

# PERFORMANCE AUDIT

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## Shippensburg Area School District Cumberland 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. Chris A. Suppo, Superintendent  
Shippensburg Area School District  
317 North Morris Street  
Shippensburg, Pennsylvania 17257

Mr. Mark Buterbaugh, Board President  
Shippensburg Area School District  
317 North Morris Street  
Shippensburg, Pennsylvania 17257

Dear Dr. Suppo and Mr. Buterbaugh:

We have conducted a performance audit of the Shippensburg Area 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
- Nonresident Student Data
- 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 (PDE), and other appropriate officials as deemed necessary.

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

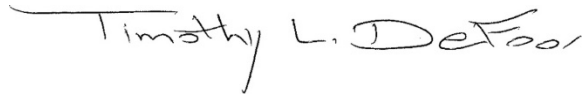
Our audit identified areas of noncompliance and significant internal control deficiencies in the areas of transportation operations and nonresident student data as detailed in the first two findings of this report. We also identified noncompliance and deficiencies in the reporting of fire and security drill data to PDE, which is detailed in Finding No. 3 of this report. A summary of the results is presented in the Executive Summary section of this report. We found that the District performed adequately in the areas of bus driver requirements and administrator separations, and we did not identify any significant internal control deficiencies in these areas.

Our audit findings and recommendations have been discussed with the District's management, 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 relevant requirements.

Dr. Chris A. Suppo  
Mr. Mark Buterbaugh  
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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 horizontal line above the first name.

Timothy L. DeFoor  
Auditor General

March 22, 2022

cc: **SHIPPENSBURG AREA SCHOOL DISTRICT** Board of School Directors

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## Executive Summary

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### Audit Work

The Pennsylvania Department of the Auditor General conducted a performance audit of the Shippensburg Area School District (District). Our audit sought to answer certain questions regarding the District's application of best practices and compliance with certain relevant state laws, regulations, contracts, and administrative procedures.

Our audit scope covered the period July 1, 2016 through June 30, 2020, except as otherwise indicated in the audit scope, objectives, and methodology section of the report (see Appendix A). Compliance specific to state subsidies and reimbursements was determined for the 2016-17 through 2019-20 school years.

### Audit Conclusion and Results

Our audit found areas of noncompliance and significant internal control deficiencies as detailed in the three findings in this report.

#### Finding No. 1: The District Did Not Comply with Transportation Data Reporting Requirements Which Resulted in an \$119,327 Overpayment.

We found that the District did not comply with requirements when it inaccurately reported regular transportation data for the 2017-18 through 2019-20 school years resulting in an overpayment of \$90,837. The District also inaccurately reported supplemental transportation data for the 2016-17 through 2019-20 school years which led to a \$28,490 overpayment. The cause of the inaccurate reporting was the District's failure to implement adequate internal controls over the transportation data reporting process. Consequently, the District was overpaid a total of \$119,327 in transportation reimbursements (see page 7).

#### Finding No. 2: The District's Failure to Implement Adequate Internal Controls Led to Inaccurate Nonresident Student Data Reported to PDE Resulting in a \$9,917 Overpayment.

We found that the District failed to implement adequate internal controls over the identification, categorization, and reporting of nonresident student data resulting in a \$9,917 overpayment from the Pennsylvania Department of Education (PDE). This overpayment was caused by the District inaccurately reporting the number of foster students educated by the District during the 2019-20 school year (see page 15).

#### Finding No. 3: The District Failed to Conduct All Required Fire and Security Drills in Accordance with the Public School Code and Accurately Report Drill Data.

Our review of the District's fire and security drill data found that several of the District's six schools failed to conduct and/or accurately report monthly fire drills in the 2018-19 and 2019-20 school years, as required by the Public School Code (PSC). Furthermore, our review disclosed that not all school buildings complied with the PSC's requirement to conduct a school security drill during the first 90 days of school in both the 2018-19 and 2019-20 school years. We also found that the District inaccurately reported drill data to PDE (see page 19).

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

There were no findings or observations in our prior audit report.

## Background Information

School Characteristics 2020-21 School Year*	
Counties	Cumberland & Franklin
<b>Total Square Miles</b>	129
<b>Number of School Buildings</b>	6
<b>Total Teachers</b>	231
<b>Total Full or Part-Time Support Staff</b>	153
<b>Total Administrators</b>	17
<b>Total Enrollment for Most Recent School Year</b>	3,409
<b>Intermediate Unit Number</b>	15
<b>District Career and Technical School</b>	Franklin County CTC

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

## Mission Statement\*

Our mission is to prepare all students to be productive citizens who:

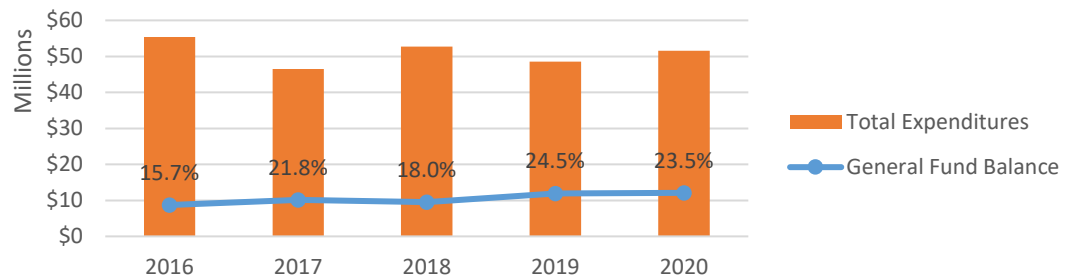
- Possess knowledge.
- Accept responsibility.
- Demonstrate problem solving skills.
- Succeed within a dynamic global society.

## Financial Information

The following pages contain financial information about the Shippensburg Area 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**.

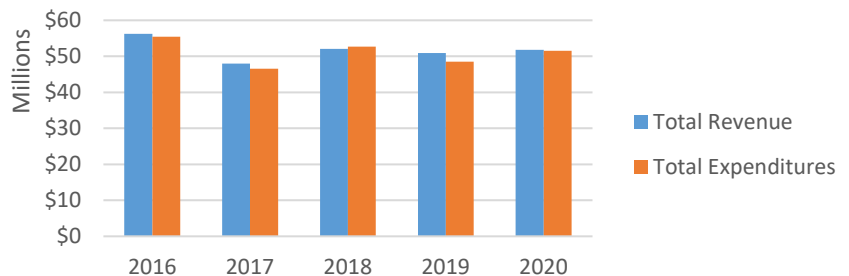
### General Fund Balance as a Percentage of Total Expenditures

	General Fund Balance
2016	\$8,713,574
2017	\$10,152,727
2018	\$9,488,782
2019	\$11,886,742
2020	\$12,099,835



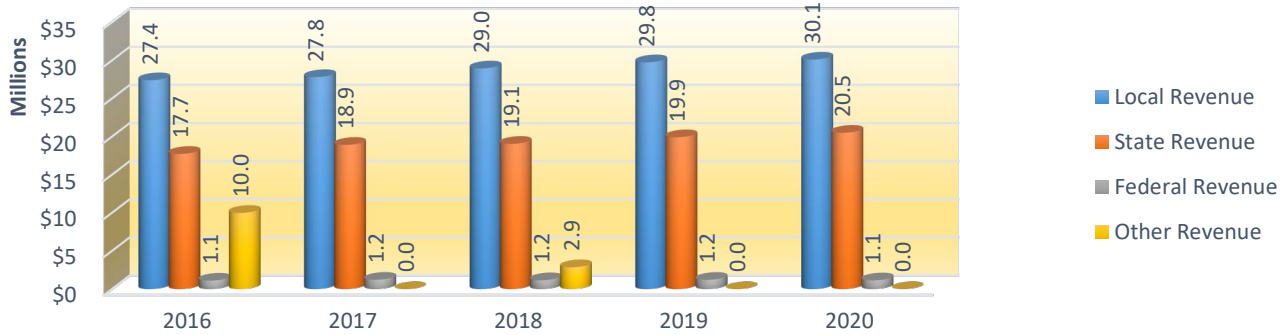
### Revenues and Expenditures

	Total Revenue	Total Expenditures
2016	\$56,263,888	\$55,413,500
2017	\$47,972,458	\$46,533,303
2018	\$52,057,254	\$52,721,199
2019	\$50,909,128	\$48,512,127
2020	\$51,780,732	\$51,567,640

