to produce the original document prior to employment . . .”

22 Pa. Code 23.4(2) states in part that the Board of School Directors is responsible for “The selection and approval of appropriate vehicles for use in district service and eligible operators who qualify under the law and regulations.”

Chapter 8 of the State Board of Education Regulations states that School entities shall require a criminal history background check prior to hiring an applicant or accepting the services of a contractor, if the applicant, contractor or contractor’s employees would have direct contact with children. The criminal history background check may not be more than one year old at the time of employment or engagement of contracted services.

Similarly, Section 6355 of the Child Protective Services Law (CPSL), 23 Pa. C.S. § 6355, known as Act 151, requires prospective school employees to submit an official clearance statement obtained from the Pennsylvania Department of Public Welfare. The CPSL prohibits the hiring of an individual named as the perpetrator of a founded report of child abuse or is named as the individual responsible for injury or abuse in a founded report for school employee.

April 19, 2013, District personnel provided documentation for the current drivers’ licenses.

The failure to have the appropriate clearances for contracted drivers on file was caused by the belief that as long as the contractor had the appropriate credentials on file, the District did not also have to maintain a record of the clearances. By not having required bus drivers’ qualification documents on file at the District, the District was not able to review the documents to determine whether all drivers were qualified to transport students. If unqualified drivers transport students, there is an increased risk to the safety and welfare of students.

In addition, it is the responsibility of District management to have policies and procedures in place to ensure that bus drivers, or contracted employees driving buses, comply with applicable reporting requirements. With such internal controls, the District cannot be assured that it is complying with the law or that it is properly protecting its students.

Recommendations

The *West Middlesex Area School District* should:

1. Ensure all bus drivers’ qualification documents are on file at the District prior to hiring them to transport students.
2. Ensure that the District’s Transportation Supervisor reviews each driver’s qualifications prior to that person transporting students.
3. Maintain files, separate from the transportation contractors, for all District drivers and work with the contractors to ensure that the District’s files are up-to-date and complete.

Management Response

“The District did not have on file all required records for two contracted carrier drivers. The District has obtained all required records as of April 18, 2013 and provided auditors with copies.

Criteria relevant to the finding (continued):

Amendments to Section 111 required all current school employees to submit an “Arrest/Conviction Report and Certification” form (PDE-6004) to local education agencies indicating whether or not they have ever been arrested or convicted of any Section 111 offense by December 27, 2011. Furthermore, effective September 28, 2011, all current employees arrested or convicted of a Section 111 offense must complete the form and file it a designated school administrator within 72 hours.”

Regarding the maintenance of documentation, Section 111 (7)(b) of the Public School Code, 24 P.S. § 1-111(7)(b), provides, in part: “Administrators shall maintain a copy of the required information and shall require each applicant to produce the original document prior to employment . . .”

The District’s Transportation Supervisor will maintain required records for all contracted carrier drivers. The District Supervisor has notified current contracted carriers and will also notify future contracted carriers that no District students are to be transported until the District has all required records on file.”

Auditor Conclusion

We are encouraged that the District is taking action to implement our recommendations. We will review the new processes during our next cyclical audit.

Observation

The District Lacks Sufficient Internal Controls Over Its Student Record Data

Criteria relevant to the observation:

Pupil membership classifications must be maintained and reported in accordance with the Pennsylvania Department of Education's (PDE) guidelines and instructions, since membership is a major factor in determining state subsidies and reimbursements. Beginning in 2009-10, PDE required that child accounting data be collected in a database called the Pennsylvania Information Management System (PIMS).

According to PDE's 2009-10 *PIMS User Manual*, all Pennsylvania local education agencies must submit data templates in PIMS to report child accounting data. PIMS data templates define fields that must be reported. Four important data elements from the Child Accounting perspective are: District Code of Residence; Funding District Code; Residence Status Code; and Sending Charter School Code. In addition, other important fields used in calculating state education subsidies are: Student Status; Gender Code; Ethnic Code Short; Poverty Code; Special Education; Limited English Proficiency Participation; Migrant Status; and Location Code of Residence. Therefore, PDE requires that student records are complete with these data fields.

The Pennsylvania Department of Education (PDE) bases all local education agencies' (LEA) state subsidy calculations on the student record data it receives through the Pennsylvania Information Management System (PIMS). PIMS is a statewide longitudinal data system or "data warehouse" designed to manage individual student data for each student served by Pennsylvania's Pre-K through Grade 12 public education systems.

PDE began calculating the LEA's state subsidy using the data that LEAs enter into PIMS beginning in the 2009-10 school year. Therefore, it is vitally important that the student information entered into this system is accurate, complete, and valid. LEA's must have strong internal controls in place to ensure the integrity of this data and to mitigate these risks to their data's integrity. Without such controls, the LEA cannot be assured it receives the proper state subsidy.

Our review of the West Middlesex Area School District's (District) data integrity found that its internal controls needed to be improved. Specifically, our review found the following weaknesses for the 2010-11 school year:

1. The District does not have adequate procedures in place to ensure continuity over its PIMS data submission in the event of a sudden change in personnel or child accounting vendors.
2. Data input into the PIMS system is not reviewed for consistency and accuracy by someone other than the person who does the data input.
3. The District does not have anyone cross-trained to take over for the staff member who handles PIMS responsibilities in the event of a change in personnel.

Criteria relevant to the observation (continued):

According to the *Federal Information Systems Control Manual*, a business entity should implement procedures to reasonably assure that: (1) all data input is done in a controlled manner; (2) data input into the application is complete, accurate, and valid; (3) incorrect information is identified, rejected, and corrected for subsequent processing; and (4) the confidentiality of data is adequately protected.

