

CUMBERLAND VALLEY SCHOOL DISTRICT
CUMBERLAND COUNTY, PENNSYLVANIA
PERFORMANCE AUDIT REPORT

NOVEMBER 2009

The Honorable Edward G. Rendell
Governor
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania 17120

Mr. John Jordan, Board President
Cumberland Valley School District
6746 Carlisle Pike
Mechanicsburg, Pennsylvania 17050

Dear Governor Rendell and Mr. Jordan:

We conducted a performance audit of the Cumberland Valley School District (CVSD) to determine its compliance with applicable state laws, regulations, contracts, grant requirements and administrative procedures. Our audit covered the period August 12, 2005 through April 9, 2009, except as otherwise indicated in the report. Additionally, compliance specific to state subsidy and reimbursements was determined for the school years ended June 30, 2006, and June 30, 2005, as they were the most recent reimbursements subject to audit. Our audit was conducted pursuant to 72 P.S. § 403 and in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States.

Our audit found that the CVSD complied, in all significant respects, with applicable state laws, regulations, contracts, grant requirements, and administrative procedures, except as detailed in the three findings noted in this report. A summary of these results is presented in the Executive Summary section of the audit report.

Our audit findings and recommendations have been discussed with CVSD's management and their responses are included in the audit report. We believe the implementation of our recommendations will improve CVSD's operations and facilitate compliance with legal and administrative requirements. We appreciate the CVSD's cooperation during the conduct of the audit and their willingness to implement our recommendations.

Sincerely,

/s/

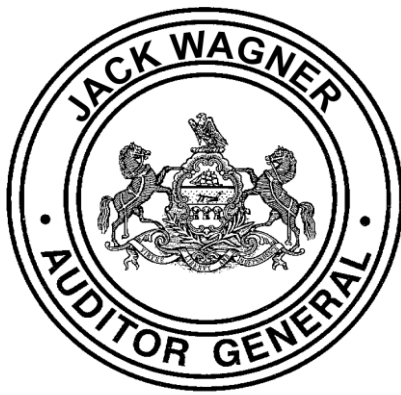
JACK WAGNER
Auditor General

November 5, 2009

cc: **CUMBERLAND VALLEY SCHOOL DISTRICT** Board Members

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Executive Summary

Audit Work

The Pennsylvania Department of the Auditor General conducted a performance audit of the Cumberland Valley School District (CVSD). Our audit sought to answer certain questions regarding the District's compliance with applicable state laws, regulations, contracts, grant requirements, and administrative procedures; and to determine the status of corrective action taken by the CVSD in response to our prior audit recommendations.

Our audit scope covered the period August 12, 2005 through April 9, 2009, except as otherwise indicated in the audit scope, objectives, and methodology section of the report. Compliance specific to state subsidy and reimbursements was determined for school years 2005-06 and 2004-05 as they were the most recent reimbursements subject to audit. The audit evidence necessary to determine compliance specific to reimbursements is not available for audit until 16 months, or more, after the close of a school year.

District Background

The CVSD encompasses approximately 104 square miles. According to a 2000 local census it serves a resident population of 52,194. According to District officials, in school year 2005-06 the CVSD provided basic educational services to 7,382 pupils through the employment of 584 teachers, 381 full-time and part-time support personnel, and 42 administrators. Lastly, the CVSD received more than \$18.7 million in state funding in school year 2005-06.

Audit Conclusion and Results

Our audit found that the CVSD complied, in all significant respects, with applicable state laws, regulations, contracts, grant requirements, and administrative procedures, except for three compliance-related matters reported as findings.

Finding No. 1: Transportation Reporting Errors Result in an Underpayment of \$352,994. Our audit of transportation operations for the 2005-06 and 2004-05 school years found errors in the amount the District paid one of its contractors and inaccurate reporting of contractor costs to the Department of Education for the 2005-06 school year (see page 6).

Finding No. 2: Certification Deficiencies. Our audit of the professional employees' certification for the period June 22, 2005 through January 30, 2009, found three certification deficiencies (see page 9).

