

# PERFORMANCE AUDIT

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## Pocono Mountain School District Monroe County, Pennsylvania

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March 2022



Commonwealth of Pennsylvania  
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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**TIMOTHY L. DEFOOR  
AUDITOR GENERAL**

Dr. Elizabeth M. Robison, Superintendent  
Pocono Mountain School District  
P.O. Box 200, 135 Pocono Mountain School Road  
Swiftwater, Pennsylvania 18370

Ms. Marion Pyzik, Board President  
Pocono Mountain School District  
P.O. Box 200, 135 Pocono Mountain School Road  
Swiftwater, Pennsylvania 18370

Dear Dr. Robison and Ms. Pyzik:

We have conducted a performance audit of the Pocono Mountain 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
- Nonresident Student Data

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:

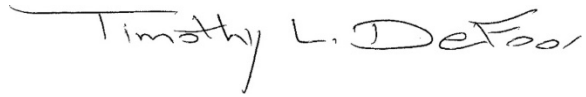
**The District's Failure to Implement Adequate Internal Controls Resulted in an Unauditable \$9.5 Million in Transportation Reimbursements**

Our audit finding and recommendations have been discussed with the District's management and those charged with governance, and their responses are included in the audit report. We believe the implementation of our recommendations will improve the District's operations and facilitate compliance with legal and other relevant requirements.

Dr. Elizabeth M. Robison  
Ms. Marion Pyzik  
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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

February 25, 2022

cc: **POCONO MOUNTAIN SCHOOL DISTRICT** Board of School Directors

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## Background Information

School Characteristics 2020-21 School Year*	
County	Monroe
Total Square Miles	304
Number of School Buildings	9
Total Teachers	820
Total Full or Part-Time Support Staff	468
Total Administrators	70
Total Enrollment for Most Recent School Year	8,807
Intermediate Unit Number	20
District Career and Technical School	Monroe Career & Technical Institute

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

## Mission Statement\*

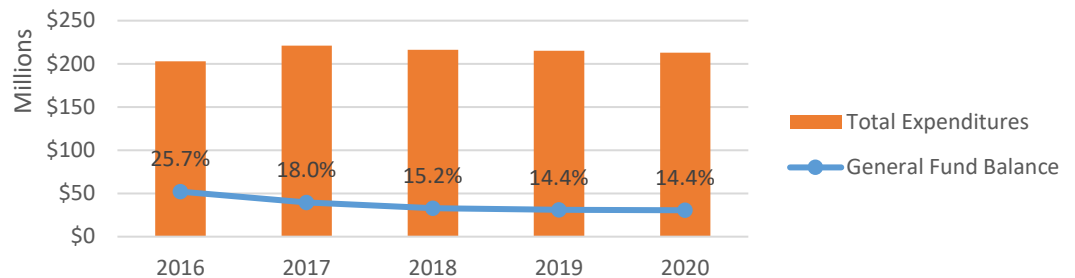
To Prepare All Students For Tomorrow's Challenges and Opportunities.

## Financial Information

The following pages contain financial information about the Pocono Mountain 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**.

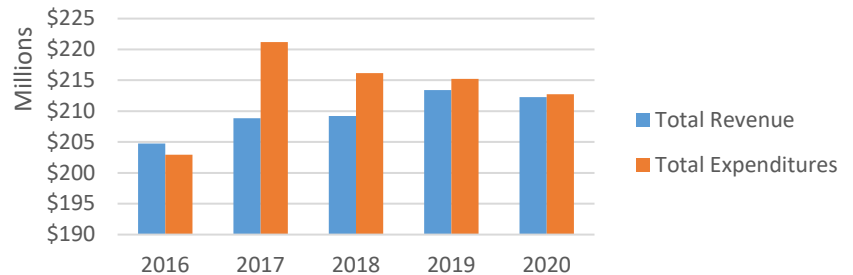
### General Fund Balance as a Percentage of Total Expenditures

	General Fund Balance
2016	\$52,089,289
2017	\$39,734,643
2018	\$32,811,947
2019	\$31,021,653
2020	\$30,550,018



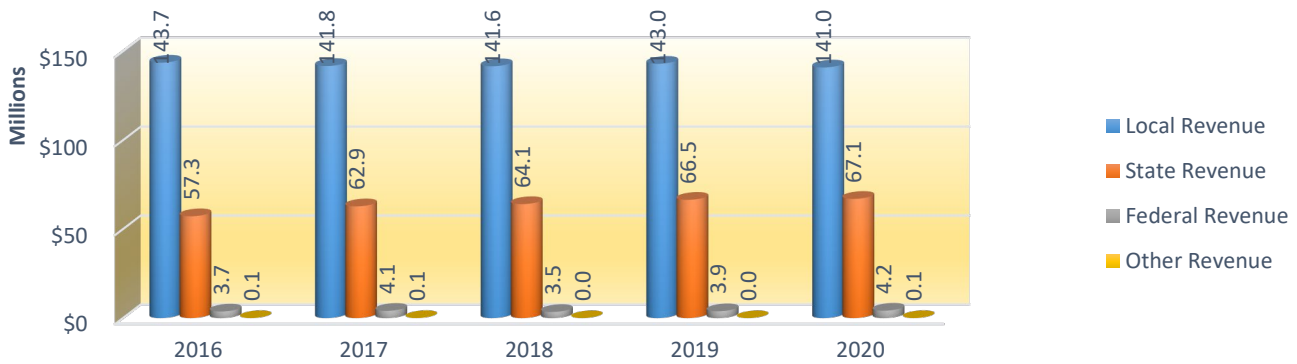
### Revenues and Expenditures

	Total Revenue	Total Expenditures
2016	\$204,737,954	\$202,951,461
2017	\$208,838,346	\$221,192,993
2018	\$209,221,549	\$216,144,245
2019	\$213,439,537	\$215,229,830
2020	\$212,285,658	\$212,757,292

