
PENNSYLVANIA DEPARTMENT OF THE AUDITOR GENERAL



Pennsylvania Auditor General



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News for Immediate Release

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Auditor General DeFoor: More than \$3.3 Million in Transportation Reimbursements to Erie City School District Could Not be Audited

HARRISBURG – Auditor General Timothy L. DeFoor today released an audit of the Erie City School District that found the district’s lack of supporting documents prevented auditors from verifying the accuracy of more than \$3.3 million in state transportation reimbursements.

“School districts must obtain and retain supporting documents so that auditors can verify each district’s eligibility for state funding,” DeFoor said. “Our audits ensure there is transparency and accountability for how schools use taxpayer funds and also make sure districts receive all funds to which they’re entitled.”

Under state law, school districts receive a state subsidy for most students who are provided transportation. Districts must report data to the Pennsylvania Department of Education (PDE) to qualify for reimbursement of eligible transportation costs.

“Our team found the district reported data without verifying its accuracy through supporting documentation such as student rosters or odometer logs,” DeFoor said. “This finding does not mean the district was ineligible for the funds; it means that our auditors could not verify the accuracy of the reimbursement amount due to the lack of supporting documents.”

The audit recommends that the district adopt new internal controls over the process of collecting and reporting data to PDE and also strengthen its record-keeping procedures.

The audit, which covered a period of July 1, 2015 through June 30, 2019, also contained four other findings:

- The district failed to place adequate internal controls over the eligibility determination and payment process for a cash “death benefit” that the district, by contract, must pay to beneficiaries or estates on record for certain retired employees. This failure could lead to benefit payments to ineligible individuals.
- The district failed to maintain complete and updated driver qualifications and background clearances for all drivers transporting students as required by state law and district policy.
- The district lacked adequate internal controls over hiring, reviewing, and monitoring its professional personnel’s certifications and emergency permits. Auditors found three teachers did not hold a proper certification or an emergency permit issued by PDE and one had a lapsed certification.
- The district failed to either conduct and/or accurately report all of their required monthly fire drills at all 15 of its school buildings in the 2018-19 and 2019-20 school years, as required by state law.

In response to the findings, district officials said they would work to adopt the audit’s recommendations designed to strengthen internal controls and procedures.

DeFoor noted that the audit also looked at findings and recommendations from the department’s last audit of the district, which was released in 2015.

“The department’s last audit recommended actions that the district took to help stabilize its financial situation,” DeFoor added. “At the end of the current audit period, the district reported a strong general fund balance – a great improvement over the deficits it had been running just a few years prior.”

Review the latest [Erie City School District audit report](#) and learn more about the Department of the Auditor General online at www.PaAuditor.gov.

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