

# PERFORMANCE AUDIT

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## New Hope-Solebury School District Bucks County, Pennsylvania

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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. Charles W. Lentz, Superintendent  
New Hope-Solebury School District  
180 West Bridge Street  
New Hope, Pennsylvania 18938

Mrs. Judeth Finn, Board President  
New Hope-Solebury School District  
180 West Bridge Street  
New Hope, Pennsylvania 18938

Dear Dr. Lentz and Mrs. Finn:

We have conducted a performance audit of the New Hope-Solebury 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:

- Transportation Operations
- Bus Driver Requirements
- 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 areas of noncompliance and significant internal control deficiencies in the area of transportation operations and those deficiencies are detailed in the finding in this report titled:

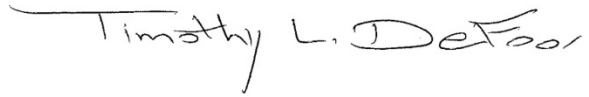
**The District's Failure to Implement an Adequate Internal Control System Resulted in an Unauditable \$230,864 in Transportation Reimbursements**

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 bus driver requirements and administrator separations and we did not identify any internal control deficiencies in these areas.

Dr. Charles W. Lentz  
Mrs. Judeth Finn  
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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 5, 2022

cc: **NEW HOPE-SOLEBURY SCHOOL DISTRICT** Board of School Directors

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## Background Information

School Characteristics 2020-21 School Year*	
County	Bucks
Total Square Miles	28.57
Number of School Buildings	4
Total Teachers	126
Total Full or Part-Time Support Staff	98
Total Administrators	16
Total Enrollment for Most Recent School Year	1,329
Intermediate Unit Number	22
District Career and Technical School	Middle Bucks Institute of Technology

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

## Mission Statement\*

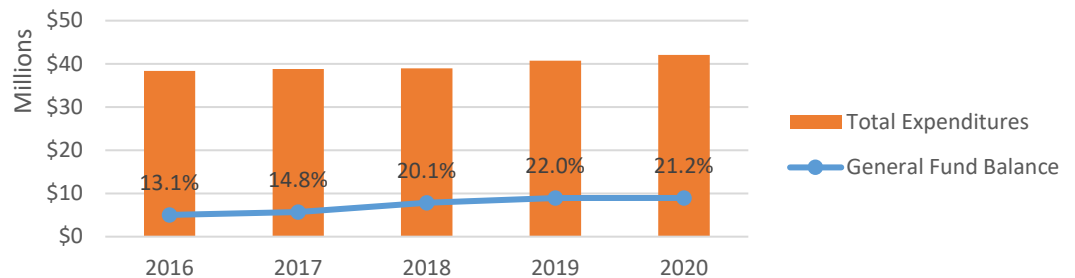
The New Hope-Solebury School District inspires and empowers all students to become passionate, confident and innovative learners with the ability to adapt to a diverse and global society.

## Financial Information

The following pages contain financial information about the New Hope-Solebury 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**.

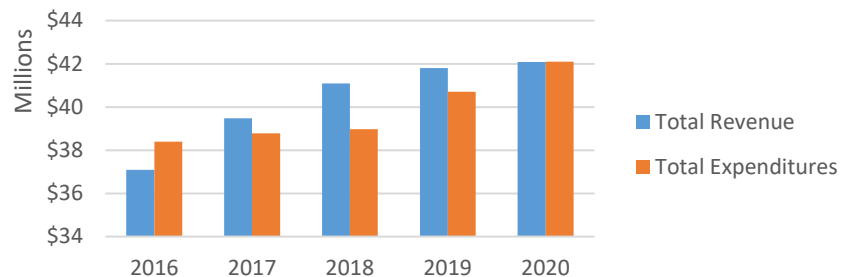
### General Fund Balance as a Percentage of Total Expenditures

	General Fund Balance
2016	\$5,032,021
2017	\$5,728,808
2018	\$7,850,235
2019	\$8,945,005
2020	\$8,930,022



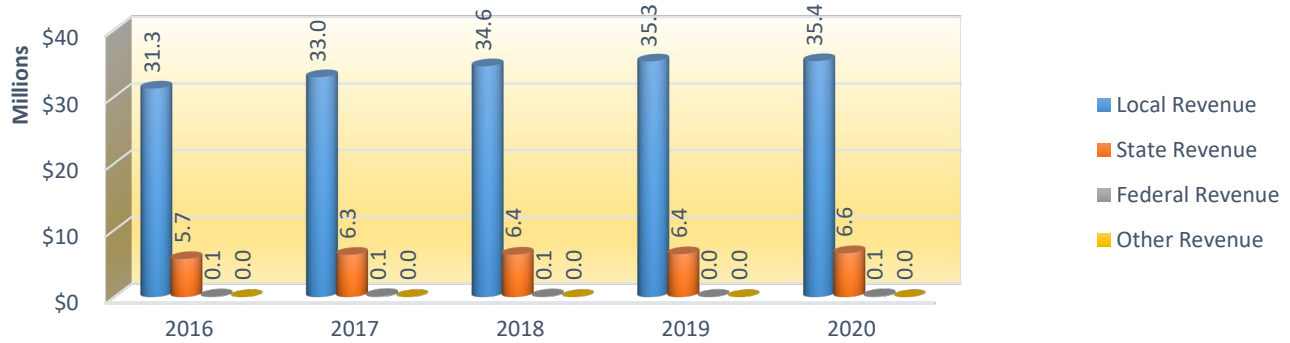
### Revenues and Expenditures

	Total Revenue	Total Expenditures
2016	\$37,089,173	\$38,389,091
2017	\$39,481,891	\$38,785,105
2018	\$41,086,940	\$38,965,513
2019	\$41,802,906	\$40,708,134
2020	\$42,084,414	\$42,099,398