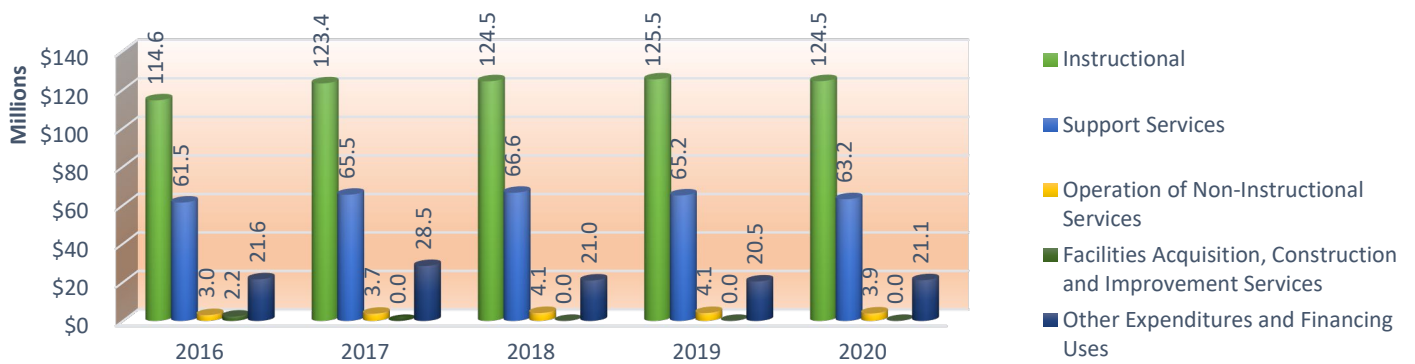


## Financial Information Continued

### Revenues by Source

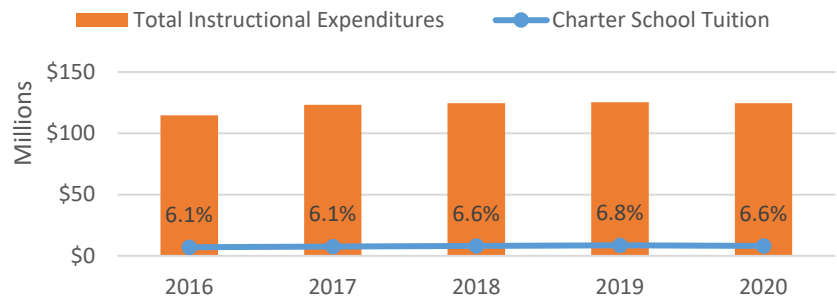


### Expenditures by Function



### Charter Tuition as a Percentage of Instructional Expenditures

	Charter School Tuition	Total Instructional Expenditures
2016	\$7,034,719	\$114,562,853
2017	\$7,483,114	\$123,364,770
2018	\$8,159,661	\$124,467,755
2019	\$8,590,471	\$125,453,339
2020	\$8,173,093	\$124,522,838



### Long-Term Debt

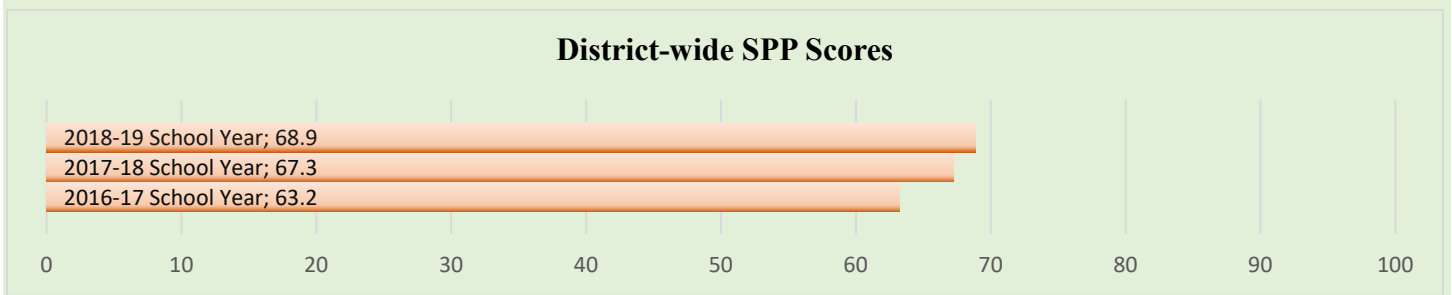


## Academic Information<sup>1</sup>

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.

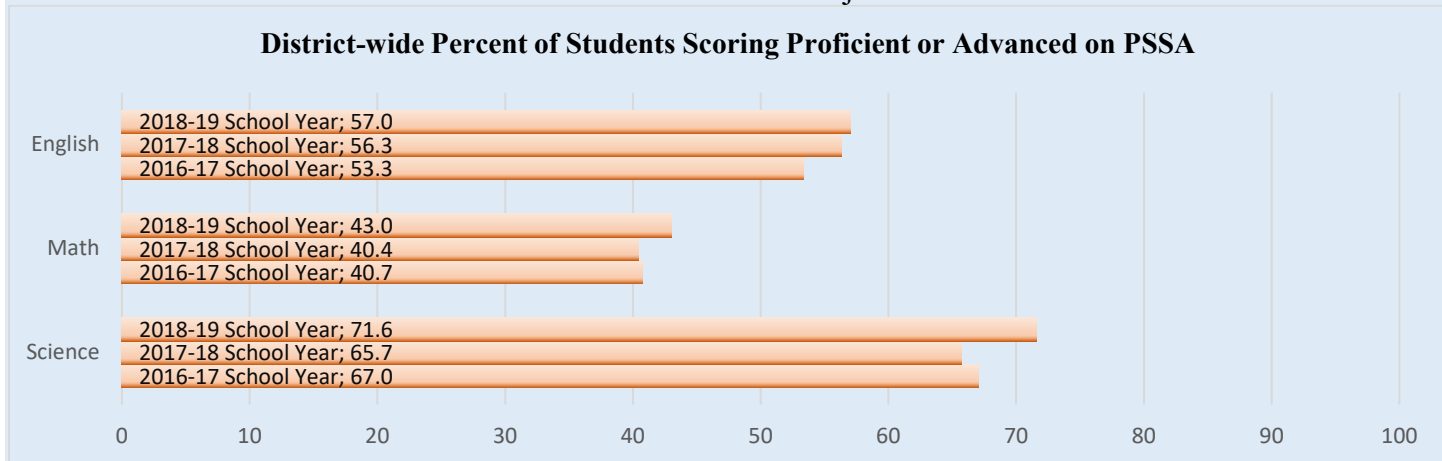
<sup>3</sup> Graduation rates were still reported for the 2019-20 school year despite the COVID-19 pandemic.

