

PERFORMANCE AUDIT

Upper Perkiomen School District Montgomery County, Pennsylvania

July 2021



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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**TIMOTHY L. DEFOOR
AUDITOR GENERAL**

Dr. Allyn Roche, Superintendent
Upper Perkiomen School District
2229 East Buck Road
Pennsburg, Pennsylvania 18073

Ms. Melanie Cunningham, Board President
Upper Perkiomen School District
2229 East Buck Road
Pennsburg, Pennsylvania 18073

Dear Dr. Roche and Ms. Cunningham:

We have conducted a performance audit of the Upper Perkiomen School District (District) for the period July 1, 2015 through June 30, 2019, 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:

- Nonresident Student Data
- Transportation Operations
- Bus Driver Requirements

We also evaluated the application of best practices and determined compliance with certain requirements in the area of school safety, including compliance with fire and security drill requirements. Due to the sensitive nature of this issue and the need for the results of this review to be confidential, we did not include the full results in this report. However, we communicated the full results of our review of school safety to District officials, the Pennsylvania Department of Education, and other appropriate officials as deemed necessary.

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

Our audit identified areas of noncompliance and significant internal control deficiencies in the areas of nonresident student data, supplemental transportation operations, and bus driver requirements. Those deficiencies are detailed in the findings in this report. A summary of the results is presented in the Executive Summary section of this report.

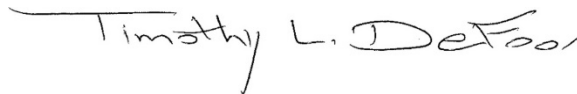
In addition, we identified internal control deficiencies in the District's regular transportation operations that were not significant but warranted the attention of District management and those charged with governance. Those deficiencies were communicated to District management and those charged with governance for their consideration.

Dr. Allyn J. Roche
Ms. Melanie Cunningham
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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 other relevant requirements.

We appreciate the District's cooperation during the course of the audit.

Sincerely,

A handwritten signature in black ink that reads "Timothy L. DeFoor". The signature is written in a cursive style with a long horizontal line extending to the left of the first letter.

Timothy L. DeFoor
Auditor General

June 25, 2021

cc: **UPPER PERKIOMEN SCHOOL DISTRICT** Board of School Directors

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Executive Summary

Audit Work

The Pennsylvania Department of the Auditor General conducted a performance audit of the Upper Perkiomen 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 areas of noncompliance and significant internal control deficiencies as detailed in the three findings in this report.

Finding No. 1: The District's Failure to Implement Adequate Internal Controls Led to Inaccurate Nonresident Student Data Reported to the Pennsylvania Department of Education Resulting in an Overpayment of \$216,895.

We found that the District failed to implement adequate internal controls over the categorization and reporting of nonresident student data resulting in a \$216,895 overpayment from the Pennsylvania Department of Education. This overpayment was caused by the District inaccurately reporting the number of foster students educated by the District during the 2015-16 through 2018-19 school years (see page 8).

Finding No. 2: The District's Failure to Implement Adequate Internal Controls Led to Inaccurate Transportation Data Reported to PDE Resulting in a \$9,240 Underpayment.

We found that the District did not implement an adequate internal control system over the input, calculation, and reporting of supplemental transportation data. Consequently, the District inaccurately reported the number of nonpublic and charter school students transported during the 2015-16 through 2018-19 school years, which resulted in the District being underpaid \$9,240 in supplemental transportation reimbursements (see page 13).

Finding No. 3: The District Failed to Comply with Provisions of the Public School Code and Associated Regulations by Not Maintaining Complete Records for and Properly Monitoring its Contracted Drivers.

The District failed to meet its statutory obligations related to the employment of individuals having direct contact with students during the 2020-21 school year by not maintaining complete and updated records for all drivers transporting students.

We also found that the District's Board of School Directors approved drivers whose qualifications and clearances were not on file at the District and failed to approve 21 drivers utilized by the District's primary contractor. By not adequately maintaining and monitoring driver qualifications, the District could not ensure that all contracted drivers were properly qualified and cleared to transport students as required by state laws and regulations.

Finally, we noted that the District's board policy regarding contracted services does not include the legal requirement to renew background clearances every five years (see page 18).

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	Montgomery and Berks
Total Square Miles	50.4
Number of School Buildings	5 ¹
Total Teachers	223
Total Full or Part-Time Support Staff	176
Total Administrators	24
Total Enrollment for Most Recent School Year	3,374
Intermediate Unit Number	23 ^A
District Career and Technical School	Western Montgomery Career and Technology Center

Mission Statement*

The Upper Perkiomen School District empowers learners, fosters community partnerships, and inspires innovation to maximize personal growth.

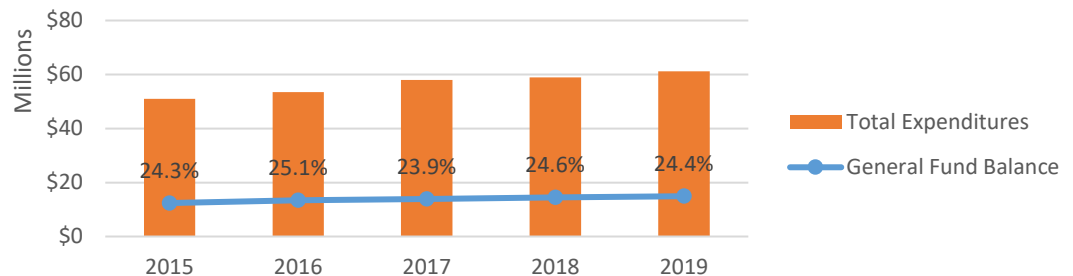
* - Source: Information provided by the District administration and is unaudited.

Financial Information

The following pages contain financial information about the Upper Perkiomen 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**.

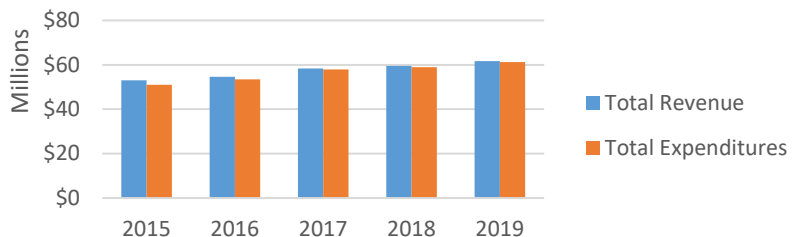
General Fund Balance as a Percentage of Total Expenditures

	General Fund Balance
2015	\$12,397,151
2016	\$13,442,251
2017	\$13,839,707
2018	\$14,485,104
2019	\$14,921,570



Revenues and Expenditures

	Total Revenue	Total Expenditures
2015	\$53,028,620	\$50,967,378
2016	\$54,570,826	\$53,525,723
2017	\$58,373,318	\$57,975,860
2018	\$59,591,208	\$58,945,812
2019	\$61,656,979	\$61,220,512



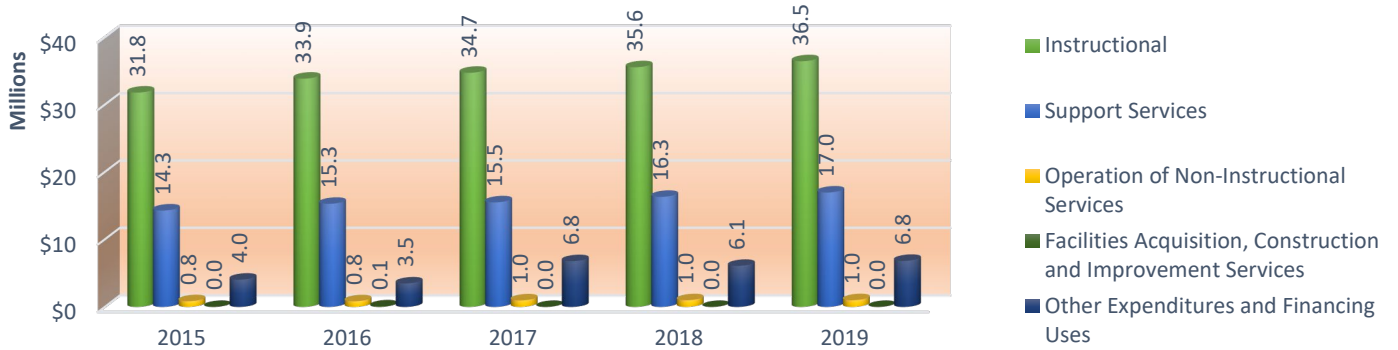
¹ This report presents academic data for four school buildings. During the 2019-20 school year, the District opened a new middle school and turned its former middle school into an intermediate school.

