

PERFORMANCE AUDIT

Franklin Area School District Venango County, Pennsylvania

February 2020



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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

**EUGENE A. DePASQUALE
AUDITOR GENERAL**

Mr. Patrick Gavin, Acting Superintendent
Franklin Area School District
40 Knights Way
Franklin, Pennsylvania 16323

Mr. Brian Spaid, Board President
Franklin Area School District
40 Knights Way
Franklin, Pennsylvania 16323

Dear Mr. Gavin and Mr. Spaid:

Our performance audit of the Franklin Area School District (District) determined the District's compliance with certain relevant state laws, regulations, contracts, and administrative procedures (relevant requirements). This audit covered the period July 1, 2014 through June 30, 2018, except as otherwise indicated in the audit scope, objective, and methodology section of the report. 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 complied, in all significant respects, with relevant requirements, except as detailed in our two findings noted in this audit report. A summary of the results is presented in the Executive Summary section of the audit report.

We also evaluated the application of best practices in the area of school safety. 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 results in this report. However, we communicated the results of our review of school safety to District officials, the Pennsylvania Department of Education, and other appropriate officials as deemed necessary.

Our audit findings and recommendations have been discussed with the District's management, and their responses are included in the audit report. We believe the implementation of our recommendations will improve the District's operations and facilitate compliance with legal and relevant requirements. We appreciate the District's cooperation during the course of the audit.

Sincerely,

A handwritten signature in black ink, appearing to read "Eugene A. DePasquale".

Eugene A. DePasquale
Auditor General

February 13, 2020

cc: **FRANKLIN AREA SCHOOL DISTRICT** Board of School Directors

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Executive Summary

Audit Work

The Pennsylvania Department of the Auditor General conducted a performance audit of the Franklin Area School District (District). Our audit sought to answer certain questions regarding the District's application of best practices and compliance with certain relevant state laws, regulations, contracts, and administrative procedures.

Our audit scope covered the period July 1, 2014 through June 30, 2018, except as otherwise indicated in the audit scope, objectives, and methodology section of the report (see Appendix). Compliance specific to state subsidies and reimbursements was determined for the 2014-15 through 2017-18 school years.

Audit Conclusion and Results

Our audit found that the District complied, in all significant respects, with certain relevant state laws, regulations, contracts, and administrative procedures, except for two findings.

Finding No. 1: The District Inaccurately Reported Transportation Data to PDE Resulting in an Overpayment of \$10,347.

The District was overpaid \$10,347 in transportation reimbursement from the Pennsylvania Department of Education (PDE). This overpayment was due to the District inaccurately reporting the total approved miles traveled and the number of students transported to and from school during the 2017-18 school year. (See page 7).

Finding No. 2: The Franklin Area School District Failed to Conduct Monthly Fire Drills as Required by the Public School Code and Inaccurately Reported Fire Drill Data to PDE.

Our review of the District's fire drill reports for the 2017-18 school year disclosed that the District failed to conduct mandated monthly fire drills, as required by Section 1517(a) of the Public School Code. In addition, we found that the District inaccurately reported fire drill data to PDE. Consequently, the District's Superintendent inappropriately attested to the accuracy of the fire drill data in the PDE required report and certification statement. (See page 11).

Status of Prior Audit Findings and Observations.

There were no findings or observations in our prior audit report.

Background Information

School Characteristics 2018-19 School Year ^A	
County	Venango
Total Square Miles	186
Number of School Buildings	4
Total Teachers	157
Total Full or Part-Time Support Staff	107
Total Administrators	12
Total Enrollment for Most Recent School Year	1,906
Intermediate Unit Number	6
District Vo-Tech School	Venango Technology Center

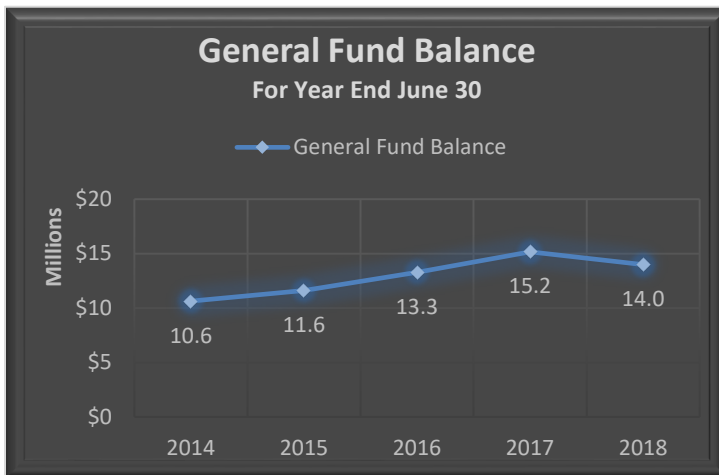
A - Source: Information provided by the District administration and is unaudited.

Mission Statement^A

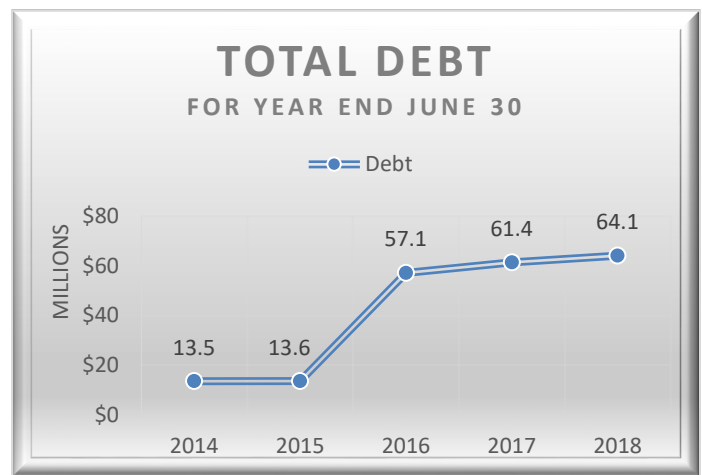
The mission of the Franklin Area School District, in partnership with families and the community, is to create life-long learners who become responsible members of society.

Financial Information

The following pages contain financial information about the Franklin Area 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**.

