

PERFORMANCE AUDIT

Lower Moreland Township School District Montgomery County, Pennsylvania

May 2022



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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**TIMOTHY L. DEFOOR
AUDITOR GENERAL**

Dr. Scott Davidheiser, Superintendent
Lower Moreland Township School District
2551 Murray Avenue
Huntingdon Valley, Pennsylvania 19006

Ms. Camille Baker, Board President
Lower Moreland Township School District
2551 Murray Avenue
Huntingdon Valley, Pennsylvania 19006

Dear Dr. Davidheiser and Ms. Baker:

We have conducted a performance audit of the Lower Moreland Township School District (District) for the period July 1, 2016 through June 30, 2020, except as otherwise indicated in the audit scope, objective, and methodology section of the report. We evaluated the District's performance in the following areas as further described in Appendix A of this report:

- Bus Driver Requirements
- Transportation Operations
- Administrator Separations

We also evaluated the application of best practices in the area of school safety and determined compliance with certain requirements in this area, including compliance with fire and security drills. Due to the sensitive nature of this issue and the need for the results of this review to be confidential, we did not include the full results in this report. However, we communicated the full results of our review of school safety to District officials, the Pennsylvania Department of Education, and other appropriate officials as deemed necessary.

The audit was conducted pursuant to Sections 402 and 403 of The Fiscal Code (72 P.S. §§ 402 and 403), and in accordance with the Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our audit identified noncompliance and significant internal control deficiencies in the area of bus driver requirements and those deficiencies are detailed in the finding in this report titled:

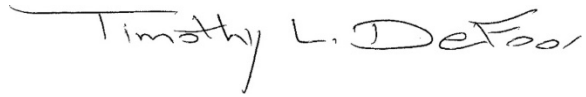
The District Did Not Implement Adequate Internal Controls to Ensure Compliance with Driver Qualifications and Background Clearance Requirements

Our audit finding and recommendations have been discussed with the District's management, and their response is included in the audit report. We believe the implementation of our recommendations will improve the District's operations and facilitate compliance with legal and relevant requirements. We found that the District performed adequately in the areas of transportation operations and administrator separations and we did not identify any internal control deficiencies in these areas.

Dr. Scott Davidheiser
Ms. Camille Baker
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We appreciate the District's cooperation during the course of the audit.

Sincerely,

A handwritten signature in black ink that reads "Timothy L. DeFoor". The signature is written in a cursive style with a long horizontal line extending to the left of the first letter.

Timothy L. DeFoor
Auditor General

May 6, 2022

cc: **LOWER MORELAND TOWNSHIP SCHOOL DISTRICT** Board of School Directors

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Background Information

School Characteristics 2020-21 School Year*	
County	Montgomery
Total Square Miles	11.2
Number of School Buildings	3
Total Teachers	192
Total Full or Part-Time Support Staff	25
Total Administrators	17
Total Enrollment for Most Recent School Year	2,500
Intermediate Unit Number	23
District Career and Technical School	Eastern Center for Arts and Technology

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

Mission Statement*

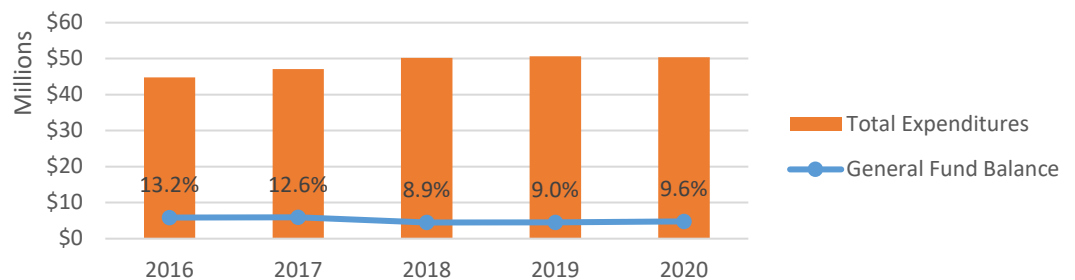
Will foster individual growth and success in a nurturing environment that engages students in meaningful and empowering learning experiences. In partnership with students, families, staff and community members, the district will provide opportunities for students to collaborate, create, communicate, and think critically.

Financial Information

The following pages contain financial information about the Lower Moreland Township School District obtained from annual financial data reported to the Pennsylvania Department of Education (PDE) and available on PDE's public website. This information was not audited and is presented for **informational purposes only**.

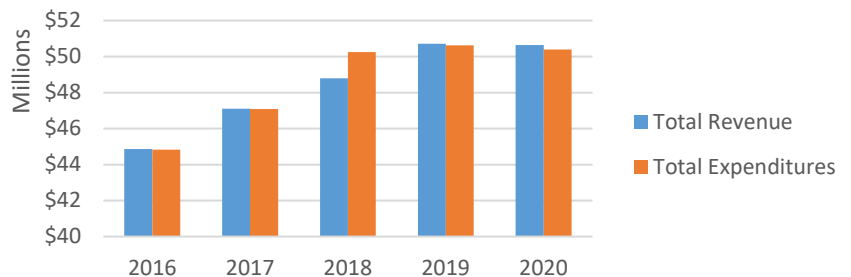
General Fund Balance as a Percentage of Total Expenditures

	General Fund Balance
2016	\$5,901,806
2017	\$5,932,882
2018	\$4,485,530
2019	\$4,562,011
2020	\$4,817,801



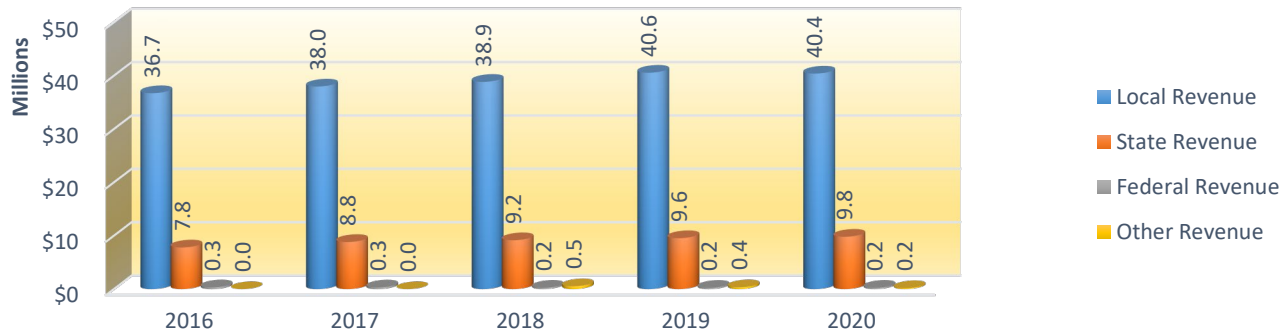
Revenues and Expenditures

	Total Revenue	Total Expenditures
2016	\$44,856,707	\$44,822,729
2017	\$47,112,124	\$47,081,050
2018	\$48,800,700	\$50,248,051
2019	\$50,704,137	\$50,627,656
2020	\$50,644,910	\$50,389,120

