

# PERFORMANCE AUDIT

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## Tunkhannock Area School District Wyoming County, Pennsylvania

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August 2020



Commonwealth of Pennsylvania  
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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**EUGENE A. DePASQUALE  
AUDITOR GENERAL**

Ms. Heather McPherson, Superintendent  
Tunkhannock Area School District  
41 Philadelphia Avenue  
Tunkhannock, Pennsylvania 18657

Mr. Philip Farr, Board President  
Tunkhannock Area School District  
41 Philadelphia Avenue  
Tunkhannock, Pennsylvania 18657

Dear Ms. McPherson and Mr. Farr:

Our performance audit of the Tunkhannock Area School District (District) evaluated the application of best practices in the areas of financial stability. In addition, this audit determined the District's compliance with certain relevant state laws, regulations, contracts, and administrative procedures (relevant requirements). This audit covered the period July 1, 2015 through June 30, 2019, except as otherwise indicated in the audit scope, objective, and methodology section of the report. The audit was conducted pursuant to Sections 402 and 403 of The Fiscal Code (72 P.S. §§ 402 and 403), and 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 objectives.

Our audit found that the District applied best practices and complied, in all significant respects, with relevant requirements, except as detailed in our two findings noted in this audit report. A summary of the results is presented in the Executive Summary section of the audit report.

We also evaluated the application of best practices in the area of school safety. Due to the sensitive nature of this issue and the need for the full 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.

Ms. Heather McPherson  
Mr. Philip Farr  
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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. We appreciate the District's cooperation during the course of the audit.

Sincerely,

A handwritten signature in black ink, appearing to read "Eugene A. DePasquale". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Eugene A. DePasquale  
Auditor General

August 17, 2020

cc: **TUNKHANNOCK 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 Tunkhannock 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, 2015 through June 30, 2019, 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 2015-16 through 2018-19 school years.

### **Audit Conclusion and Results**

Our audit found that the District applied best practices and complied, in all significant respects, with certain relevant state laws, regulations, contracts, and administrative procedures, except for two findings.

#### **Finding No. 1: The District Inaccurately Reported Transportation Data for the 2015-16 through 2018-19 School Years Resulting in a Net Underpayment of \$195,214.**

The District inaccurately reported the number of public school students living on a nonhazardous route who were transported for the 2015-16, 2017-18, and 2018-19 school years. The District also inaccurately reported the number of students from the 2015-16 through 2017-18 school years who are elementary or secondary students residing within Pennsylvania Department of Transportation determined hazardous walking routes. The inaccurate reporting of this data led to the District being underpaid \$193,289 in regular transportation

reimbursements from the Pennsylvania Department of Education (PDE). Furthermore, the District inaccurately reported the number of nonpublic school students for the 2017-18 school year resulting in an underpayment of \$1,925 in supplemental transportation reimbursements. The District was underpaid a net total of \$195,214 as a result of these errors (see page 7).

#### **Finding No. 2: The District Failed to Conduct All Required Monthly Fire Drills in Accordance with the Public School Code and Failed to Maintain Adequate Fire Drill Documentation.**

Our review of the District's fire and security drill data for the 2018-19 school year disclosed that the District failed to conduct monthly fire drills, as required by Section 1517(a) of the Public School Code.<sup>1</sup> Further, we found that the District did not maintain adequate documentation to support monthly fire drills reported to PDE for two of its school buildings during our review period. Finally, the District filed its Accuracy Certification Statement report with PDE after the required due date (see page 14).

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

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

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<sup>1</sup> 24 P.S. § 15-1517(a).

## Background Information

School Characteristics 2018-19 School Year <sup>A</sup>	
County	Wyoming
Total Square Miles	292
Number of School Buildings	4
Total Teachers	200
Total Full or Part-Time Support Staff	124
Total Administrators	24
Total Enrollment for Most Recent School Year	2,189
Intermediate Unit Number	18
District Career and Technical School	Susquehanna County CTC

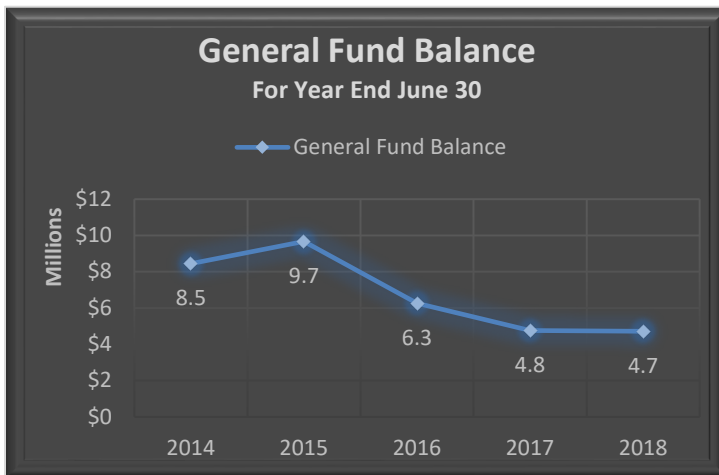
A - Source: Information provided by the District administration and is unaudited.

## Mission Statement<sup>A</sup>

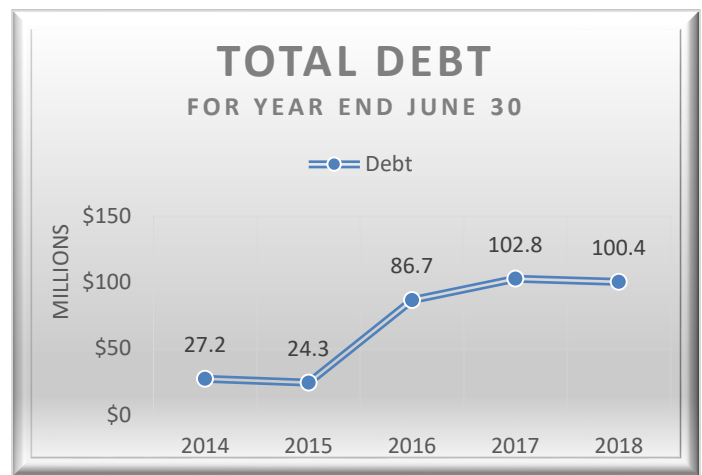
“The mission of the Tunkhannock Area School District is to maximize the potential of all students to become productive individuals in an ever-changing environment.”

## Financial Information

The following pages contain financial information about the Tunkhannock Area School District (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**.