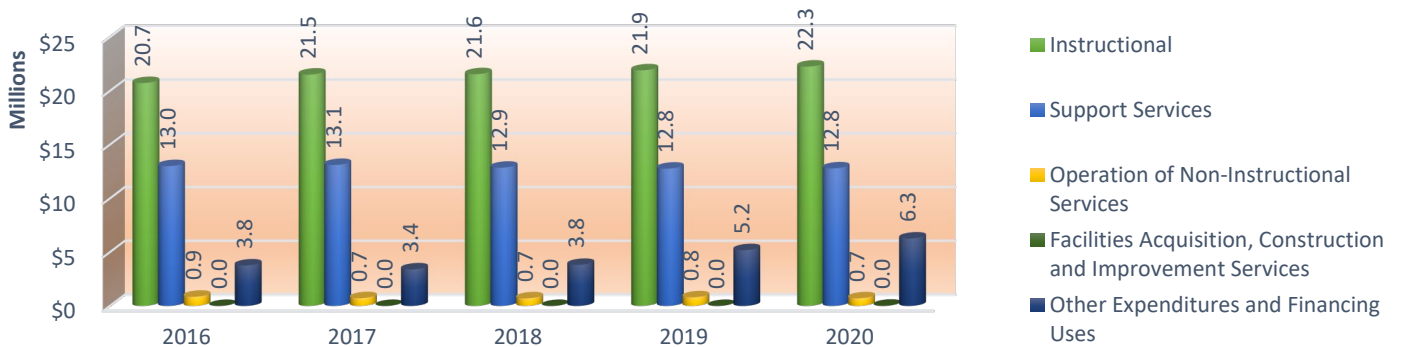


## Financial Information Continued

### Revenues by Source

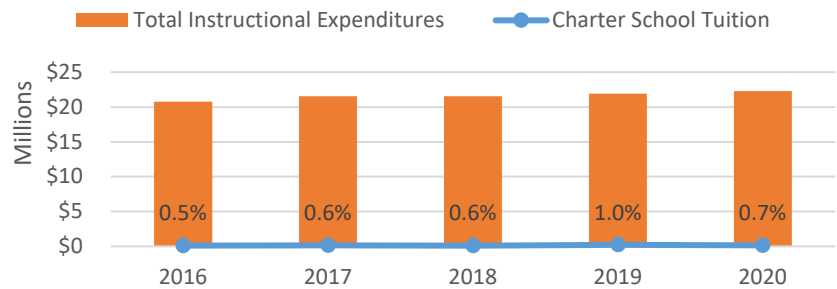


### Expenditures by Function

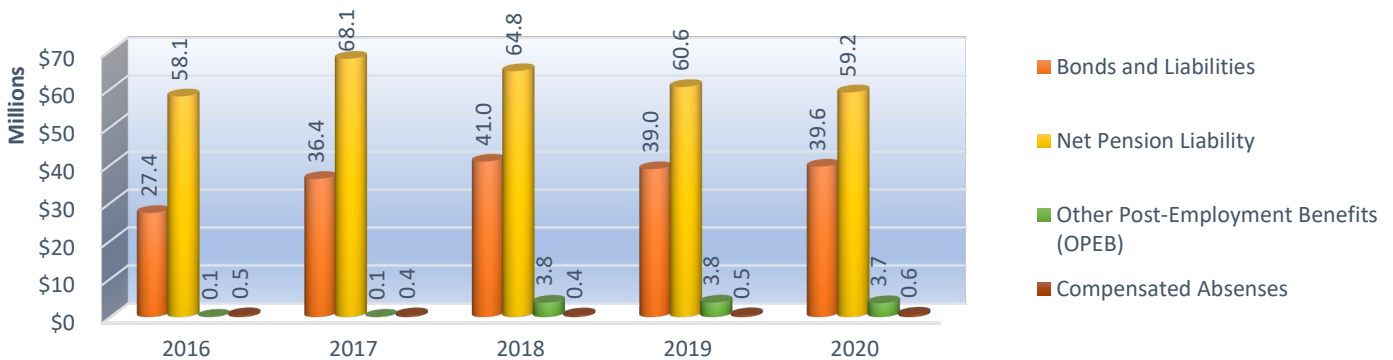


### Charter Tuition as a Percentage of Instructional Expenditures

	Charter School Tuition	Total Instructional Expenditures
2016	\$108,734	\$20,744,379
2017	\$128,031	\$21,529,978
2018	\$123,293	\$21,564,776
2019	\$220,023	\$21,926,885
2020	\$148,172	\$22,277,362



### Long-Term Debt

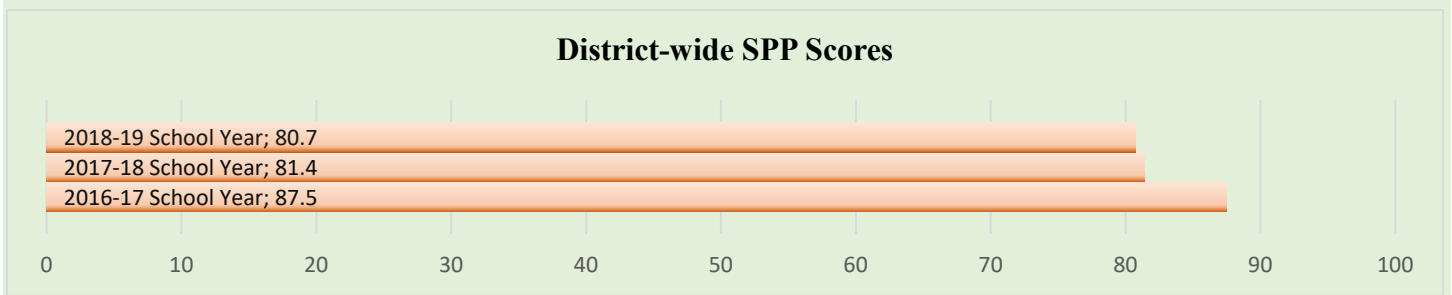


## Academic Information<sup>1</sup>

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.<sup>2</sup> In addition, the District's 4-Year Cohort Graduation Rates are presented for the 2017-18 through 2019-20 school years.<sup>3</sup> 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.



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

<sup>2</sup> 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.

