

PERFORMANCE AUDIT

Annville-Cleona School District Lebanon County, Pennsylvania

May 2022



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



**Commonwealth of Pennsylvania
Department of the Auditor General
Harrisburg, PA 17120-0018
Facebook: Pennsylvania Auditor General
Twitter: @PAAuditorGen
www.PaAuditor.gov**

**TIMOTHY L. DEFOOR
AUDITOR GENERAL**

Dr. Krista M. Antonis, Superintendent
Annville-Cleona School District
520 South White Oak Street
Annville, Pennsylvania 17003

Ms. Cynthia Eby, Board President
Annville-Cleona School District
520 South White Oak Street
Annville, Pennsylvania 17003

Dear Dr. Antonis and Ms. Eby:

We have conducted a performance audit of the Annville-Cleona School District (District) for the period July 1, 2016 through June 30, 2020, 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 Appendix A of this report:

- Transportation Operations
- Bus Driver Requirements
- Nonresident Student Data
- Administrator Separations

We also evaluated the application of best practices in the area of school safety and determined compliance with certain requirements in this area, including compliance with fire and security drills. 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 full results in this report. However, we communicated the full 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 identified noncompliance and significant internal control deficiencies in the area of transportation operations and those deficiencies are detailed in the finding in this report titled:

The District's Failure to Implement an Adequate Internal Control System Led to Inaccurate Transportation Data Reported to PDE Resulting in a Net \$2,112 Underpayment

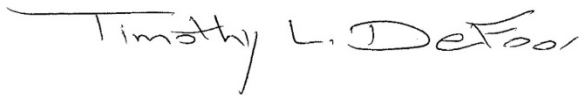
In addition, we identified internal control deficiencies in the areas of bus driver requirements, nonresident student data, and administrator separations that were not significant to the objective but warranted attention of District management and those charged with governance. These deficiencies were communicated to District management and those charged with governance for their consideration.

Dr. Krista M. Antonis
Ms. Cynthia Eby
Page 2

Our audit finding and recommendations have been discussed with the District's management, and their response is included in the audit report. We believe the implementation of our recommendations will improve the District's operations and facilitate compliance with legal and relevant requirements.

We appreciate the District's cooperation during the course of the audit.

Sincerely,

A handwritten signature in black ink that reads "Timothy L. DeFoor". The signature is written in a cursive, flowing style.

Timothy L. DeFoor
Auditor General

May 10, 2022

cc: **ANNVILLE-CLEONA SCHOOL DISTRICT** Board of School Directors

Table of Contents

| | Page |
|---|------|
| Background Information | 1 |
| Finding | 6 |
| Finding – The District’s Failure to Implement an Adequate Internal Control System Led to Inaccurate Transportation Data Reported to PDE Resulting in a Net \$2,112 Underpayment | 6 |
| Status of Prior Audit Findings and Observations | 10 |
| Appendix A: Audit Scope, Objectives, and Methodology | 11 |
| Appendix B: Academic Detail | 16 |
| Distribution List | 19 |

Background Information

| School Characteristics 2020-21 School Year* | |
|--|--------------------------------------|
| County | Lebanon |
| Total Square Miles | 39.22 |
| Number of School Buildings | 3 ¹ |
| Total Teachers | 116 |
| Total Full or Part-Time Support Staff | 53 |
| Total Administrators | 12 |
| Total Enrollment for Most Recent School Year | 1,427 |
| Intermediate Unit Number | 13 |
| District Career and Technical School | Lebanon Career and Technology Center |

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

Mission Statement*

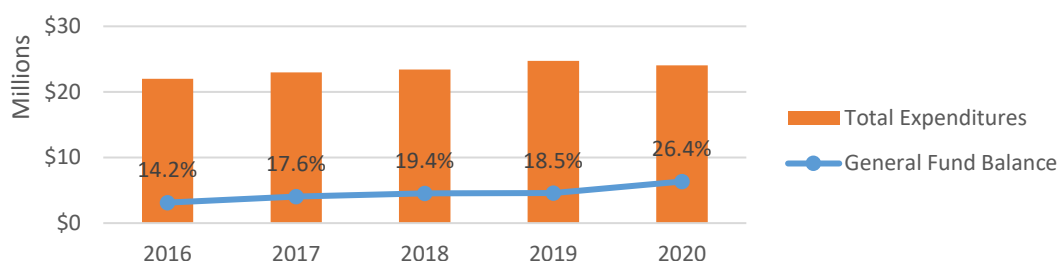
Foster an environment that encourages student success by challenging them to become contributing, productive citizens in society.

Financial Information

The following pages contain financial information about the Annville-Cleona School 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**.

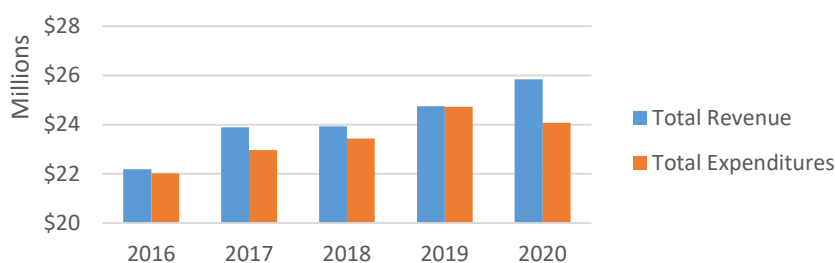
General Fund Balance as a Percentage of Total Expenditures

| | General Fund Balance |
|------|----------------------|
| 2016 | 3,127,822 |
| 2017 | 4,052,565 |
| 2018 | 4,545,241 |
| 2019 | 4,572,440 |
| 2020 | 6,346,065 |



Revenues and Expenditures

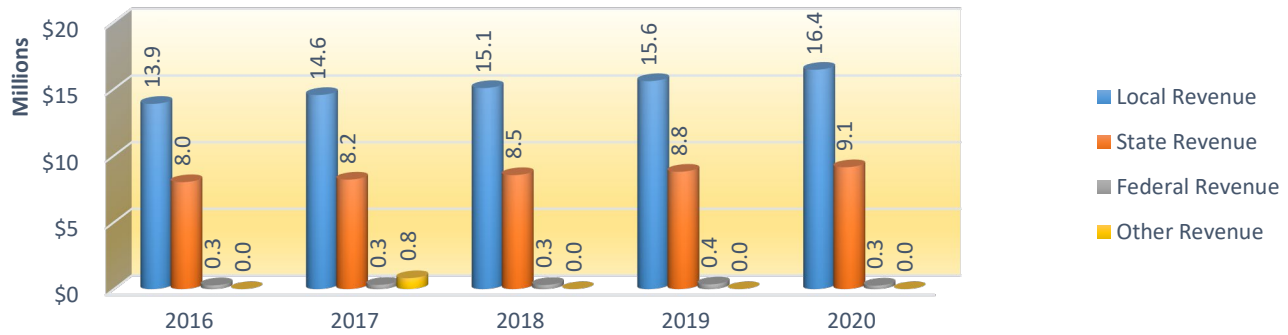
| | Total Revenue | Total Expenditures |
|------|---------------|--------------------|
| 2016 | \$22,187,300 | \$22,023,199 |
| 2017 | \$23,897,392 | \$22,972,650 |
| 2018 | \$23,926,038 | \$23,433,362 |
| 2019 | \$24,752,900 | \$24,725,699 |
| 2020 | \$25,843,147 | \$24,069,522 |