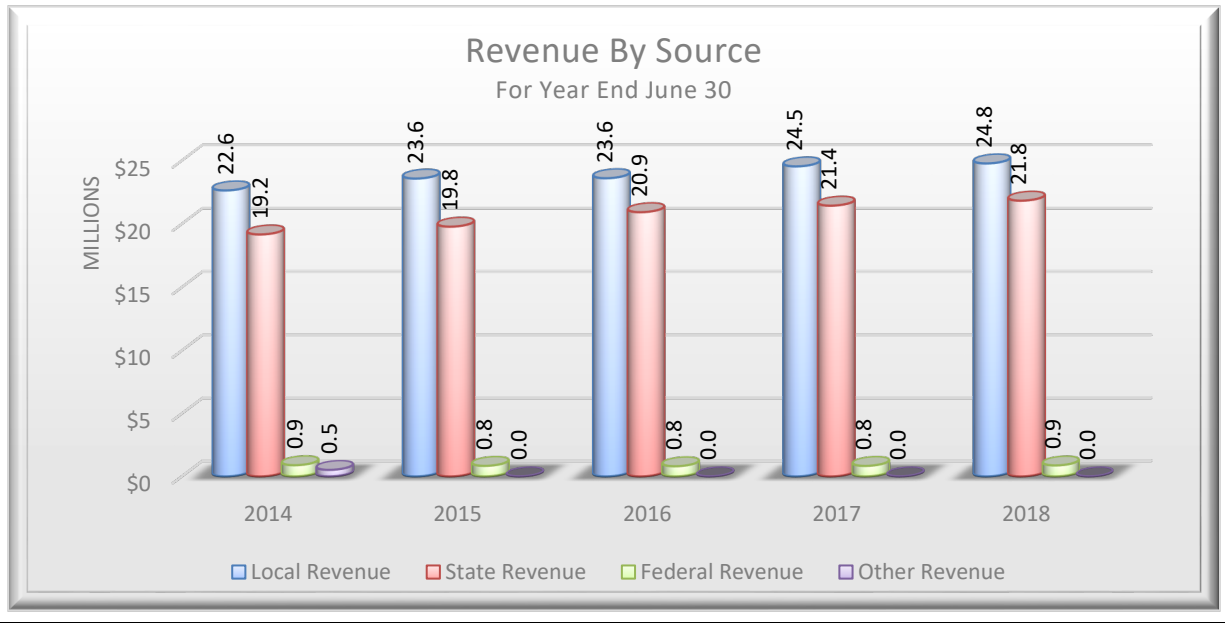
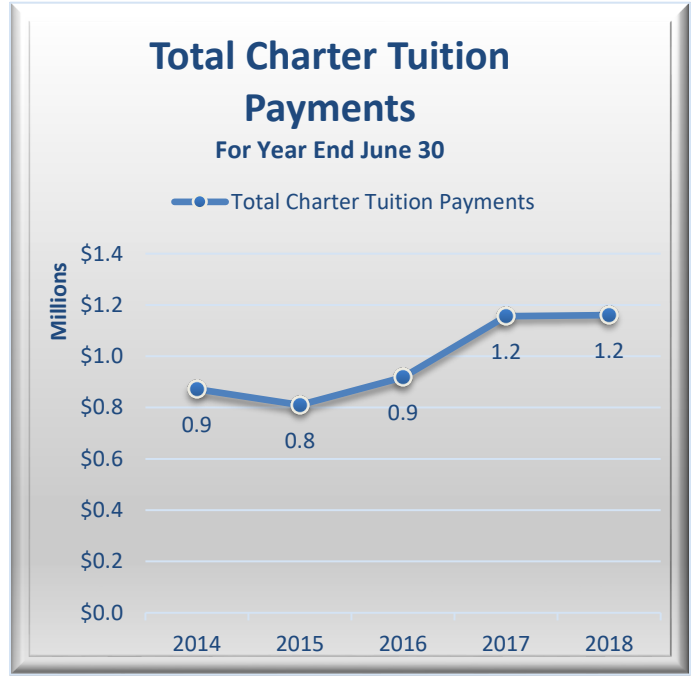
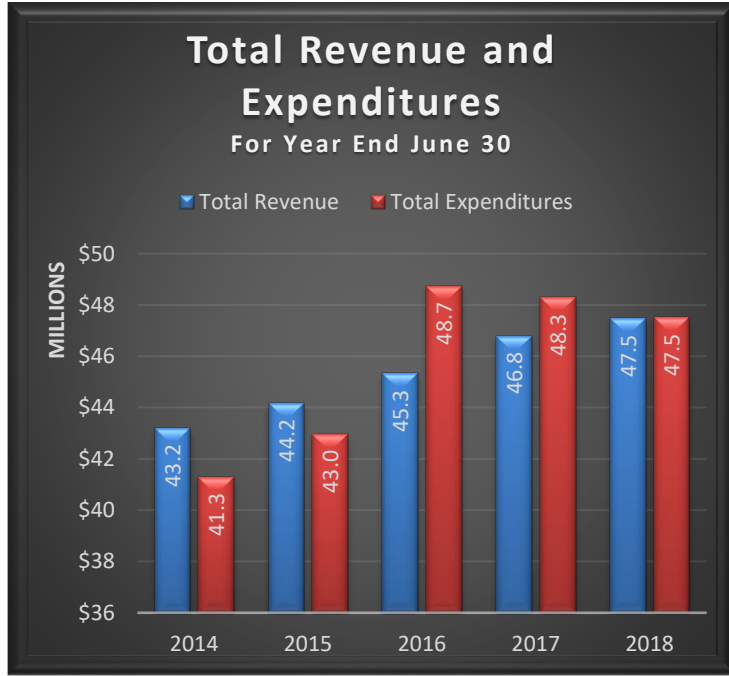


**Note:** General Fund Balance is comprised of the District’s Committed, Assigned and Unassigned Fund Balances.



**Note:** Total Debt is comprised of Short-Term Borrowing, General Obligation Bonds, Authority Building Obligations, Other Long-Term Debt, Other Post-Employment Benefits, Compensated Absences and Net Pension Liability.

## Financial Information Continued

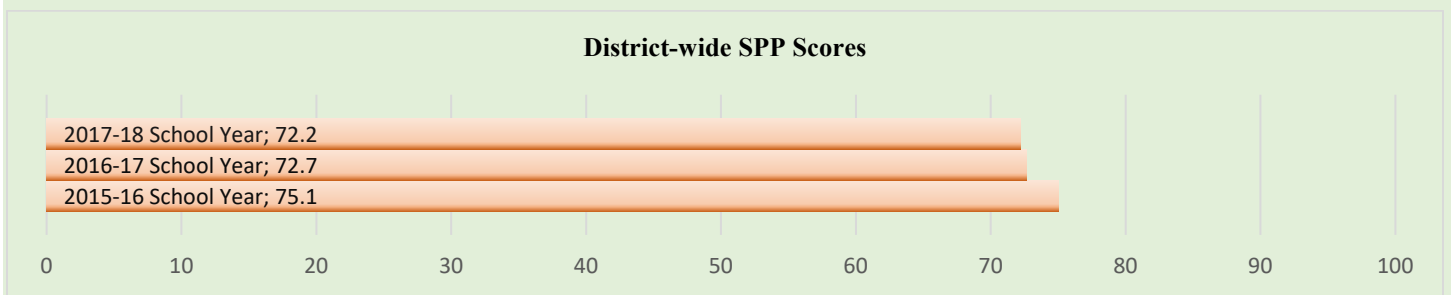


## Academic Information

The graphs on the following pages present the District-wide School Performance Profile (SPP) scores, Pennsylvania System of School Assessment (PSSA) scores, Keystone Exam results, and 4-Year Cohort Graduation Rates for the District obtained from PDE's data files for the 2015-16, 2016-17, and 2017-18 school years.<sup>2</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>3</sup>



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<sup>2</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>3</sup> PDE started issuing a SPP score for all public school buildings beginning with the 2012-13 school year. For the 2014-15 school year, PDE only issued SPP scores for high schools taking the Keystone Exams as scores for elementary and middle scores were put on hold due to changes with PSSA testing. PDE resumed issuing a SPP score for all schools for the 2015-16 school year.