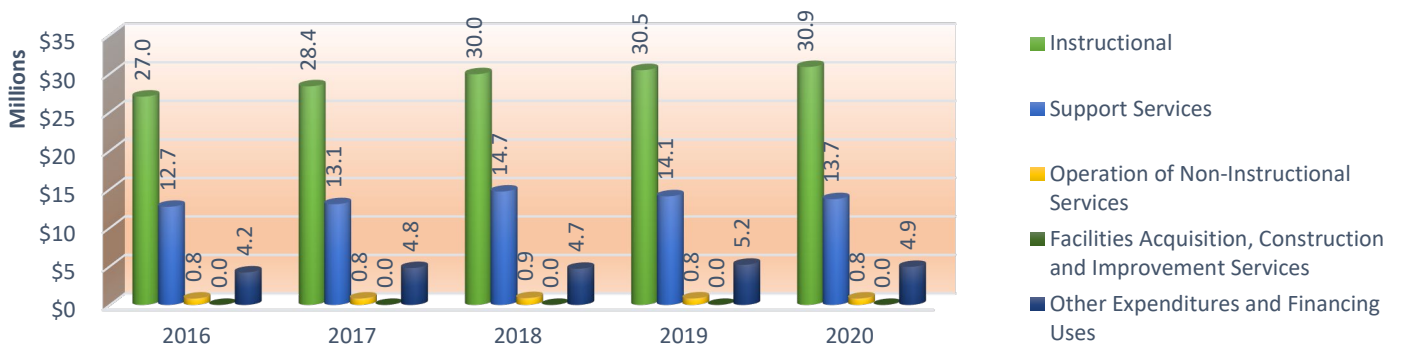


Financial Information Continued

Revenues by Source

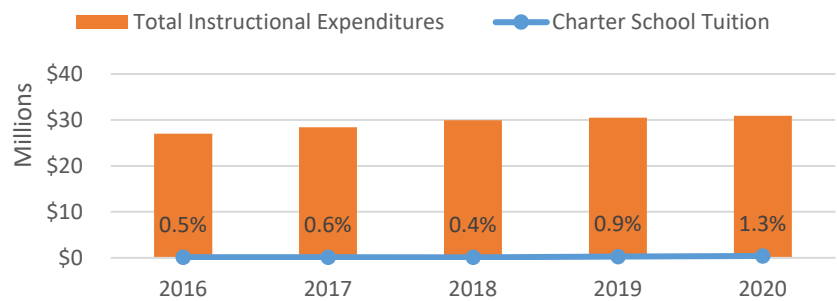


Expenditures by Function

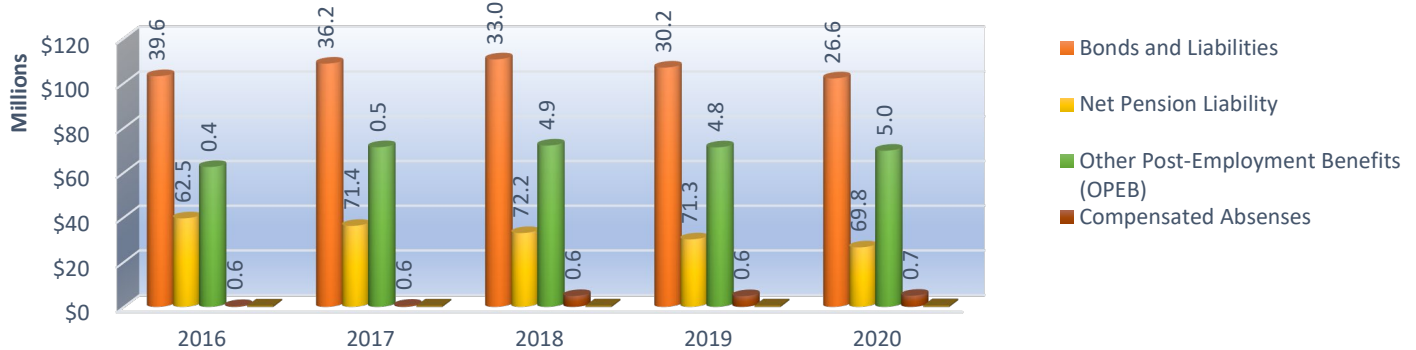


Charter Tuition as a Percentage of Instructional Expenditures

	Charter School Tuition	Total Instructional Expenditures
2016	\$125,308	\$27,043,317
2017	\$162,271	\$28,381,371
2018	\$110,073	\$29,952,517
2019	\$271,157	\$30,480,212
2020	\$410,081	\$30,891,107



Long-Term Debt

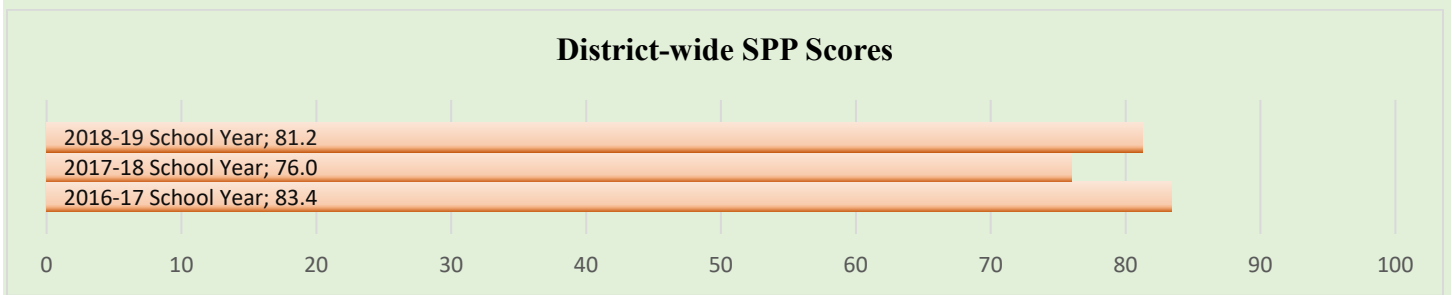


Academic Information¹

The graphs on the following pages present the District-wide School Performance Profile (SPP) scores, Pennsylvania System of School Assessment (PSSA) scores, and Keystone Exam results for the District obtained from PDE's data files for the 2016-17, 2017-18, and 2018-19 school years.² In addition, the District's 4-Year Cohort Graduation Rates are presented for the 2017-18 through 2019-20 school years.³ The District's individual school building scores are presented in Appendix B. These scores are provided in this audit report for **informational purposes only**, and they were not audited by our Department.

What is a SPP score?

A SPP score serves as a benchmark for schools to reflect on successes, achievements, and yearly growth. PDE issues a SPP score annually using a 0-100 scale for all school buildings in the Commonwealth, which is calculated based on standardized testing (i.e., PSSA and Keystone exam scores), student improvement, advance course offerings, and attendance and graduation rates. Generally speaking, a SPP score of 70 or above is considered to be a passing rate.



¹ PDE is the sole source of academic data presented in this report. All academic data was obtained from PDE's publicly available website.

² Due to the COVID-19 pandemic the PSSA and Keystone Exam requirements were waived for the 2019-20 school year; therefore, there is no academic data to present for this school year.