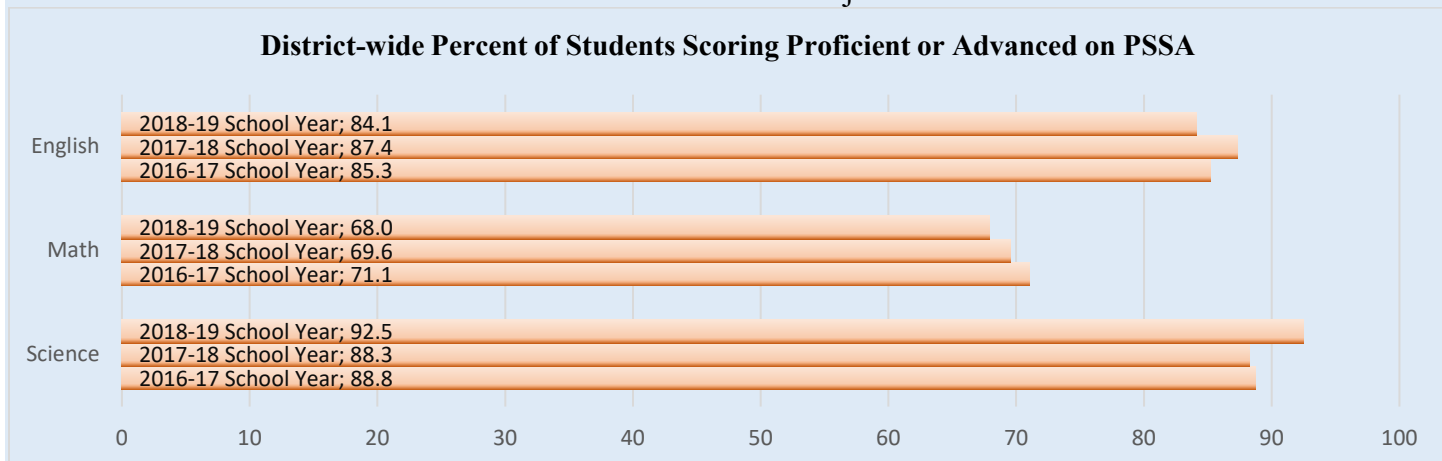
<sup>3</sup> Graduation rates were still reported for the 2019-20 school year despite the COVID-19 pandemic.

## Academic Information Continued

### What is the PSSA?

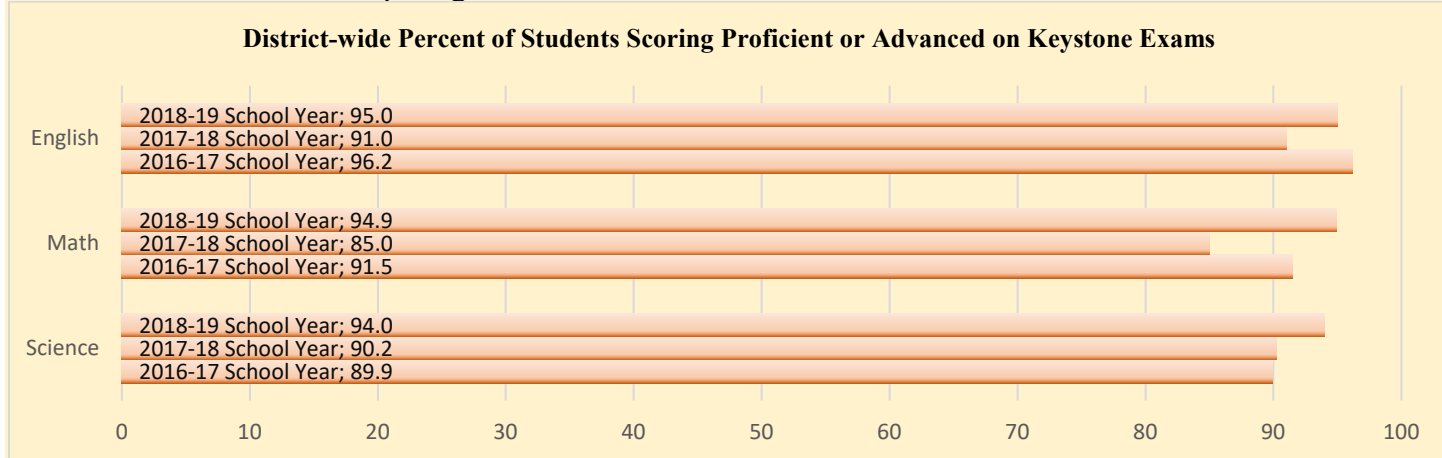
The PSSA is an annual, standardized test given across the Commonwealth to students in grades 3 through 8 in core subject areas, including English, Math and Science. The PSSAs help Pennsylvania meet federal and state requirements and inform instructional practices, as well as provide educators, stakeholders, 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.<sup>4</sup> 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.



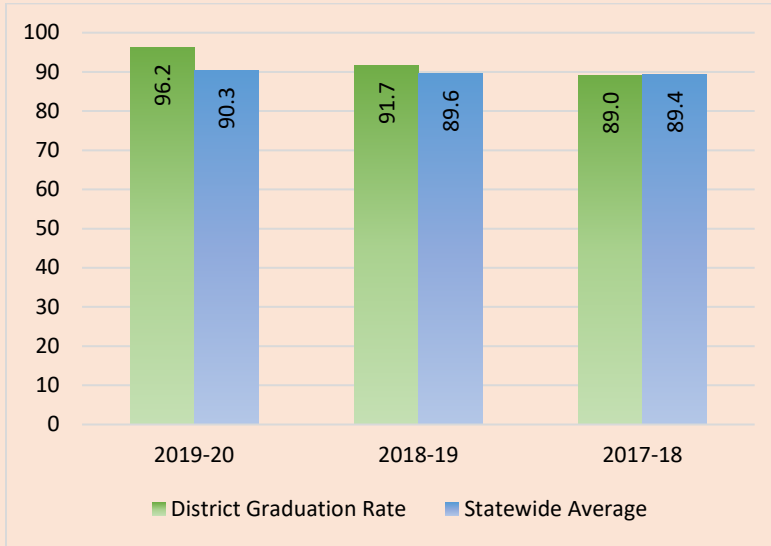
<sup>4</sup> Act 158 of 2018, effective October 24, 2018, amended the Public School Code to further delay the use of Keystone Exams as a graduation requirement until the 2021-22 school year. See 24 P.S. § 1-121(b)(1). Please refer to the following link regarding further guidance to local education agencies (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.<sup>5</sup>



<sup>5</sup> 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's Failure to Implement Adequate Internal Controls Resulted in an Unauditable \$230,864 in Transportation Reimbursements

#### *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 (relating to Payments on account of pupil transportation) 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).