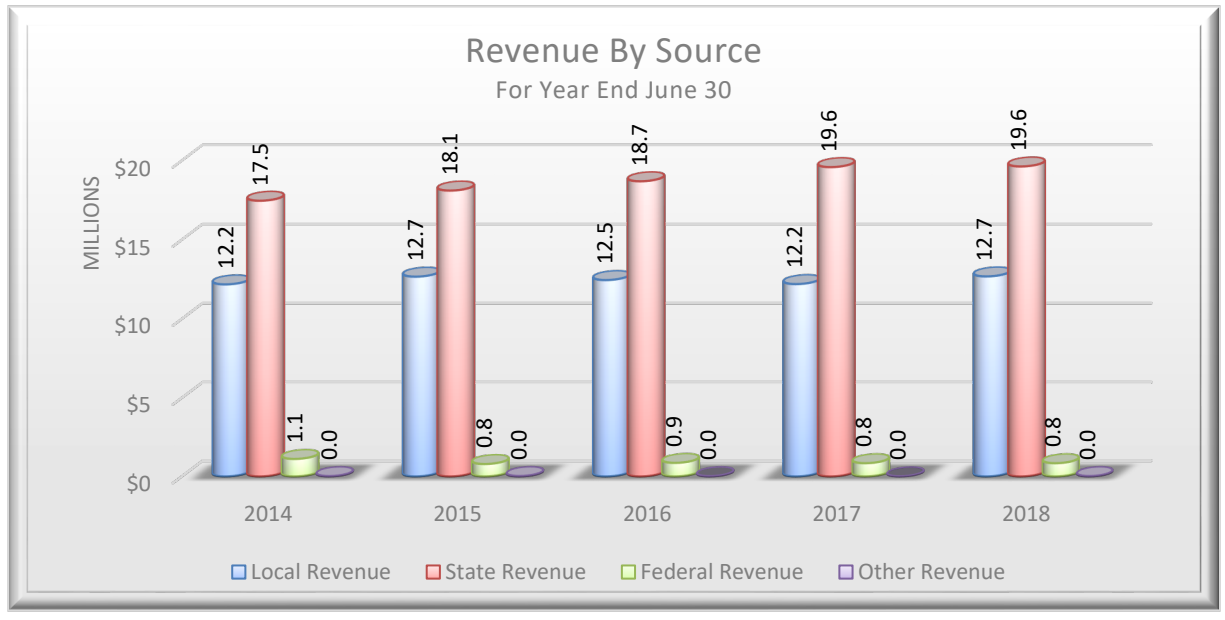
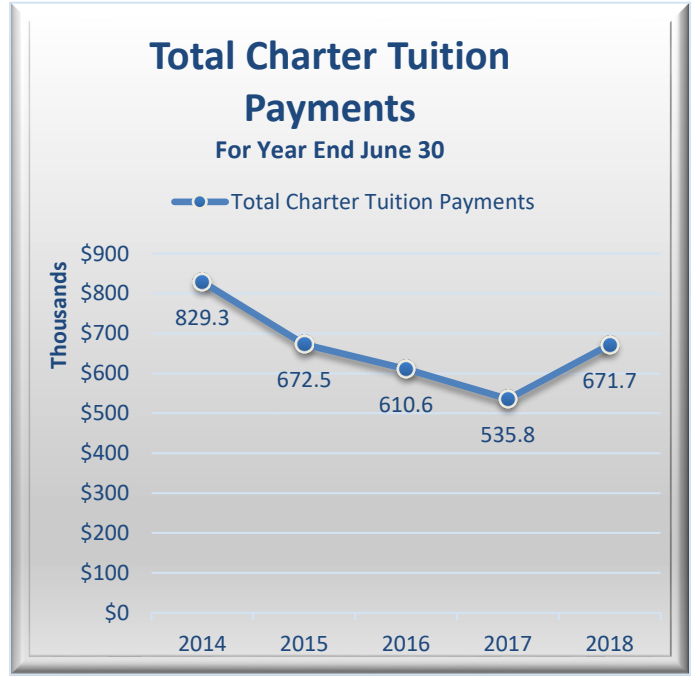
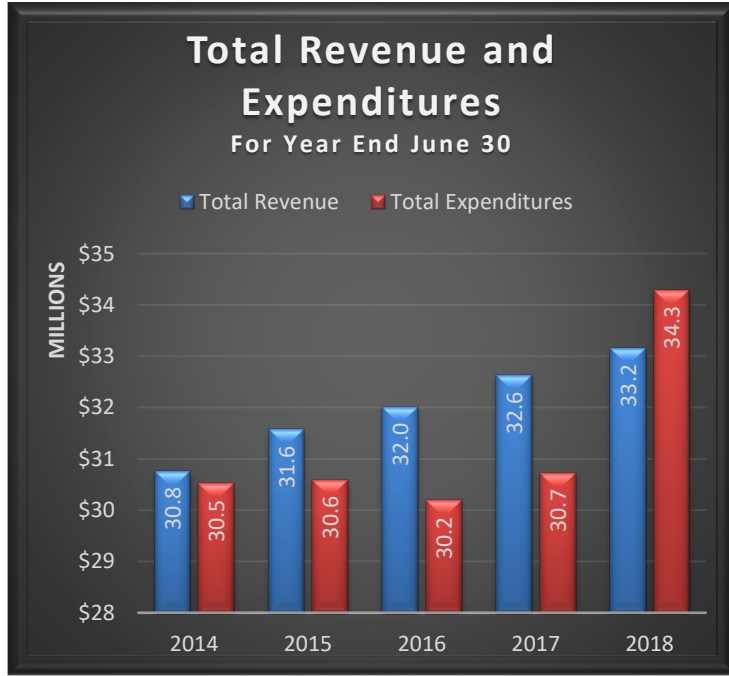


Note: General Fund Balance is comprised of the District's Committed, Assigned and Unassigned Fund Balances.



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

Financial Information Continued

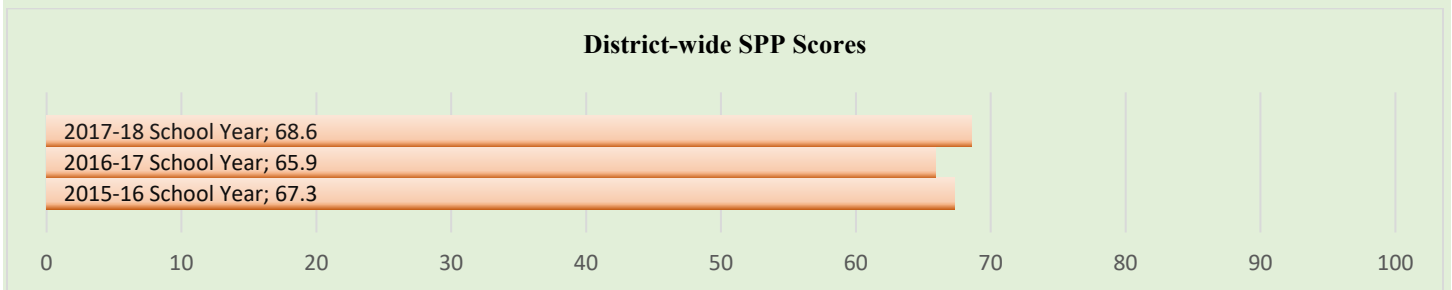


Academic Information

The graphs on the following pages present the District-wide School Performance Profile (SPP) scores, Pennsylvania System of School Assessment (PSSA) scores, Keystone Exam results, and 4-Year Cohort Graduation Rates for the District obtained from PDE's data files for the 2015-16, 2016-17, and 2017-18 school years.¹ 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. 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.²

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.³



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 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.

