

PERFORMANCE AUDIT

Clairton City School District Allegheny County, Pennsylvania

November 2017



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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**EUGENE A. DePASQUALE
AUDITOR GENERAL**

Dr. Ginny L. Hunt, Superintendent
Clairton City School District
502 Mitchell Avenue
Clairton, Pennsylvania 15025

Mr. Richard Livingston, Board President
Clairton City School District
502 Mitchell Avenue
Clairton, Pennsylvania 15025

Dear Dr. Hunt and Mr. Livingston:

We have conducted a performance audit of the Clairton City School District (District) for the period July 1, 2012, through June 30, 2016, 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 the appendix of this report:

- Bus Driver Requirements
- Transportation Operations
- Data Integrity
- School Safety
- Hiring an Annuitant

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 found that the District performed adequately in the areas listed above, except as noted in the following finding:

- The District Failed to Ensure School Bus Drivers Met All Employment Requirements, Including Obtaining Background Checks

Dr. Ginny L. Hunt
Mr. Richard Livingston
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We appreciate the District's cooperation during the course of the audit.

Sincerely,

A handwritten signature in black ink, appearing to read "Eugene A. DePasquale". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Eugene A. DePasquale
Auditor General

November 30, 2017

cc: **CLAIRTON CITY SCHOOL DISTRICT** Board of School Directors

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Background Information

| School Characteristics 2015-16 School Year ^A | |
|--|---|
| County | Allegheny |
| Total Square Miles | 3.012 |
| Resident Population ^B | 6,796 |
| Number of School Buildings | 1 ¹ |
| Total Teachers | 63 |
| Total Full or Part-Time Support Staff | 35 |
| Total Administrators | 9 |
| Total Enrollment for Most Recent School Year | 765 |
| Intermediate Unit Number | 3 |
| District Vo-Tech School | Steel Center for Career & Technical Education |

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

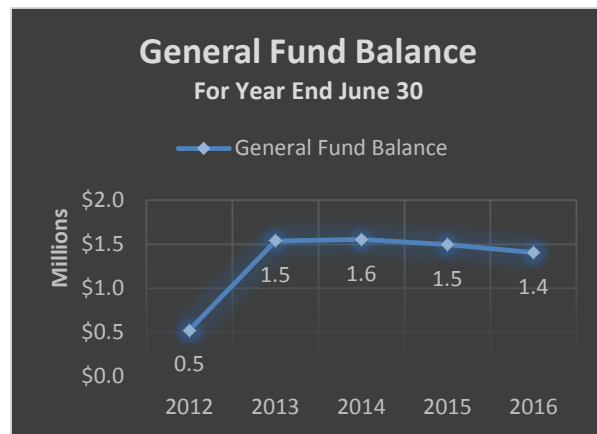
B - Source: United States Census
<http://www.census.gov/2010census>.

Mission Statement^A

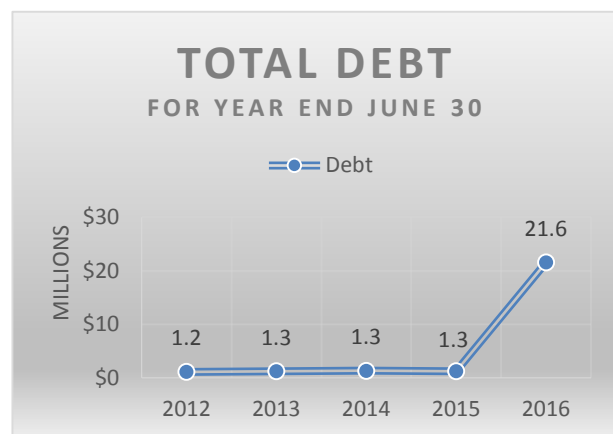
The Clairton City School District strives to empower our school community to increase academic achievement so that each child can become a life-long learner and compete in the global marketplace.

Financial Information

The following pages contain financial information about the Clairton City School District (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**.