Financial Information Continued

Revenues by Source

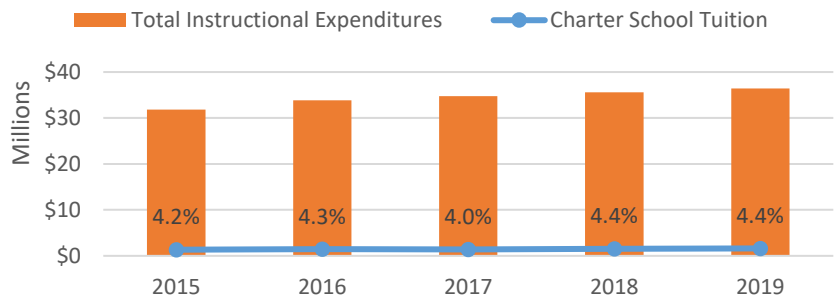


Expenditures by Function

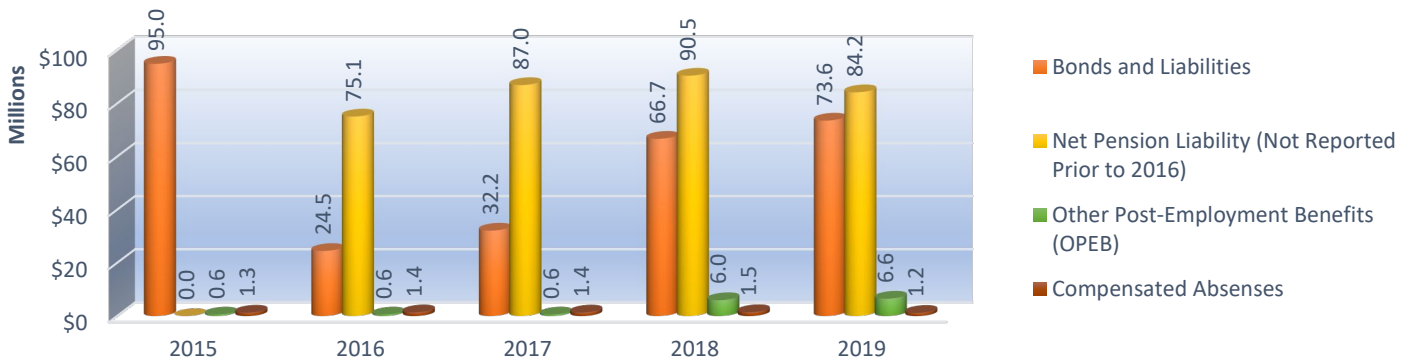


Charter Tuition as a Percentage of Instructional Expenditures

	Charter School Tuition	Total Instructional Expenditures
2015	\$1,337,399	\$31,800,315
2016	\$1,467,787	\$33,865,125
2017	\$1,373,410	\$34,740,141
2018	\$1,562,619	\$35,563,233
2019	\$1,619,595	\$36,452,432



Long-Term Debt

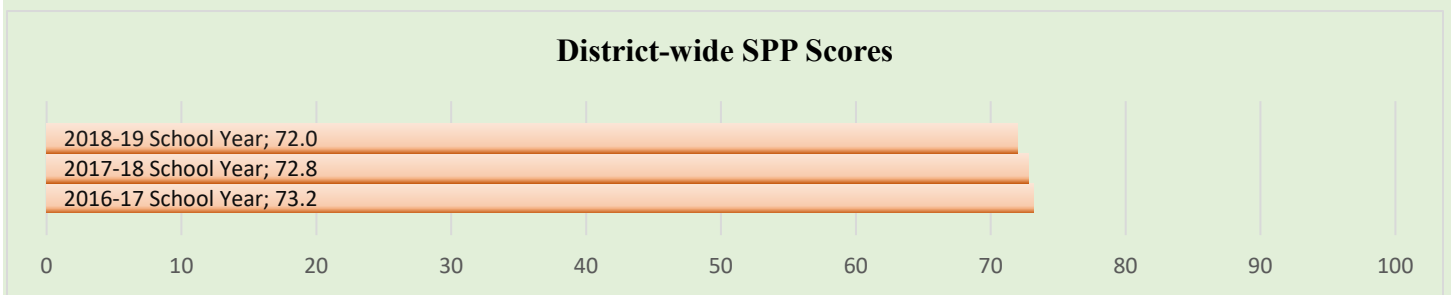


Academic Information

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 2016-17, 2017-18, and 2018-19 school years.² 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.³



² PDE is the sole source of academic data presented in this report. All academic data was obtained from PDE's publicly available website.

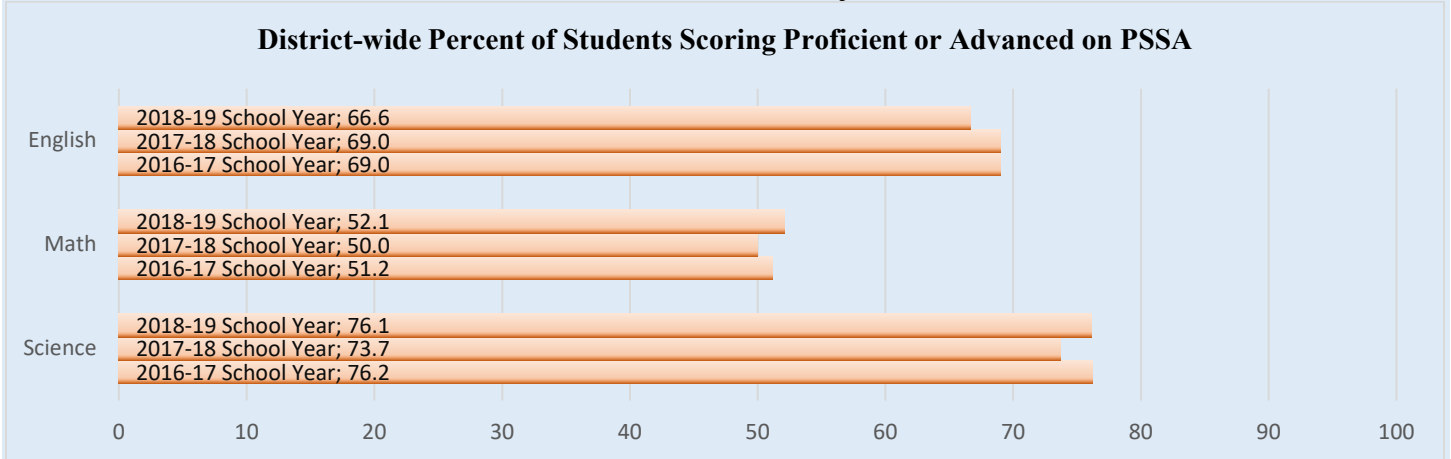
³ PDE started issuing a SPP score for all public school buildings beginning with the 2012-13 school year. For the 2014-15 school year, PDE only issued SPP scores for high schools taking the Keystone Exams as scores for elementary and middle scores were put on hold due to changes with PSSA testing. PDE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

Academic Information Continued

What is the PSSA?

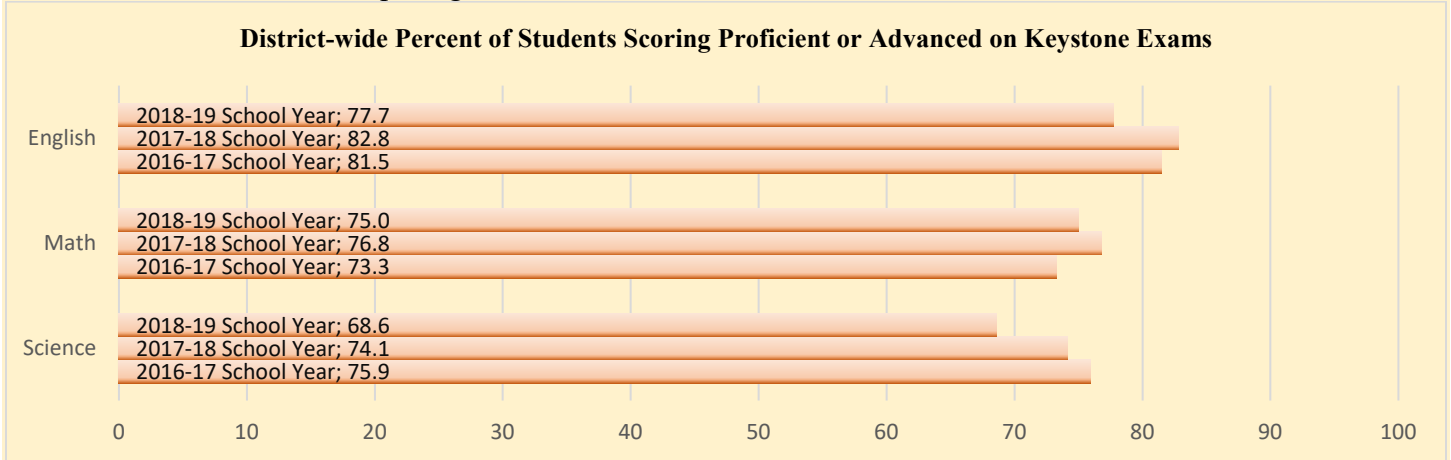
The PSSA is an annual, standardized test given across the Commonwealth to students in grades 3 through 8 in core subject areas, including English, Math and Science. The PSSAs help Pennsylvania meet federal and state requirements and inform instructional practices, as well as provide educators, stakeholders,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