## Academic Information Continued

### What is the PSSA?

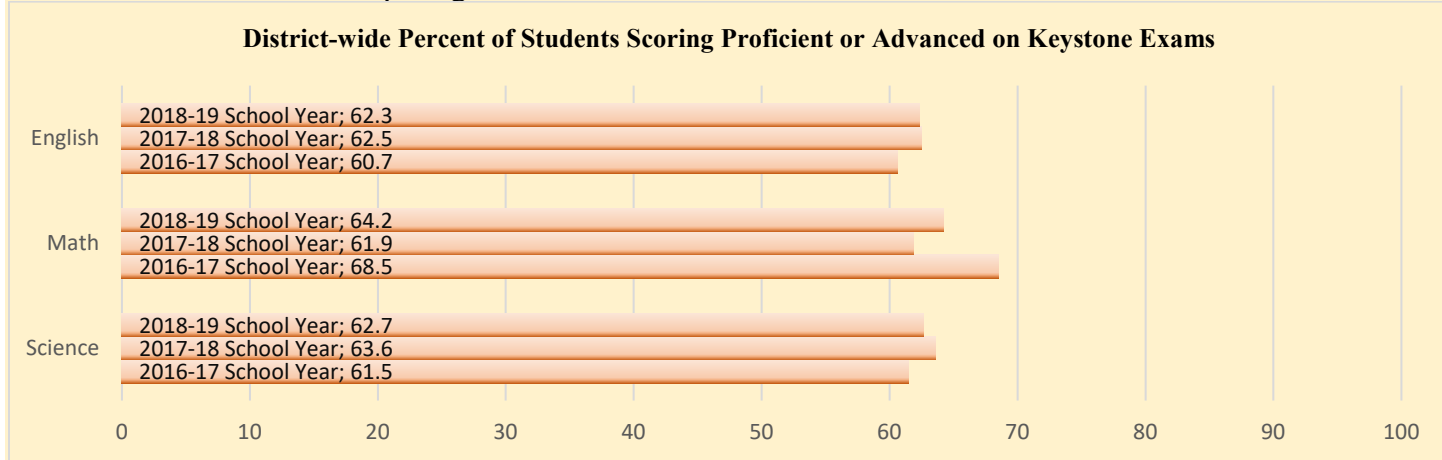
The PSSA is an annual, standardized test given across the Commonwealth to students in grades 3 through 8 in core subject areas, including English, Math and Science. The PSSAs help Pennsylvania meet federal and state requirements and inform instructional practices, as well as provide educators, stakeholders,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



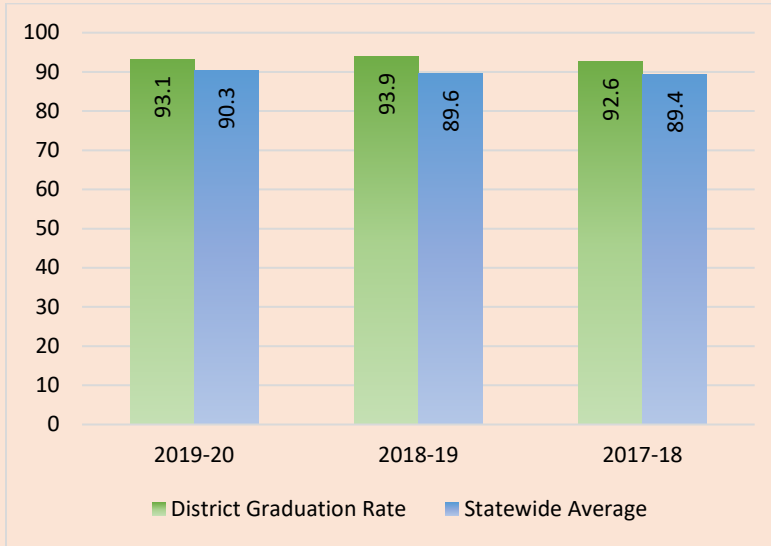
<sup>4</sup> Act 158 of 2018, effective October 24, 2018, amended the Public School Code to further delay the use of Keystone Exams as a graduation requirement until the 2021-22 school year. See 24 P.S. § 1-121(b)(1). Please refer to the following link regarding further guidance to local education agencies (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 \$9.5 Million 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 Pocono Mountain School District (District) did not implement an adequate internal control system over the input, calculation, and reporting of regular transportation data. Additionally, the District did not comply with the record retention provisions of the Public School Code (PSC) when it failed to obtain and retain adequate source documentation to support the transportation data it reported to the Pennsylvania Department of Education (PDE) for the 2016-17 through 2019-20 school years. Therefore, we could not determine the accuracy of the \$9,545,605 the District received in regular transportation reimbursements.

#### **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 for transporting students, and the number of miles vehicles are in service both with and without students. The **supplemental** transportation reimbursement is based, solely on the number of charter school and nonpublic school students transported by the District at any time during a school year. The issues identified in this finding pertain to the District's regular transportation reimbursements.

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

- Segregation of duties.
- Comprehensive 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

Criteria relevant to the finding  
(continued):

### Sworn Statement and Annual Filing Requirements

Section 2543 of the PSC, which is entitled, “Sworn statement of amount expended for reimbursable transportation; payment; withholding” 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 and 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.) See 24 P.S. § 25-2543.

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

<http://www.education.pa.gov/Documents/Teachers-Administrators/Pupil%20Transportation/eTran%20Application%20Instructions/PupilTransp%20Instructions%20PDE%201049.pdf>  
(Accessed on 12/2/21)

reimbursements.<sup>6</sup> Further, the sworn statement of transportation data should not be filed with the state Secretary of Education unless the data has been double-checked for accuracy by personnel trained on PDE’s reporting requirements. An official signing a sworn statement must be aware that by submitting the transportation data to PDE, he/she is asserting that the information is true and that they have verified evidence of accuracy.<sup>7</sup> The sworn statement includes the superintendent’s signature attesting to the accuracy of the reported data. Because of that attestation, the District should ensure it has implemented an adequate internal control system to provide it with the confidence it needs to sign the sworn statement.

### Unauditable Regular Transportation Reimbursement of More than \$9.5 Million

As previously stated, the regular transportation reimbursement is based on several components that are reported by a school district to PDE for use in calculating the district’s annual reimbursement amount. PDE guidelines state that districts are required to report the number of days a vehicle is in service, the number of students assigned to each vehicle, as well as the miles per day, to the nearest tenth, that each vehicle travels with and without students. Since these components are integral to the calculation of the District’s regular transportation reimbursement, it is essential for the District to properly calculate, record, and report this information to PDE. In this case, the District did not maintain sufficient documentation of this information for the four years reviewed. The table below shows the student and vehicle data the District reported to PDE and the regular reimbursement the District received for each school year.