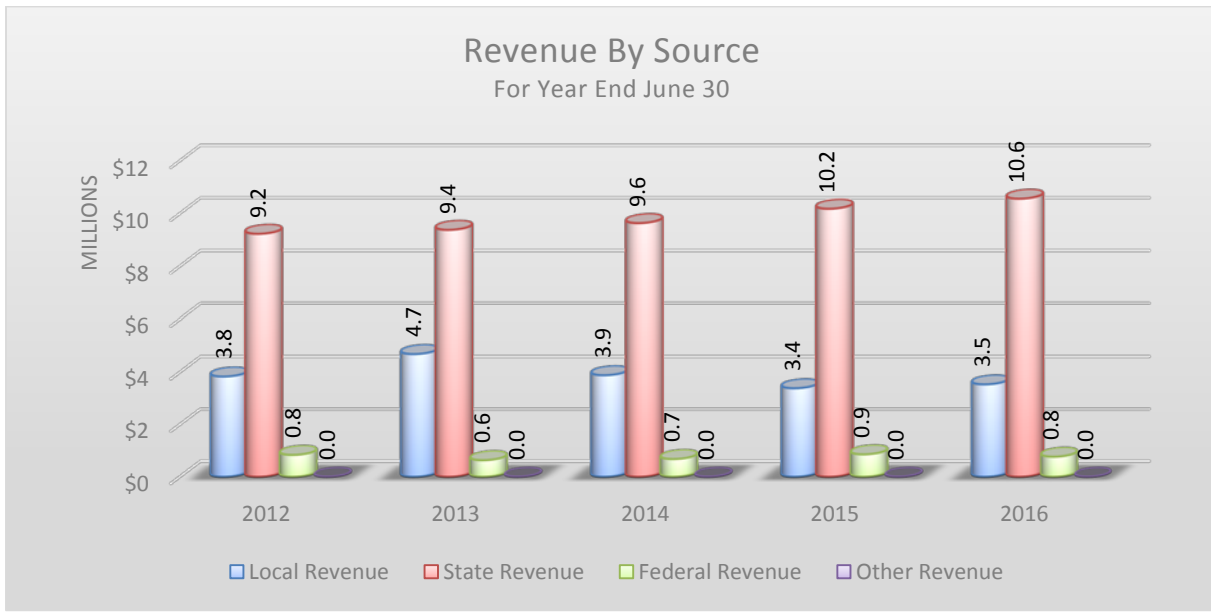
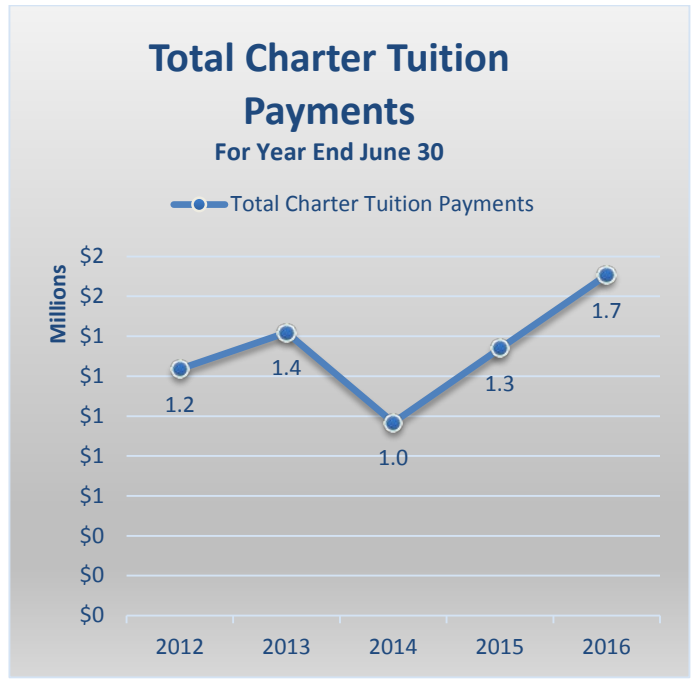
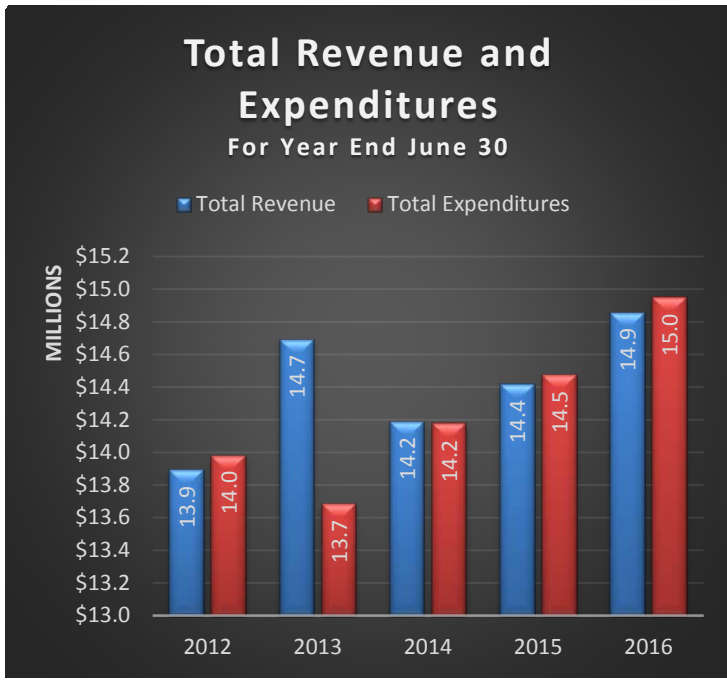
Note: General Fund Balance is comprised of the District's Committed, Assigned and Unassigned Fund Balances.



Note: Total Debt is comprised of Short-Term Borrowing, General Obligation Bonds, Authority Building Obligations, Other Long-Term Debt, Other Post-Employment Benefits and Compensated Absences.

¹ The District's middle school/high school and elementary schools are comprised of one building.