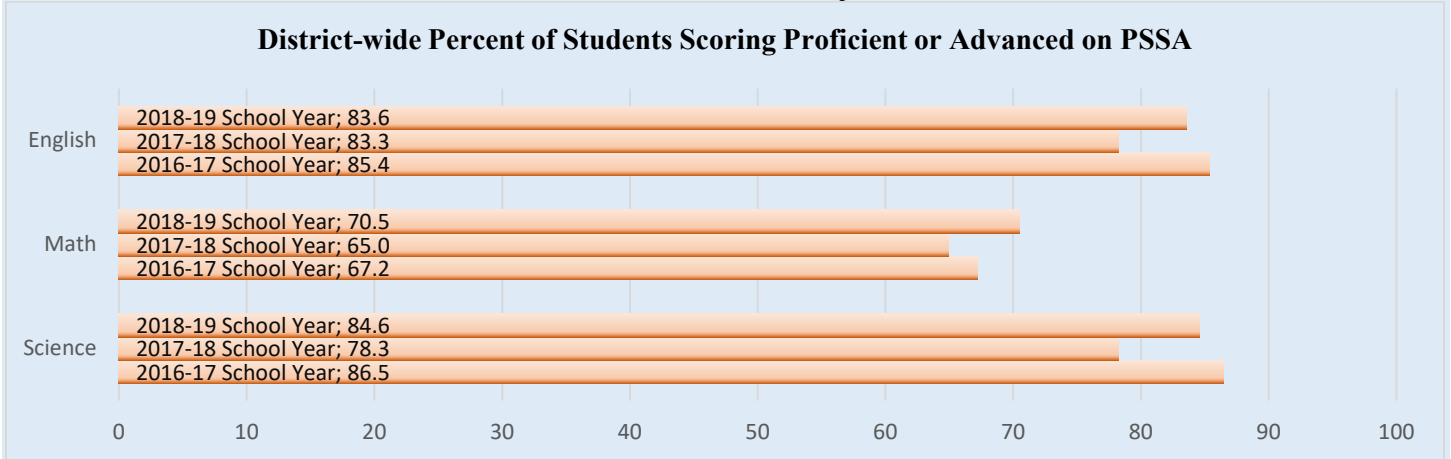
³ Graduation rates were still reported for the 2019-20 school year despite the COVID-19 pandemic.

Academic Information Continued

What is the PSSA?

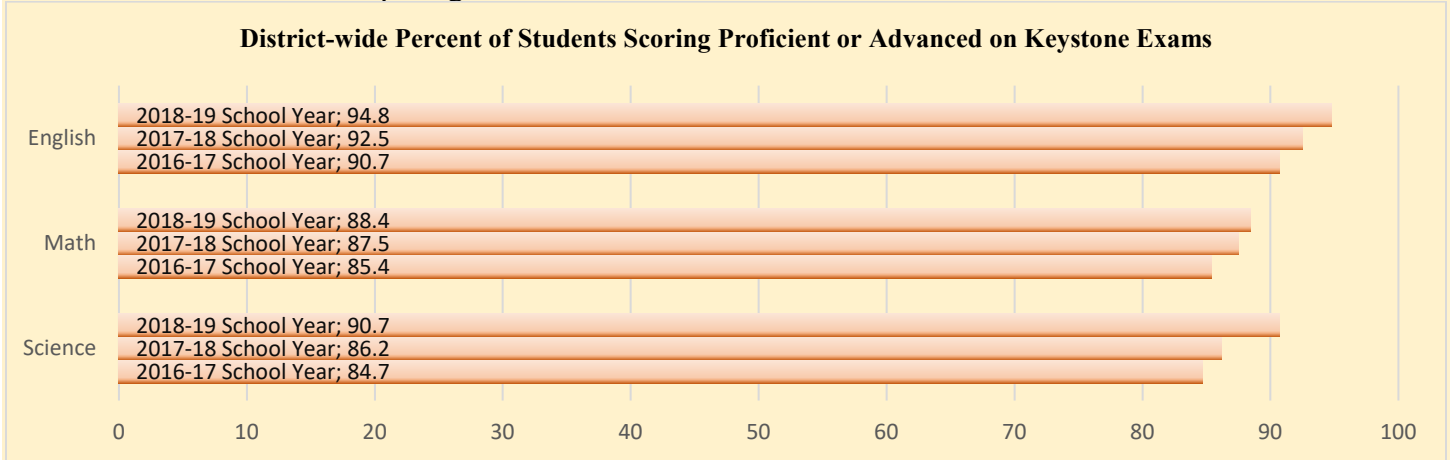
The PSSA is an annual, standardized test given across the Commonwealth to students in grades 3 through 8 in core subject areas, including English, Math and Science. The PSSAs help Pennsylvania meet federal and state requirements and inform instructional practices, as well as provide educators, stakeholders,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

The 2014-15 school year marked the first year that PSSA testing was aligned to the more rigorous PA Core Standards. The state uses a grading system with scoring ranges that place an individual student's performance into one of four performance levels: Below Basic, Basic, Proficient, and Advanced. The state's goal is for students to score Proficient or Advanced on the exam in each subject area.



What is the Keystone Exam?

The Keystone Exam measures student proficiency at the end of specific courses, such as Algebra I, Literature, and Biology. The Keystone Exam was intended to be a graduation requirement starting with the class of 2017, but that requirement has been put on hold until the 2020-21 school year.⁴ In the meantime, the exam is still given as a standardized assessment and results are included in the calculation of SPP scores. The Keystone Exam is scored using the same four performance levels as the PSSAs, and the goal is to score Proficient or Advanced for each course requiring the test.

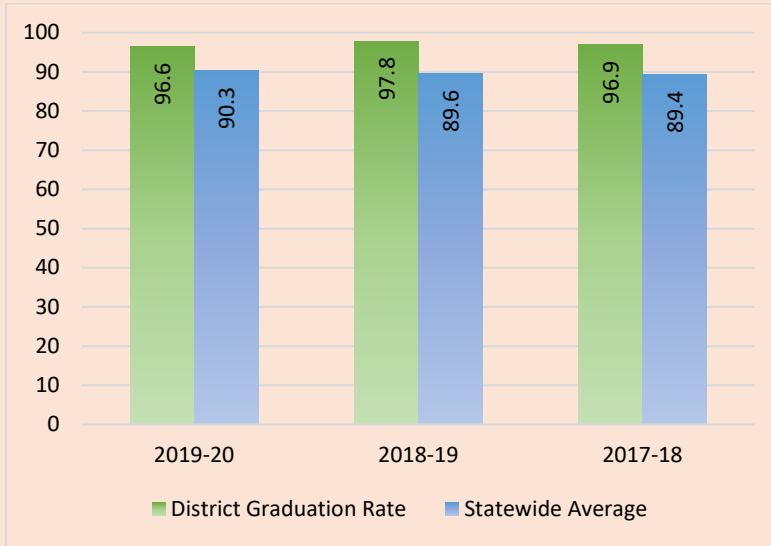


⁴ Act 158 of 2018, effective October 24, 2018, amended the Public School Code to further delay the use of Keystone Exams as a graduation requirement until the 2021-22 school year. See 24 P.S. § 1-121(b)(1). Please refer to the following link regarding further guidance to local education agencies (LEAs) on Keystone end-of-course exams (Keystone Exams) in the context of the pandemic of 2020: <https://www.education.pa.gov/Schools/safeschools/emergencyplanning/COVID-19/Pages/Keystone-Exams.aspx>

Academic Information Continued

What is a 4-Year Cohort Graduation Rate?