We found that the New Hope-Solebury School District (District) did not implement an adequate internal control system over its process for reporting regular and supplemental transportation data. Additionally, the District did not comply with the record retention provisions of the Public School Code (PSC) when it failed to retain adequate source documentation to support the transportation data it reported to the Pennsylvania Department of Education (PDE) for the 2016-17 and 2017-18 school years. Therefore, we could not determine the accuracy of the \$230,864 the District received in total transportation reimbursements.

**Background:** School districts receive two separate transportation reimbursement payments from PDE. The **regular** transportation reimbursement is broadly based upon the number of students transported, the number of days each vehicle is used to transport students, and the number of miles vehicles are in service both with and without students. The **supplemental** transportation reimbursement is solely based upon the number of charter school and nonpublic school students transported by the District at any time during a school year.

It is absolutely essential that records related to the District's transportation reimbursements be retained in accordance with the PSC's record retention provisions (i.e., for a period of not less than six years) and be readily available for audit. Periodic auditing of such documents is important for District accountability and verification of accurate reporting. Therefore, the District should have a strong system of internal control over its regular and supplemental transportation operations that should include, but not be limited to, the following:

- Segregation of duties.
- Written procedures.
- Training on PDE reporting requirements.

It is also important to note that the PSC requires that all school districts annually file a sworn statement of student transportation data for the prior and current school years with PDE in order to be eligible for transportation reimbursements.<sup>6</sup> The sworn statement includes the superintendent's signature attesting to the accuracy of the reported data. Because of this

<sup>6</sup> See 24 P.S. § 25-2543.

*Criteria relevant to the finding (continued):*

**Sworn Statement and Annual Filing Requirements**

Section 2543 of the PSC 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 the Pennsylvania Department of Education (PDE) in order to be eligible for the transportation subsidies. *See* 24 P.S. § 25-2543.

Section 2543 of the PSC, which is entitled, “Sworn statement of amount expended for reimbursable transportation; payment; withholding” of the PSC 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.)

**Record Retention Requirement**

Section 518 of the PSC requires that the financial records of a district be retained by the district for a period of not less than six years. *See* 24 P.S. § 5-518.

**Supplemental Transportation Subsidy for Nonpublic and Charter School Students**

Section 2509.3 of the PSC provides that each school district shall receive a supplemental transportation payment of \$385 for each nonpublic school student transported. This payment is provided for charter school students in Section 1726-A(a) of the Charter School Law through its reference to Section 2509.3 of the PSC. *See* 24 P.S. §§ 25-2509.3 and 17-1726-A(a).

statutorily required attestation, the District should ensure it has implemented an adequate internal control system so its submission to PDE can be made with the utmost confidence.

The total transportation reimbursement the District received for the 2016-17 and 2017-18 school years is detailed in the table below:

New Hope-Solebury School District Regular and Supplemental Transportation Reimbursements			
(A) School Year	(B) Regular Transportation	(C) Supplemental Transportation	(B+C) Total Transportation Reimbursement
2016-17	\$ 86,207	\$40,040	\$126,247
2017-18	\$ 69,967	\$34,650	\$104,617
<b>Total</b>	<b>\$156,174</b>	<b>\$74,690</b>	<b>\$230,864</b>

**Failure to Obtain Appropriate Supporting Documentation for Transportation Reimbursements**

We found that the District relied on its transportation contractor to calculate regular and supplemental transportation data during the audit period. The District reported this data without obtaining the appropriate supporting documentation for review to determine the accuracy of the reported data. At our request, the District tried to obtain the appropriate supporting documentation from its transportation contractor, but the contractor was only able to provide supporting documentation for the 2018-19 and 2019-20 school years. We audited the 2018-19 and 2019-20 data and did not identify any issues. However, without appropriate supporting documentation for the 2016-17 and 2017-18, we were unable to determine the accuracy of the reported data. Therefore, we could not verify the appropriateness of the \$230,864 the District received in transportation reimbursements for those years.

**Irregularities in the Number of Students Reported to PDE as Reimbursable**

Students transported are classified into multiple reporting categories, including students transported and eligible for reimbursement due to residing on a Pennsylvania Department of Transportation (PennDOT) determined public hazardous walking route and students transported who are not eligible for reimbursement. Elementary students residing within 1.5 miles of their respective school or secondary students residing within 2 miles of their school are not eligible to be reported as reimbursable unless the student resides on a PennDOT determined hazardous walking route.

*Criteria relevant to the finding  
(continued):*

**PDE Instructions for Local Education Agencies (LEA) on how to Complete the PDE-2089**

<https://www.education.pa.gov/Documents/Teachers-Administrators/Pupil%20Transportation/eTran%20Application%20Instructions/PupilTransp%20Instructions%20PDE-2089%20SummPupilsTransp.pdf> (Accessed 4/12/22)

The “PDE-2089 Summary of Pupils Transported” form is used to report the total number of pupils transported during the school year. This transportation includes LEA-owned vehicles, contracted service, and fare-based service and provides in part:

Enter the total number of resident NONPUBLIC school pupils you transported to and from school. Documentation identifying the names of these pupils should be retained for review by the Auditor General’s staff. NONPUBLIC school pupils are children whose parents are paying tuition for them to attend a nonprofit private or parochial school. (Any child that your district is financially responsible to educate is a PUBLIC pupil.)

