

PERFORMANCE AUDIT

Bensalem Township School District Bucks County, Pennsylvania

January 2022



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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**TIMOTHY L. DEFOOR
AUDITOR GENERAL**

Dr. Samuel Lee, Superintendent
Bensalem Township School District
3000 Donallen Drive
Bensalem, Pennsylvania 19020

Mr. Eric Price, Board President
Bensalem Township School District
3000 Donallen Drive
Bensalem, Pennsylvania 19020

Dear Dr. Lee and Mr. Price:

We have conducted a performance audit of the Bensalem Township School District (District) for the period July 1, 2015 through June 30, 2019, 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 areas of 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 Adequate Internal Controls Resulted In An Unauditable
\$7.2 Million in Transportation Reimbursements**

In addition, we identified internal control deficiencies in the area of bus driver requirements that were not significant but warranted the attention of District management and those charged with governance. Those deficiencies were communicated to District management and those charged with governance for their consideration. We found that the District performed adequately in the areas of nonresident student data and administrator separations and we did not identify any internal control deficiencies in these areas.

Dr. Samuel Lee

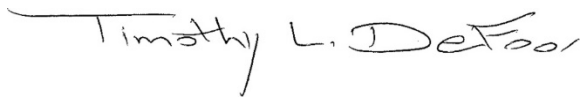
Mr. Eric Price

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Our audit finding and recommendations have been discussed with the District administration, 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 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 style with a long horizontal line extending to the left of the first name.

Timothy L. DeFoor
Auditor General

January 19, 2022

cc: **BENSALEM TOWNSHIP SCHOOL DISTRICT** Board of School Directors

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Background Information

School Characteristics 2020-21 School Year*	
County	Bucks
Total Square Miles	21
Number of School Buildings	9
Total Teachers	488
Total Full or Part-Time Support Staff	368
Total Administrators	58
Total Enrollment for Most Recent School Year	6,291
Intermediate Unit Number	22
District Career and Technical School	Bucks County Technical High School

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

Mission Statement*

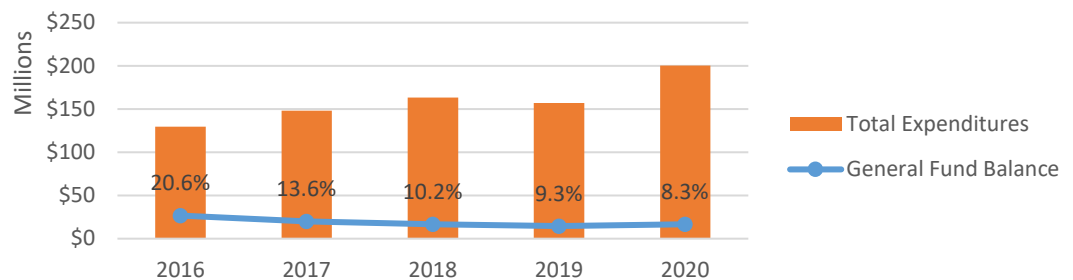
Is a premier educational institution in Bucks County. We provide a first class education for the whole child that challenges and supports each student to discover a passion for learning while designing and achieving a personal vision of success.

Financial Information

The following pages contain financial information about the Bensalem Township 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**.

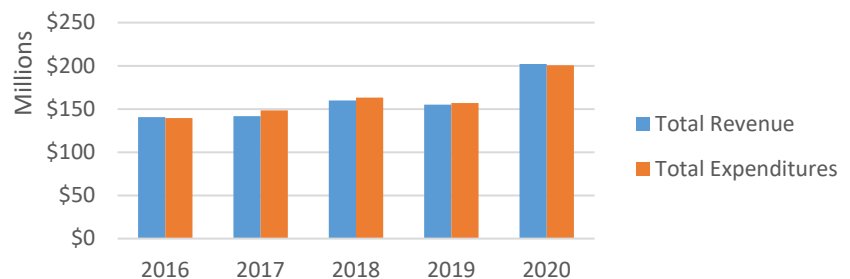
General Fund Balance as a Percentage of Total Expenditures

	General Fund Balance
2016	\$26,695,990
2017	\$20,083,739
2018	\$16,692,286
2019	\$14,586,648
2020	\$16,716,036



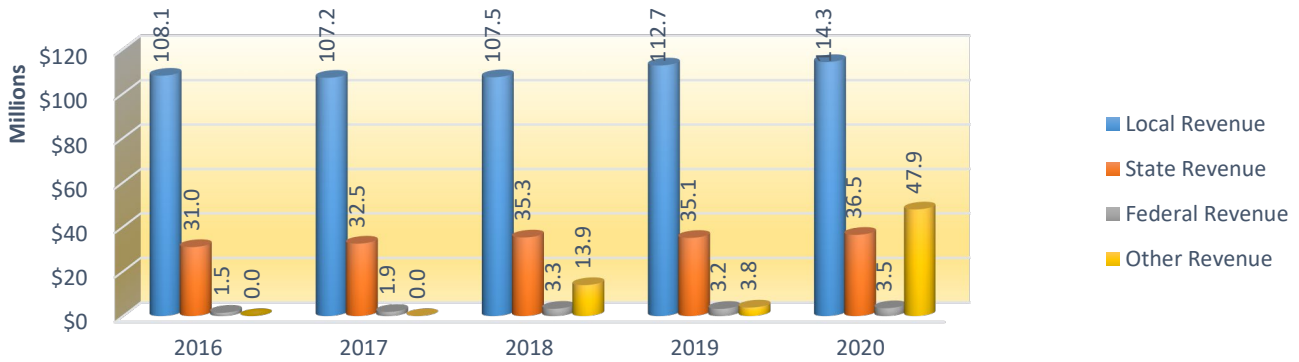
Revenues and Expenditures

	Total Revenue	Total Expenditures
2016	\$140,580,797	\$139,635,838
2017	\$141,591,372	\$148,203,623
2018	\$159,933,718	\$163,325,171
2019	\$154,896,815	\$157,002,452
2020	\$202,167,973	\$200,463,929