PDE collects enrollment and graduate data for all Pennsylvania public schools, which is used to calculate graduation rates. Cohort graduation rates are a calculation of the percentage of students who have graduated with a regular high school diploma within a designated number of years since the student first entered high school. The rate is determined for a cohort of students who have all entered high school for the first time during the same school year. Data specific to the 4-year cohort graduation rate is presented in the graph below.⁵



⁵ PDE also calculates 5-year and 6-year cohort graduation rates. Please visit PDE's website for additional information: <https://www.education.pa.gov/DataAndReporting/CohortGradRate/Pages/default.aspx>.

Finding

Finding

The District Did Not Implement Adequate Internal Controls to Ensure Compliance with Driver Qualifications and Background Clearance Requirements

Criteria relevant to the finding:

Internal Control Standards

Standards for Internal Control in the Federal Government (also known as the Green Book), issued by the Comptroller General of the United States in September 2014, provides a framework for management to establish and maintain an effective internal control system. Principle 10, *Design Control Activities*, Attribute 10.03, states, in part, “Management designs appropriate types of control activities for the entity’s internal control system. Control activities help management fulfill responsibilities and address identified risk responses in the internal control system. . . .” See Section 10.3 of the Green Book.

Statutory and Regulatory Requirements

Chapter 23 (relating to Pupil Transportation) of the State Board of Education’s regulations, among other provisions, provides that the board of directors of a school district is responsible for the selection and approval of eligible operators who qualify under the law and regulations. See, in particular, 22 Pa. Code § 23.4(2).

We found that the Lower Moreland Township School District (District) did not implement sufficient internal controls to meet its statutory obligations related to the employment of individuals having direct contact with students. Specifically, our review of drivers used during the 2020-21 school year revealed that the District was not adequately obtaining, reviewing, and monitoring qualification and clearance documents for its contracted drivers and improperly relied on its contractor to ensure driver documentation and eligibility requirements were met. Additionally, we found that the District’s Board of School Directors (Board) did not approve contracted drivers prior to those drivers transporting District students as required by law. Finally, the District’s Board-approved *Contracted Services* policy is outdated and contains provisions allowing the District to rely on its contractor for employment decisions.

By not obtaining, maintaining, and monitoring complete driver records and not Board approving drivers, the District could not ensure that all contracted bus drivers’ qualification and background clearance documents were examined by the District as required by state laws and regulations (see criteria box).

Background

Importance of Internal Controls

Several state statutes and regulations establish the minimum required qualifications for school bus drivers including, among others, the Public School Code (PSC) and the Child Protective Services Law (CPSL). The District and its Board are responsible for the selection and approval of eligible operators who qualify under applicable laws and regulations.⁶ Therefore, the District should have a strong system of internal controls over its bus driver review process that should include, but not be limited to, the following:

- Documented review of all bus driver credentials prior to Board approval.
- Monitoring of bus driver credentials to ensure current clearances, licenses, and annual physical exam documents are on file.

⁶ See 22 Pa. Code § 23.4(2).

*Criteria relevant to the finding
(continued):*

Section 111 of the Pennsylvania School Code (PSC) requires state and federal criminal background checks and Section 6344(b) of the Child Protective Services Law (CPSL) requires a child abuse clearance. *See* 24 P.S. § 1-111 and 23 Pa.C.S. § 6344(b), as amended. Additionally, administrators are required to maintain copies of all required clearances. *See* 24 P.S. § 1-111(b) and (c.1) and 23 Pa.C.S. § 6344(b.1).

Furthermore, both the PSC and the CPSL now require recertification of the required state and federal background checks and the child abuse clearance every 60 months (or every five years). *See* 24 P.S. § 1-111(c.4) and 23 Pa.C.S. § 6344.4.

As for contracted school bus drivers, Section 111(a.1)(1) specifies that bus drivers employed by a school entity through an independent contractor who have direct contact with children must also comply with Section 111 of the PSC. *See* 24 P.S. § 1-111(a.1)(1). *See also* CPSL 23 Pa.C.S. § 6344(a.1)(1).

Pursuant to Section 111(c.4) of the PSC, administrators are required to review the background clearances and determine if the clearance reports disclose information that may require further action. *See* 24 P.S. § 1-111(c.4).

- A system to track who is driving each bus throughout the school year to ensure the Board has authorized all drivers.
- Clear and concise written policies and procedures specific to reviewing and monitoring driver qualification and clearance documents, including contracted drivers.
- Training on bus driver qualification and clearance requirements for employees responsible for driver records.

Driver Employment Requirements

Regardless of whether the District hires its own drivers or it uses a contractor's drivers, school districts are required to verify and have on file a copy of the following documents for each employed or contracted driver *before* he or she can transport students with Board approval:

1. Driver qualification credentials,⁷ including:
 - a. Valid driver's license (Commercial driver's license if operating a school bus).
 - b. Valid school bus endorsement card commonly referred to as an "S" card, indicating completion of skills and safety training (if operating a school bus).
 - c. Annual physical examination (if operating a school bus).
2. Criminal history reports/clearances:
 - a. State Criminal History Report (Pennsylvania State Police [PSP] clearance).
 - b. Federal Criminal History Record, based on a full set of fingerprints (FBI clearance).
 - c. PA Child Abuse History Clearance.

It is important to note that all three clearances must be obtained every five years.⁸

Insufficient Internal Controls and Overreliance on the Contractor Resulted in Incomplete Driver Documentation and Monitoring Deficiencies and No Board Approval of Drivers

We reviewed driver information for the 2020-21 school year. The District utilizes one transportation contractor to provide transportation for its students. The results of our review revealed that the District was overly reliant on its contractor for ensuring compliance with driver requirements, and the District did not have adequate internal controls in place to properly oversee its contracted drivers.

⁷ Pennsylvania's Vehicle Code, 75 Pa.C.S. §§ 1508.1 (relating to Physical examinations) and 1509 (relating to Qualifications for school bus driver endorsement).

⁸ 24 P.S. § 1-111(c.4) and 23 Pa.C.S. § 6344.4.

*Criteria relevant to the finding
(continued):*

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

Section 8.2 of Title 22, Chapter 8 (relating to Criminal Background Checks) of the State Board of Education regulations requires, in part, “(a) School entities shall require a criminal history background check **prior to hiring an applicant or accepting the services of a contractor**, if the applicant, contractor or contractor’s employees would have direct contact with children.” (Emphasis added.) See 22 Pa. Code § 8.2(a).

Board Policy

The District’s Board Policy 818, *Contracted Services*, states in relevant part:

“Independent contractors shall conduct an employment history review, in compliance with state law, prior to issuing an offer of employment to a candidate or prior to assignment of a current employee to perform work for the district. . . . The independent contractor may use the information for the purpose of evaluating an applicant’s fitness to be hired or for continued employment of a current employee and may report the information as permitted by law.”

The internal control weaknesses we identified are described in the following narrative.