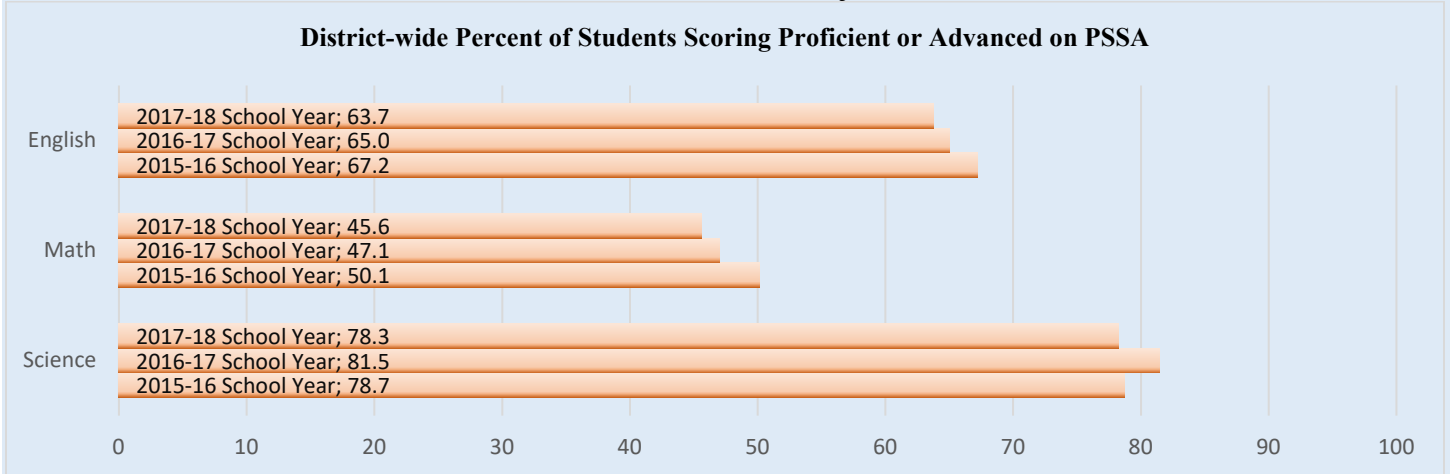


## Academic Information Continued

### What is the PSSA?

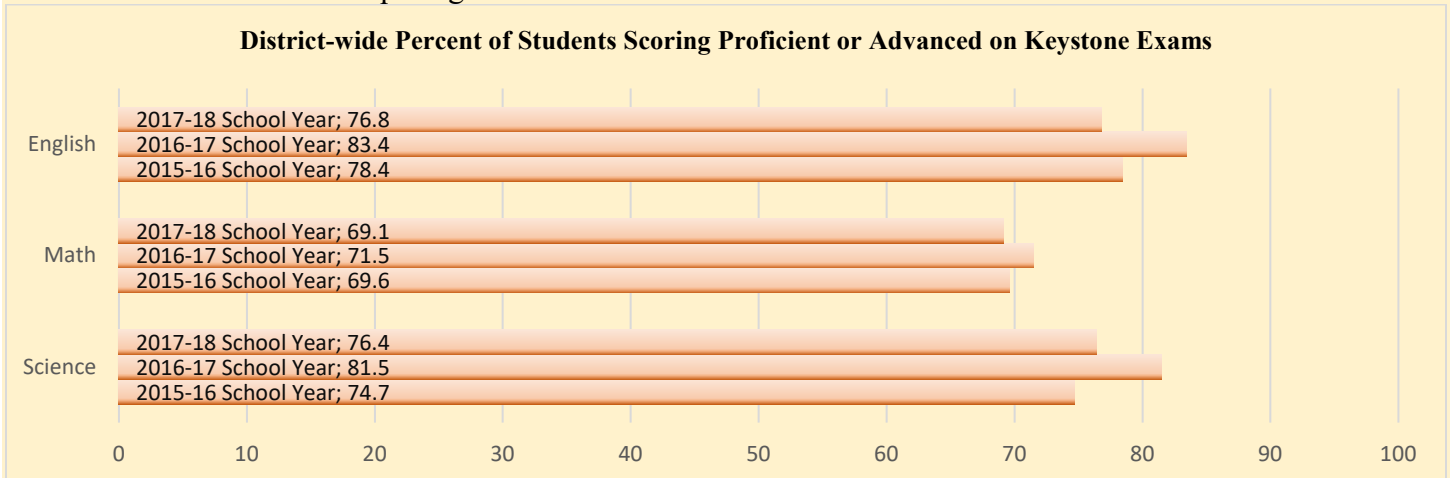
The PSSA is an annual, standardized test given across the Commonwealth to students in grades 3 through 8 in core subject areas, including English, Math and Science. The PSSAs help Pennsylvania meet federal and state requirements and inform instructional practices, as well as provide educators, stakeholders,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

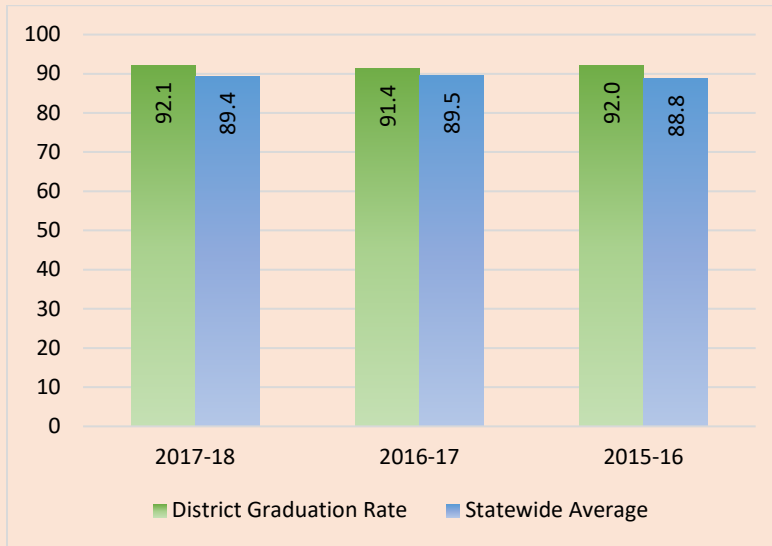


<sup>4</sup> Act 158 of 2018, effective October 24, 2018, amended the Public School Code to further delay the use of Keystone Exams as a graduation requirement until the 2021-22 school year. See 24 P.S. § 1-121(b)(1).

## 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:  
<http://www.education.pa.gov/Data-and-Statistics/Pages/Cohort-Graduation-Rate-.aspx>.

## Findings

### Finding No. 1

### The District Inaccurately Reported Transportation Data for the 2015-16 through 2018-19 School Years Resulting in a Net Underpayment of \$195,214

#### *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).

The Tunkhannock Area School District (District) inaccurately reported the number of public school students living on a nonhazardous route who were transported for the 2015-16, 2017-18, and 2018-19 school years. The District also inaccurately reported the number of students from the 2015-16 through 2017-18 school years who are elementary or secondary students residing within Pennsylvania Department of Transportation (PennDOT) determined hazardous walking routes. The inaccurate reporting of this data led to the District being underpaid \$193,289 in regular transportation reimbursements from the Pennsylvania Department of Education (PDE). Furthermore, the District inaccurately reported the number of nonpublic school students for the 2017-18 school year resulting in an underpayment of \$1,925 in supplemental transportation reimbursements. The District was underpaid a net total of \$195,214 as a result of these errors.

School districts receive two separate transportation reimbursement payments from PDE. One reimbursement is broadly based on the number of students transported on each vehicle, the number of days each vehicle was used for transporting students, and the number of miles that vehicles are in service, both with and without students (regular transportation reimbursement). The other reimbursement is based solely on the number of nonpublic school and charter school students transported (supplemental transportation reimbursement). The issues and errors identified in this finding affected both the District's regular and supplemental transportation reimbursements.

Regular transportation reimbursement is based on several components that are reported by the District to PDE for use in calculating the District's annual reimbursement amount. These components include, but are not limited to, the following:

- Total number of days each vehicle was used to transport students to and from school.
- Miles traveled with and without students for each vehicle.
- Number of students assigned to each vehicle.

Since the above listed 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.

*Criteria relevant to the finding (continued):*

**Non-reimbursable students**

Non-reimbursable students are elementary students who reside within 1.5 miles of their elementary school and secondary students who reside within 2 miles of their secondary school. Non-reimbursable students do not include special education students or students who reside on routes determined by the Pennsylvania Department of Transportation to be hazardous. See 24 P.S. § 25-2541(b)(1).

**HAZARDOUS ROUTE** - Route certified by the Pennsylvania Department of Transportation as having conditions, i.e., heavy traffic, no sidewalks, etc., which make it dangerous for pupils to walk along the road to school or to a bus stop.

**HAZARDOUS PUPIL** - Any pupil living in an area where the highway, road, or traffic conditions are such that walking constitutes a hazard to the safety of the child, as so certified by the Pennsylvania Department of Transportation.

**Sworn Statement and Annual Filing Requirements**

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

PDE provides instructions to help districts report this information accurately. Relevant portions of these instructions are cited in the criteria section of this finding.

As stated earlier in the finding, regular transportation reimbursement is based in part on the number of students transported. These students fall into multiple reporting categories including public hazardous, public nonhazardous, and nonreimbursable students. Public hazardous students are elementary students residing within 1.5 miles of the respective school they attend or secondary students residing within 2 miles of the respective school they attend who also live on a PennDOT determined hazardous walking route. Public nonhazardous students are elementary students who reside more than 1.5 miles from their respective school and secondary students who reside more than 2 miles from their respective school. Nonreimbursable students are students that the District transports despite these students not being eligible for transportation services according to PDE guidelines.<sup>6</sup> Districts can choose to transport nonreimbursable students, but if transported, the district receives a reduced regular transportation reimbursement from PDE compared to if these students were reimbursable.

It is also important to note that the Public School Code (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 Tunkhannock Area School District completed this sworn statement for all four school years discussed in this finding. It is essential that the District accurately report transportation data to PDE and retain the support for this transportation data. Further, the sworn statement of student 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>

**Regular Transportation Reimbursement**

We found that the District inaccurately reported the number of public nonhazardous students transported to PDE for the 2015-16, 2017-18, and 2018-19 school years. The District failed to follow PDE guidelines which require districts to report to PDE the number of students assigned to ride each vehicle used to transport students during the school year. The District reported to PDE the actual number of students transported as opposed to

<sup>6</sup> Nonreimbursable students are defined as elementary students residing less than 1.5 miles from the school and secondary students residing less than 2.0 miles from the school, excluding special education and career and technical students, as well as students who live on a PennDOT defined hazardous walking route.

<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, 2019).

*Criteria relevant to the finding  
(continue):*

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

**Supplemental Transportation Subsidy for Nonpublic 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. *See* 24 P.S. § 25-2509.3.

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

Number of Nonpublic School Pupils Transported – Nonpublic school pupils are children whose parents are paying tuition for them to attend a nonprofit private or parochial school. (Any child that the district is financially responsible to educate is a public pupil.)

the number of students assigned to each vehicle. This error resulted in the District under reporting the number of public nonhazardous students transported by 260 in 2015-16, 308 in 2017-18, and by 293 in 2018-19. The underreporting of public nonhazardous students resulted in an underpayment of transportation reimbursement of \$219,672.

In addition to the years noted above, we also evaluated the District’s reimbursement request for the 2019-20 school year. We again found that the District inaccurately reported the number of public nonhazardous students transported, which would have resulted in another significant underpayment of its reimbursement. However, we brought the results to the attention of the District and the District was able to amend the reported data to PDE.

We found that for the 2016-17 school year the District calculated and reported the number of public nonhazardous students transported accurately. However, the District inaccurately reported the number of public nonhazardous students transported in the preceding year and the two subsequent years. When we discussed the results of our analysis with the District official responsible for reporting this data, she acknowledged this fact and stated that the inaccurate reporting was due to not having a full understanding or awareness of PDE guidelines. She acknowledged the illogical nature of accurately reporting this data during one of the four years of the audit period, but was unable to provide an explanation of why this occurred.