Pocono Mountain School District Regular Transportation Data Reported to the PDE			
School Year	Reported Number of Students Transported	Reported Number of Vehicles	Total Reimbursement Received
2016-17	9,976	134	\$ 2,299,000
2017-18	9,946	136	\$ 2,891,129
2018-19	9,350	133	\$ 2,647,615
2019-20	9,135	103	\$ 1,707,861
<b>Totals</b>	<b>38,407</b>	<b>506</b>	<b>\$ 9,545,605</b>

As illustrated in the table above, the reported number of students decreased from the 2016-17 school year to the 2017-18 school year. However, the reported number of vehicles increased and the total reimbursement received increased significantly. Additionally, the reported

<sup>6</sup> See 24 P.S. § 25-2543.

<sup>7</sup> Please note that while a sworn statement is different from an affidavit, in that a sworn statement is not typically signed or certified by a notary public but are, nonetheless, taken under oath. See <https://legaldictionary.net/sworn-statement/> (accessed October 28, 2021).

*Criteria relevant to the finding  
(continued):*

Daily Miles With

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

Daily Miles Without

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

Pupils Assigned

Report the greatest number of pupils assigned to ride this vehicle at any one time during the day. Report the number of pupils assigned to the nearest tenth. The number cannot exceed the seating capacity. If the number of pupils assigned changed during the year, calculate a weighted average or a sample average.

number of students transported decreased significantly from the 2017-18 school year to the 2018-19 school year; however, the reported number of vehicles and the reimbursement received did not decrease proportionately. Based on past accumulative experience, reported information of an inconsistent nature indicates possible errors and, therefore, warrants a detailed review of the reported information. In this case, we were unable to conduct a detailed review of the reported information due to the District's failure to obtain and retain appropriate supporting documentation.

### **Failure to Obtain and Retain Source Documentation**

When we requested the supporting documentation for the regular transportation reimbursement received during the audit period, the District provided us with the annual transportation data reported to PDE that was generated by the District's transportation software program. District officials stated that the mileage data reported to PDE was generated by calculating the difference between vehicle stops entered into the District's software prior to the school year. For the 2016-17 through 2018-19 school years, the District was unable to provide odometer readings to support the actual mileage each vehicle traveled, with and without students. Without actual mileage documentation, we were unable to determine the total mileage traveled for each vehicle and, therefore, we could not determine the accuracy of the District's transportation reimbursement. District officials believed that they were not required to obtain this supporting documentation since they were utilizing commonly used transportation software.

In addition to the odometer/mileage issue discussed above, we found that the District was unable to produce transportation data generated by its transportation software program for the 2019-20 school year. According to District officials, this data was inadvertently deleted when the District transitioned from district-owned to contractor-provided transportation services in the 2020-21 school year. Again, without the transportation reports and supporting documentation, we were unable to audit the accuracy of the District's transportation reimbursements.

### **Significant Internal Control Deficiencies**

We found the District did not have an adequate internal control system over its transportation operations. Our review revealed that the District did not obtain and retain the required supporting documentation (i.e., daily mileage with and without students and monthly vehicle odometer readings) necessary to accurately report its regular transportation data to PDE. While District personnel received training on PDE's transportation reporting requirements, the employees responsible for calculating and reporting regular transportation data were not adequately trained on the appropriate documentation required to be obtained and maintained to support vehicle mileage. Finally, we found that the District's written

procedures to document the process for the transportation data to be reported to PDE were not comprehensive and did not include the appropriate supporting documentation required to be obtained and retained.

The internal control deficiencies we identified led to our inability to audit the District's regular transportation reimbursements for the four-year audit period.

## **Recommendations**

The *Pocono Mountain School District* should:

1. Develop and implement an internal control system over its regular transportation operations. The internal control system should include, but not be limited to, the following:
  - All personnel involved in inputting, calculating, and reporting transportation data are adequately trained on PDE's reporting requirements including the appropriate supporting documentation required to be obtained and maintained to support vehicle mileage.
  - Clear and concise written procedures are developed to document the regular transportation data collection, calculation, and reporting process. The procedures should include the record retention requirements.
2. Ensure that complete supporting documentation for all regular transportation data is obtained, reviewed, and retained in accordance with PSC requirements.
3. Develop procedures to ensure electronic data is adequately backed up before implementing new software programs.

## **Management Response**

District management provided the following response for each recommendation:

- All personnel involved in inputting, calculating, and reporting transportation data are adequately trained on PDE's reporting requirements including the appropriate supporting documentation required to be obtained and maintained to support vehicle mileage.

**“Cause:** The Pocono Mountain School District Transportation Department relied upon the transportation software training package provided by a third-party vendor [vendor] in their set-up and reporting packet.

**“Corrective Action:** Pocono Mountain School District will provide additional training to the Pocono Mountain School District Transportation

Personnel. In addition, the District's Transportation Department staff will be engaging in professional development and continuing education events, including attending additional webinars, seminars and conferences conducted by Pennsylvania Department of Education (PDE), Pennsylvania Association of School Business Officials (PASBO) and the Pennsylvania Department of Transportation (PENNDOT).

- Clear and concise written procedures are developed to document the regular transportation data collection, calculation, and reporting process. The procedures should include the record retention requirements.

**“Cause:** Formal written documentation is necessary for the interfacing and coordination between the following departments: Transportation, Technology and Central Registration. Written documentation of procedures is necessary to clearly identify the duties and responsibilities of District personnel, which outlines employees responsible for inputting, reviewing, correcting and reporting data. The coordination and interaction between the Transportation, Central Registration and Technology departments needs to be well documented to identify each department's role and responsibility.

**“Corrective Action:** A formal written outline of the procedures for reporting and responsibilities of each employee and department has been established. In addition, formal written record retention procedures are to be documented.

- Ensure that complete supporting documentation for all regular transportation data is obtained, reviewed, and retained in accordance with PSC requirements.

**“Cause:** The District relied upon a Pennsylvania Department of Education (PDE) approved third-party software vendor [vendor] to record changes to routes, students, and loaded and unloaded miles on a daily basis. The District believed it would not need to record a Monthly Driver Mileage report and the reporting would be correct and accurate when filing with the Pennsylvania Department of Education since the District was utilizing a PDE approved transportation software provider.

**“Corrective Action:** The District has instituted a Monthly Driver Mileage Report, which will be retained as part of the District's transportation department records. These reports are completed on the 15<sup>th</sup> day of each month or the closest school day to the fifteenth (15<sup>th</sup>) of the month.