It is the responsibility of District management to have in place internal policies and procedures to ensure that student data is accurate and correctly reported to PDE. Without the proper internal controls, errors will go undetected and the District cannot be assured that its data is correct, or that it is receiving the appropriate subsidy. For example, our audit test work found that the District incorrectly reported two (2) of its five (5) students enrolled in the vocational-technical school. While they should have been reported at 50 percent for the time enrolled, they were reported at 100 percent. Both of the students withdrew during the school year, apparently causing the reporting error. With proper review procedures and processes, District personnel could have caught these errors before they reported inaccurate information to PDE.

Recommendations

The *West Middlesex Area School District* should:

1. Prepare documented procedures (e.g. procedure manuals, policies, written instructions, etc.) to ensure continuity over PIMS data submission.
2. Request additional training from PDE to ensure that the personnel tasked with PIMS reporting thoroughly understand PDE's guidelines and instructions.
3. Cross-train individual(s) to familiarize them with PDE's child accounting reporting requirements and PIMS reporting procedures in the event of a sudden personnel change.
4. Establish a system of managerial review of data before submission to PDE.
5. Strengthen internal controls to ensure adherence to PDE regulations when reporting vocational-technical students.
6. Review membership reports submitted to PDE for school years subsequent to the audit, and if reporting errors are found, contact PIMS help desk for guidance in changing coding, and submit revised reports to PDE.

Management Response

“Management Comments:

1. Procedures Continuity
Our staff currently performs Student Record Data (SRD) procedures in accordance with Pennsylvania Information Management System (PIMS) Manual. Per the Auditor recommendation we will prepare our own manual of procedures our District performs to process and submit data for PIMS.
2. Cross-Training
Our SRD personnel, business manager secretary (BMS), has been assigned responsibility for SRD since December 2010. Prior to this date the information technology department personnel, primarily the IT [Information Technology] Assistant performed these duties. For 2010-11, the IT Assistant transferred our SRD student information from [one software vendor] to [another] software. She therefore is the individual who has the experience/cross-trained to continue SRD reporting based upon past practice and ability to understand the SRD process. The IT Assistant currently works with the BMS for [child accounting software] and PIMS related issues. The IT Assistant will also have available to her the District procedures and process manual that will be developed per (1) above. Also the IT Director is also capable of working with PIMS. We also have various staff involved in processing PIMS that could collectively process reports and filings.
3. Review SRD Prior to Submission
Per Auditor suggestion, the person with the most understanding of the SRD/PIMS system, IT Assistant, will review SRD prior to submission to PDE. This review will consist of oversight, inquiry, and other developed procedures. Administrators will continue to review areas for which they are responsible.
4. Reporting Vocational-Technical Students
We understand the need to properly report Vocational-Technical students to SRD. We understand our errors and will double check, including a review by the IT Assistant, all related SRD for accuracy.

BMS will review membership reports, submitted to [P]DE for the school years subsequent to audit (2012-13) and correct with PIMS and [P]DE.”

Auditor Conclusion

We are encouraged that the District agrees with our observation and intends to implement our recommendations. We will follow up on this area during our next cyclical audit of the District.

Status of Prior Audit Findings and Observations

Our prior audit of the West Middlesex Area School District (District) released on January 20, 2012, resulted in one (1) finding. The finding pertained to internal control weaknesses and lack of documentation supporting pupil transportation reimbursements. As part of our current audit, we determined the status of corrective action taken by the District to implement our prior recommendations. We performed audit procedures and interviewed District personnel regarding the prior finding. As shown below, we found that the District implemented our recommendations in regard to nonpublic students transported but did not implement the remaining recommendations related to transportation.

Auditor General Performance Audit Report Released on January 20, 2012

Finding: **Internal Control Weaknesses and Lack of Documentation Supporting Pupil Transportation Reimbursements**

Finding Summary: The failure to prepare and retain detailed pupil transportation mileage and pupil rosters resulted in the auditor not being able to verify that the District received the accurate pupil transportation reimbursements for the two (2) school years under audit.

Recommendations: Our audit finding recommended that the District:

1. Conduct an internal review to ensure the daily mileage, pupil count, hazardous pupils, total annual miles driven by district-owned buses, and nonpublic pupils are accurately recorded and reported to the Pennsylvania Department of Education (PDE).
2. Prepare and retain on file, at the District, source documentation used to report pupil transportation data to PDE, including the number of nonpublic pupils transported, the weighted averaging for pupils that enter, withdraw, or relocate within the District, hazardous pupils transported, the total annual miles driven, and when bus route mileages change.
3. Prepare and maintain records on file of odometer readings between all bus stops and school, as required by Chapter 23 regulations.
4. Review transportation reports submitted to PDE for subsequent years of audit and ensure the reported information is accurate and supporting documentation is on file to support all data reported for each bus.
5. Continue to allow the District's transportation supervisor and the administrative support staff to attend conferences and training sessions

relating to pupil transportation reporting and recordkeeping requirements.

Current Status:

During our current audit, we found that the District implemented our recommendation that nonpublic students transported source documentation be retained on file. The District did not implement the remaining recommendations, as noted in Finding No. 1 of the current audit report.

Distribution List

This report was initially distributed to the Superintendent of the District, the Board of School Directors, our website at www.auditorgen.state.pa.us, and the following stakeholders:

The Honorable Tom Corbett
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