We also found that the District inaccurately reported public hazardous students to PDE. The District designated students as public hazardous who were not eligible based on PDE requirements. We found that the District over-reported the number of public hazardous students transported by 88 in 2015-16, 90 in 2016-17, and 67 in 2017-18, resulting in an overpayment of \$26,383.

The District’s transportation coordinator was unaware that PDE requires PennDOT to identify hazardous walking routes within the district prior to the District assigning its students as “public hazardous” based on their residences and distance from schools. District officials assumed that walking routes were determined to be hazardous due to the District’s lack of sidewalks in certain areas, traffic flow, and local knowledge. However, the District did not have the official determinations from PennDOT designating any routes within the District as a hazardous walking route. The District closed several schools as part of an overall District reorganization during the 2018-19 school year that led to the District not reporting any public hazardous students during the 2018-19 school year.

*Criteria relevant to the finding (continue):*

Number of Public School Pupils Transported because of hazardous walking conditions – The number of resident public school pupils transported to and from school because of certified hazardous walking routes. This figure should include only those pupils who live within 1.5 miles of the elementary school or within 2 miles of the secondary school in which they are enrolled.

Number of Nonreimbursable Pupils Transported on Contracted vehicles – If a district transports elementary pupils who reside within 1.5 miles of their school or secondary pupils who reside within 2 miles of their school who are not exceptional children or not required to use a certified hazardous walking route to reach their school, they are nonreimbursable pupils. Pupils who reside as indicated above, but are being transported to/from daycare providers located beyond those distances are still nonreimbursable. The location of their residence is the deciding factor.

**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 3/27/20.)

Number of Students

Once during each month, from October through May, for to-and-from school transportation...Report the greatest number of students *assigned* to ride the vehicle at any one time during the day. If this figure changed during the year, calculate a weighted average or sample average.

The table below illustrates the District’s regular transportation reimbursement errors and the resulting net transportation underpayment.

<b>Tunkhannock Area School District Regular Transportation Reimbursement Reporting Errors</b>			
<b>School Year</b>	<b>No. of Public Non-Hazardous Students (Underreported)</b>	<b>No. of Public Hazardous Students Overreported</b>	<b>(Under) Over Payment</b>
<b>2015-16</b>	(260)	88	(\$ 54,324)
<b>2016-17</b>	0	90	\$ 9,458
<b>2017-18</b>	(308)	67	(\$ 66,567)
<b>2018-19</b>	(293)	0	(\$ 81,856)
<b>Total</b>	<b>(861)</b>	<b>245</b>	<b>(\$193,289)</b>

**Supplemental Transportation Reimbursement**

We found that the District underreported the number of nonpublic school students transported during the 2017-18 school year. PDE reimburses districts for these services based on the number of nonpublic students transported. The underreporting of students involved five students resulting in an underpayment of \$1,925.

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.<sup>8</sup> The PSC requires school districts to provide transportation services to students who reside in its district and who attend a nonpublic school, and it provides for a reimbursement from the Commonwealth of \$385 for each nonpublic school student transported by the district.

The District underreported the number of nonpublic school students transported due to a misinterpretation of PDE’s guidelines. The District official responsible for reporting this data incorrectly assumed that a student had to be transported for the entire school year to be eligible to be reported to PDE for reimbursement. Therefore, students who were transported for only part of the year were not reported to PDE despite the District being eligible to be reimbursed for transporting these students.

The District’s transportation coordinator was solely responsible for collecting, maintaining, calculating, and reporting all aspects of transportation data during the audit period. The District lacked transportation reporting procedures that specifically addressed the accurate reporting of public nonhazardous students, public hazardous students, and

<sup>8</sup> See Section 921.1-A(b) (relating to “Definitions”) of the PSC, 24 P.S. § 9-922.1-A(b).

nonpublic school students. The District's transportation coordinator performed her duties independently based on past practices and the District did not have an adequate review process in place to ensure that the District was accurately reporting transportation data to PDE. The District's Superintendent indicated that she signed the annual sworn statements based on reviews that were occurring, but these reviews were not verified by the Superintendent. District officials acknowledged the lack of internal controls over its transportation department and the reporting of transportation data. These officials attributed this to the lack of internal controls to being short staffed with officials knowledgeable in transportation reporting requirements.

We provided PDE with reports detailing the transportation reporting errors for the 2015-16 through 2018-19 school years. PDE requires these reports to verify the reporting errors by the District. The District's future transportation reimbursements should be adjusted by the amount of the underpayment for these years.

### **Recommendations**

The *Tunkhannock Area School District* should:

1. Ensure personnel in charge of calculating, approving, and reporting student transportation data are trained with regard to PDE's reporting requirements.
2. Develop transportation procedures that specifically address how to accurately report the number of public nonhazardous students transported, public hazardous students, and nonpublic school students. Ensure that these procedures include the reconciliation of hazardous walking route documentation to the number of public hazardous students reported and individual requests for transportation to the specific nonpublic school students reported to PDE.
3. Implement a procedure to have a District official, other than the employee who computes transportation student data, review the data for accuracy and approve the data prior to submission to PDE.
4. Ensure that the sworn statements are not signed by the Superintendent unless the transportation data has been reviewed by personnel trained on PDE's reporting requirements.

The *Pennsylvania Department of Education* should:

5. Adjust the District's future transportation reimbursements to resolve the underpayment of \$195,214.

## Management Response

District management agreed with the finding and provided the following response:

Problem Cause:

*Reported actual students transported versus number assigned to vehicle—insufficient knowledge*

The District incorrectly reported the actual number of students transported instead of the number of students assigned. The District Official began using this procedure after receiving a monthly computation template which was recommended for use. However, the full instructions were not provided at the time, so she used the template for reporting purposes. She acknowledges that she did not have a full understanding or awareness of PDE guidelines.

*Designated students as public hazardous who were not eligible—insufficient knowledge*

The District Official was unaware that PDE requires PennDOT to identify hazardous walking routes within the district prior to the District assigning its students as "public hazardous." Previously, the District was determining "hazardous" based on local knowledge of concerning areas (traffic flow, lack of sidewalks, etc.)

*Underreported the number of nonpublic school students transported—insufficient knowledge*

District Official incorrectly assumed that a student had to be transported for the entire school year to be eligible to be reported to PDE for reimbursement. This was a result of a misunderstanding of the PDE procedure.

*Lack of internal controls—insufficient knowledge*

There is an insufficient number of people trained on PDE's Transportation procedures to provide a thorough review of the data.

Corrective Action:

1. Ensure personnel in charge of calculating, approving and reporting student transportation data are trained with regard to PDE's reporting requirements.
  - District officials have been trained on the reporting requirements as they pertain to these audit findings.
  - Insure annual refresher training is occurring



- Identify additional resources for training on PDE reporting requirements.
2. Develop transportation procedures that specifically address how to accurately report the number of public nonhazardous students transported, public hazardous students, and nonpublic school students. Ensure that these procedures include the reconciliation of hazardous walking route documentation to the number of public hazardous students reported and individual requests for transportation to the specific nonpublic school students reported to PDE.
    - COO to attend PDE Transportation Training
    - Document district-specific procedures to reflect the appropriate reporting requirements for transportation.
  3. Implement a procedure to have a District official, other than the employee who computes transportation student data, review the data for accuracy and approve the data prior to submission to PDE.
    - Identify who will review data
    - Create an internal control procedure which outlines data to be reviewed along with relevant deadlines for review and submission.
  4. Ensure that the sworn statements are not signed by the Superintendent unless the transportation data has been reviewed by personnel trained on PDE's reporting requirements.

### **Auditor Conclusion**

We are pleased that the District agrees with our finding and is in the process of implementing our recommendations. We believe that the implementation of our recommendations will help the District improve their internal controls over the reporting of transportation data and help ensure the accuracy of transportation data reported to PDE. We will evaluate the effectiveness of these corrective actions during our next audit.

## Finding No. 2

## The District Failed to Conduct all Required Monthly Fire Drills in Accordance with the Public School Code and Failed to Maintain Adequate Fire Drill Documentation

### *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 for the 2018-19 school year disclosed that the District failed to conduct monthly fire drills, as required by Section 1517(a) of the PSC.<sup>9</sup> Further, we found that the District did not maintain adequate documentation to support monthly fire drills reported to PDE for two of its school buildings during our review period. Finally, the District filed its Accuracy Certification Statement (ACS) report with PDE after the required due date.

### Reporting Requirements

In June 2018, the fire drill provisions in the PSC were amended to require school entities to conduct one school security drill in place of a fire drill during the first 90 days of the school year. School entities may also substitute a maximum of two additional security drills for two fire drills during the remainder of the school year.<sup>10</sup> These changes went into effect for the 2018-19 school year. Both fire and security drill data must be annually reported to PDE.

### Review Results

As part of our review, we obtained the District’s 2018-19 Fire Evacuation and Security Drill ACS report filed with PDE. We also requested and examined any available supporting documentation to determine if the required security and fire drills were conducted as required by the PSC and that the drills were properly reported to PDE. We reviewed documentation for the months of September 2018 through May 2019 since planned drills are required to be conducted with students and staff present.