Financial Information Continued



Academic Information

The graphs on the following pages present School Performance Profile (SPP) scores, Pennsylvania System of School Assessment (PSSA), Keystone Exam results, and 4-Year Cohort Graduation Rates for the District obtained from PDE's data files for the 2014-15 and 2015-16 school years.² These scores are provided in the District's audit report for **informational purposes only**, and they were not audited by our Department. 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 chart.³ Finally, 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.⁴

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 using a 0-100 scale for all school buildings in the Commonwealth annually, which is calculated based on standardized testing (i.e. PSSA and Keystone exams), 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.

PDE started issuing a SPP score for all public school buildings beginning with the 2012-13 school year. For the 2014-15 school year, PDE only issued SPP scores for high schools taking the Keystone Exams as scores for elementary and middle scores were put on hold due to changes with PSSA testing.⁵ PDE resumed issuing a SPP score for all schools for the 2015-16 school year.

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 and Math. 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.

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

³ 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.

⁴ 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.

⁵ According to PDE, SPP scores for elementary and middle schools were put on hold for the 2014-15 school year due to the state's major overhaul of PSSA exams to align with state Common Core standards and an unprecedented drop in public schools' PSSA scores that year. Since PSSA scores are an important factor in the SPP calculation, the state decided not to use PSSA scores to calculate a SPP score for elementary and middle schools for the 2014-15 school year. Only high schools using the Keystone Exam as the standardized testing component received a SPP score.

The 2014-15 school year marked the first year that PSSA testing was aligned to the more rigorous PA Core Standards.⁶ 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 at least 2020. 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.

What is a 4-Year Cohort Graduation Rate?

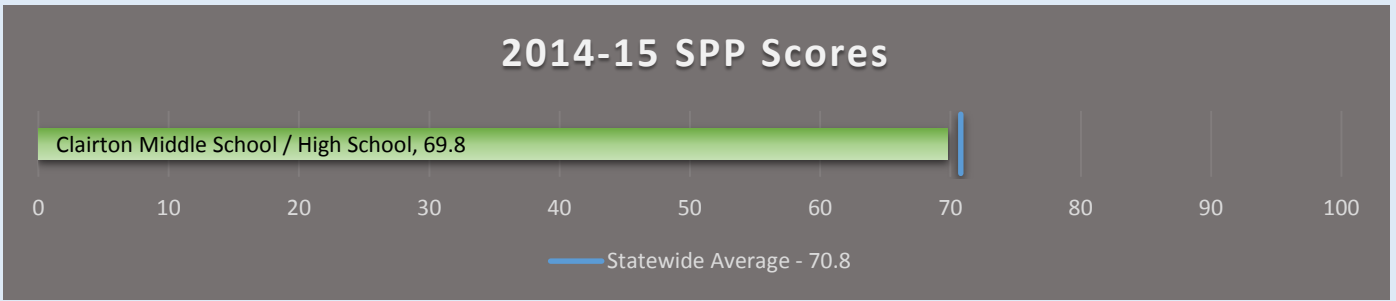
PDE collects enrollment and graduate data for all Pennsylvania public schools, which is used to calculate graduation rates. Cohort graduation rates are a calculation of the percentage of students who have graduated with a regular high school diploma within a designated number of years since the student 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.⁷

⁶ PDE has determined that PSSA scores issued beginning with the 2014-15 school year and after are not comparable to prior years due to restructuring of the exam. (Also, see footnote 4).

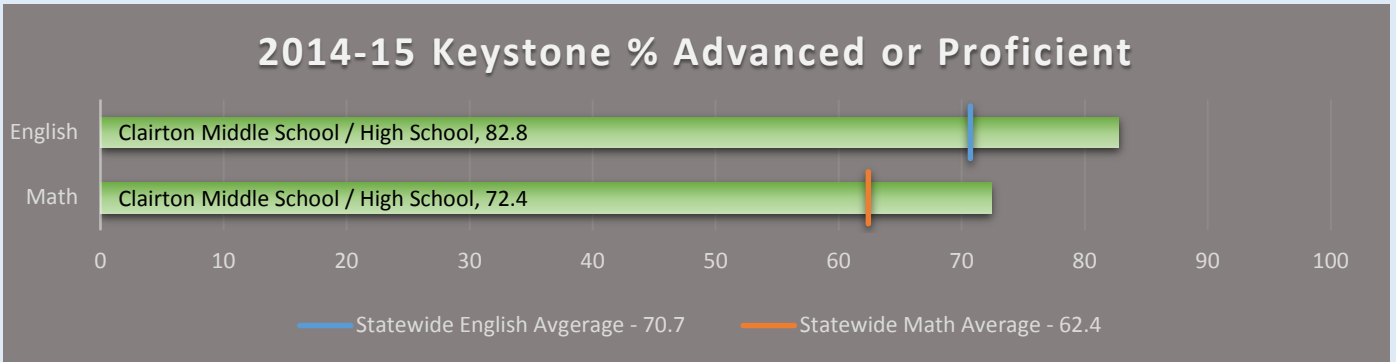
⁷ PDE also calculates 5-year and 6-year cohort graduation rates. Please visit PDE's website for additional information: <http://www.education.pa.gov/Data-and-Statistics/Pages/Cohort-Graduation-Rate-.aspx>.

