

PERFORMANCE AUDIT

Westmont Hilltop School District Cambria County, Pennsylvania

April 2020



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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**EUGENE A. DePASQUALE
AUDITOR GENERAL**

Mr. Thomas R. Mitchell, Superintendent
Westmont Hilltop School District
222 Fair Oaks Drive
Johnstown, Pennsylvania 15905

Mr. Jeffrey P. Masterson, Board President
Westmont Hilltop School District
222 Fair Oaks Drive
Johnstown, Pennsylvania 15905

Dear Mr. Mitchell and Mr. Masterson:

Our performance audit of the Westmont Hilltop School District (District) determined the District's compliance with certain relevant state laws, regulations, contracts, and administrative procedures (relevant requirements). This audit covered the period July 1, 2014 through June 30, 2018, 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 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.

During our audit, we found significant instances of noncompliance with the Public School Code and its associated regulations, as detailed in our four findings. A summary of the results is presented in the Executive Summary section of the audit report. These findings include recommendations for the District.

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 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.

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".

Eugene A. DePasquale
Auditor General

April 13, 2020

cc: **WESTMONT HILLTOP 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 Westmont Hilltop 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, 2014 through June 30, 2018, 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 2014-15 through 2017-18 school years.

Audit Conclusion and Results

During our audit, we found significant instances of noncompliance with relevant requirements, as detailed in our four findings.

Finding No. 1: The District Failed to Retain Documentation to Support \$1.6 Million Received for Transportation Reimbursement.

The District did not comply with the record retention provisions of the Public School Code (PSC) when it failed to retain adequate source documents to verify the accuracy of \$1,601,579 it received in transportation reimbursements from the Pennsylvania Department of Education (PDE) for the 2014-15 through 2017-18 school years. The District failed to retain supporting documentation for \$1,319,374 in regular transportation reimbursements and \$282,205 in supplemental transportation reimbursements it received during this time period (see page 8).

Finding No. 2: The District and Its School Board Failed to Comply with Provisions of the Public School Code and Associated Regulations by Not Maintaining Records and Provided Insufficient Monitoring Procedures for Its Contracted Bus Drivers.

The District failed to meet its statutory obligations related to the employment of individuals having direct contact with students for the 2019-20 school year. We found that the District did not ensure that all bus drivers had the required qualifications and criminal history clearances before they transported students at the beginning of the school year but instead relied on its transportation contractor to determine driver fitness. We also found that the District was not following its own policy regarding contracted services (see page 14).

Finding No. 3: The District Failed to Conduct all Required Monthly Fire Drills in Accordance with the Public School Code and to Maintain Adequate Fire and Security Drill Documentation.

The District's fire drill data for the 2017-18 and 2018-19 school years disclosed that the District failed to conduct monthly fire drills, as required by Section 1517(a) of the PSC. The District also did not maintain documentation to support the security and fire drills reported to PDE. Based on alarm records obtained from their outside company, we found discrepancies between the fire drill data reported to PDE and the alarm records (see page 19).

Finding No. 4: The District Failed to Accurately Report Nonresident Student Data to the Pennsylvania Department of Education Resulting in an Underpayment of \$38,367.

The District inaccurately reported nonresident student data to PDE for the 2016-17 and 2017-18 school years. During these years, the District educated nonresident students for whom the District

was eligible to receive Commonwealth-paid tuition. The District did not accurately report these students to PDE and, as a result, it was underpaid a total of \$38,367 in subsidy reimbursements (see page 24).

Status of Prior Audit Findings and Observations.

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

Background Information

School Characteristics 2019-20 School Year ^A	
County	Cambria
Total Square Miles	15
Number of School Buildings	2
Total Teachers	104
Total Full or Part-Time Support Staff	35
Total Administrators	9
Total Enrollment for Most Recent School Year	1,480
Intermediate Unit Number	8
District Career and Technical School	Greater Johnstown Career & Technology Center