While the District complied with the security drill requirements by conducting a required security drill at each building within the first 90 days of school and properly substituted additional security drills for fire drills, we found that each of the District’s four school buildings failed to conduct all of the required monthly fire drills. Specifically, the ACS report submitted by the District to PDE indicated that the District did not conduct 17 out of the 25 fire drills that should have been conducted for the months

<sup>9</sup> 24 P.S. § 15-1517(a).

<sup>10</sup> 24 P.S. § 15-1517(a.1) as amended by Act 39 of 2018.

*Criteria relevant to the finding  
(continued):*

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

“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 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) (Act 55 of 2017, effective November 6, 2017).

reviewed, or 68 percent.<sup>11</sup> Additionally, the District reported two monthly fire drills for which no documentation was maintained to verify that the drills occurred. Consequently, we could only verify that a total of six monthly fire drills reported to PDE were conducted in all four school buildings combined. For the 17 months for which the District reported to PDE that fire drills were not conducted, the District included an explanation for each month a drill was not held. For example, the District provided comments such as “*Security Incident*,” “*Inclement Weather*,” and/or “*Keystone Testing*” as the reason for not conducting fire drills. However, the PSC does not provide for any exceptions (including actual incidents, weather conditions, or academic testing) for missing required fire drills.

The District’s Safety Coordinator attributed the missed fire drills to his misunderstanding of the PSC’s drill requirements. At the time, the coordinator was under the impression that any type of drill would satisfy the monthly drill requirement and that it didn’t need to be specific to fire or evacuation. District administration supported the coordinator’s explanation by providing the following response: “During the 2018-19 school year, the district was conducting monthly drills (lock down, restricted movement, etc.); however, there were not monthly drills specifically for fire or generic evacuation.”

Finally, we found that the District’s ACS report was filed on August 16, 2019, after the required filing due date of July 31, 2019. The District explained that its ACS report was filed late due to having to receive a data exception from PDE and summer vacations.

## **Conclusion**

In conclusion, it is vitally important that the District’s students and staff regularly participate in fire drills throughout the school year. These drills should be evidenced by adequate documentation maintained by each of the District’s school buildings.

The recent amendments to Section 1517 of the PSC by our General Assembly reinforce the vital necessity of conducting both monthly school fire drills and school security drills to ensure that the health and safety of all the school entities’ students, staff, and visitors are safeguarded at all times. The general purpose of school fire and security drills is to train students and staff to respond rapidly and sensibly during emergency situations. Additionally, it is essential that the District maintain accurate documentation to support the fire drill and school security drill data for ready access by auditors and others to monitor compliance with the PSC’s drill requirements.

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<sup>11</sup> The District conducted a total of 11 security drills, so that amount was deducted from the total number of months reviewed (i.e., 9 months at 4 school buildings = 36) to determine the remaining number of months for which fire drills should have been conducted.

*Criteria relevant to the finding  
(continued):*

According to PDE guidance emailed to all public schools on October 7, 2016, and its Basic Education Circular entitled, Fire Drills and School Bus Evacuations, annual certification of the completion of fire drills must be provided to PDE. Beginning with the 2016-17 school year, annual reporting was required through the PIMS and fire drill certifications require each school entity to report the date on which each monthly fire drill was held. **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 PIMS submission, a printed, signed original must be sent to PDE's Office for Safe Schools.** (Emphasis added.) See <https://www.education.pa.gov/Policy-Funding/BECS/Purdons/Pages/FireDrillsSecurityBusEvac.aspx> which was last updated on August 7, 2018.

## Recommendations

The *Tunkhannock Area School District* should:

1. Conduct all required fire drills in compliance with the PSC 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. File its ACS report with PDE by the required due date of July 31<sup>st</sup> annually.

## Management Response

District management agreed with the finding and provided the following response:

Problem Cause:

*Fire drills not completed per school code—Insufficient knowledge*

Fires drills were incomplete due to a misunderstanding of the drill requirements. The Director of Security was under the impression that any drill would meet the monthly requirement. During this time, the District was conducting monthly drills (lock down, restricted movement, etc.) or experienced actual events; however, there were not monthly drills specifically for fire.

*ACS report filed late—Procedural*

The ACS report was filed late due to having to receive a data exception from PDE and availability of key staff during summer months.

Corrective Action:

1. Conduct all required fire drills in compliance with the PSC for all future school years
  - Director of Security understands school code requirements.
  - Fire drills are conducted monthly and are tracked as such.
  - Begin quarterly data check to insure progress is on track for 20/21 school year.
2. Maintain detailed documentation of every fire and school security drill conducted at each school building in order to accurately report annual data to the PDE.
  - Documentation requirements were corrected in 19/20 school year.

- Begin quarterly data check to insure tracking requirements are on track for 20/21.
3. File its ACS report with PDE by the required due date of July 31st annually.
    - Insure sufficient lead-time is used for reporting purposes to allow extra time for data corrections and staffing availability.

### **Auditor Conclusion**

We are pleased that the District agrees with our finding and is in the process of implementing our recommendations. We believe that the implementation of our recommendations will help the District improve the accuracy of its reporting of fire and safety drills. We will evaluate the effectiveness of these corrective actions during our next audit.

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

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**O**ur prior audit of the Tunkhannock 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>12</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.

### Scope

Overall, our audit covered the period July 1, 2015 through June 30, 2019. In addition, the scope of each individual audit objective is detailed on the next page.

The Tunkhannock Area School District's (District) management is responsible for establishing and maintaining effective internal controls to provide reasonable assurance that the District is in compliance with certain relevant state laws, regulations, contracts, and administrative procedures (relevant requirements).<sup>13</sup> In conducting our audit, we obtained an understanding of the District's internal controls, including any information technology controls, if applicable, that we considered to be significant within the context of our audit objectives. We assessed whether those controls were properly designed and implemented. Any deficiencies in internal controls that were identified during the conduct of our audit and determined to be significant within the context of our audit objectives are included in this report.

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<sup>12</sup> 72 P.S. §§ 402 and 403.

<sup>13</sup> Internal controls are processes designed by management to provide reasonable assurance of achieving objectives in areas such as: effectiveness and efficiency of operations; relevance and reliability of operational and financial information; and compliance with certain relevant state laws, regulations, contracts, and administrative procedures.

## Objectives/Methodology

In order to properly plan our audit and to guide us in selecting objectives, we reviewed pertinent laws and regulations, board meeting minutes, annual financial reports, annual budgets, new or amended policies and procedures, and the independent audit report of the District's basic financial statements for the fiscal years July 1, 2015 through June 30, 2019. 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 efficiency and effectiveness in the following areas:

- ❖ Transportation Operations
- ❖ School Safety
- ❖ Financial Stability
- ❖ Nonresident Student Data
- ❖ Administrator Separations
- ❖ Bus Driver Requirements

As we conducted our audit procedures, we sought to determine answers to the following questions, which served as our audit objectives:

- Did the District ensure compliance with applicable laws and regulations governing transportation operations, and did the District receive the correct transportation reimbursement from the Commonwealth?<sup>14</sup>
  - ✓ To address this objective, we assessed the District's internal controls for obtaining, processing, and reporting transportation data to PDE. We obtained PDE's Summary of Individual Vehicle Data report and randomly selected 10 of 86 vehicles used to transport District students during the 2017-18 school year. For each vehicle tested, we obtained the District's sample averaging calculations, odometer readings, route documentation, school calendar, and bus rosters and verified that miles with and without students, the number of days students were transported, and the number of students transported were accurately reported to PDE and that the District was reimbursed accurately for this reported information.
  - ✓ Due to reporting errors identified in our testing of the reported number of students transported on the ten vehicles, we expanded our testing to the reported number of students transported for all vehicles reported to PDE as transporting students during the 2015-16 through 2018-19 school years.<sup>15</sup> The results of this testing were included in Finding No. 1 on page 7 of this report.
- Did the District comply with requirements in the Public School Code and the Emergency Management Code related to emergency management plans, bullying prevention, Memorandums of Understanding with local law enforcement, and fire drills?<sup>16</sup> Also, did the District follow best practices related to physical building security and providing a safe school environment?

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<sup>14</sup> See 24 P.S. §§ 25-2541.

<sup>15</sup> The District reported 76 vehicles used to transport students during the 2015-16 school year, 77 vehicles during the 2016-17 school year, and 79 vehicles during the 2018-19 school year.

<sup>16</sup> 24 P.S. § 13-1301-A *et seq.*, 35 Pa.C.S. § 7701, and 24 P.S. § 15-1517.



- ✓ To address this objective, we reviewed a variety of documentation including, safety plans, evidence of physical building security assessments, anti-bullying policies, safety committee meeting minutes, and 2018-19 school year fire drill reporting data. In addition, we conducted on-site reviews at one of the District's four school buildings to assess whether the District had implemented basic safety practices.<sup>17</sup> Due to the sensitive nature of school safety, the full results of our review of this objective area 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>18</sup> Results for a portion of the testing completed for this objective were included in Finding No. 2 on page 14 of this report.
  