Finding No. 3: Weak Internal Controls Result in Unbilled Tuition of \$6,461. Our audit of tuition billing for the education of nonresident special education students for the 2005-06 and 2004-05 school years found that CVSD personnel failed to bill tuition for one student during the 2004-05 school year, resulting in unbilled tuition of \$6,461 (see page 11).

Status of Prior Audit Findings and Observations.

With regard to the status of our prior audit recommendations to the CVSD from an audit we conducted of the 2003-04, 2002-03, 2001-02 and 2000-01 school years, we found the CVSD had taken appropriate corrective action in implementing our recommendations pertaining to errors in total taxable Social Security and Medicare wages (see page 14), errors in resident, nonresident and instructional day data (see page 15), and drivers transporting students prior to obtaining child abuse clearances (see page 16).

We found that the CVSD did not fully comply with our recommendations pertaining to errors in transportation data (see page 12), failure to bill tuition for students (see page 14), certification deficiencies (see page 16), and weaknesses in internal controls regarding bus drivers' qualifications (see page 17).

Audit Scope, Objectives, and Methodology

Scope

What is a school performance audit?

School performance audits allow the 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 PA Department of Education, and other concerned entities.

Our audit, conducted under authority of 72 P.S. § 403, is not a substitute for the local annual 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.

Our audit covered the period August 12, 2005 through April 9, 2009, except for the verification of professional employee certification which was performed for the period June 22, 2005 to January 30, 2009.

Regarding state subsidy and reimbursements, our audit covered school years 2005-06 and 2004-05 because the audit evidence necessary to determine compliance, including payment verification from the Commonwealth's Comptroller Operations and other supporting documentation from the Department of Education (DE), is not available for audit until 16 months, or more, after the close of a school year.

While all districts have the same school years, some have different fiscal years. Therefore, for the purposes of our audit work and to be consistent with DE reporting guidelines, we use the term school year rather than fiscal year throughout this report. A school year covers the period July 1 to June 30.

Objectives

Performance audits draw conclusions based on an evaluation of sufficient, appropriate evidence. Evidence is measured against criteria, such as, laws, regulations, and defined business practices. Our audit focused on assessing the CVSD's compliance with applicable state laws, regulations, contracts, grant requirements and administrative procedures. However, as we conducted our audit procedures, we sought to determine answers to the following questions, which serve as our audit objectives:

- ✓ Were professional employees certified for the positions they held?

What is the difference between a finding and an observation?

Our performance audits may contain findings and/or observations related to our audit objectives. Findings describe noncompliance with a law, regulation, contract, grant requirement, or administrative procedure. Observations are reported when we believe corrective action should be taken to remedy a potential problem not rising to the level of noncompliance with specific criteria.

- ✓ In areas where the District receives state subsidy and reimbursements based on pupil membership (e.g. basic education, special education, and vocational education), did it follow applicable laws and procedures?
- ✓ In areas where the District receives state subsidy and reimbursements based on payroll (e.g. Social Security and retirement), did it follow applicable laws and procedures?
- ✓ Did the District follow applicable laws and procedures in areas dealing with pupil membership and ensure that adequate provisions were taken to protect the data?
- ✓ Is the District's pupil transportation department, including any contracted vendors, in compliance with applicable state laws and procedures?
- ✓ Does the District ensure that Board members appropriately comply with the Public Official and Employee Ethics Act?
- ✓ Are there any declining fund balances which may impose risk to the fiscal viability of the District?
- ✓ Did the District pursue a contract buyout with an administrator and if so, what was the total cost of the buy-out, reasons for the termination/settlement, and do the current employment contract(s) contain adequate termination provisions?
- ✓ Were there any other areas of concern reported by local auditors, citizens, or other interested parties which warrant further attention during our audit?
- ✓ Is the District taking appropriate steps to ensure school safety?
- ✓ Did the District take appropriate corrective action to address recommendations made in our prior audits?

Methodology

What are internal controls?

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;
- Compliance with applicable laws, regulations, contracts, grant requirements and administrative procedures.

Government Auditing Standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings, observations 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.

CVSD management is responsible for establishing and maintaining effective internal controls to provide reasonable assurance that the District is in compliance with applicable laws, regulations, contracts, grant requirements, and administrative procedures. Within the context of our audit objectives, we obtained an understanding of internal controls and assessed whether those controls were properly designed and implemented.