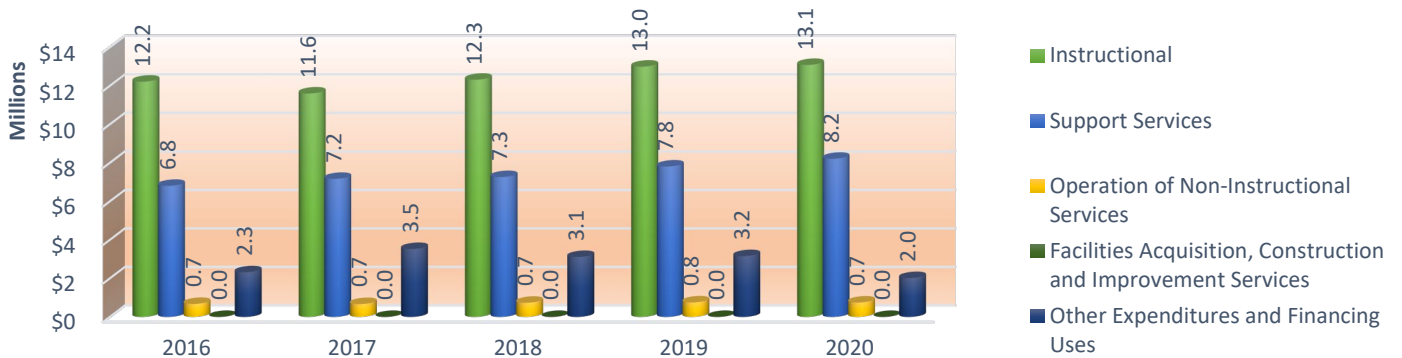
¹ Academic information in Appendix B is presented for four schools; the District's high school and middle school share one physical building.

Financial Information Continued

Revenues by Source

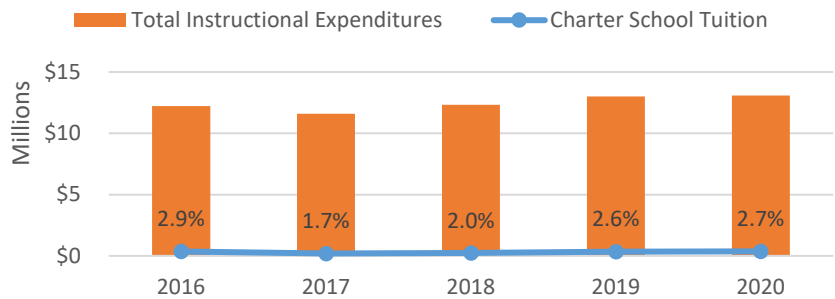


Expenditures by Function

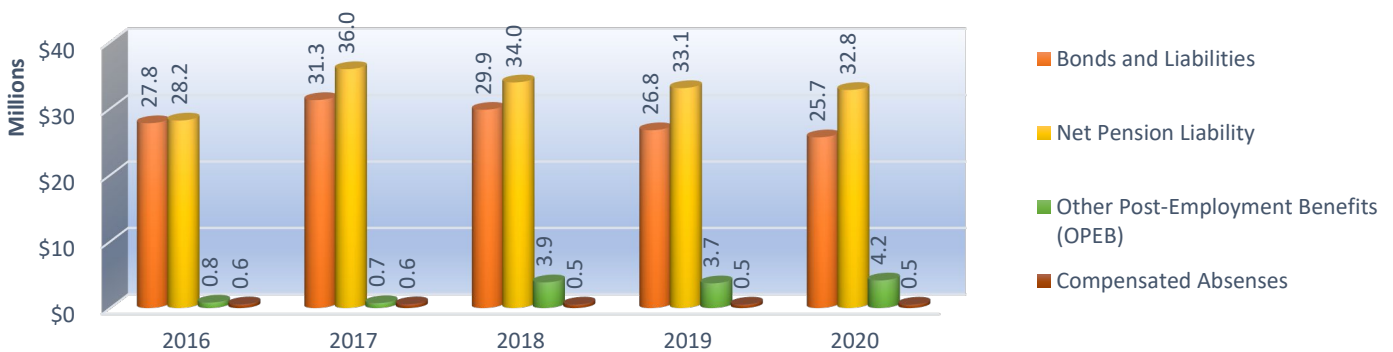


Charter Tuition as a Percentage of Instructional Expenditures

| | Charter School Tuition | Total Instructional Expenditures |
|------|------------------------|----------------------------------|
| 2016 | \$356,924 | \$12,218,515 |
| 2017 | \$193,337 | \$11,604,144 |
| 2018 | \$242,769 | \$12,318,366 |
| 2019 | \$338,808 | \$12,998,772 |
| 2020 | \$356,107 | \$13,087,311 |



Long-Term Debt

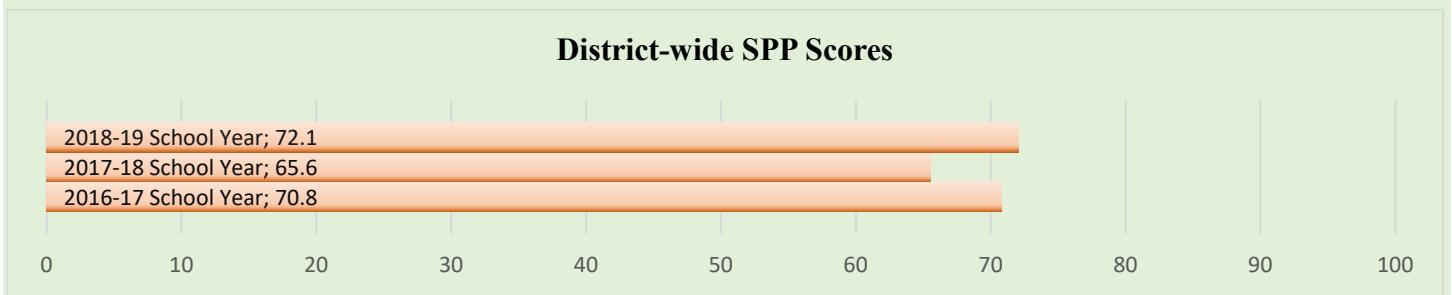


Academic Information²

The graphs on the following pages present the District-wide School Performance Profile (SPP) scores, Pennsylvania System of School Assessment (PSSA) scores, and Keystone Exam results for the District obtained from PDE's data files for the 2016-17, 2017-18, and 2018-19 school years.³ In addition, the District's 4-Year Cohort Graduation Rates are presented for the 2017-18 through 2019-20 school years.⁴ The District's individual school building scores are presented in Appendix B. These scores are provided in this audit report for **informational purposes only**, and they were not audited by our Department.