2014-15 Academic Data
School Scores Compared to Statewide Averages

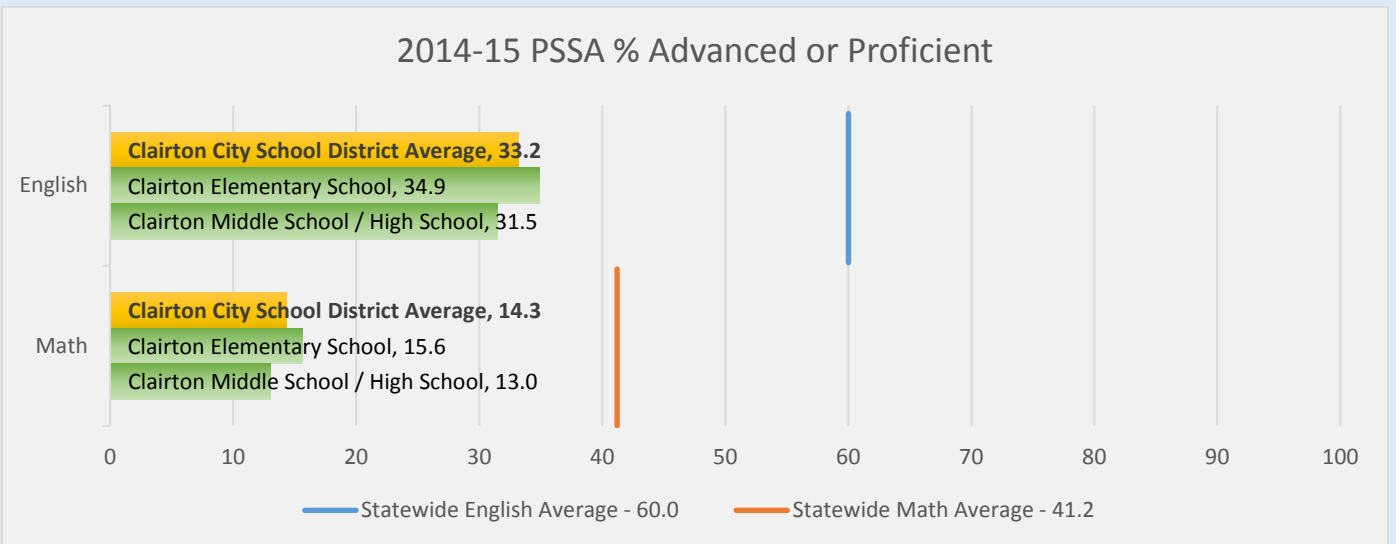
2014-15 SPP Scores



2014-15 Keystone % Advanced or Proficient

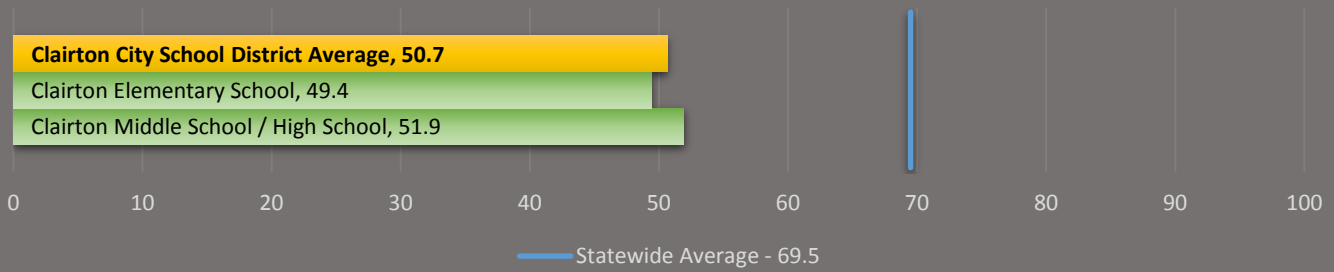


2014-15 PSSA % Advanced or Proficient

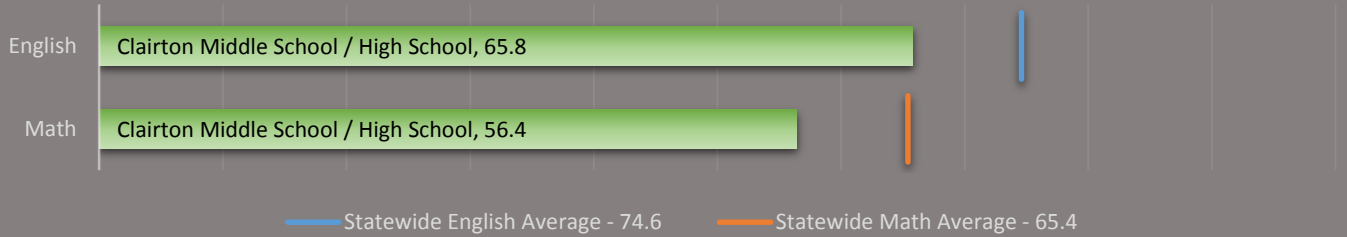


2015-16 Academic Data
School Scores Compared to Statewide Averages

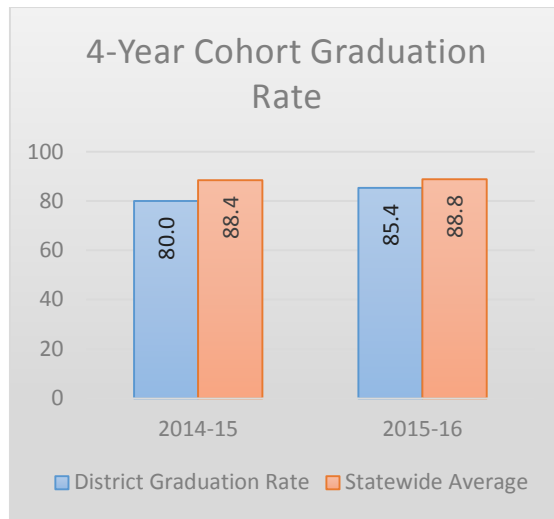
2015-16 SPP Scores



2015-16 Keystone % Advanced or Proficient



4-Year Cohort Graduation Rate



Finding(s)

Finding

The District Failed to Ensure School Bus Drivers Met All Employment Requirements, Including Obtaining Background Checks

Criteria relevant to the finding:

Chapter 23 (relating to Pupil Transportation) of the State Board of Education Regulations, among other provisions, provides that the board of directors of a school district is responsible for the selection and approval of eligible operators who qualify under the law and regulations. (See, in particular, 22 Pa. Code § 23.4.)

Section 111 of the Public School Code (PSC), 24 P.S. § 1-111, as amended, requires state and federal criminal background checks. Section 6344(a.1)(1) of the State Child Protective Services Law (CPSL), 23 Pa.C.S. § 6344(a.1)(1), as amended, requires a child abuse clearance.

With regard to criminal background checks, Sections 111(b) and (c.1) of the PSC require prospective school employees who have direct contact with children to submit a report of criminal history record information (CHRI) obtained from the Pennsylvania State Police, as well as a report of federal CHRI records obtained from the Federal Bureau of Investigations. These provisions also require school administrators to obtain the required records prior to employment and to maintain a copy on file with the employment application, including documentation for individuals hired by a contractor pursuant to Section 111(a.1). See 24 P.S. § 1-111(a.1), (b), and (c.1).

We found that the Clairton City School District (District) did not ensure that all bus drivers had the required credentials and criminal history clearances *before* they transported students at the beginning of the 2016-17 school year. We found that the District relied on the contractor to obtain the licenses and clearances and to provide documentation to the District. However, once the District received the documentation, it did not review it for completeness and did not verify that each of the contractor's drivers met the requirements to transport District students. Finally, the District's board policy regarding transportation and the District's transportation contract did not include a requirement to have credentials reviewed by District personnel before drivers are permitted to transport District students.

