

# PERFORMANCE AUDIT

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## Norwin School District Westmoreland County, Pennsylvania

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January 2022



Commonwealth of Pennsylvania  
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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**TIMOTHY L. DEFOOR  
AUDITOR GENERAL**

Dr. Jeffrey M. Taylor, Superintendent  
Norwin School District  
281 McMahan Drive  
North Huntingdon, Pennsylvania 15642

Ms. Darlene Ciocca, Board President  
Norwin School District  
281 McMahan Drive  
North Huntingdon, Pennsylvania 15642

Dear Dr. Taylor and Ms. Ciocca:

We have conducted a performance audit of the Norwin 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 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 a \$101,255 Overpayment in Supplemental Transportation Reimbursements**

In addition, we identified internal control deficiencies in the area of bus driver qualifications that were not significant to the objective but warranted attention of District management and those charged with governance. These deficiencies were communicated to District management and those charged with governance for their consideration. We found that the District performed adequately in the area of administrator separations and we did not identify any internal control deficiencies in this area.

Dr. Jeffrey M. Taylor

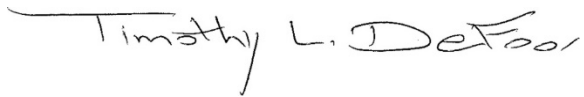
Ms. Darlene Ciocca

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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 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 horizontal line above the first name.

Timothy L. DeFoor  
Auditor General

January 26, 2022

cc: **NORWIN SCHOOL DISTRICT** Board of School Directors

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## Background Information

School Characteristics 2020-21 School Year*	
Counties	Westmoreland and Allegheny
Total Square Miles	36
Number of School Buildings	7
Total Teachers	316
Total Full or Part-Time Support Staff	210
Total Administrators	30
Total Enrollment for Most Recent School Year	5,110
Intermediate Unit Number	7
District Career and Technical School	Central Westmoreland Career & Technology Center

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

## Mission Statement\*

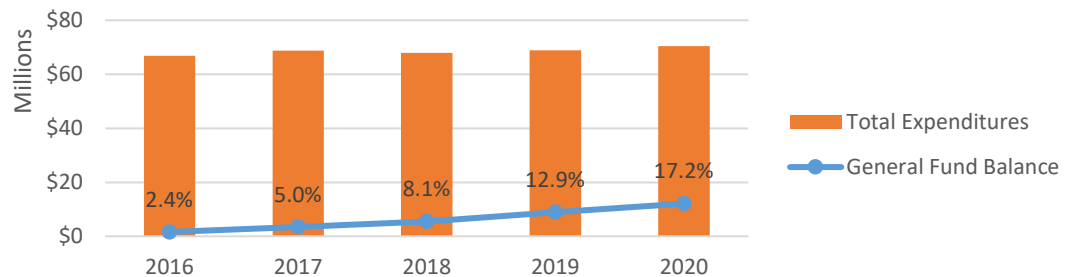
Preparing students to become productive and responsible citizens in an ever-changing global society.

## Financial Information

The following pages contain financial information about the Norwin 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**.

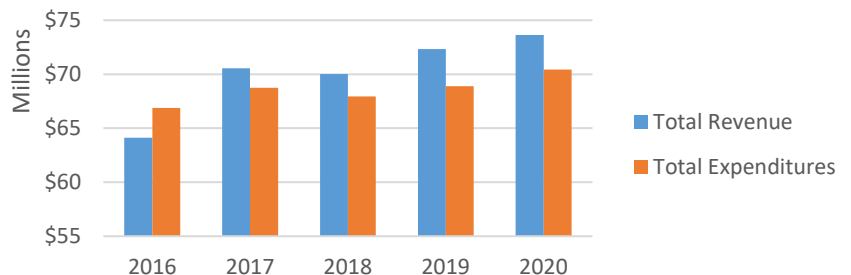
### General Fund Balance as a Percentage of Total Expenditures

	General Fund Balance
2016	\$1,606,762
2017	\$3,411,457
2018	\$5,485,119
2019	\$8,915,689
2020	\$12,121,989



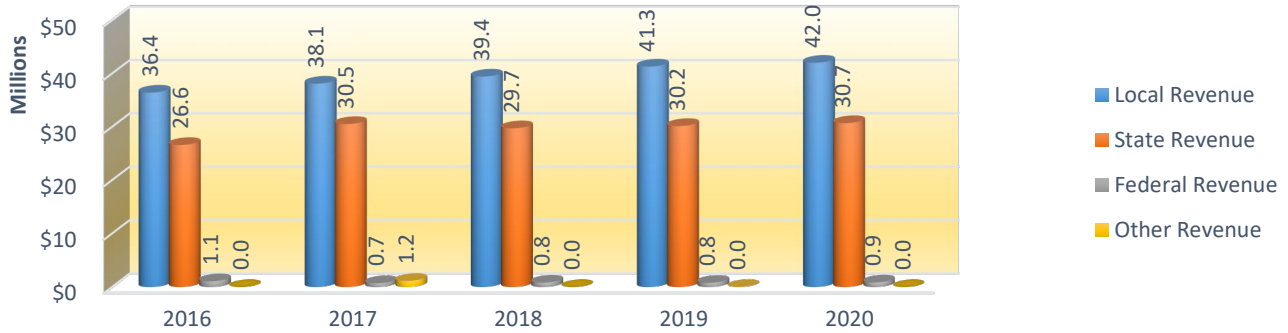
### Revenues and Expenditures

	Total Revenue	Total Expenditures
2016	\$64,128,471	\$66,870,163
2017	\$70,549,881	\$68,745,186
2018	\$70,032,836	\$67,959,174
2019	\$72,316,189	\$68,885,619
2020	\$73,627,468	\$70,421,168