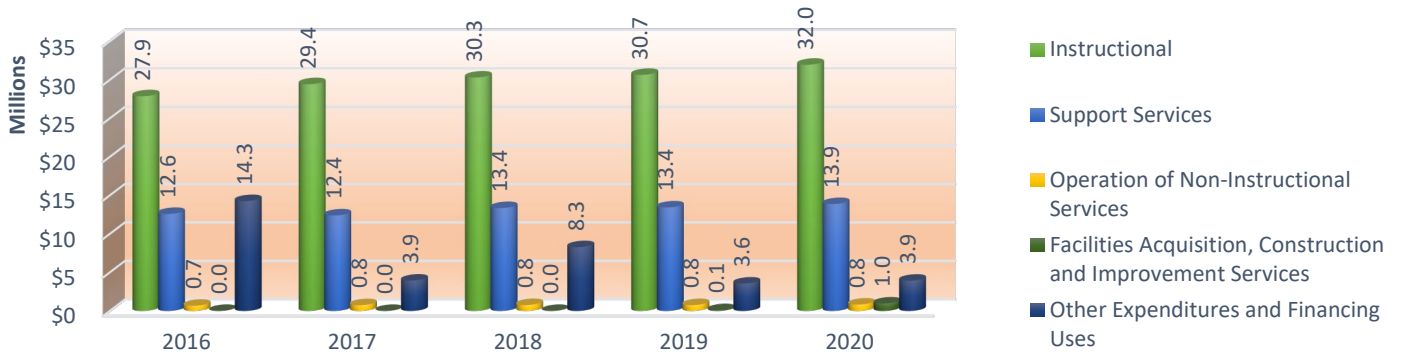


## Financial Information Continued

### Revenues by Source

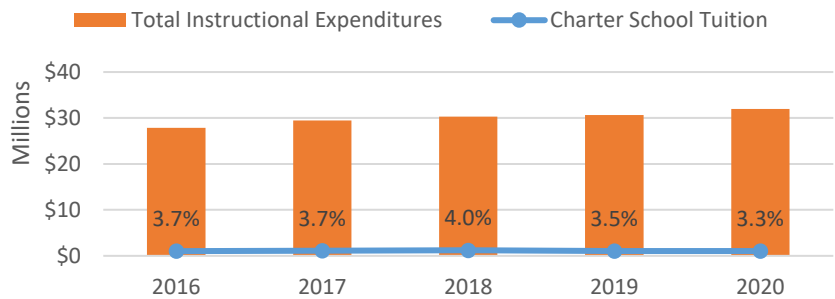


### Expenditures by Function

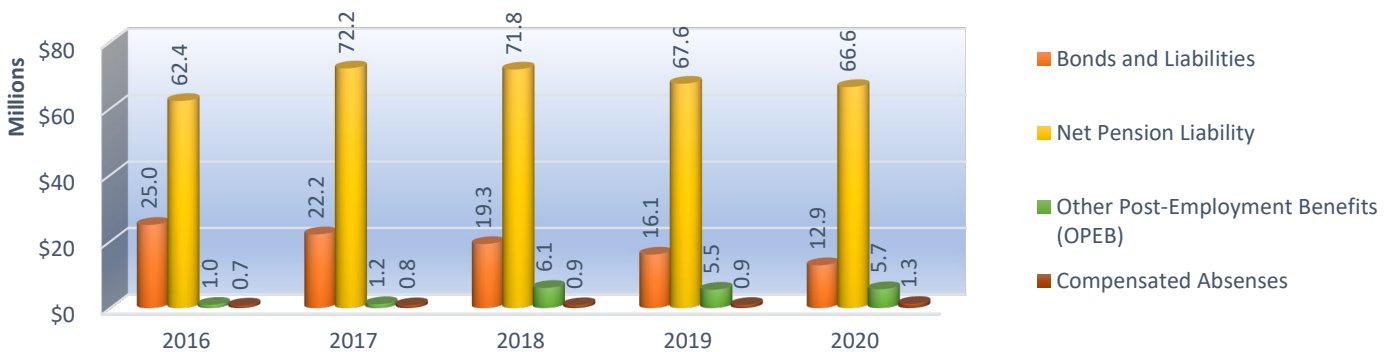


### Charter Tuition as a Percentage of Instructional Expenditures

	Charter School Tuition	Total Instructional Expenditures
2016	\$1,027,041	\$27,878,748
2017	\$1,089,022	\$29,441,588
2018	\$1,219,456	\$30,306,301
2019	\$1,061,082	\$30,650,115
2020	\$1,058,733	\$31,964,801



### Long-Term Debt

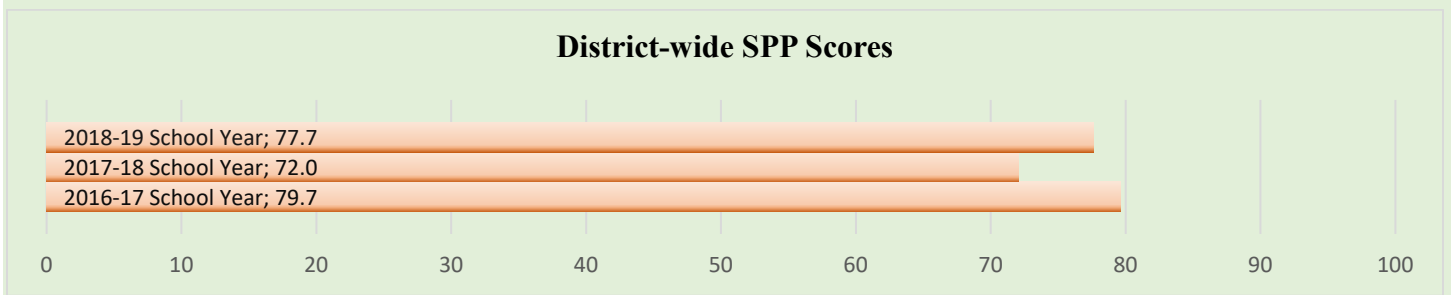


## Academic Information<sup>1</sup>

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.

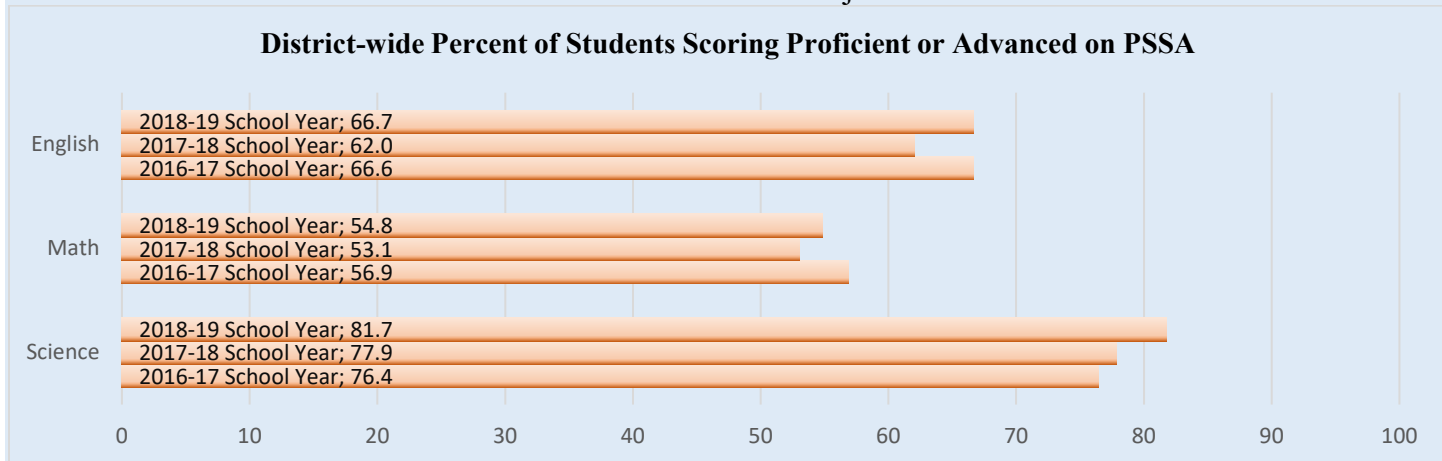


## Academic Information Continued

### What is the PSSA?

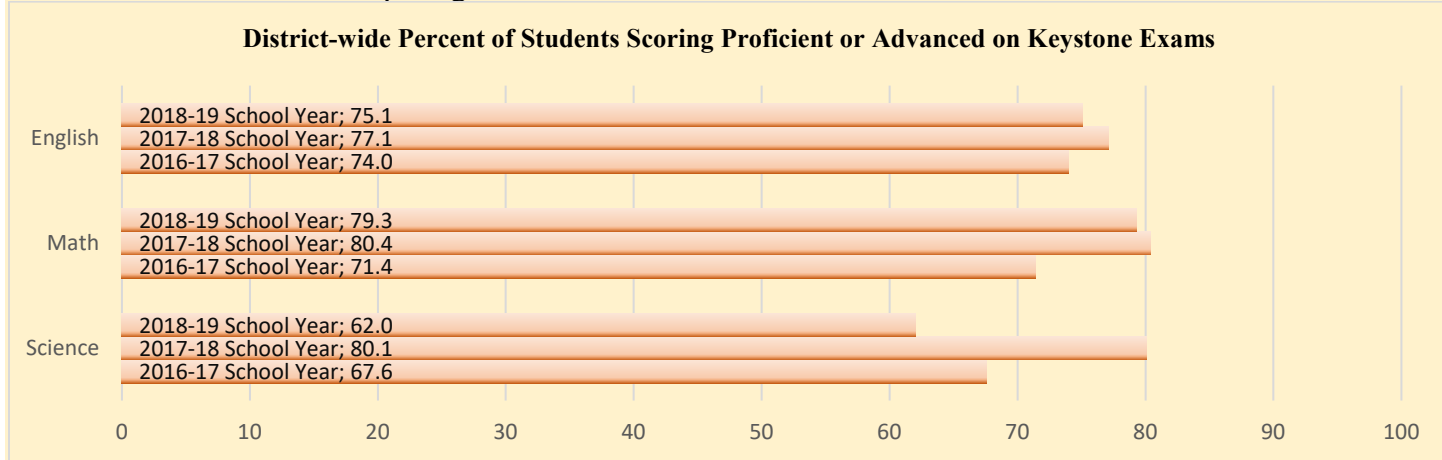
The PSSA is an annual, standardized test given across the Commonwealth to students in grades 3 through 8 in core subject areas, including English, Math and Science. The PSSAs help Pennsylvania meet federal and state requirements and inform instructional practices, as well as provide educators, stakeholders,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