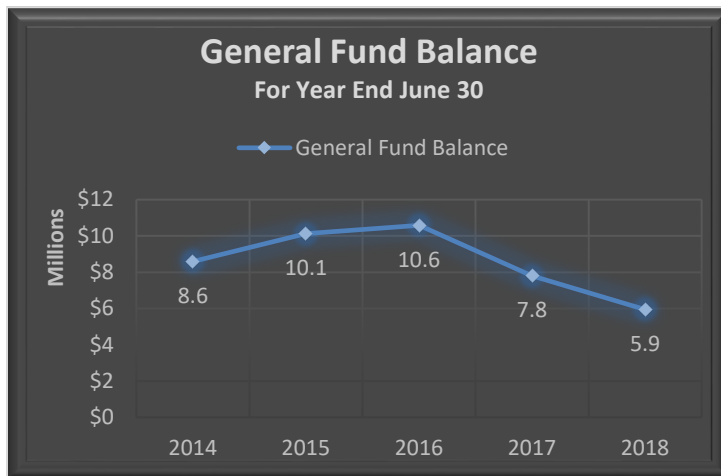
A - Source: Information provided by the District administration and is unaudited.

Mission Statement^A

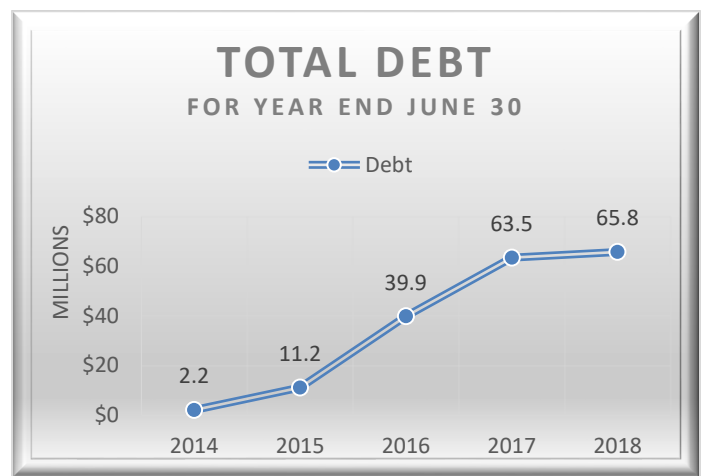
Unified in a commitment to inspire and to empower resilient, lifelong learners.

Financial Information

The following pages contain financial information about the Westmont Hilltop 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**.

