

PERFORMANCE AUDIT

Bethel Park School District Allegheny County, Pennsylvania

February 2022



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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**TIMOTHY L. DEFOOR
AUDITOR GENERAL**

Dr. James M. Walsh, Superintendent
Bethel Park School District
301 Church Road
Bethel Park, Pennsylvania 15102

Mr. Barry Christenson, Board President
Bethel Park School District
301 Church Road
Bethel Park, Pennsylvania 15102

Dear Dr. Walsh and Mr. Christenson:

We have conducted a performance audit of the Bethel Park 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

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 Reporting of Transportation Data Resulting in an Overpayment of \$220,913

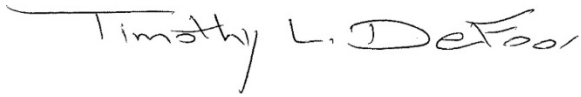
In addition, we identified internal control deficiencies in the area of bus driver requirements that were not significant to the objective, but warranted the attention of District management and those charged with governance. These deficiencies were communicated to District management and those charged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

Dr. James Walsh
Mr. Barry Christenson
Page 2

Our audit finding and recommendations have been discussed with the District, 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 style with a long horizontal line extending from the start of the name.

Timothy L. DeFoor
Auditor General

January 28, 2022

cc: **BETHEL PARK 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 Reporting of Transportation Data Resulting in an Overpayment of \$220,913	6
Status of Prior Audit Findings and Observations	12
Appendix A: Audit Scope, Objectives, and Methodology	13
Appendix B: Academic Detail	18
Distribution List	24

Background Information

School Characteristics 2020-21 School Year*	
County	Allegheny
Total Square Miles	11.7
Number of School Buildings	8
Total Teachers	331
Total Full or Part-Time Support Staff	304
Total Administrators	26
Total Enrollment for Most Recent School Year	3,895
Intermediate Unit Number	3
District Career and Technical School	Steel Center for Career and Technical Education & Mon Valley Career and Technology Center

Mission Statement*

To lead an educational partnership with the community, maintaining an environment that challenges all students to reach their potential as lifelong learners and responsible members of society.

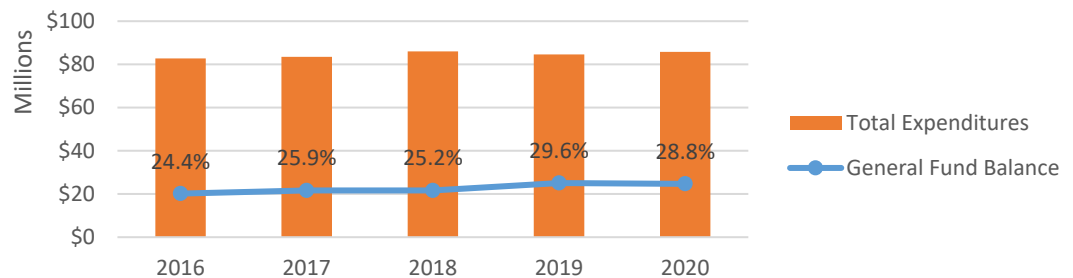
* - Source: Information provided by the District administration and is unaudited.

Financial Information

The following pages contain financial information about the Bethel Park 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**.

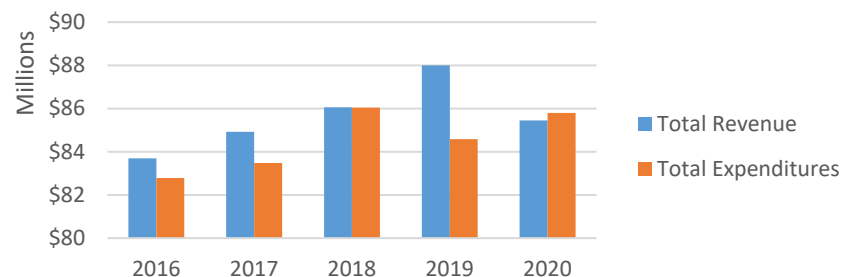
General Fund Balance as a Percentage of Total Expenditures

	General Fund Balance
2016	\$20,176,668
2017	\$21,621,951
2018	\$21,643,478
2019	\$25,062,441
2020	\$24,713,530



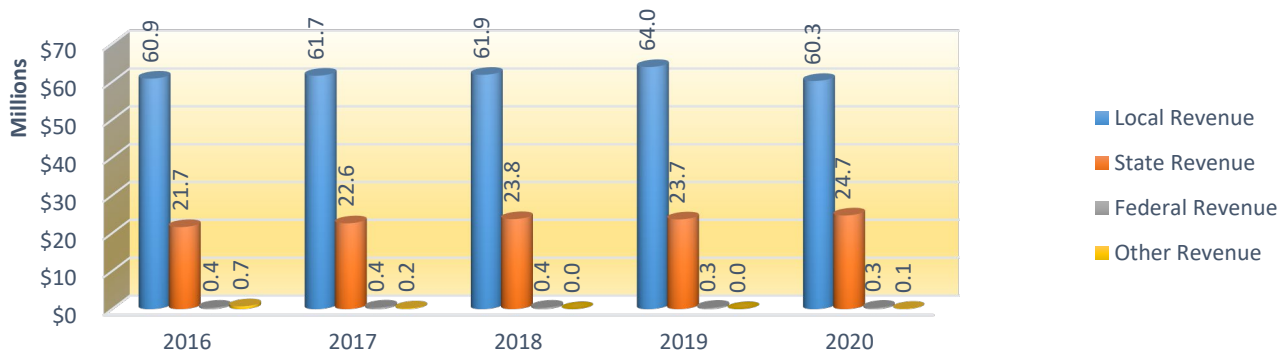
Revenues and Expenditures

	Total Revenue	Total Expenditures
2016	\$83,692,337	\$82,780,699
2017	\$84,923,118	\$83,477,836
2018	\$86,058,804	\$86,037,277
2019	\$87,997,668	\$84,578,708
2020	\$85,450,028	\$85,798,938