- Develop procedures to ensure electronic data is adequately backed up before implementing new software programs

**“Cause:** Loss of data, incorrectly loaded data and corrupted computer files. In the spring of 2020, the District Transportation Department

switched over from an in-house server to a hosted server. The third-party software vendor [vendor] worked with our Technology Department. [The vendor] had the primary responsibility transferring over the transportation data, as well as updating the transportation databases. During the process, [the vendor] inadvertently downloaded transportation data for the 2020-21 school year into the 2019-20 school year database. Unfortunately, the archived files were not able to retrieve the missing data since the archived data files did not contain the transportation records to track daily activity.

**“Corrective Action:** The District will maintain a monthly archive, which contains the daily data and route reports generated on the fifteenth (15<sup>th</sup>) of the month to correlate with the Monthly Driver Mileage Report. In the event of another loss of data, the District will maintain the ability to have access to the information in order to submit to the Pennsylvania Department of Education (PDE) in a manual format.”

### **Auditor Conclusion**

We are pleased that the District has begun implementing corrective actions based on our audit recommendations. We believe that implementing our recommendations will help the District obtain and retain all necessary transportation documentation and provide adequate internal controls needed to ensure it accurately reports transportation data to PDE. We will review 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 audit of the Pocono Mountain 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>8</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, Nonresident Student Data, 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>9</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>10</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>8</sup> 72 P.S. §§ 402 and 403.

<sup>9</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>10</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	
Nonresident Student Data	Yes				X			X	X		X		X	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>11</sup>
  - ✓ To address this objective, we assessed the District's internal controls for obtaining, processing, and reporting transportation data to PDE. We requested odometer readings or other supporting documentation to support the miles traveled to transport students for all 506 vehicles reported to PDE as transporting students for the 2016-17 through 2019-20 school years. The District did not maintain the required supporting documentation for any vehicle for any year; therefore, we were unable to determine the accuracy of the regular transportation reimbursement the District received from PDE for the audit period.

**Conclusion:** The results of our procedures identified areas of noncompliance and significant internal control deficiencies. 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 checks, and clearances<sup>12</sup> as outlined in applicable laws?<sup>13</sup> Also, did the District adequately monitor

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<sup>11</sup> See 24 P.S. § 25-2541(a).

<sup>12</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>13</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.

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 procedures for being made aware of who transported students daily. We determined if all drivers were approved by the District's Board. We randomly selected 14 of the 138 drivers transporting District students as of September 7, 2021.<sup>14</sup> We reviewed documentation to ensure the District complied with the requirements for bus drivers' qualifications and clearances for those drivers. We also determined if the District had monitoring procedures to ensure that all drivers had updated clearances, licenses, and health physicals.

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

### **Nonresident Student Data**

- Did the District accurately report nonresident students to PDE? Did the District receive the correct reimbursement for these nonresident students?<sup>15</sup>
  - ✓ To address this objective, we assessed the District's internal controls for inputting, processing, and reporting nonresident foster student data to PDE. We reviewed all 99 nonresident foster students reported to PDE as educated by the District during the 2017-18 school year. We reviewed documentation to confirm that the custodial parents or guardian of the student were not residents of the District. We also confirmed that the foster parent was a resident of the District and received a stipend for caring for the student. In addition, we determined if the District received the correct reimbursement for the education of these students.

**Conclusion:** The results of our procedures did not disclose 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>16</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, training schedules, safety committee meeting minutes, risk and vulnerability assessments, anti-bullying policies, school climate surveys, after action reports, and memorandums of understanding with local law enforcement to assess whether the District had implemented basic safety practices.

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<sup>14</sup> While representative selection is a required factor of audit sampling methodologies, audit sampling methodology was not applied to achieve this test objective; accordingly, the results of this audit procedure are not, and should not be, projected to the population.

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

<sup>16</sup> Safe Schools Act 24 P.S. § 13-1301-A *et seq.*, Emergency Management Services Code 35 Pa.C.S. § 7701.

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

- Did the District comply with the fire and security drill requirements of Section 1517 of the Public School Code?<sup>17</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 reviewed the District's fire and security drill documentation to verify compliance with the Public School Code 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 for this objective did not disclose any reportable issues.

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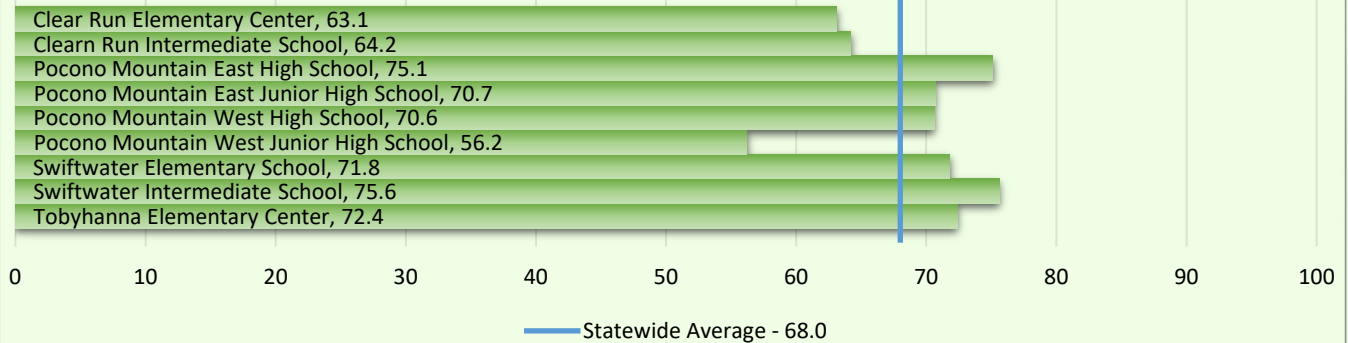
<sup>17</sup> Public School Code (Fire and Security Drills) 24 P.S. § 15-1517.

