

# PERFORMANCE AUDIT

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## Jim Thorpe Area School District Carbon County, Pennsylvania

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November 2017



Commonwealth of Pennsylvania  
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE  
AUDITOR GENERAL

Mr. Brian J. Gasper, Superintendent  
Jim Thorpe Area School District  
410 Center Avenue  
Jim Thorpe, Pennsylvania 18229

Dr. Michael Principe, Board President  
Jim Thorpe Area School District  
410 Center Avenue  
Jim Thorpe, Pennsylvania 18229

Dear Mr. Gasper and Dr. Principe:

We have conducted a performance audit of the Jim Thorpe Area 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:

- Transportation Operations
- Data Integrity
- Administrator Contract Buyout
- Bus Driver Requirements
- School Safety

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 Incorrectly Reported Transportation Data to PDE Resulting in a \$30,449 Underpayment

Mr. Brian J. Gasper  
Dr. Michael Principe  
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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 14, 2017

cc: **JIM THORPE AREA SCHOOL DISTRICT** Board of School Directors

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## Background Information

School Characteristics 2015-16 School Year <sup>A</sup>	
County	Carbon
Total Square Miles	137
Resident Population <sup>B</sup>	15,791
Number of School Buildings	3
Total Teachers	148
Total Full or Part-Time Support Staff	51
Total Administrators	14
Total Enrollment for Most Recent School Year	2,361
Intermediate Unit Number	21
District Vo-Tech School	Carbon Career Technical Institute

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

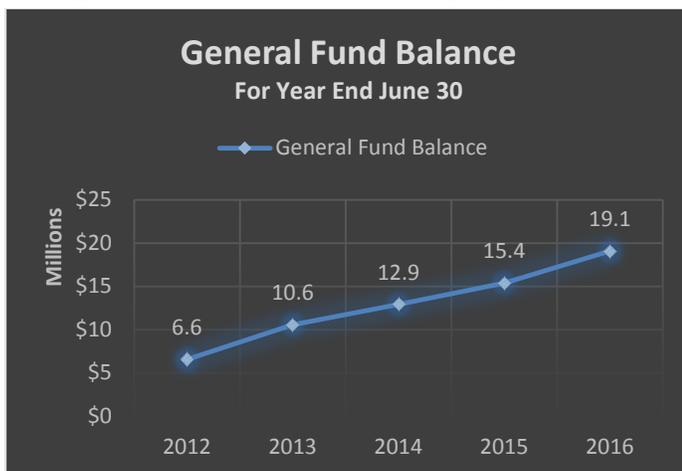
B - Source: United States Census  
<http://www.census.gov/2010census>.

## Mission Statement<sup>A</sup>

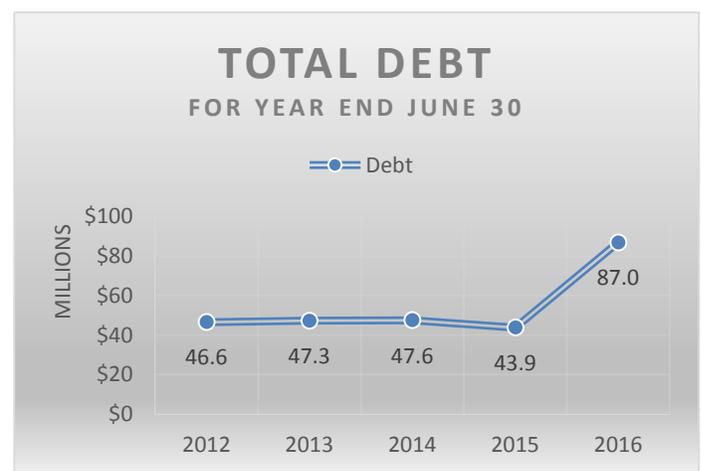
The mission of the Jim Thorpe Area School District, as a unified community, is to pursue educational excellence and graduate responsible, contributing citizens.

## Financial Information

The following pages contain financial information about the Jim Thorpe 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**.