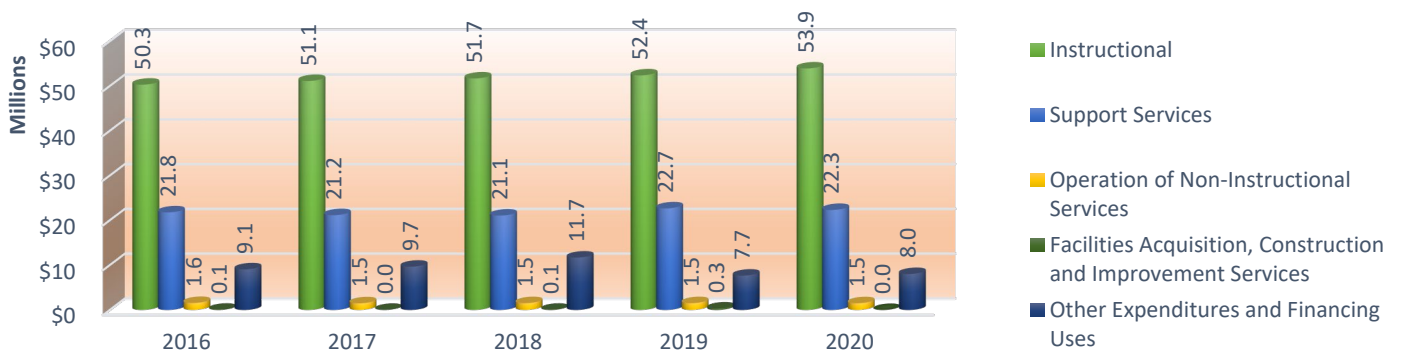


Financial Information Continued

Revenues by Source

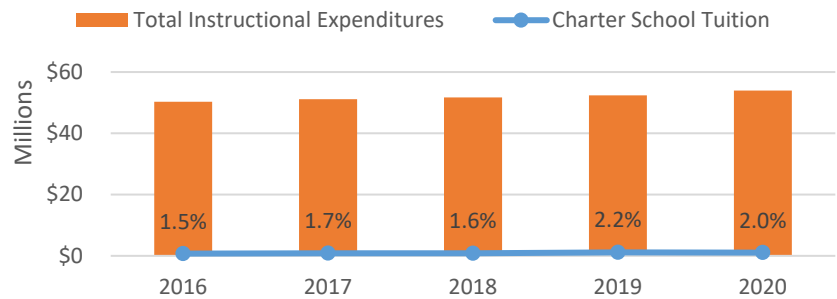


Expenditures by Function

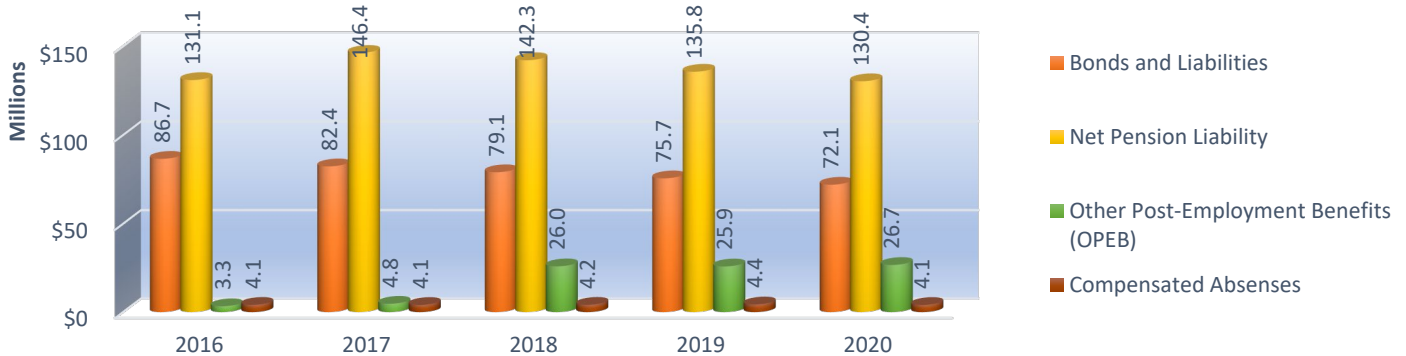


Charter Tuition as a Percentage of Instructional Expenditures

	Charter School Tuition	Total Instructional Expenditures
2016	\$730,848	\$50,312,451
2017	\$849,824	\$51,136,824
2018	\$839,827	\$51,697,051
2019	\$1,131,937	\$52,384,272
2020	\$1,053,003	\$53,934,370



Long-Term Debt

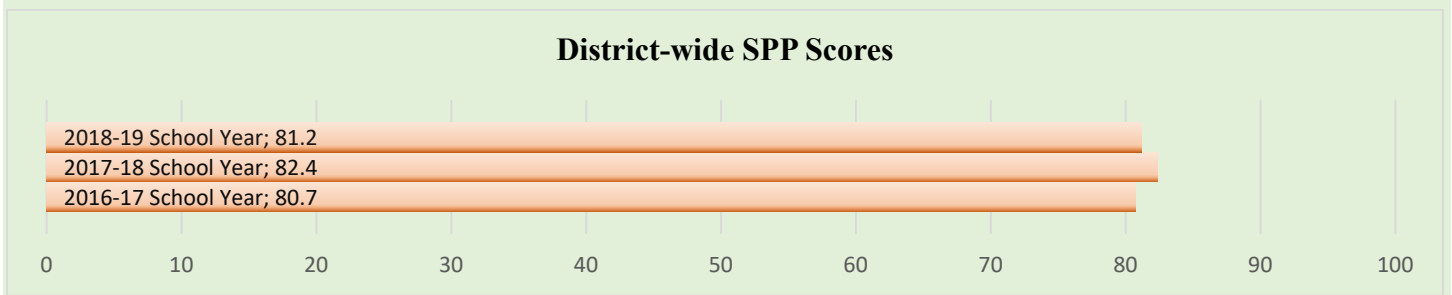


Academic Information¹

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.

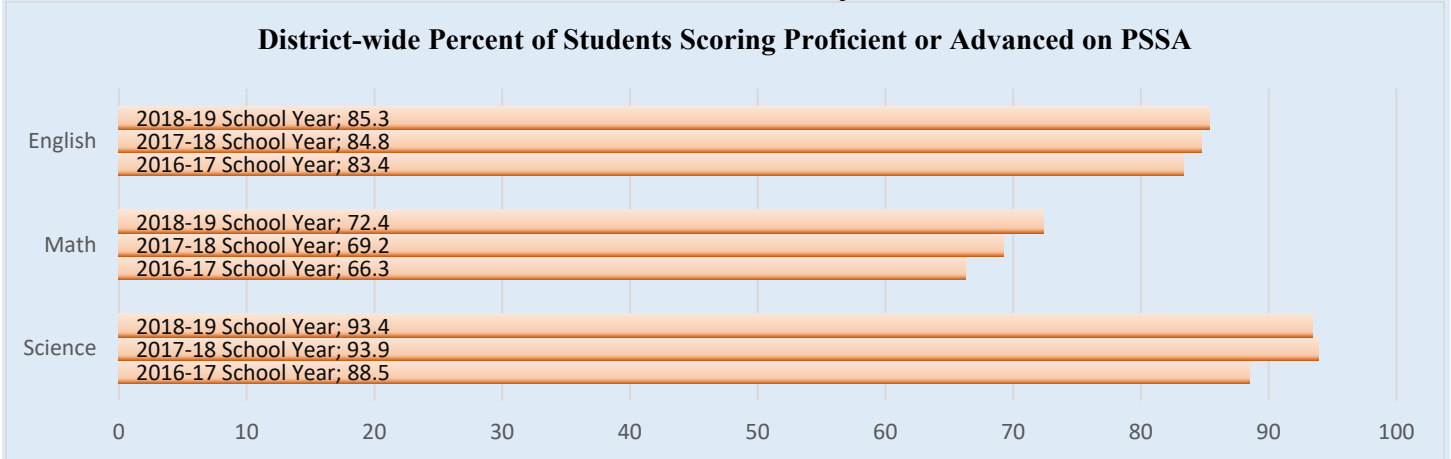
³ Graduation rates were still reported for the 2019-20 school year despite the COVID-19 pandemic.