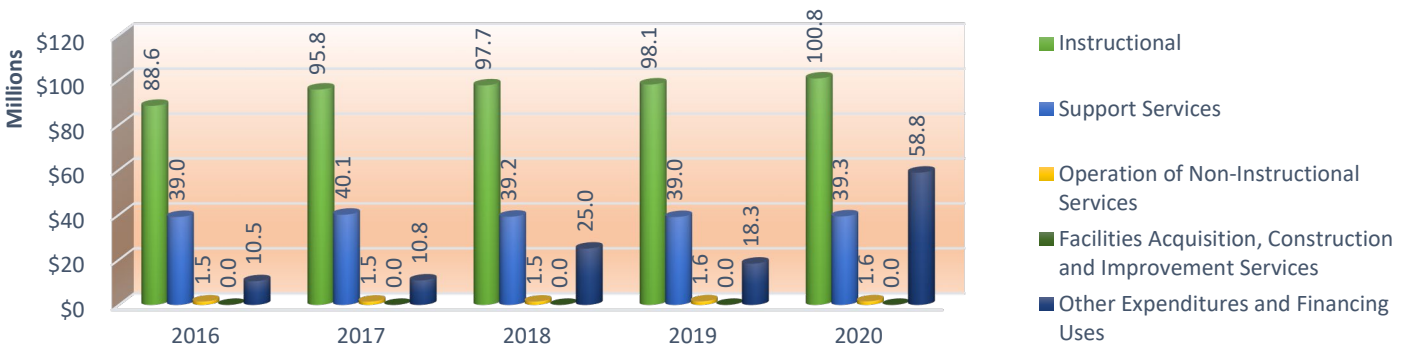


Financial Information Continued

Revenues by Source

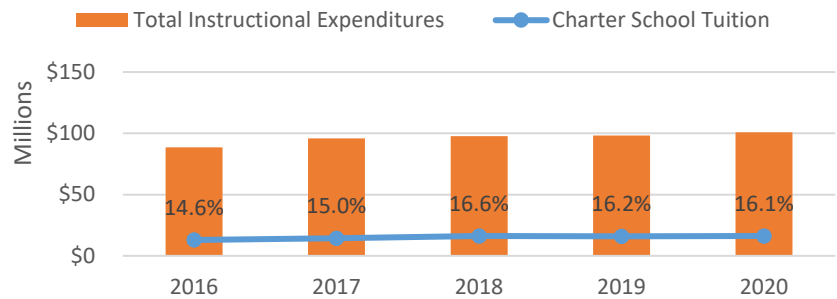


Expenditures by Function

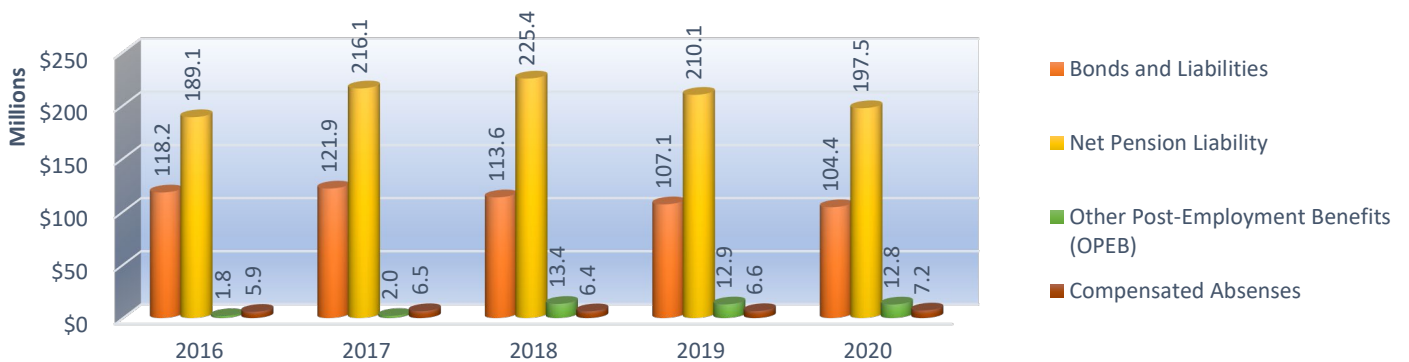


Charter Tuition as a Percentage of Instructional Expenditures

	Charter School Tuition	Total Instructional Expenditures
2016	\$12,949,954	\$88,576,805
2017	\$14,363,910	\$95,826,015
2018	\$16,189,579	\$97,687,778
2019	\$15,937,560	\$98,091,283
2020	\$16,207,639	\$100,764,661



Long-Term Debt

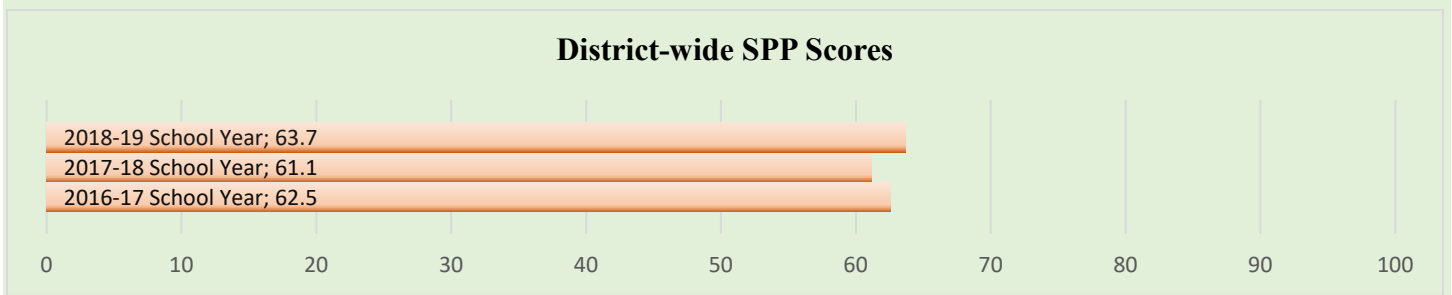


Academic Information¹

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.² In addition, the District's 4-Year Cohort Graduation Rates are presented for the 2017-18 through 2019-20 school years.³ 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.



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

² 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.

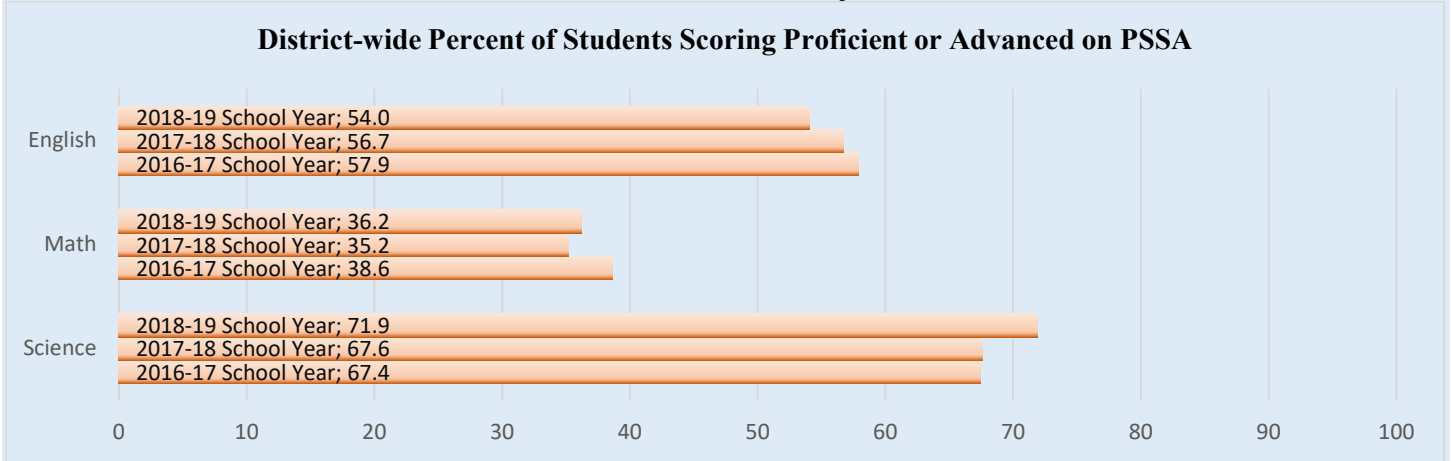
³ Graduation rates were still reported for the 2019-20 school year despite the COVID-19 pandemic.

Academic Information Continued

What is the PSSA?