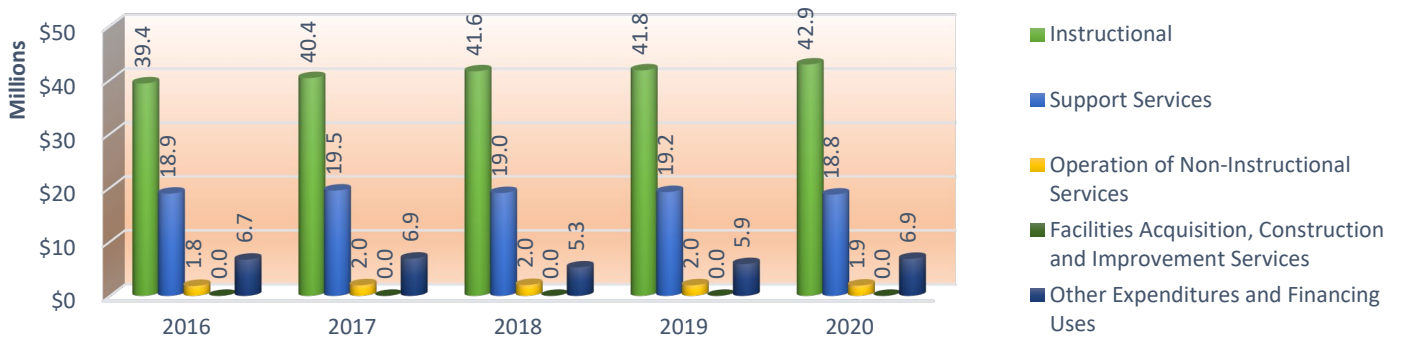


## Financial Information Continued

### Revenues by Source

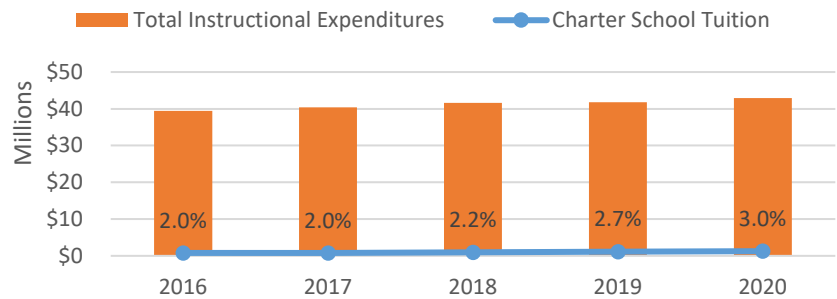


### Expenditures by Function



### Charter Tuition as a Percentage of Instructional Expenditures

	Charter School Tuition	Total Instructional Expenditures
2016	\$796,622	\$39,402,193
2017	\$804,405	\$40,384,158
2018	\$919,233	\$41,642,606
2019	\$1,132,445	\$41,815,712
2020	\$1,273,795	\$42,914,401



### Long-Term Debt

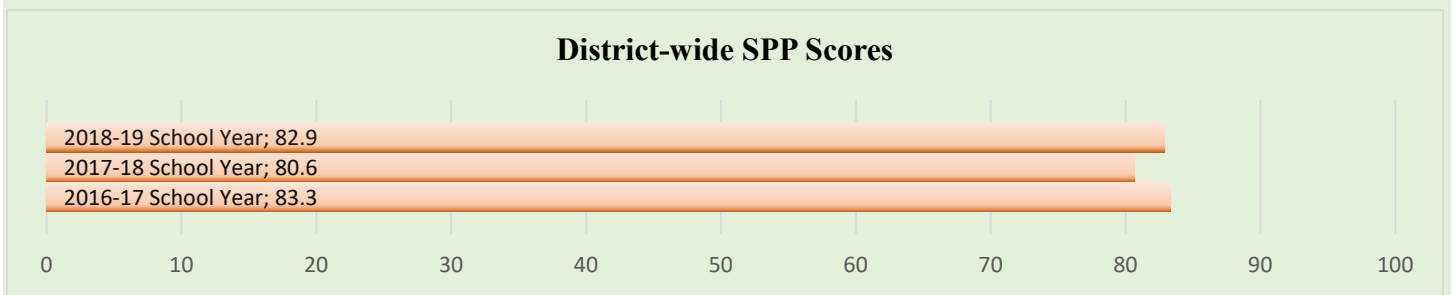


## Academic Information<sup>1</sup>

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.

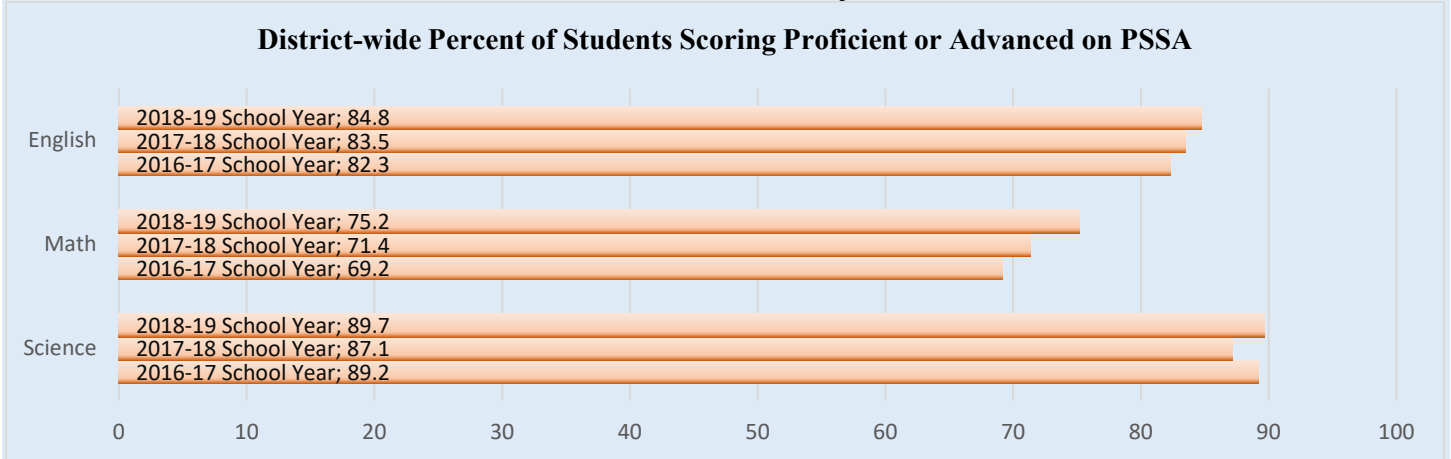
<sup>3</sup> Graduation rates were still reported for the 2019-20 school year despite the COVID-19 pandemic.