Academic Information Continued

What is the PSSA?

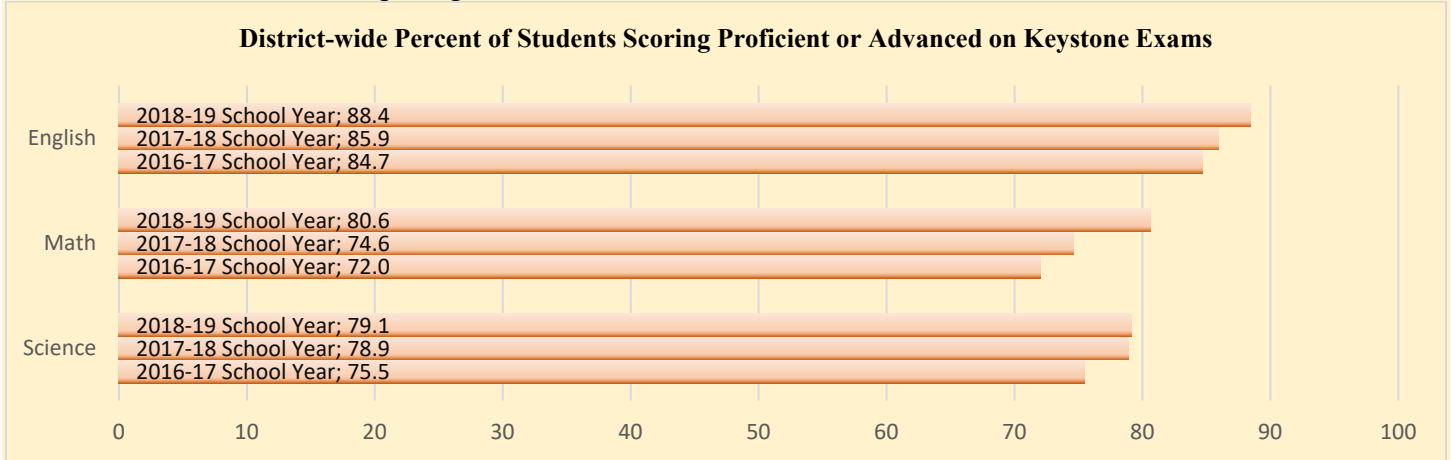
The PSSA is an annual, standardized test given across the Commonwealth to students in grades 3 through 8 in core subject areas, including English, Math and Science. The PSSAs help Pennsylvania meet federal and state requirements and inform instructional practices, as well as provide educators, stakeholders,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

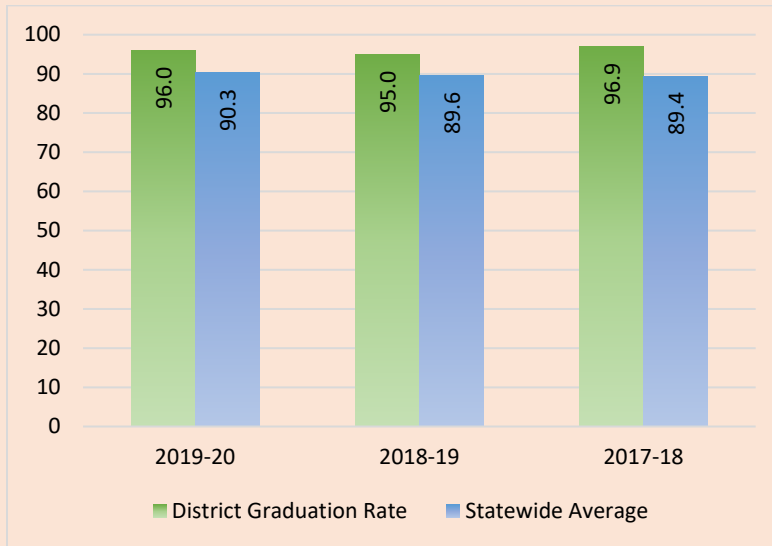


⁴ Act 158 of 2018, effective October 24, 2018, amended the Public School Code to further delay the use of Keystone Exams as a graduation requirement until the 2021-22 school year. See 24 P.S. § 1-121(b)(1). Please refer to the following link regarding further guidance to local education agencies (LEAs) 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 an Adequate Internal Control System Led to Inaccurate Reporting of Transportation Data Resulting in an Overpayment of \$220,913

Criteria relevant to the finding:

Supplemental Transportation Subsidy for Public Charter School and Nonpublic School Students

The Charter School Law (CSL), through its reference to Section 2509.3 of the Public School Code (PSC), provides for an additional, per student subsidy for the transportation of charter school students. *See* 24 P.S. § 17-1726-A(a); 24 P.S. § 25-2509.3.

Section 1726-A(a) of the CSL addresses the transportation of charter school students in that: “[s]tudents who attend a charter school located in their school district of residence, a regional charter school of which the school district is a part or a charter school located outside district boundaries at a distance not exceeding ten (10) miles by the nearest public highway shall be provided free transportation to the charter school by their school district of residence on such dates and periods that the charter school is in regular session whether or not transportation is provided on such dates and periods to students attending schools of the district...”

We found that the Bethel Park School District (District) did not implement an adequate internal control system over the categorization and reporting of supplemental transportation data. Consequently, the District inaccurately reported the number of nonpublic and charter school students it transported during the 2016-17 through 2019-20 school years which resulted in the District receiving \$220,913 in transportation reimbursement overpayments from the Pennsylvania Department of Education (PDE).⁶

Background: School districts receive two separate transportation reimbursement payments from 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 that vehicles are in service, both with and without students. The **supplemental** transportation reimbursement is based on the number of nonpublic school and charter school students transported at any time during the school year. The errors identified in this finding pertain to errors in reporting supplemental transportation reimbursement data; however, the errors in reporting this data affected the District's regular transportation reimbursement for the 2016-17 through 2019-20 school years. The District's supplemental transportation reporting errors led to the total number of students transported changing. As a result, this error, coupled with the District's aid ratio in the 2016-17 through 2019-20 school years, caused the regular transportation reimbursement overpayments to the District.⁷

Pursuant to the Public School Code (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.⁸ The PSC requires school districts to provide transportation services to students who reside in its district and who attend a nonpublic school, and it provides for a reimbursement from the Commonwealth of

⁶ The District received a total of \$3,278,860 in transportation reimbursements for the 2016-17 through 2019-20 school years.