Enter the number of resident PUBLIC school pupils (including charter school pupils) you transported to and from school because of hazardous walking routes. This figure should include only those pupils who live within 1.5 miles of the elementary school or within 2 miles of the secondary school in which they are enrolled. Distances should be computed by public highway miles (see Pennsylvania Public School Code of 1949, Section 1366).

The District reported 1,037 students as eligible for reimbursement due to residing on a hazardous walking route in the 2018-19 and 2019-20 school years after not reporting any students in this category for the 2016-17 and 2017-18 school years. Additionally, the District reported 547 students as nonreimbursable during the 2017-18 school year but reported 7 students or less in this category for the other three years of the audit period. The irregularities in this reported data warranted further review; therefore, we requested the student name and address information for the students reported in these categories. The District was unable to provide the information requested; therefore, we were unable to determine the accuracy of this reported data.

### **Significant Internal Control Deficiencies**

Our review revealed that the District did not have an adequate internal control system over its process of calculating and reporting transportation data to PDE. As stated earlier, the District relied on its transportation contractor to calculate transportation data, and the District reported this data without review or ensuring that it obtained appropriate supporting documentation. District personnel responsible for reporting transportation data were not adequately trained on PDE’s reporting requirements and the documentation needed to be obtained and retained to support the reported data. The District did not implement adequate segregation of duties when it relied on its transportation contractor to calculate transportation data and placed responsibility solely on one District employee for reporting transportation data to PDE without a review by another employee. Finally, the District did not have comprehensive written procedures detailing the process for recording, calculating, and accurately reporting transportation data.

### **Recommendations**

The *New Hope-Solebury School District* should:

1. Develop and implement an internal control system over its regular and supplemental transportation data operations. The internal control system should include, but not be limited to, the following:
  - All personnel involved in calculating and reporting transportation data are trained on PDE’s reporting requirements and the supporting documentation necessary to be obtained, reviewed, and retained.
  - Clear and concise written procedures are developed to document the regular and supplemental transportation data collection, categorization, and reporting process.
  - A review of the transportation data is conducted by an employee other than the employee who reported the data before it is submitted to PDE.

*Criteria relevant to the finding  
(continued):*

Enter the number of nonreimbursable pupils (BOTH PUBLIC AND NONPUBLIC SCHOOL PUPILS) transported on contracted service vehicles. If you transport elementary pupils who reside within 1.5 miles of their school or secondary pupils who reside within 2 miles of their school who are not exceptional children or not required to use a certified hazardous walking route to reach their school, they are NONREIMBURSABLE PUPILS. Pupils who reside as indicated above but are being transported to/from daycare providers located beyond those distances are still nonreimbursable. The location of their residence is the deciding factor.

Enter the number of resident pupils transported to charter schools located within your district boundaries. Documentation identifying the names of these pupils should be retained for review by the Auditor General's staff.

Enter the number of resident pupils transported outside of your district boundaries either to a regional charter school of which your district is a part or to a charter school located within ten miles of your district boundaries. Documentation identifying the names of these pupils should be retained for review by the Auditor General's staff.

2. Ensure that complete supporting documentation for all regular and supplemental transportation data is obtained, reviewed, and retained in accordance with PSC requirements. Record retention procedures should be documented and staff trained on these procedures.

### **Management Response**

District management provided the following response:

“In the years cited in the finding (2016-17 & 2017-18) the district did not maintain the appropriate supporting documentation for transportation reimbursements. All appropriate supporting documentation is now properly maintained by the district, as is evidenced by the 2018-19 and 2019-20 years being free of any identifiable issues.

“Irregularities in the number of students reported to PDE as reimbursable by the district was not consistent in the years cited. The district has instituted the necessary procedures to properly track and report an accurate number of students to PDE for reimbursement.

“In the years cited, the district did rely too heavily on our transportation contractor to properly maintain any records necessary to properly report transportation information to PDE, therefore not instituting the appropriate internal controls ensuring proper knowledge on PDE's reporting requirements. As of 2019-20, the district has instituted effective internal controls that ensures all applicable district employees associated with this process are trained on PDE's reporting requirements. This includes appropriate segregation of duties in the reporting of this transportation information to PDE.”

### **Auditor Conclusion**

We are encouraged that the District has begun implementing appropriate corrective actions to address our recommendations. We believe the development and implementation of internal controls will help ensure that appropriate supporting documentation is obtained and maintained and accurate data is reported to PDE.

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

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**O**ur prior Limited Procedures Engagement of the New Hope-Solebury School District resulted in no findings or observations.

## Appendix A: 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>7</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.

Our audit focused on the District's effectiveness and/or compliance with applicable statutory provisions and related regulations in the areas of Transportation Operations, Bus Driver Requirements, 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.<sup>8</sup> *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.<sup>9</sup> 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.

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<sup>7</sup> 72 P.S. §§ 402 and 403.

<sup>8</sup> 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.

<sup>9</sup> 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
<b>Control Environment</b>	
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
<b>Risk Assessment</b>	
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
<b>Control Activities</b>	
10	Design control activities
11	Design activities for the information system
12	Implement control activities
<b>Information and Communication</b>	
13	Use quality information
14	Communicate internally
15	Communicate externally
<b>Monitoring</b>	
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	
Transportation	Yes				X			X	X		X		X	X	X	X	X		
Bus Drivers	Yes										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.

## **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?<sup>10</sup>
  - ✓ To address this objective, we assessed the District’s internal controls for obtaining, inputting, processing, and reporting transportation data to PDE. We requested vehicle odometer readings, student rosters, school calendars, and vehicle invoices for all 44 vehicles used to transport District students during the 2016-17 and 2017-18 school years. However, the District could not provide the required supporting documentation needed to verify the accuracy of miles traveled, reported days, and/or number of students reported for any of the 44 vehicles. Therefore, we were unable to determine the accuracy of the regular transportation reimbursement received from PDE for the 2016-17 and 2017-18 school years. We reviewed vehicle odometer readings, student rosters, school calendars, and vehicle invoices for all 44 vehicles used to transport students during the 2018-19 and 2019-20 school years. We verified that the District correctly calculated and reported transportation data for these two school years.
  - ✓ We also assessed the District’s internal controls for obtaining, inputting, processing, and reporting supplemental transportation data to PDE. We attempted to review all 194 nonpublic school students reported to PDE as being transported during the 2016-17 and 2017-18 school years. However, due to the District’s lack of adequate documentation, we were unable to verify the accuracy of the number of nonpublic school students reported to PDE for these school years. For the 2018-19 and 2019-20 school years, we obtained and reviewed individual “requests for transportation” and student vehicle rosters for all 173 nonpublic school students that the District reported to PDE. We verified that each student was accurately categorized and reported to PDE as a nonpublic school student.