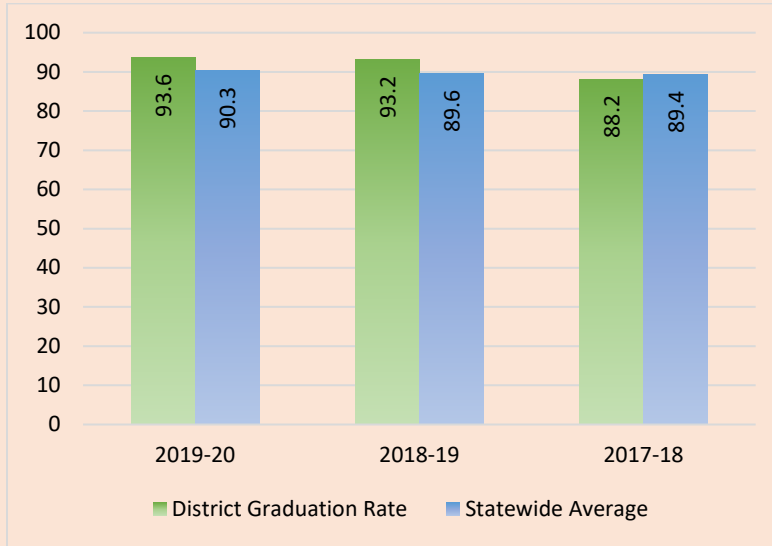


<sup>4</sup> Act 158 of 2018, effective October 24, 2018, amended the Public School Code to further delay the use of Keystone Exams as a graduation requirement until the 2021-22 school year. See 24 P.S. § 1-121(b)(1). Please refer to the following link regarding further guidance to local education agencies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

## Findings

### Finding No. 1

### The District Did Not Comply with Transportation Data Reporting Requirements Which Resulted in an \$119,327 Overpayment

#### *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 Shippensburg Area School District (District) did not comply with requirements when it inaccurately reported regular transportation data for the 2017-18 through 2019-20 school years resulting in an overpayment of \$90,837.<sup>6</sup> The District also inaccurately reported supplemental transportation data for the 2016-17 through 2019-20 school years which led to a \$28,490 overpayment. The cause of the inaccurate reporting was the District's failure to implement adequate internal controls over the transportation data reporting process. Consequently, the District was overpaid a total of \$119,327 in transportation reimbursements.<sup>7</sup>

#### **Background**

School districts receive two separate transportation reimbursement payments from the Pennsylvania Department of Education (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 the 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.

Since the above listed components are integral to the calculation of the District's transportation reimbursements, it is essential that the District properly record, calculate, and report transportation data to PDE. Additionally, it is absolutely essential that records related to the District's transportation reimbursements be retained in accordance with the Public School Code (PSC) 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 control over its regular and supplemental transportation operations that includes, but is not limited to, the following:

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

<sup>6</sup> We were unable to fully audit the reported data for the 2016-17 year due to a lack of documentation.

<sup>7</sup> The District received a total of \$4,869,366 in regular and supplemental transportation reimbursements for the 2016-17 through 2019-20 school years.

*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.

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. 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 it with the confidence it needs to sign the sworn statement.

**Regular Transportation Data Reporting Errors**

PDE guidelines state that school districts are required to report the number of miles per day to the nearest tenth that each vehicle travels with and without students. Districts are also required to report the number of students assigned to each vehicle. If the miles traveled and/or students assigned changes during the school year, an average must be calculated and reported.

We reviewed the vehicle odometer readings, student rosters, and school calendars for the 2017-18 through 2019-20 school years and compared the data to the data that the District reported to PDE. We found that the District did not comply with PDE data reporting requirements. For example, we noted that mileage data was not reported to the nearest tenth of the mile as required by PDE guidelines and its related instructions. We also found that the District reported more mileage and students than it was eligible to report. The numerous discrepancies we identified are detailed in Table No. 1 below.

**Table No. 1**

Shippensburg Area School District Student Transportation Data				
School Year	Total Vehicles with Errors <sup>8</sup>	# of Students Over Reported	Mileage Over / (Under) Reported	Overpayment
2017-18	22	50.4	(10.7)	\$36,624
2018-19	62	95.0	98.5	\$13,092
2019-20	59	119.0	87.8	\$41,121
<b>Total</b>	<b>143</b>	<b>264.4</b>	<b>175.6</b>	<b>\$90,837</b>

We also attempted to audit the reported data for the 2016-17 school year but found that the District could not provide all of the documentation

<sup>8</sup> The District reported that following: 1) 76 vehicles were used to transport students in the 2017-18 school year, 2) 69 vehicles in the 2018-19 school year, and 3) 73 vehicles in the 2019-20 school year.

*Criteria relevant to the finding (continued):*

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

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

**Record Retention Requirement**

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

**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 12/21/21)

**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.

needed to conduct our review. The District completed a transportation software upgrade after the 2016-17 school year and, as a result, was unable to access transportation data prior to the upgrade. Specifically, the District could not provide us with the student rosters for each vehicle reported as used to transport students during that year, and without the rosters we could not fully audit the data reported to PDE. Consequently, we could not determine if the \$972,427 in regular transportation reimbursement the District received for 2016-17 was appropriate.

**Supplemental Transportation Reporting Errors**

The PSC requires school districts to provide transportation services to students who reside in its district and who attend a charter school or nonpublic school, and it provides for a reimbursement from the Commonwealth of \$385 for each nonpublic school student transported by the district.<sup>9</sup>

We found that the District inaccurately reported the number of nonpublic school students it transported for all four years of the audit period as detailed in the table below.

**Table No. 2**

Shippensburg Area School District Nonpublic School Student Reporting Errors		
	(A)	(A) x \$385
School Year	# of Students Over/(Under) Reported <sup>10</sup>	Overpayment/(Underpayment)
2016-17	23	\$ 8,855
2017-18	(1)	\$ (385)
2018-19	22	\$ 8,470
2019-20	30	\$11,550
<b>Total</b>	<b>74</b>	<b>\$28,490</b>

Every school year, the District should obtain a written request to transport each nonpublic school student from the parent/guardian. The District must ensure students are eligible for reimbursement and must maintain this documentation as support for the number of students it reports to PDE. The District was unable to provide individual requests for transportation for the 74 students noted in the table above. When we further inquired about these 74 students, District officials stated they believed some of the

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

<sup>10</sup> The District reported that it transported the following number of nonpublic school students: 1) 109 in the 2016-17 school year, 2) 71 in the 2017-18 school year, 3) 96 in the 2018-19 school year, and 4) 99 in the 2019-20 school year.

*Criteria relevant to the finding (continued):*

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.

Number of Nonpublic School Pupils Transported

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.)

students were transported to intermediate education facilities but they could not provide documentation to support that assertion. Nonetheless, students attending intermediate education facilities must be reported as regular education students and not as nonpublic students.

### **Significant Internal Control Deficiencies**

Our review revealed that the District did not have an adequate internal control system over its regular and supplemental transportation operations. Specifically, the employee responsible for collecting and reporting the data did not receive adequate training on the PDE reporting requirements. The lack of training was apparent when we found that the mileage data was not reported in accordance with PDE instructions and when we determined that the employee was unclear on the definition of a nonpublic school student.

The District attributed this employee's other job duties and responsibilities outside of transportation operations as a potential cause of the inaccurate reporting of transportation data. We also found that the District did not implement adequate oversight procedures when it relied on its transportation contractor to calculate vehicle data without reviewing the contractor's supporting documentation to ensure accuracy.

In addition, we found that the District did not do the following:

- Implement adequate segregation of duties when it assigned responsibility to one employee for reporting regular transportation data and categorizing and reporting supplemental transportation data to PDE without ensuring that another employee reviewed the data before it was submitted to PDE.
- Develop detailed written procedures for obtaining and maintaining the documentation needed to accurately report regular and supplemental transportation data.

All of the above control deficiencies led to the errors we identified in this finding that resulted in the \$119,327 overpayment and our inability to audit the District's regular transportation reimbursements for the 2016-17 school year.

Future Reimbursement Adjustment: We provided PDE with reports detailing the reporting errors related to the regular transportation reimbursements for the 2017-18 through 2019-20 school years and the supplemental transportation reimbursements for the 2016-17 through 2019-20 school years.

## Recommendations

The *Shippensburg Area School District* should:

1. Develop and implement an internal control system over its regular and supplemental transportation operations. The internal control system should include, but not be limited to, the following:
  - All personnel involved in regular transportation data reporting 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.
  - Develop comprehensive written procedures that include procedures for regular and supplemental transportation data calculations, reporting data to PDE, and retaining supporting documentation from contractors in accordance with the PSC's record retention requirements.
2. Ensure it obtains and retains all PDE required documentation to support the transportation data it reports to PDE.
3. Reconcile individual requests for transportation to the total nonpublic school students transported prior to reporting data to PDE.
4. Review the transportation data reported to PDE for the 2020-21 school year to determine if similar errors were made and, if necessary, submit revised reports to PDE.