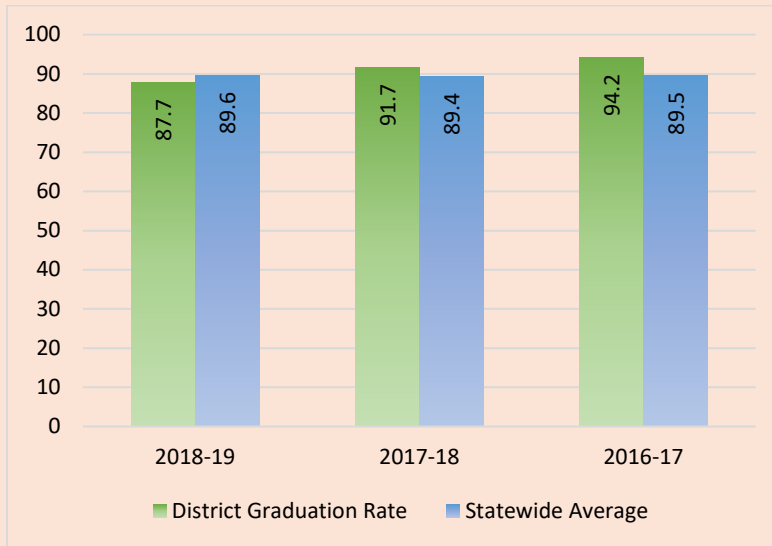


⁴ Act 158 of 2018, effective October 24, 2018, amended the Public School Code to further delay the use of Keystone Exams as a graduation requirement until the 2021-22 school year. See 24 P.S. § 1-121(b)(1). Please refer to the following link regarding further guidance to local education agencies (LEAs)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



⁵ 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's Failure to Implement Adequate Internal Controls Led to Inaccurate Nonresident Student Data Reported to the Pennsylvania Department of Education Resulting in an Overpayment of \$216,895

Criteria relevant to the finding:

The State Board of Education's regulations and Pennsylvania Department of Education (PDE) guidelines govern the classifications of nonresident children placed in private homes based on the criteria outlined in the Public School Code (PSC).

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 Upper Perkiomen School District (District) failed to implement adequate internal controls over the categorization and reporting of nonresident student data resulting in a \$216,895 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 2015-16 through 2018-19 school years.

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.⁶
- 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.” It is the responsibility of the educating district to obtain documentation to ensure that each student met the eligibility criteria to be classified as a nonresident student. Further, the district must obtain updated documentation for each year that the district reports a student as a nonresident.

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

⁶ 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).

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

“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).

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.

Nonresident Student Reporting Errors

We found that the District made a total of 26 errors over the four-year audit period when it reported nonresident data to PDE. These reporting errors involved 15 students, including 6 students who were inaccurately reported for multiple years. The following table details the number of students that the District inaccurately reported as foster students for each school year of the audit period:

Upper Perkiomen School District Foster Student Data		
School Year	Number of Students Inaccurately Reported	Overpayment
2015-16	5	\$ 41,895 ⁷
2016-17	6	\$ 38,579
2017-18	7	\$ 66,056
2018-19	8	\$ 70,365
Totals	26	\$216,895

Of the 15 district students that the District erroneously reported as foster students (several students were reported erroneously in multiple years and are counted in each applicable year in the table above), we found that the District did not have the required documentation necessary to show that 13 of the students met all four eligibility criteria to be reported as nonresident foster students. Without the required documentation, these 13 students should have been classified as residents and, therefore, the District was not eligible to receive reimbursement for educating these students. For all 13 of these students, the District also failed to annually obtain updated documentation necessary to report them as foster students.

The remaining two students inaccurately reported as foster students were in therapeutic placements. When a student is in a therapeutic placement, as opposed to a traditional foster placement, the educating district is responsible for billing each student’s resident district for tuition costs. The District did not bill the resident district for these two students. By

⁷ The overpayment for the 2015-16 school year is higher than the overpayment for the 2016-17 school year even though fewer errors were made because the total number of ineligible days reported to PDE was higher in 2015-16 than in 2016-17.

reporting them as foster students, the District effectively billed the Commonwealth for their tuition instead of the resident school district.

Significant Internal Control Deficiencies

The District did not have adequate internal controls over the categorization and reporting of foster student data. The District relied solely on one employee to identify, categorize, and report foster students. This information was reported to PDE for reimbursement without a review by a District official sufficiently knowledgeable on PDE reporting requirements. A reconciliation to source documents to ensure each foster student met the eligibility requirements was also not performed during the audit period. Additionally, this employee was not adequately trained on PDE requirements and the documentation needed to demonstrate compliance with the eligibility criteria. Finally, the District did not have written policies and procedures to assist its employees in accurately identifying a foster student by obtaining the required documentation needed to support this categorization.

Future Reimbursement Adjustment: We provided PDE with documentation detailing the reporting errors we identified for the 2015-16 through 2018-19 school years. We recommend that PDE adjust the District's future reimbursement amount by the \$216,895 that we calculated as an overpayment.

Recommendations

The *Upper Perkiomen School District* should:

1. Develop and implement an internal control system governing the process for identifying and reporting foster student data. The internal control system should include, but not be limited to, the following:
 - All personnel involved in the identification, categorization, 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. Obtain updated placement information annually for all nonresident students to ensure proper categorization and perform a reconciliation of the foster student data to source documents, before reporting to PDE.

3. Bill tuition costs to the resident district(s) for those students in therapeutic foster placements and educated by the District.

The *Pennsylvania Department of Education* should:

4. Adjust the District's future reimbursements to resolve the overpayment of \$216,895.

Management Response

District management provided the following response:

“The district was not aware of the annual requirements to support the reporting of foster students after the initial placement by the placing agency. The district did reach out to families and agencies for updates but in many cases they were unresponsive. I would like to thank the state audit team for their assistance and suggestions to improve the process. We have created two forms to secure the information needed. We are now requiring the placing agency to complete the initial form when registering. If a bid is required the Assistant Superintendent who works with this process will have the placing agency complete the form during the process. On an annual basis another form will be sent to the agencies for completion for students so that we can monitor their continued placement and receive the necessary information to report them as 1305* students. The two forms are attached.

Regarding the overpayment we found half of the funds we should have received due to the students being adopted, therefore the district is not entitled to receive additional subsidy, and two students were considered to be a therapeutic foster placement which would mean that we should bill their home district. We will bill after the audit is final.

We are in the process of changing our procedures. The process will include our registrar who will be responsible for the initial form and who will be sending out the annual forms and require their return each year to support their placement and whether a family is being compensated. This will prevent reporting students who have been adopted, and provide the necessary documentation for the 1305* end of year reporting. At the end of the year another individual will be responsible for reporting the students and making sure all documentation has been received prior to submitting to PDE.

In addition we will have staff attend the ACAPA conference in October. Staff have attended this conference in the past.”

* The use of “1305” in the Management Response section above refers to Section 1305 of the Public School Code, which addresses nonresident students as further noted in the *Criteria Relevant to the Finding* box above.

Auditor Conclusion

We are pleased the District plans to implement our recommendations in this area. We continue to recommend that the District develop written procedures to help ensure accurate reporting of this data to PDE. We will evaluate the effectiveness of corrective actions implemented by the District during our next audit of the District.

Finding No. 2

The District's Failure to Implement Adequate Internal Controls Led to Inaccurate Transportation Data Reported to PDE Resulting in a \$9,240 Underpayment

Criteria relevant to the finding:

Supplemental Transportation Subsidy for Public Charter School and Nonpublic School Students

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

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

We found that the District did not implement an adequate internal control system over the inputting, calculation, and reporting of supplemental transportation data. Consequently, the District inaccurately reported the number of nonpublic and charter school students transported during the 2015-16 through 2018-19 school years, which resulted in the District being underpaid \$9,240 in supplemental transportation reimbursements.