## Appendix B: Academic Detail

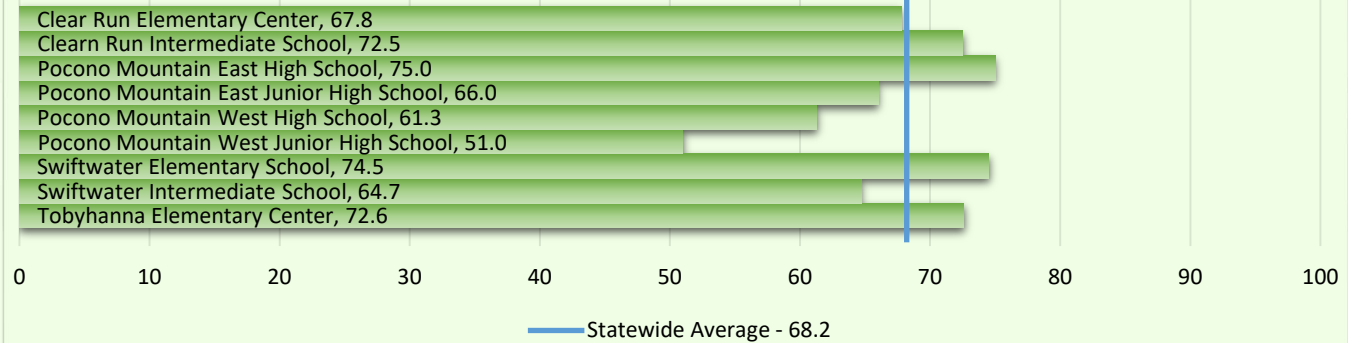
Benchmarks noted in the following graphs represent the statewide average of all public school buildings in the Commonwealth that received a score in the category and year noted.<sup>18</sup> Please note that if one of the District's schools did not receive a score in a particular category and year presented below, the school will not be listed in the corresponding graph.<sup>19</sup>

### SPP School Scores Compared to Statewide Averages

**2018-19**



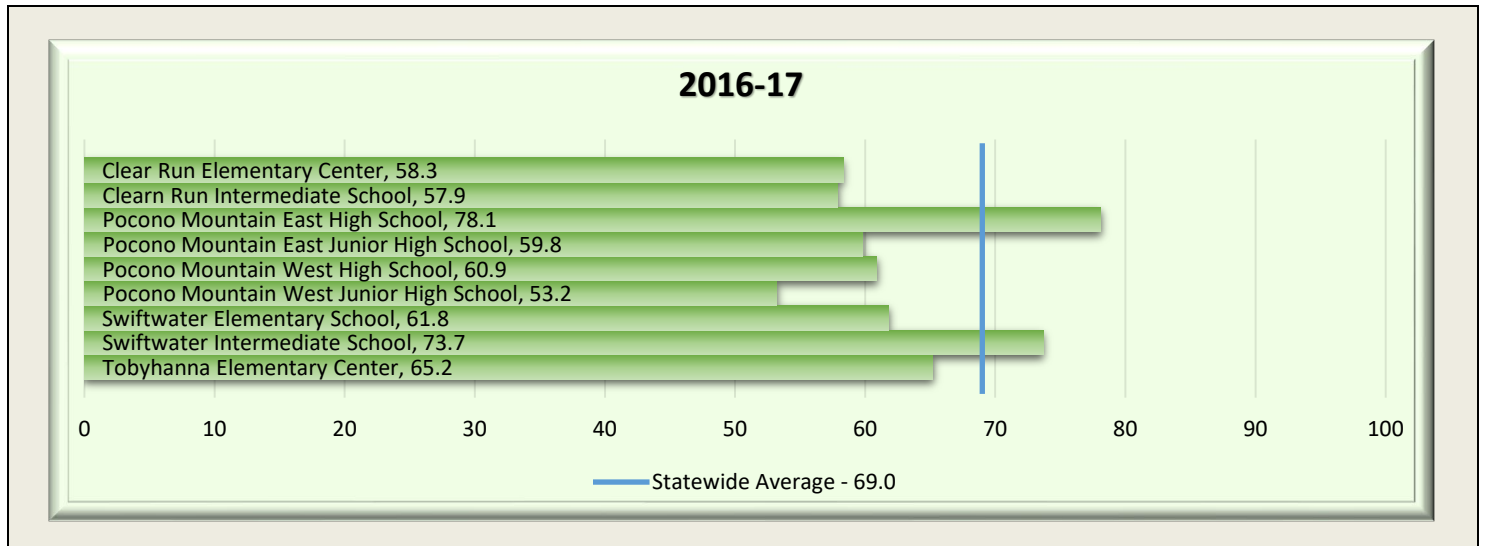
**2017-18**



<sup>18</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.

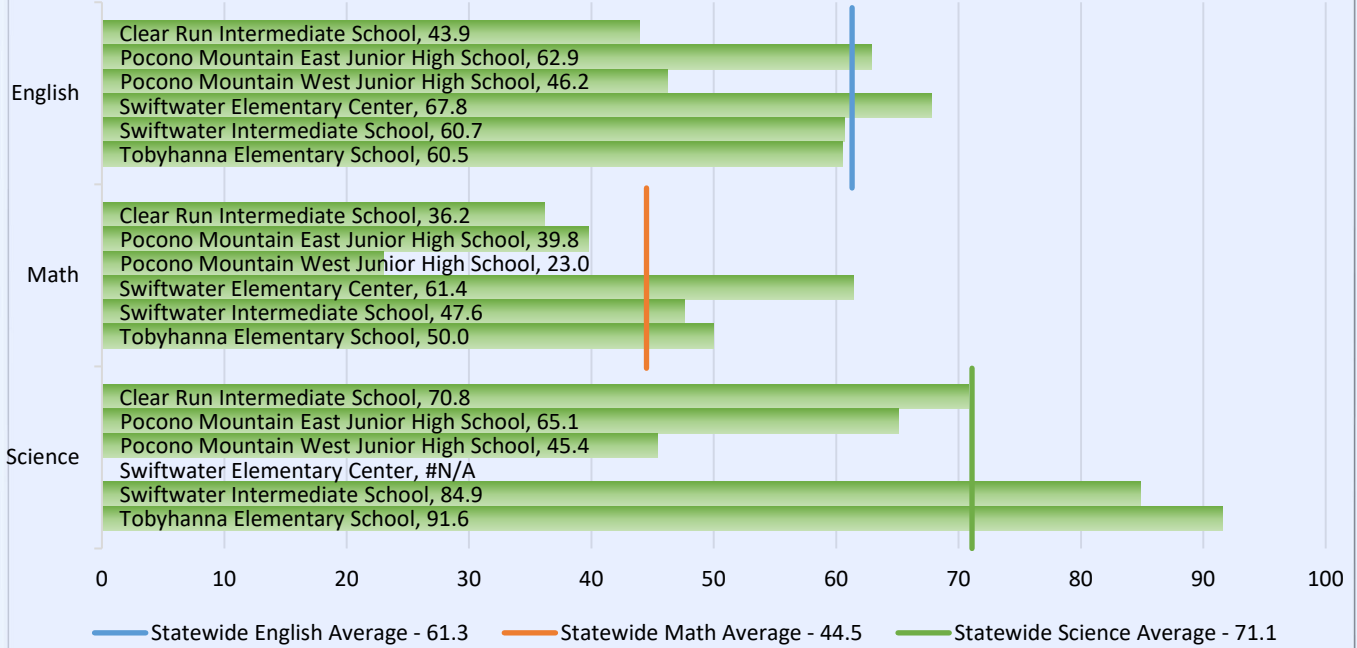
<sup>19</sup> PDE's data does not provide any further information regarding the reason a score was not published for a specific school. However, readers can refer to PDE's website for general information regarding the issuance of academic scores.