The *Pennsylvania Department of Education* should:

5. Adjust the District's future transportation reimbursements to resolve the overpayment of \$119,327.

## Management Response

District management provided the following response:

### Regular Transportation Data Reporting Errors

- **Issue:** Miles not reported to nearest tenth
- **Reason:** Contractor/vendors do not supply mileage to nearest tenth
- **Resolution:**
  - Contractor/vendors will begin reporting mileage to nearest tenth
  - Vehicles that do not have odometer readings to the nearest tenth will be indicated on their monthly mileage sheet.

- **Issue:** Non-compliance with PDE requirements (excluding mileage to the nearest tenth) — Over reporting of students and mileage than eligible to report
- **Reason:** Due to lack of training, certain PDE requirements were not known or understood. Additionally, all data is provided by the contractor was assumed to be accurate
- **Resolution:**
  - District will review PDE guidelines regarding PDE reporting
  - District will review student rosters and odometer sheets monthly and compare with contractor's summary report
  - District will run archived monthly student roster reports
  - District will review EOY data provided by contractor with monthly reports to ensure accuracy
  
- **Issue:** Lack of documentation for the 2016-2017 school year
- **Reason:**
  - Software upgrade after 2016-2017, resulting in the inability to access required data
  - Both Director and Secretary were new to transportation and did not receive any training nor were they familiar with PDE guidelines.
  - The contractor was unable to provide student rosters.
  
- **Resolution:**
  - After the 2016-2017 school year, audit books were revamped to include all pertinent information as determined by the District Transportation Department
  - Contractor/vendors have been informed that student rosters are now required as part of normal documentation required by the District, including maintaining records for six years as required by PDE.

### **Supplemental Transportation Reporting Errors**

- **Issue:** Inaccurate reporting of number of nonpublic students transported for three years
- **Reason:** District misunderstood the definition of the nonpublic students.
- **Resolution:** District is now clear on definition of nonpublic students and corrections will be made to the PDE 1049 submitted for 2020/2021 PDE reporting.

### **Significant Internal Control Deficiencies**

- **Issue:** Lack of internal control system over regular and supplemental transportation operations. Lack of training of data collection for PDE requirements.
- **Reason:**
  - Lack of training on transportation and PDE requirements



- **Resolution:**
  - Will review PDE guidelines regarding PDE reporting
  - Clarification has been provided and a resolution will be developed to prevent future issues including the transporting of nonpublic students
  - Regular documentation and verification of data will be conducted by transportation support personnel
  - Annual completion and submission of PDE reports will be completed by Director of Transportation
  
- **Issue:** Other non-transportation job responsibilities affected transportation operations and internal control system and resulted in inaccurate data reporting.
- **Reason:** Director of Transportation was also the Athletic Director, requiring a balancing of managing both departments
- **Resolution:** Director of Transportation and Athletic Director will be separate positions.
  
- **Issue:** Lack of oversight procedures regarding data provided by the contractor
- **Reason:** Contractor did not provide supporting documentation for adequate review
- **Resolution:** Will require contractor to provide supporting documentation that shows how they obtained their mileage and students so checks can be performed for accuracy.
  
- **Issue:** Segregation of duties
- **Reason:** The past Director of Transportation performed the data input for PDE requirements.
- **Resolution:**
  - Director of Transportation will review data with transportation personnel prior to PDE data submission
  - Regular documentation and verification of data will be conducted by transportation support personnel
  - Annual completion and submission of PDE reports will be completed by Director of Transportation
  
- **Issue:** Lack of written procedures for obtaining and maintaining documentation needed for accurately reporting regular and supplemental transportation data
- **Resolution:** The Contractor does provide the District with driver mileage sheets to the nearest tenth. The District runs the roster sheets on the same day so the total student roster matches per month. The District will develop written procedures for obtaining and maintaining transportation data.

## Recommendations

1. Develop and implement an internal control system over regular and supplemental transportation operations
  - a. All personnel in regular transportation trained in PDE requirements
  - b. Segregation of duties regarding review of PDE data
  - c. Develop written procedures for data calculations, reporting data to PDE and document retention

**Action: The District has developed an internal control system that provides segregation of duties, proper PDE training and includes procedures for data calculations.**

2. Obtain and retain all PDE required documents

**Action: The District has reviewed the PDE website and note all required documents and their retention periods.**

3. Reconcile individual requests to nonpublic schools

**Action: The District has obtained an understanding of the definition of nonpublic students. They will modify PDE reporting for 2020/2021 summited data.**

4. Review the transportation data for 2020-21 school year to determine if data errors exist and revise PDE reports, if needed.

- 1) **Action:** The District has contacted PDE and made necessary adjustments for the 2020-21 school year regarding changes to nonpublic student data.

With regard to statutory attestation, internal controls have been established to ensure future accuracy of reporting with confidence. It is however impractical to assume that attestation is anything more than presumed accuracy at time of reporting to the “best knowledge of” the signee. Regardless, SASD is grateful for the knowledge and understanding that has been gained through the audit review process. The issues identified have created a learning experience for how District and vendor documenting and reporting can be enhanced to improve operations and transportation reimbursement submission.

## Auditor Conclusion

We are encouraged that the District has taken appropriate corrective actions to implement our recommendations including improving controls over the collection, monitoring, maintenance, and reporting of transportation data. We will evaluate the effectiveness of corrective actions during our next audit.

## Finding No. 2

### The District's Failure to Implement Adequate Internal Controls Led to Inaccurate Nonresident Student Data Reported to PDE Resulting in a \$9,917 Overpayment

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

State Board of Education regulations and PDE guidelines govern the classification of nonresident children placed in private homes.

#### **Payment of Tuition**

Section 1305(a) of the PSC provides for Commonwealth payment of tuition for nonresident children placed in private homes as follows:

“When a non-resident child is placed in the home of a resident of any school district by order of court or by arrangement with an association, agency, or institution having the care of neglected and dependent children, **such resident being compensated for keeping the child**, any child of school age so placed shall be entitled to all free school privileges accorded to resident school children of the district, including the right to attend the public high school maintained in such district or in other districts in the same manner as though such child were in fact a resident school child of the district.” (Emphasis added.) See 24 P.S. § 13-1305(a).

We found that the District failed to implement adequate internal controls over the identification, categorization, and reporting of nonresident student data resulting in a \$9,917 overpayment from PDE. This overpayment was caused by the District inaccurately reporting the number of foster students educated by the District during the 2019-20 school year.<sup>11</sup>

**Background:** School districts are entitled to receive Commonwealth paid tuition for educating certain nonresident students. For a district to be eligible to receive Commonwealth paid tuition, the District must ensure that the student has met all four eligibility components:

- 1) The student's parent/guardian must not be a resident of the educating district.
- 2) The student must have been placed in the private home of a resident within the district by order of the court or by arrangement with an association, agency, or institution.<sup>12</sup>
- 3) The district resident must be compensated for the care of the student.
- 4) The student must not be in pre-adoptive status.

These students are commonly referred to as “foster students” and it is the mandate of the educating district to obtain the required documentation to correctly categorize and accurately report these students that the district educated to PDE. Further, the district must obtain updated documentation for each year that the district reports a student as a nonresident foster student.

Because school districts can be eligible for additional revenue for educating nonresident students, it is essential for districts to properly identify, categorize, and report nonresident students that it educated to PDE. Therefore, school districts should have a strong system of internal controls over this process that should include, but not be limited to, the following:

- Training on PDE reporting requirements.
- Written internal procedures to help ensure compliance with PDE requirements.
- Reconciliations of source documents to information reported to PDE.

<sup>11</sup> We found that the District accurately reported foster students to PDE for the 2016-17, 2017-18, and 2018-19 school years.

<sup>12</sup> For example, the applicable county children and youth agency.

*Criteria relevant to the finding  
(continued):*

Section 2503(c) of the PSC specifies the amount of Commonwealth-paid tuition on behalf of nonresident children placed in private homes by providing, in part:

“Each school district, regardless of classification, which accepts any non-resident child in its school under the provisions of section **one thousand three hundred five...** shall be paid by the Commonwealth an amount equal to the tuition charge per elementary pupil or the tuition charge per high school pupil, as the case may be....” (Emphasis added.) See 24 P.S. § 25-2503(c).

Section 11.19(a) (relating to Nonresident child living with a district resident) of the State Board of Education’s regulations provides as follows, in part.

“(a) A nonresident child is entitled to attend the district’s public schools if that child is fully maintained and supported in the home of a district resident as if the child were the residents own child and if the resident receives no personal compensation for maintaining the student in the district. Before accepting the child as a student, the board of school directors of the district shall require the resident to file with the secretary of the board of school directors either appropriate legal documentation to show dependency or guardianship or a sworn statement that the child is supported fully without personal compensation or gain, and that the resident will assume all personal obligations for the child relative to school requirements and intends to so keep and fully support the child continuously and not merely through the school term.” See 22 Pa. Code § 11.19(a).