⁷ Aid ratios are used in several education funding formulas. It is a measure of a district's local wealth. The transportation reimbursement uses the market value / aid ratio which is a calculation using the market value of the district's real property values and student enrollment figures. This calculation results in a figure ranging between .15 and 1. A school district with an aid ratio closer to .15 represents more wealth and an aid ratio closer to 1 represents less wealth. For a more detailed definition of "Aid Ratio," see PSC 24 P.S. §25-2501.

⁸ *See* Section 921.1-A(b) (relating to "Definitions") of the PSC, 24 P.S. § 9-922.1-A(b).

*Criteria relevant to the finding
(continued):*

Section 1726-A(a) of the CSL further provides for district to receive a state subsidy for transporting charter schools students both within and outside district boundaries in that: “[d]istricts providing transportation to a charter school outside the district and, for the 2007-2008 school year and each school year thereafter, districts providing transportation to a charter school within the district shall be eligible for payments under section 2509.3 for each public school student transported.”

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 provision is also applicable to charter school students through Section 1726-A(a) of the CSL. *See* 24 P.S. § 25-2509.3; 24 P.S. § 17-1726-A(a).

Sworn Statement and Annual Filing Requirements

Section 2543 of the PSC 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 PDE in order to be eligible for the transportation subsidies. *See* 24 P.S. § 25-2543.

\$385 for each nonpublic school student transported by the district. This reimbursement was made applicable to the transportation of charter school students pursuant to an equivalent provision in the Charter School Law, which refers to Section 2509.3 of the PSC.⁹

It is essential for the District to properly identify nonpublic school and charter school students that it transports, maintain records to support the total number of these students transported throughout the school year, and accurately report this data to PDE. Therefore, the District should have a strong system of internal control over supplemental transportation operations that should include, but not be limited to, the following:

- Training on PDE reporting requirements.
- Segregation of duties.
- Written procedures.

It is also important to note that the PSC requires that all school districts annually file with PDE a sworn statement of student transportation data for the prior and current school years in order to be eligible for transportation reimbursements.¹⁰ The sworn statement includes the superintendent’s signature attesting to the accuracy of the reported data. Because of this statutorily required attestation, the District should ensure it has implemented an adequate internal control system to provide the superintendent with the confidence it needs to sign the sworn statement.

Nonpublic and Charter School Student Reporting Errors

We reviewed the nonpublic and charter school student transportation data that the District reported to PDE and found that the District inaccurately reported this data during the audit period. The reporting errors are detailed in the table below.

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”).

¹⁰ *See* 24 P.S. § 25-2543.

Bethel Park School District Supplemental Transportation Reimbursement Reporting Errors				
School Year	(A) No. of Nonpublic Students Over Reported ¹¹	(B) No. of Charter Students (Under) Reported ¹²	(C) [A+B] Total No. of Students Over Reported	(D) [C x \$385] Overpayment
2016-17	226	(10)	216	\$ 83,160
2017-18	132	(6)	126	\$ 48,510
2018-19	119	(15)	104	\$ 40,040
2019-20	121	(5)	116	\$ 44,660
Total	598	(36)	562	\$216,370

Criteria relevant to the finding (continued):

Section 2543 of the PSC, which is entitled, “Sworn statement of amount expended for reimbursable transportation; payment; withholding” of the PSC 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.) Ibid.

Student Transportation Subsidy

The 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.

As previously mentioned, the District’s supplemental transportation data reporting errors also resulted in a regular transportation data error for each year of the audit period. The District was overpaid \$4,543 in regular transportation reimbursement due to a combination of the number of students reported as transported and the District’s aid ratio during the audit period. The net result of the supplemental transportation reimbursement errors noted in the table above and the regular transportation reimbursement overpayment was a \$220,913 overpayment to the District.

Every school year the District should obtain a written request to transport each nonpublic and charter school student from the parent/guardian. The District must maintain this documentation as support for the number of students it reports to PDE for the supplemental and regular reimbursement calculations. We found that the District made multiple errors when categorizing and reporting nonpublic school and charter school data during the 2016-17 through 2019-20 school years.

District personnel responsible for reporting transportation data were not adequately trained on the criteria to classify students the District transported as reimbursable nonpublic students. The District labeled students as active riders or inactive riders within their transportation software. However, when the District prepared the data to be reported to PDE, the District included both active and inactive riders who did not have requests for transportation on file with the District. The District also inaccurately categorized students who were transported to special education facilities as nonpublic school students. We also identified instances where the District inaccurately reported some charter school

¹¹ The District reported the following total number of **nonpublic school students** transported for each school year: 511 in the 2016-17 school year, 394 in the 2017-18 school year, 384 in the 2018-19 school year, and 361 in the 2019-20 school year.

¹² The District reported the following total number of **charter school students** transported for each school year: 2 in the 2016-17 school year, 4 in the 2017-18 school year, 6 in the 2018-19 school year, and 7 in the 2019-20 school year.

Criteria relevant to the finding
(continued):

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).

Aid Ratio

Section 2501 (relating to Definitions) of the PSC states, in part:***

“(14) ‘Aid Ratio.’ The aid ratio shall be determined in the following manner: (a) divide the market value per weighted average daily membership of the district by the market value per weighted average daily membership of the State; (b) determine the product of (a) multiplied by 0.50; (c) subtract the resultant product in (b) from one (1.0000) to determine the aid ratio.

$$\text{Aid Ratio} = \frac{\text{District MV/WADM}}{\text{State MV/WADM}} \times 0.50$$

See Article XXV pertaining to Reimbursements by Commonwealth and Between School Districts, Subarticle (a) (relating to Definitions) of the PSC, 24 P.S. § 25-2501(14) (as last amended by Act 76 of 2019).

students as nonpublic school students and we found that some nonpublic students were reported twice. Finally, the District failed to include some charter school students in its numbers reported to PDE even though the District had written requests for transportation from these students, thereby making them eligible for reimbursement.

The multiple categorization and reporting errors that we identified in each year of the audit period was evidence of the District’s inadequate internal control system over the reporting of transportation data and ultimately led to a \$220,913 overpayment to the District.

Significant Internal Control Deficiencies

As previously stated, our review of District transportation processes revealed that the District did not have an adequate internal control system over its supplemental transportation operations. Specifically, we found that the District did not implement adequate segregation of duties when it relied solely on one employee to categorize, calculate, and report nonpublic and charter schools students. In addition, we found that the District **did not** do the following:

- Ensure that the employee responsible for categorizing, calculating, and reporting supplemental transportation data received adequate training on PDE reporting requirements, as well as how to properly utilize their transportation software.
- Ensure that an employee other than the employee who performed the above tasks, reviewed the data before it was submitted to PDE. A review process of this nature would have helped identify the discrepancies we found during our review.
- Develop detailed written procedures for obtaining and maintaining the documentation needed to accurately report to PDE the number of nonpublic and charter school students transported by the District.