**SPP School Scores Compared to Statewide Averages (continued)**



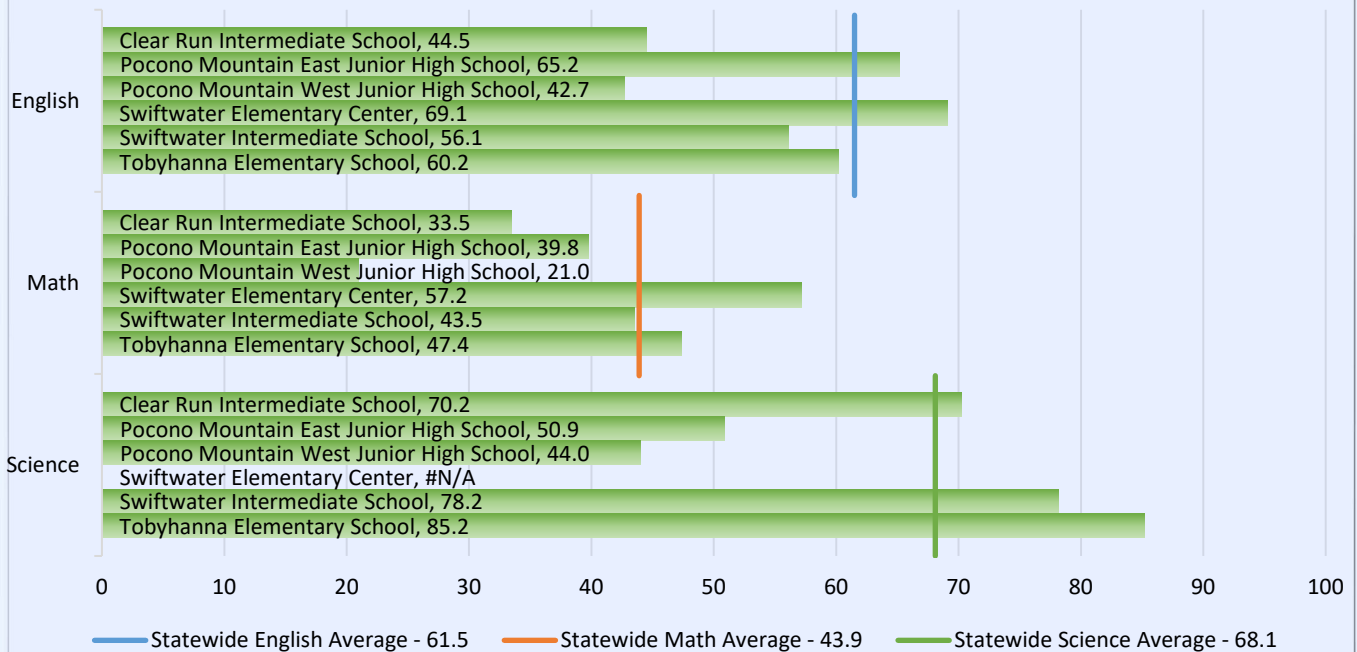
**PSSA Advanced or Proficient Percentage  
School Scores Compared to Statewide Averages**

**2018-19**



#N/A: Students in grades 4 and 8 are administered the Science PSSAs. The Swiftwater Elementary School is a kindergarten through grade 3 school; therefore, Science PSSAs are not administered to this school's students.

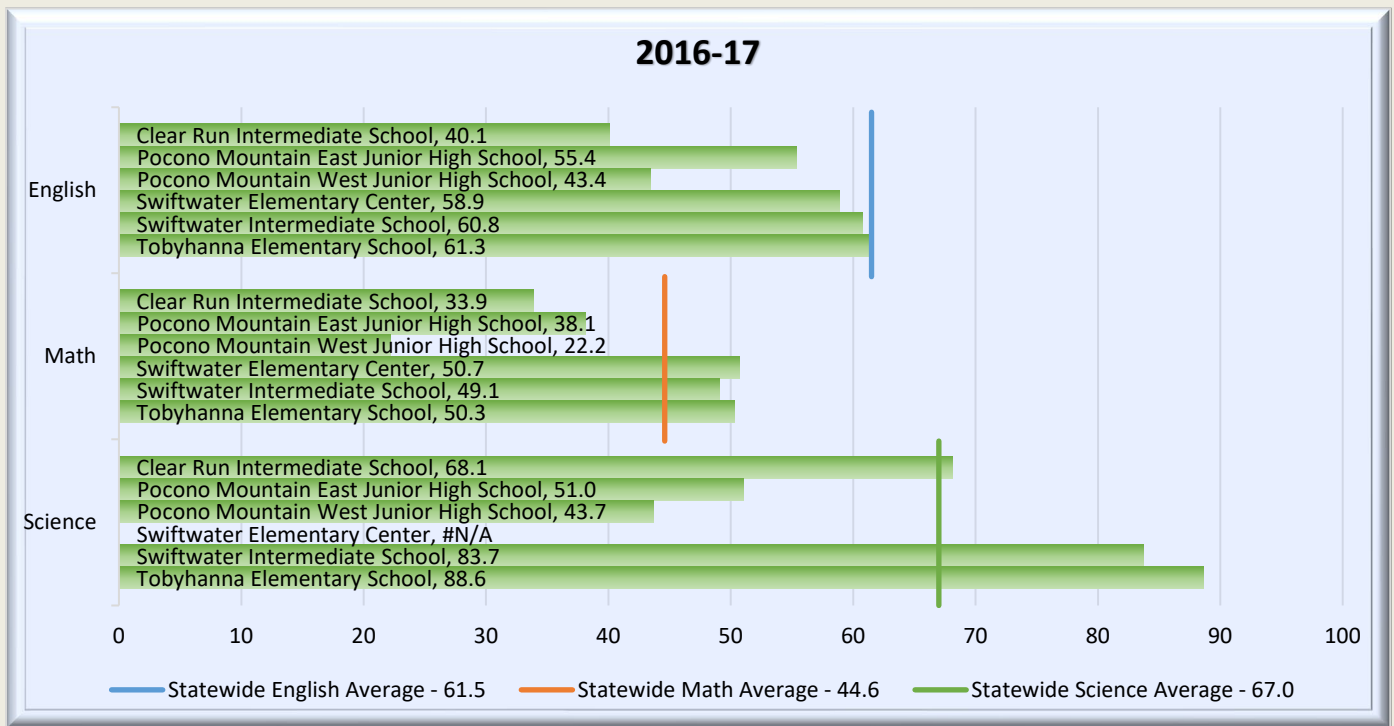
**2017-18**



#N/A: Students in grades 4 and 8 are administered the Science PSSAs. The Swiftwater Elementary School is a kindergarten through grade 3 school; therefore, Science PSSAs are not administered to this school's students.