## Academic Information Continued

### What is the PSSA?

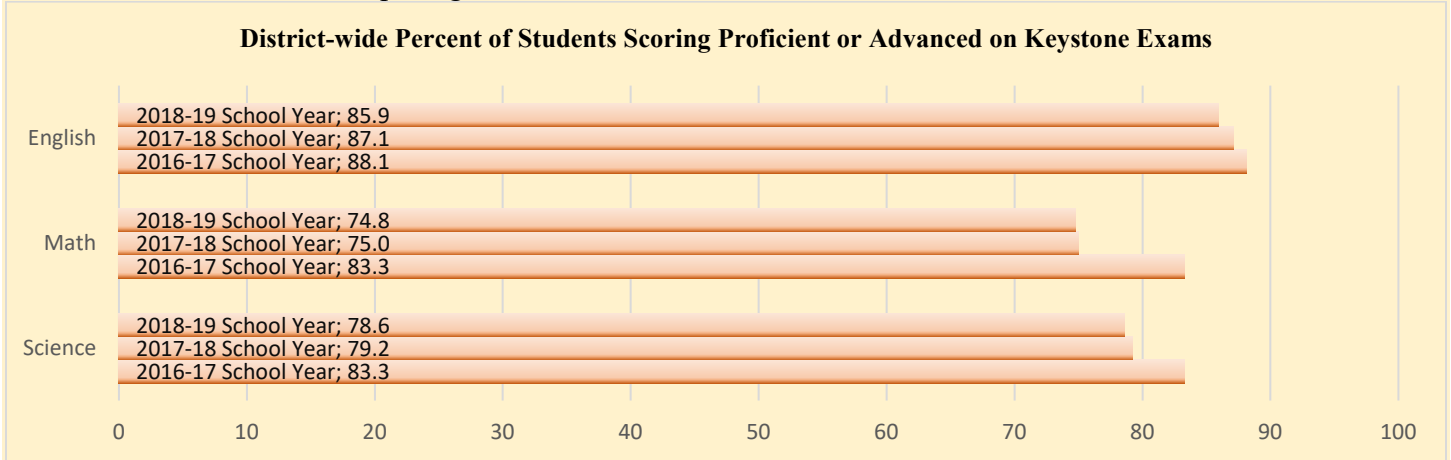
The PSSA is an annual, standardized test given across the Commonwealth to students in grades 3 through 8 in core subject areas, including English, Math and Science. The PSSAs help Pennsylvania meet federal and state requirements and inform instructional practices, as well as provide educators, stakeholders,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



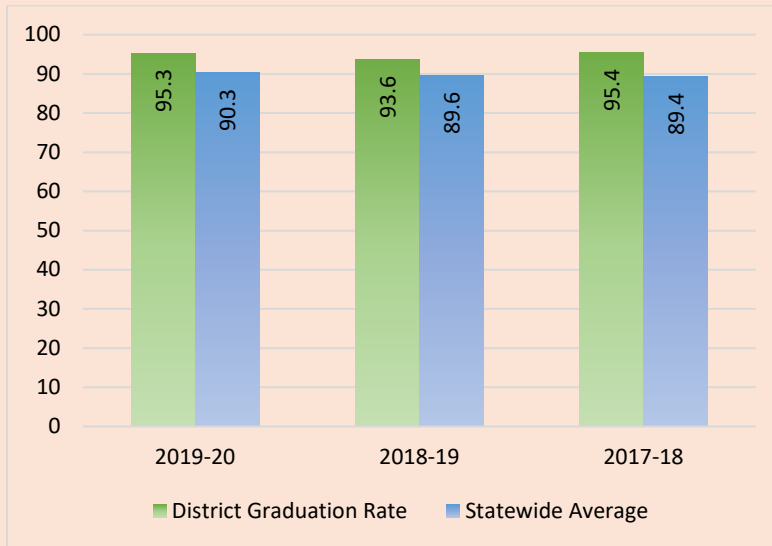
<sup>4</sup> Act 158 of 2018, effective October 24, 2018, amended the Public School Code to further delay the use of Keystone Exams as a graduation requirement until the 2021-22 school year. See 24 P.S. § 1-121(b)(1). Please refer to the following link regarding further guidance to local education agencies (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 an Adequate Internal Control System Resulted in a \$101,255 Overpayment in Supplemental Transportation Reimbursements

#### *Criteria relevant to the finding:*

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

The Charter School Law (CSL), through its reference to Section 2509.3 of the Public School Code (PSC), provides for an additional, per student subsidy for the transportation of charter school students. *See* 24 P.S. § 17-1726-A(a); 24 P.S. § 25-2509.3.

Section 1726-A(a) of the CSL addresses the transportation of charter school students in that: “[s]tudents who attend a charter school located in their school district of residence, a regional charter school of which the school district is a part or a charter school located outside district boundaries at a distance not exceeding ten (10) miles by the nearest public highway shall be provided free transportation to the charter school by their school district of residence on such dates and periods that the charter school is in regular session whether or not transportation is provided on such dates and periods to students attending schools of the district...”

We found that the Norwin School District (District) did not implement an adequate internal control system over the categorization, calculation, and reporting of supplemental transportation data. Consequently, the District inaccurately reported the number of nonpublic and charter school students it transported during the 2016-17 through 2019-20 school years, which resulted in the District receiving a \$101,255 overpayment in supplemental transportation reimbursements from the Pennsylvania Department of Education (PDE).