No Daily Driver List Maintained by the District

The District maintains a list of all available drivers that have been approved by its human resources department to transport students throughout the school year. However, the driver list does not specifically state which individual driver is selected and assigned a bus route on a given day. The District must contact the contractor to identify which driver is assigned a vehicle on a daily basis.

Incomplete Documentation and Overreliance on the Contractor

Through interviews with District administration, we learned that the District does not maintain complete driver records, but rather relies on its contractor to ensure that all driver requirements are met. Specifically, the District’s human resources department only maintains background clearances, and it relies on the contractor to provide updated clearances when necessary. The District admittedly does not monitor when clearances are due or maintain driver qualification documents. Therefore, we determined that the District does not have adequate internal controls to obtain, maintain, review, and monitor driver qualifications and background clearance requirements.

Consequently, we reviewed the contractor’s personnel files for all 33 drivers used to transport students for the 2020-21 school year to determine driver eligibility. Our review found that two drivers had expired background clearances. While these clearances were ultimately obtained by the contractor and did not reveal any concerns, the outdated clearances serve as an example of why it is important for the District to actively maintain and monitor qualification and clearance documentation.

Lack of Monitoring Procedures

The District did not have a standardized review process and ongoing document monitoring procedures to ensure that all contracted drivers were properly qualified prior to and throughout employment. A standardized review process and the ongoing monitoring of qualifications and clearances by the District are key internal controls that are important to ensuring compliance with the statutory requirements. When these internal controls are not in place, student safety could be jeopardized. In fact, the use of contractors to provide student transportation heightens the importance of having strong and effective internal controls, including knowing who is actually driving the vehicles transporting the District’s students at all times.

*Criteria relevant to the finding
(continued):*

PDE Guidance Document

See also the Pennsylvania Department of Education’s (PDE) “Clearances/Background Check” web site for current school and contractor guidance (<https://www.education.pa.gov/Educators/Clearances/Pages/default.aspx>).

Further, see PDE’s “Background Checks Portability” web site guidance regarding aligning school policies concerning background checks for employees and contractors with the provisions of the PSC and CPSL (<https://www.education.pa.gov/Educators/Clearances/FAQ/Pages/Portability.aspx#>).

By not obtaining, reviewing, and maintaining complete driver files, the District and its Board were not in compliance with the PSC, CPSL, the State Board of Education’s Regulations, and the state Vehicle Code.

No Board Approval of Contracted Drivers

The requirement to Board approve drivers is designed to provide the public with assurance that District administration has determined that authorized drivers have the required qualifications and clearances on file prior to employment. It is the District’s responsibility to determine driver eligibility and to present individual drivers to the Board for approval before transporting students. We found that the District did not have an ongoing review and monitoring process and was not Board approving drivers. District administration explained that the Board approves contracts/agreements with third party carriers but not individual employees of contractors.

Weaknesses with *Contracted Services* Board Policy

We found that the District’s Board Policy No. 818, *Contracted Services*, was last revised in 2015 and incorrectly places reliance on its contractor to conduct an employment history review and evaluate an applicant’s fitness for employment. It is important to note that the District and its Board are responsible for the selection and approval of drivers under the law, whether they are District employees or contracted drivers. Consequently, the District’s Board policy does not accurately represent the District’s legal obligations and responsibilities specific to contracted drivers.

Conclusion

The District and its Board did not meet their statutory and regulatory requirements to ensure that drivers were qualified and eligible to transport students by not having adequate internal controls in place to properly oversee its contracted drivers. Specifically, the District and its Board did not comply with all applicable laws, regulations, and PDE guidance documents by not obtaining, reviewing, and monitoring all required driver qualifications and clearances. Instead, the District was reliant on its contractor to maintain, review, and monitor drivers while only reviewing clearances that were provided by the contractor. Finally, the District’s *Contracted Services* policy contains provisions placing overreliance on its contractor for employment responsibilities and decisions.

Ensuring that ongoing qualification and clearance requirements are satisfied are vital student protection and legal and governance responsibilities placed on the District and its Board. The ultimate purpose of these requirements is to ensure the safety and welfare of students transported on school buses. The use of a contractor to provide student transportation does not negate the District’s legal obligations and responsibilities.

Recommendations

The *Lower Moreland Township School District* should:

1. Implement verifiable internal control procedures with a documented review process to ensure that only qualified and authorized individuals are driving for the District. These procedures should ensure:
 - All required qualification and clearance documents are obtained, reviewed, and on file at the District and that individual driver's documents are assessed by District administration before the driver is presented to the Board for approval and prior to transporting students.
 - All driver qualification and clearance documentation are monitored on a regular basis by the District to ensure compliance with requirements, including the requirement to obtain updated clearances **every five years**.
2. Comply with all applicable laws and regulations to obtain, review, and maintain required qualification and clearance documentation for all drivers.
3. Ensure that all drivers determined to be eligible to transport students are presented to the Board for approval prior to transporting students, including any new drivers added throughout the school year.
4. Maintain a driver list to ensure that the District knows which drivers and routes are assigned on a daily basis.
5. Update its *Contracted Services* policy to ensure compliance with all applicable laws and regulations and the District's legal responsibilities for contracted drivers.

Management Response

District management provided the following response:

To address the first recommendation, the District will implement control procedures to review driver clearances for seven (7) drivers each year on a rotating basis. This will be in addition to the initial review of all drivers' clearances when a driver is first brought forward for employment.

To address the second recommendation, the District will implement control procedures to review driver clearances for seven (7) drivers each year on a rotating basis. This will be in addition to the initial review of all drivers' clearances when a driver is first brought forward for employment.

To address the third recommendation, the District, in conjunction with our Solicitor, disagrees with this finding and will not strive to move forward with the Board approval of individual drivers. The District approves contracts with companies that provide services to the District and inherent in that contract is the contractor employment of drivers. The District needs to ensure we maintain the independent contractor status of all drivers and approving individual drivers opens the District up to the possibility of a driver claiming that he/she is an employee of the District.

To address the fourth recommendation, the District will maintain a driver list with individual routes assigned to each driver. Please note that on any given day, this could change based on driver attendance and sub drivers, etc.

To address the fifth recommendation, the District, in conjunction with our Solicitor, will update the Contracted Services policy to reflect changes denoted in this review.

Auditor Conclusion

We are encouraged that the District is taking appropriate measures to implement most of our recommendations. However, we stand by our statements and related recommendation that the Board must approve all drivers, including contracted drivers, before the drivers transport district students. We also continue to recommend that the District implement internal controls to ensure that it knows who is transporting its students at any given time. It is imperative for the District to ensure it knows who is interacting with students or the additional internal controls will not operate as intended.

Status of Prior Audit Findings and Observations

Our prior Limited Procedures Engagement of the Lower Moreland Township 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,⁹ is not a substitute for the local annual financial audit required by the Public School Code of 1949, as amended. We conducted our audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit.

Our audit focused on the District's effectiveness and/or compliance with applicable statutory provisions and related regulations in the areas of Bus Driver Requirements, Transportation Operations, Administrator Separations, and School Safety, including fire and security drills. The audit objectives supporting these areas of focus are explained in the context of our methodology to achieve the objectives in the next section. Overall, our audit covered the period July 1, 2016 through June 30, 2020. The scope of each individual objective is also detailed in the next section.