Background

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

Pursuant to the Public School Code (PSC), a nonpublic school is defined, in pertinent part, as a nonprofit school other than a public school within the Commonwealth of Pennsylvania, wherein a resident of the Commonwealth may legally fulfill the compulsory school attendance requirements.⁸ The PSC requires school districts to provide transportation services to students who reside in its district and who attend a nonpublic school or a charter school, and it provides for a reimbursement from the Commonwealth of \$385 for each nonpublic school student transported by the District. The reimbursement was made applicable to the transportation of charter school students pursuant to an equivalent provision in the Charter School Law, which refers to Section 2509.3 of the PSC.⁹

It is essential for the District to properly identify nonpublic and charter school students that it transports, maintain records to support the total number of these students transported throughout the school year, and accurately report this data to PDE. Therefore, the District should have a

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

⁹ See 24 P.S. § 17-1726-A(a) which refers to 24 P.S. § 25-2509.3. A charter school is an independent public school and educates public school students within the applicable school district. *See* 24 P.S. § 17-1703-A (relating to “Definitions”).

Criteria relevant to the finding (continued):

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

Section 2509.3 of the PSC provides that each school district shall receive a supplemental transportation payment of \$385 for each nonpublic school student transported. This payment provision is also applicable to charter school students through Section 1726-A(a) of the CSL. *See* 24 P.S. § 25-2509.3; 24 P.S. § 17-1726-A(a).

Sworn Statement and Annual Filing Requirement

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

strong system of internal control over its supplemental transportation operations that should include, but not be limited to, the following:

- Segregation of duties.
- Comprehensive written procedures.
- Training on PDE reporting requirements.

It is also important to note that the PSC requires that all school districts annually file a sworn statement of student transportation data for the prior and current school years with PDE in order to be eligible for transportation reimbursements.¹⁰ 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.

Nonpublic and Charter School Student Reporting Errors

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

Upper Perkiomen School District Nonpublic and Charter School Students Reporting Errors				
School Year	Number of Nonpublic Students (Under) Reported	Number of Charter School Students Over Reported	Net Over/(Under) Reported	Over/ (Under) Payment ¹¹
2015-16	(6)	0	(6)	(\$2,310)
2016-17	(5)	1	(4)	(\$1,540)
2017-18	(15)	0	(15)	(\$5,775)
2018-19	(2)	3	1	\$385
Totals	(28)	4	(24)	(\$9,240)

The District’s process during the audit period was to annually enter each nonpublic and charter school student data into its transportation software based on school of attendance without determining if the student requested transportation from the District. This process resulted in students who were not provided transportation to be inaccurately reported to PDE. The District also removed students from the transportation software who were transported at one time during the school year, but left their respective

¹⁰ *See* 24 P.S. § 25-2543.

¹¹ Calculated by multiplying the cumulative difference by \$385.

*Criteria relevant to the finding
(continued):*

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

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

Number of Nonpublic and Charter School Pupils Transported

<https://www.education.pa.gov/Documents/Teachers-Administrators/Pupil%20Transportation/eTran%20Application%20Instructions/PupilTransp%20Instructions%20PDE-2089%20SummPupilsTransp.pdf>
(accessed on March 1, 2021)

Enter the total number of resident NONPUBLIC school pupils you transported to and from school. Documentation identifying the names of these pupils should be retained for review by the Auditor General’s staff. NONPUBLIC school pupils re 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.)

nonpublic or charter school during the school year. Removing these students from this category in the software resulted in the District failing to report all eligible students for reimbursement. It is important to note that school districts are eligible for the \$385 reimbursement for transporting each nonpublic or charter school student as long as the district provided transportation for at least one day during the school year.

Significant Internal Control Deficiencies

Our review revealed that the District did not have an adequate internal control system over its supplemental transportation operations. Specifically, we found that the District did not implement adequate segregation of duties when it placed responsibility on only one employee for categorizing nonpublic and charter school students, entering this information into the District’s software, and reporting this data to PDE. In addition, we found that the District did not do the following:

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

Future Reimbursement Adjustment: We provided PDE with documentation detailing the transportation reporting errors for the 2015-16 through 2018-19 school years. We recommend that PDE adjust the District’s future transportation reimbursements by the \$9,240 that we identified as an underpayment.

Recommendations

The Upper Perkiomen School District should:

1. Develop and implement an internal control system over its supplemental transportation reimbursement. The internal control system should include, but not be limited to, the following:
 - All personnel involved in categorizing, input, and reporting supplemental transportation data are trained on PDE’s reporting requirements.

Criteria relevant to the finding (continued):

Number of Pupils Transported to Charter Schools Outside Your District:

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

- A review of transportation data is conducted by an employee other than the person who prepared the data before it is submitted to PDE.
- Written procedures are developed to document the procedures for supplemental transportation data calculations, reporting data to PDE, and retaining supporting documentation in accordance with the PSC's record retention requirements.

The *Pennsylvania Department of Education* should:

2. Adjust the District's future supplemental transportation allocations to reimburse the \$9,240 underpayment.

Management Response

District management provided the following response:

“The transportation reports for the first 3 years in the audit were completed by someone who is no longer with the district but was highly trained in the software with many years of experience who left the district for a similar position in a larger district. The last year of the audit was completed by a new employee with experience in transportation and very familiar with the non-public and charter school reimbursement requirements, along with the need to secure 372's [request for transportation forms] before transporting.

Recognizing the need to improve our record keeping and reporting we purchased new software in September. Non-public and charter students are identified in the new software. Once we receive a 372 form regarding their request for transportation it will be marked in the system and allow us to assign them to a vehicle. Without the 372 we will not transport and unless marked in the system the software will not allow us to assign a stop. As reported in the finding if they only ride one day we can claim for transportation. Once the student rides we will report them for reimbursement. The Transportation Coordinator is responsible for the assignment but the student data comes from our student information system which is inputted by another individual and updated into our Safe Transport software. Once in Safe Transport they will only be assigned a stop if the 372 is completed and provided to the district.

In the future the documentation will be reviewed by the Business Administrator. The Transportation Coordinator besides uploading the 372's will keep the proper documentation to support the reported number. The software will prevent individuals that were not requesting transportation from being included.”

Auditor Conclusion

We are encouraged that the District is taking measures to implement our recommendations. We continue to recommend that the District provide training for its staff involved in this process and develop written procedures to help ensure accurate reporting. We will evaluate the effectiveness of the District's corrective actions during our next audit of the District.

Finding No. 3

The District Failed to Comply with Provisions of the Public School Code and Associated Regulations by Not Maintaining Complete Records for and Properly Monitoring Its Contracted Drivers

Criteria relevant to the finding:

Internal Control Standards

Standards for Internal Control in the Federal Government (also known as the Green Book), issued by the Comptroller General of the United States in September 2014, provides a framework for management to establish and maintain an effective internal control system. Principle 10, *Design Control Activities*, Attribute 10.03, states, in part, “Management designs appropriate types of control activities for the entity’s internal control system. Control activities help management fulfill responsibilities and address identified risk responses in the internal control system. . . .”

Statutory and Regulatory Requirements

Section 111 of the PSC requires state and federal criminal background checks and Section 6344(b) of the Child Protective Services Law (CPSL) requires a child abuse clearance. *See* 24 P.S. § 1-111 and 23 Pa.C.S. § 6344(b), as amended. Additionally, administrators are required to maintain copies of all required clearances. *See* 24 P.S. § 1-111(b) and (c.1) and 23 Pa.C.S. § 6344(b.1).

The District failed to meet its statutory obligations related to the employment of individuals having direct contact with students during the 2020-21 school year by not maintaining complete and updated records for all drivers transporting students. We also found that the District’s Board of School Directors (Board) approved drivers whose qualifications and clearances were not on file at the District and failed to approve 21 drivers utilized by the District’s primary contractor. By not adequately maintaining and monitoring driver qualifications, the District could not ensure that all contracted drivers were properly qualified and cleared to transport students as required by state law and regulations (see criteria box). Finally, we noted that the District’s board policy regarding contracted services does not include the legal requirement to renew background clearances every five years.