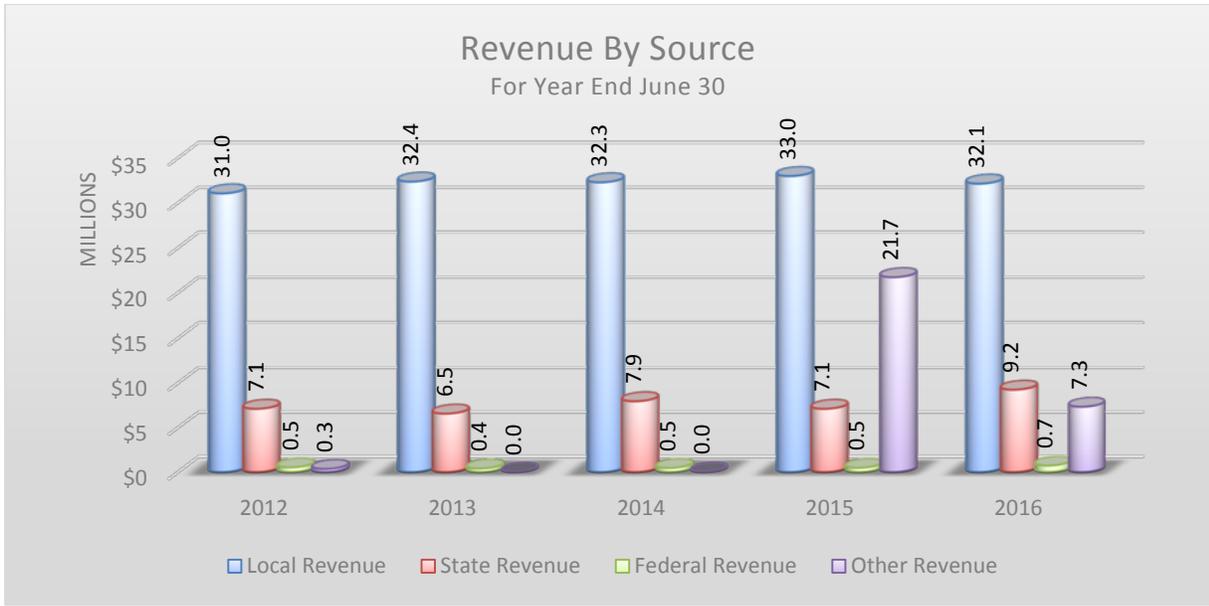
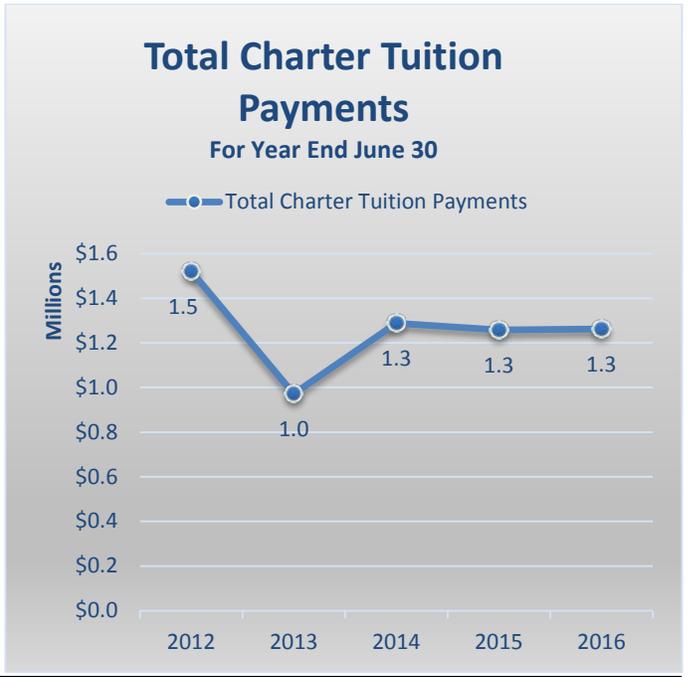
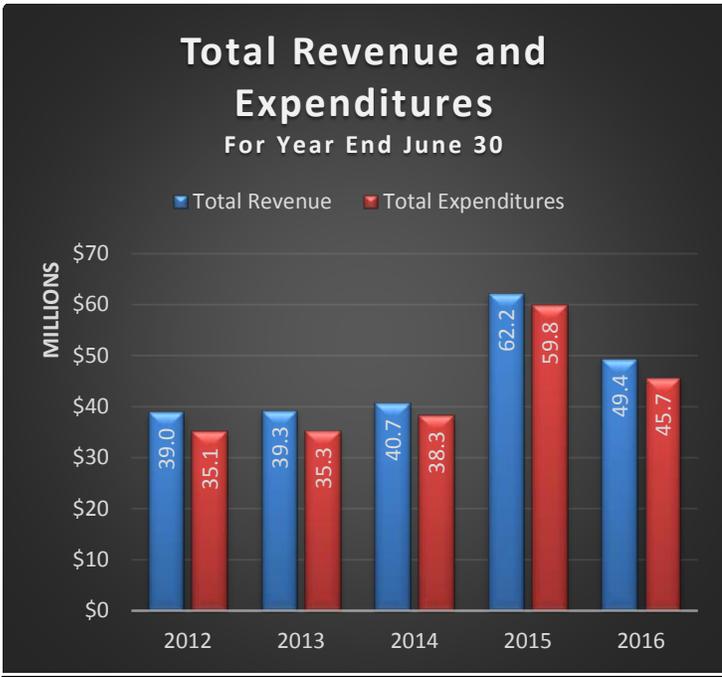


**Note:** General Fund Balance is comprised of the District's Committed, Assigned and Unassigned Fund Balances.



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

**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.<sup>1</sup> 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.<sup>2</sup> 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.<sup>3</sup>

### **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 schools were put on hold due to changes with PSSA testing.<sup>4</sup> 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.