Future Reimbursement Adjustment: We provided PDE with reports detailing the supplemental transportation data reporting errors for the 2016-17 through 2019-20 school years. We also provided PDE with reports detailing the regular transportation overpayment that resulted from the supplemental data errors. We recommend that PDE adjust the District’s future transportation reimbursement amounts by the \$220,913 that we identified as the total overpayment.

Recommendations

The *Bethel Park School District* should:

1. Develop and implement an internal control system governing the process for reporting accurate supplemental transportation data to PDE. The internal control system should include, but not be limited to, the following:
 - All personnel involved with categorizing, reviewing, and reporting supplemental transportation data are adequately trained on PDE's reporting requirements and proper utilization of the District's transportation software.
 - A review of transportation data is conducted by an employee other than the employee who prepared the data before it is submitted to PDE.
 - Written procedures are developed to document the process for supplemental transportation data calculations and reporting the data to PDE.
2. Review the nonpublic and charter school student data it reported for the 2020-21 school year to determine if similar errors were made. If errors are found, the District should submit revised reports to PDE.
3. Perform an annual reconciliation of written requests for transportation to individual nonpublic school and charter schools students transported prior to reporting data to PDE.

The *Pennsylvania Department of Education* should:

4. Adjust the District's future allocations to resolve the \$220,913 overpayment to the District.

Management Response

District management provided the following response:

“District staff did collect appropriate documentation with regard to non-public students being transported and misclassified them in the transportation software causing students to be over reported.

“District will document proper written procedures for adding non-public students to bus rosters and maintain such documentation on file. Two separate secretaries will be responsible for collection and entering information into the transportation software which will be reviewed and approved by the Director of Transportation. Training will be provided as offered through PASBO programs for all staff involved.

“Current year, 2020-2021 data, is being reviewed to ensure similar errors do not occur and PDE reports will be revised as needed. This review will occur with the Director of Transportation and Business Manager.

“PDE reports and data will be reviewed by both Director of Transportation and Business Manager prior to submittal to PDE in the future.”

Auditor Conclusion

We are encouraged that the District is taking appropriate measures to implement all of our recommendations. We will determine the effectiveness of the District’s corrective actions during our next audit of the District.

Status of Prior Audit Findings and Observations

Our prior audit of the Bethel Park 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,¹³ 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, 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.¹⁴ *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.¹⁵ 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.

¹³ 72 P.S. §§ 402 and 403.

¹⁴ 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.

¹⁵ 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		
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?¹⁶
- ✓ To address this objective, we assessed the District’s internal controls for obtaining, processing, and reporting transportation data to PDE. We reconciled the reported mileage and student data on the PDE-2519 (*Summary of Individual Vehicle Data for Local Education Agency – Owned Service*) to the District created summary weighted average calculations for the 2017-18 through 2019-20 school years. We randomly selected 10 of the 78 vehicles used to transport students for the 2019-20 school year, 10 of the 79 vehicles used to transport students for the 2018-19 school year, and 10 of the 78 vehicles used to transport students for the 2017-18 school year.¹⁷ For the vehicles selected, we obtained odometer readings, student rosters, and school calendars to determine if the District accurately calculated and reported transportation data to PDE.

In addition, we assessed the District’s internal controls for inputting and categorizing nonpublic school and charter school student counts and reporting this data to PDE. We reviewed all 1,650 nonpublic school and 19 charter school students reported to PDE as transported by the District during the 2016-17 through 2019-20 school years.¹⁸ We requested the individual requests for transportation for each student reported for each school year to determine the accuracy of the data reported to PDE and to verify that the District was accurately reimbursed for these students.

¹⁶ See 24 P.S. § 25-2541(a).

¹⁷ 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.

¹⁸ The District reported 511 nonpublic school and 2 charter school students in the 2016-17 school year, 394 nonpublic school and 4 charter school students in the 2017-18 school year, 384 nonpublic school and 6 charter school students in the 2018-19 school year, and 361 nonpublic school and 7 charter school students in the 2019-20 school year.

Conclusion: The results of our procedures identified noncompliance and significant internal control deficiencies related to this objective. 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 clearances¹⁹ as outlined in applicable laws?²⁰ 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 obtaining, reviewing, maintaining, and monitoring the required bus driver qualification documents. We determined if all drivers were approved by the District’s Board when hired. We randomly selected 10 of the 59 district-employed drivers who transported students as of September 17, 2021.²¹ We reviewed documentation to ensure the District complied with the requirements for those bus drivers. We also determined if the District had monitoring procedures to ensure that all drivers had updated licenses, clearances, and physicals.

Conclusion: The results of our procedures did not identify any reportable issues; however, we did identify internal control deficiencies that was 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.

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 obtained and reviewed a variety of documentation including safety plans, school climate surveys, anti-bullying policies, and memorandums of understanding with law enforcement. In addition, we conducted on-site reviews at three of the District’s eight school buildings (one from each education level)²³ to access whether the District had implemented basic safety practices.²⁴

¹⁹ 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.

²⁰ 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.

²¹ 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.

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

²³ We selected the high school and randomly selected one of the five elementary schools and one of the two middle schools. 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.

²⁴ Basic safety practices evaluated were building security, bullying prevention, visitor procedures, risk and vulnerability assessments, and emergency preparedness.

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 are 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?²⁵ 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 the District’s fire and security drill records for all eight District 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 conducted within the first 90 days of the school year for each building 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.

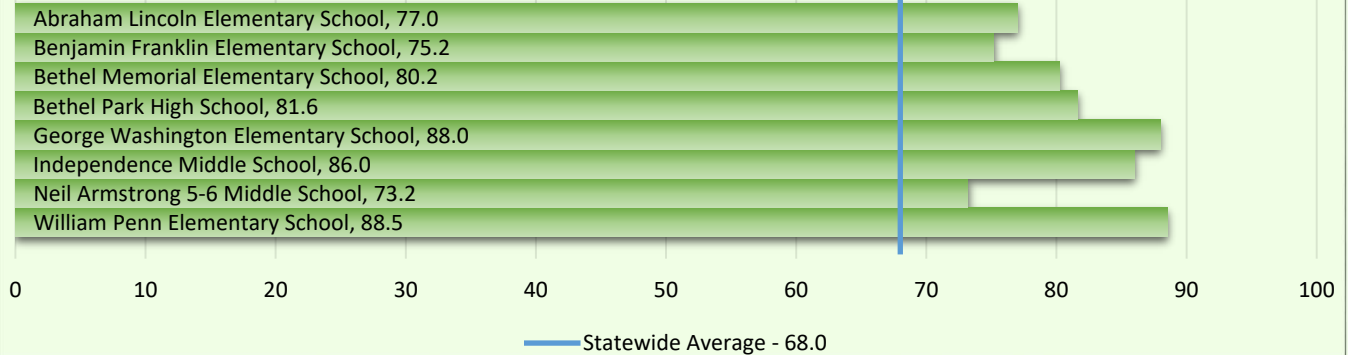
²⁵ Public School Code (Fire and Security Drills) 24 P.S. § 15-1517.