Any significant deficiencies found during the audit are included in this report.

In order to properly plan our audit and to guide us in possible audit areas, we performed analytical procedures in the areas of state subsidies/reimbursement, pupil membership, pupil transportation, and comparative financial information.

Our audit examined the following:

- Records pertaining to pupil transportation, bus driver qualifications, professional employee certification, state ethics compliance, and financial stability.
- Items such as Board meeting minutes, pupil membership records, and reimbursement applications.
- Tuition receipts and deposited state funds.

Additionally, we interviewed selected administrators and support personnel associated with CVSD operations.

Lastly, to determine the status of our audit recommendations made in a prior audit report released on January 12, 2006, we reviewed the CVSD's response to DE dated March 20, 2006. We then performed additional audit procedures targeting the previously reported matters.

Findings and Observations

Finding No. 1



Criteria relevant to this finding:

DE instructions for the completion of end-of-year transportation reports (PDE-1049) require the reporting of contractor costs to be based on the actual cost paid to contractors for the transportation of students to and from school.

Transportation Reporting Errors Result in an Underpayment of \$352,994

Our audit of transportation operations for the 2005-06 and 2004-05 school years found errors in the amount the District paid one of its contractors and, as a result, inaccurate reporting of actual contractor costs to the Department of Education (DE) for the 2005-06 school year.

During the 2005-06 school year the District contracted with a transportation contractor to provide special education runs which were previously provided by the Capital Area Intermediate Unit #15. The District correctly reported the days transportation was provided, mileage, and pupil data for these runs to DE. However, our audit found that the District failed to pay the contractor \$333,662 due for these runs until April 9, 2009. In addition, other errors occurred in the district-generated Microsoft Excel spreadsheets when transportation contractor costs were calculated, contributing to the total payment error. District personnel confirmed our findings that these costs associated with the special education runs were not included on the contractor's invoices that were used to prepare the transportation reports submitted to DE for the 2005-06 school year. These errors went undetected by District personnel due to an inadequate review and reconciliation process.

In addition, the District paid the transportation contractor \$19,332 for a 2005-06 daily rate adjustment; however, personnel failed to report this cost to DE.

The effect of all contractor cost errors resulted in an understatement of \$352,994 of contractor costs reported to DE and, as a result, a \$352,994 underpayment of transportation subsidy from DE.

Recommendations

The *Cumberland Valley School District* should:

1. Establish review procedures to ensure District contractor cost worksheets are accurate by including all vehicle data for all vehicles which provided transportation services.
2. Reconcile contractor cost worksheets to District expenditure accounts to ensure all eligible costs for transportation to and from school are reported to DE.
3. Reconcile contractor costs reported on the PDE-1049 to the DE-generated summary of pupil transportation subsidy (PDE-2518) for consistency and accuracy. Since the District's contractor costs are based on the state formula used by DE for District reimbursement, any discrepancies will alert the District to possible errors in contractor costs reported.
4. Review contractor costs for years subsequent to the audit years and, if errors are found, resolve the over/underpayments.
5. Review transportation reports submitted to DE for years subsequent to the audit and submit revised reports to DE if necessary.

The *Department of Education* should:

6. Resolve the transportation subsidy underpayment of \$352,994.

Management Response

Management stated the following:

Administration failed to add into the billing for new Intermediate Unit runs that were completed by one of the District's transportation contractor [s] for the 2005-06 school year. The new runs were properly reported to be included in the PDE 2518 calculation. The District failed to pay the contractor the appropriate formula amount based on the PDE 2518.

In the future the business office and the transportation manager will reconcile the final formula allowance and the amount paid to the contractor on the PDE 2518 to the general ledger and internal formula calculations prepared by the District. Additionally, the District will complete an annual verification form that will be shared with bus contractors to make sure annual transportation obligations are met correctly.

The Administration is in the process of recalculating the contractor information for 2006-07 and 2007-08. Adjustments to the amount reported as being paid to the contractor will be submitted to PDE.