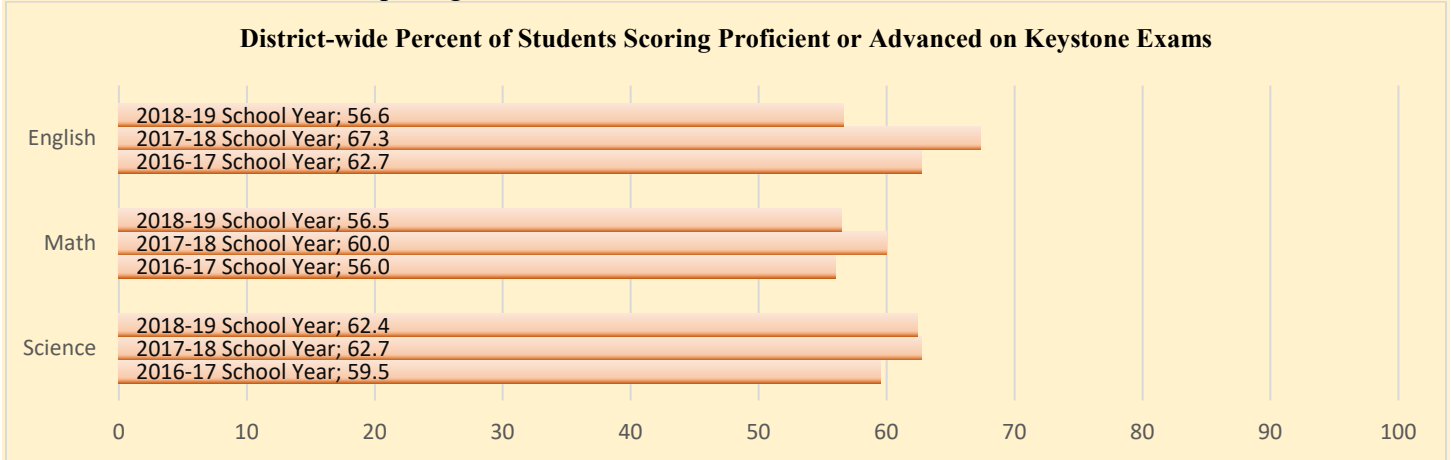
The PSSA is an annual, standardized test given across the Commonwealth to students in grades 3 through 8 in core subject areas, including English, Math and Science. The PSSAs help Pennsylvania meet federal and state requirements and inform instructional practices, as well as provide educators, stakeholders, 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.⁴ 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.

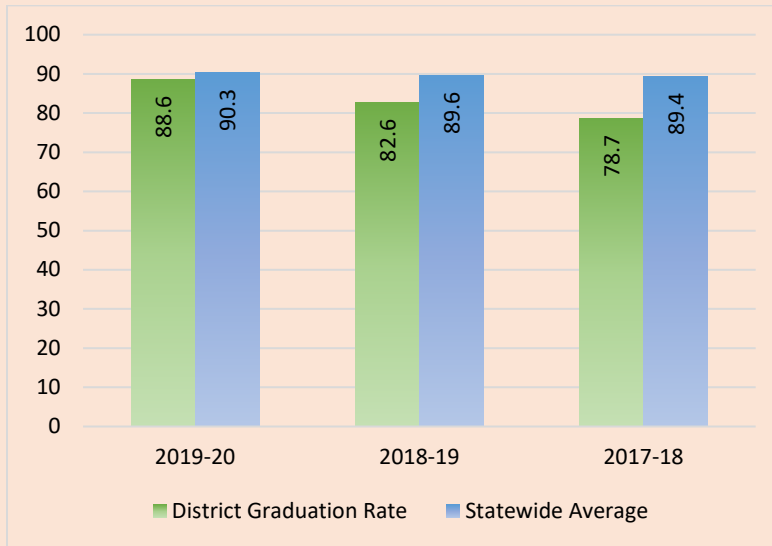


⁴ Act 158 of 2018, effective October 24, 2018, amended the Public School Code to further delay the use of Keystone Exams as a graduation requirement until the 2021-22 school year. See 24 P.S. § 1-121(b)(1). Please refer to the following link regarding further guidance to local education agencies (LEAs) 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.⁵



⁵ 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 Adequate Internal Controls Resulted in an Unauditable \$7.2 Million in Transportation Reimbursements

Criteria relevant to the finding:

Student Transportation Subsidy

The Public School Code (PSC) provides that school districts receive a transportation subsidy for most students who are provided transportation. Section 2541 (relating to payments on account of pupil transportation) of the PSC specifies the transportation formula and criteria. *See* 24 P.S. § 25-2541.

Total Students Transported

Section 2541(a) of the PSC states, in part: "School districts shall be paid by the Commonwealth for every school year on account of pupil transportation which, and the means and contracts providing for which, have been approved by the Department of Education, in the cases hereinafter enumerated, 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).

We found that the Bensalem Township School District (District) did not implement an adequate internal control system over the input, calculation, and reporting of regular and supplemental transportation data. Additionally, the District did not comply with the record retention provision of the Public School Code (PSC) when it failed to retain adequate source documentation for the regular and supplemental transportation reimbursements received for the 2015-16 through 2018-19 school years. Therefore, we could not determine the accuracy of the \$7,215,544 the District received in regular and supplemental transportation reimbursements.

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 vehicles are in service both with and without students. The **supplemental** transportation reimbursement is based solely on the number of charter school and nonpublic school students transported by the District at any time during a school year.

It is absolutely essential that records related to the District's transportation reimbursements be retained in accordance with the PSC record retention provisions (for a period of not less than six years) and be readily available for audit. Periodic auditing of such documents is extremely important for District accountability and verification of accurate reporting. Therefore, the District should have a strong system of internal control over its regular and supplemental transportation operations that includes, but is not limited to, the following:

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

It is also important to note that the PSC requires all school districts to annually file a sworn statement of student transportation data for the prior and current school year with PDE in order to be eligible for its transportation reimbursements. Further, the sworn statement of student

Criteria relevant to the finding (continued):

Sworn Statement and Annual Filing Requirements

Section 2543 of the PSC, which is entitled, “Sworn statement of amount expended for reimbursable transportation; payment; withholding” sets forth the requirement for school districts to annually file a sworn statement of student transportation data for the prior and current school year with the Pennsylvania Department of Education (PDE) in order to be eligible for the transportation subsidies and 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 Department of Education 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.” (Emphasis added.) See 24 P.S. § 25-2543.

Supplemental Transportation Subsidy for Nonpublic and Charter School Students

Section 2509.3 of the PSC provides that each school district shall receive a supplemental transportation payment of \$385 for each nonpublic school student transported. This payment is provided for charter school students in Section 1726-A(a) of the Charter School Law through its reference to Section 2509.3 of the PSC. See 24 P.S. §§ 25-2509.3 and 17-1726-A(a).

transportation data should not be filed with the state Secretary of Education unless the data has been double-checked for accuracy by personnel trained on PDE’s reporting requirements. An official signing a sworn statement must be aware that by submitting the transportation data to PDE, he/she is asserting that the information is true and that they have verified evidence of accuracy.⁶ The sworn statement includes the superintendent’s signature attesting to the accuracy of the reported data. Because of that attestation, the District should ensure it has implemented an adequate internal control system to provide the superintendent with confidence of accuracy prior to signing the sworn statement.

The total transportation reimbursements the District received during the audit period is detailed in the Table No. 1 below:

Table No. 1

Bensalem Township School District Regular and Supplemental Transportation Reimbursements			
	(A)	(B)	(A+B)
School Year	Regular Transportation	Supplemental Transportation	Total Reimbursement
2015-16	\$1,045,735	\$ 768,075	\$1,813,810
2016-17	\$ 994,899	\$ 798,490	\$1,793,389
2017-18	\$1,067,911	\$ 762,685	\$1,830,596
2018-19	\$1,067,809	\$ 709,940	\$1,777,749
Total	\$4,176,354	\$3,039,190	\$7,215,544

Unauditable Regular Transportation Reimbursement of More than \$4.1 Million

As previously stated, the regular transportation reimbursement is based on several components that are reported by a school district to PDE for use in calculating the district’s annual reimbursement amount. PDE guidelines state that districts are required to report the number of days a vehicle is in service, the number of students assigned to each vehicle, as well as the miles per day, to the nearest tenth, that each vehicle travels with and without students. In addition, districts are required to report the number of students transported who were and were not eligible for reimbursement to PDE. Since these components are integral to the calculation of the District’s regular transportation reimbursement, it is essential for the District to properly calculate, record, and report this information to PDE.