Ensuring that required credentials and clearances are satisfied and approving bus drivers and any others having direct contact with students are vital student protection responsibilities placed on the District and its Board of School Directors (Board). The use of a contractor to provide student transportation does not relieve the Board and the District from these responsibilities.

Requirements

School districts are required to verify and have on file a copy of the following information for all employees and contracted employees who transport the District's students:

1. Driver qualification credentials,⁸ including:
 - a. Valid commercial driver's license with an "S" endorsement permitting the operation of a school bus
 - b. Annual physical examination

⁸ Pennsylvania Vehicle Code, 75 Pa.C.S. § 1509(a).

*Criteria relevant to the finding
(continued):*

Section 111(a.1)(1) specifies that bus drivers employed by a school entity through an independent contractor who have direct contact with children must also comply with Section 111 of the PSC. *See* 24 P.S. § 1-111(a.1)(1).

Section 111(c.4) further requires administrators to review the reports and determine if the reports disclose information that may require further action. *See* 24 P.S. § 1-111(c.4).

Administrators are also required to review the required documentation according to Section 111(g)(1) of the PSC. This section provides that an administrator, or other person responsible for employment decisions in a school or institution under this section who willfully fails to comply with the provisions of this section commits a violation of this act, subject to a hearing conducted by the Pennsylvania Department of Education (PDE), shall be subject to a civil penalty up to \$2,500. *See* 24 P.S. § 1-111(g)(1).

2. Criminal history reports/clearances:
 - a. State Criminal Background Record
 - b. Federal Criminal History Record
 - c. PA Child Abuse History Clearance
 - d. Arrest/Conviction Report and Certification Form (PDE-6004)⁹

Failure to Obtain and Review Required Employment Documentation

Federal Background Checks

For the 2016-17 school year, we reviewed documentation for all 15 drivers that transported District students, which consisted of 14 contracted drivers and 1 district-employed van driver. We found that all 14 of the contracted drivers did not have the federal background checks on file. Of those 14 contracted drivers, all had fingerprints submitted but neither the District nor the contractor had printed the results of the submission. We notified the District of the missing information and, as of September 18, 2017, the District was able to obtain all required documentation. We reviewed the records and found nothing indicating that any of the bus drivers were not qualified to transport students.