Finding No. 2

Criteria relevant to this finding:

Section 1202 of the Public School Code provides, in part:

No teacher shall teach, in any public school, any branch which he has not been properly certificated to teach.

Section 2518 of the Public School Code, provides, in part:

[A]ny school district, intermediate unit, area vocational-technical school or other public school in this Commonwealth that has in its employ any person in a position that is subject to the certification requirements of the Department of Education but who has not been certificated for his position by the Department of Education . . . shall forfeit an amount equal to six thousand dollars (\$6,000) less the product of six thousand dollars (\$6,000) and the district's market value/income aid ratio.

Certification Deficiencies

Our audit of the professional employees' certification for the period June 22, 2005 through January 30, 2009, found the following deficiencies:

- One individual was assigned to the locally titled position of Autistic Program Coordinator without holding proper certification;
- One individual was assigned to the locally titled position of Instructional Advisor-Supervisor of Special Education without holding proper certification; and
- One individual was assigned to the locally titled position of Behavior Specialist/Autism Consultant without holding any Pennsylvania teaching certification.

Information pertaining to the certificates and assignments was submitted to the Bureau of School Leadership and Teacher Quality (BSLTQ), DE, for its review. Subsequent to the completion of fieldwork for our audit, BSLTQ confirmed the deficiencies; the District is therefore subject to the following subsidy forfeitures:

<u>School Year</u>	<u>Subsidy Forfeitures</u>
2008-09	*
2007-08	\$13,078
2006-07	8,771
2005-06	<u>4,344</u>
Total	<u>\$26,193</u>

The aid ratio needed to determine the subsidy forfeiture for the 2008-09 school year was not yet available from DE at the time of our audit.

Recommendations

The *Cumberland Valley School District* should:

1. Require the individuals cited to immediately obtain proper certification for the positions assigned or reassign them to positions which they are properly certified.
2. Submit all locally titled positions to BSLTQ for review to determine the required certification.

The *Department of Education* should:

3. Recover the subsidy forfeitures resulting from BSLTQ's final determination.

Management Response

Management stated the following:

The District has forwarded the specific job descriptions and responsibilities for the positions in question to the Division of Teacher Quality for their review on the positions. The District is waiting on a response from the Division of Teacher Quality to determine the status of the positions.

Auditors Conclusion

As stated in the body of this finding, BSLTQ issued its determination after the completion of our fieldwork, upholding the three citations noted. The District must now work with BSLTQ to correct the certification deficiencies.

Finding No. 3

Weak Internal Controls Result in Unbilled Tuition of \$6,461

Criteria relevant to this finding:

Section 2561(7) of the Public School Code provides:

Special Education Tuition Charge. When the receiving district voluntarily receives exceptional children, the receiving district and sending district may agree that the sending district will pay a special education charge in addition to the applicable tuition charge. Such special education charge shall be an amount as determined by the two school districts.

Our audit of tuition billing for the education of nonresident special education students for the 2005-06 and 2004-05 school years found District personnel failed to bill tuition for one student during the 2004-05 school year, resulting in unbilled tuition of \$6,461.

The Cumberland Valley School District (CVSD) provided special education to one East Pennsboro Area School District (EPASD) student during the 2004-05 school year. The CVSD did not have a written contract with EPASD; however, there was a verbal agreement to educate the student at a daily tuition rate of \$35.50. Due to the District's failure to reconcile membership data to tuition billing and collection records, tuition of \$6,461 for 182 days for the 2004-05 school year went unbilled.

Recommendations

The *Cumberland Valley School District* should:

1. Require the business office to obtain a written contract from all districts for which CVSD provides special education services.
2. Strengthen internal controls to ensure the reconciliation of nonresident, district-paid tuition student membership reported by the child accounting coordinator to the business office's billing and collection records.
3. Review membership data and tuition bills for subsequent years to ensure proper tuition billing and collection.

Management Response

Management stated the following:

The District failed to bill a neighboring district for special education tuition costs for a student that was educated by Cumberland Valley during the 2004-05 school year.

The Business Office thought the student in question had withdrawn from the District after the 2003-04 school year.

In the future the Business Office will work with the student accounting department and the special education department to determine that all tuition has been billed properly.