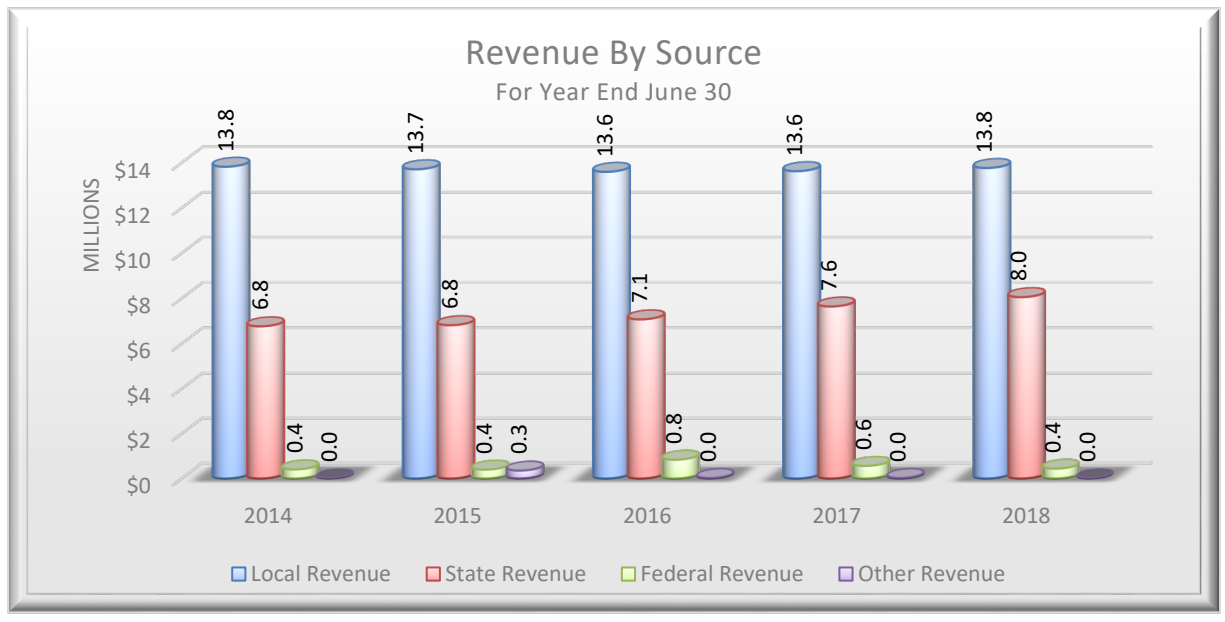
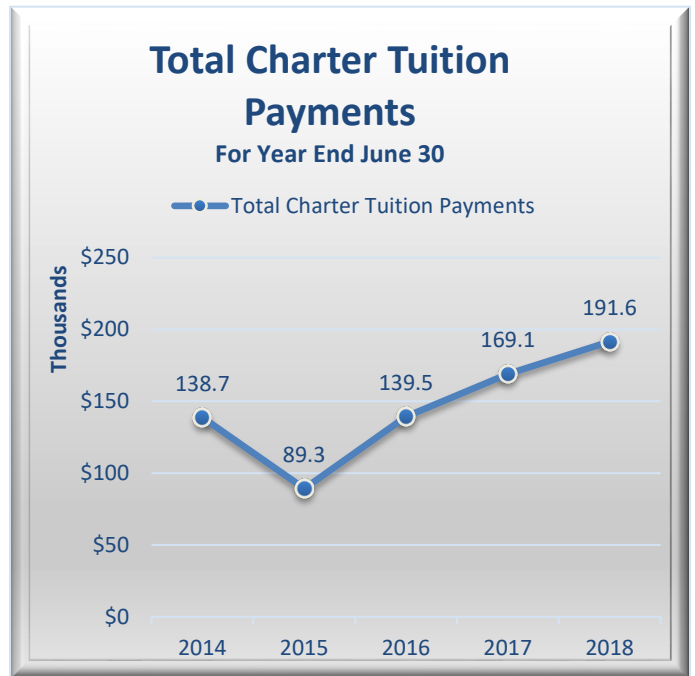
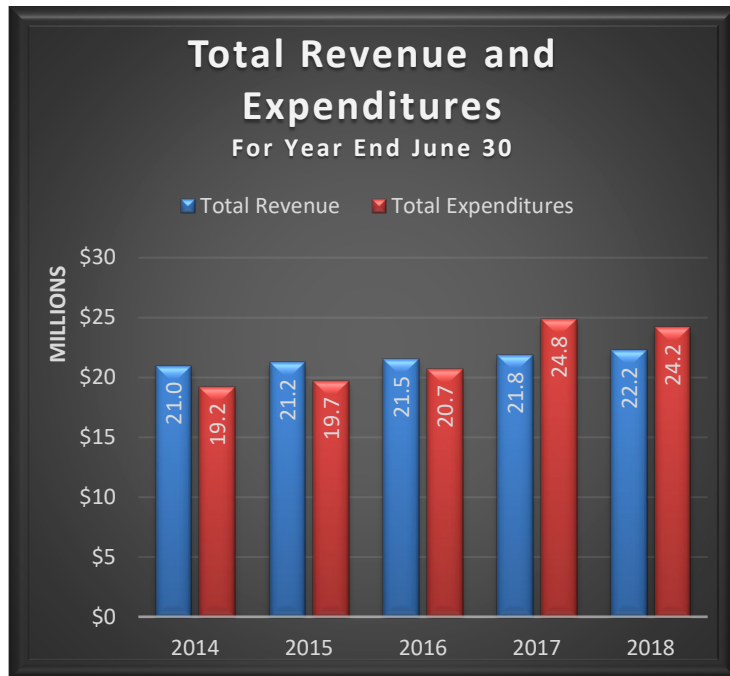


Note: General Fund Balance is comprised of the District's Committed, Assigned and Unassigned Fund Balances.