Arrest/Conviction Report and Certification Form

In addition to the District not reviewing and maintaining documentation of federal background checks, we noted that the District did not have the required Arrest/Conviction Report and Certification Form (PDE-6004, updated March 1, 2016) for the van driver employed by the District on file as part of the pre-employment hiring process. This form is to be used by districts for prospective employees as part of the hiring process to self-certify that the individual has **not** been arrested for or convicted of any reportable offense that would disqualify the individual from employment for positions which have direct contact with children.¹⁰ The form is also to be used to verify the individual has **not** been named as a perpetrator of a founded report of child abuse within the past five years

⁹ <http://www.education.pa.gov/documents/teachers-administrators/background%20Checks/arrest%20or%20conviction%20form.pdf> Accessed October 10, 2017.

¹⁰ Under Act 24 of 2011, effective September 28, 2011, and Act 82 of 2012, effective July 1, 2012, this form included the identification of offenses enumerated under 24 P.S. §§ 1-111(e) or (f.1) (“Reportable Offense(s)”).

*Criteria relevant to the finding
(continued):*

*See also PDE Basic Education
Circular on Background Checks,
issued December 12, 2011.*

*Section 6344.4 of the CPSL now
requires recertification of the
required state and federal
background checks and the child
abuse clearance every 60 months.
See 23 Pa.C.S. § 6344.4.*

as defined by the CPSL¹¹ that would disqualify him from employment.

We brought this matter to the attention of the District during our review. The District administration stated they missed acquiring this document upon the hiring of this employee. The District did obtain a signed form from the driver on July 17, 2017, and no concerns were noted.

Given the lack of documentation and oversight for the 2016-17 school year, we attempted to extend our review and asked the Superintendent for drivers' files for the 2012-13, 2013-14, 2014-15, and 2015-16 school years. The Superintendent stated that no records were maintained for those years. Therefore, we were only able to review documents for the 2016-17 school year.

Lack of Accurate Board Approval

Our review of the District's August 24, 2016 board meeting minutes noted that the Board approved a list of 15 drivers prior to the start of the school year. Our further review of this list noted that only 5 of the 15 names on the list were drivers that actually transported District students. The ten remaining drivers were drivers who were employees of the contractor but did not transport District students. Consequently, ten individuals actually transporting District students were not approved because the District lacked a thorough review process before the list of drivers was presented to the Board.

The District stated that they were in the practice of annually approving the driver list as provided by the contractor, but there were no established procedures that would ensure that the list was complete and accurate. When asked why all drivers were not approved by the Board and why the District did not maintain separate bus driver files for review prior to approval, the former business manager, who left the District in August 2017, could not provide an explanation.

Our follow-up discussions with the Superintendent noted that the responsibility of confirming, validating, and presenting the annual drivers list for board approval, as

¹¹ After the enactment of Act 4 of 2016 (on February 16, 2016), PDE amended the form to add the identification of any individual named as a perpetrator of a founded report of child abuse within the past five years as defined by the CPSL. *See* PDE-6004, updated March 1, 2016.

well as maintaining all necessary clearances and documentation, fell upon the former business manager. The Superintendent assumed that this function was being properly performed.

Insufficient Board Policy

Our review also noted that the District's board policy regarding transportation failed to include a requirement to have credentials reviewed by District personnel *prior* to drivers being permitted to transport District students. This failure is evidenced by the actions of the District administrators who, in May 2017, contacted the contractor to provide the necessary credentials for 14 of the 15 drivers transporting District students. This request was made nine months after the start of the 2016-17 school year.

Weak Contract Terms

The transportation contract, which is a rollover from the previous five-year contract, covers the period July 1, 2014, through June 30, 2019. We found that it did not include specific employment provisions and procedures to ensure that contracted drivers met all hiring requirements. Specifically, the contract failed to include a requirement that a complete listing of the required credentials and clearances for each driver be reviewed by the District and board approved.

The contract also does not specify that the contractor must provide this information to the District prior to a driver being assigned a route and being approved by the Board to transport students. We note that this stipulation tends to be a standard part of school district transportation contracts. However, with the current contract being a "renewal" of a prior contract written in 2009, the contract provisions do not appear to have been updated to reflect current requirements.

Conclusion

The fundamental purpose of ensuring bus driver requirements are met is for the safety and welfare of students transported. Timely oversight and approval of bus drivers and any others having direct contact with students is a vital responsibility placed on the District and its Board. This includes having adequate policies and procedures in

place to ensure that all employees and contracted employees have met the statutorily mandated requirements. Any failure to obtain and review required employment documentation may delay the identification of individuals who are disqualified from having direct contact with children under the PSC and/or CPSL. The use of a contractor to provide student transportation does not negate these responsibilities.

Because the District did not sufficiently review bus driver records or have adequate policies and procedures in place, the District was not aware that all 15 of its drivers did not have all of their required credentials and clearances on file. By not maintaining complete and satisfactory hiring documents and background clearances, the District increased the risk that unsuitable drivers may have been transporting District students, thereby, potentially risking the safety and welfare of its students.