## **Foster Student Reporting Error**

We found that the District made one reporting error in the 2019-20 school year. The District inaccurately reported one student as a foster student even though that student was adopted by a District resident prior to the school year. Because this student was adopted prior to the start of the 2019-20 school year, this student should have been reported as a resident and the District was not eligible for Commonwealth reimbursement for this student. When we brought this error to the District’s attention, the employee responsible for nonresident data indicated that the error was the result of an oversight. However, the error may have been detected if the District had better internal controls over this area.

## **Significant Internal Control Deficiencies**

The District assigned the responsibility for multiple aspects of nonresident student data to only one employee. This employee was responsible for categorizing the types of nonresident students, completing the foster student data entry into the District’s child accounting software, and reporting the data to PDE. Each of these procedures were performed without any oversight or review by another District employee. A secondary review and a reconciliation of the foster student source documentation to the data entered into the District’s child accounting system would have most likely revealed the error previously noted and allowed time to correct it prior to the data being submitted to PDE.

While our testing found only one error, we note the potential for more costly errors impacting the District nonresident reimbursements if the internal control deficiencies are not corrected. Implementing adequate segregation of duties that includes a review and reconciliation process will help ensure that the nonresident student data reported to PDE is accurate. Since PDE uses that data to calculate the reimbursements provided to the District, it is imperative that the data be reviewed for accuracy prior to reporting it to PDE.

**Future Reimbursement Adjustment:** We provided PDE with documentation detailing the reporting error we identified for the 2019-20 school year. We recommend that PDE adjust the District’s future reimbursement amount by the \$9,917 that we calculated as an overpayment.

## **Recommendations**

The *Shippensburg Area School District* should:

1. Develop and implement an internal control system governing the process for identifying and reporting nonresident foster student data. The internal control system should include, but not be limited to, the following:
  - All personnel involved in the identification and reporting of nonresident data are trained on PDE's reporting requirements.
  - A review of nonresident data is conducted by an employee, other than the employee who prepared the data, before it is submitted to PDE.
  - Clear and concise written procedures are developed to document the categorization and reporting process for nonresident student data.
2. Perform a reconciliation of the nonresident student data to source documents before reporting to PDE.

The *Pennsylvania Department of Education* should:

3. Adjust the District's future reimbursements to resolve the overpayment of \$9,917.

## **Management Response**

District management provided the following response:

Cause:

This was an unusual situation where the student in question shared the same last name as the foster family. When the student was adopted, the building secretary, who does not work in Child Accounting or student records, noted the adoption in the SIS. The secretary did not understand the importance of proper notification to our central office staff that works with PIMS. If the last name of the student would have been different, our standard internal controls with PIMS uploads would have given us an error so we would have contacted the building to see why the name changed.

In gathering documentation for auditors, district PIMS staff were looking at this student when they noticed a note in the student profile. The note stated the student was adopted. That is when the district became aware of oversight. PIMS staff contacted PDE to inquire about correcting the 19/20 residency status of the student, made the correction with PDE and subsequently provided that to state auditors.

The district will take the following action steps to avoid future oversights as follows:

1. Develop and implement internal controls to identify and report nonresident foster student data by doing the following:
  - a. We will communicate via email with all personnel involved in identification and reporting of nonresident data to notify them of this finding and explain the district internal processes that should have been followed. We will provide all personnel involved in identification and reporting of nonresident data training based on PDE foster reporting presentation that will be provided at ACAPA in October 2021. All personnel involved in identification and reporting of nonresident data will be required to complete the Data Entry part of the Pennsylvania Data Quality Curriculum from the Data Quality Network if they have not already done so.
  - b. The PIMS upload data will be provided to the district foster liaison to be reviewed and approved prior to final submission to PDE.
  - c. Beginning with the 2021/2022 school year, the district developed a new procedure to have all students revert to resident status A during our child accounting rollover. There is now a shared Google sheet between PIMS and the district foster/homeless liaison that notes all nonresident students from year to year. That sheet will be the basis to verify we have proper documentation before changing the resident status in each new school year. The written procedures will be developed and shared with all personnel involved in identification and reporting of nonresident data on a shared drive.
2. PIMS/Child Accounting Assistant will print from the SIS a list of all nonresident students to be given to the PIMS Administrator, along with all documentation, to verify the SIS reflects the correct information before uploading to PIMS.

### **Auditor Conclusion**

We are encouraged that the District has taken appropriate corrective actions to implement our recommendations including improving its internal controls over the reporting of foster students. We will evaluate the effectiveness of corrective actions during our next audit.

## Finding No. 3

## The District Failed to Conduct All Required Fire and Security Drills in Accordance with the Public School Code and Accurately Report Drill Data

### Criteria relevant to the finding:

Section 1517(a) of the PSC requires:

“Except as provided under subsection (a.1), in all school buildings of school entities where fire-escapes, appliances for the extinguishment of fires, or proper and sufficient exits in case of fire or panic, either or all, are required by law to be maintained, fire drills shall be periodically conducted, **not less than one a month**, by the teacher or teachers in charge, under rules and regulations to be promulgated by the chief school administrator under whose supervision such school entities are. In such fire drills, the pupils and teachers shall be instructed in, and made thoroughly familiar with, the use of the fire-escapes, appliances and exits. **The drill shall include the actual use thereof, and the complete removal of the pupils and teachers**, in an expeditious and orderly manner, by means of fire-escapes and exits, from the building to a place of safety on the grounds outside.” (Emphases added.) See 24 P.S. § 15-1517(a) (as amended by Act 55 of 2017, effective November 6, 2017).

Our review of the District’s fire and security drill data found that several of the District’s six schools failed to conduct and/or accurately report monthly **fire drills** in the 2018-19 and 2019-20 school years, as required by the PSC.<sup>13</sup> Furthermore, our review disclosed that not all school buildings complied with the PSC’s requirement to conduct a school **security drill** during the first 90 days of school in both the 2018-19 and 2019-20 school years.<sup>14</sup> We also found that the District inaccurately reported drill data to PDE.

### Fire and Security Drill Requirements

As detailed in the criteria box, the PSC requires that each school building perform a fire drill each and every month while school is in session. The PSC further mandates that each school also conduct a security drill within the first 90 days of the school year. According to the PSC, districts are permitted to substitute a maximum of two additional security drills in place of two monthly fire drills after the first 90 days of the school year. Both fire and security drill data must be reported annually to PDE through the *Fire Evacuation and Security Drill Accuracy Certification Statement* (ACS) report.

In an effort to help prepare students and staff for potential emergency situations, the mandatory fire and security drill requirements of the PSC should be closely followed by all school entities across the Commonwealth. To determine compliance with drill requirements, we requested and reviewed the 2018-19 and 2019-20 fire and security drill data reported to PDE for the District’s six school buildings, along with supporting documentation to evidence the reported drills. We reviewed the months of September 2018 through May 2019 and September 2019 through February 2020 since drills are required to be conducted with students and staff present.<sup>15</sup>

<sup>13</sup> 24 P.S. § 15-1517(a) (as amended by Act 55 of 2017, effective November 6, 2017).

<sup>14</sup> 24 P.S. § 15-1517(a.1) (as last amended by Act 39 of 2018, effective July 1, 2018).

<sup>15</sup> Drills were not required for March, April, and May 2020 due to the mandatory, statewide closing of schools because of the COVID-19 pandemic.

*Criteria relevant to the finding  
(continued):*

Section 1517(a.1) of the PSC requires:

“Within ninety (90) days of the commencement of the school year after the effective date of this subsection and within ninety (90) days of the commencement of each school year thereafter, each school entity shall conduct one school security drill per school year in each school building in place of a fire drill required under subsection (a). After ninety (90) days from the commencement of each school year, each school entity may conduct two school security drills per school year in each school building in place of two fire drills required under subsection (a).” See 24 P.S. § 15-1517(a.1) (as last amended by Act 39 of 2018, effective July 1, 2018).

Further, Sections 1517(b) and (e) of the PSC also require:

“(b) Chief school administrators are hereby required to see that the provisions of this section are faithfully carried out in the school entities over which they have charge.”

“(e) On or before the tenth day of April of each year, each chief school administrator shall certify to the Department of Education that the emergency evacuation drills and school security drills herein required have been conducted in accordance with this section.” See 24 P.S. § 15-1517(b) and (e) (as last amended by Act 55 of 2017, effective November 6, 2017).

*Fire Drill Accuracy Certification Statements* must be electronically submitted to PDE by July 31 following the end of a school year. Within two weeks of the electronic Pennsylvania Information Management System submission, a printed, signed original must be sent to PDE’s Office for Safe Schools.

## **Fire and Security Drill Weaknesses**

Our review found that none of the District’s six school buildings in the 2018-19 school year and only one of the six school buildings in the 2019-20 school year performed all required fire and security drills and correctly reported the drills to PDE. In addition, the District filed the required ACS report with PDE late for both the 2018-19 and 2019-20 school years. Fire and security drill deficiencies include missed drills, inadequate supporting documentation, date discrepancies, and reporting the wrong type of drill (i.e., reporting a fire drill instead of security drill, and vice versa).

### *Missed and Inaccurately Reported **Fire Drills***

We found that five school buildings in the 2018-19 school year and one building in the 2019-20 school year reported that it failed to conduct all the monthly fire drills. In the 2018-19 school year, four school buildings missed two or more drills. In the 2019-20 school year, one school building reported missing two drills.