⁶ Please note that while a sworn statement is different from an affidavit, in that a sworn statement is not typically signed or certified by a notary public but are, nonetheless, taken under oath. See <https://legaldictionary.net/sworn-statement/> (accessed January 14, 2022).

Criteria relevant to the finding
(continued):

Record Retention Requirement

Section 518 of the PSC requires that the financial records of a district be retained by the district for a period of not less than six years. See 24 P.S. § 5-518.

The PDE Instructions for Local Education Agencies (LEA) on how to complete the PDE-2089

<https://www.education.pa.gov/Documents/Teachers-Administrators/Pupil%20Transportation/eTran%20Application%20Instructions/PupilTransp%20Instructions%20PDE-2089%20SummPupilsTransp.pdf>

The “PDE-2089 Summary of Pupils Transported” form is used to report the total number of pupils transported during the school year. This transportation includes LEA-owned vehicles, contracted service and fare-based service, and provides, in part:

Enter the total number of resident NONPUBLIC school pupils you transported to and from school. Documentation identifying the names of these pupils should be retained for review by the Auditor General’s staff. NONPUBLIC school pupils are children whose parents are paying tuition for them to attend a nonprofit private or parochial school. (Any child that your district is financially responsible to educate is a PUBLIC pupil.)

Enter the number of resident PUBLIC school pupils (including charter school pupils) you transported to and from school because of hazardous walking routes. This figure should include only those pupils who live within 1.5 miles of the elementary school or within 2 miles of the secondary school in which they are enrolled. Distances should be computed by public highway miles (see PSC of 1949, Section 1366).

No supporting documentation for number of students transported and number of days traveled

The District used both district-owned and contracted vehicles to transport students during the audit period. We found the District retained the mileage readings to support the number of miles each vehicle traveled with and without students for all vehicles. However, the District did not obtain and retain source documents to support the reported number of students transported and number of days students were transported. Without this supporting documentation, we were unable to determine the accuracy of the data reported to PDE and therefore, could not conclude if the District’s regular transportation reimbursements were appropriate and accurate.

The District attributed the failure to obtain and retain all supporting documents to personnel changes and the failure to adequately train the District official responsible for compiling, calculating, and reporting transportation data to PDE. Furthermore, the District was unable to locate source documentation prior to the 2017-18 school year due to turnover in the official responsible for reporting this data.⁷

Irregularities in Reimbursable and Non-reimbursable Student Data Reported to PDE

Students transported are classified into multiple reporting categories including, students transported and eligible for reimbursement due to residing on a Pennsylvania Department of Transportation (PennDOT) determined public hazardous walking route and students transported who are not eligible for reimbursement. Elementary students residing within 1.5 miles of their respective school or secondary students residing within 2 miles of their school are not eligible to be reported as reimbursable unless the student resides on a PennDOT determined hazardous walking route.

We found that the District reported to PDE that it transported more than 8,000 students that resided on a hazardous walking route; however, the District was unable to provide a listing of the specific students who were reported as eligible for reimbursement in this category (see Table No. 2). Additionally, the District did not report any “nonreimbursable” students after the 2015-16 school year, which based on our experience, is unusual. Furthermore, the District was unable to provide us with a list of “nonreimbursable” students that it reported to PDE for the 2015-16 school year. The District’s failure to retain listings of the specific students reported in these categories precluded us from reviewing the accuracy of the reported data.

⁷ The current District official responsible for reporting transportation data to PDE started on July 1, 2017.

Criteria relevant to the finding (continued):

Enter the number of nonreimbursable pupils (BOTH PUBLIC AND NONPUBLIC SCHOOL PUPILS) transported on contracted service vehicles. If you transport elementary pupils who reside within 1.5 miles of their school or secondary pupils who reside within 2 miles of their school who are not exceptional children or not required to use a certified hazardous walking route to reach their school, they are NONREIMBURSABLE PUPILS. Pupils who reside as indicated above, but are being transported to/from daycare providers located beyond those distances are still nonreimbursable. The location of their residence is the deciding factor.

Enter the number of resident pupils transported to charter schools located within your district boundaries. Documentation identifying the names of these pupils should be retained for review by the Auditor General’s staff.

Enter the number of resident pupils transported outside of your district boundaries either to a regional charter school of which your district is a part or to a charter school located within ten miles of your district boundaries. Documentation identifying the names of these pupils should be retained for review by the Auditor General’s staff.

Table No. 2

Bensalem Township School District Transportation Data Reported to PDE		
School Year	Hazardous Route Students	Nonreimbursable Students
2015-16	1,987	88
2016-17	1,960	0
2017-18	2,142	0
2018-19	2,148	0
Total	8,237	88

The District relied on its transportation software to compile the reported number of students in these categories. The District did not ensure that it obtained and retained the specific student data to support the number of students it reported in these categories.

Unauditable Supplemental Transportation Reimbursement of More than \$3 Million

The PSC requires school districts to provide transportation services to students who reside in its district and who attend a charter or nonpublic school, and it provides for a reimbursement from the Commonwealth of \$385 for each nonpublic school student transported by the district.⁸ This reimbursement was made applicable to the transportation of charter school students pursuant to an equivalent provision in the Charter School Law.⁹

We reviewed the supplemental transportation data that the District reported to PDE and noted potential irregularities that warranted further review. Table No. 3 shows the nonpublic and charter school student transportation data that the District reported to PDE.

⁸ Pursuant to the PSC, a nonpublic school is defined, in pertinent part, as a nonprofit school other than a public school within the Commonwealth of Pennsylvania, wherein a resident of the Commonwealth may legally fulfill the compulsory school attendance requirements. See Section 922.1-A (b) (relating to “Definitions”) of the PSC, 24 P.S. § 9-922.1-A(b).

⁹ See 24 P.S. § 17-1726-A(a) which refers to 24 P.S. § 25-2509.3. A charter school is an independent public school and educates public school students within the applicable school district. See 24 P.S. § 17-1703-A (relating to “Definitions”).

Table No. 3

Bensalem Township School District Supplemental Transportation Data Reported to PDE		
School Year	Charter School Students	Nonpublic School Students
2015-16	842	1,153
2016-17	825	1,249
2017-18	933	1,048
2018-19	911	933
Total	3,511	4,383

When we attempted to verify the accuracy of the reported data, we found that the District did not obtain and retain student requests for transportation. Instead, the District relied on its transportation software to compile the number of nonpublic and charter school students. The District reported this data to PDE, but was unable to produce individual requests for transportation and an annual list of nonpublic and charter school students that agreed to what was reported to PDE.

Significant Internal Control Deficiencies

Our review revealed the District did not obtain and retain the required supporting documentation necessary to accurately report its regular and supplemental transportation data to PDE. We found the District did not have an adequate internal control system over its transportation operations. Specifically, the District did not implement adequate segregation of duties when it placed sole responsibility on one District employee for reporting regular and supplemental transportation data to PDE without review by another employee. In addition, we found that the District did not do the following:

- Ensure that the employee responsible for reporting transportation data to PDE was adequately trained on PDE’s reporting requirements.
- Ensure that the employee responsible for entering transportation data into the District’s transportation software and reporting this data was adequately trained on how to use the software and retain supporting documentation.
- Implement adequate segregation of duties when it assigned responsibility to one employee for inputting, calculating, and reporting regular and supplemental transportation data to PDE without ensuring that another employee reviewed the data before it was submitted to PDE.
- Ensure that the required supporting documentation for vehicle data, hazardous route students, and charter and nonpublic school students is obtained and retained.
- Develop detailed written procedures for obtaining and maintaining the documentation needed to accurately report regular and supplemental transportation data.