Appendix B: Academic Detail

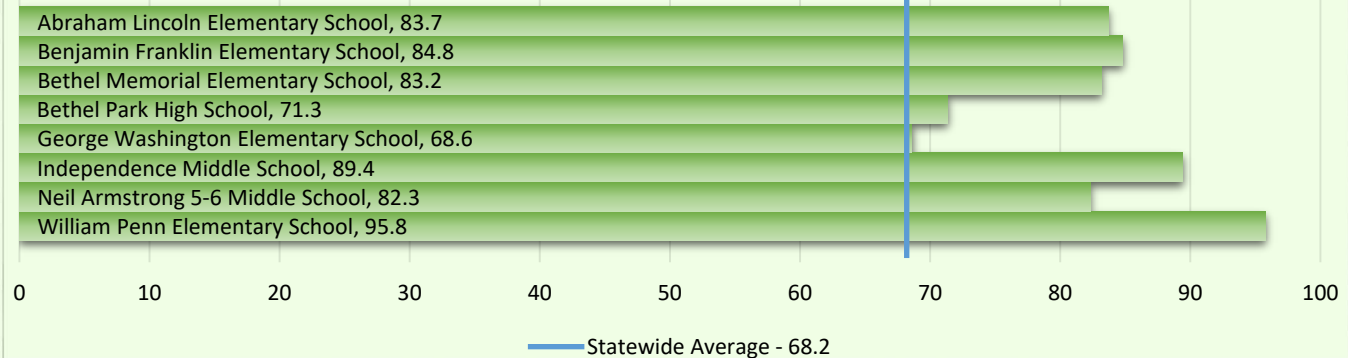
Benchmarks noted in the following graphs represent the statewide average of all public school buildings in the Commonwealth that received a score in the category and year noted.²⁶ Please note that if one of the District's schools did not receive a score in a particular category and year presented below, the school will not be listed in the corresponding graph.²⁷

SPP School Scores Compared to Statewide Averages

2018-19



2017-18

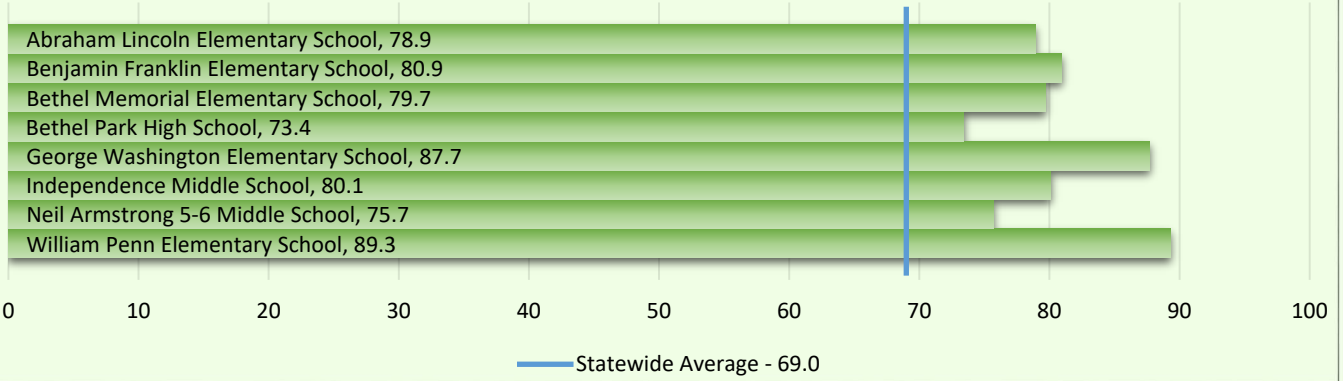


²⁶ Statewide averages were calculated by our Department based on individual school building scores for all public schools in the Commonwealth, including district schools, charters schools, and cyber charter schools.

²⁷ 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.

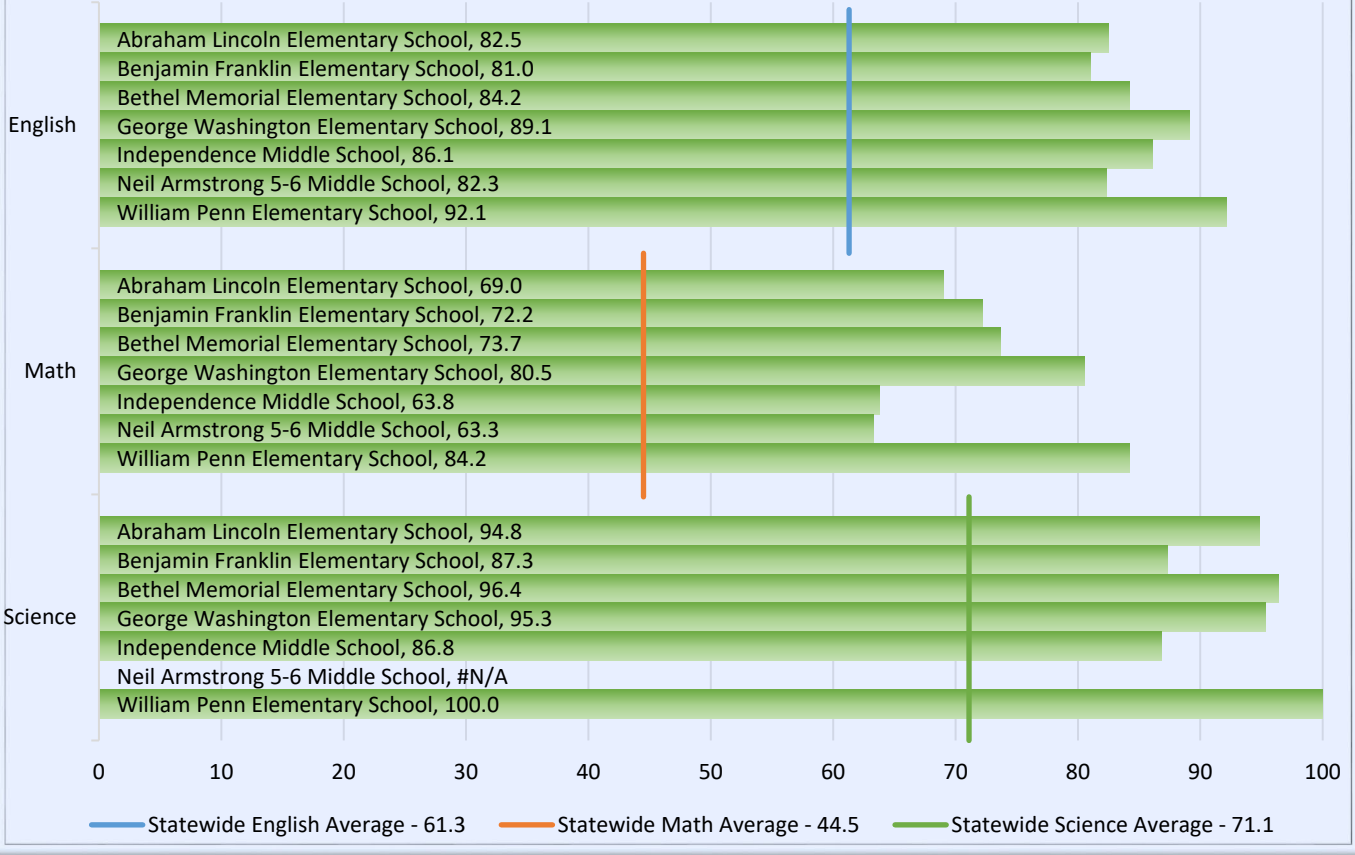
SPP School Scores Compared to Statewide Averages (continued)