What is a SPP score?

A SPP score serves as a benchmark for schools to reflect on successes, achievements, and yearly growth. PDE issues a SPP score annually using a 0-100 scale for all school buildings in the Commonwealth, 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.



² PDE is the sole source of academic data presented in this report. All academic data was obtained from PDE's publically available website.

³ Due to the COVID-19 pandemic the PSSA and Keystone Exam requirements were waived for the 2019-20 school year; therefore, there is no academic data to present for this school year.

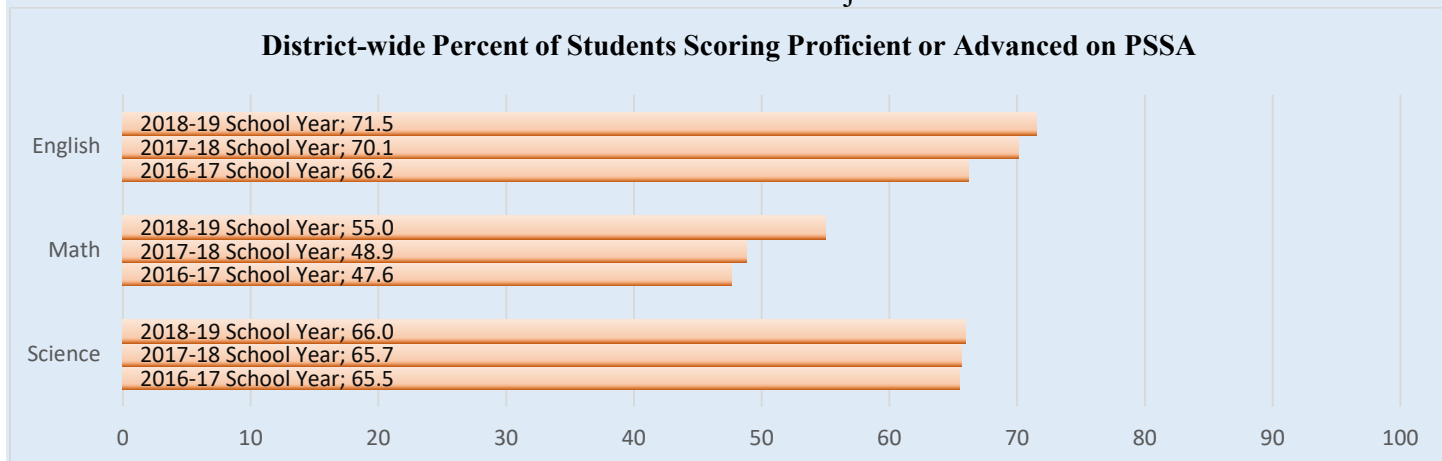
⁴ Graduation rates were still reported for the 2019-20 school year despite the COVID-19 pandemic.

Academic Information Continued

What is the PSSA?

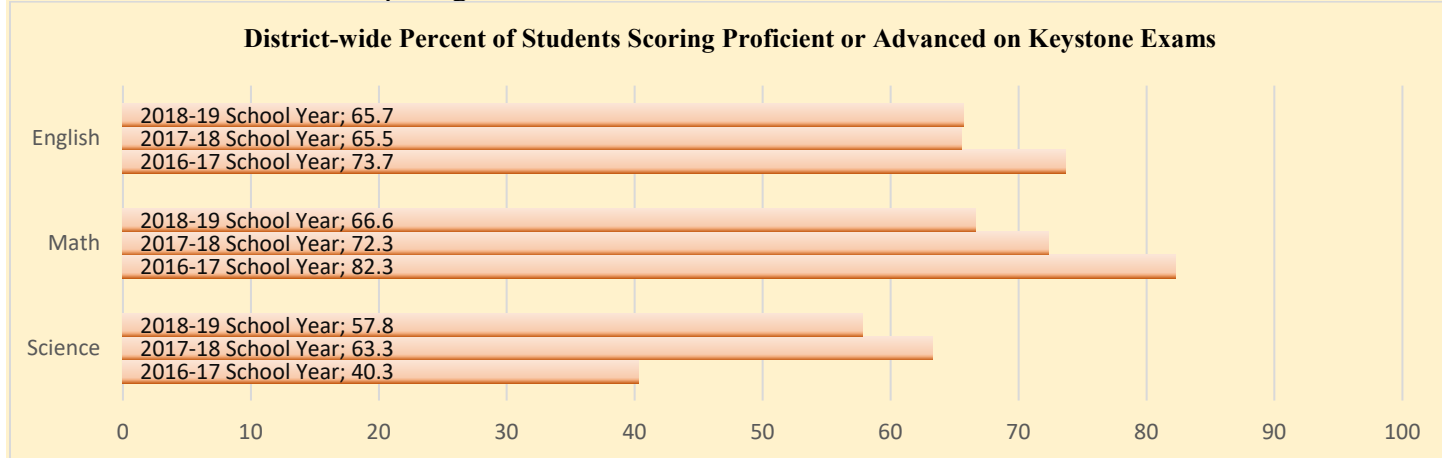
The PSSA is an annual, standardized test given across the Commonwealth to students in grades 3 through 8 in core subject areas, including English, Math and Science. The PSSAs help Pennsylvania meet federal and state requirements and inform instructional practices, as well as provide educators, stakeholders,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

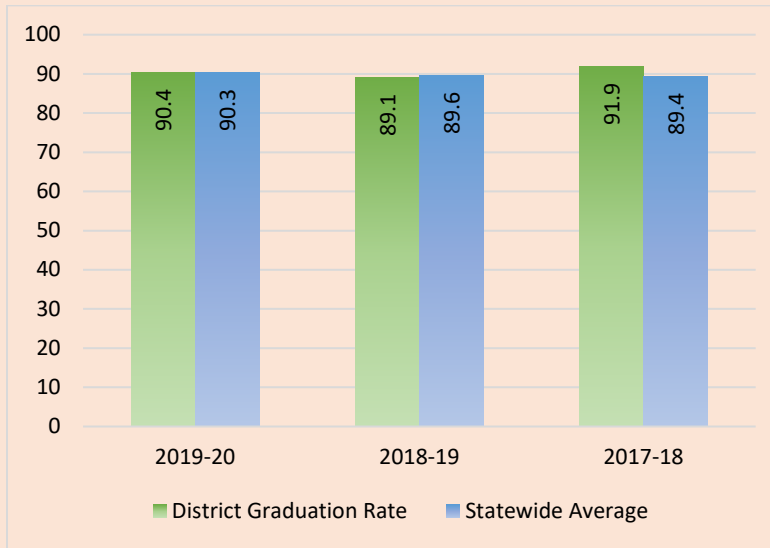


⁵ Act 158 of 2018, effective October 24, 2018, amended the Public School Code to further delay the use of Keystone Exams as a graduation requirement until the 2021-22 school year. See 24 P.S. § 1-121(b)(1). Please refer to the following link regarding further guidance to local education agencies (LEAs) on Keystone end-of-course exams (Keystone Exams) in the context of the pandemic of 2020: <https://www.education.pa.gov/Schools/safeschools/emergencyplanning/COVID-19/Pages/Keystone-Exams.aspx>

Academic Information Continued

What is a 4-Year Cohort Graduation Rate?