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<sup>1</sup> PDE is the sole source of academic data presented in this report. All academic data was obtained from PDE's publically available website.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> 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.<sup>5</sup> 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.<sup>6</sup>

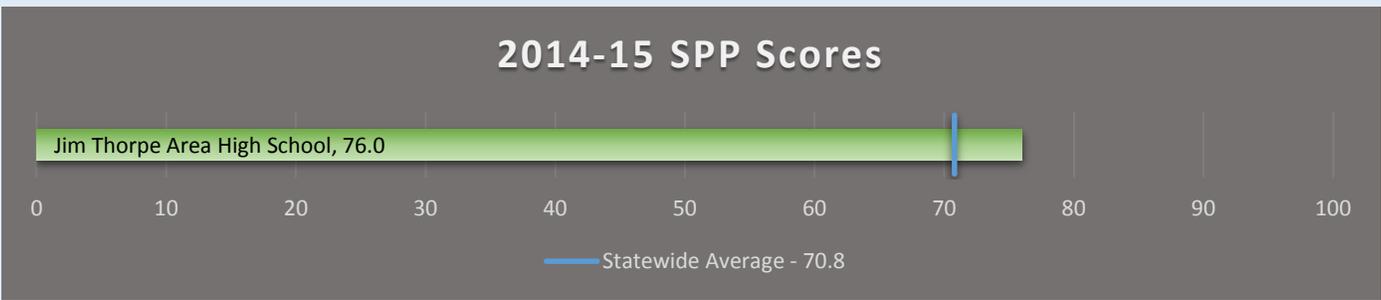
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<sup>5</sup> PDE has determined that PSSA scores issued beginning with the 2014-15 school year and after are not comparable to prior years due to restructuring of the exam. (Also, see footnote 4).

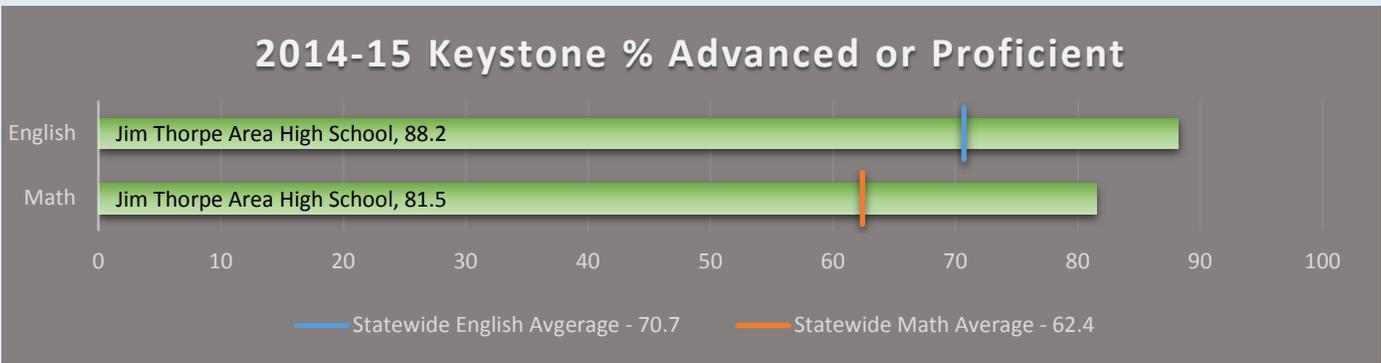
<sup>6</sup> PDE also calculates 5-year and 6-year cohort graduation rates. Please visit PDE's website for additional information: <http://www.education.pa.gov/Data-and-Statistics/Pages/Cohort-Graduation-Rate-.aspx>.