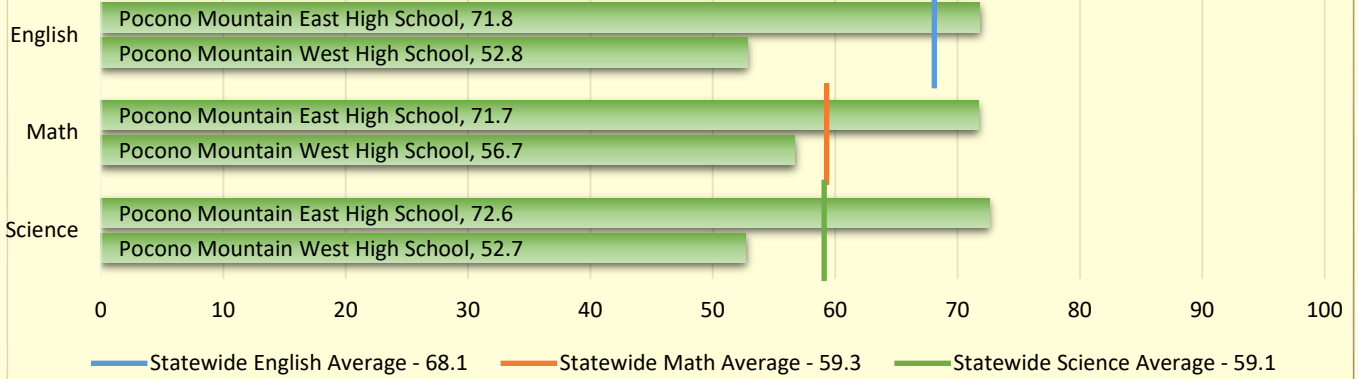
**PSSA Advanced or Proficient Percentage  
School Scores Compared to Statewide Averages (continued)**



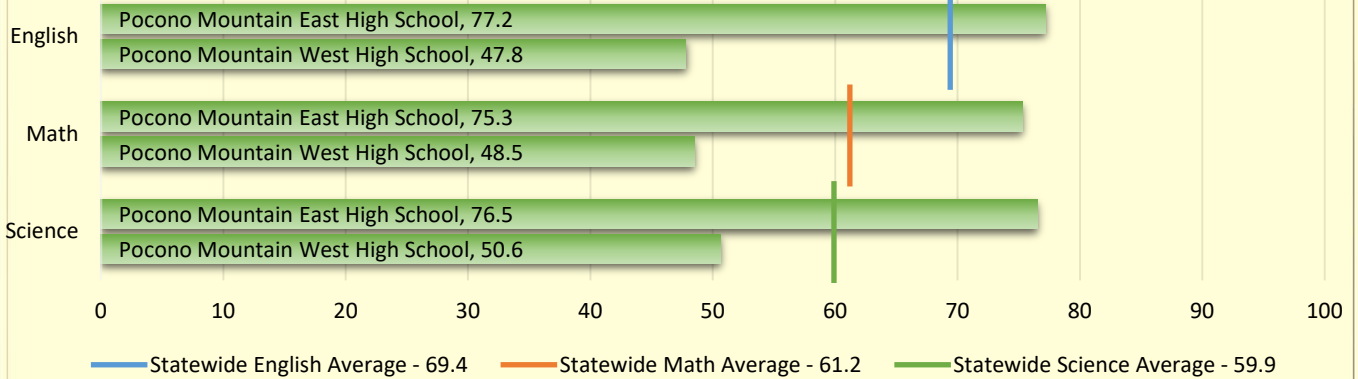
#N/A: Students in grades 4 and 8 are administered the Science PSSAs. The Swiftwater Elementary School is a kindergarten through grade 3 school; therefore, Science PSSAs are not administered to this school's students.

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

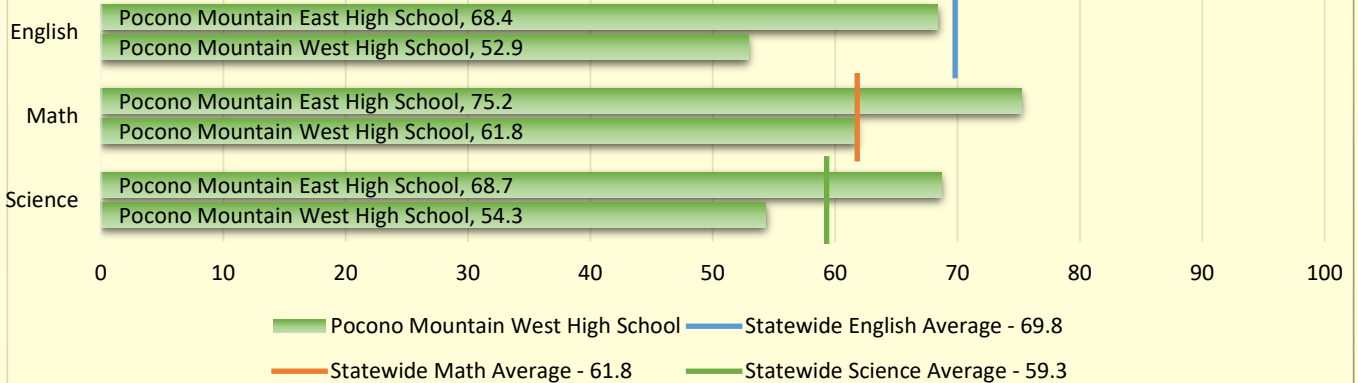
**2018-19**



**2017-18**



**2016-17**



## **Distribution List**

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

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