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 below.⁶



⁶ PDE also calculates 5-year and 6-year cohort graduation rates. Please visit PDE's website for additional information:
<https://www.education.pa.gov/DataAndReporting/CohortGradRate/Pages/default.aspx>.

Finding

Finding

The District's Failure to Implement an Adequate Internal Control System Led to Inaccurate Transportation Data Reported to PDE Resulting in a Net \$2,112 Underpayment

Criteria relevant to the finding:

Student Transportation Subsidy

Section 2541(a) of the Public School Code (PSC) states, in part: "School districts shall be paid by the commonwealth for every school year on account of pupil transportation which... have been approved by the Department of Education... an amount to be determined by multiplying the cost of approved reimbursable pupils transportation incurred by the district by the district's aid ratio. In determining the formula for the cost of approved reimbursable transportation, the Secretary of Education may prescribe the methods of determining approved mileages and the utilized passenger capacity of vehicles for reimbursement purposes..." See 24 P.S. § 25-2541(a).

Sworn Statement and Annual Filing Requirements

Section 2543 of the PSC, which is entitled, "**Sworn statement** of amount expended for reimbursable transportation; payment; withholding" states, in part: "Annually, each school district entitled to reimbursement on account of pupil transportation shall provide in a format prescribed by the Secretary of Education, data pertaining to pupil transportation for the prior and current school year. . . . The Pennsylvania Department of Education (PDE) may, for cause specified by it, withhold such reimbursement, in any given case, permanently, or until the school district has complied **with the law or regulations** of the State Board of Education." (Emphases added.) See 24 P.S. § 25-2543.

We found that the Annville-Cleona School District (District) did not implement an adequate internal control system over the calculation and reporting of regular transportation data. The failure to implement internal controls led to the District inaccurately reporting the number of students transported and the total miles traveled. Consequently, the District was overpaid a total of \$17,597 for two years of the audit period but was also underpaid \$19,709 for two other years with a net result of a \$2,112 underpayment in regular transportation reimbursements over the four year period.⁷

Background

School districts receive two separate transportation reimbursement payments from the Pennsylvania Department of Education (PDE). The **regular** transportation reimbursement is broadly based on the number of students transported, the number of days each vehicle was used to transport students, and the number of miles the vehicles were in service, both with and without students. The **supplemental** transportation reimbursement is based on the number of nonpublic school and charter school students the district transported. The errors identified in this finding pertain to the District's regular transportation reimbursements.

Since the above listed components are integral to the calculation of the District's transportation reimbursement, it is essential that the District properly record, calculate, and report transportation data to PDE. Therefore, the District should have a strong system of internal control over transportation data operations that should include, but not be limited to, the following:

- Segregation of duties.
- Comprehensive written procedures.
- Training on PDE reporting requirements.

It is also important to note that the Public School Code requires that all school districts annually file a sworn statement of student transportation data of the prior and current school years with PDE in order to be eligible for transportation reimbursements. The sworn statement includes the superintendent's signature attesting to the accuracy of the

⁷ The District received a total of \$1,806,427 in regular transportation reimbursements for the 2016-17 through 2019-20 school years.

Criteria relevant to the finding
(continued):

Instructions to Local Education Agencies (LEA) on how to complete the PDE-1049. The PDE-1049 is the electronic form used by LEAs to submit transportation vehicle data annually to PDE.

<http://www.education.pa.gov/Documents/Teachers-Administrators/Pupil%20Transportation/eTran%20Application%20Instructions/PupilTransp%20Instructions%20PDE%201049.pdf> (accessed 4/12/22)

Pupils Assigned – Report the greatest number of pupils assigned to ride this vehicle at any one time during the day. Report the number of pupils assigned to the nearest tenth. The number cannot exceed the seating capacity. If the number of pupils assigned changed during the year, calculate a weighted average or a sample average.

Daily Miles With - Report the number of miles per day, to the nearest tenth, that the vehicle traveled with pupils. If this figure changed during the year, calculate a weighted average or sample average.

Daily Miles Without - Report the number of miles per day, to the nearest tenth, that the vehicle traveled without pupils. If this figure changed during the year, calculate a weighted average or sample average.

reported data. Because of this statutorily required attestation, the District should ensure it has implemented an adequate internal control system so its submission to PDE can be made with the utmost confidence.

Regular Transportation Reporting Errors

PDE requires school districts to report the number of miles per day to the nearest tenth that each vehicle travels, with and without students. Districts are also required to report the number of students assigned to each vehicle. If the miles traveled and students assigned to each vehicle changes during the school year, an average must be calculated and reported. Districts are also required to report the number of days each vehicle transported students.

We found that the District inaccurately reported to PDE both the total miles traveled and number of students transported during the audit period. The reporting errors we identified are detailed in the table below.

| Annville-Cleona School District Regular Transportation Data Reporting Errors | | | | |
|---|---|---|---------------------------------------|----------------------|
| School Year | Total Vehicles with Errors ⁸ | Average No. of Students (Under)/Over Reported | Average Mileage (Under)/Over Reported | (Under)/Over Payment |
| 2016-17 | 18 | (0.3) | 5.3 | \$ 1,414 |
| 2017-18 | 22 | 0.3 | (5.2) | (\$ 1,593) |
| 2018-19 | 24 | (0.3) | (95) | (\$18,116) |
| 2019-20 | 27 | 15.1 | 29.7 | \$16,183 |
| Total | 91 | 14.8 | (65.2) | (\$ 2,112) |

The District relied on its transportation contractor to calculate transportation mileage data during the audit period. The District reported this data without a review by a knowledgeable District official. Additionally, the District employee responsible for reporting made numerous and systemic calculation errors during the audit period. For example, mileage and student data was not averaged and/or average data was not reported to the tenth as required by PDE when changes occurred. Additionally, the average miles traveled and number of students transported for some vehicles were inaccurately calculated. We also found instances where mileage and student data for vehicles that did not transport students for the entire school year were calculated as if they transported students for the full school year.

⁸ The District reported the following information to PDE regarding the number of vehicles used to transport students during the audit period: 22 vehicles in the 2016-17 school year; 22 vehicles in the 2017-18 school year; 24 vehicles in the 2018-19 school year; and 27 vehicles in the 2019-20 school year.