Our review of the District’s 2018-19 ACS report found that all six school buildings inaccurately reported fire and security drill data to PDE. For the 2019-20 school year, we found that five school buildings inaccurately reported drill data. In these instances, we found the dates and/or the type of drill reported to PDE did not match the limited District records. Additionally, we found drills were reported on dates when students and staff were not present, which is not consistent with the requirements of the PSC. For example, drills were reported after the last day of school and other dates during the school year when school was not in session.

### *Missed and Inaccurately Reported **Security Drills***

Our review revealed that two schools in 2018-19 and two schools in 2019-20 did not perform a security drill within the first 90 days of the start of the school year, as required by the PSC. Further, two schools in the 2018-19 school year and two different schools in the 2019-20 school year inaccurately reported security drill data to PDE.

Overall, the District lacked adequate documentation to support its fire and security drill data for both school years.

According to District officials, the following factors contributed to the numerous instances of noncompliance with requirements:

- Lack of internal controls to monitor building fire and security drills.
- Vacancy or transition of key personnel.
- Transition to new software systems.



*Criteria relevant to the finding  
(continued):*

The 2018-19 and 2019-20 *Fire Evacuation and Security Drill Accuracy Certification Statement* that the chief school administrator was required to sign and file with PDE states, in part:

“I acknowledge that 24 PS 15-1517 requires that... fire drills shall be periodically conducted, not less than one a month...under rules and regulations to be promulgated by the district superintendent under whose supervision such schools are... District superintendents are hereby required to see that the provisions of this section are faithfully carried out in the schools over which they have charge. I certify that drills were conducted in accordance with 24 PS 15-1517 and that information provided on the files and summarized on the above School Safety Report is correct and true to the best of my knowledge ....”

- Multiple individuals had access to a shared document for tracking fire and security drills.
- Data entry errors.

### **Conclusion**

In conclusion, it is vitally important that the District’s students and staff regularly participate in fire and security drills as required by the PSC throughout the school year. Adequate building-level documentation should be maintained to support that all required drills occurred. Further, it is essential that the District accurately report fire and security drill data to PDE pursuant to its reporting requirements and guidance, and that the data has been double-checked for accuracy by properly trained and knowledgeable personnel.

### **Recommendations**

The *Shippensburg Area School District* should:

1. Conduct security and fire drills in compliance with the PSC requirements for all future school years.
2. Maintain detailed documentation of every fire and school security drill conducted at each school building in order to accurately report annual data to PDE.
3. Require building principals and other senior administrative personnel to verify drill data before submitting the ACS report to PDE.
4. Ensure all personnel in charge of completing and submitting ACS reports are trained on PDE’s reporting requirements and guidance.

### **Management Response**

District management provided the following response:

Six main factors have been identified that have contributed to not meeting drill requirements, and reporting inaccuracies for fire and security drills. These factors include:

1. Lack of internal controls to monitor building fire & security drills
2. Vacancy or transition of key personnel
3. Transition to new software systems
4. Multiple individuals had access to a shared document for tracking safety drills
5. Data entry errors
6. ACS report deadlines missed

In response to these errors, the following process has been implemented to ensure that moving forward, fire and security drills occur when they

should, and that the reporting of this information is consistent with the information in the district student information system.

All buildings will utilize a district Emergency Drill Documentation Form. This easy to use form will be what principals use to input emergency drill data into the student information system (Skyward). Principals will retain a copy and send the original to the district Chief Safety Officer. The Chief Safety Officer will document monthly emergency drill information into a tabulating spreadsheet. The Chief Safety Officer will send reminders to principals for buildings who have not yet completed required drills prior to the end of each month. Drills will be scheduled early in the month should they need to be rescheduled. In June of each year, the Chief Safety Officer will compare the tabulation spreadsheet to the PIMS data in the SIS. Any errors will be corrected through collaboration with the PIMS administrator. Once the PIMS submission file and monthly tabulation spreadsheet show the same reportable data, PIMS submission can be made prior to July 31<sup>st</sup> and ACS sent.

PIMS personnel will maintain a PIMS submission calendar to ensure compliance with submission dates to ensure timely completion and submission of ACS data files and reports.

### **Auditor Conclusion**

We are encouraged that the District has taken appropriate corrective actions to implement our recommendations including improving their internal controls over the reporting of fire drill requirements. We will evaluate the effectiveness of corrective actions during our next audit.

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

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**O**ur prior audit of the Shippensburg Area 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>16</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, Nonresident Student Data, 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>17</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>18</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>16</sup> 72 P.S. §§ 402 and 403.

<sup>17</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>18</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		
Nonresident Student Data	Yes				X			X	X		X		X	X	X	X			
Bus Drivers	Yes										X		X			X	X		
Administrator Separations	Yes										X				X				
Safe Schools	No																		

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

## **Objectives/Scope/Methodology**

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

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

## **Transportation Operations**

- Did the District ensure compliance with applicable laws and regulations governing transportation operations, and did the District receive the correct transportation reimbursement from the Commonwealth?<sup>19</sup>
  - ✓ To address this objective, we assessed the District's internal controls for obtaining, inputting, processing, and reporting regular transportation data (vehicle data) to PDE. We reviewed all of the vehicles operated by the District and its primary contractor to transport District students to and from school during the 2017-18 through 2019-20 school years.<sup>20</sup> For each vehicle, we obtained and reviewed odometer readings, school calendars, and student rosters to determine if the District accurately calculated and reported vehicle data to PDE and if the District was reimbursed accurately. We attempted to review the same vehicle data for the 70 vehicles used to transport students during the 2016-17 school year; however, the District was unable to provide this required supporting documentation.
  - ✓ Additionally, we assessed the District's internal controls for obtaining, inputting, processing, and reporting supplemental transportation data (nonpublic school and charter school students) to PDE. We reviewed requests for transportation for all of the nonpublic school students transported by the District during the four-year audit period to determine whether the nonpublic school student data was accurately reported to PDE.<sup>21</sup>

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<sup>19</sup> See 24 P.S. § 25-2541(a).

<sup>20</sup> The District reported that 73 vehicles were used to transport students during the 2019-20 school year, 69 vehicles were used to transport students during the 2018-19 school year, and 76 vehicles were used to transport students during the 2017-18 school year.

<sup>21</sup> The District reported that it transported 99 nonpublic school students during the 2019-20 school year, 96 nonpublic school students during the 2018-19 school year, 71 nonpublic school students during the 2017-18 school year, and 109 nonpublic school students during the 2016-17 school year.

**Conclusion:** The results of our procedures identified areas of noncompliance and significant internal control deficiencies related to this objective. Our results are detailed in Finding No. 1 beginning on page 7 of this report.

### **Nonresident Student Data**

- Did the District accurately report nonresident students to PDE? Did the District receive the correct reimbursement for these nonresident students?<sup>22</sup>
- ✓ To address this objective, we assessed the District’s internal controls over input, processing residency status, and reporting nonresident foster students to PDE. We reviewed all of the nonresident foster students reported to PDE as educated by the District during the 2016-17 through 2019-20 school years.<sup>23</sup> We reviewed documentation to verify that the custodial parent or guardian was not a resident of the District and to determine whether the foster parent(s) received a stipend for caring for the student. We then determined whether the District received the correct reimbursement for these nonresident students.

**Conclusion:** The results of our procedures identified areas of noncompliance and significant internal control deficiencies related to this objective. Our results are detailed in Finding No. 2 beginning on page 15 of this report.

### **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>24</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 but not limited to, safety plans, training schedules, anti-bullying policies, safety committee meeting minutes, and the memorandum of understanding with the local law enforcement agency.
- 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.<sup>25</sup>
- Did the District comply with the fire and security drill requirements of Section 1517 of the Public School Code?<sup>26</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 the fire and security drill records for the District’s five buildings for the 2018-19 and 2019-20 school years to determine if drills were held as

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

<sup>23</sup> The District reported 1 nonresident foster student during the 2019-20 school year, 4 nonresident foster students during the 2018-19 school year, 8 nonresident foster students during the 2017-18 school year, and 17 nonresident foster students during the 2016-17 school year.

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

<sup>25</sup> Other law enforcement agencies include the Pennsylvania State Police, the Attorney General’s Office, and local law enforcement with jurisdiction over the District’s school buildings.

<sup>26</sup> Public School Code (Fire and Security Drills) 24 P.S. § 15-1517.

required by PDE. 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 identified areas of noncompliance as detailed in Finding No. 3 beginning on page 19 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>27</sup> as outlined in applicable laws?<sup>28</sup> Also, did the District adequately monitor driver records to ensure compliance with the ongoing five-year clearance requirements and ensure it obtained updated licenses and health physical records as applicable throughout the school year?
- ✓ To address this objective, we assessed the District's internal controls for reviewing, maintaining, and monitoring the required bus driver requirement documents. We determined if all drivers were approved by the Board. We randomly selected 20 of the 81 contracted drivers transporting District students as of May 21, 2021.<sup>29</sup> We reviewed documentation to ensure the District complied with qualification and clearance requirements for the bus drivers selected for testing. We also determined if the District had monitoring procedures to ensure that all drivers had updated clearances, licenses, and physicals.