Recommendations

The *Clairton City School District* should:

1. Establish and implement written policies and procedures to ensure that the District is receiving and reviewing all pre-employment qualification documentation for all employees, including contracted bus drivers, prior to the start of employment and having direct contact with children.
2. Create and maintain a separate set of drivers' records at the District office.
3. Revise its existing transportation board policy to add a requirement for reviewing and approving a District report on the status of each bus driver's qualification prior to the start of each school year and for any new drivers hired during the school year. Ensure that future transportation contracts clearly define the responsibilities of the contractor in providing all certifications, licenses, and clearances to the District in a timely manner for approval prior to drivers being assigned routes.

Management Response

District management provided the following response:

The cause of the problem was a simple misunderstanding of responsibilities between the District and the Contractor.

The following corrective action is planned:

1. The District will establish and implement written policies and procedures to ensure that the District is receiving and reviewing all pre-employment qualification documentation for all employees, including contracted bus drivers, prior to the start of employment and having direct contact with children. A regular review will be conducted on or about August 15 of each year as part of the established policies and procedures.
2. The District will create and maintain a separate set of drivers' records at the District office. This will be done by the Business Administrator or designee and the files will be maintained in the Business Office.
3. The District will revise its existing transportation Board Policy to add a requirement for reviewing and approving a District report on the status of each bus driver's qualification prior to the start of each school year and for any new drivers hired during the school year. This approval will occur subsequently to the review mentioned in item 1.
4. The District will ensure that future transportation contracts clearly define the responsibilities of the contractor in providing all certifications, licenses, and clearances to the District in a timely manner for approval prior to drivers being assigned to the District.

Auditor Conclusion

We are encouraged that the District has established corrective actions to address the concerns of this finding. We want to stress that the District will need to be significantly more proactive in regards to obtaining, reviewing, and maintaining *all* bus driver qualification documents. We also note that the function of bus driver qualification monitoring and reporting needs to be clearly

and specifically assigned to a responsible staff member in writing due to the District's lack of a separate transportation department. We will review the effectiveness of the District's stated corrective action and any further corrective action taken by the District during our next audit.

Status of Prior Audit Findings and Observations

Our prior audit of the Clairton City School District (District) released on October 15, 2013, resulted in one finding and one observation, as shown below. As part of our current audit, we determined the status of corrective action taken by the District to implement our prior audit recommendations. We reviewed the District's written response provided to the Pennsylvania Department of Education (PDE), interviewed District personnel, and performed audit procedures as detailed in each status section below.

Auditor General Performance Audit Report Released on October 15, 2013

Prior Finding: **Continued Inadequate Documentation to Support \$63,958 in State Tuition for Children Placed in Private Homes**

Prior Finding Summary: For a second consecutive audit, we found that in the 2009-10 school year, the District did not maintain adequate documentation to verify the accuracy of the student data it reported to PDE for nonresident students placed in private homes (foster children). As a result, we could not determine whether the District was entitled to \$63,958 state reimbursement for nonresident students.

Prior Recommendations: We recommended that the District should:

1. Ensure that the staff responsible for enrolling students in the District obtains all required documents at the time of enrollment including, but not limited to, confirmation letters from child placement agencies for foster children.
2. Establish procedures for cross checking that all students reported in the District's Student Information System as foster children have corresponding confirmation letters from the child welfare agency prior to reporting nonresident student membership data to PDE.

Current Status: The District did implement the first recommendation and now obtains all needed documentation at the time of student enrollment. The second recommendation, however, was not implemented fully. Our current review noted that the District has maintained adequate documentation for the foster students, maintains a system for cross checking using the registration checklist, and holds meetings to ensure that this process is being done correctly. However, we did find that for the students enrolled in intermediate unit classrooms, the District did not maintain registration documentation.

Prior Observation: The Clairton City School District is in a Financially Declining Position Which May Lead to Distressed Status

Prior Observation Summary:

During our prior audit of the District, our review of 22 financial benchmarks found that the District's financial stability and viability are declining and failure to act may put the District in a financial distressed status.

Prior Recommendations: We recommended that the District should:

1. Maintain and monitor sensitive budgetary controls so that expenditures do not exceed revenues.
2. Open a dialogue with the community to keep stakeholders informed of the financial status and health of the District.
3. Ensure that the business office is providing the Board of School Directors (Board) with accurate and timely reports of key financial factors.
4. Conduct a survey of parents sending children to a charter school to determine the reason why the District is losing more students to charter schools.

Current Status:

Our current review noted that the District has implemented all of our prior recommendations. The District has limited expenditures to revenues and maintained a positive fund balance. The District has also maintained an open and healthy dialogue with the community through a variety of outreach initiatives. Our current review documented that accurate and timely financial information is being provided monthly to the Board. Finally, we noted that the District contacted parents of all potential and actual charter/cyber school students in an attempt to understand the decision process by conducting door to door surveys of students and their families.

Appendix: 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,¹² 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.

Scope

Overall, our audit covered the period July 1, 2012, through June 30, 2016. In addition, the scope of each individual audit objective is detailed on the next page.