Significant Internal Control Deficiencies

Our review revealed that the District did not have an adequate internal control system over its regular transportation data operations. The District also did not implement any type of review of the contractor's or the employee's calculated data prior to that data being inputted and reported to PDE. In addition, we found that the District official responsible for reporting transportation data was not adequately trained on PDE reporting requirements. Finally, the District did not develop comprehensive written procedures for its process of recording, calculating, and reporting transportation data to PDE.

Future Reimbursement Adjustment: We provided PDE with reports detailing the transportation errors that we identified for the 2016-17 through 2019-20 school years. We also provided PDE with the amount of over and underpayments we calculated for each year for its consideration of adjustments to the District's future transportation reimbursements.

Recommendations

The *Annville-Cleona School District* should:

1. Develop and implement an internal control system over its regular transportation data operations. The internal control system should include, but not be limited to, the following:
 - All personnel involved in regular transportation data reporting are trained on PDE's reporting requirements.
 - A review of the transportation data is conducted by an employee other than the person who prepared the data before it is submitted to PDE.
 - Comprehensive written procedures are developed to ensure accurate reporting of the regular transportation data.
2. Review the transportation data reported to PDE for the 2020-21 school year to determine if similar errors were made and, if necessary, submit revised reports to PDE.

The *Pennsylvania Department of Education* should:

3. Adjust the District's future transportation reimbursements to resolve the \$2,112 underpayment.

Management Response

District management provided the following response:

“The Transportation Coordinator’s workspace is in the maintenance building. The supervisor for the Transportation Coordinator is the Director of Business and they are located on the same campus, but in a different building. During the time frame of the audit the supervisor was not always double checking the work before it was submitted to PDE. Based on previous clean audits they were assuming the information was correct and felt there was no need to double check the work. The Transportation Coordinator was also hand keying a lot of the information. This was happening twice, once into their spreadsheet, and into e-Tran which makes for a greater risk of errors.

“To resolve the internal control issues the Director of Business is going to work with the Transportation Coordinator and double check their work before a submission to PDE is completed. The Director of Business is going to look over the work independently and work with the Transportation Coordinator to resolve any questionable data. The Director of Business has already reached out to the transportation software provider to explore the possibility of creating an export that can be uploaded into e-Tran. This would eliminate the data having to be hand keyed into separate areas. Once the work has been completed and double checked the Director of Business is going to sign off on the work by initialing the supporting documents and also initialing the e-Tran report and keeping the documents on hand for audit purposes. The Transportation Coordinator currently has a list of procedures for the job, but it does not currently include e-Tran reporting. These procedures will be updated and will include a section on the reporting of transportation data.”

Auditor Conclusion

We are encouraged that the District is taking appropriate measures to implement our recommendations along with other corrective actions. We continue to recommend that the District review the regular transportation data reported to PDE for the 2020-21 school year for accuracy and to submit revisions to PDE if necessary.

Status of Prior Audit Findings and Observations

Our prior Limited Procedures Engagement of the Annville-Cleona School District resulted in no findings or observations.

Appendix A: 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,⁹ 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.

Our audit focused on the District's effectiveness and/or compliance with applicable statutory provisions and related regulations in the areas of Transportation Operations, Bus Driver Requirements, Nonresident Student Data, Administrator Separations, and School Safety, including fire and security drills. The audit objectives supporting these areas of focus are explained in the context of our methodology to achieve the objectives in the next section. Overall, our audit covered the period July 1, 2016 through June 30, 2020. The scope of each individual objective is also detailed in the next section.

The District's management is responsible for establishing and maintaining effective internal control to provide reasonable assurance that the District's objectives will be achieved.¹⁰ *Standards for Internal Control in the Federal Government* (also known as and hereafter referred to as the Green Book), issued by the Comptroller General of the United States, provides a framework for management to establish and maintain an effective internal control system. The Department of the Auditor General used the Green Book as the internal control analysis framework during the conduct of our audit.¹¹ The Green Book's standards are organized into five components of internal control. In an effective system of internal control, these five components work together in an integrated manner to help an entity achieve its objectives. Each of the five components of internal control contains principles, which are the requirements an entity should follow in establishing an effective system of internal control. We illustrate the five components and their underlying principles in Figure 1 on the following page.

⁹ 72 P.S. §§ 402 and 403.

¹⁰ District objectives can be broadly classified into one or more of the following areas: effectiveness of operations; reliability of reporting for internal and external use; and compliance with applicable laws and regulations, more specifically in the District, referring to certain relevant state laws, regulations, contracts, and administrative procedures.

¹¹ Even though the Green Book was written for the federal government, it explicitly states that it may also be adopted by state, local, and quasi-government entities, as well as not-for-profit organizations, as a framework for establishing and maintaining an effective internal control system. The Green Book is assessable at <https://www.gao.gov/products/GAO-14-704G>

Figure 1: Green Book Hierarchical Framework of Internal Control Standards

| Principle | Description |
|----------------------------|--|
| Control Environment | |
| 1 | Demonstrate commitment to integrity and ethical values |
| 2 | Exercise oversight responsibility |
| 3 | Establish structure, responsibility, and authority |
| 4 | Demonstrate commitment to competence |
| 5 | Enforce accountability |
| Risk Assessment | |
| 6 | Define objectives and risk tolerances |
| 7 | Identify, analyze, and respond to risks |
| 8 | Assess fraud risk |
| 9 | Identify, analyze, and respond to change |

| Principle | Description |
|--------------------------------------|--|
| Control Activities | |
| 10 | Design control activities |
| 11 | Design activities for the information system |
| 12 | Implement control activities |
| Information and Communication | |
| 13 | Use quality information |
| 14 | Communicate internally |
| 15 | Communicate externally |
| Monitoring | |
| 16 | Perform monitoring activities |
| 17 | Evaluate issues and remediate deficiencies |

In compliance with generally accepted government auditing standards, we must determine whether internal control is significant to our audit objectives. We base our determination of significance on whether an entity's internal control impacts our audit conclusion(s). If some, but not all, internal control components are significant to the audit objectives, we must identify those internal control components and underlying principles that are significant to the audit objectives.

In planning our audit, we obtained a general understanding of the District's control environment. In performing our audit, we obtained an understanding of the District's internal control sufficient to identify and assess the internal control significant within the context of the audit objectives. Figure 2 represents a summary of the internal control components and underlying principles that we identified as significant to the overall control environment and the specific audit objectives (denoted by an "X").

Figure 2 – Internal Control Components and Principles Identified as Significant

| | Internal Control Significant ? | Control Environment | | | | | Risk Assessment | | | | Control Activities | | | Information and Communication | | | Monitoring | |
|---------------------------|--------------------------------|---------------------|---|---|---|---|-----------------|---|---|---|--------------------|----|----|-------------------------------|----|----|------------|----|
| Principle → | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| General/overall | Yes | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | | X |
| Transportation | Yes | | | | X | | | X | X | | X | | X | X | X | X | X | |
| Bus Drivers | Yes | | | | | | | | | | X | | X | | | X | X | |
| Nonresident Student Data | Yes | | | | X | | | X | X | | X | | X | X | X | X | | |
| Administrator Separations | Yes | | | | | | | | | | X | | | | X | | | |
| Safe Schools | No | | | | | | | | | | | | | | | | | |

With respect to the principles identified, we evaluated the internal control(s) deemed significant within the context of our audit objectives and assessed those controls to the extent necessary to address our audit objectives. The results of our evaluation and assessment of the District's internal control for each objective is discussed in the following section.