Status of Prior Audit Findings and Observations

Our prior audit of the Cumberland Valley School District (CVSD) for the school years 2003-04, 2002-03, 2001-02 and 2000-01 resulted in six reported findings and one observation, as shown in the following table. As part of our current audit, we determined the status of corrective action taken by the District to implement our prior recommendations. We analyzed the CVSD Board’s written response provided to the Department of Education (DE), performed audit procedures, and questioned District personnel regarding the prior findings and observation. As shown below, we found that the CVSD did implement recommendations related to the findings regarding Social Security and Medicare wages, membership, and child abuse clearances. However, we found that the CVSD did not fully implement the recommendations related to the findings regarding transportation, and tuition billing certification, nor for the observation regarding bus drivers’ qualifications.

<i>School Years 2003-04, 2002-03, 2001-02 and 2000-01 Auditor General Performance Audit Report</i>		
<i>Prior Recommendations</i>	<i>Implementation Status</i>	
<p><u><i>I. Finding No. 1: Transportation Reimbursement Net Underpayments of \$43,177</i></u></p> <ol style="list-style-type: none"> 1. Establish reconciliation procedures to ensure DE correctly processes the data reported on the end-of-year transportation reports (PDE-1049). 2. Establish reconciliation procedures to ensure contractor costs are accurately reported to DE. 3. Continue the review of District mileage and weighted average pupil count calculations used to report data on the PDE-1049. 4. Review reports for years subsequent to audit and, if errors are found, submit revisions to DE. 5. DE should adjust the District’s allocations to correct the net underpayments of \$43,177. 	<p>Background:</p> <p>Our prior audit of the District’s transportation reports for the 2003-04, 2002-03, 2001-02 and 2000-01 school years found errors in daily mileage, pupil counts and contractor data reported to DE. These errors resulted in transportation reimbursement underpayments of \$14,700, \$30,794 and \$839 for the 2003-04, 2002-03 and 2001-02 school years, respectively, and a transportation reimbursement overpayment of \$3,156 for the 2000-01 school year.</p>	<p>Current Status:</p> <p>Our current audit of the 2005-06 and 2004-05 school year transportation reports found District personnel could not provide evidence that a reconciliation procedure was established to ensure contractor costs were accurately reported to DE and to ensure DE correctly processed data reported. In addition, our review of the District’s mileage and pupil weighting calculations for the audit years found pupil weighting was incorrectly rounded, according to DE’s guidelines.</p> <p>District personnel did review and revise 2004-05 transportation data based on prior audit recommendations.</p> <p>In a letter dated</p>