All of the above internal control deficiencies resulted in our inability to audit the District's regular and supplemental transportation reimbursements during the four-year audit period.

Recommendations

The *Bensalem Township School District* should:

1. Develop and implement an internal control system over its regular and supplemental transportation operations. The internal control system should include, but not be limited to, the following:
 - All personnel involved in inputting, categorizing, and reporting transportation data are trained on PDE's reporting requirements.
 - Clear and concise written procedures are developed to document the regular and supplemental transportation data collection, categorization, and reporting process.
 - A review of transportation data is conducted by an employee other than the employee who prepared the data before it is submitted to PDE.
2. Ensure that complete supporting documentation for all regular and supplemental transportation data is obtained, reviewed, and retained in accordance with PSC requirements. Record retention procedures should be documented and staff trained on these procedures.
3. Work with the transportation software vendor to reprogram portions of the software to ensure that data is appropriately captured to help ensure accurate reporting to PDE.

Management Response

District management provided the following response:

The rosters and pupil counts for nonpublic and charter school numbers were developed through the district's transportation software. An update to the district's transportation routing software as well as a change in the district child accounting software made retrieval of the required data extremely difficult and costly. As a result, A.G. staff advised district transportation staff that retrieval of the information was not required if there were a cost associated with this request. The district agreed with this recommendation but maintains the data was and is available for audit. The district is currently investigating alternative transportation software products that are more compatible with the new child accounting software.

Regarding hazardous and non-reimbursable student counts the district has reached out to PennDOT to determine if all hazardous route documentation is on file. Once the district has a complete listing of all

PennDOT designated hazardous routes, the transportation department will make an assessment of the accuracy of the listing and will determine if additional requests/studies are necessary for roads to be designated as hazardous as determined by PennDOT.

Auditor Conclusion

It is important to understand that if rosters and pupil counts for the reported number of nonpublic and charter school students were obtained that this data alone would not be sufficient for us to verify the accuracy of the reported supplemental transportation data. As stated in the finding, the District must obtain individual “requests for transportation” for each nonpublic and charter school student reported to PDE for reimbursement. In our conversations with District officials, it became apparent that the District was unable to produce individual “requests for transportation.” Therefore, we informed the District that even if they incurred the cost of obtaining bus rosters and individual pupil counts for nonpublic and charter school students there was still insufficient information for us to determine the accuracy of the reported supplemental transportation data.

We encourage the District to continue investigating alternative transportation software products that are more compatible with the District’s child accounting software. Nonetheless, regardless of the transportation software utilized, it is imperative that the District obtain and retain individual “requests for transportation” for all nonpublic and charter school students it reports to PDE for reimbursement.

In addition, we urge the District to work with PennDOT to ensure that all hazardous walking routes in the District are identified. The District reported over 8,000 students as eligible for reimbursement due to residing on a hazardous walking route even though it did not have the required designation from PennDOT. The District must ensure that complete PennDOT documentation is obtained and retained for audit purposes and to ensure it reports accurate data to PDE.

Finally, we affirm our conclusion that the District’s failure to obtain and retain individual “requests for transportation”, PennDOT hazardous walking route determinations, and supporting documentation for the number of students it reported as transported precluded us from reviewing the accuracy of the over \$7.2 million the District received in transportation reimbursements during the audit period. We continue to stress the need for the District to develop and implement internal controls over its regular and supplemental transportation data reporting operations. We reiterate our recommendation that the District ensure that these internal controls include staff training on PDE’s data reporting requirements and the appropriate supporting documentation that must be maintained.

Status of Prior Audit Findings and Observations

Our prior audit of the Bensalem Township 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,¹⁰ 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, 2015 through June 30, 2019. 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.¹¹ *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.¹² 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.

¹⁰ 72 P.S. §§ 402 and 403.

¹¹ 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.

¹² 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

Principle →	Internal Control Significant ?	Control Environment					Risk Assessment					Control Activities			Information and Communication			Monitoring	
		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, 2015 through June 30, 2019 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?¹³
 - ✓ To address this objective, we assessed the District’s internal controls for obtaining, processing, and reporting transportation data to PDE. For all vehicles reported to PDE as transporting students for the 2015-16 through 2018-19 school years, we requested odometer readings, student rosters, and supporting documentation for the number of days vehicles were used to transport students.¹⁴ The District did not maintain the required supporting documentation for any vehicle for any year; therefore, we were unable to determine the accuracy of the regular transportation reimbursement the District received from PDE for the audit period.
 - ✓ We assessed the District’s internal controls for inputting and processing nonpublic and charter school student data and reporting this data to PDE. We asked the District to provide us with the “request for transportation” documentation for each nonpublic and charter school student it reported to PDE as transported by the District during the 2015-16 through 2018-19 school years.¹⁵ However, the District could not provide the documentation for either group of students; therefore, we were unable to determine the accuracy of the supplemental transportation reimbursement the District received from PDE for the audit period.

¹³ See 24 P.S. § 2541(a).

¹⁴ The District reported that is used the following number of district-owned vehicles for each school year of the audit period: 109 vehicles during 2015-16; 101 vehicles during 2016-17; 100 vehicles during 2017-18; and 106 vehicles during 2018-19.

¹⁵ The District reported 1,153 nonpublic and 842 charter school students during the 2015-16 school year, 1,249 nonpublic and 825 charter school students during the 2016-17 school year, 1,048 nonpublic and 933 charter school students during the 2017-18 school year, and 933 nonpublic and 911 charter school students during the 2018-19 school year.

- ✓ Finally, we assessed the District’s internal controls for categorizing and reporting students who were reported as reimbursable due to residing on a Pennsylvania Department of Transportation hazardous walking route and students transported who were reported to PDE as not eligible for reimbursement. We requested supporting documentation for all students reported as reimbursable due to residing on hazardous walking routes for the 2015-16 through 2018-19 school years and students reported as not reimbursable.¹⁶ The District did not maintain the required supporting documentation for these students; therefore, we were unable to determine the accuracy of the regular transportation reimbursement the District received from PDE for the audit period.

Conclusion: The results of our procedures identified areas of noncompliance and significant internal control deficiencies. Those 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 are approved by the Board of School Directors (Board) and had the required driver’s license, physical exam, training, background checks, and clearances¹⁷ as outlined in applicable laws?¹⁸ 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?
 - ✓ To address this objective, we assessed the District’s internal controls for maintaining and reviewing required bus driver qualification documents and procedures for being made aware of who transported students daily. We determined if all drivers were approved by the District’s Board. We randomly selected 13 of the 131 drivers transporting District students as of April 9, 2021.¹⁹ We reviewed documentation to ensure the District complied with the requirements for bus drivers’ qualifications and clearances 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. These deficiencies were communicated to them for their consideration.

¹⁶ The District reported the following number of students residing on a hazardous walking route for each school year: 1,987 students during 2015-16; 1,547 students during 2016-17; 2,142 students during 2017-18; and 2,148 students during 2018-19. The District reported 88 students as nonreimbursable during the 2015-16 school year. This was the only year during the audit period that the District reported nonreimbursable students.

¹⁷ 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.

¹⁸ 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*.

¹⁹ 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.

Nonresident Student Data

- Did the District accurately report nonresident students to PDE? Did the District receive the correct reimbursement for these nonresident students?²⁰
 - ✓ To address this objective, we assessed the District’s internal controls for inputting, processing, and reporting nonresident foster student data to PDE. We reviewed all 103 nonresident foster students and wards of the Commonwealth reported to PDE as educated by the District during the 2016-17 and 2017-18 school years.²¹ We reviewed documentation to confirm that the custodial parents or guardian of the foster/wards of the Commonwealth students were not residents of the District. We also confirmed that the foster parent was a resident of the District and received a stipend for caring for the student. In addition, we determined if the District received the correct reimbursement for the education of these students.