Objectives/Scope/Methodology

In order to properly plan our audit and to guide us in selecting objectives, we reviewed pertinent laws and regulations, the District's annual financial reports, annual General Fund budgets, and the independent audit reports of the District's basic financial statements for the July 1, 2016 through June 30, 2020 fiscal years. We conducted analytical procedures on the District's state revenues and the transportation reimbursement data. We reviewed the prior audit report and we researched current events that possibly affected District operations. 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 effectiveness in four areas as described below. As we conducted our audit procedures, we sought to determine answers to the following questions, which served as our audit objectives.

Transportation Operations

- 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?¹²
 - ✓ To address this objective, we assessed the District's internal controls for obtaining, processing, and reporting transportation data to PDE. We obtained PDE's *Summary of Individual Vehicle Data* report and selected all 95 vehicles used to transport students during the 2016-17 through 2019-20 school years. For each vehicle, we reviewed odometer readings, student rosters, vehicle invoices, and school calendars to determine if the District accurately calculated and reported regular transportation data to PDE.

Conclusion: The results of our procedures identified areas of noncompliance and significant internal control deficiencies related to this objective. Our results are detailed in the Finding beginning on page 6 of this report.

Bus Driver Requirements

- Did the District ensure that all bus drivers transporting District students were approved by the Board of School Directors (Board) and had the required driver's license, physical exam, training, background checks, and clearances¹³ as outlined in applicable laws?¹⁴ Also, did the District adequately monitor driver records to ensure compliance with the ongoing five-year clearance requirements and ensure it obtained updated licenses and health physical records, as applicable, throughout the school year?

¹² See 24 P.S. § 25-2541(a).

¹³ Auditors reviewed the required state, federal, and child abuse background clearances that the District obtained from the most reliable sources available, including the FBI, the Pennsylvania State Police, and the Department of Human Services. However, due to the sensitive and confidential nature of this information, we were unable to assess the reliability or completeness of these third-party databases.

¹⁴ PSC 24 P.S. § 1-111, CPSL 23 Pa.C.S. § 6344(a.1), PSC (Educator Discipline) 24 P.S. § 2070.1a *et seq.*, State Vehicle Code 75 Pa.C.S. §§ 1508.1 and 1509, and State Board of Education's regulations 22 Pa. Code Chapter 8.

- ✓ To address this objective, we assessed the District's internal controls for reviewing, maintaining, and monitoring required bus driver qualification and clearance documents. We determined if all drivers were approved by the District's Board. We randomly selected 30 of the 118 contracted drivers transporting District students as of January 14, 2022.¹⁵ We reviewed documentation to ensure the District complied with the qualification and clearance requirements for those drivers. We also determined if the District had monitoring procedures to ensure that all drivers had updated clearances, licenses, and physicals.

Conclusion: The results of our procedures did not identify any reportable issues; however, we did identify internal control deficiencies that were not significant to our objective but warranted the attention of District management and those charged with governance. The deficiencies were communicated to District management and those charged with governance for their consideration.

Nonresident Student Data

- Did the District accurately report nonresident students to PDE? Did the District receive the correct reimbursement for these nonresident students?¹⁶
- ✓ To address this objective, we assessed the District's internal controls over the inputting, processing, and reporting of nonresident student data. We reviewed the *Summary of Child Accounting Membership* reports for accuracy. We also reviewed supporting documentation for all 23 nonresident foster students reported as educated by the District during the 2016-17 and 2017-18 school years. We reviewed documentation to confirm that the custodial parents or guardian were not residents of the District and to determine whether the foster parent was a district resident and received a stipend for caring for the student. We also verified that the District received the correct reimbursement for these students.

Conclusion: The results of our procedures did not identify any reportable issues; however, we did identify internal control deficiencies that were not significant to our objective but warranted the attention of District management and those charged with governance. The deficiencies were communicated to District management and those charged with governance for their consideration.

Administrator Separations

- Did the District provide any individually contracted employees with excessive payments upon separation of employment? Did the District ensure all payroll wages reported to the Public School Employees' Retirement System (PSERS) were appropriate and accurate?
- ✓ To address this objective, we assessed the District's internal controls over the calculation of post-employment benefits and the processing of final payments to individually contracted administrators who separated employment with the District. We reviewed the contract, payroll reports, and leave records for three of the four individually contracted administrators who

¹⁵ While representative selection is a required factor of audit sampling methodologies, audit sampling methodology 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.

¹⁶ See 24 P.S. §§ 13-1301, 13-1302, 13-1305, 13-1306; 22 Pa. Code Chapter 11.

separated employment from the District during the period July 1, 2016 through June 30, 2020.¹⁷ We reviewed the final payout to determine if the administrators were compensated in accordance with his contract. We also verified payments for unused leave were not reported as eligible wages to PSERS. Additionally, we reviewed board meeting minutes to verify that the Board voted to approve the dismissal of the administrator in accordance with Public School Code.

Conclusion: The results of our procedures did not identify any reportable issues; however, we did identify internal control deficiencies that were not significant to our objective but warranted the attention of District management and those charged with governance. The deficiencies were communicated to District management and those charged with governance for their consideration.

School Safety

- Did the District comply with requirements in the Public School Code and the Emergency Management Code related to emergency management plans, bullying prevention, and memorandums of understanding with local law enforcement?¹⁸ Also, did the District follow best practices related to physical building security and providing a safe school environment?
 - ✓ To address this objective, we reviewed a variety of documentation including safety plans, anti-bullying policies, safety committee meeting minutes, climate surveys, and memorandums of understanding with local law enforcements.

Conclusion: Due to the sensitive nature of school safety, the results of our review for this objective are not described in our audit report, but they were shared with District officials, PDE's Office of Safe Schools, and other appropriate law enforcement agencies deemed necessary.

- Did the District comply with the fire and security drill requirements of Section 1517 of the Public School Code?¹⁹ Also, did the District accurately report the dates of drills to PDE and maintain supporting documentation to evidence the drills conducted and reported to PDE?
 - ✓ To address this objective, we obtained and reviewed documentation of the District's fire/security drills at all four of its school buildings for the 2018-19 and 2019-20 school years. We determined if a security drill was held within the first 90 days of the school year for each building in the District and if monthly fire drills were conducted in accordance with requirements. We also obtained the *Accuracy Certification Statement* that the District filed with PDE and compared the dates reported to the supporting documentation.

Conclusion: The results of our procedures for this objective did not disclose any reportable issues.

¹⁷ The fourth administrator was only employed with the District for six months, and we determined the risk of noncompliance was low; therefore, this administrator was not included in our testing procedures. The selection is not representative of the population and the results are not, and should not be, projected to that population.