- Based on an assessment of financial indicators, was the District in a declining financial position, and did it comply with all statutes prohibiting deficit fund balances and the over expending of the District's budget?
  - ✓ To address this objective, we reviewed the District's annual financial reports, General Fund budgets, and independent auditor's reports for the 2015-16 through 2018-19 fiscal years. The financial and statistical data was used to calculate the District's General Fund balance, operating position, charter school costs, debt ratio, and current ratio. These financial indicators were deemed appropriate for assessing the District's financial stability. The financial indicators are based on best business practices established by several agencies, including Pennsylvania Association of School Business Officials, the Colorado Office of the State Auditor, and the National Forum on Education Statistics. Our review of this objective did not result in any reportable issues.
  
- Did the District accurately report nonresident students to PDE? Did the District receive the correct reimbursement for these nonresident students?<sup>19</sup>
  - ✓ To address this objective, we assessed the internal controls over the input, processing, and reporting of nonresident foster student data. We also reviewed all students placed in private homes and reported to PDE as nonresident foster students for the 2016-17 and 2017-18 school years.<sup>20</sup> We obtained documentation (placement letters) to verify that the custodial parents or guardians were not residents of the District and the foster parents received a stipend for caring for the student. The student listings will be compared to the total days reported on the Instructional Time and Membership Reports and the Summary of Child Accounting Reports to ensure that the District received the correct reimbursement for these nonresident students. Our review of this objective did not result in any reportable issues.
  
- Did the District pursue a contract buy-out with an administrator and if so, what was the total cost of the buy-out, what were the reasons for the termination/settlement, and did the employment contract(s)

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<sup>17</sup> Buildings selected for a physical walk through were selected based on proximity to the District's administration building; accordingly the results of this audit procedure are not, and should not be, projected to the population.

<sup>18</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>19</sup> See 24 P.S. §§ 13-1301, 13-1302, 13-1305, 13-1306; 22 Pa. Code Chapter 11.

<sup>20</sup> The District reported 18 nonresident foster students during the 2016-17 school year and 5 nonresident foster students during the 2017-18 school year.

comply with the Public School Code<sup>21</sup> and Public School Employees' Retirement System (PSERS) guidelines?

- ✓ To address this objective, we reviewed the contract, settlement agreement, board meeting minutes, board policies, and payroll records for the one individually contracted employee who separated employment from the District during the period July 1, 2015 through June 30, 2019. We verified the reason for the separation and reviewed payroll records to ensure that the payments were correctly reported to PSERS. Our review of this objective did not result in any reportable issues.
- Did the District ensure that all bus drivers transporting District students are board approved and had the required driver's license, physical exam, training, background checks, and clearances<sup>22</sup> as outlined in applicable laws?<sup>23</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 internal controls over the review and approval of bus drivers. We obtained a list of all 123 drivers transporting students as of March 9, 2020. We verified that all drivers were Board approved and then we randomly selected 13 drivers and reviewed to ensure that these drivers met the requirements to transport students.<sup>24</sup> Our review of this objective did not result in any reportable issues.

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<sup>21</sup> 24 P.S. § 10-1073(e)(2)(v).

<sup>22</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>23</sup> 24 P.S. § 1-111, 23 Pa.C.S. § 6344(a.1), 24 P.S. § 2070.1a *et seq.*, 75 Pa.C.S. §§ 1508.1 and 1509, and 22 *Pa. Code Chapter 8*.

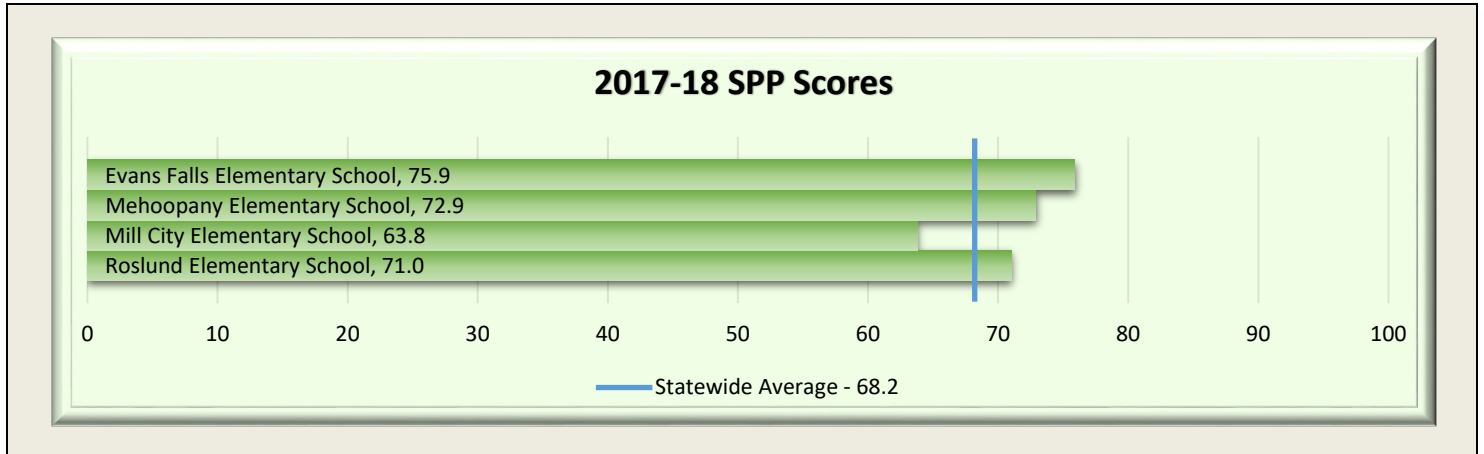
<sup>24</sup> While representative selection is a required factor of audit sampling methodologies, audit sampling methodology was not applied to achieve this test objective, accordingly, the results of this audit procedure are not and should not be projected to the population.

## Appendix B: Academic Detail by School Building

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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>25</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>26</sup>