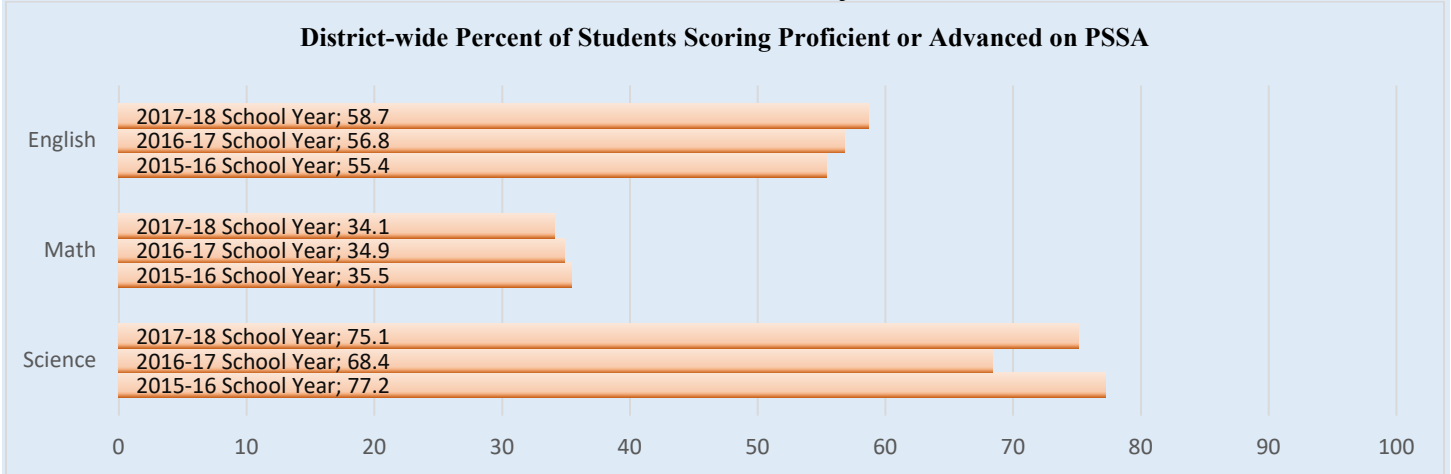
³ PDE started issuing a SPP score for all public school buildings beginning with the 2012-13 school year. For the 2014-15 school year, PDE only issued SPP scores for high schools taking the Keystone Exams as scores for elementary and middle scores were put on hold due to changes with PSSA testing. PDE resumed issuing a SPP score for all schools for the 2015-16 school year.

Academic Information Continued

What is the PSSA?

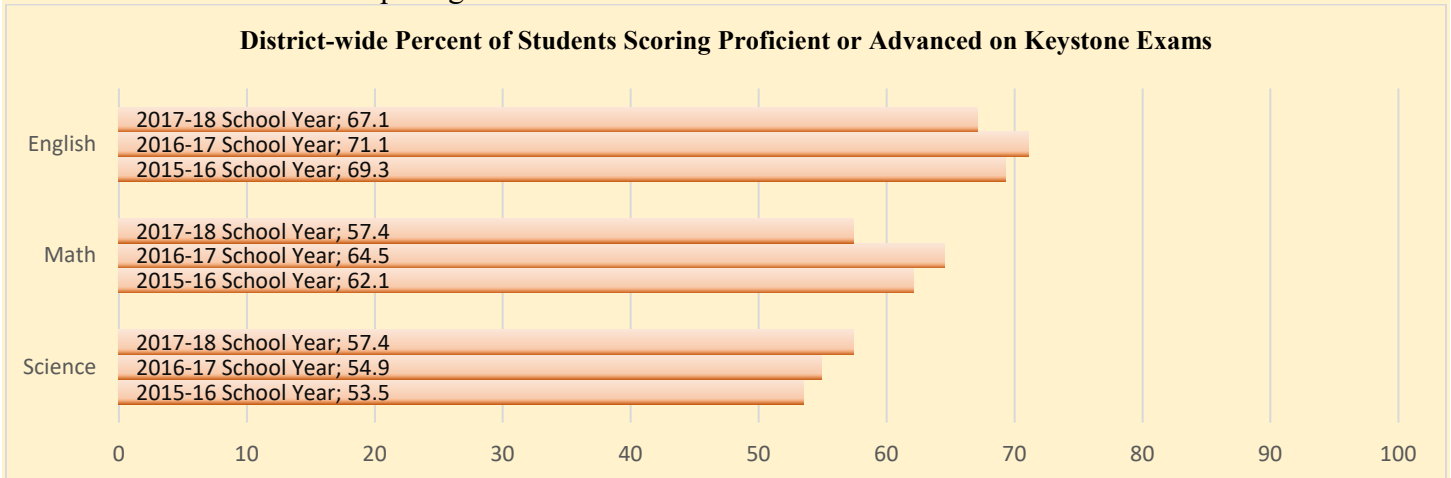
The PSSA is an annual, standardized test given across the Commonwealth to students in grades 3 through 8 in core subject areas, including English, Math and Science. The PSSAs help Pennsylvania meet federal and state requirements and inform instructional practices, as well as provide educators, stakeholders,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

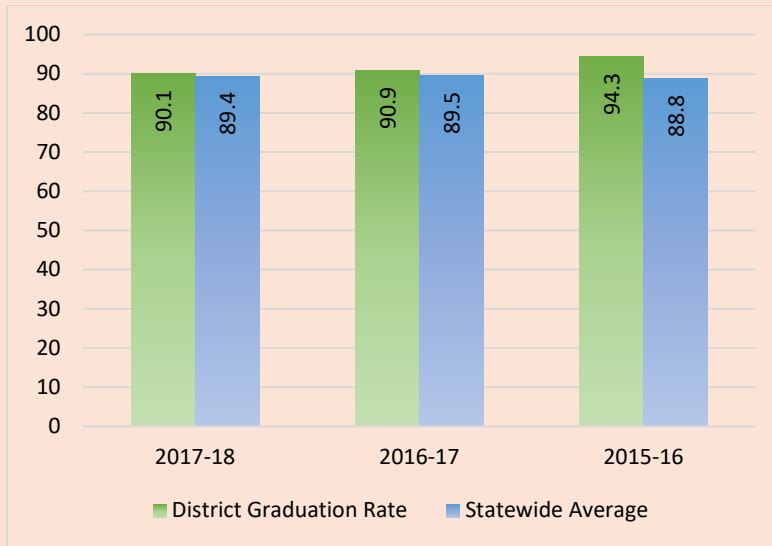


⁴ Act 39 of 2018, effective July 1, 2018, amended the Public School Code to further delay the use of Keystone Exams as a graduation requirement for an additional year until the 2020-21 school year. See 24 P.S. § 1-121(b)(1).

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:
<http://www.education.pa.gov/Data-and-Statistics/Pages/Cohort-Graduation-Rate.aspx>.

Findings

Finding No. 1

The District Inaccurately Reported Transportation Data to PDE Resulting in an Overpayment of \$10,347

Criteria relevant to the finding:

Student Transportation Subsidy: The Public School Code (PSC) provides that school districts receive a transportation subsidy for most students who are provided transportation. Section 2541 of the PSC specifies the transportation formula and criteria. *See* 24 P.S. § 25-2541.

Total Students Transported:

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

Sworn Statement and Annual Filing Requirement:

Section 2543 of the PSC sets forth the requirement for school districts to annually file a sworn statement, in a format prescribed by the Secretary of Education, of student transportation data for the prior and current school year with the Pennsylvania Department of Education (PDE) in order to be eligible for the transportation subsidies. *See* 24 P.S. § 25-2543.

The Franklin Area School District (District) was overpaid \$10,347 in transportation reimbursement from the Pennsylvania Department of Education (PDE). This overpayment was due to the District inaccurately reporting the total approved miles traveled and the number of students transported to and from school during the 2017-18 school year.⁶ A total of 71 vehicles were reported to PDE as used to transport District students during the 2017-18 school year, and the District reported inaccurate transportation data for 29 vehicles.