¹⁸ Safe Schools Act 24 P.S. § 13-1301-A *et seq.*, Emergency Management Services Code 35 Pa.C.S. § 7701.

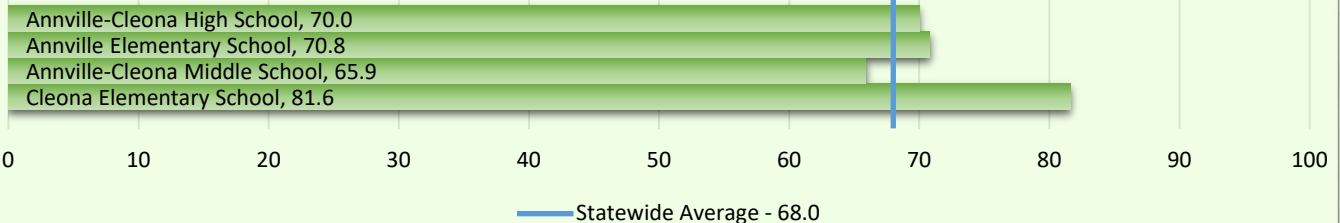
¹⁹ Public School Code (Fire and Security Drills) 24 P.S. § 15-1517.

Appendix B: Academic Detail

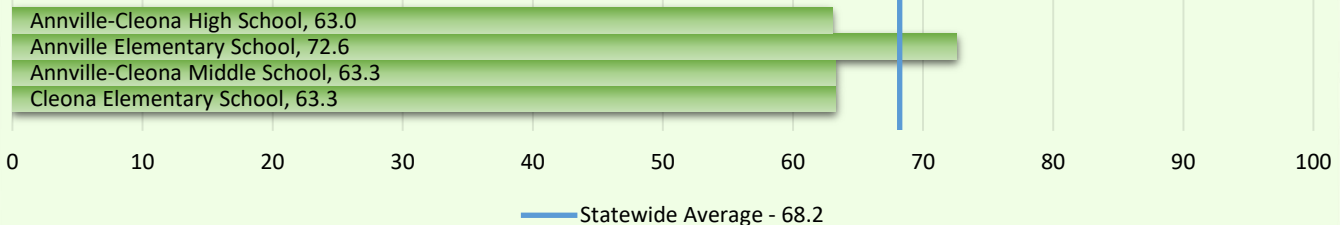
Benchmarks noted in the following graphs represent the statewide average of all public school buildings in the Commonwealth that received a score in the category and year noted.²⁰ Please note that if one of the District's schools did not receive a score in a particular category and year presented below, the school will not be listed in the corresponding graph.²¹

SPP School Scores Compared to Statewide Averages

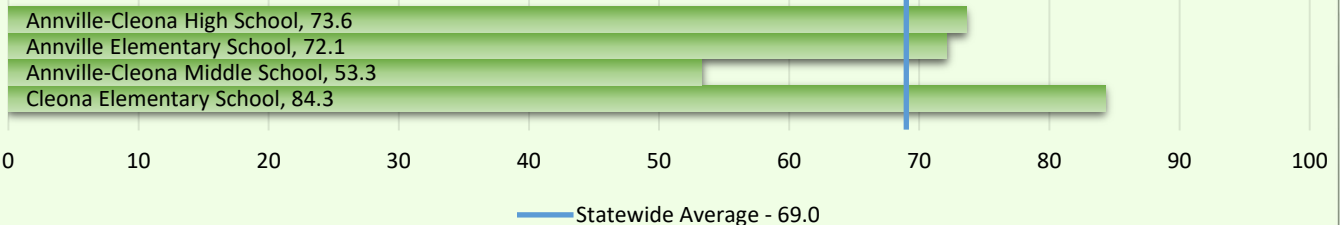
2018-19



2017-18



2016-17

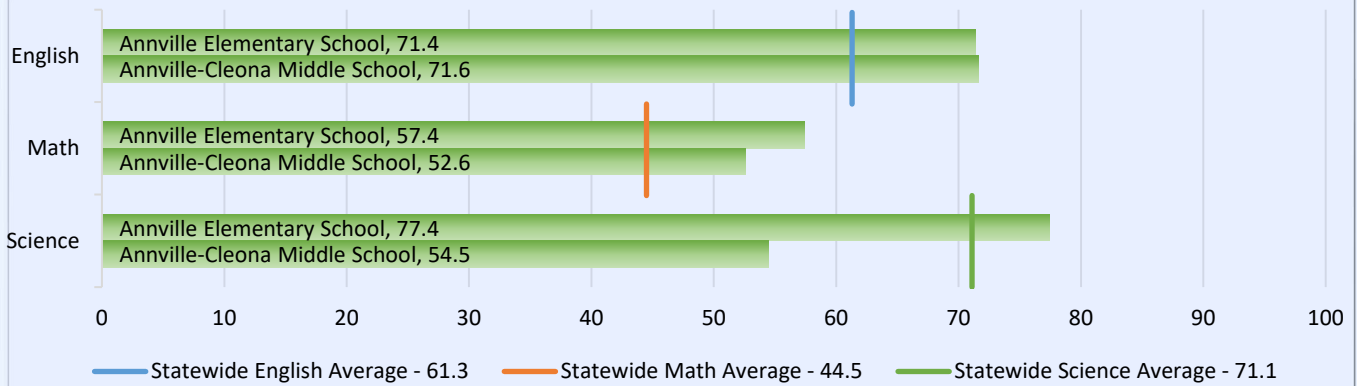


²⁰ Statewide averages were calculated by our Department based on individual school building scores for all public schools in the Commonwealth, including district schools, charters schools, and cyber charter schools.

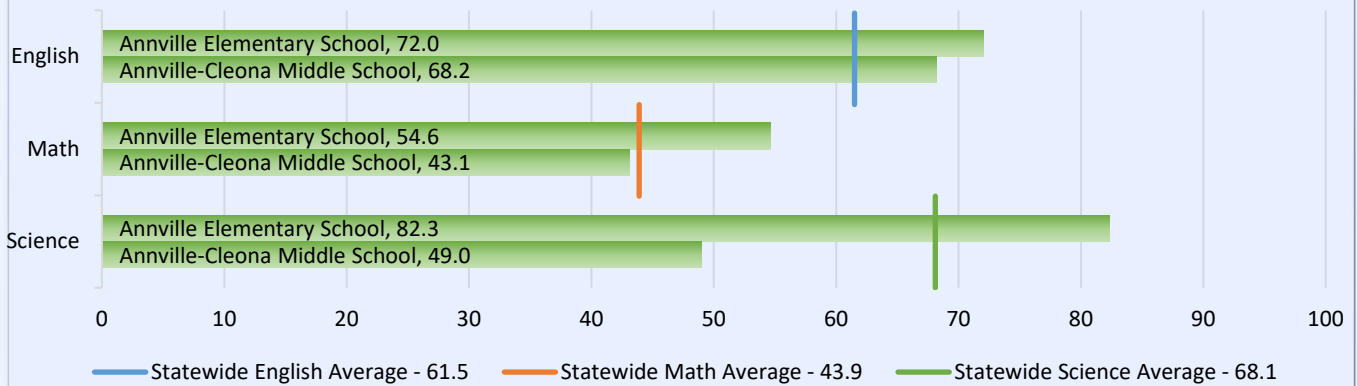
²¹ PDE's data does not provide any further information regarding the reason a score was not published for a specific school. However, readers can refer to PDE's website for general information regarding the issuance of academic scores.