### 2017-18 Academic Data School Scores Compared to Statewide Averages

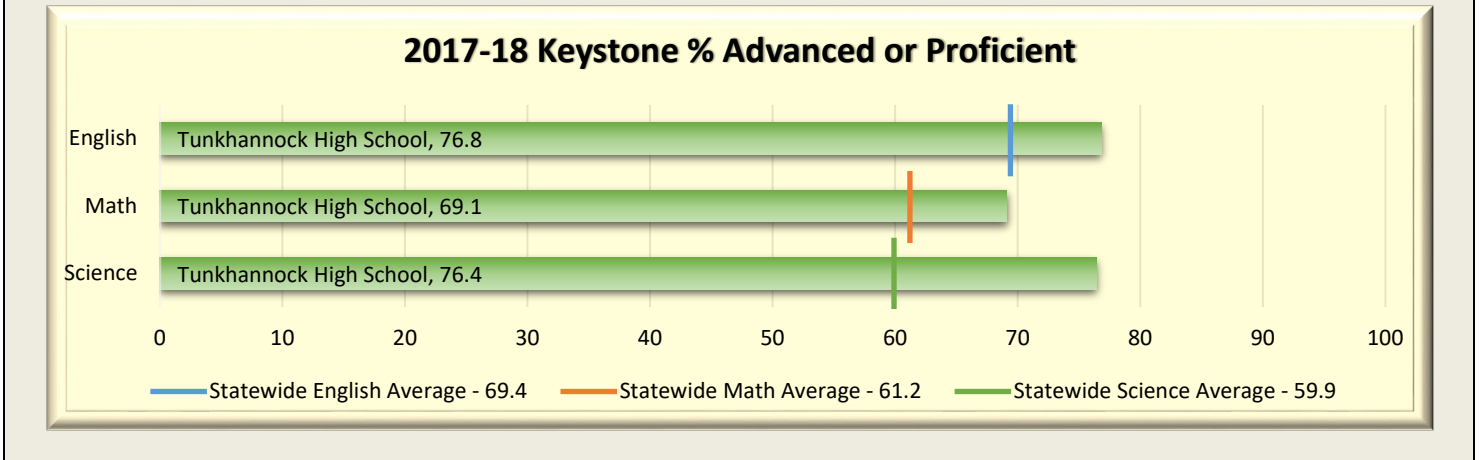
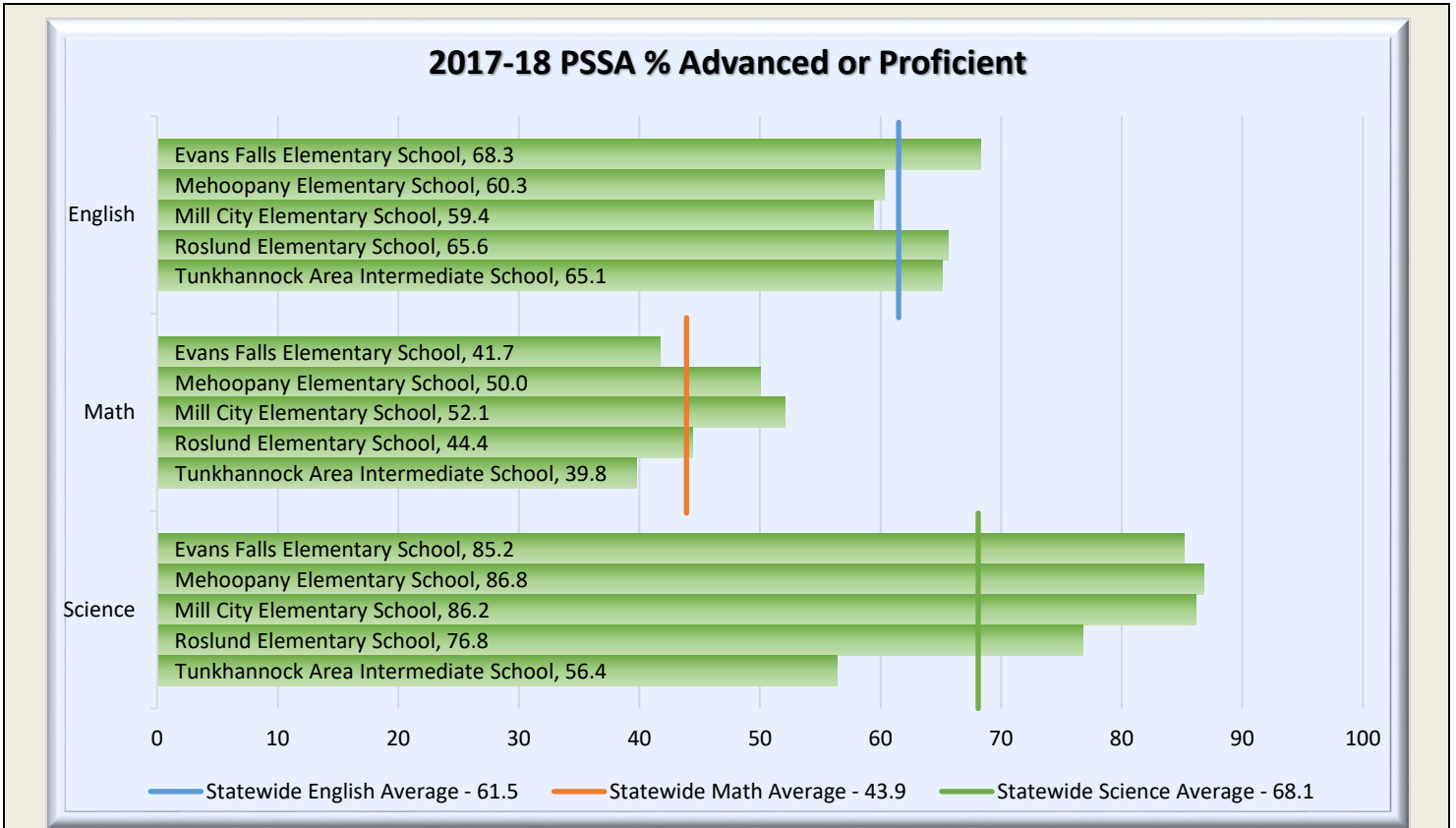


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<sup>25</sup> Statewide averages were calculated by our Department based on individual school building scores for all public schools in the Commonwealth, including district schools, charters schools, and cyber charter schools.

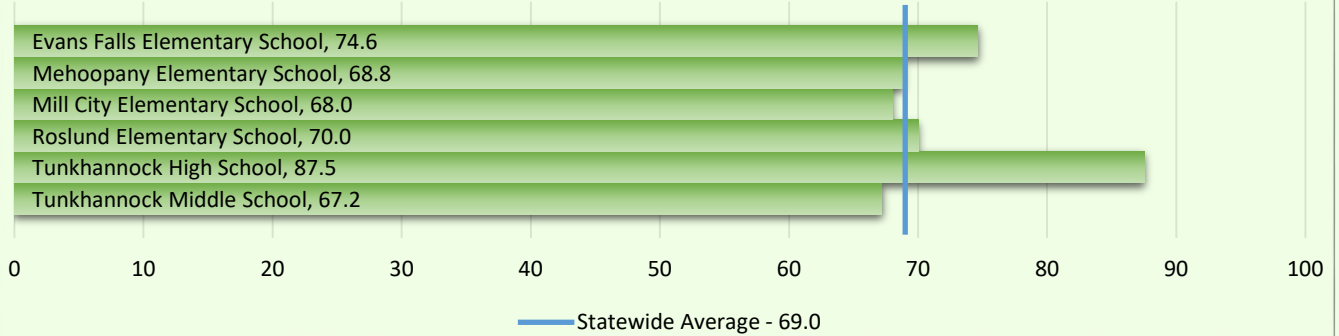
<sup>26</sup> PDE's data does not provide any further information regarding the reason a score was not published for a specific school. However, readers can refer to PDE's website for general information regarding the issuance of academic scores.