Districts receive two separate transportation reimbursement payments from PDE. One reimbursement is based on the number of students transported, the number of days each vehicle was used for transporting students, and the number of miles of vehicles in service, both with and without students (i.e., regular transportation reimbursement). The other reimbursement is based on the number of charter school and nonpublic school students transported (i.e., supplemental transportation reimbursement). The errors we identified in this finding impact the District’s regular transportation reimbursement.

Regular transportation reimbursement is based on several components that are reported by the District to PDE for use in calculating the District’s annual reimbursement amount. These components include, but are not limited to, the following:

- Total number of days each vehicle is used to transport students to and from school.
- Miles with and without students for each vehicle.
- Students assigned to each vehicle.

Since the above listed components are integral to the calculation of the District’s transportation reimbursement, it is essential for the District to properly record, calculate, and report this information to PDE. PDE provides instructions to help districts report this information accurately. Relevant portions of these instructions are cited in our criteria box to the left of this finding.

⁶ Transportation data was accurately reported to PDE for the 2014-15 through 2016-17 school years.

Criteria relevant to the finding (continued):

Section 2543 of the PSC, entitled, “Sworn statement of amount expended for reimbursable transportation; payment; withholding” states, in pertinent part:

“Annually, each school district entitled to reimbursement on account of student transportation shall provide in a format prescribed by the Secretary of Education, data pertaining to student 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.” Ibid.

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

<http://www.education.pa.gov/Documents/Teachers-Administrators/Pupil%20Transportation/eTran%20Application%20Instructions/PupilTransp%20Instructions%20PDE%201049.pdf> (accessed 12/18/19)

Daily Miles With

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

Daily Miles Without

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

It is important to note that the Public School Code (PSC) requires that all school districts must annually file a sworn statement of student transportation data for the prior and current school years with PDE in order to be eligible for the transportation subsidies. The Franklin Area School District completed this sworn statement for the 2017-18 school year. It is essential that the District accurately report transportation data to PDE and retain the support for this transportation data. Further, the sworn statement of student transportation data should not be filed with the state Secretary of Education unless the data has been double-checked for accuracy by personnel trained on PDE’s reporting requirements. An official signing a sworn statement must be aware that by submitting the transportation data to PDE, he/she is asserting that the information is true and that they have verified evidence of accuracy.⁷

Errors Related to Number of Students Transported

The total number of students transported was inaccurately calculated and reported to PDE for all vehicles used by one of the District’s two transportation contractors. PDE instructions require that the number of students transported for each vehicle be reported as the greatest number of students assigned to ride on the vehicle at any one time during the day. If the number of students assigned changed during the year, districts are required to calculate a weighted average or a sample average. The District inaccurately calculated a weighted average for all 27 vehicles used by one District contractor. This specific contractor used two-digit vehicle identification numbers.⁸ The District inaccurately included the vehicle identification numbers as part of the weighted student averages, which caused inaccurate student data to be reported to PDE.

Errors Related to Number of Miles and Number of Students Transported

PDE guidelines state that the District should report the number of miles per day to the nearest tenth mile that each vehicle travels with and without students, and if that figure changes during the year, to calculate and report a sample average. The District received actual miles with and without students from its contractors during the 2017-18 school year; however, the District inaccurately calculated and reported sample averages for 5 of its 71 contracted vehicles used to transport District students. The number of students transported was also inaccurate for three of the five vehicles. Inaccurately reporting the number of students transported and mileage data resulted in the District being overpaid transportation reimbursements.

The District did not have personnel other than the person who prepared the data conduct a secondary review of the data prior to submitting it to

⁷ Please note that while a sworn statement is different from an affidavit, in that a sworn statement is not typically signed or certified by a notary public but is, nonetheless, taken under oath. See <https://legaldictionary.net/sworn-statement/> (accessed December 19, 2019).

⁸ The District’s second transportation contractor used letters as part of its vehicle identification.

PDE. A review of this nature could have identified the errors prior to inaccurately reporting data to PDE since the errors were the result of including vehicle identification numbers as part of the average calculated and rudimentary mathematical errors.

It is essential that the District accurately report transportation data to PDE. Further, the sworn statement of student transportation data should not be filed with PDE unless the data has been double-checked for accuracy by personnel trained on PDE's reporting requirements.

Recommendations

The *Franklin Area School District* should:

1. Implement a procedure to have a District official, other than the person who prepares the data, review and approve transportation data prior to submission to PDE to help ensure accuracy.
2. Review transportation data reported to PDE for the 2018-19 school year and submit revisions if errors are found.

The *Pennsylvania Department of Education* should:

3. Adjust the District's future subsidies to resolve the \$10,347 overpayment.

Management Response

District management provided the following response:

Management agrees with the Finding.

The error related to the Number of Students Transported was a simple calculation error made with averaging in the two-digit vehicle number with the other month sample of Greatest Number of Students.

For the errors related to the Number of Miles, it was a transposition error when entering the numbers into the PDE e-tran system online.

Moving forward the Franklin Area School District will:

*The district will have another District official, other than the person who prepares the data, review and approve it for accuracy before it is entered into the PDE e-tran system.

*The district is pleased to report that it has reviewed the transportation data submitted to PDE for the 2018-2019 school year and found it to be accurate as reported.

Auditor Conclusion

We are pleased that the District has agreed to implement our recommendations including conducting a verifiable second review of all transportation calculations/data reviews prior to submission to PDE. We will review the effectiveness of the District's corrective actions during our next audit.

Finding No. 2

The Franklin Area School District Failed to Conduct Monthly Fire Drills as Required by the Public School Code and Inaccurately Reported Fire Drill Data to PDE

Criteria relevant to the finding:

The following PSC provisions, as implemented by PDE in its guidance for the 2017-18 school year, are relevant to the finding:

Section 1517(a) of the PSC requires:

“In all public schools where fire-escapes, appliances for the extinguishment of fires, or proper and sufficient exits in case of fire or panic, either or all, are required by law to be maintained, fire drills shall be periodically conducted, **not less than one a month**, by the teacher or teachers in charge, under rules and regulations to be promulgated by the chief school administrator under whose supervision such schools are. In such fire drills, the pupils and teachers shall be instructed in, and made thoroughly familiar with, the use of the fire-escapes, appliances and exits. **The drill shall include the actual use thereof, and the complete removal of the pupils and teachers**, in an expeditious and orderly manner, by means of fire-escapes and exits, from the building to a place of safety on the grounds outside.” [Emphases added.] See 24 P.S. § 15-1517(a) (as amended by Act 55 of 2017, effective November 6, 2017).

Further, Section 1517(b) of the PSC also requires:

“Chief school administrators are hereby required to see that the provisions of this section are faithfully carried out in the school entities over which they have charge.” See 24 P.S. § 15-1517(b). Ibid.

Our review of the District’s fire drill reports for the 2017-18 school year disclosed that the District failed to conduct mandated monthly fire drills, as required by Section 1517(a) of the PSC.⁹ In addition, we found that the District reported inaccurate fire drill data to PDE. Consequently, the District’s Superintendent inappropriately attested to the accuracy of the fire drill data in the PDE required report and certification statement.