**Background:** School districts receive two separate transportation reimbursement payments from PDE. The **regular** transportation reimbursement is broadly based on the number of students transported, the number of days each vehicle was used to transport students, and the number of miles that vehicles are in service, both with and without students. The **supplemental** transportation reimbursement is based on the number of nonpublic school and charter school students transported at any time during the school year. The errors identified in this finding pertain to the District's supplemental transportation reimbursement.

Pursuant to the Public School Code (PSC), a nonpublic school is defined, in pertinent part, as a nonprofit school other than a public school within the Commonwealth of Pennsylvania, wherein a resident of the Commonwealth may legally fulfill the compulsory school attendance requirements.<sup>6</sup> The PSC requires school districts to provide transportation services to students who reside in its district and who attend a nonpublic school or a charter school, and it provides for a reimbursement from the Commonwealth of \$385 for each nonpublic school student transported by the district. If a district transports one nonpublic school student for one day, the district is eligible for the \$385 reimbursement. This reimbursement was made applicable to the transportation of charter school students pursuant to an equivalent provision in the Charter School Law, which refers to Section 2509.3 of the PSC.<sup>7</sup>

<sup>6</sup> *See* Section 921.1-A(b) (relating to “Definitions”) of the PSC, 24 P.S. § 9-922.1-A(b).

<sup>7</sup> *See* 24 P.S. § 17-1726-A(a) which refers to 24 P.S. § 25-2509.3. A charter school is an independent public school and educates public school students within the applicable school district. *See* 24 P.S. § 17-1703-A (relating to “Definitions”).

*Criteria relevant to the finding (continued):*

Section 1726-A(a) of the CSL further provides for district to receive a state subsidy for transporting charter schools students both within and outside district boundaries in that: “[d]istricts providing transportation to a charter school outside the district and, for the 2007-2008 school year and each school year thereafter, districts providing transportation to a charter school within the district shall be eligible for payments under section 2509.3 for each public school student transported.”

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 provision is also applicable to charter school students through Section 1726-A(a) of the CSL. *See* 24 P.S. § 25-2509.3; 24 P.S. § 17-1726-A(a).

**Sworn Statement and Annual Filing Requirement**

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

It is essential for the District to properly identify nonpublic school and charter school students that it transports, maintain records to support the total number of these students transported throughout the school year, and accurately report this data to PDE. Therefore, the District should have a strong system of internal control over supplemental transportation operations that should include, but not be limited to, the following:

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

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>8</sup> The sworn statement includes the superintendent’s signature attesting to the accuracy of the reported data. Because of this statutorily required attestation, the District should ensure it has implemented an adequate internal control system to provide the superintendent with the confidence needed to sign the sworn statement.

**Nonpublic and Charter School Student Reporting Errors**

We reviewed the nonpublic and charter school student transportation data that the District reported to PDE and found that the District inaccurately reported this data for each year of the four-year audit period. The reporting errors are detailed in the table below.

Norwin School District Nonpublic and Charter School Student Reporting Errors				
School Year	(A) No. of Nonpublic Students Over Reported <sup>9</sup>	(B) No. of Charter Students Over / (Under) Reported <sup>10</sup>	(C) [A+B] Total No. of Students Over Reported	(D) [C x \$385] Overpayment
<b>2016-17</b>	110	2	112	\$ 43,120
<b>2017-18</b>	74	6	80	\$ 30,800
<b>2018-19</b>	57	3	60	\$ 23,100
<b>2019-20</b>	13	(2)	11	\$ 4,235
<b>Total</b>	<b>254</b>	<b>9</b>	<b>263</b>	<b>\$101,255</b>

<sup>8</sup> *See* 24 P.S. § 25-2543.

<sup>9</sup> The District reported the following total number of nonpublic school students transported for each school year: 212 in the 2016-17 school year, 174 in the 2017-18 school year, 172 in the 2018-19 school year, and 160 in the 2019-20 school year.

<sup>10</sup> The District reported that it transported the following number of charter school students: 2 in the 2016-17 school year, 6 in the 2017-18 school year, 10 in the 2018-19 school year, and 13 in the 2019-20 school year.

*Criteria relevant to the finding  
(continued):*

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

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

**Number of Nonpublic and Charter School Pupils Transported**  
<https://www.education.pa.gov/Documents/Teachers-Administrators/Pupil%20Transportation/eTran%20Application%20Instructions/PupilTransp%20Instructions%20PDE-2089%20SummPupilsTransp.pdf>  
(accessed on September 1, 2021)

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.)

Every school year, the District should obtain a written request to transport each nonpublic and charter school student from the parent/guardian. The District must maintain this documentation as support for the number of students it reports to PDE for the supplemental reimbursement calculation. We found that the District made multiple errors when categorizing and reporting nonpublic and charter school students during the 2016-17 through 2019-20 school years.

The primary reason for the errors was the District did not have written requests for transportation for each nonpublic school and charter school student it reported to PDE. A secondary reason was the District inaccurately categorized students who were transported to special education facilities as nonpublic school students. In addition, the District inaccurately reported some charter school students as nonpublic school students. Finally, the District failed to report some charter school students even though the District had the appropriate written requests for transportation for these students.

The multiple categorization and reporting errors that we identified in each year of the audit period was evidence of the District’s inadequate internal control system over the reporting of supplemental transportation data which ultimately resulted in a \$101,255 overpayment to the District.

### **Significant Internal Control Deficiencies**

As previously stated, our review revealed that the District did not have an adequate internal control system over its supplemental transportation operations. Specifically, we found that the District did not implement adequate segregation of duties when it relied solely on one employee to categorize, calculate, and report nonpublic and charter school students without review by another employee. In addition, we found that the District did not do the following:

- Ensure that the employee responsible for categorizing, calculating, and reporting supplemental transportation data received adequate training on PDE reporting requirements.
- Ensure that an employee other than the employee who performed the above tasks, reviewed the data before it was submitted to PDE. A review process of this nature would have helped identify the discrepancies we found during our review.
- Develop detailed written procedures for obtaining and maintaining the documentation needed to accurately report to PDE the number of nonpublic and charter school students transported by the District.