Background

Importance of Internal Controls

Several state statutes and regulations establish the minimum required qualifications for school bus and van drivers including, among others, the PSC and the Child Protective Services Law (CPSL). The District’s Board is responsible for the selection and approval of eligible school bus and van operators who qualify under the laws and regulations.¹² Therefore, the District should have a strong system of internal control over its bus driver review process that should include, but not be limited to, the following:

- Documented review of all driver credentials prior to Board approval.
- Monitoring of driver credentials to ensure current clearances, licenses, and physicals are on file.
- Monitoring who is driving buses and vans each day throughout the school year to ensure all drivers have been authorized by the Board.
- Clear and concise written procedures.
- Training on driver qualification and clearance requirements.

¹² *See* 22 Pa. Code § 23.4(2).

*Criteria relevant to the finding
(continued):*

Furthermore, both the PSC and the CPSL now require recertification of the required state and federal background checks and the child abuse clearance every 60 months (or every five years). *See* 24 P.S. § 1-111(c.4) and 23 Pa.C.S. § 6344.4.

With regard to criminal background checks, Sections 111(b) and (c.1) of the PSC require prospective school employees who have direct contact with children, including independent contractors and their employees, to submit a report of criminal history record information obtained from the Pennsylvania State Police, as well as a report of Federal criminal history record information obtained from the Federal Bureau of Investigation. *See* 24 P.S. § 1-111(b) and (c.1).

Moreover, Section 6344(a.1) and (b)(1) of the CPSL require school employees to obtain a Pennsylvania Child Abuse History Clearance to certify whether an applicant is named in the Statewide database as an alleged perpetrator in a pending child abuse investigation or as the perpetrator of a founded report or an indicated report. *See* 23 Pa.C.S. § 6344(a.1) and (b)(1).

As for contracted school bus drivers, Section 111(a.1)(1) specifies that bus drivers employed by a school entity through an independent contractor who have direct contact with children must also comply with Section 111 of the PSC. *See* 24 P.S. § 1-111(a.1)(1). *See also* CPSL 23 Pa.C.S. § 6344(a.1)(1).

Driver Employment Requirements

Regardless of whether they hire their own drivers or use contracted drivers, school districts are required to verify and have on file a copy of the following documents for each employed or contracted driver *before* he or she can transport students with Board approval:

1. Driver qualification credentials,¹³ including:
 - a. Valid driver's license (Commercial driver's license if operating a school bus).
 - b. Valid school bus endorsement card commonly referred to as an "S" card, indicating completion of skills and safety training (if operating a school bus).
 - c. Annual physical examination (if operating a school bus).
2. Criminal history reports/clearances:
 - a. State Criminal History Clearance (Pennsylvania State Police [PSP] clearance).
 - b. Federal Criminal History Clearance, based on a full set of fingerprints (FBI clearance).
 - c. PA Child Abuse History Clearance.¹⁴

It is important to note that all three clearances must be obtained every five years.¹⁵

Inadequate Internal Controls Resulted in Incomplete and Unreviewed Records for Contracted Bus and Van Drivers

The District utilizes two transportation contractors to provide bus and van drivers (drivers) to transport students. We reviewed driver information for the 2020-21 school year. The District provided a list of 72 drivers transporting students as of February 12, 2021. Seventy-one individuals drive for the primary contractor, and only one person drives for the secondary contractor. We evaluated the completeness of that list by comparing it with information from the District's two contractors and found that the list was complete. We then requested and reviewed the District's personnel files for 36 of the 72 contracted drivers to determine whether the District complied with driver and background clearance requirements, including the maintenance and monitoring of required documentation during our review period.

The results of our procedures disclosed internal control weaknesses related to the District obtaining, reviewing, and monitoring qualifications and clearances resulting in incomplete driver records for its **primary**

¹³ Pennsylvania's Vehicle Code, 75 Pa.C.S. §§ 1508.1 (relating to Physical examinations) and 1509 (relating to Qualifications for school bus driver endorsement).

¹⁴ This clearance is from the state Department of Human Services.

¹⁵ 24 P.S. § 1-111(c.4) and 23 Pa.C.S. § 6344.4.

*Criteria relevant to the finding
(continued):*

Pursuant to Section 111(c.4) of the PSC, administrators are required to review the background clearances and determine if the clearance reports disclose information that may require further action. *See* 24 P.S. § 1-111(c.4).

Administrators are also required to review the required documentation according to Section 111(g)(1) of the PSC. This section provides that an administrator, or other person responsible for employment decisions in a school or institution under this section who willfully fails to comply with the provisions of this section commits a violation of this act, subject to a hearing conducted by the Pennsylvania Department of Education (PDE), and shall be subject to a civil penalty up to \$2,500. *See* 24 P.S. § 1-111(g)(1).

Section 111(e) of the PSC lists convictions for certain criminal offenses that require an absolute ban to employment. Section 111(f.1) to the PSC requires that a **ten, five, or three** year look-back period for certain convictions be met before an individual is eligible for employment. (Emphasis added.) *See* 24 P.S. § 1-111(e) and (f.1).

Section 8.2 of Title 22, Chapter 8 (relating to Criminal Background Checks) of the State Board of Education regulations requires, in part, “(a) School entities shall require a criminal history background check **prior to hiring an applicant or accepting the services of a contractor**, if the applicant, contractor or contractor’s employees would have direct contact with children.” (Emphasis added.) *See* 22 Pa. Code § 8.2(a).

contractor, as described below. No issues were found with the secondary contractor.

Missing and Expired Background Clearances and Driver Credentials

During our initial review, we found multiple drivers with missing and/or expired clearances and driver credentials. Specifically, we found that 10¹⁶ of the 36 drivers reviewed had at least one documentation deficiency, as noted below:

- One driver had an expired FBI clearance.
- One driver was missing the FBI, PSP, and Child Abuse clearances.
- One driver had an expired driver’s license.
- Four drivers had expired physical cards.
- Five drivers had expired S endorsements.

While the District monitors clearances, by its own admission, it relies entirely on the contractors to monitor driver credentials. District officials attributed the missing and expired **clearances** to administrative error on the part of the District employee who monitors clearances.

The District worked with its contractor to obtain the missing documentation. However, even after our follow up review, two driver credentials remained outstanding. The District stated that its contractor indicated that one driver had a paperwork issue at the Pennsylvania Department of Transportation that should be resolved. Another driver was awaiting his credential in the mail. All other required documentation was provided.

Failure to Board Approve All Drivers and Board Approval of Drivers Whose Qualifications Were Not Obtained and Reviewed

The requirement to Board approve drivers is designed to provide the public with assurance that District administration has determined that authorized drivers have the required qualifications and clearances on file *prior to* employment. The Board approved an initial list of drivers for the 2020-21 school year at its September 2020 meeting. An additional 2 drivers were approved at the February 2021 meeting. However, we found that 21 drivers from the District’s list were not Board approved at either meeting. Additionally, of the 10 drivers with documentation issues noted above, seven were approved by the Board without being reviewed by District administration. District officials indicated that the District intended to approve all drivers throughout the school year, but the process to approve drivers after the start of the year was not consistently applied. The Board relied on District administration to monitor and ensure all drivers were qualified to transport students.

¹⁶ The totals noted in the bulleted list exceed 10 drivers because some drivers were missing more than one clearance/credential.

Criteria relevant to the finding (continued):

Section 23.4(2) of Chapter 23 (relating to Pupil Transportation) of the State Board of Education regulations provides that: “[t]he board of directors of a school district is responsible for all aspects of pupil transportation programs, including the following:***(2) The selection and approval of appropriate vehicles for use in district service and eligible operators who qualify under the law and regulations.” See 22 Pa. Code § 23.4(2).

PDE Guidance Document

See also PDE’s “Clearances/Background Check” web site for current school and contractor guidance (<https://www.education.pa.gov/Educators/Clearances/Pages/default.aspx>).

District Policies

The District’s Policy No. 810, *Transportation*, states, in part:

“A school bus driver shall not be employed until s/he has complied with the mandatory background check requirements for criminal history, federal criminal history record, child abuse, driving record and the contractor has evaluated the results of that screening process.”

The District’s Policy No. 818, *Contracted Services*, states, in part:

“Independent contractors and their employees shall not be employed until each has complied with the mandatory background check requirements for criminal history and child abuse and the district has evaluated the results of that screening process.”

No Written Review Procedures and Insufficient Monitoring Process

The District did not have a standardized review process and ongoing monitoring procedures to ensure that all contracted transportation employees having direct contact with children were properly qualified prior to and throughout employment. The lack of a standardized process and insufficient monitoring resulted in missing documentation for contracted drivers. While the District indicated that it monitored driver clearances and provided a monitoring spreadsheet, our testing procedures found incomplete driver records. District officials acknowledged that driver credentials were not adequately monitored.