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

### **Administrator Separations**

- Did the District provide any individually contracted employees with excessive payments upon separation of employment? Did the District ensure all payroll wages reported to the Public School Employees' Retirement System (PSERS) were appropriate and accurate?
- ✓ To address this objective, we assessed internal controls over the separation process. We also reviewed the contracts, leave records, board meeting minutes, and payroll records for one of the four individually contracted administrators who separated employment from the District during the period of July 1, 2016 through June 30, 2020.<sup>30</sup> We verified total cost of the same were made public through board minutes, and the Board vote was conducted according to Section 508 of the Public

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<sup>27</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>28</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>29</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>30</sup> The one administrator selected was selected because we considered this separation to have a higher risk of noncompliance due to the presence of a separation agreement with this former administrator. Therefore, the selection is not representative of the population of administrators who separated employment with the District during the audit period, and the results are not, and should not be, projected to that population.



School Code. We analyzed the compensation plan and separation agreement and computed the cost of the separation. We also verified if the District reported only qualified wages to PSERS.

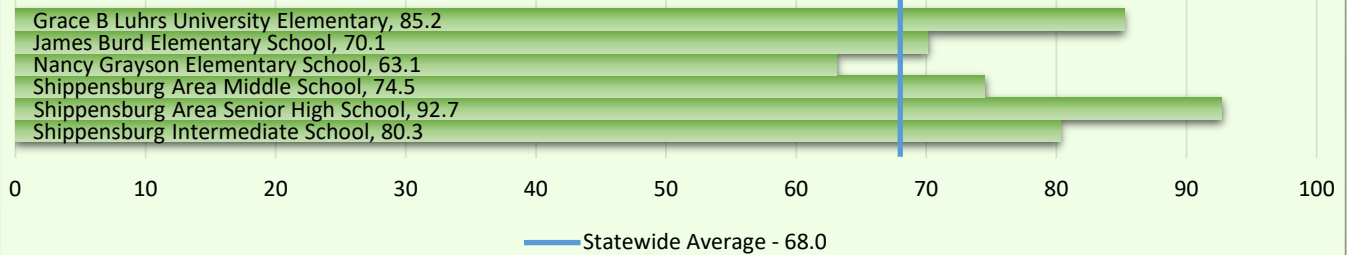
**Conclusion:** The results of our procedures did not identify any reportable issues or any internal control deficiencies.

## Appendix B: Academic Detail

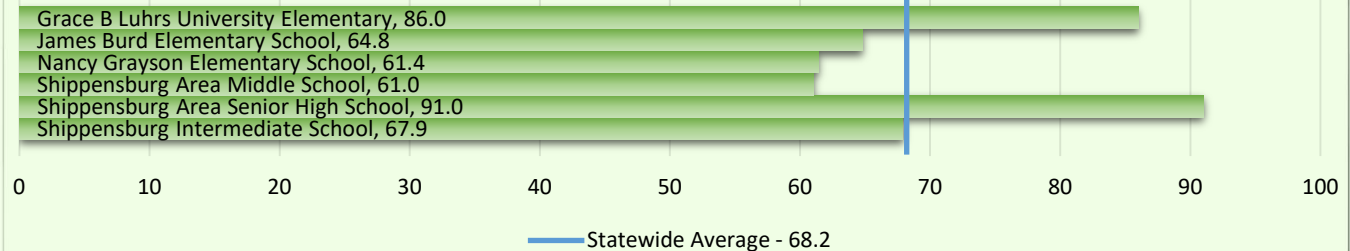
Benchmarks noted in the following graphs represent the statewide average of all public school buildings in the Commonwealth that received a score in the category and year noted.<sup>31</sup> Please note that if one of the District's schools did not receive a score in a particular category and year presented below, the school will not be listed in the corresponding graph.<sup>32</sup>

### SPP School Scores Compared to Statewide Averages

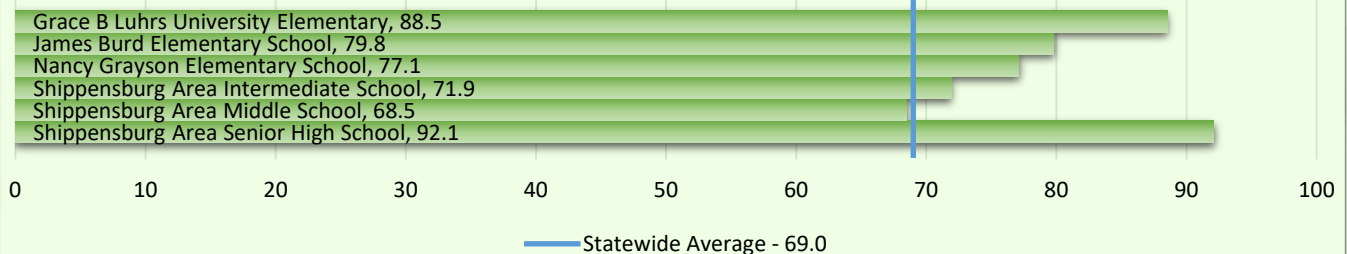
#### 2018-19



#### 2017-18



#### 2016-17

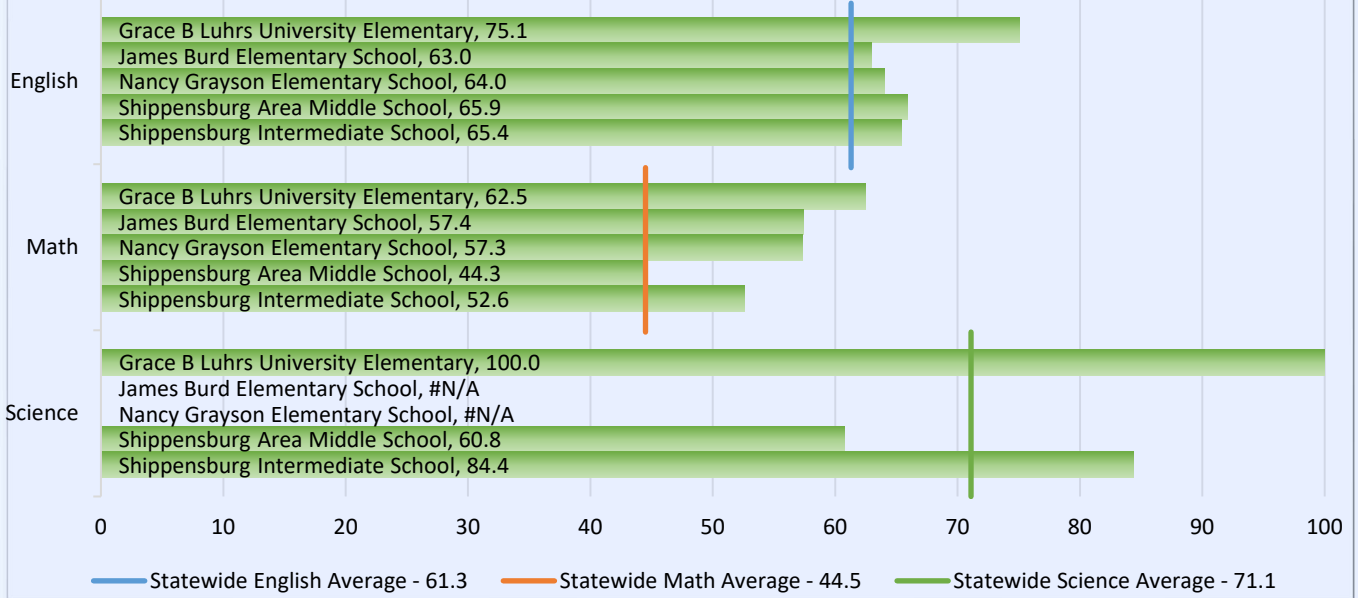


<sup>31</sup> Statewide averages were calculated by our Department based on individual school building scores for all public schools in the Commonwealth, including district schools, charters schools, and cyber charter schools.