		<p>June 1, 2006, DE processed the prior audit transportation errors along with a Capital Area Intermediate Unit #15 (CAIU) correction for the 2000-01 school year, revising the \$43,177 underpayment to a \$51,770 underpayment, which was paid to the District on June 1, 2006.</p> <p>Since significant errors were found with the reporting of contractor costs for one contractor for the 2005-06 school year, the issue is addressed in Finding No. 1 of this report (see page 6).</p> <p>As for the lack of a reconciliation procedure and incorrectly reporting of pupil data, it is again recommended that District personnel establish a reconciliation procedure to ensure pupil weighted average calculations are reported to DE in accordance with guidelines and to ensure that DE correctly processes the transportation data.</p>
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<p><u>II. Finding No. 2: Social Security and Medicare Tax Contributions Reimbursement Underpayments of \$18,806</u></p> <ol style="list-style-type: none"> 1. Establish procedures to ensure DE's receipt and timely processing of revised applications for reimbursement. 2. DE should adjust the District's allocations to correct the Social Security and Medicare tax contributions reimbursement underpayments of \$18,806. 	<p>Background:</p> <p>Our prior audit of the District's 2003-04, 2002-03, 2001-02 and 2000-01 Reconciliation of Social Security and Medicare Tax Contributions (PDE-2105) applications found errors in the total taxable Social Security and Medicare wages reported to DE for the 2001-02 and 2000-01 school years only. These errors resulted in reimbursement underpayments of \$18,806.</p> <p>Although management maintained that it had submitted revised reports to DE for the cited years, District personnel failed to confirm DE's receipt of the revisions, and DE personnel informed us that they had no record of receiving them.</p>	<p>Current Status:</p> <p>Our current audit found District personnel had established procedures to ensure quarterly reports were filed timely and payments received promptly from DE.</p> <p>The District received the underpayments of \$18,806 from DE on April 5, 2007.</p>
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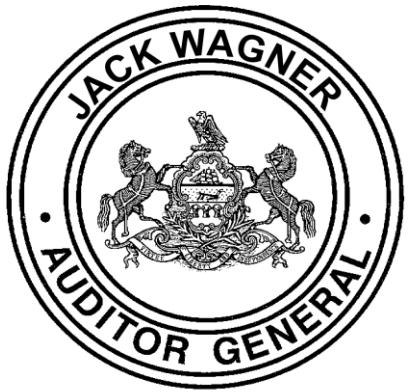
<p><u>III. Finding No. 3: Weak Internal Controls Result in Unbilled Tuition of \$9,450</u></p> <ol style="list-style-type: none"> 1. Require the business office to obtain a written contract from all districts for which CVSD provides special education services. 2. Strengthen internal controls to ensure the reconciliation of nonresident, district-paid tuition student membership reported by the child accounting coordinator to the business office's billing and collection records. 3. Review membership data and tuition bills for subsequent years to ensure proper tuition billing and collection. 	<p>Background:</p> <p>Our prior audit of tuition billing for the education of nonresident special education students for the 2003-04, 2002-03, 2001-02 and 2000-01 school years found District personnel failed to bill tuition for one student during the 2003-04 school year and two students for the 2000-01 school year, resulting in unbilled tuition of \$9,450.</p>	<p>Current Status:</p> <p>Our current audit found the District obtained signed Memoranda of Understanding (MOU) with the "host" school districts which provide special education services beginning with the 2007-08 school year. The MOU addresses the host districts' billing responsibilities.</p> <p>Our current audit also found that District personnel established a reconciliation procedure during the 2005-06 school year. District personnel reviewed tuition bills for the 2005-06 and 2004-05 school years; however due to clerical oversight tuition was not properly billed for the 2004-05 school year. This issue is addressed in Finding No. 3 of this report (see page 11).</p>
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<p><u>IV. Finding No. 4: Pupil Membership and Instructional Days Errors Result in a Net Subsidy and Reimbursement Underpayment of \$7,341</u></p> <ol style="list-style-type: none"> 1. Establish reconciliation procedures to ensure instructional days reported on the instructional time summary agree with membership reports used to report membership days. 2. Meet with CAIU personnel to obtain an understanding of the correct reporting of intermediate unit membership. 3. Ensure accurate reporting of area vocational-technical school membership. 4. Reconcile the District's final detailed membership summaries with the membership reports prior to submitting them to DE. 5. Review reports for years subsequent to the audit and, if errors are noted, submit revisions to DE. 	<p>Background:</p> <p>Our prior audit of documentation supporting pupil membership reports submitted to DE for the 2003-04, 2002-03, 2001-02 and 2000-01 school years found errors in resident, nonresident and instructional day data. Underpayments totaling \$7,341 for basic education funding, special education subsidy and tuition for children placed in private homes occurred as a result of the errors.</p>	<p>Current Status:</p> <p>Our current audit of 2005-06 and 2004-05 school years found that District personnel could not provide evidence of reconciliation procedures for our audit years due to employee turnover. However, such evidence was in place beginning with the 2007-08 school year.</p> <p>District personnel stated they have annual communication with intermediate unit personnel since the last audit regarding the reporting of intermediate unit membership. In addition, District personnel now review membership quarterly.</p>