The District's management is responsible for establishing and maintaining effective internal control to provide reasonable assurance that the District's objectives will be achieved.¹⁰ *Standards for Internal Control in the Federal Government* (also known as and hereafter referred to as the Green Book), issued by the Comptroller General of the United States, provides a framework for management to establish and maintain an effective internal control system. The Department of the Auditor General used the Green Book as the internal control analysis framework during the conduct of our audit.¹¹ The Green Book's standards are organized into five components of internal control. In an effective system of internal control, these five components work together in an integrated manner to help an entity achieve its objectives. Each of the five components of internal control contains principles, which are the requirements an entity should follow in establishing an effective system of internal control. We illustrate the five components and their underlying principles in Figure 1 on the following page.

⁹ 72 P.S. §§ 402 and 403.

¹⁰ District objectives can be broadly classified into one or more of the following areas: effectiveness of operations; reliability of reporting for internal and external use; and compliance with applicable laws and regulations, more specifically in the District, referring to certain relevant state laws, regulations, contracts, and administrative procedures.

¹¹ Even though the Green Book was written for the federal government, it explicitly states that it may also be adopted by state, local, and quasi-government entities, as well as not-for-profit organizations, as a framework for establishing and maintaining an effective internal control system. The Green Book is assessable at <https://www.gao.gov/products/GAO-14-704G>

Figure 1: Green Book Hierarchical Framework of Internal Control Standards

Principle	Description
Control Environment	
1	Demonstrate commitment to integrity and ethical values
2	Exercise oversight responsibility
3	Establish structure, responsibility, and authority
4	Demonstrate commitment to competence
5	Enforce accountability
Risk Assessment	
6	Define objectives and risk tolerances
7	Identify, analyze, and respond to risks
8	Assess fraud risk
9	Identify, analyze, and respond to change

Principle	Description
Control Activities	
10	Design control activities
11	Design activities for the information system
12	Implement control activities
Information and Communication	
13	Use quality information
14	Communicate internally
15	Communicate externally
Monitoring	
16	Perform monitoring activities
17	Evaluate issues and remediate deficiencies

In compliance with generally accepted government auditing standards, we must determine whether internal control is significant to our audit objectives. We base our determination of significance on whether an entity’s internal control impacts our audit conclusion(s). If some, but not all, internal control components are significant to the audit objectives, we must identify those internal control components and underlying principles that are significant to the audit objectives.

In planning our audit, we obtained a general understanding of the District’s control environment. In performing our audit, we obtained an understanding of the District’s internal control sufficient to identify and assess the internal control significant within the context of the audit objectives. Figure 2 represents a summary of the internal control components and underlying principles that we identified as significant to the overall control environment and the specific audit objectives (denoted by an “X”).

Figure 2 – Internal Control Components and Principles Identified as Significant

Principle →	Internal Control Significant ?	Control Environment					Risk Assessment					Control Activities			Information and Communication			Monitoring	
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
General/overall	Yes	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		X	
Bus Drivers	Yes									X					X	X			
Transportation	Yes				X			X	X	X		X	X	X	X	X			
Administrator Separations	Yes									X				X					
Safe Schools	No																		

With respect to the principles identified, we evaluated the internal control(s) deemed significant within the context of our audit objectives and assessed those controls to the extent necessary to address our audit objectives. The results of our evaluation and assessment of the District's internal control for each objective is discussed in the following section.

Objectives/Scope/Methodology

In order to properly plan our audit and to guide us in selecting objectives, we reviewed pertinent laws and regulations, the District's annual financial reports, annual General Fund budgets, and the independent audit reports of the District's basic financial statements for the July 1, 2016 through June 30, 2020 fiscal years. We conducted analytical procedures on the District's state revenues and the transportation reimbursement data. We reviewed the prior audit report and we researched current events that possibly affected District operations. We also determined if the District had key personnel or software vendor changes since the prior audit.

Performance audits draw conclusions based on an evaluation of sufficient, appropriate evidence. Evidence is measured against criteria, such as laws, regulations, third-party studies, and best business practices. Our audit focused on the District's effectiveness in four areas as described below. As we conducted our audit procedures, we sought to determine answers to the following questions, which served as our audit objectives.

Bus Driver Requirements

- Did the District ensure that all bus drivers transporting District students are approved by the Board of School Directors (Board) and had the required driver's license, physical exam, training, background checks, and clearances¹² as outlined in applicable laws?¹³ Also, did the District adequately monitor driver records to ensure compliance with the ongoing five-year clearance requirements and ensure it obtained updated licenses and health physical records as applicable throughout the school year?
- ✓ To address this objective, we assessed the District's internal controls for maintaining, reviewing, and monitoring the required bus driver qualification and clearance documents. We determined if all drivers were approved by the District's Board. We selected all 33 drivers listed by the District as transporting District students as of December 13, 2021. We reviewed documentation to ensure the District complied with the requirements for bus drivers' qualifications and clearances. We determined if the District had monitoring procedures to ensure that all drivers had updated clearances, licenses, and physicals.

Conclusion: The results of our procedures identified areas of noncompliance and significant internal control deficiencies. Our results are detailed in the Finding beginning on page 6 of this report.

¹² 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.

¹³ PSC 24 P.S. § 1-111, CPSL 23 Pa.C.S. § 6344(a.1), PSC (Educator Discipline) 24 P.S. § 2070.1a *et seq.*, State Vehicle Code 75 Pa.C.S. §§ 1508.1 and 1509, and State Board of Education's regulations 22 Pa. Code Chapter 8.

Transportation Operations

- Did the District ensure compliance with applicable laws and regulations governing transportation operations, and did the District receive the correct transportation reimbursement from the Commonwealth?¹⁴
- ✓ To address this objective, we assessed the District’s internal controls for obtaining, inputting, processing, and reporting regular transportation data to PDE. We selected all 38 vehicles reported by the District as transporting students during the 2018-19 school year. For each vehicle selected, we obtained odometer readings, student rosters, and school calendars and determined if the District accurately calculated vehicle data and correctly reported this data to PDE.

Conclusion: The results of our procedures did not identify any reportable issues and we did not identify any internal control deficiencies.

Administrator Separations

- Did the District provide any individually contracted employees with excessive payments upon separation of employment? Did the District ensure all payroll wages reported to the Public School Employees’ Retirement System (PSERS) were appropriate and accurate?
- ✓ To address this objective, we assessed the District’s internal controls over the calculation of post-employment benefits and the processing of final payments to individually contracted administrators who separated employment with the District. We reviewed the employment contracts, leave records, and payroll records for the one individually contracted administrator who separated employment from the District during the period of July 1, 2016 through June 30, 2020. We reviewed the final payout to determine if the administrator was compensated in accordance with the employment contract. We also verified payments for unused leave were not reported as eligible wages to PSERS. Additionally, we reviewed board meeting minutes to verify that the Board voted to approve the dismissal of the administrator in accordance with Public School Code.

Conclusion: The results of our procedures did not identify any reportable issues and we did not identify any internal control deficiencies.