Conclusion: The results of our procedures did not disclose any reportable issues, and we did not identify any internal control deficiencies.

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 Public School Employees’ Retirement System (PSERS) were appropriate and accurate?
 - ✓ To address this objective, we assessed the District’s internal controls over the calculations of post-employment benefits and the processing of final payments to individually contracted administrators who separated employment with the District. We reviewed the employment contract, leave records, and payroll records for the one individually contracted administrator who separated from the District during the period of July 1, 2015 through June 30, 2019. We reviewed the final payouts to determine if the administrator was compensated in accordance with the contract. We verified that leave payouts were not reported as regular wages to PSERS. We also verified that the Board complied with Section 508 of the Public School Code by voting to approve the administrator’s separation from employment by the District.

Conclusion: The results of our procedures did not disclose any reportable issues and we did not identify any internal control deficiencies.

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?²² 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, but not limited to, safety plans, training schedules, anti-bullying policies, after action reports, and memorandums of understanding with local law enforcement. We also conducted a safety walkthrough at one of the

²⁰ See 24 P.S. §§ 13-1301, 13-1302, 13-1305, 13-1306; 22 Pa. Code Chapter 11.

²¹ We tested 30 nonresident foster students and 25 ward of state institutionalized students during the 2016-17 school year. We tested 30 nonresident foster students and 18 ward of state institutionalized students during the 2017-18 school year.

²² Safe Schools Act 24 P.S. § 13-1301-A *et seq.*, Emergency Management Services Code 35 Pa.C.S. § 7701.

District's nine school buildings to assess whether the District had implemented basic safety practices.²³

Conclusion: Due to the sensitive nature of school safety, the results of our review for this objective are not described in our audit report. However, 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?²⁴ 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 reviewed the fire and emergency drills for the nine school buildings to determine whether drills were conducted as required 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 did not identify any reportable issues.

²³ We judgmentally selected the one District building because we considered the building to have a higher risk of noncompliance due to the building undergoing renovations during the audit period. Therefore, the selection is not representative of the population of the District's school buildings, and the results are not, and should not be projected to that population.

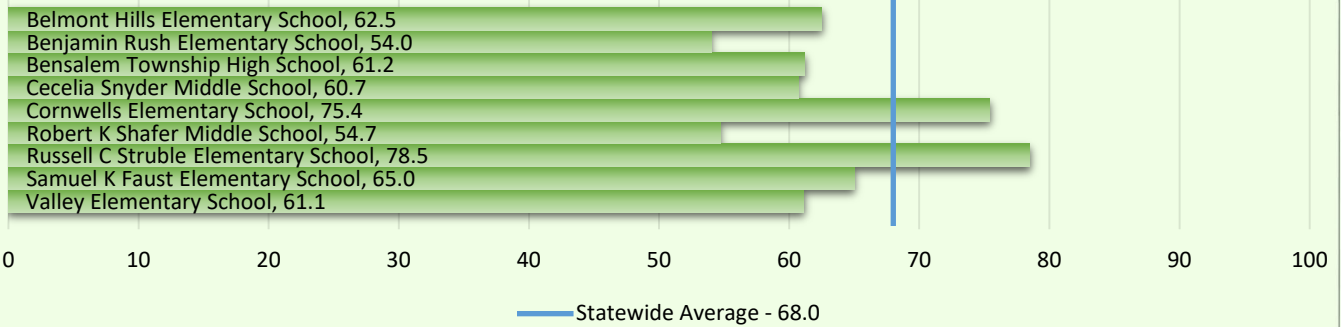
²⁴ Public School Code (Fire and Security Drills) 24 P.S. § 15-1517.

Appendix B: Academic Detail

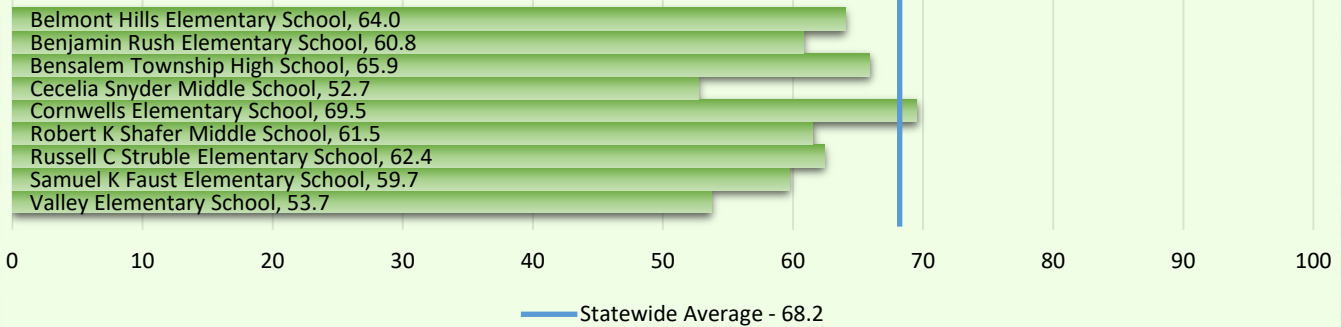
Benchmarks noted in the following graphs represent the statewide average of all public school buildings in the Commonwealth that received a score in the category and year noted.²⁵ Please note that if one of the District's schools did not receive a score in a particular category and year presented below, the school will not be listed in the corresponding graph.²⁶

SPP School Scores Compared to Statewide Averages

2018-19



2017-18

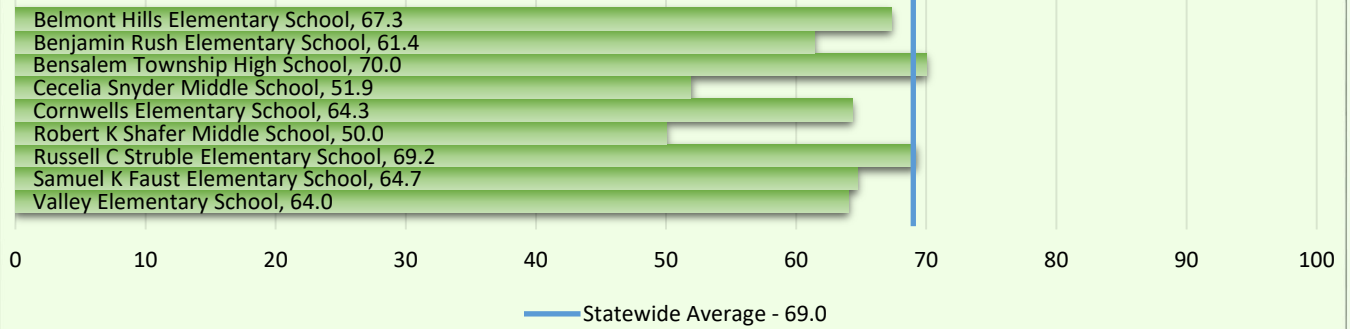


²⁵ Statewide averages were calculated by our Department based on individual school building scores for all public schools in the Commonwealth, including district schools, charters schools, and cyber charter schools.