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<sup>10</sup> See 24 P.S. § 25-2541(a).

- ✓ Finally, we assessed the District’s internal controls for categorizing and reporting students who were reported as reimbursable due to residing on a Pennsylvania Department of Transportation (PennDOT) hazardous walking route and students transported who were reported to PDE as not eligible for reimbursement. We requested individual student address data and all PennDOT hazardous walking route determination documentation for all 1,037 students reported as reimbursable due to residing on a hazardous walking route for the 2016-17 through 2019-20 school years. However, due to the District’s lack of adequate documentation, we were unable to verify the accuracy of the number of reimbursable students who were reported to PDE.

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

### **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 clearances<sup>11</sup> as outlined in applicable laws?<sup>12</sup> 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 reviewing, maintaining, 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 24 drivers who transported District students as of January 3, 2022. We reviewed documentation to ensure the District complied with the qualification and clearance requirements for those drivers. We also determined if the District had monitoring procedures to ensure that all drivers had updated licenses, clearances, and physicals.

**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 three individually contracted administrators who separated employment from the District during the period of July 1, 2016 through June 30, 2020. We reviewed the final payouts to determine if the administrators were

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<sup>11</sup> 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.

<sup>12</sup> 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.

compensated in accordance with their contracts. We verified that leave payouts were not reported as regular wages to PSERS. We also verified that the Board complied with Section 508 of the Public School Code by voting to approve each administrator's separation from employment by the District.

**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?<sup>13</sup> 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.

**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?<sup>14</sup> 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 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 Statements* 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.

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

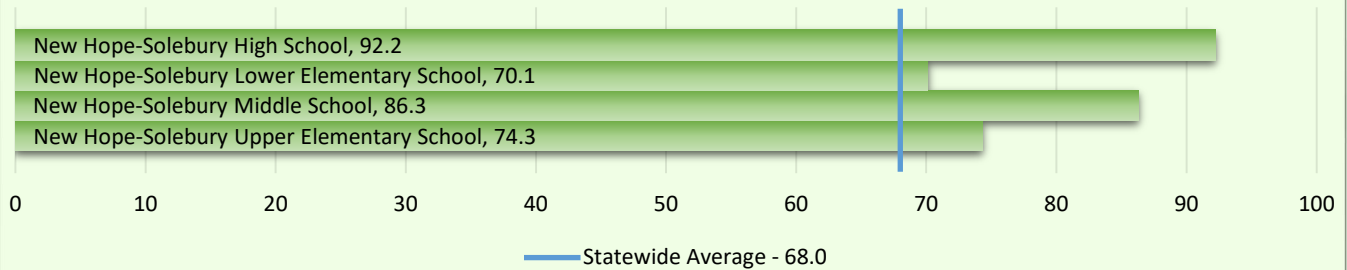
<sup>14</sup> Public School Code (Fire and Security Drills) 24 P.S. § 15-1517.

## Appendix B: Academic Detail

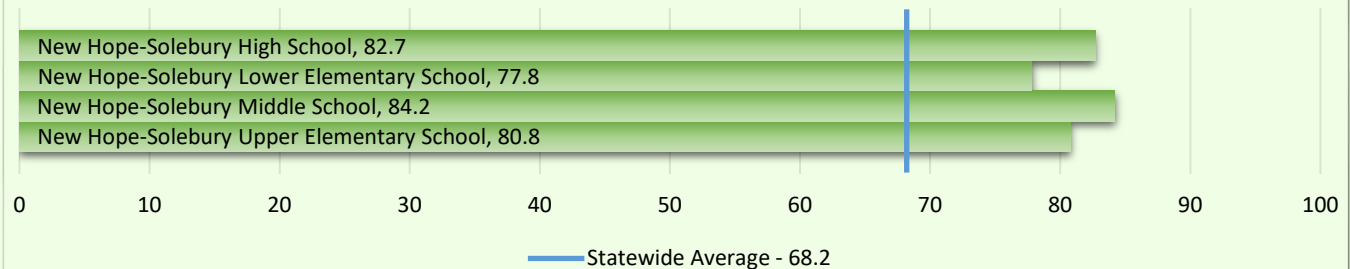
Benchmarks noted in the following graphs represent the statewide average of all public school buildings in the Commonwealth that received a score in the category and year noted.<sup>15</sup> Please note that if one of the District's schools did not receive a score in a particular category and year presented below, the school will not be listed in the corresponding graph.<sup>16</sup>