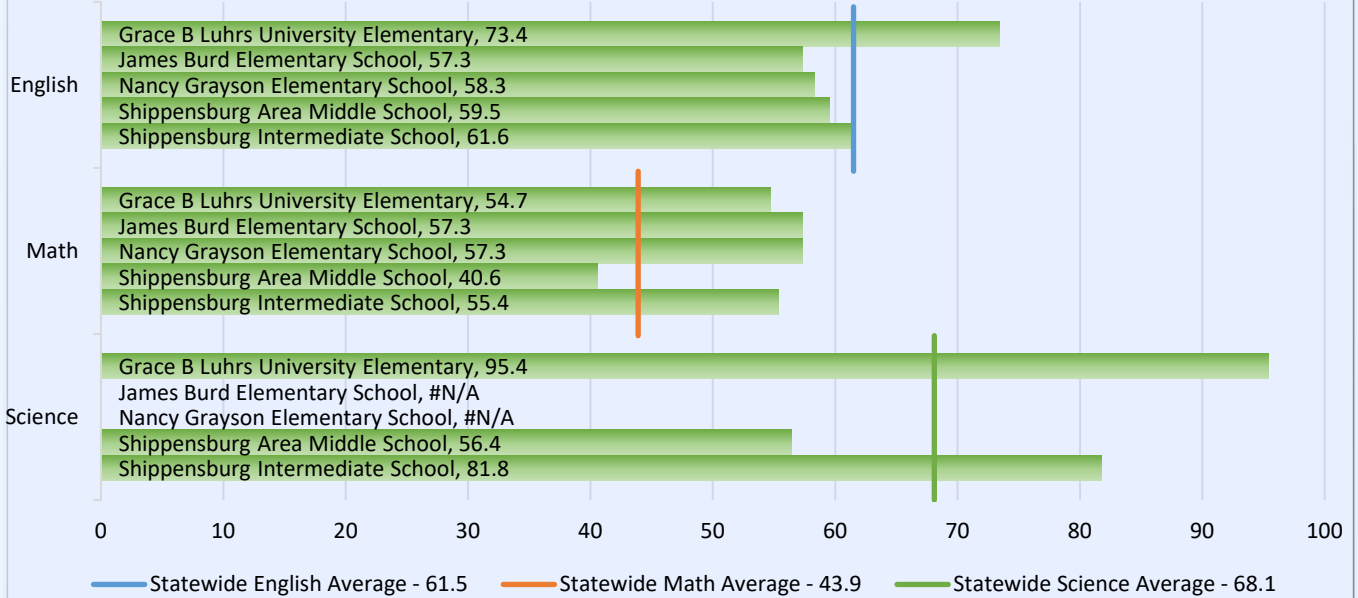
<sup>32</sup> PDE's data does not provide any further information regarding the reason a score was not published for a specific school. However, readers can refer to PDE's website for general information regarding the issuance of academic scores.

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

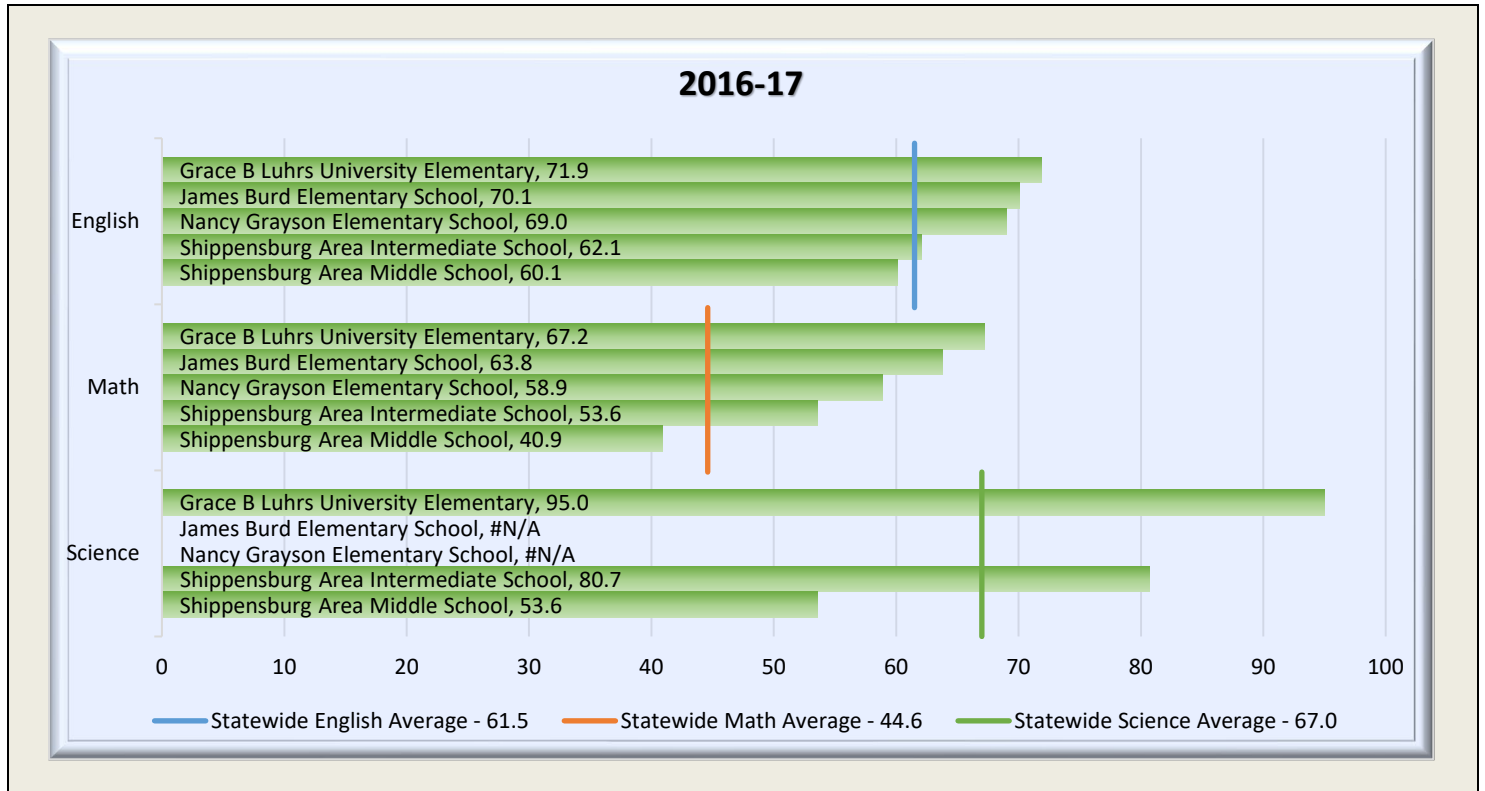
**2018-19**



**2017-18**

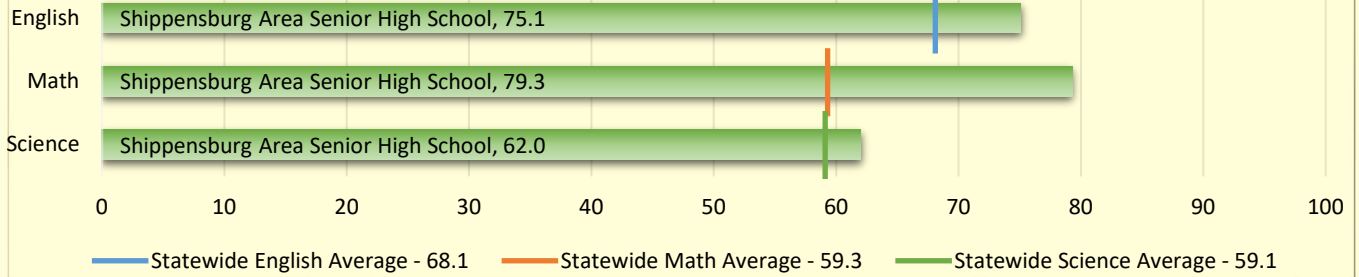


**PSSA Advanced or Proficient Percentage  
School Scores Compared to Statewide Averages (continued)**

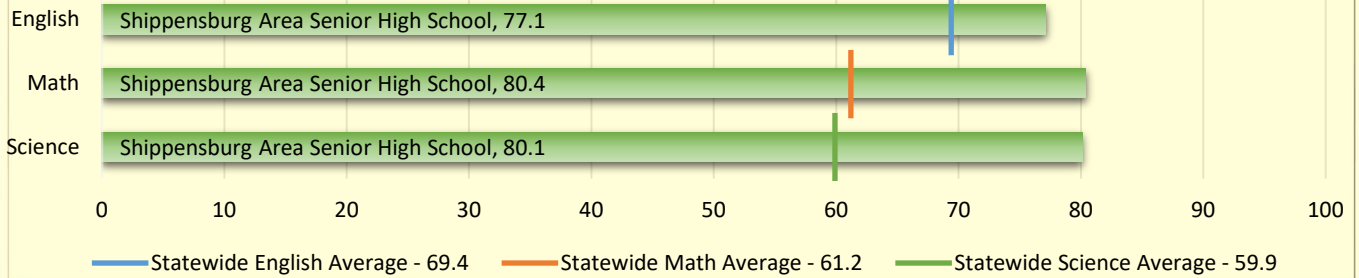


## Keystone Advanced or Proficient Percentage School Scores Compared to Statewide Averages

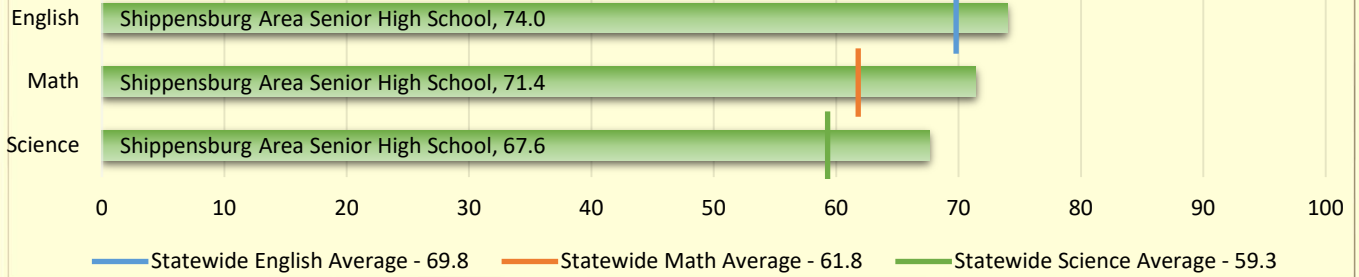
### 2018-19



### 2017-18



### 2016-17



## **Distribution List**

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