**2014-15 Academic Data**  
**School Scores Compared to Statewide Averages**

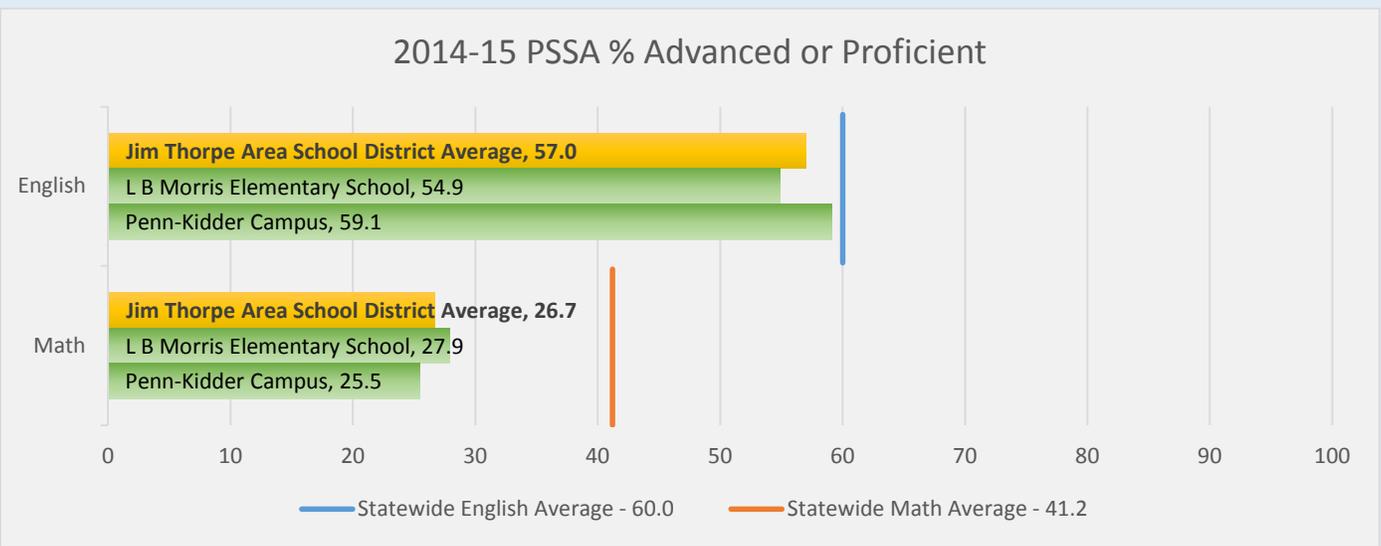
**2014-15 SPP Scores**



**2014-15 Keystone % Advanced or Proficient**

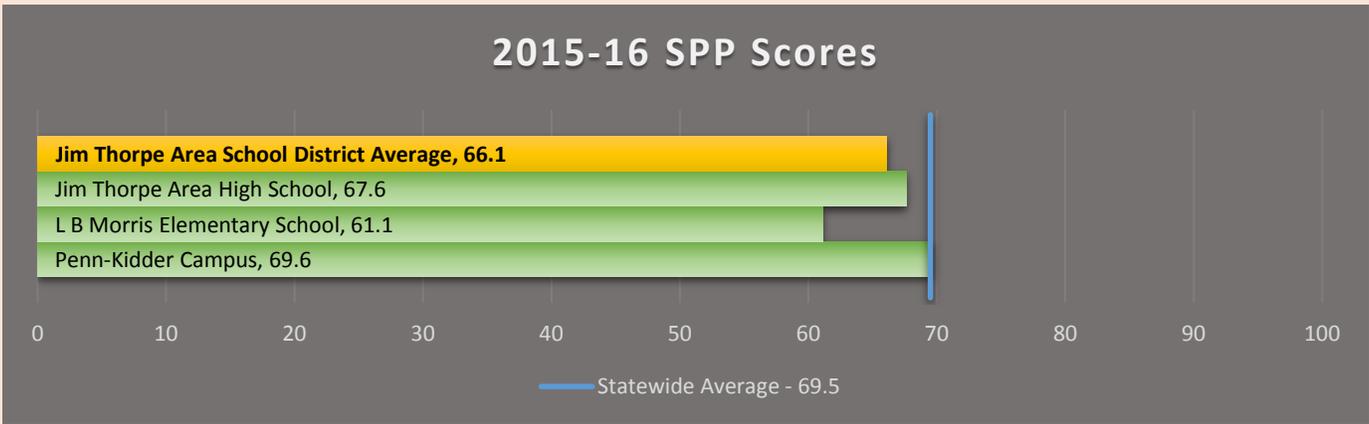


**2014-15 PSSA % Advanced or Proficient**

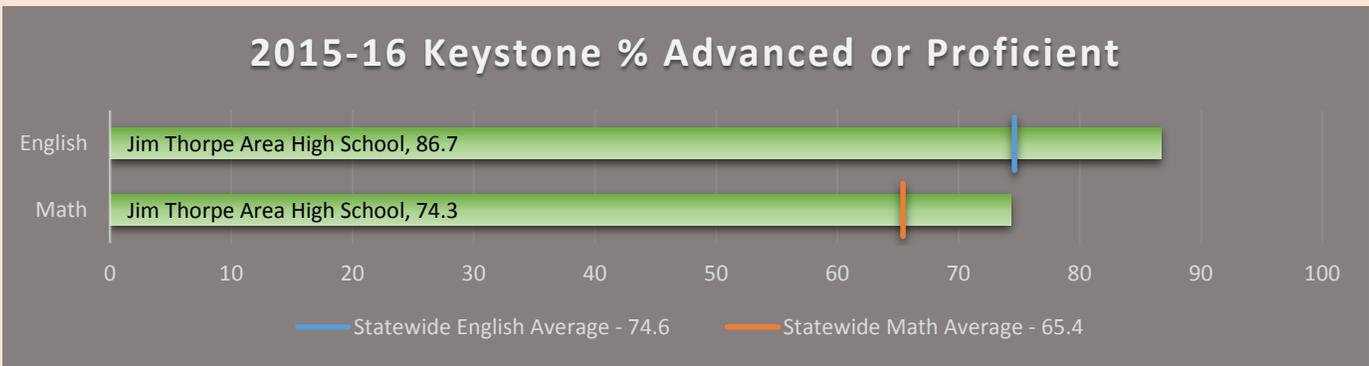


**2015-16 Academic Data**  
**School Scores Compared to Statewide Averages**

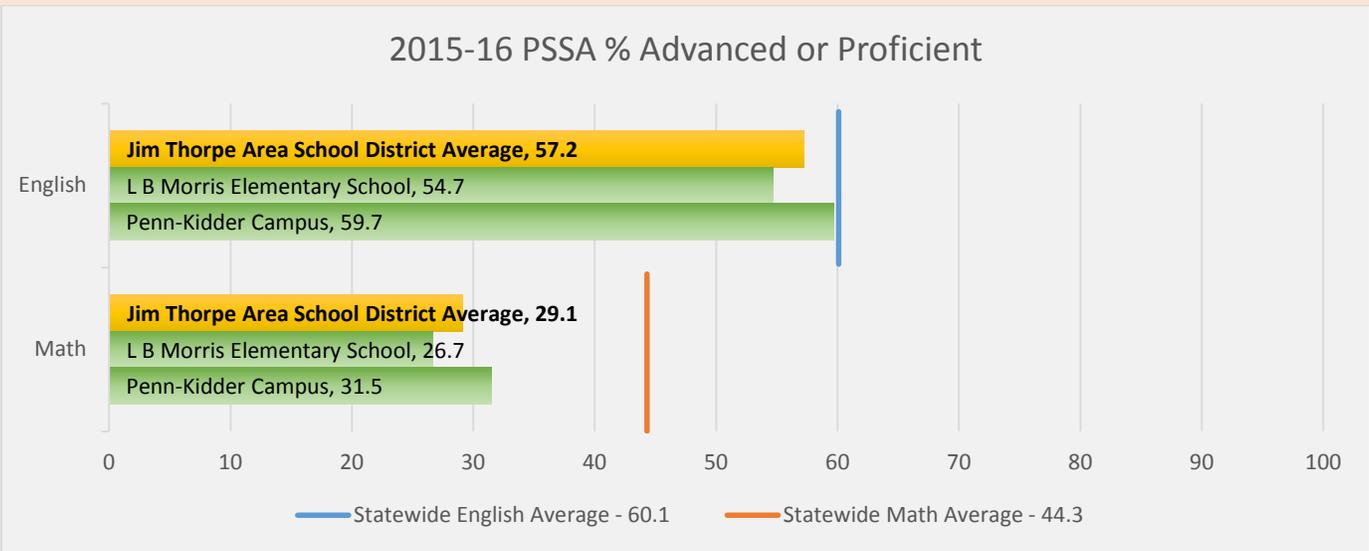
**2015-16 SPP Scores**



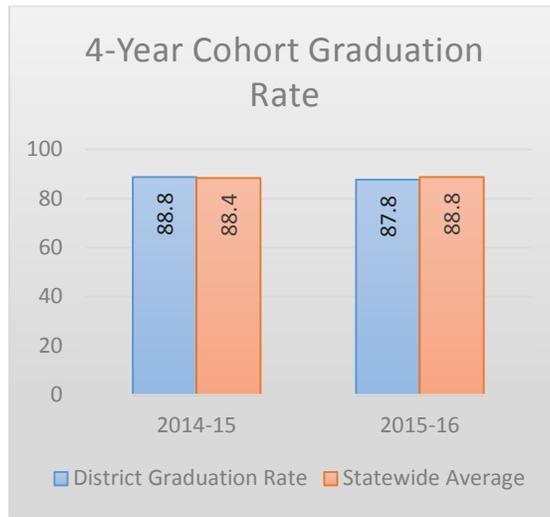
**2015-16 Keystone % Advanced or Proficient**



**2015-16 PSSA % Advanced or Proficient**



### 4-Year Cohort Graduation Rate



## Finding(s)

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### Finding

### The District Incorrectly Reported Transportation Data to PDE Resulting in a \$30,449 Underpayment

*Criteria relevant to the finding:*

#### **Supplemental Transportation Subsidy for Nonpublic Students**

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, 24 P.S. § 25-2541, specifies the transportation formula and criteria.

Section 2541(a) of the PSC, 24 P.S. § 25-2541(a), 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 mileage and the utilized passenger capacity of vehicles for reimbursement purposes. . . .”

We found that the Jim Thorpe Area School District (District) was underpaid \$30,449 in transportation reimbursements from the Pennsylvania Department of Education (PDE) as a result of two separate transportation reporting errors made by the District. This net underpayment was due to the District incorrectly reporting total annual miles driven for one district-owned vehicle during the 2015-16 school year, which resulted in a \$39,689 regular transportation reimbursement underpayment. In addition, the District incorrectly reported the number of nonpublic students transported by the District to PDE during the 2012-13, 2014-15, and 2015-16 school years, which resulted in a \$9,240 supplemental transportation reimbursement overpayment. The net effect of these two reporting errors resulted in a \$30,449 underpayment to the District.

School districts receive two separate transportation reimbursement payments from PDE. One reimbursement is based on the number of students transported and the number of miles driven for vehicles in service, both with and without students (regular transportation reimbursement). The other reimbursement is based on the number of charter school and nonpublic students transported (supplemental transportation reimbursement).