### SPP School Scores Compared to Statewide Averages

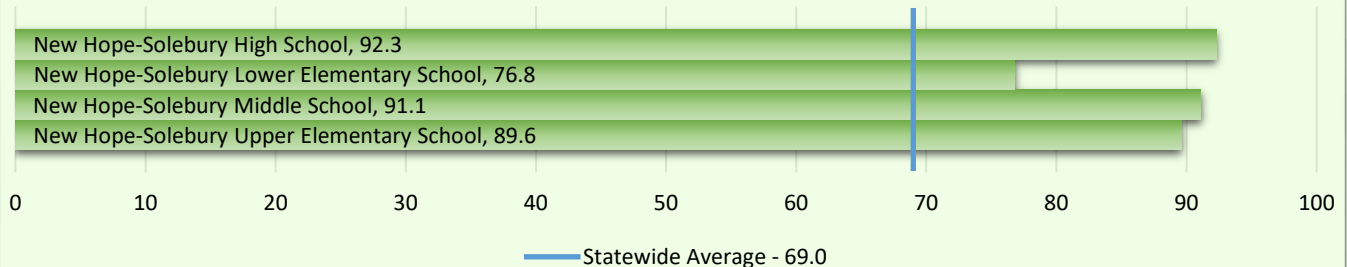
#### 2018-19



#### 2017-18



#### 2016-17

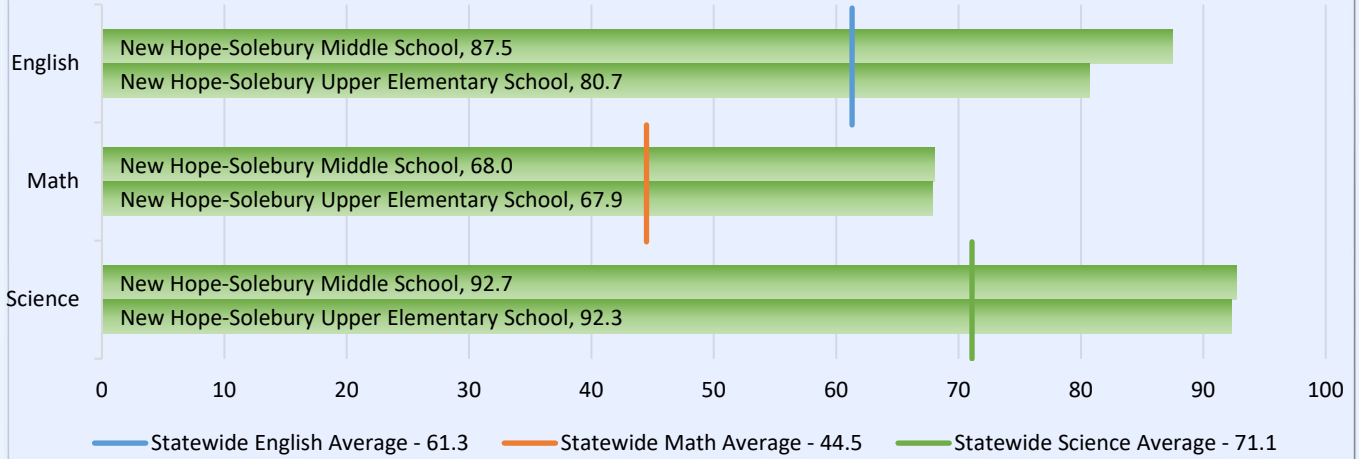


<sup>15</sup> Statewide averages were calculated by our Department based on individual school building scores for all public schools in the Commonwealth, including district schools, charters schools, and cyber charter schools.

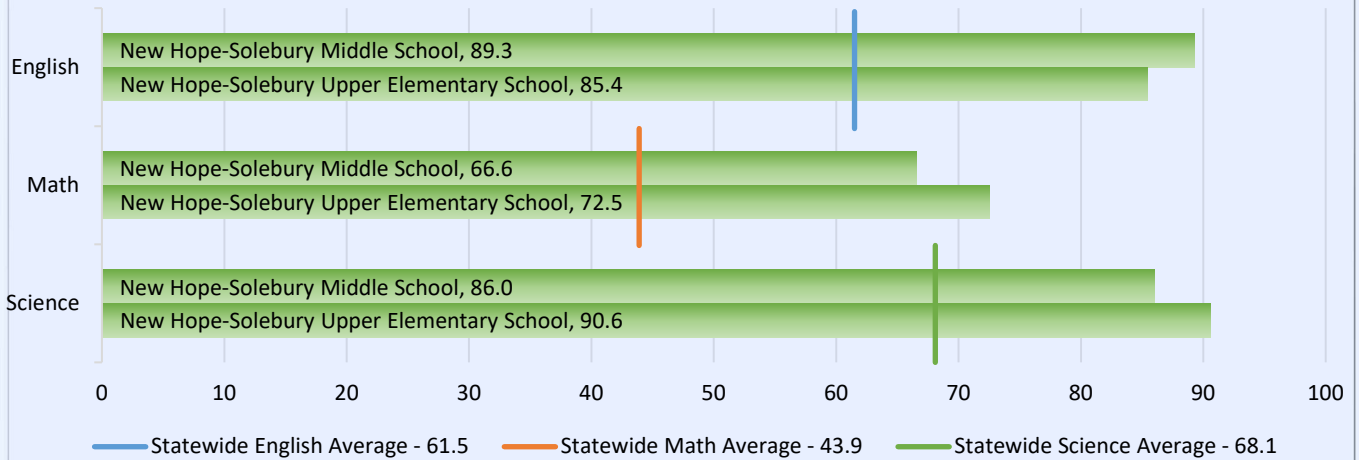
<sup>16</sup> PDE's data does not provide any further information regarding the reason a score was not published for a specific school. However, readers can refer to PDE's website for general information regarding the issuance of academic scores.