2016-17



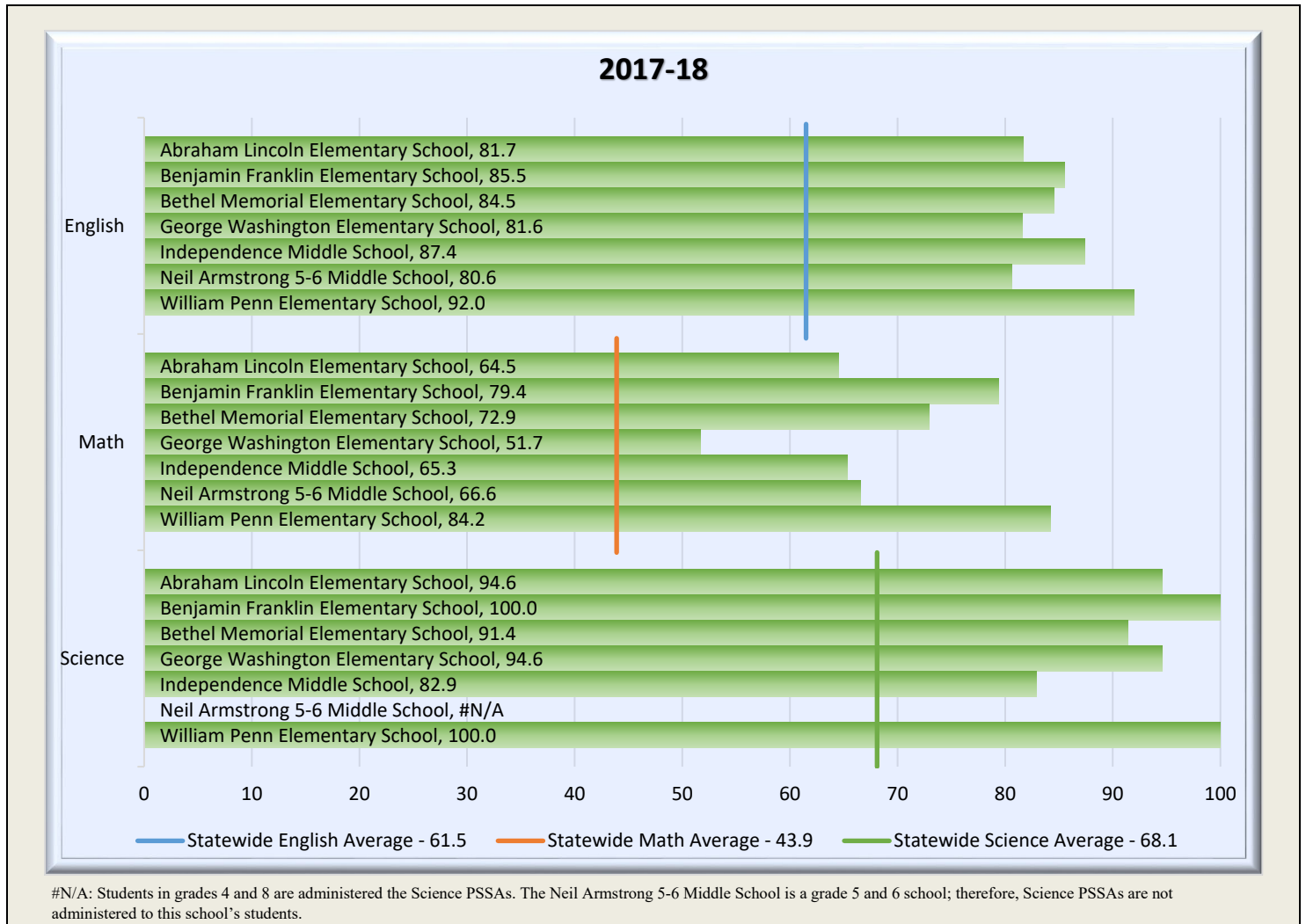
**PSSA Advanced or Proficient Percentage
School Scores Compared to Statewide Averages**