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

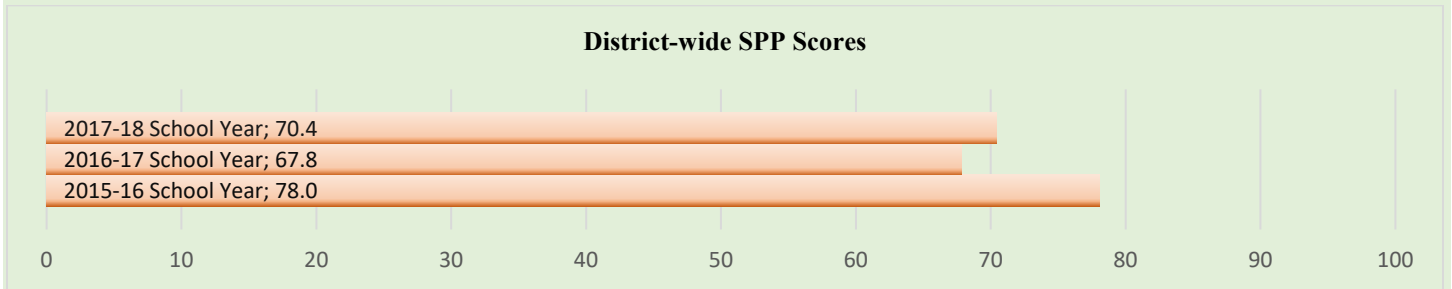


Academic Information

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.¹ 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. 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.²

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



¹ PDE is the sole source of academic data presented in this report. All academic data was obtained from PDE's publicly available website.

² 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.

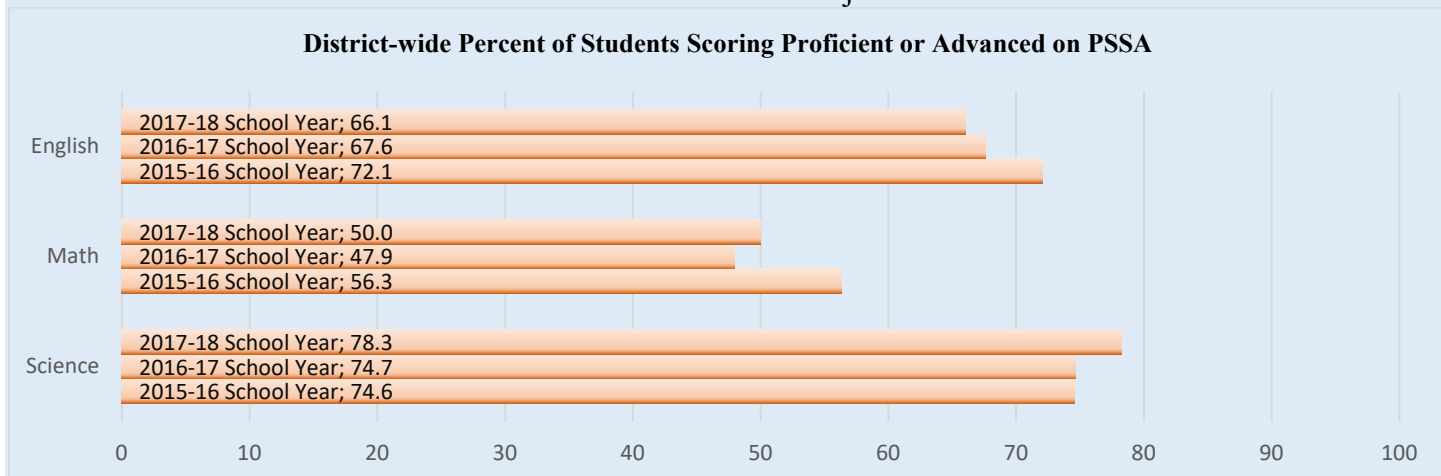
³ PDE started issuing a SPP score for all public school buildings beginning with the 2012-13 school year. For the 2014-15 school year, PDE only issued SPP scores for high schools taking the Keystone Exams as scores for elementary and middle scores were put on hold due to changes with PSSA testing. PDE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

Academic Information Continued

What is the PSSA?