As part of our review, we requested the 2017-18 Fire Drill Accuracy Certification Statement (ACS) report filed with PDE for the District’s four school buildings. We also reviewed supporting documentation to determine if fire drills were conducted as required each month from September 2017 through May 2018.

We found that the District only conducted 23 fire drills in its four school buildings instead of the 36 fire drills required for the nine school months reviewed.¹⁰ Of the 13 missed fire drills, the District acknowledged not conducting 12 drills due to inclement weather on its ACS report filed with PDE. The District did not attempt to reschedule these missed drills. The Superintendent indicated that she believed that notation of missed fire drills due to inclement weather was sufficient to report to PDE and that she did not realize that those missed drills should have been rescheduled. It is important to note that the PSC does not provide for any exceptions (including weather conditions) for not conducting a fire drill each and every month. Further, one drill was reported as being conducted on the ACS report, but the District lacked documentation to support the occurrence of the drill, so we were unable to confirm that it occurred or verify the accuracy of the data reported to PDE.

In addition, we discovered two instances of inaccurate data reported at the Jr/Sr High School. Specifically, an inaccurate date was reported for one month and no drill was reported for one month when documentation showed a drill did occur. The District attributed these inaccuracies to data entry errors. Despite the inaccurate reporting, we counted these fire drills as being conducted based on available documentation.

⁹ 24 P.S. § 15-1517(a).

¹⁰ The District has four school buildings and fire drills are required every month for each building during our review period: 4 buildings x 9 months = 36 fire drills.

*Criteria relevant to the finding
(continued):*

According to PDE guidance emailed to all public schools on October 7, 2016, and its Basic Education Circular entitled, *Fire Drill and School Bus Evacuations*, annual certification of the completion of fire drills must be provided to PDE. Beginning with the 2016-17 school year, annual reporting was required through the PIMS and fire drill certifications require each school entity to report the date on which each monthly fire drill was conducted. *Fire Drill Accuracy Certification Statements* must be electronically submitted to PDE by July 31 following the end of a school year. Within two weeks of the electronic PIMS submission, a printed, signed original ACS must be sent to PDE's Office for Safe Schools.

The *Fire Drill Accuracy Certification Statement* that the chief school administrator was required to sign for the 2017-18 school year states, in part:

"I acknowledge that 24 PS 15-157 ...[requires that] fire drills shall be periodically conducted, not less than one a month...under rules and regulations to be promulgated by the district superintendent under whose supervision such schools are...

District superintendents are hereby required to see that the provisions of this section are faithfully carried out in the schools over which they have charge. I certify that drills were conducted in accordance with 24 P.S. 15-157 and that information provided on the files and summarized on the above School Safety Report is correct and true to the best of my knowledge...."

Section 1515(a) of the PSC requires that a drill shall actually be conducted and requires the complete removal of students and teachers from the building in which the fire drill is being conducted.¹¹ Further, under Section 1517(b) of the PSC, the chief school administrator is required to ensure that all requirements of Section 1517 are "faithfully carried out in the schools over which they have charge."¹² Additionally, the chief school administrator also has a duty to affirm that all of the information reported on the ACS report filed with PDE was correct and true to the best of her knowledge. Given that monthly fire drills were not conducted as required and inaccurate data was reported, the Superintendent did not fulfill this mandate.

In conclusion, it is vitally important that the District's students and staff regularly participate in fire drills and other emergency drills while school is in session throughout the school year, and that fire drill data is accurately reported to PDE. In addition, the Superintendent is responsible for attesting to the accuracy of the fire drill data reported in accordance with the PSC and the certification statement on the ACS report.

The PSC's longstanding fire drill requirement specifically mandates that fire drills be conducted *each and every month* while school is in session with students and staff present. As further explained in the criteria section of this finding, recent amendments to the PSC reinforce the importance of conducting monthly fire drills and school security drills. The safety of students, school staff, and others (i.e., visitors and contractors) must be paramount at all times.

Recommendations

The *Franklin Area School District* should:

1. Conduct all required monthly fire drills with staff and students while school is in session, as required by the PSC.
2. Ensure the District is reporting factually correct data as certified by its Superintendent to PDE in its annual fire drill reports that can be evidenced by supporting documentation.
3. Consult with its solicitor to ensure it is fully aware of all amendments (discussed in criteria box) to the PSC regarding fire and school security drill requirements for future school years.

¹¹ Ibid.

¹² 24 P.S. § 15-1517(b).

Criteria relevant to the finding (continued):

Important Note: The following summary is provided as a courtesy for informational purposes only to highlight recent amendments to the PSC, but does **not** apply to the review period (i.e., 2017-18 school year) for this finding.

In **2018**, the General Assembly amended Section 1517 of the PSC through Act 39 which ***mandates*** that each school entity conduct one school security drill per school year in each school building in place of a required fire drill within 90 days of the commencement of the school year after the subsection's effective date (July 1, 2018) and in each school year thereafter. The school security drill ***must*** be conducted while the school entity is in session and students are present. Further, Act 39 provides that each school entity may conduct two school security drills per school year in each school building in place of two fire drills after 90 days from the commencement of each school year. (Emphasis added.) *See* 24 P.S. § 15-1517 (as most recently amended by Act 39 of 2018 and applicable to the 2018-19 school year and thereafter).

Management Response

District management provided the following response:

“The Franklin Area School agrees with the findings and will ensure that monthly fire drills with staff and students will be conducted and reported appropriately. In the months of inclement weather, shelter drills will be conducted and documented. The Franklin Area School District will consult with its solicitor to ensure that all amendments regarding fire and school security drills will be followed in future years.”

Auditor Conclusion

We are pleased that the District agrees with our finding and are encouraged that the District has begun implementation of our recommendations. We continue to emphasize the need for all fire drills to be completed and accurately reported to PDE. We will review the effectiveness of the District's corrective actions during our next audit.

Status of Prior Audit Findings and Observations

Our prior audit of the Franklin Area 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.

Scope

Overall, our audit covered the period July 1, 2014 through June 30, 2018. In addition, the scope of each individual audit objective is detailed on the next page.

The Franklin Area School District's (District) management is responsible for establishing and maintaining effective internal controls to provide reasonable assurance that the District is in compliance with certain relevant state laws, regulations, contracts, and administrative procedures (relevant requirements).¹⁴ In conducting our audit, we obtained an understanding of the District's internal controls, including any information technology controls, if applicable, that we considered 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.

¹³ 72 P.S. §§ 402 and 403.

¹⁴ 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, 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, 2014 through June 30, 2018. 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:

- ❖ Transportation Operations
- ❖ School Safety
- ❖ Nonresident Student Data
- ❖ Administrative Separations
- ❖ Bus Driver Requirements

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 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, first, we randomly selected 10 of the 45 regular bus runs for the 2017-18 school year. For each vehicle selected, we obtained odometer readings, student rosters, and vehicle invoices, and verified the accuracy of miles, days in service, and students transported, as reported by the District to PDE. After discovering errors in the District's reporting of mileage and number of students transported, we expanded our testing to review all 45 buses used during the 2017-18 school year. In addition, we reviewed all buses used for transporting students for the 2014-15, 2015-16, and 2016-17 school years.¹⁶ For all buses, we obtained odometer readings, bus rosters, and student counts, and verified the accuracy of miles and students transported by the District to PDE. See Finding No. 1 on page 7 of this report for the results of our review for this objective.
- 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, anti-bullying policies, and fire drill documentation and reports. In addition, we conducted on site reviews of three of the District's four school buildings (randomly selecting two of three elementary buildings and reviewing the District's lone secondary building) to assess

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

¹⁶ The District reported 45 buses used for transporting students for the 2014-15 school year, 45 buses used for transporting students for the 2015-16 school year, and 42 buses used for transporting students for the 2016-17 school year.