**Future Reimbursement Adjustment:** We provided PDE with reports detailing the supplemental transportation data reporting errors for the 2016-17 through 2019-20 school years. We recommend that PDE adjust

*Criteria relevant to the finding (continued):*

Number of Pupils Transported to Charter Schools Outside Your District:

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.

the District's future transportation reimbursement amounts by the \$101,255 that we identified as an overpayment.

## **Recommendations**

The *Norwin School District* should:

1. Develop and implement an internal control system governing the process for reporting accurate data to PDE in order to receive the supplemental transportation reimbursement. The internal control system should include, but not be limited to, the following:
  - All personnel involved with categorizing, calculating, and reporting supplemental transportation data are trained on PDE's reporting requirements.
  - A review of transportation data is conducted by an employee other than the employee who prepared the data before it is submitted to PDE.
  - Written procedures are developed to document the procedures for supplemental transportation data calculations, reporting data to PDE, and retaining supporting documentation.
2. Review the nonpublic and charter school students it reported for the 2020-21 school year and determine if similar errors were made. If errors are found, the District should submit revised reports to PDE.
3. Perform an annual reconciliation of written requests for transportation to individual nonpublic school and charter school students transported prior to reporting data to PDE.

The *Pennsylvania Department of Education* should:

4. Adjust the District's future allocations to resolve the \$101,255 overpayment to the District.

## **Management Response**

District management provided the following response:

"The District acknowledges the internal control deficiencies noted in the audit report. Nonpublic and charter school requests for transportation have been reviewed but improvement is needed.

The District will annually perform a reconciliation of all bus rosters for nonpublic and charter school students to ensure accuracy of reporting. The District will ensure that all source documentation and data is available and maintained in accordance with school code and PDE. The District will

implement a second level review prior to submitting data to PDE to ensure data submitted is supported by source documents.

With the knowledge gained from this audit and from the various trainings those charged with completion of state reports have received, the District is certain this finding is no longer applicable going forward.”

### **Auditor Conclusion**

We are encouraged that the District personnel have already received the recommended training and that the District intends to implement most of our other recommendations. We reiterate our recommendation for the District to develop written procedures to provide detail of the process described in its response. Furthermore, the District should review the nonpublic and charter school students reported for the 2020-21 school year and submit revised reports to PDE if needed. We will determine the effectiveness of the District’s corrective actions during our next audit of the District.

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

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**O**ur prior Limited Procedures Engagement of the Norwin 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>11</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>12</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>13</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>11</sup> 72 P.S. §§ 402 and 403.

<sup>12</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>13</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. We also assessed and determined if the District has proper internal controls based on initial questionnaires.

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>14</sup>
- ✓ To address this objective, we assessed the District's internal controls for obtaining, processing, and reporting transportation data to PDE. We reviewed all 718 nonpublic and 31 charter school students reported to PDE as transported by the District during the 2016-17 through 2019-20 school years.<sup>15</sup> We obtained the District's lists of nonpublic and charter school students that it transported and determined if the District had an individual request for transportation for each student reported for each school year. We determined the accuracy of the data reported to PDE and if the District was accurately reimbursed for these students.

**Conclusion:** The results of our procedures identified noncompliance and significant internal control deficiencies related to the objective. Those 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

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<sup>14</sup> See 24 P.S. § 25-2541(a).

<sup>15</sup> The District reported 212 nonpublic and 2 charter school students during the 2016-17 school year, 174 nonpublic and 6 charter school students during the 2017-18 school year, 172 nonpublic and 10 charter school students during the 2018-19 school year, and 160 nonpublic and 13 charter school students during the 2019-20 school year.

checks, and clearances<sup>16</sup> as outlined in applicable laws?<sup>17</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 maintaining and reviewing required bus driver qualification documents and its procedures for being made aware of who transported students daily. We determined if all drivers were approved by the District’s Board. We selected 13 of the 106 contracted drivers transporting District students as of October 1, 2021 for detailed testing. Eleven drivers were randomly selected and two additional drivers were selected because we considered them to have a higher risk of noncompliance with bus driver requirements.<sup>18</sup> We reviewed documentation to ensure the District complied with the requirements for those drivers. We also determined if the District had monitoring procedures to ensure drivers had updated clearances, licenses, and physicals.

**Conclusion:** The results of our procedures did not identify any reportable issues; however, we did identify internal control deficiencies that were not significant to our objective but warranted the attention of District management and those charged with governance. The deficiencies were communicated to them for their consideration.

### **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 calculations of post-employment benefits and the processing of final payments to individually contracted administrators who separated employment with the District. We selected for testing two of four contracted employees who separated employment from the District during the period July 1, 2016 through November 5, 2021.<sup>19</sup> We reviewed the employment contracts, settlement agreements, payroll, and leave records for the two employees. We reviewed the final payouts to determine if the administrators were compensated in accordance with the contracts and that only eligible wages were reported to PSERS. We reviewed the board meeting minutes to determine if the Board complied with Section 508 of the Public School Code by voting to approve each administrator’s separation from employment with the District.

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

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<sup>16</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>17</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*.

<sup>18</sup> The two vehicles not randomly selected were chosen due to the contractor identifying them as transporting students and these drivers were not identified by the District. Therefore the selection of drivers in total was not representative of the population; accordingly, the results of this audit procedure are not, and should not be, projected to the population.

<sup>19</sup> The two employees selected were chosen because we considered them to have a higher risk of noncompliance when separating employment from the District due to the presence of separation agreements. Therefore, the selection is not representative of the population of administrators who separated from employment, and the results are not, and should not be projected to that population.

## **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>20</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, school climate surveys, and memorandums of understanding with law enforcement.