The Clairton City School District's (District) management is responsible for establishing and maintaining effective internal controls¹³ to provide reasonable assurance that the District is in compliance with certain relevant state laws, regulations, contracts, and administrative procedures (relevant requirements). In conducting our audit, we obtained an understanding of the District's internal controls, including any information technology controls, which we consider to be significant within the context of our audit objectives. We assessed whether those controls were properly designed and implemented. Any deficiencies in internal controls that were identified during the conduct of our audit and determined to be significant within the context of our audit objectives are included in this report.

¹² 72 P.S. §§ 402 and 403.

¹³ Internal controls are processes designed by management to provide reasonable assurance of achieving objectives in areas such as: effectiveness and efficiency of operations; relevance and reliability of operational and financial information; and compliance with certain relevant state laws, regulations, contracts, and administrative procedures.

Objectives/Methodology

In order to properly plan our audit and to guide us in selecting objectives, we reviewed pertinent laws and regulations, board meeting minutes, academic performance data, annual financial reports, annual budgets, new or amended policies and procedures, and the independent audit report of the District's basic financial statements for the fiscal years July 1, 2012, through June 30, 2016. 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 efficiency and effectiveness in the following areas:

- Bus Driver Requirements
- Transportation Operations
- Data Integrity
- School Safety
- Hiring an Annuitant

As we conducted our audit procedures, we sought to determine answers to the following questions, which served as our audit objectives:

- ✓ Did the District ensure that bus drivers transporting District students had the required driver's license, physical exam, training, background checks, and clearances as outlined in applicable laws?¹⁴ Also, did the District have written policies and procedures governing the hiring of new bus drivers that would, when followed, provide reasonable assurance of compliance with applicable laws?
 - To address this objective, we selected all 15 bus/van drivers employed by both the District and District bus contractor, during the 2016-17 school year, and reviewed documentation to ensure the District complied with the requirements for bus drivers. We also determined if the District had written policies and procedures governing the hiring of bus drivers and if those procedures, when followed, ensured compliance with bus driver hiring requirements. Our review of this objective disclosed reportable issues noted in the Finding in this audit report.

¹⁴ 24 P.S. § 1-111, 23 Pa.C.S. § 6344(a.1), 24 P.S. § 2070.1a *et seq.*, 75 Pa.C.S. §§ 1508.1 and 1509, and 22 Pa. Code Chapter 8.

- ✓ 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?¹⁵
 - To address this objective, we requested documentation to support payments made by the District to the transportation contractor for payable years 2012-13, 2013-14, 2014-15, 2015-16, and 2016-17. We reviewed the documentation for these five years to determine if contractor cost was accurately reported to PDE.¹⁶ We found insignificant errors in the contractor cost reported to PDE in two of the five years tested. These errors were insignificant because the errors did not lower reported contractor cost to an amount less than the final formula allowance. As a result, we were able to determine that the District received the correct transportation reimbursement from the Commonwealth in each year we tested.

- ✓ Did the District accurately report membership data in the Pennsylvania Information Management System to PDE?
 - To address this objective, we randomly selected 20 out of 897 total registered students (5 resident, 5 nonresident, 5 intermediate unit students, and 5 area vocational-technical schools) from the vendor software listing for the 2015-16 school year and verified that each child was appropriately registered with the District. In addition, we randomly selected 2 out of 17 school terms reported on the Summary of Child Accounting and verified the school days reported on the Instructional Time Membership Report and matched them to the School Calendar Fact Template. Our testing did not result in a reportable condition.

- ✓ Did the District take actions to ensure it provided a safe school environment?¹⁷
 - To address this objective, we reviewed a variety of documentation including, safety plans, training schedules, and anti-bullying policies. We conducted a follow-up review of the prior audit’s results and determined the status of any corrective action taken to address any weaknesses identified in the previous review.¹⁸ Due to the sensitive nature of school safety, the results of our review of this objective area are described in our audit report. The results of our review of school safety are shared with District officials and, if deemed necessary, PDE.

¹⁵ See 24 P.S. §§ 13-1301, 13-1302, 13-1305, 13-1306; 22 Pa. Code Chapter 11.

¹⁶ Districts are reimbursed by the Commonwealth annually based on the lower of “reported contractor cost” or “final formula allowance.”

¹⁷ 24 P.S. § 13-1301-A *et seq.*

¹⁸ Basic safety practices evaluated were building security, bullying prevention, visitor procedures, risk and vulnerability assessments, and preparedness.

- ✓ Was the District’s hiring of annuitants done within the regulations of the Public School Employees’ Retirement System (PSERS)?¹⁹
 - To address this objective, we reviewed supporting documentation regarding the only annuitant/independent contractor hired by the District during the audit period (hire date of July 1, 2017). Specifically, we reviewed board meeting minutes, the letter of resignation, payroll documents, the consulting agreement, the memorandum of understanding, and PSERS Return to Service Guidelines. Our testing did not result in a reportable condition.

¹⁹ *PSERS Return to Service Guidelines and Clarifications*, Publication # 9682, March 2017.

Distribution List

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

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