¹⁷ 24 P.S. § 13-1301-A *et seq.*

whether the District had implemented basic safety practices.^{18,19} A portion of the results of our review of this objective can be found in Finding No. 2 on page 11 of this report. Due to the sensitive nature of school safety, the full results of our review of this objective area are not described in our audit report but are shared with District officials, PDE, and other appropriate agencies as deemed necessary.

- Did the District accurately report nonresident students to PDE? Did the District receive the correct reimbursement for these nonresident students?²⁰
 - ✓ To address this objective, we reviewed all five nonresident foster students reported by the District to PDE for the 2017-18 school year. We obtained documentation to verify that the custodial parent or guardian was not a resident of the District and the foster parent received a stipend for caring for the student. The student listing was compared to the total days reported on the Membership Summary and Instructional Time and Membership report to ensure that the District received the correct reimbursement for these students. Our review of this objective did not disclose any reportable issues.

- Did the District pursue a contract buy-out with an administrator and if so, what was the total cost of the buy-out, what were the reasons for the termination/settlement, and did the employment contract(s) comply with the Public School Code²¹ and Public School Employees' Retirement System (PSERS) guidelines?
 - ✓ To address this objective, we reviewed the contract, settlement agreement, board meeting minutes, and payroll records for the one individually contracted administrator who separated employment from the District during the period July 1, 2014 through June 30, 2018. We verified the reason for separation, the total cost of the buy-out, and reviewed payroll records to ensure that payments were correctly reported to PSERS. Our review of this objective did not disclose any reportable issues.

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

¹⁹ While representative selection is a required factor of audit sampling methodologies, audit sampling methodology was not applied to achieve this test objective, accordingly, the results of this audit procedure are not, and should not be, projected to the population.

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

²¹ 24 P.S. § 10-1073(e)(2)(v).

- Did the District ensure that bus drivers transporting District students had the required driver's license, physical exam, training, background checks, and clearances²² as outlined in applicable laws?²³ 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 randomly selected 10 of the 97 bus drivers transporting District students as of September 30, 2019.²⁴ We 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 ensure compliance with bus driver hiring requirements. Our review of this objective did not disclose any reportable issues.

²² 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.

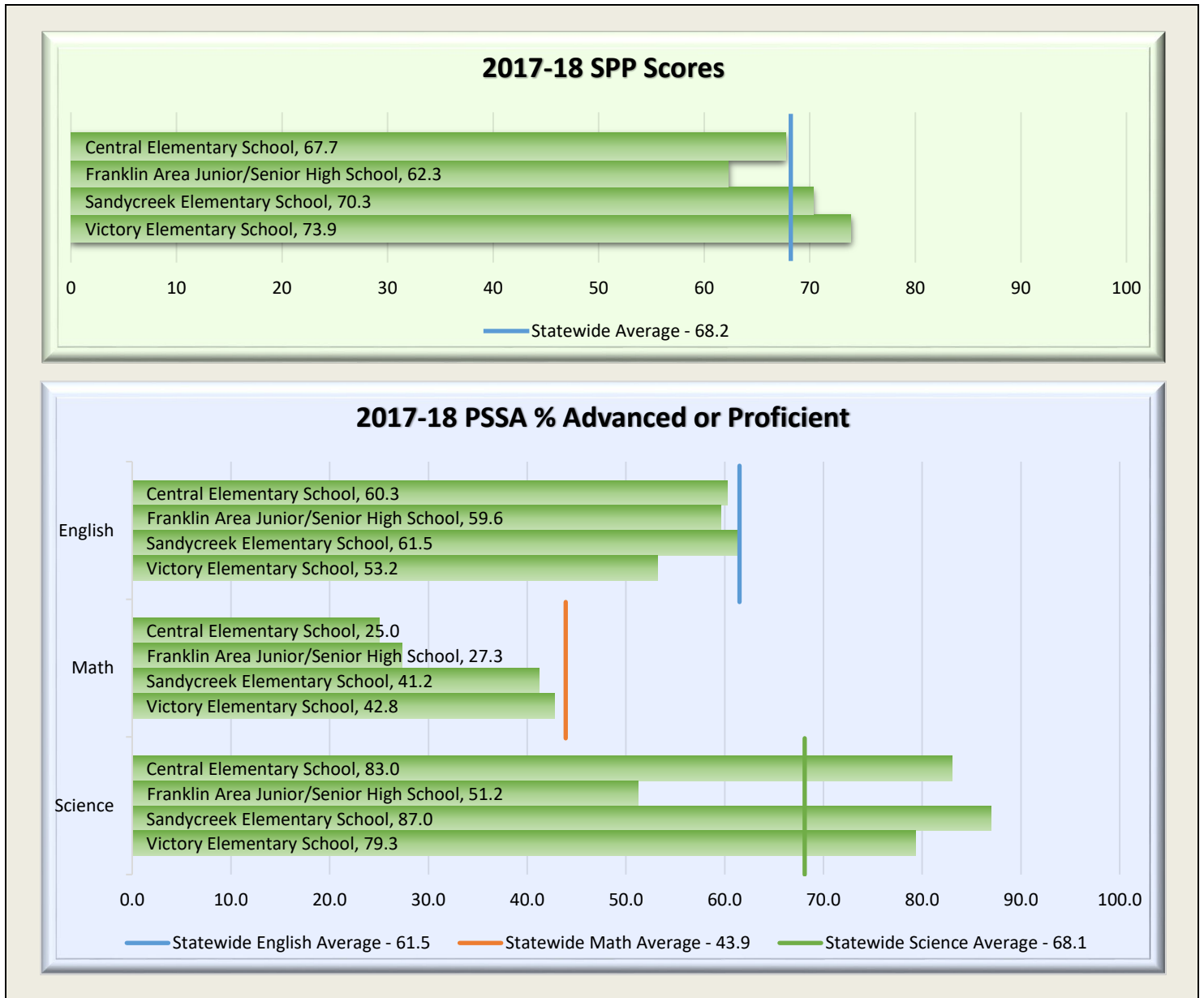
²³ 24 P.S. § 1-111, 23 Pa.C.S. § 6344(a.1), 24 P.S. § 2070.1a *et seq.*, 75 Pa.C.S. §§ 1508.1 and 1509, and 22 Pa. Code Chapter 8.

²⁴ 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.