Noncompliance With and Outdated Board Policies

During our review, we noted that District Policies No. 810, *Transportation* and No. 818, *Contracted Services*, were both adopted in April 2000 and last revised in March 2019 and April 2015, respectively. These policies require contracted drivers to comply with the mandatory background check requirements for criminal history and child abuse. Policy No. 818 also requires the District to ensure that all contractors submit a report of criminal history record information and an official child abuse clearance statement for each contractor's prospective employees prior to employment and requires the District to evaluate those clearances. By failing to have complete and updated records for all drivers upon our initial review, including missing and expired background clearances, the District did not comply with its own policies.

Additionally, the 2015 revision to the District’s contracted service policy does not incorporate all the significant changes to laws and regulations that were made to the PSC and the CPSL related to the requirement to obtain updated clearances every five years.

Conclusion

The District and its Board did not meet their statutory requirements to ensure that all drivers were qualified and eligible to transport students. Specifically, the District and its Board did not comply with all applicable laws, regulations, and PDE guidance documents when it failed to have the Board approve **all** drivers and failed to obtain, review, and maintain all required driver qualifications and clearances. Finally, the District failed to update its relevant board policies.

Ensuring that ongoing credential and clearance requirements are satisfied is a vital student protection obligation and responsibility placed on the District and its Board. The ultimate purpose of these requirements is to ensure the safety and welfare of students transported on school buses and vans. The use of a contractor to provide student transportation does not alleviate the District from its responsibility to ensure compliance with requirements for driver qualifications and background clearances.

Recommendations

The *Upper Perkiomen School District* should:

1. Implement verifiable internal control procedures with a documented review process to ensure that only qualified and authorized individuals are driving for the District.
These procedures should ensure:
 - All required credentials and clearances are obtained, reviewed, and on file at the District prior to individuals being presented to the Board for approval and/or transporting students.
 - All driver qualification and clearance documentation is monitored on a regular basis to ensure compliance with requirements.
2. Comply with the PSC's requirements to obtain, review, and maintain required credentials and background clearances for all contracted employees that have direct contact with students.
3. Ensure that all new drivers added after the start of the school year are presented to the Board for approval in a timely manner.
4. Promptly update the Board's policy for contracted services to address the requirement to obtain updated clearances every five years.

Management Response

District management provided the following response:

“The drivers approved by the district were the route drivers for the regular daily bus runs who were initially assigned. Due to COVID and virtual learning many drivers on the list were not needed until mid-January. Additional names for substitutes, sports trips, and ones that left employment were not on the original list.

The names and required driver information was maintained by the district transportation contractor with a duplicate copy of records maintained by the district transportation coordinator. During the audit it was discovered that some of our driver records needed to be updated with the latest information and documentation that was being maintained by the contractor. This was done immediately.

Recognizing the need to improve our overall transportation record keeping and reporting we purchased Safe Transport in September of 2020. Due to the Pandemic and limited transportation being provided, which was constantly being adjusted, we delayed implementation but began to build the data files, routes, and acquire training to start to utilize the new system partially this year. The driver records information is one of the features and is now on the new system. The information includes the driver's license number, CDL designation, renewal dates, Child Abuse

clearance, State Police clearance, FBI clearance, and TB test. The physical date is being added and the ability to upload the documents is also being added. The expiration dates will be in the system for all documents and an alert will be generated when one is due to expire. The Transportation Coordinator, employed by the district, is responsible for the verification of the documents, the input into the system, and maintaining a hardcopy in the district files of all required driver documents. Once documents are verified and put into the system a list of drivers will be Board approved. All new drivers with complete credentials will be Board approved at the next available Board meeting as the year goes on. The new software will allow continuous monitoring and updating as recommended. Additionally the aide's information, requirements and credentials will also be included in the system with the same alerts so that the documentation is up to date.

The policy will be updated in the near future. We are working with the solicitor and will place on a policy committee meeting agenda for discussion and approval to move to the full Board.”

Auditor Conclusion

We are pleased that the District intends to implement our recommendations to ensure that the District meets its statutory and regulatory obligations related to the employment of individuals having direct contact with students. We will review the effectiveness of the District's corrective actions during our next audit of the District.

Status of Prior Audit Findings and Observations

Our prior audit of the Upper Perkiomen School District resulted in no findings or observations.

Appendix A: Audit Scope, Objectives, and Methodology

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,¹⁷ 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 Nonresident Student Data, Transportation Operations, Bus Driver Requirements, 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, 2015 through June 30, 2019. 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.¹⁸ *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.¹⁹ 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.

¹⁷ 72 P.S. §§ 402 and 403.

¹⁸ 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.

¹⁹ 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
Control Environment	
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
Risk Assessment	
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
Control Activities	
10	Design control activities
11	Design activities for the information system
12	Implement control activities
Information and Communication	
13	Use quality information
14	Communicate internally
15	Communicate externally
Monitoring	
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	
Nonresident Student Data	Yes				X			X	X		X		X	X	X				
Transportation Operations	Yes				X			X	X		X		X	X	X	X	X		
Bus Drivers	Yes										X		X			X	X		
Safe Schools	No																		

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

Objectives/Scope/Methodology

In order to properly plan our audit and to guide us in selecting objectives, we reviewed pertinent laws and regulations, the District's annual financial reports, annual General Fund budgets, and the independent audit reports of the District's basic financial statements for the July 1, 2015 through June 30, 2019 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.

Nonresident Student Data

- Did the District accurately report nonresident students to PDE? Did the District receive the correct reimbursement for these nonresident students?²⁰
 - ✓ 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 91 nonresident foster students reported to PDE as educated by the District during the 2015-16 through 2018-19 school years. We reviewed documentation to verify that the custodial parent or guardian was not a resident of the District and that the foster parent(s) received a stipend for caring for the student. We verified if 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 relating to the reporting of nonresident student data. Our results are detailed in Finding No. 1 beginning on page 8 of this report.

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?²¹
 - ✓ To address this objective, we assessed the District's internal controls for obtaining, inputting, processing, and reporting supplemental transportation data (nonpublic and charter school students) to PDE. We then obtained and reviewed individual requests for transportation for all 1,011 nonpublic school students and all 47 charter school students reported to PDE as

²⁰ See 24 P.S. §§ 13-1301, 13-1302, 13-1305, 13-1306; 22 Pa. Code Chapter 11.

²¹ See 24 P.S. § 25-2541(a).

transported by the District during the 2015-16 through 2018-19 school years and compared those requests to the number of nonpublic and charter school students reported to PDE.

Conclusion: The results of our procedures identified areas of noncompliance and significant internal control deficiencies related to the reporting of nonpublic and charter school students. Our results are detailed in Finding No. 2 beginning on page 13 of this report.

Additionally, we assessed the District's internal controls for obtaining, inputting, processing, and reporting regular transportation data (vehicle data) to PDE. We then randomly selected 20 of the 57 vehicles used to transport students during the 2017-18 school year.²² For each vehicle selected, we obtained and reviewed odometer readings, bus rosters, and transportation invoices. To determine if the District accurately calculated and reported sample average data to PDE.

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

Bus Driver Requirements

- 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 clearances²³ as outlined in applicable laws?²⁴ Also, did the District adequately monitor driver records to ensure compliance with the ongoing five-year clearance requirements and ensure it obtained updated licenses and health physical records as applicable throughout the school year?
 - ✓ To address this objective, we assessed the District's internal controls for reviewing, maintaining, and monitoring the required bus driver qualification documents. We determined if all drivers were Board approved by the District. We randomly selected 36 out of 72 drivers transporting students as of February 12, 2021 and reviewed documentation to ensure the District complied with requirements for bus drivers.²⁵ 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 identified areas of noncompliance and significant internal control deficiencies related to the maintenance and monitoring of driver records. Our results are detailed in Finding No. 3 beginning on page 18 of this report.

²² 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.

²³ 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.

²⁴ 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.

²⁵ 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.

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?²⁶ 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, and memorandums of understanding with local law enforcements. In addition, we conducted onsite reviews at three of the District's five buildings (one from each education level). We assessed whether the District had implemented basic safety practices.²⁷

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

- Did the District comply with the fire and security drill requirements of Section 1517 of the Public School Code?²⁸ 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 2018-19 and 2019-20 school years. We determined if security drills were held within the first 90 days of each 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 dates reported to supporting documentation.

Conclusion: The results of our procedures for this portion of the school safety objective did not disclose any reportable issues.

²⁶ Safe Schools Act 24 P.S. § 13-1301-A *et seq.*, Emergency Management Services Code 35 Pa.C.S. § 7701.

²⁷ 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. We reviewed the District's one high school, one middle school, and the elementary school in closest proximity to the District's administration building.