**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>21</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?
  - ✓ To address this objective, we obtained and reviewed documentation of the District's fire/security drills at all seven District buildings for the 2018-19 and 2019-20 school years. We determined if a security drill was 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 also 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.

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<sup>20</sup> Safe Schools Act 24 P.S. § 13-1301-A *et seq.*, Emergency Management Services Code 35 Pa.C.S. § 7701.

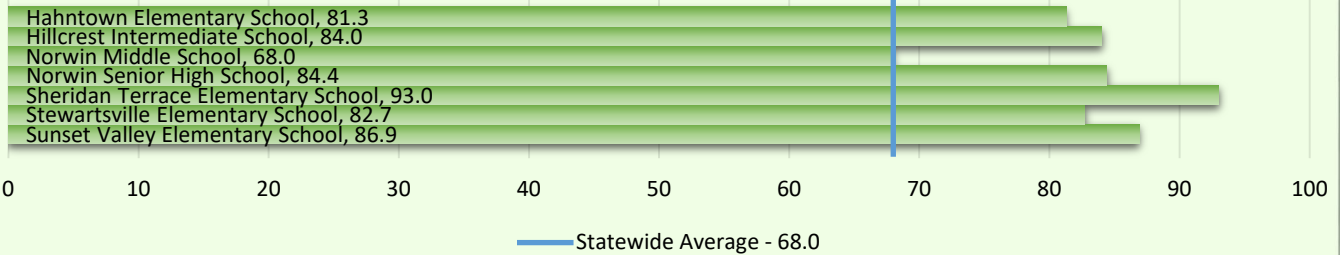
<sup>21</sup> Public School Code (Fire and Security Drills) 24 P.S. § 15-1517.

## Appendix B: Academic Detail

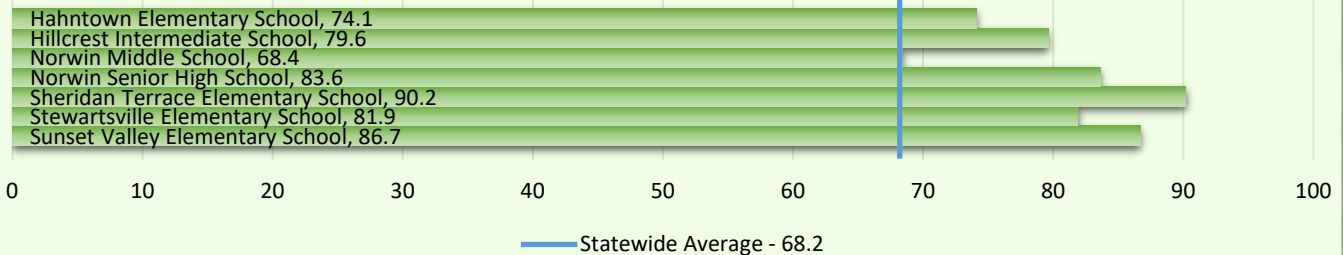
Benchmarks noted in the following graphs represent the statewide average of all public school buildings in the Commonwealth that received a score in the category and year noted.<sup>22</sup> Please note that if one of the District's schools did not receive a score in a particular category and year presented below, the school will not be listed in the corresponding graph.<sup>23</sup>