2018-19



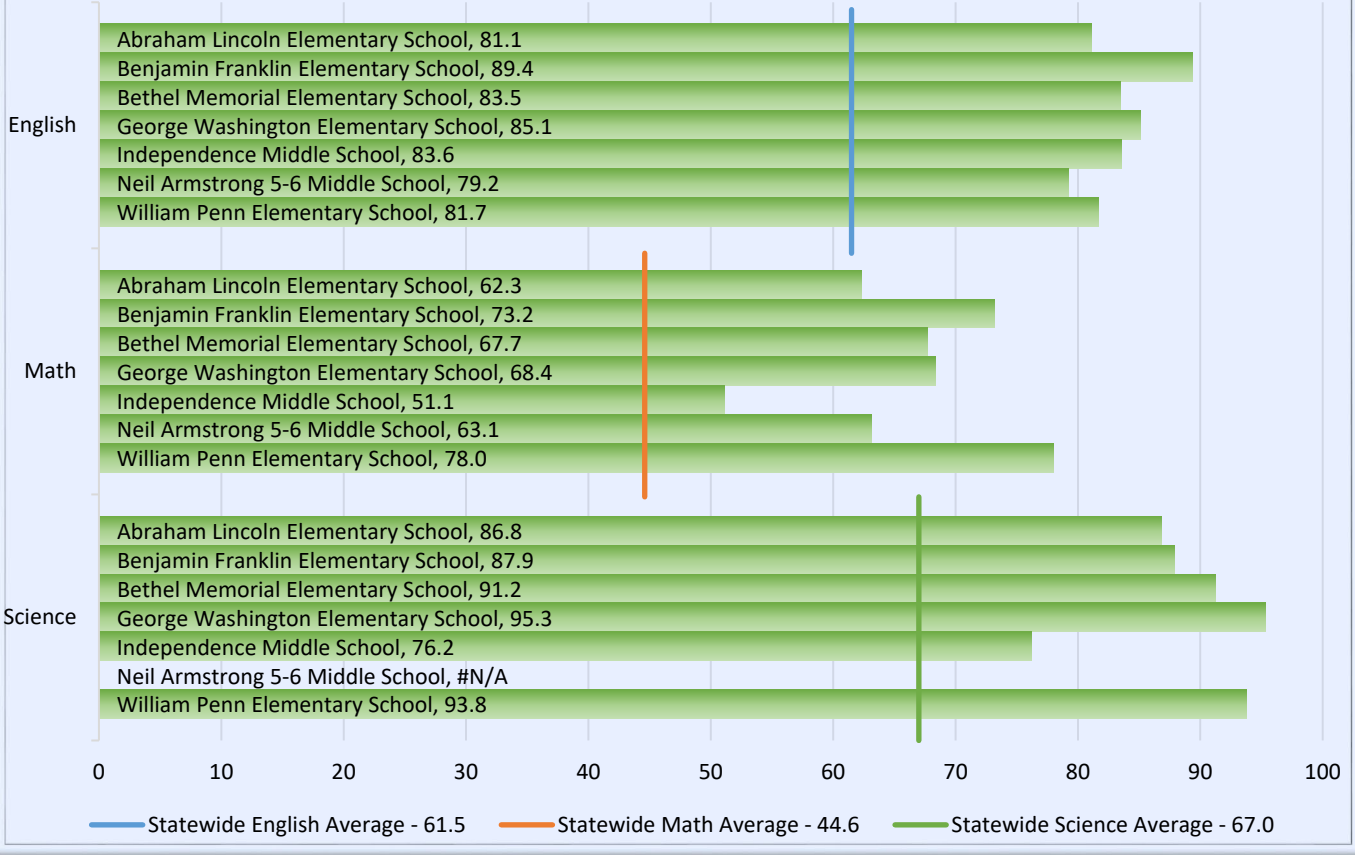
#N/A: Students in grades 4 and 8 are administered the Science PSSAs. The Neil Armstrong 5-6 Middle School is a grade 5 and 6 school; therefore, Science PSSAs are not administered to this school's students.

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



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

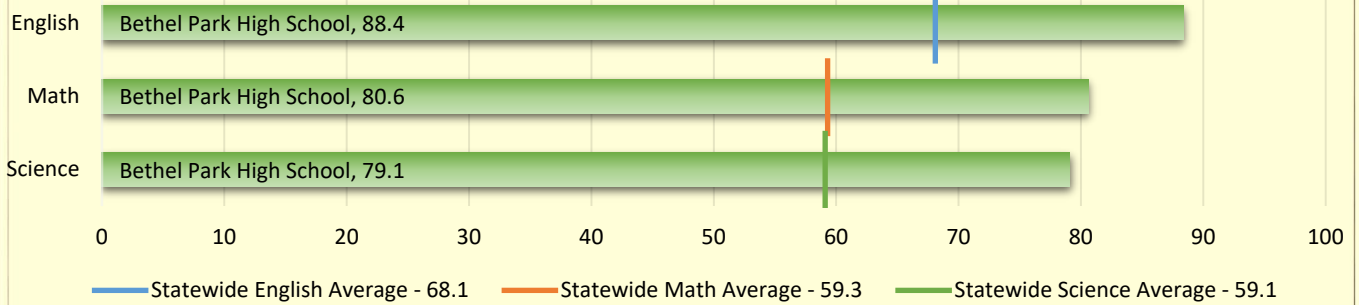
2016-17



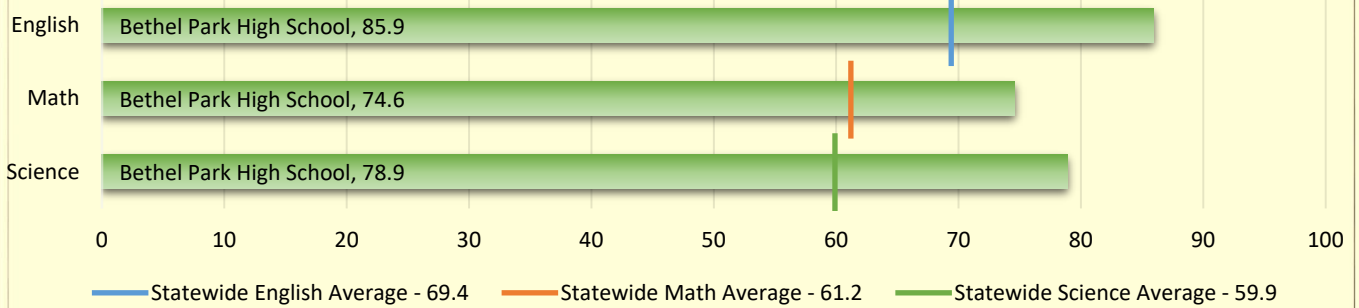
#N/A: Students in grades 4 and 8 are administered the Science PSSAs. The Neil Armstrong 5-6 Middle School is a grade 5 and 6 school; therefore, Science PSSAs are not administered to this school's students.

Keystone Advanced or Proficient Percentage School Scores Compared to Statewide Averages

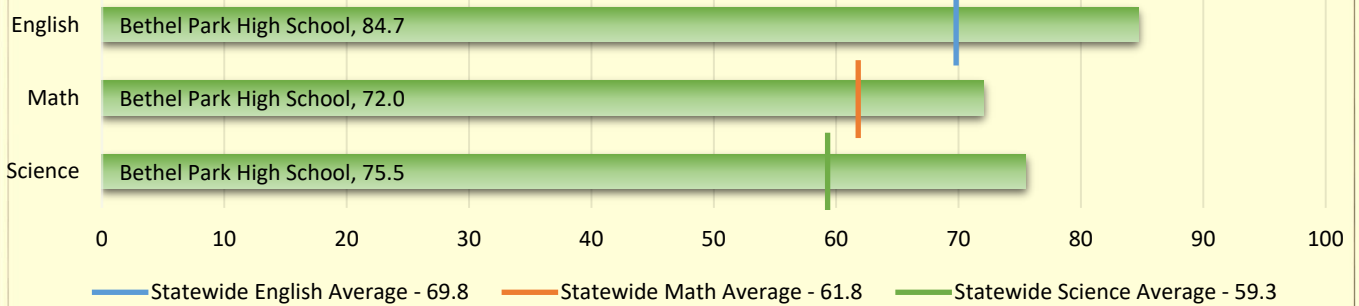
2018-19



2017-18



2016-17



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This report was initially distributed to the Superintendent of the District, the Board of School Directors, and the following stakeholders:

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