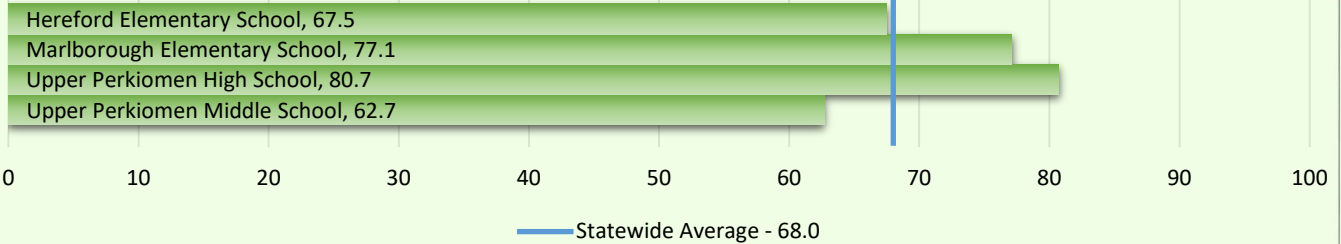
²⁸ Public School Code (Fire and Security Drills) 24 P.S. § 15-1517.

Appendix B: Academic Detail

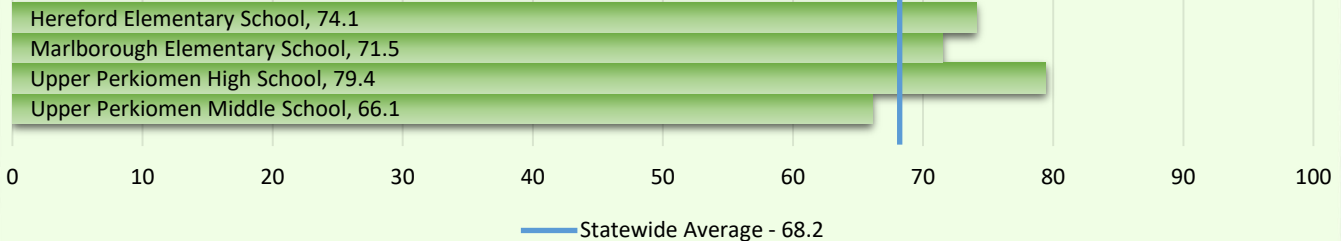
Benchmarks noted in the following graphs represent the statewide average of all public school buildings in the Commonwealth that received a score in the category and year noted.²⁹ Please note that if one of the District's schools did not receive a score in a particular category and year presented below, the school will not be listed in the corresponding graph.³⁰

SPP School Scores Compared to Statewide Averages

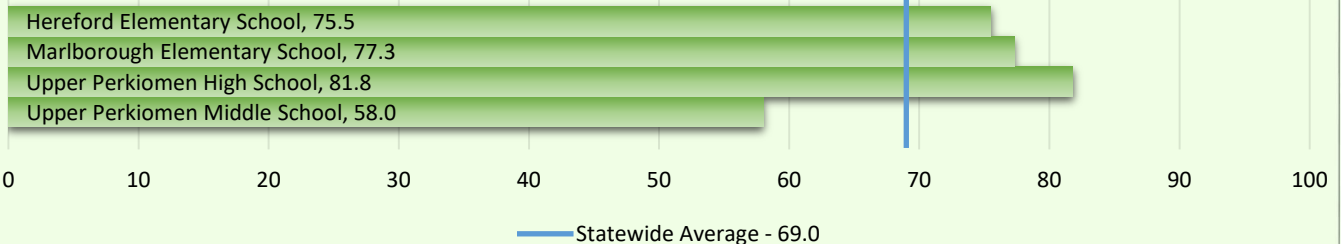
2018-19



2017-18



2016-17

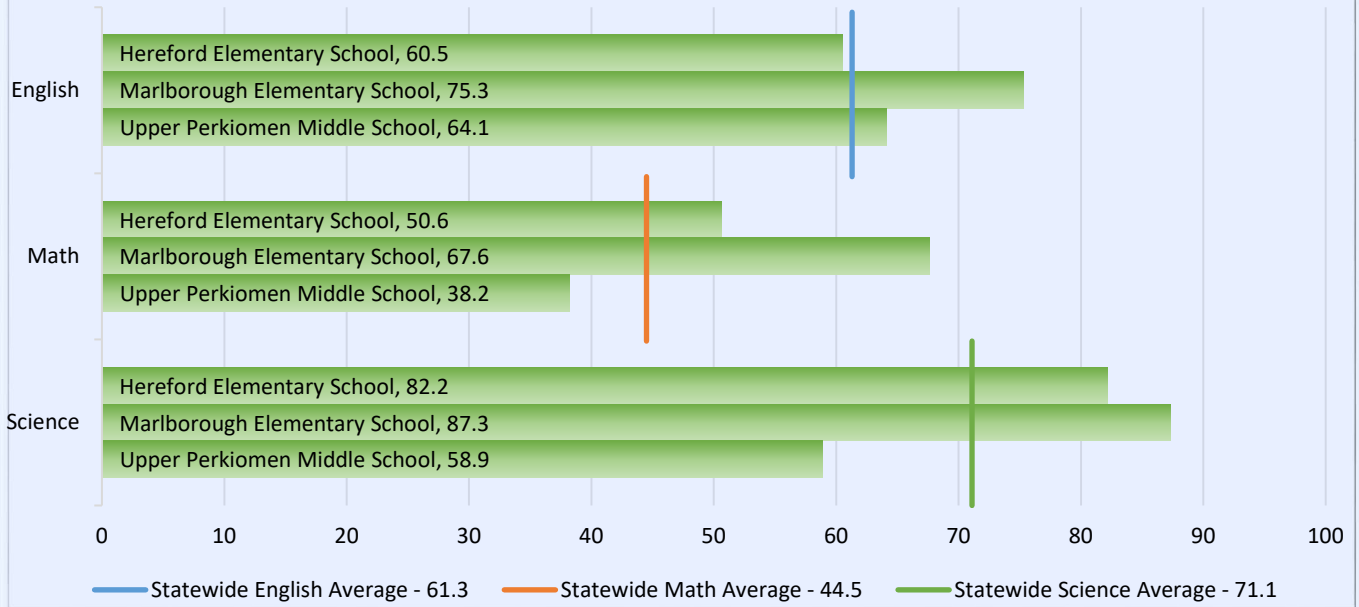


²⁹ Statewide averages were calculated by our Department based on individual school building scores for all public schools in the Commonwealth, including district schools, charters schools, and cyber charter schools.

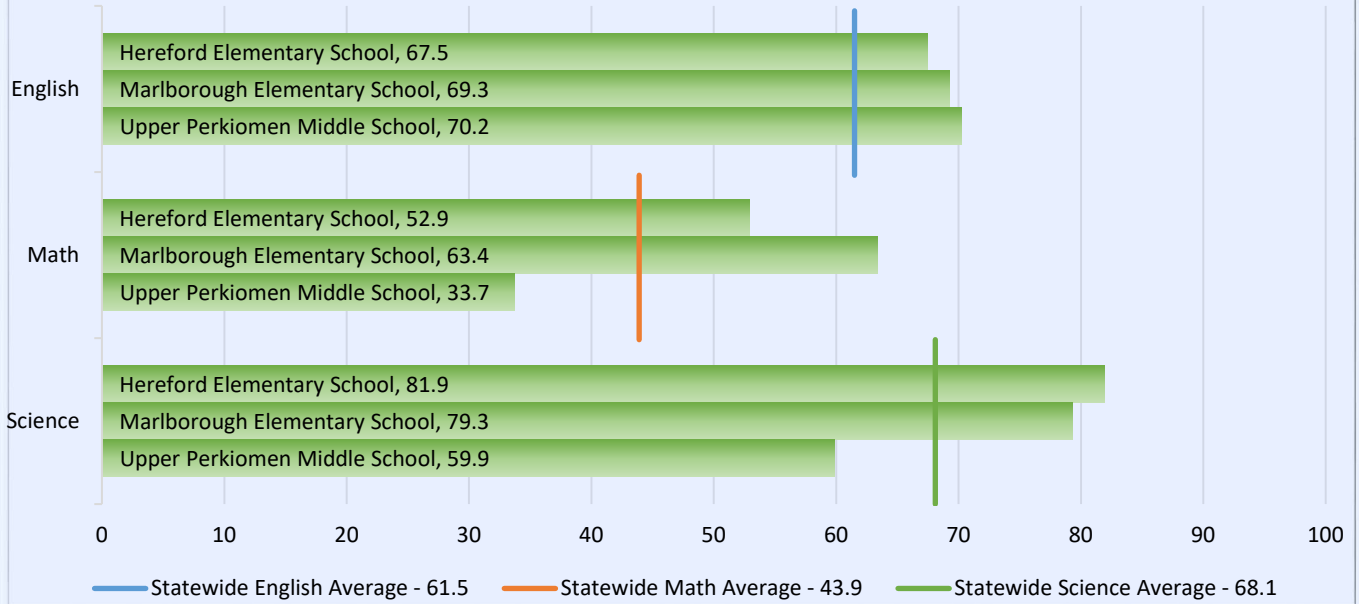
³⁰ PDE's data does not provide any further information regarding the reason a score was not published for a specific school. However, readers can refer to PDE's website for general information regarding the issuance of academic scores.