### SPP School Scores Compared to Statewide Averages

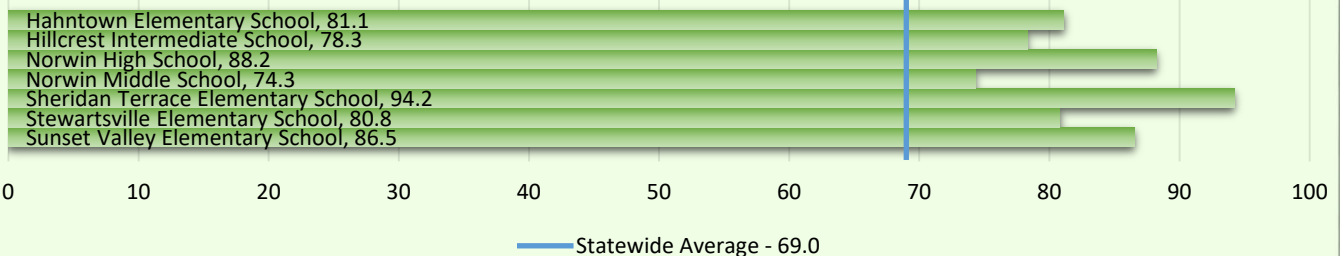
#### 2018-19



#### 2017-18



#### 2016-17

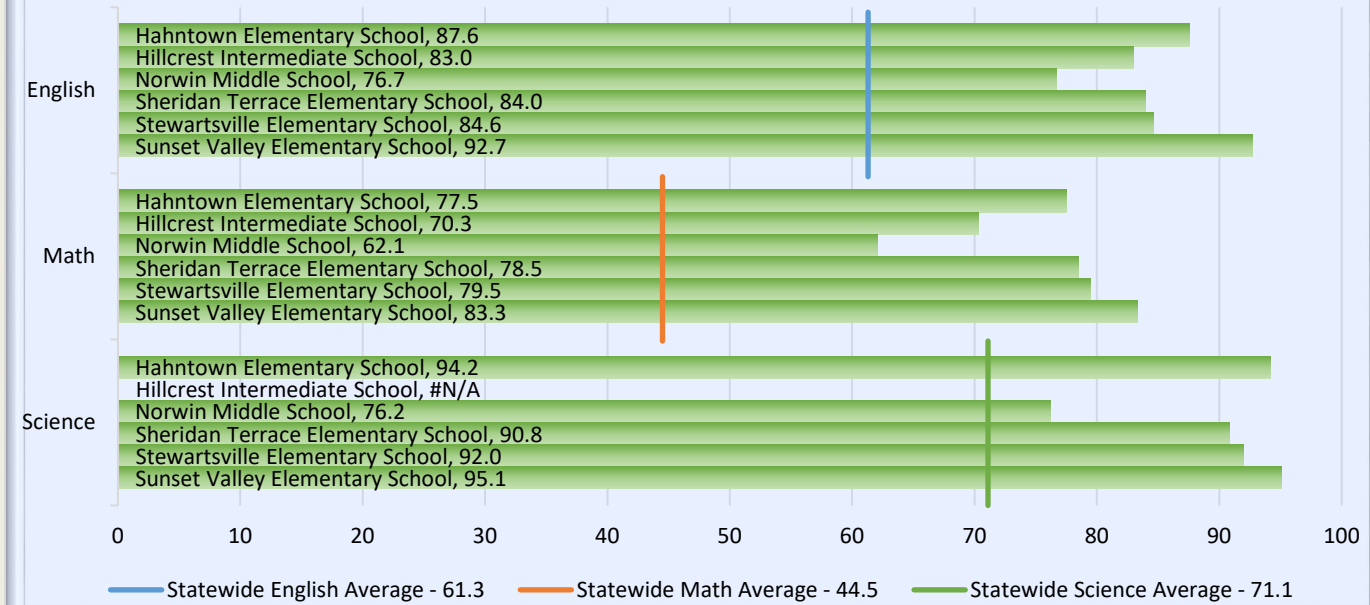


<sup>22</sup> Statewide averages were calculated by our Department based on individual school building scores for all public schools in the Commonwealth, including district schools, charters schools, and cyber charter schools.

<sup>23</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.

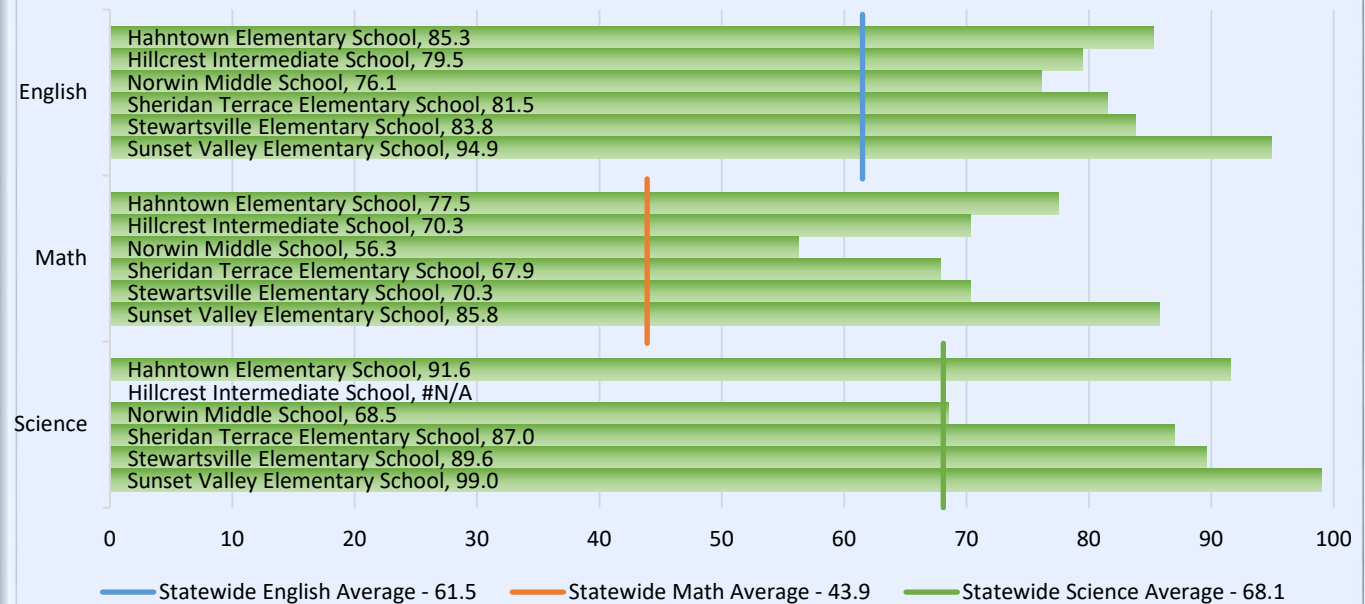
**PSSA Advanced or Proficient Percentage  
School Scores Compared to Statewide Averages**

**2018-19**



#N/A: Students in grades 4 and 8 are administered the Science PSSAs. The Hillcrest Intermediate School is a grade 5 through 6 school; therefore, Science PSSAs are not administered to this school's students.