#### **Incorrect Regular Transportation Reimbursement Received**

PDE reimburses school districts for a portion of its transportation expenditures. PDE calculates a school district’s net transportation expenditures using expense data reported by the district and applying deductions to that amount. PDE also calculates a “final formula allowance” by using, among other items, the number of days students were transported and the approved daily miles driven. To determine the amount of a school district’s regular transportation reimbursement subsidy, PDE compares the final formula allowance to the net transportation

*Criteria relevant to the finding  
(continued):*

Section 1361(a) of the PSC, 24 P.S. § 13-1361(a), requires school districts to provide free transportation to their students attending a nonpublic school located within the school district or outside the school district not exceeding ten miles by the nearest public highway. This provision also allows school districts to receive a supplemental, state transportation subsidy of \$385 per nonpublic school student pursuant to Section 2509.3 of the PSC, 24 P.S. § 25-2509.3.

Nonpublic school pupils are children whose parents are paying tuition for them to attend a nonprofit or parochial school.

**Sworn Statement and Annual Filing Requirements**

Section 2543 of the PSC, 24 P.S. § 25-2543, sets forth the requirement for school districts to annually file a sworn statement of student transportation data for the prior and current school year with PDE in order to be eligible for the transportation subsidies.

Section 2543 of the PSC, which is entitled, “Sworn statement of amount expended for reimbursable transportation; payment; withholding” states, in part: “Annually, each school district entitled to reimbursement on account of pupil transportation shall provide in a format prescribed by the Secretary of Education, data pertaining to pupil transportation for the prior and current school year. . . . The Department of Education may, for cause specified by it, withhold such reimbursement, in any given case, permanently, or until the school district has complied **with the law or regulations** of the State Board of Education.” (Emphasis added.)

expenditure amount and reimburses the school district the lesser of the two amounts.

The District was reimbursed based on the net transportation expenditures incurred during the 2015-16 school year. However, we found that for the 2015-16 school year, the District incorrectly reported to PDE the amount of total miles driven and that error affected the calculation of the net transportation expenditure. Specifically, using the numbers originally reported, the District’s net expenditure amount was \$88,697. After adjusting for the error, the District’s net expenditure amount was \$293,194.

PDE had calculated the District’s final formula allowance as \$128,386. Since PDE bases the transportation reimbursement on the lesser of the two amounts, the District received \$88,697. However, the recalculated net transportation expenditures amount is now \$293,194. Since the final formula allowance is the lesser of the two amounts, the District should have received reimbursement of \$128,386 rather than the \$88,697. As a result, we determined that the District was underpaid a total of \$39,689 for the 2015-16 school year.

We found that the error occurred because the District over reported total miles driven for one of its vehicles. District personnel entered the beginning odometer reading for one of its vehicles into its transportation software system. However, this vehicle was not used during the 2015-16 school year, so no ending odometer reading was entered into the system. Without an ending odometer reading, the transportation software incorrectly calculated the total annual miles for this vehicle.

We determined that this error was an isolated error since we reviewed total annual miles reported by the District to PDE for the 2012-13, 2013-14, and 2014-15 school years and found no other errors.

The District did not detect this error because the District was too reliant on its transportation software and did not perform a reconciliation of the District’s transportation software mileage report to the individual mileage reports prior to submission of transportation data to PDE.

*Criteria relevant to the finding  
(continued):*

PDE has established a Summary of Students Transported form (PDE-2089) and relevant instructions specifying how districts are to report nonpublic students transported to and from school.

The number of days transported, miles vehicles travel with and without pupils, pupil data such as public hazardous and public nonhazardous, and the amount paid to contractors are all integral parts of the transportation formula. In addition, nonpublic pupil data generates a portion of the transportation subsidy.

#### **Related regulations**

State Board of Education Regulations, Title 22, Chapter 23 (relating to Pupil Transportation), Section 23.4: “The board of directors of a school district is responsible for all aspects of pupil transportation programs including . . . (3) The establishment of routes, schedules and loading zones which comply with laws and regulations, . . . (5) The furnishing of rosters of pupils to be transported on each school bus run and trip; (6) The maintenance of a record of pupils transported to and from school, including determination of pupils’ distances from home to pertinent school bus loading zones. . . .” See 22 Pa. Code § 23.4(3), (5), and (6).

## **Incorrect Supplemental Transportation Reimbursement Received**

According to the PSC, a nonpublic school is defined, in part, as a nonprofit school other than a public school within the Commonwealth.<sup>7</sup> The PSC requires school districts to provide transportation services to students who reside in its district and who attend nonpublic schools, and it provides for a reimbursement from the Commonwealth of \$385 for each nonpublic school student transported by the district.

The District incorrectly reported the number of nonpublic students who were transported by the District during the 2012-13, 2014-15, and 2015-16 school years. For the 2012-13 and 2014-15 school years, the District reported nine and six nonpublic students as being transported, when the District did not provide transportation for those students. The District’s transportation software automatically inputs the nonpublic students who were provided transportation services from the prior year to the current year. Since these students were not provided transportation services, these students were erroneously reported to PDE.