PSSA Advanced or Proficient Percentage School Scores Compared to Statewide Averages

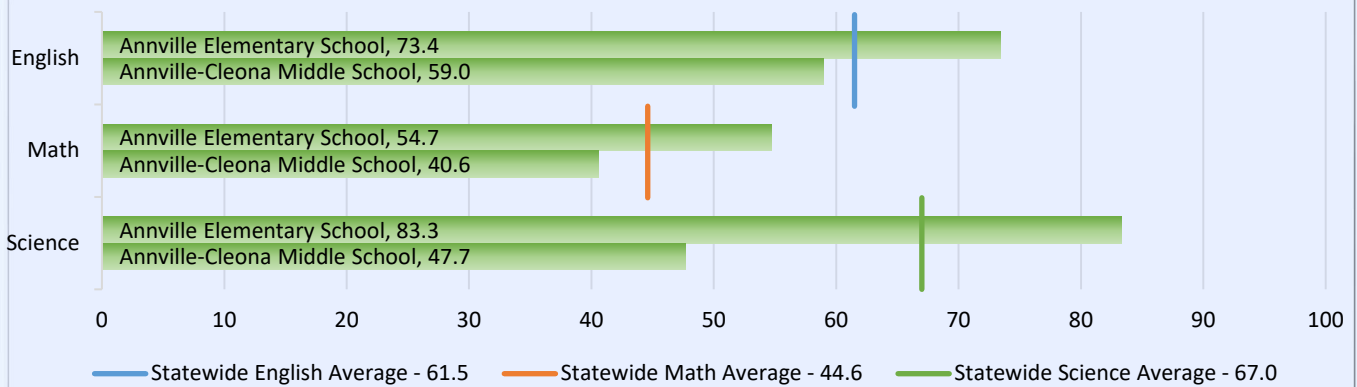
2018-19



2017-18

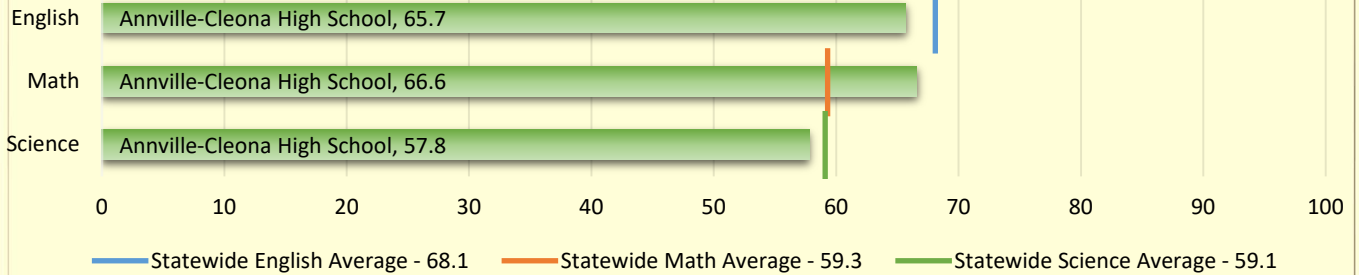


2016-17

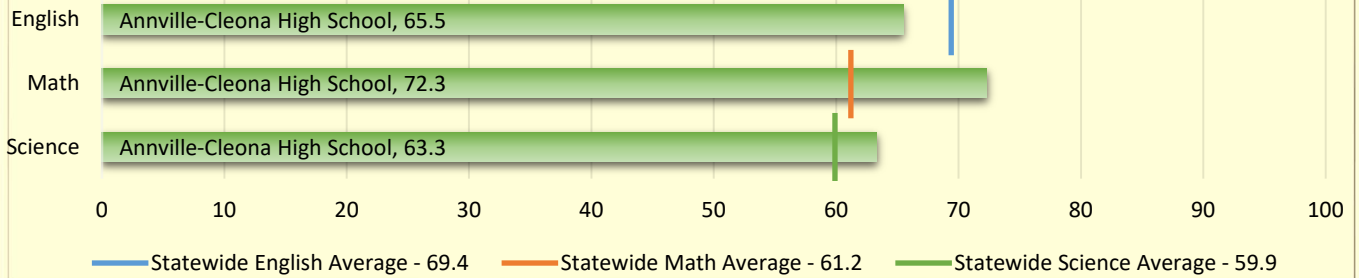


Keystone Advanced or Proficient Percentage School Scores Compared to Statewide Averages

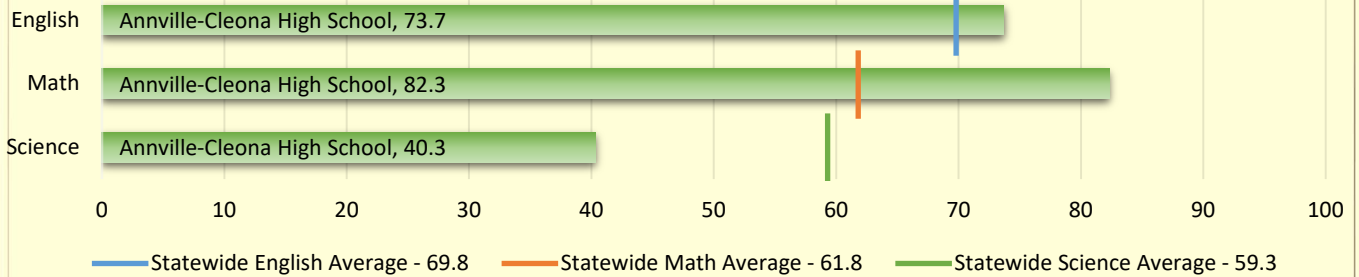
2018-19



2017-18



2016-17



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 Eric Hagarty
Acting Secretary of Education
1010 Harristown Building #2
333 Market Street
Harrisburg, PA 17126

The Honorable Stacy Garrity
State Treasurer
Room 129 - Finance Building
Harrisburg, PA 17120

Ms. Jessica Sites
Director
Bureau of Budget and Fiscal Management
Pennsylvania Department of Education
4th Floor, 333 Market Street
Harrisburg, PA 17126

Dr. David Wazeter
Research Manager
Pennsylvania State Education Association
400 North Third Street - Box 1724
Harrisburg, PA 17105

Mr. Nathan Mains
Executive Director
Pennsylvania School Boards Association
400 Bent Creek Boulevard
Mechanicsburg, PA 17050

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.