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

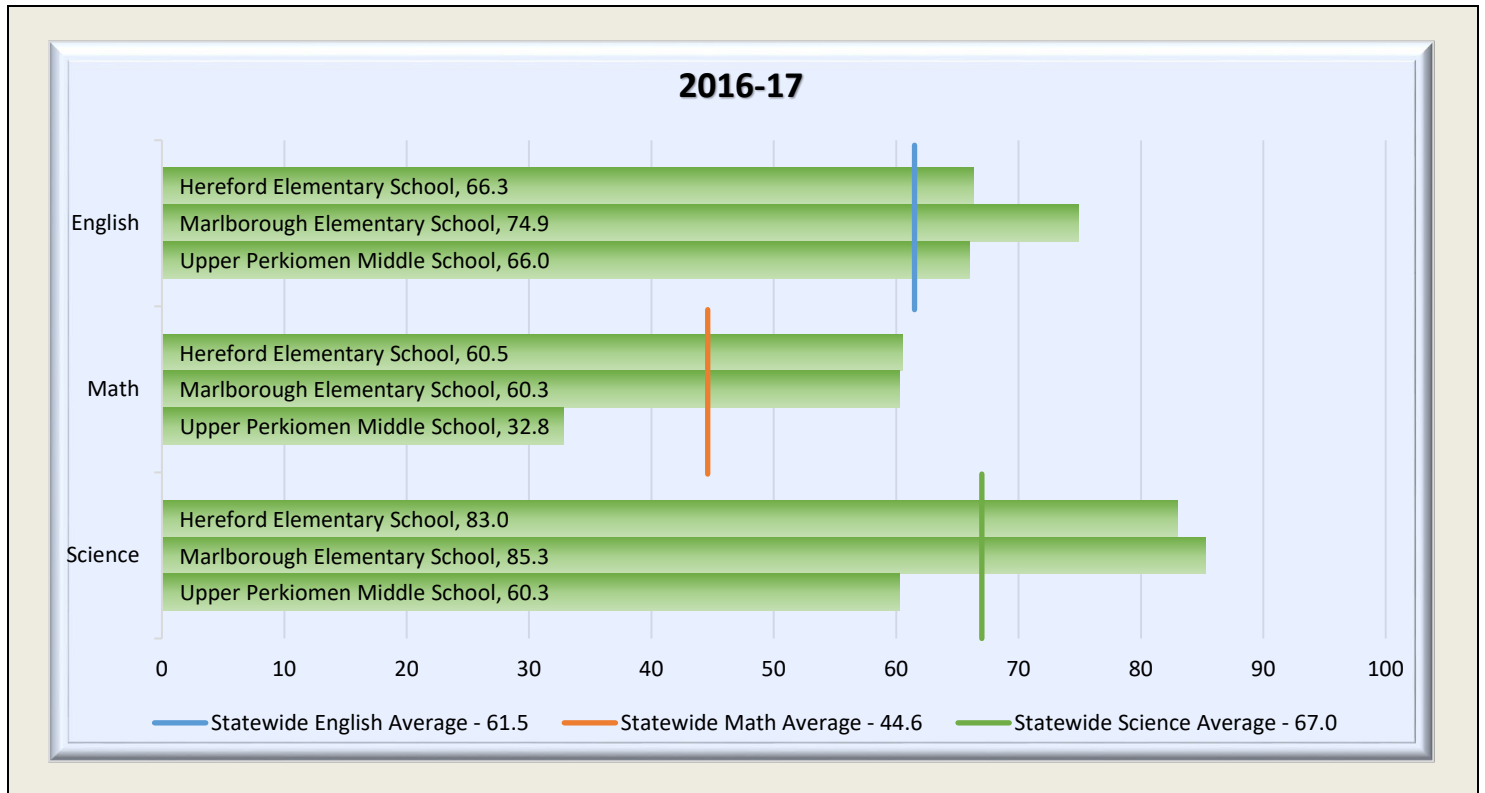
2018-19



2017-18

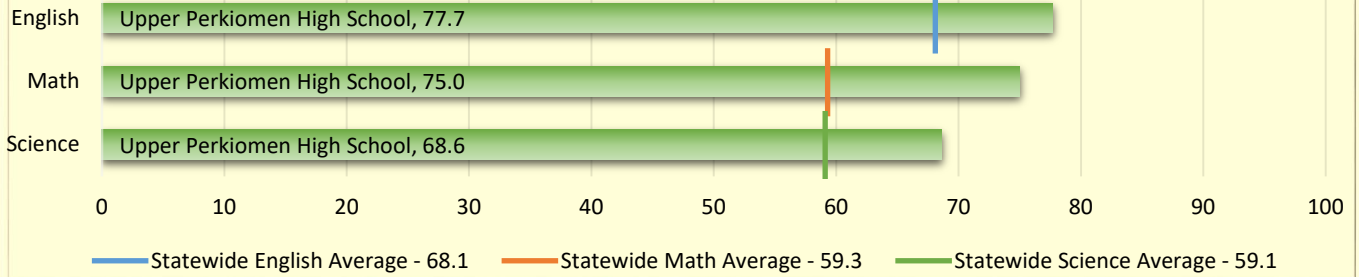


**PSSA Advanced or Proficient Percentage
School Scores Compared to Statewide Averages (continued)**

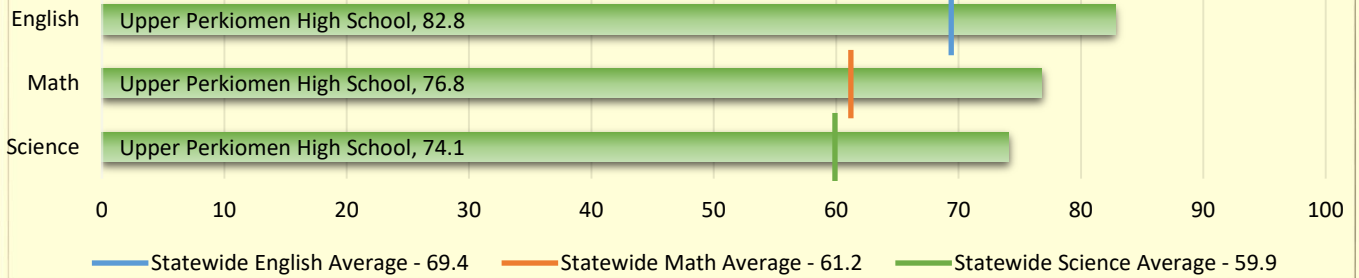


**Keystone Advanced or Proficient Percentage
School Scores Compared to Statewide Averages**

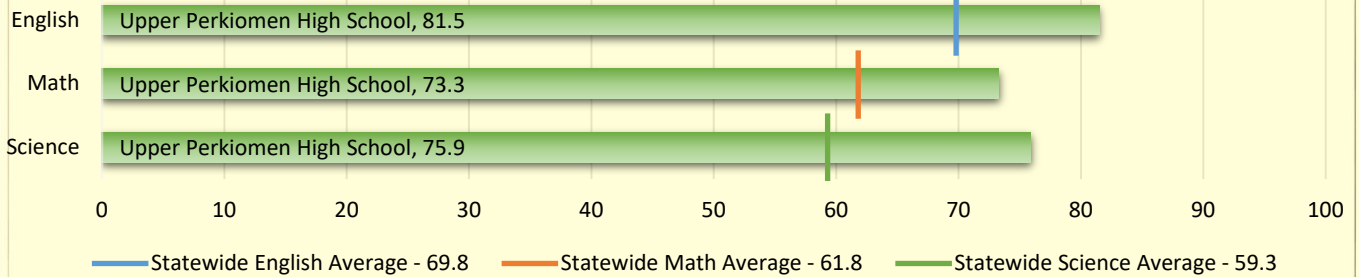
2018-19



2017-18



2016-17



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