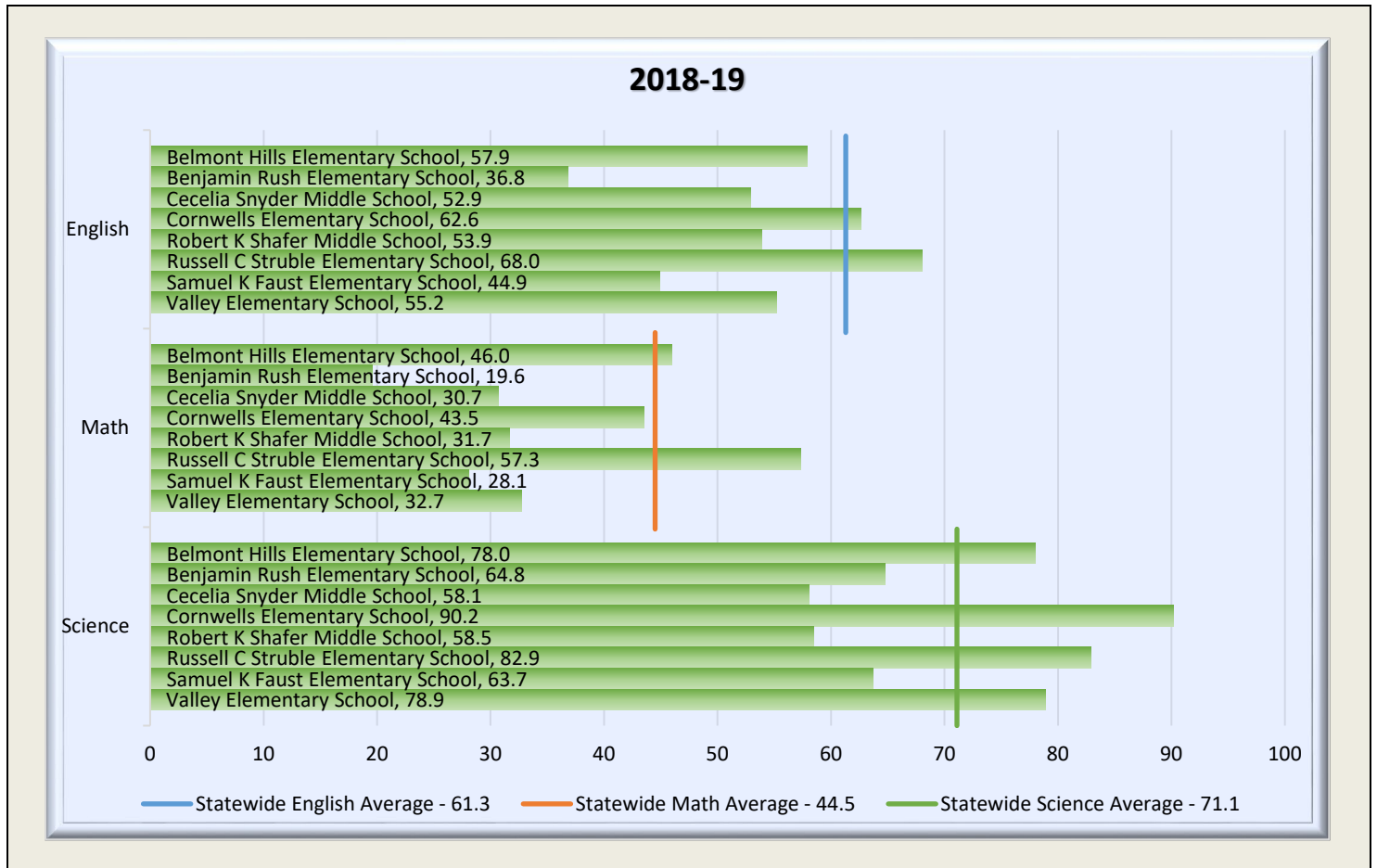
²⁶ PDE's data does not provide any further information regarding the reason a score was not published for a specific school. However, readers can refer to PDE's website for general information regarding the issuance of academic scores.

SPP School Scores Compared to Statewide Averages (continued)