In addition, the District over reported nine nonpublic students during the 2015-16 school year. Four public school students were incorrectly reported as nonpublic students and five nonpublic were reported as being provided transportation services; however, no transportation services were provided to those students.

The District correctly reported the number of nonpublic students who were provided transportation services during the 2013-14 school year. However, that is only because there were offsetting errors. The District incorrectly reported eight nonpublic students who were not provided transportation services and failed to report eight other nonpublic students who were provided transportation services.

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<sup>7</sup> See Section 922.1-A(b) of the PSC (pertaining to “Definitions”), 24 P.S. § 9-922.1-A(b).

The following chart summarizes the District’s nonpublic student reporting errors made in the 2012-13, 2014-15, and 2015-16 school years and the resulting cumulative overpayment of supplemental transportation reimbursement.

<b>Jim Thorpe Area School District Reporting of Nonpublic Students Transported by Year</b>				
School Year	Nonpublic Students Reported by District	Nonpublic Students Audited Total	Students Over Reported	Transportation Overpayment <sup>8</sup>
<b>2012-13</b>	86	77	9	\$3,465
<b>2014-15</b>	102	96	6	\$2,310
<b>2015-16</b>	67	58	9	\$3,465
<b>Totals</b>	<b>255</b>	<b>231</b>	<b>24</b>	<b>\$9,240</b>

The District did not detect these errors because District personnel did not reconcile the information in the District’s transportation software to student requests for transportation forms and student lists which were provided by the nonpublic schools. In addition, the District did not have procedures established to require a review and reconciliation of the transportation data by a person other than the person who prepared the data in order to identify errors prior to submission to PDE. Since the accuracy of data is key to ensuring that the District receives the appropriate transportation subsidies, the District should establish written administrative procedures to help ensure the proper reporting of transportation data.

We notified and provided PDE with discrepancy reports detailing the transportation errors we found. This information will assist PDE in verifying the underpayment to the District and increase future transportation subsidies to correct the underpayment.

**Recommendations**

The *Jim Thorpe Area School District* should:

1. Conduct year-end reconciliations of the beginning and ending annual odometer readings to the total annual mileage computed by the District’s transportation software for agreement prior to submission to PDE.

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<sup>8</sup> Calculated by multiplying the students over reported column by \$385, which is the per student amount PDE reimburses a school district for providing transportation service to each nonpublic student pursuant to Section 2509.3 of the PSC. See 24 P.S. § 25-2509.3.

2. Conduct year-end reconciliations of the nonpublic students reported in the District's transportation software to student requests for transportation forms and student lists provided by the nonpublic schools to ensure accurate reporting of nonpublic students transported.
3. Develop written administrative procedures for transportation operations. These procedures should include a review of transportation data by a person other than the person who prepared the data to ensure accuracy before submission to PDE.

The *Pennsylvania Department of Education* should:

4. Adjust the District's allocation to resolve the net underpayment of \$30,449 resulting from the incorrect reporting of transportation data for the 2012-13, 2014-15, and 2015-16 school years.

### **Management Response**

The District agreed with the finding and provided the following response.

An underpayment of \$39,689 occurred due to a glitch in the District's transportation software that counted the beginning mileage for a spare van as total annual miles. To prevent this reporting error in the future, the Director of Transportation will reconcile beginning and ending odometer readings to the total mileage computed by the District's software and to the Preliminary Summary of Pupil Transportation Subsidy.

An overpayment of \$9,240 occurred due to the over reporting of nonpublic students over the course of three years (2012-2013 through 2015-2016). While the District believes that some of the students that were deemed inappropriately reported did, in fact, take District transportation, the District did not have written proof to support this claim. To prevent this over reporting from occurring in future years, the District will require nonpublic students to have a current Form 372 on file in order to use District transportation. Additionally, the Director of Transportation will conduct year-end reconciliations of the Nonpublic students reported in the District's transportation Software.

Additionally, the District's Business Manager will review the data from the District's transportation software and PDE's Preliminary Summary of Pupil Transportation Subsidy for accuracy.

### **Auditor Conclusion**

We are pleased that the District is implementing corrective action to address the issues noted in our finding. We believe that reconciling beginning and ending odometer readings is very important to ensure accurate mileage data is reported to PDE. We also believe that requiring nonpublic students to complete a Form 372, or the request for transportation, will also help to ensure accurate data is obtained and submitted to PDE. We will review this and any other corrective action taken by the District during our next audit of the District.

## **Status of Prior Audit Findings and Observations**

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**O**ur prior audit of the Jim Thorpe Area District (District) released on June 24, 2014, resulted in one finding, 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 interviewed District personnel and performed audit procedures as detailed in the status section below.

### **Auditor General Performance Audit Report Released on June 24, 2014**

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**Prior Finding:** **Continued Errors in Membership Reporting and a Lack of Internal Controls Resulted in the District Not Receiving Their Entitled Reimbursement**

Prior Finding Summary: Our prior audit of the District's pupil membership reports submitted to the Pennsylvania Department of Education (PDE) for the 2010-11 and 2011-12 school years found reporting errors, as well as a lack of internal controls. These errors resulted in a net underpayment to the District of \$43,064. District personnel inaccurately reported the membership for children placed in private homes (foster children) and for wards of the state. The lack of internal controls resulted in the District failing to reconcile preliminary data reports from PDE.