School Safety

- Did the District comply with requirements in the Public School Code and the Emergency Management Code related to emergency management plans, bullying prevention, and memorandums of understanding with local law enforcement?¹⁵ Also, did the District follow best practices related to physical building security and providing a safe school environment?
- ✓ To address this objective, we reviewed a variety of documentation including safety plans, risk and vulnerability assessments, anti-bullying policies, safety committee minutes and memorandums of understanding with local law enforcement to assess whether the District had implemented basic safety practices.

¹⁴ See 24 P.S. § 2541(a).

¹⁵ Safe Schools Act 24 P.S. § 13-1301-A *et seq.*, Emergency Management Services Code 35 Pa.C.S. § 7701.

Conclusion: Due to the sensitive nature of school safety, the results of our review for this objective are not described in our audit report, but they were shared with District officials, PDE's Office of Safe Schools, and other appropriate law enforcement agencies deemed necessary.

- Did the District comply with the fire and security drill requirements of Section 1517 of the Public School Code?¹⁶ Also, did the District accurately report the dates of drills to PDE and maintain supporting documentation to evidence the drills conducted and reported to PDE?
- ✓ We obtained and reviewed the fire and security drill records for the 2018-19 and 2019-20 school years. We determined if security drills were held within the first 90 days of starting the school year for each building in the District and if monthly fire drills were conducted in accordance with requirements. We obtained the *Accuracy Certification Statement* that the District filed with PDE and compared the dates reported to the supporting documentation.

Conclusion: The results of our procedures did not identify any reportable issues.

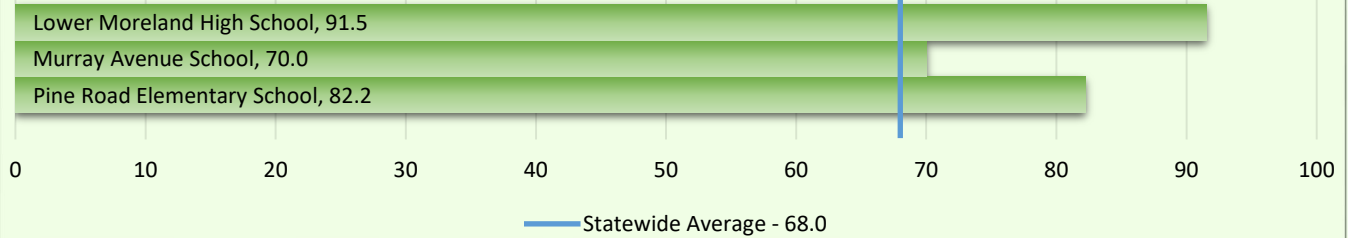
¹⁶ Public School Code (Fire and Security Drills) 24 P.S. § 15-1517.

Appendix B: Academic Detail

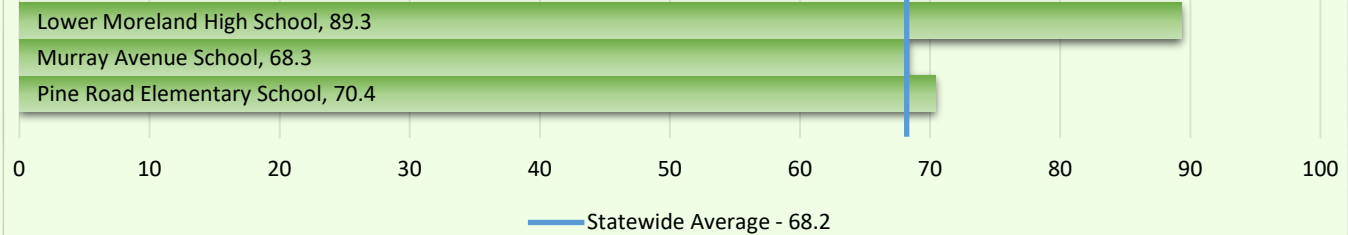
Benchmarks noted in the following graphs represent the statewide average of all public school buildings in the Commonwealth that received a score in the category and year noted.¹⁷ Please note that if one of the District's schools did not receive a score in a particular category and year presented below, the school will not be listed in the corresponding graph.¹⁸

SPP School Scores Compared to Statewide Averages

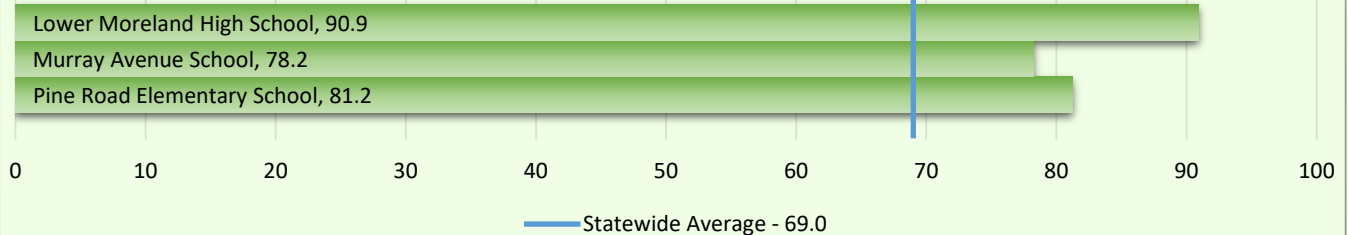
2018-19



2017-18



2016-17

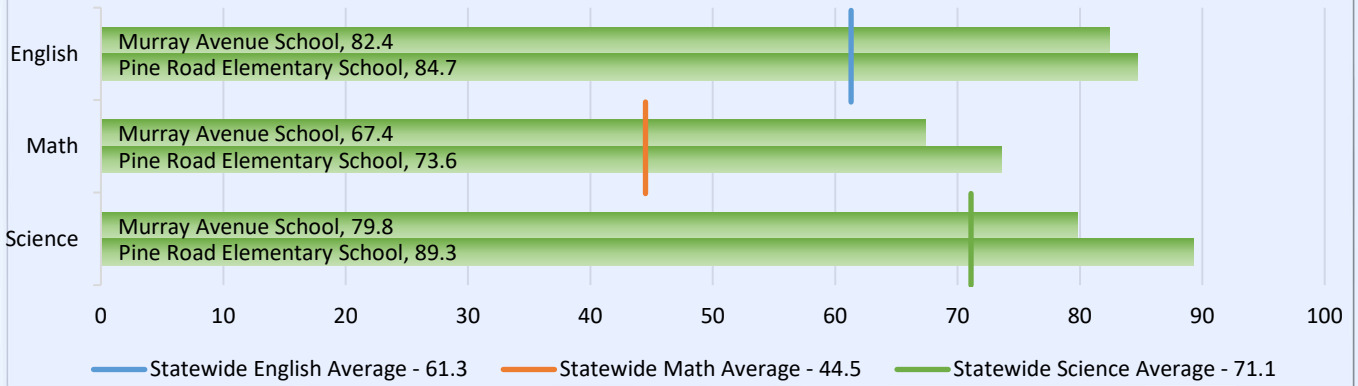


¹⁷ Statewide averages were calculated by our Department based on individual school building scores for all public schools in the Commonwealth, including district schools, charters schools, and cyber charter schools.