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<p><u>V. Finding No. 5: Certification Deficiencies</u></p> <ol style="list-style-type: none"> 1. Ensure proper certification is applied for and obtained in a timely manner to ensure individuals are certified for their assignments. 2. DE should take action to recover the \$7,737 subsidy forfeiture. 	<p>Background:</p> <p>Our prior audit of the professional employees' certification for the period June 7, 2002 through June 21, 2005, found the following deficiencies during the 2004-05 school year:</p> <ul style="list-style-type: none"> • one individual certified in French, and one individual certified in Elementary, were assigned to teach English as a Second Language (ESL) without the ESL Program Specialist certification; and • one individual assigned as an emotional support teacher served from September 2004 through January 2005 without holding Pennsylvania teaching certification. 	<p>Current Status:</p> <p>Our current audit of professional employees' certification found all individuals cited in the prior audit were properly certified before the end of the 2004-05 school year. However, additional deficiencies were found in the current audit. The certification deficiencies are addressed in Finding No. 2 of this report (see page 9).</p> <p>The subsidy forfeiture of \$7,737 was withheld from the District on June 1, 2006.</p>
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<p><u>VI. Finding No. 6: Bus Drivers' Child Abuse Clearances Were Not Provided Timely</u></p> <ol style="list-style-type: none"> 1. Require the District's transportation coordinator to enforce the provisions of the District's transportation contract. 2. Require the District's transportation coordinator to review each driver's qualifications prior to that person transporting students. 3. Require the District's transportation coordinator to maintain District files for all contracted drivers and work with the contractors to ensure the District's files are up-to-date and complete. 	<p>Background:</p> <p>Our prior audit of the District's contracted bus driver files for the 2004-05 school year found that two school bus drivers and one van driver were driving District students prior to obtaining child abuse clearances from the Pennsylvania Department of Public Welfare.</p>	<p>Current Status:</p> <p>Our current audit of bus drivers' qualifications for the 2007-08 school year confirmed the District enforced the provisions of the transportation contract, reviewed each driver's qualifications prior to that person transporting students, and maintained complete and up-to-date files for each driver.</p>
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<p><u>VII. Observation: Internal Control Weaknesses in Administrative Policies Regarding Bus Drivers' Qualifications</u></p> <ol style="list-style-type: none"> 1. Developing a process to determine, on a case-by-case basis, whether prospective and current employees of the District and the District's transportation contractors have been charged with or convicted of crimes that, even though not disqualifying under state law, affect their suitability to have direct contact with children. 2. Implement written policies and procedures to ensure the District is notified when drivers are charged with or convicted of crimes that call into question their suitability to continue to have direct contact with children. 	<p>Background:</p> <p>Our prior audit found that neither the District nor the transportation contractors had written policies or procedures in place to ensure that they were notified if current employees were charged with or convicted of serious criminal offenses which should be considered for the purpose of determining an individual's continued suitability to be in direct contact with children. We considered this lack of written policies and procedures to be an internal control weakness that could result in the continued employment of individuals who may pose a risk if allowed to continue to have direct contact with children.</p>	<p>Current Status:</p> <p>Our current audit found the District is in the process of developing a form that all drivers will be required to sign. This form states that the drivers are responsible to notify their employer in the event that they commit or are charged with any criminal activity or child abuse violation while employed as a bus or van driver.</p> <p>The District is to also verify with the contractor that these forms are completed annually by each driver and appropriate action has taken place for any notifications received by the contractors.</p> <p>As of our fieldwork completion date of April 9, 2009, four of five contractors still did not have policies and procedures to ensure the District is notified when drivers are charged with or convicted of crimes that call into question their suitability to continue to have direct contact with children. Therefore, we recommend that the District take immediate action to enforce its corrective action plan.</p>
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Distribution List

This report was initially distributed to the superintendent of the school district, the board members, our website address at www.auditorgen.state.pa.us, and the following:

The Honorable Edward G. Rendell
Governor
Commonwealth of Pennsylvania
Harrisburg, PA 17120

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Harrisburg, PA 17120

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Democratic Chair
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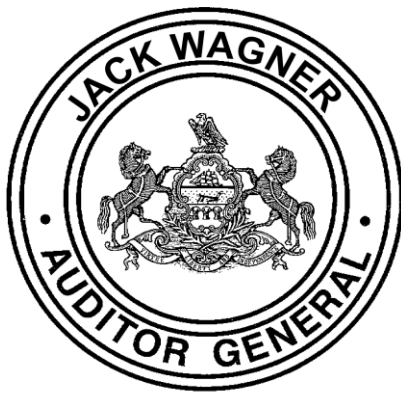
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