Prior Recommendations: We recommended that the District should:

1. Establish internal controls that include reconciliations of the data that is uploaded into the Pennsylvania Information Management System (PIMS) to information in the District's Student Information System (SIS).
2. Verify that the preliminary reports from PDE are correct and, if not correct, revise and resubmit child accounting data so that the final reports from PDE are correct.

We also recommended that PDE should:

3. Revise all data that was incorrectly reported and then adjust the District's reimbursement accordingly.

Current Status: During our current audit, we found the District did implement our prior recommendations. The District established controls that include a reconciliation of data that is uploaded into PIMS from the SIS. The District is also verifying preliminary reports from PDE. In addition, we performed procedures to determine the accuracy of student membership reported to PDE for the 2012-13 school year. Our testing

revealed student membership submitted to PDE for that school year was accurate. PDE did implement our prior recommendation and reimbursed the District \$44,151 for errors discovered during our prior audit.

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## **Appendix: Audit Scope, Objectives, and Methodology**

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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,<sup>9</sup> 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 Jim Thorpe Area School District's (District) management is responsible for establishing and maintaining effective internal controls<sup>10</sup> 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.

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<sup>9</sup> 72 P.S. §§ 402 and 403.

<sup>10</sup> 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:

- Transportation Operations
- Data Integrity
- Administrator Contract Buyout
- Bus Driver Requirements
- School Safety

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

- ✓ Was student data and mileage data for transportation services accurately reported by the District to PDE? Did the District receive the correct amount of state transportation reimbursement from the Commonwealth?
  - To address this objective, we reviewed the transportation data reported to PDE for the 2012-13, 2013-14, 2014-15, and 2015-16 school years to determine the accuracy of the number of all nonpublic students transported by the District.<sup>11</sup> We reconciled the District's nonpublic students lists to the bus roster and obtained all supporting documentation for the nonpublic students reported to PDE by the District.
  - In addition, we reviewed the transportation data reported to PDE for the 2012-13, 2013-14, 2014-15, and 2015-16 school years to determine if the District accurately reported total miles to PDE. We randomly selected 22 out of 44 buses reported to PDE for the 2015-16 school year and reviewed odometer readings and other supporting documentation to determine the accuracy of the contracted transportation approved daily miles, daily miles with students, and daily miles without students. We reviewed the transportation data reported to PDE for the 2015-16 school year to determine the accuracy of the amount paid to the District's transportation contractor. See the Finding beginning on page 8 for the results of our review of this objective.

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<sup>11</sup> The District reported 86 nonpublic students transported during the 2012-13 school year, 102 nonpublic students transported during the 2013-14 school year, and 67 nonpublic students transported during the 2014-15 school year.

- ✓ Did the District accurately report nonresident students to PDE? Did the District receive the correct reimbursement for these nonresident students?<sup>12</sup>
  - To address this objective, we reviewed all 26 nonresident students reported to PDE by the District for the 2012-13 school year. We reviewed the District’s child accounting records, Pennsylvania Information Management System summary records, determination of residency forms, and agency placement letters to ensure students were correctly reported as nonresidents. 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 comply with the Public School Code<sup>13</sup> and Public School Employees’ Retirement System guidelines?
  - To address this objective, we reviewed the contract and payroll records for the one administrator who separated employment from the District during July 1, 2012, through June 30, 2016. We also reviewed the board meeting minutes and board policies to ensure that the administrator’s contract and termination/settlement agreement complied with the Public School Code. Our review of this objective did not disclose any reportable issues.
  
- ✓ 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?<sup>14</sup> 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 the 5 most recently hired drivers of the 33 drivers hired by the District’s bus contractor, during the period July 1, 2012, through July 31, 2017, 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 ensure compliance with bus driver hiring requirements. Our review of this objective did not disclose any reportable issues.

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<sup>12</sup> See 24 P.S. §§ 13-1301, 13-1302, 13-1305, 13-1306; 22 Pa. Code Chapter 11.

<sup>13</sup> 24 P.S. § 10-1073(e)(2)(v).

<sup>14</sup> 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 take actions to ensure it provided a safe school environment?<sup>15</sup>
  - To address this objective, we reviewed a variety of documentation including, safety plans, training schedules, and anti-bullying policies. Overall we assessed whether the District had implemented basic safety practices.<sup>16</sup> Due to the sensitive nature of school safety, the results of our review for this objective area are not described in our audit report. The results of our review of school safety are shared with District officials and, if deemed necessary, PDE.

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<sup>15</sup> 24 P.S. § 13-1301-A *et seq.*

<sup>16</sup> Basic safety practices evaluated were building security, bullying prevention, visitor procedures, risk and vulnerability assessments, and preparedness.

## **Distribution List**

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

**The Honorable Tom W. Wolf**

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