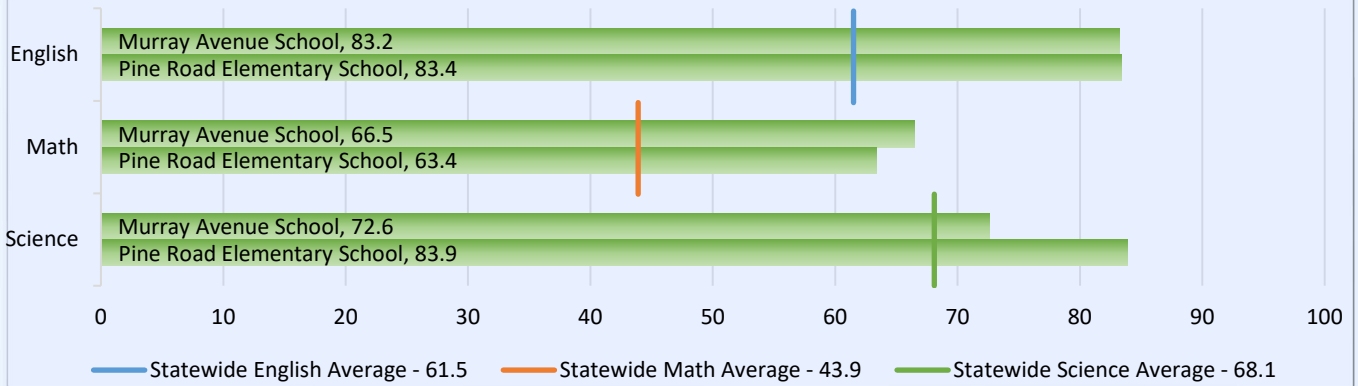
¹⁸ PDE's data does not provide any further information regarding the reason a score was not published for a specific school. However, readers can refer to PDE's website for general information regarding the issuance of academic scores.

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

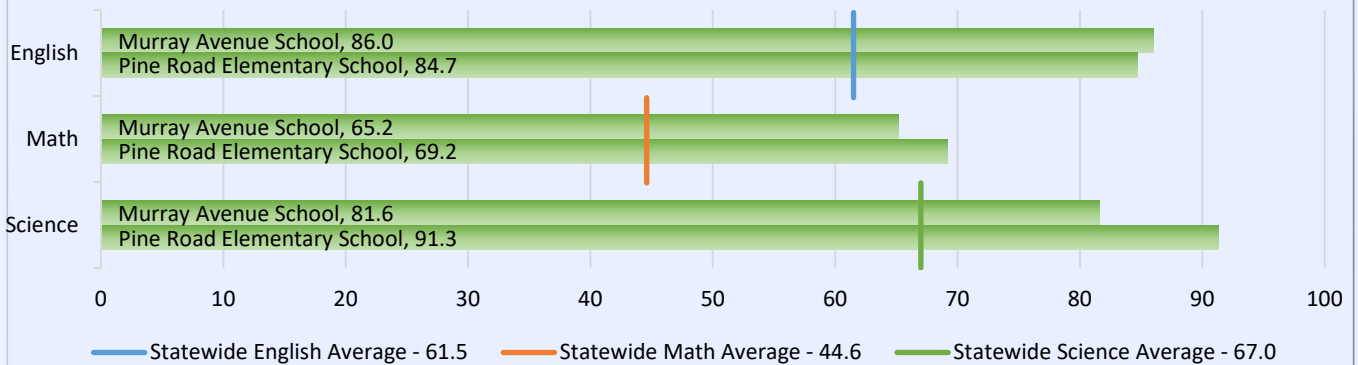
2018-19



2017-18

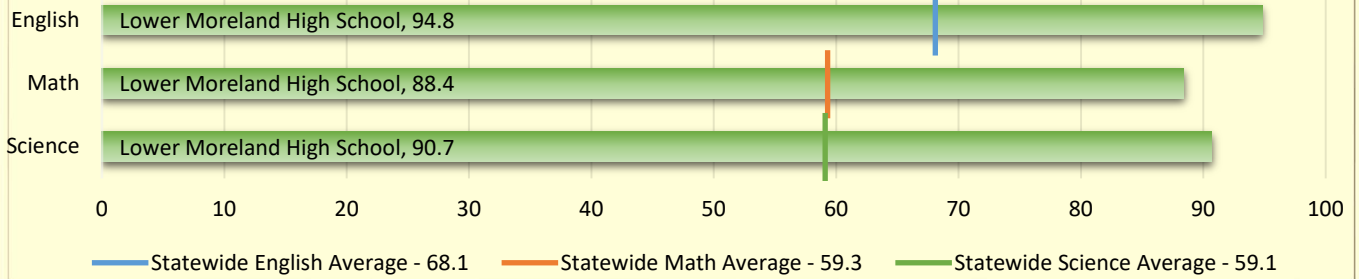


2016-17

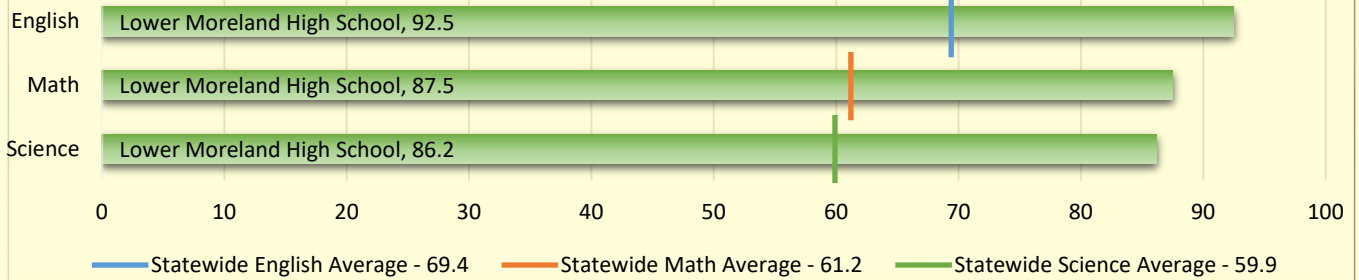


Keystone Advanced or Proficient Percentage School Scores Compared to Statewide Averages

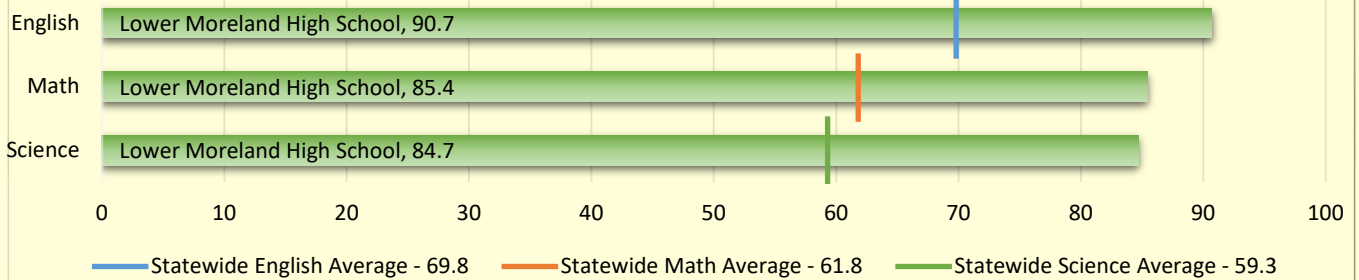
2018-19



2017-18



2016-17



Distribution List

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