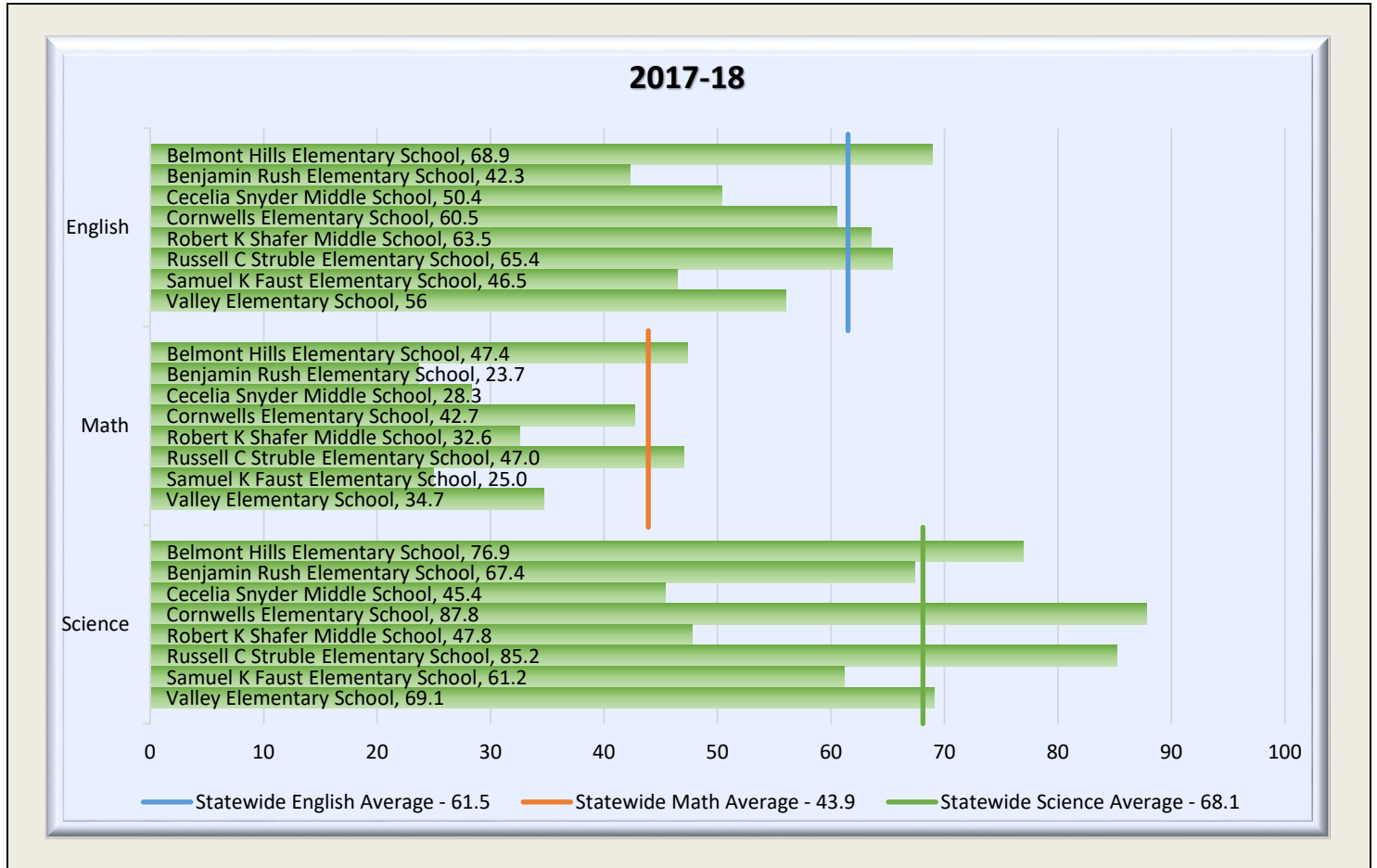
2016-17



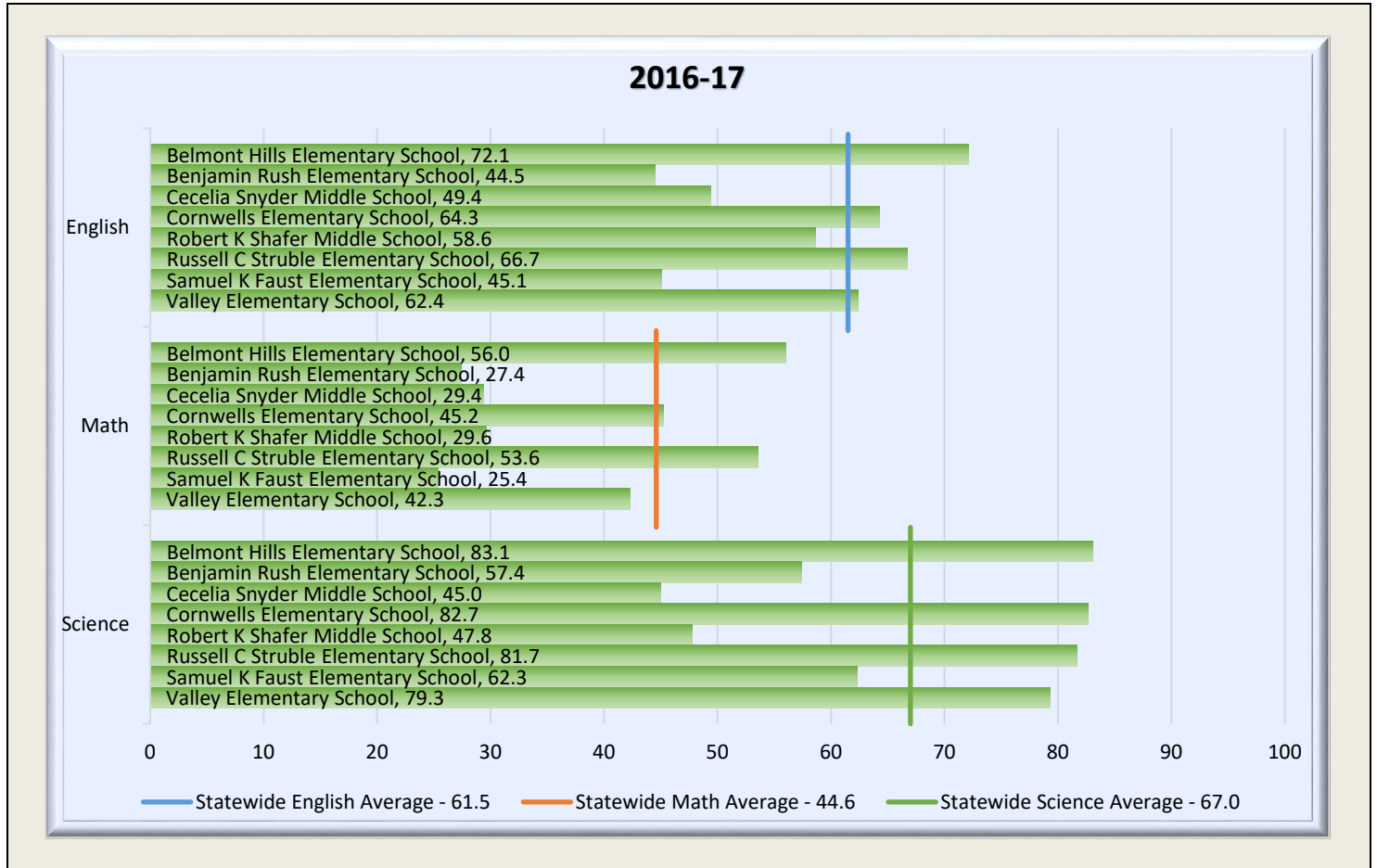
**PSSA Advanced or Proficient Percentage
School Scores Compared to Statewide Averages**



**PSSA Advanced or Proficient Percentage
School Scores Compared to Statewide Averages (continued)**

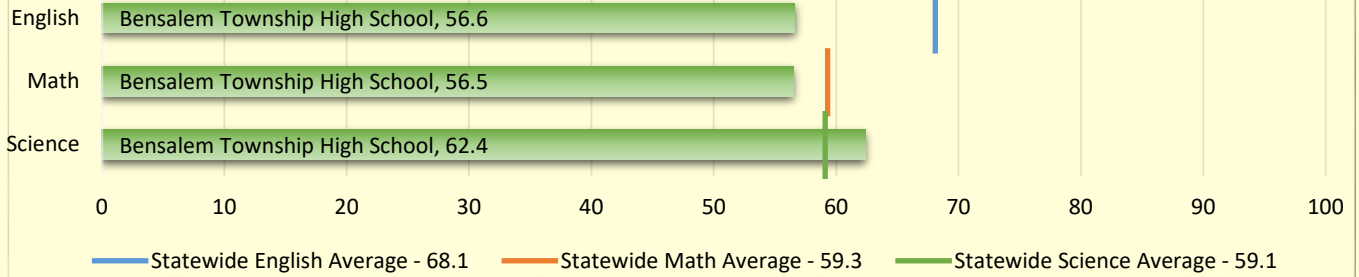


**PSSA Advanced or Proficient Percentage
School Scores Compared to Statewide Averages (continued)**

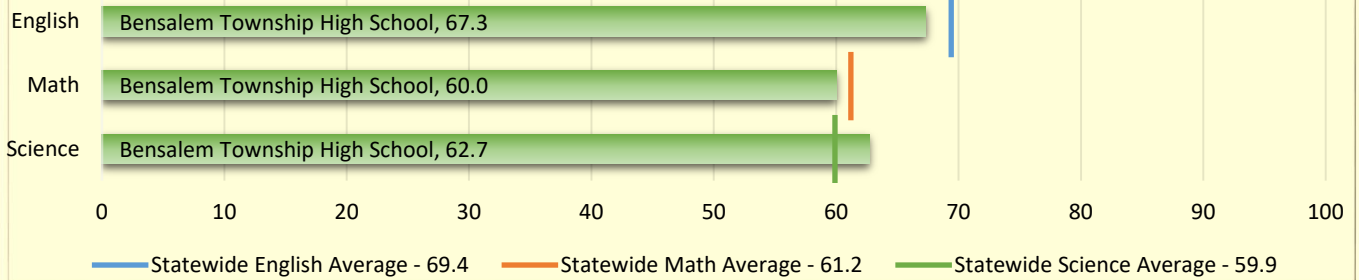


Keystone Advanced or Proficient Percentage School Scores Compared to Statewide Averages

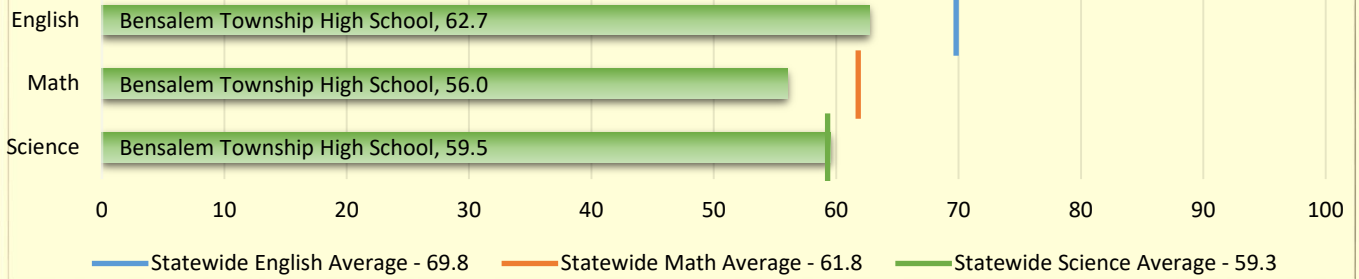
2018-19



2017-18



2016-17



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