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

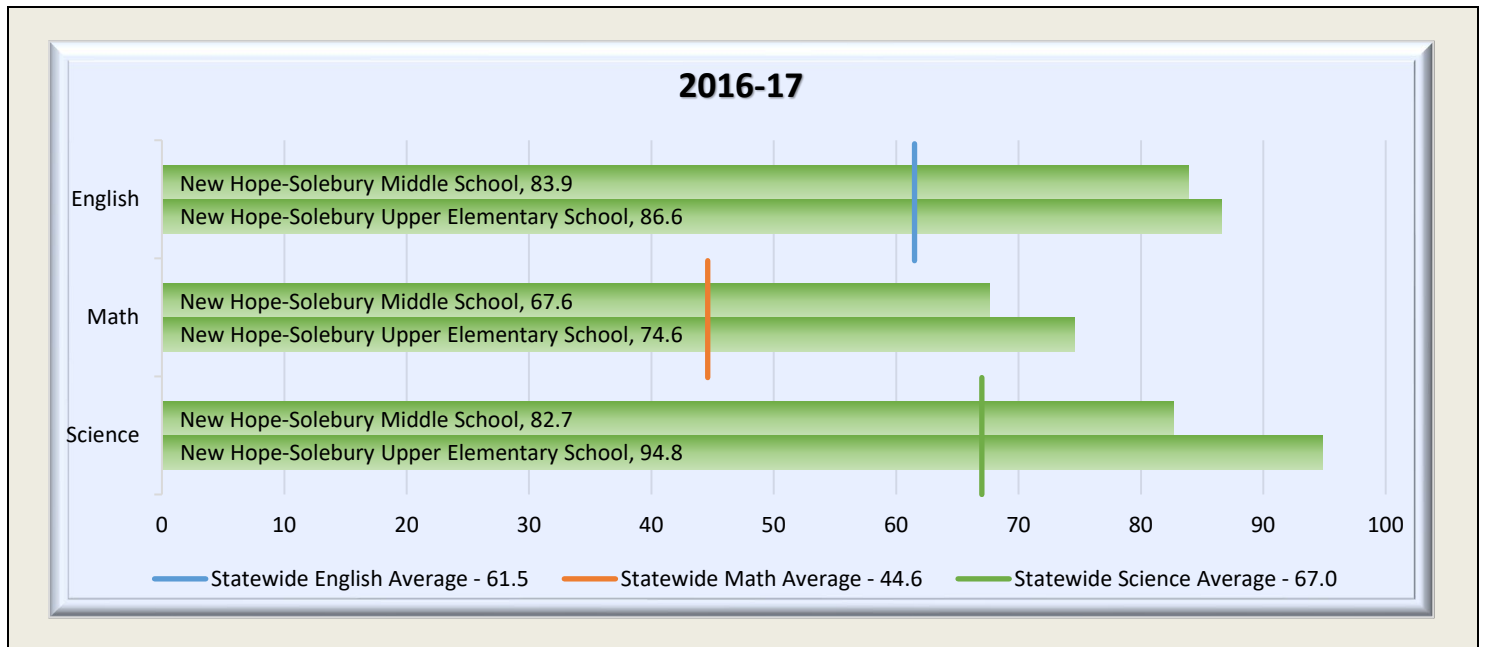
**2018-19**



**2017-18**

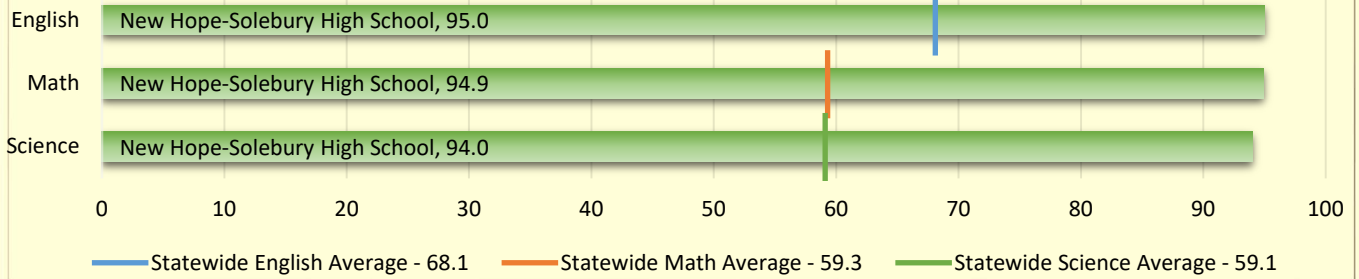


**PSSA Advanced or Proficient Percentage  
School Scores Compared to Statewide Averages (continued)**

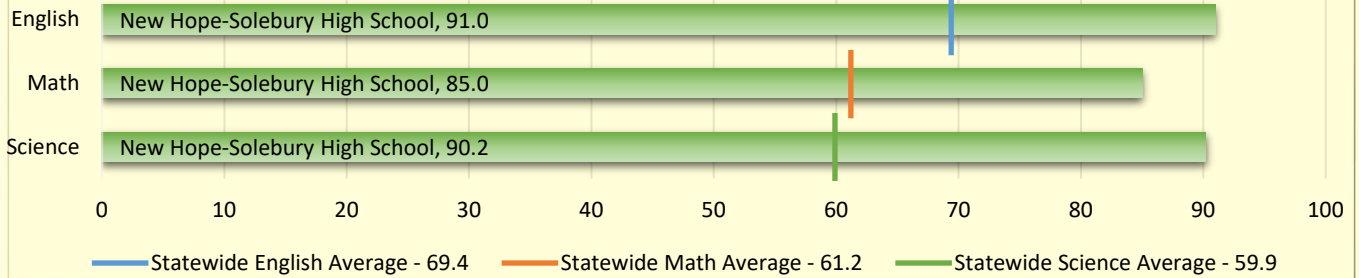


**Keystone Advanced or Proficient Percentage  
School Scores Compared to Statewide Averages**

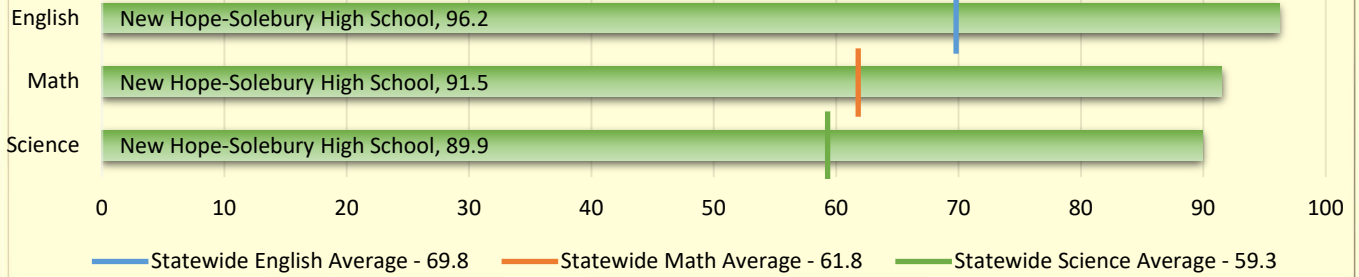
**2018-19**



**2017-18**



**2016-17**



## **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:

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Harrisburg, PA 17120

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