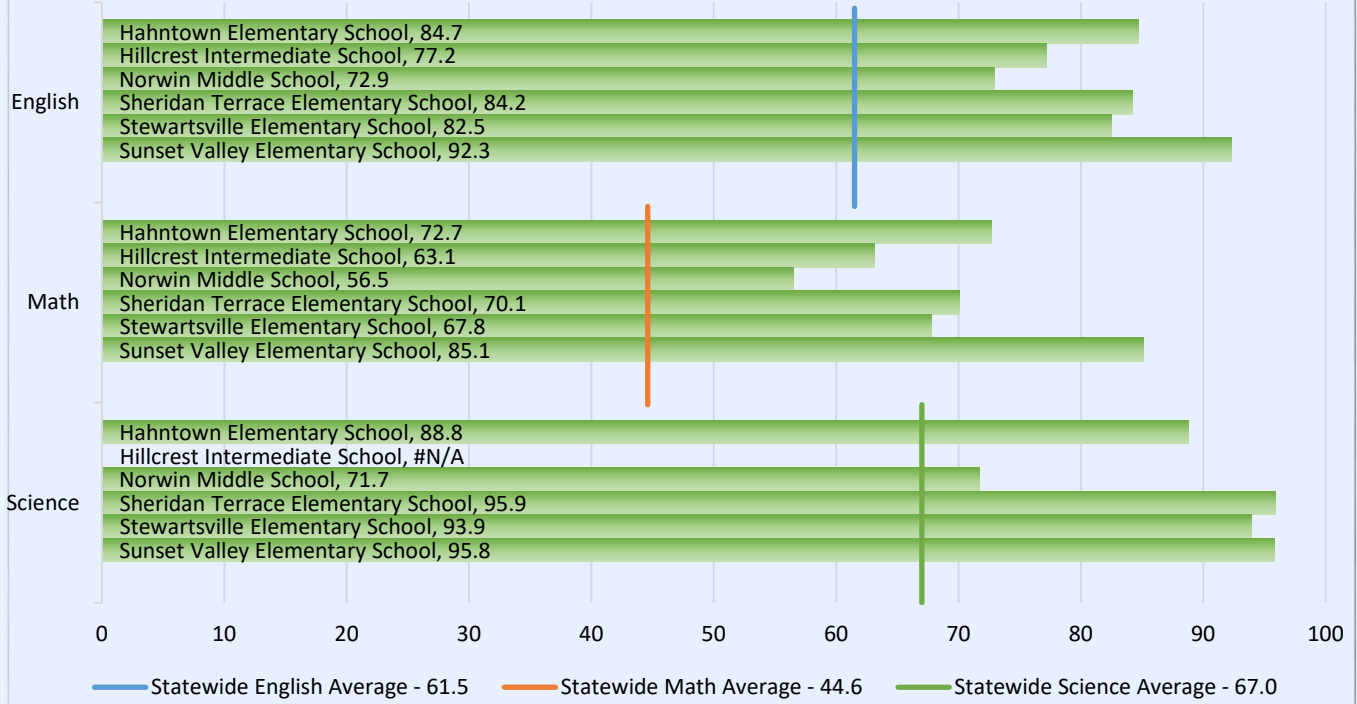
**2017-18**



#N/A: Students in grades 4 and 8 are administered the Science PSSAs. The Hillcrest Intermediate School is a grade 5 through 6 school; therefore, Science PSSAs are not administered to this school's students.

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

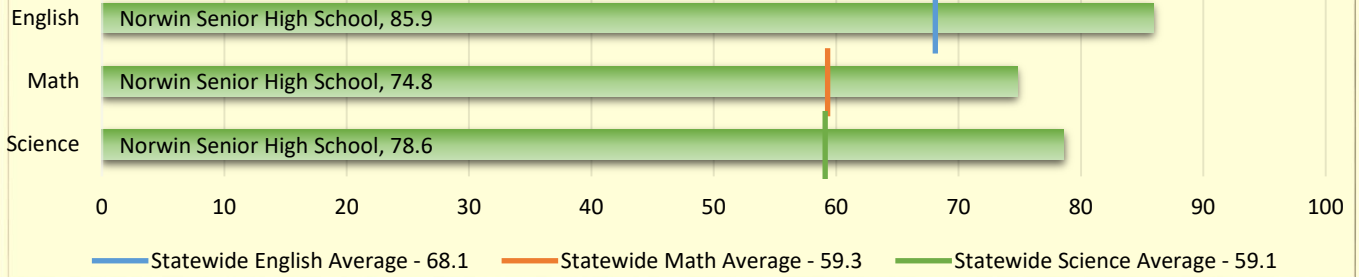
**2016-17**



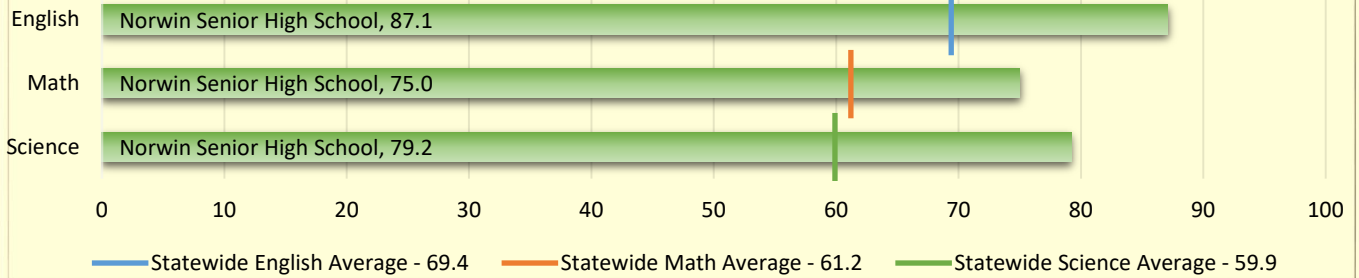
#N/A: Students in grades 4 and 8 are administered the Science PSSAs. The Hillcrest Intermediate School is a grade 5 through 6 school; therefore, Science PSSAs are not administered to this school's students.

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

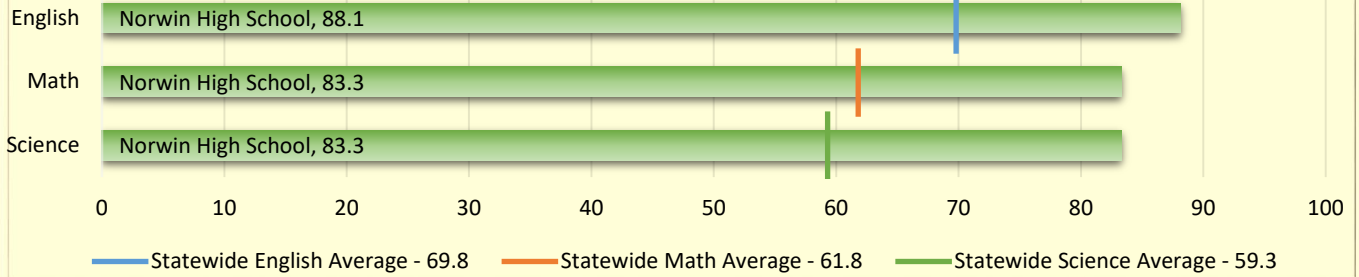
### 2018-19



### 2017-18



### 2016-17





## **Distribution List**

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