Appendix B: Academic Detail

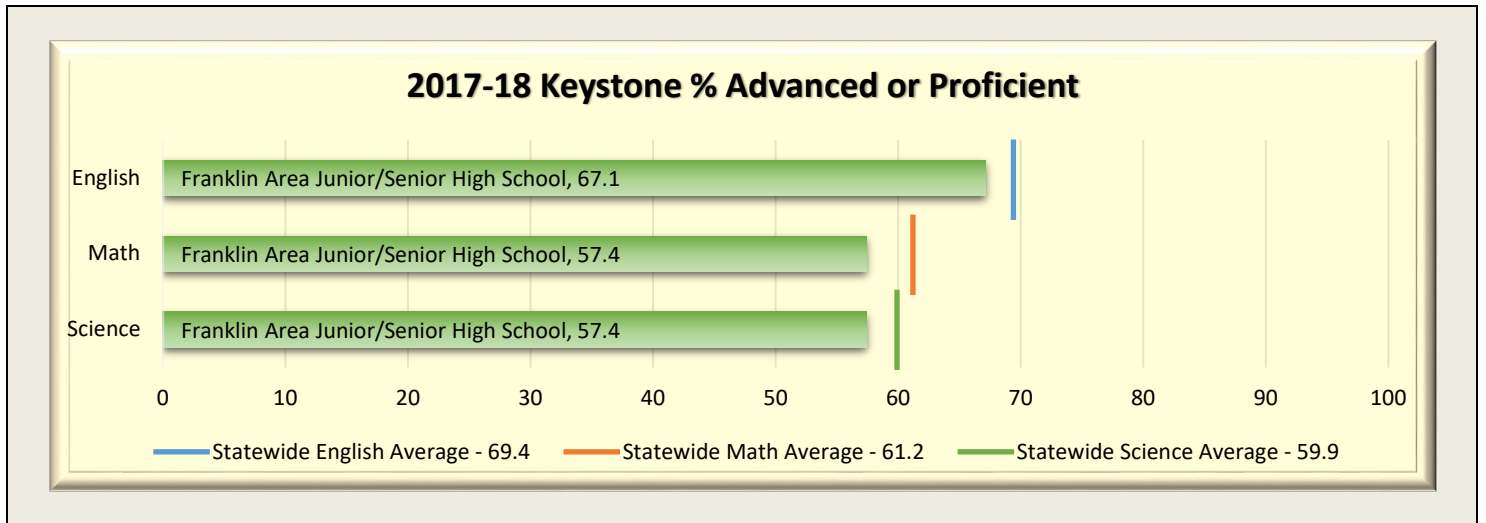
Benchmarks noted in the following graphs represent the statewide average of all public school buildings in the Commonwealth that received a score in the category and year noted.²⁵

2017-18 Academic Data School Scores Compared to Statewide Averages



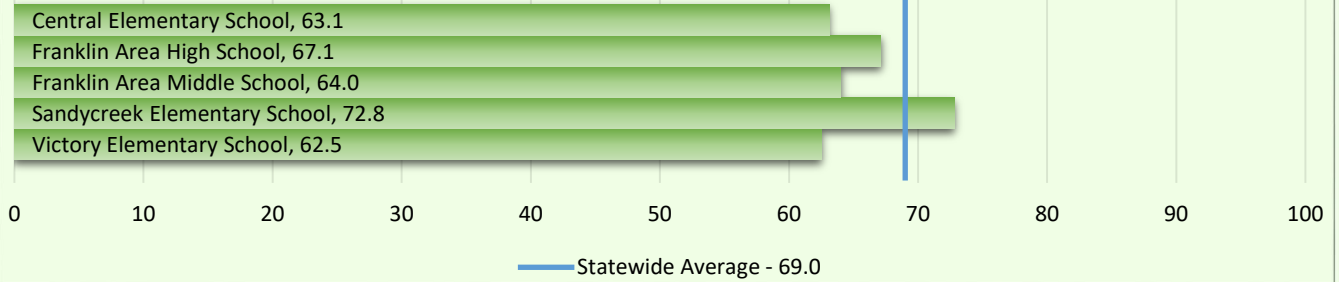
²⁵ Statewide averages were calculated by our Department based on individual school building scores for all public schools in the Commonwealth, including district schools, charters schools, and cyber charter schools.

2017-18 Academic Data
School Scores Compared to Statewide Averages (continued)