**2017-18 Academic Data**  
**School Scores Compared to Statewide Averages (continued)**

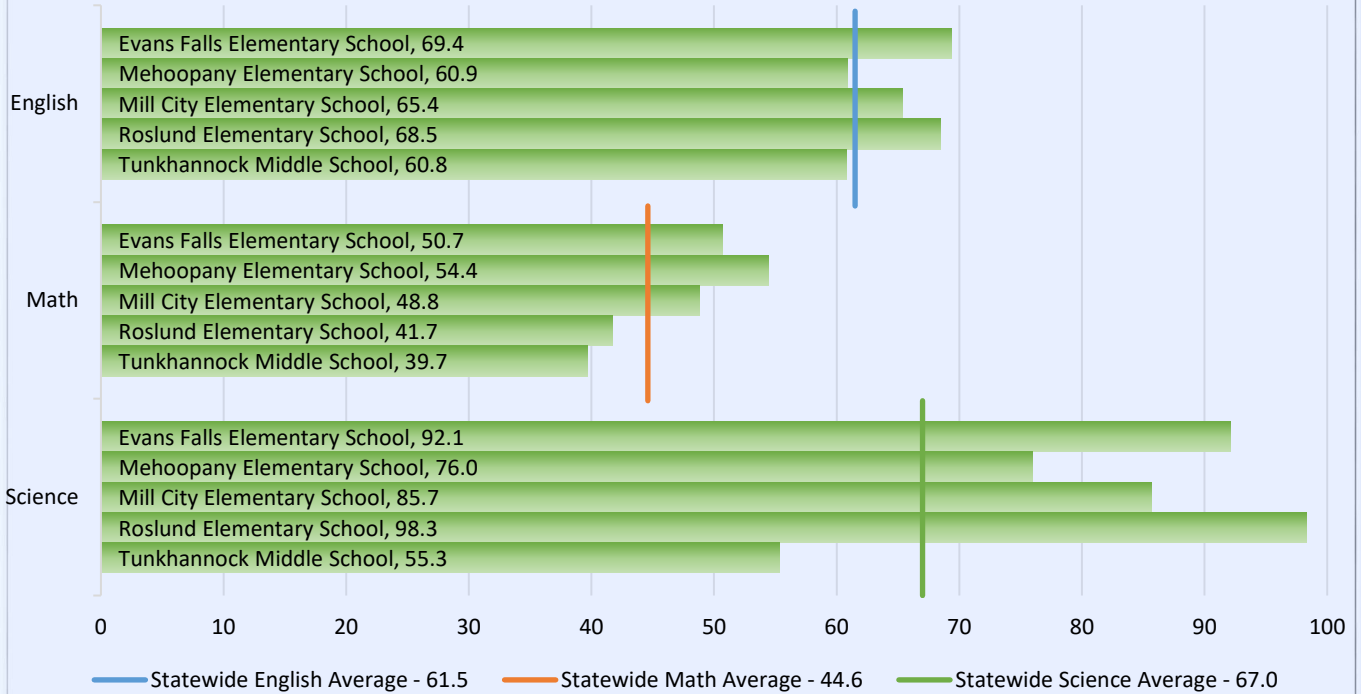


**2016-17 Academic Data**  
**School Scores Compared to Statewide Averages**

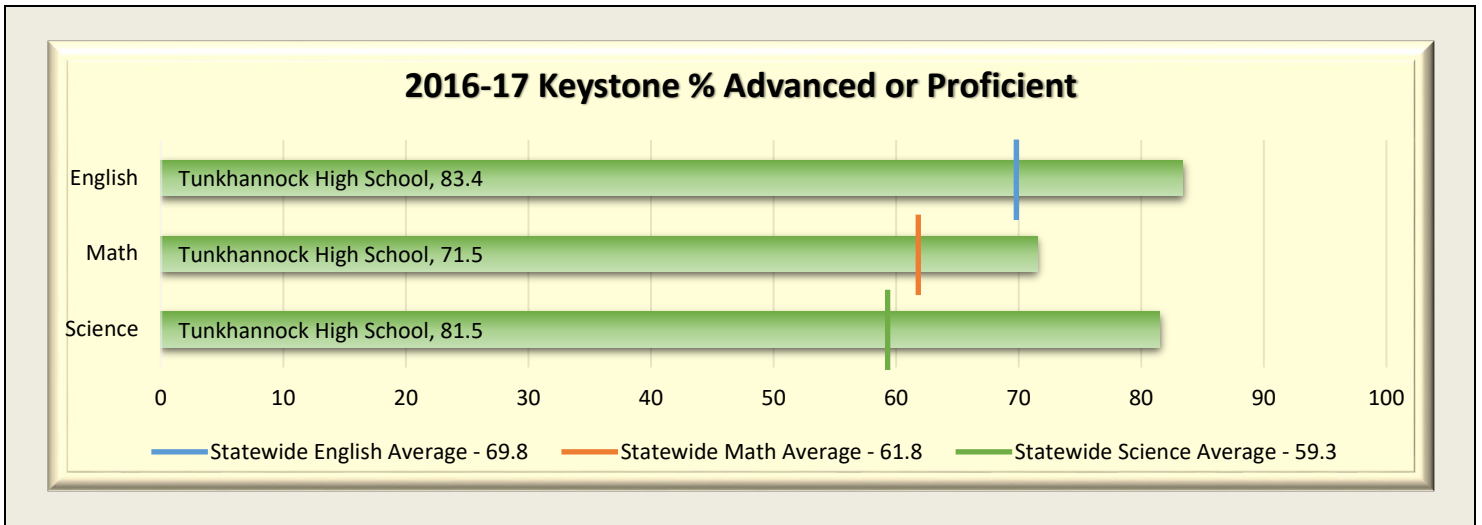
**2016-17 SPP Scores**



**2016-17 PSSA % Advanced or Proficient**

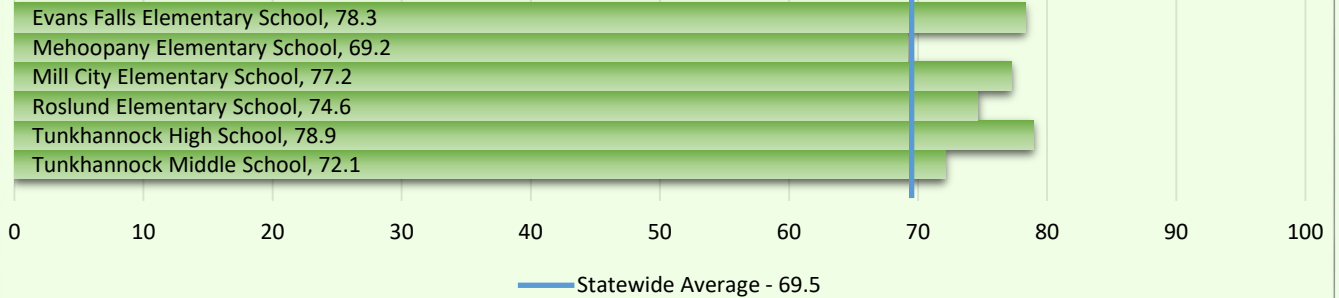


**2016-17 Academic Data**  
**School Scores Compared to Statewide Averages (continued)**

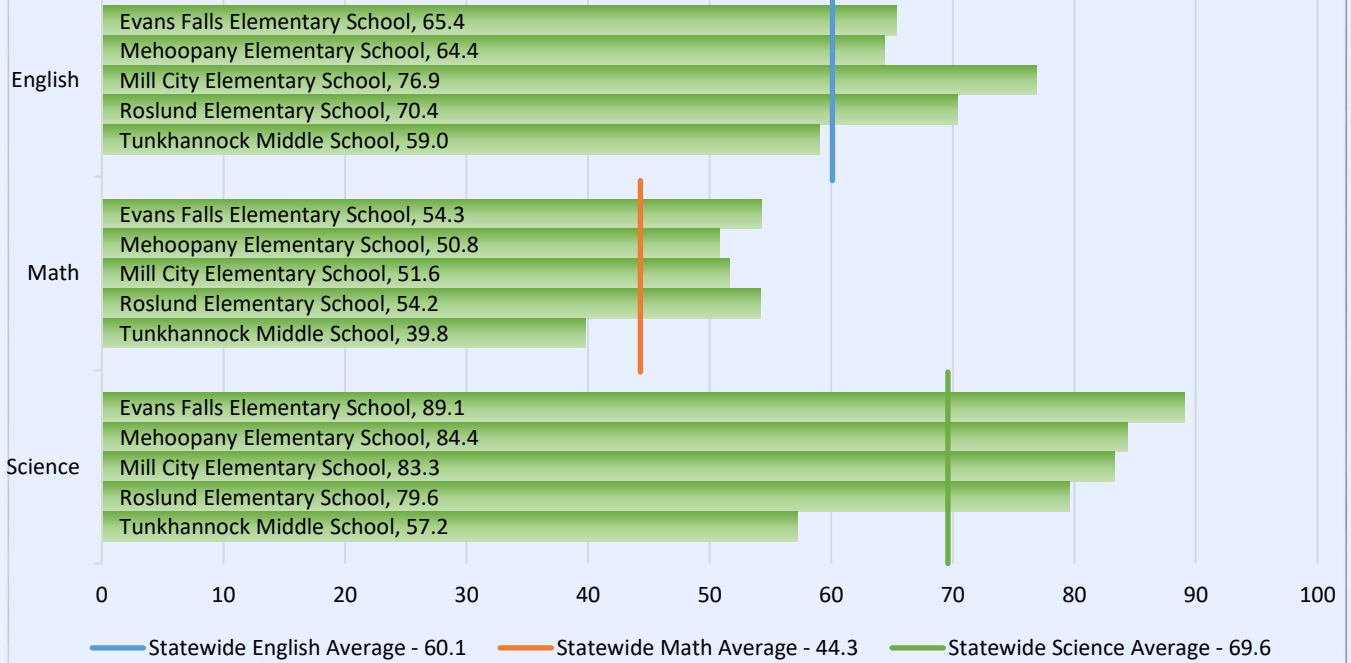


**2015-16 Academic Data**  
**School Scores Compared to Statewide Averages**

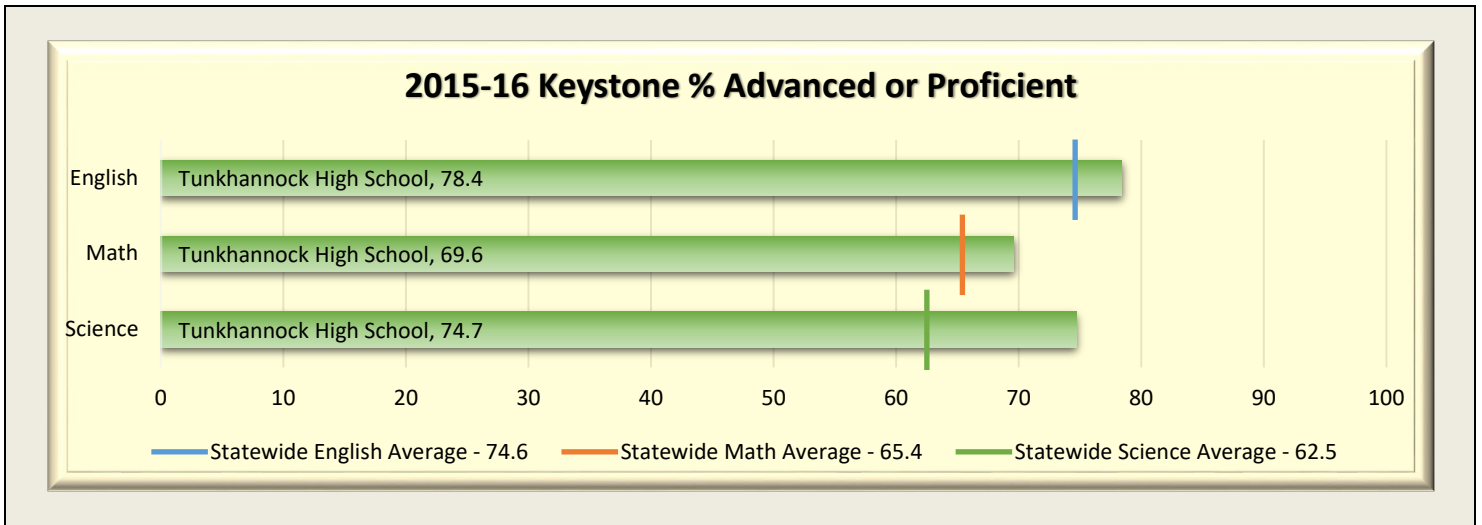
**2015-16 SPP Scores**



**2015-16 PSSA % Advanced or Proficient**



**2015-16 Academic Data**  
**School Scores Compared to Statewide Averages (continued)**





## **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:

**The Honorable Tom W. Wolf**

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Harrisburg, PA 17120

**The Honorable Pedro A. Rivera**

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