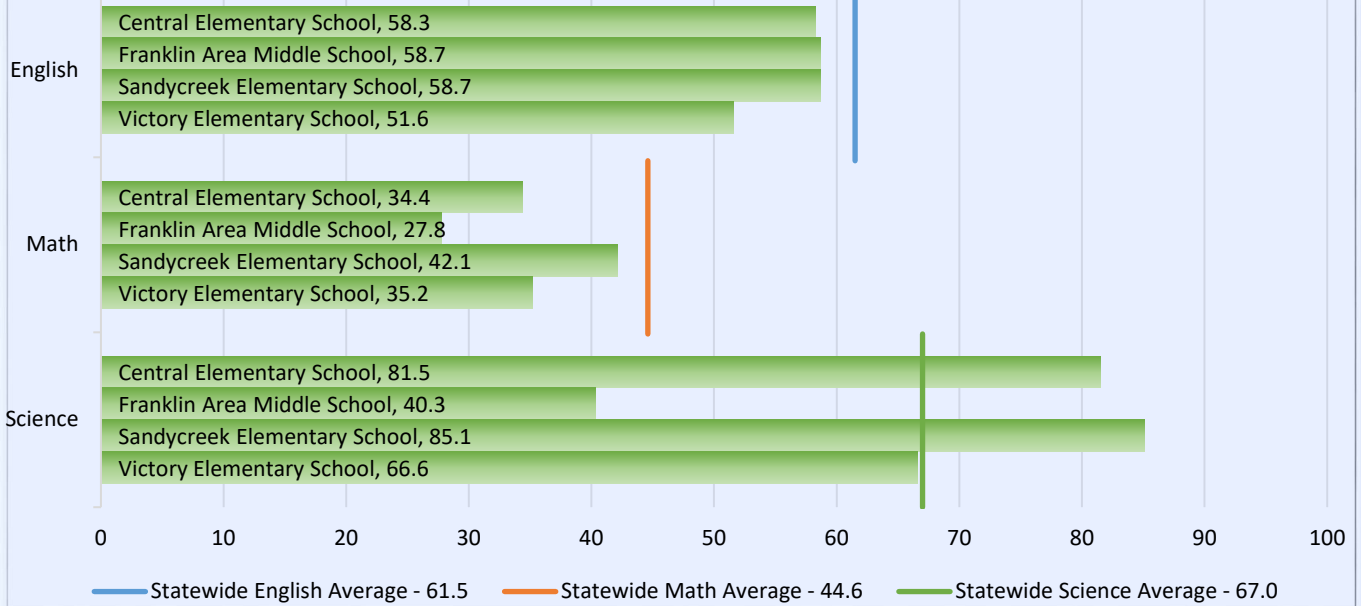


2016-17 Academic Data
School Scores Compared to Statewide Averages

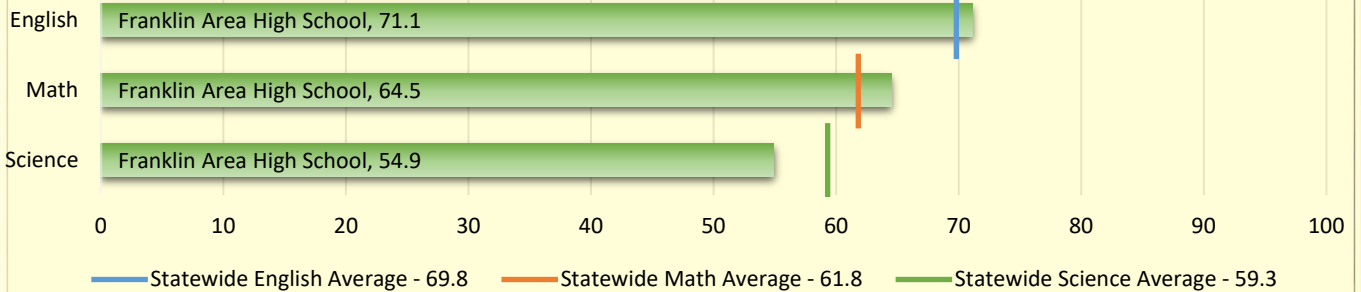
2016-17 SPP Scores



2016-17 PSSA % Advanced or Proficient

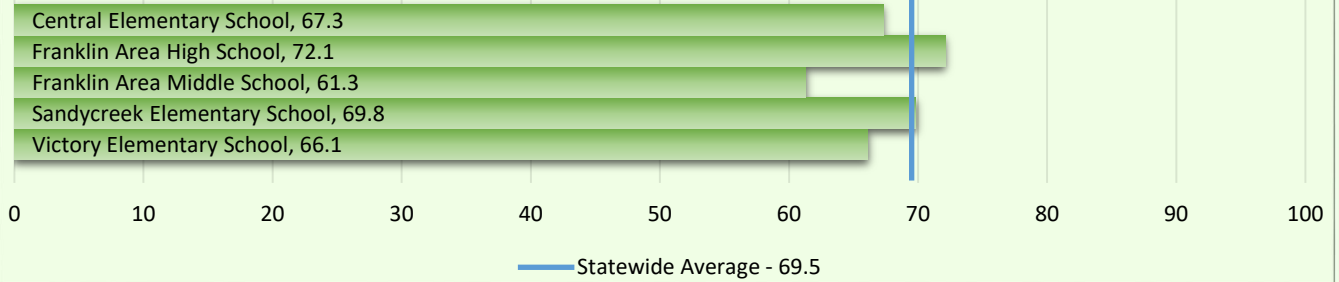


2016-17 Keystone % Advanced or Proficient

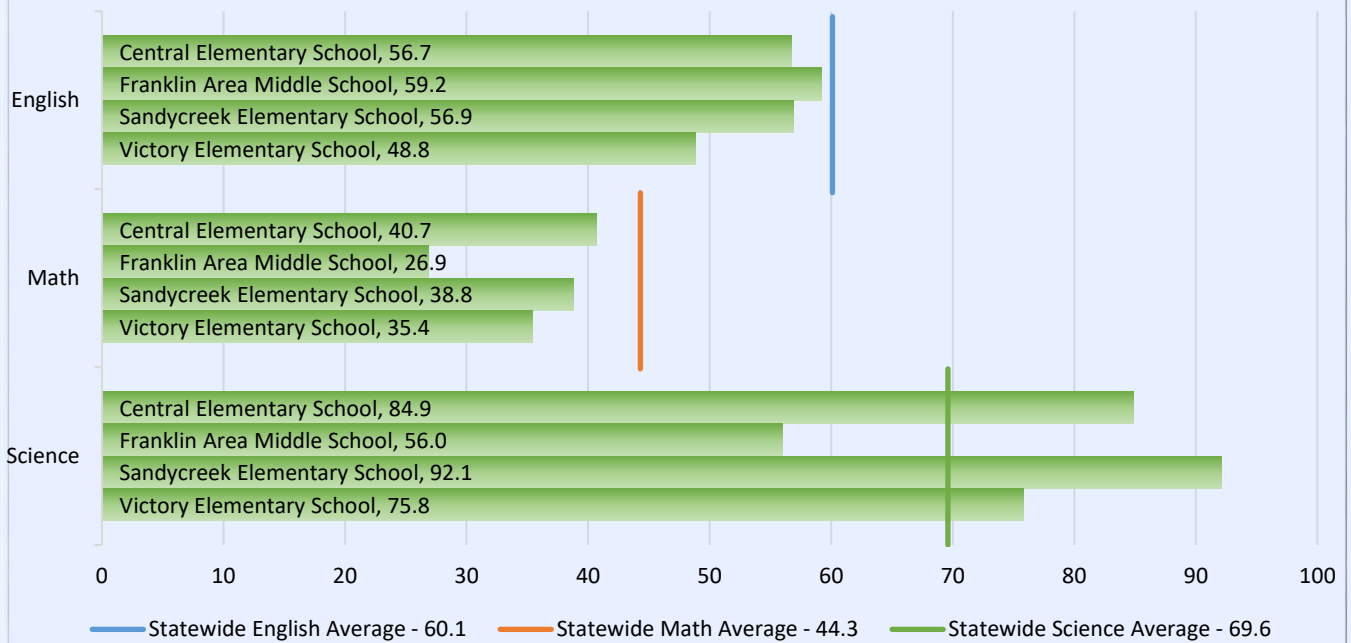


2015-16 Academic Data
School Scores Compared to Statewide Averages

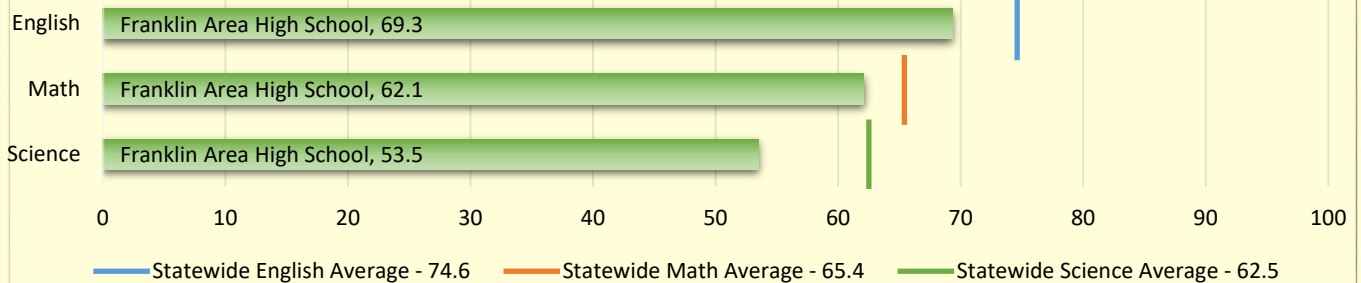
2015-16 SPP Scores



2015-16 PSSA % Advanced or Proficient



2015-16 Keystone % Advanced or Proficient



Distribution List

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The Honorable Tom W. Wolf

Governor

Commonwealth of Pennsylvania

Harrisburg, PA 17120

The Honorable Pedro A. Rivera

Secretary of Education

1010 Harristown Building #2

333 Market Street

Harrisburg, PA 17126

The Honorable Joe Torsella

State Treasurer

Room 129 - Finance Building

Harrisburg, PA 17120

Mrs. Danielle Mariano

Director

Bureau of Budget and Fiscal Management

Pennsylvania Department of Education

4th Floor, 333 Market Street

Harrisburg, PA 17126

Dr. David Wazeter

Research Manager

Pennsylvania State Education Association

400 North Third Street - Box 1724

Harrisburg, PA 17105

Mr. Nathan Mains

Executive Director

Pennsylvania School Boards Association

400 Bent Creek Boulevard

Mechanicsburg, PA 17050

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