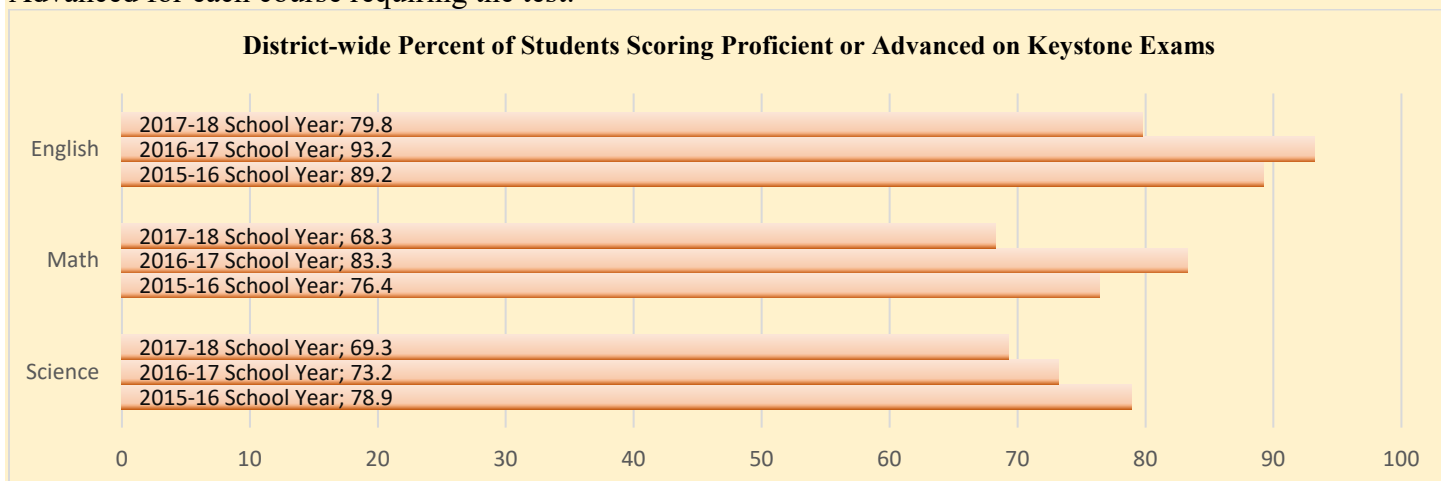
The PSSA is an annual, standardized test given across the Commonwealth to students in grades 3 through 8 in core subject areas, including English, Math and Science. The PSSAs help Pennsylvania meet federal and state requirements and inform instructional practices, as well as provide educators, stakeholders,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

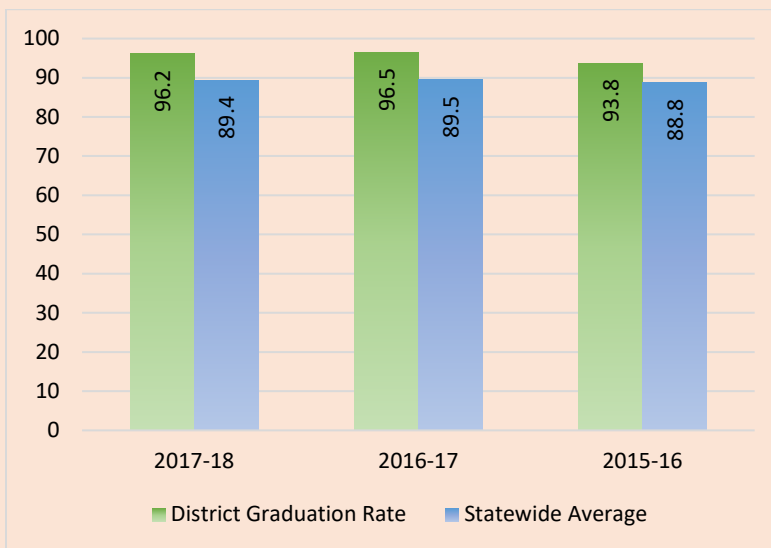


⁴ Act 158 of 2018, effective October 24, 2018, amended the Public School Code to further delay the use of Keystone Exams as a graduation requirement until the 2021-22 school year. See 24 P.S. § 1-121(b)(1).

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

Findings

Finding No. 1

The District Failed to Retain Required Documentation to Support \$1.6 Million Received for Transportation Reimbursements

Criteria relevant to the finding:

Record Retention Requirement

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

Student Transportation Subsidy

The PSC provides that school districts receive a transportation subsidy for most students who are 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 provided 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 Westmont Hilltop School District (District) did not comply with the record retention provisions of the Public School Code (PSC) when it failed to retain adequate source documents to verify the accuracy of \$1,601,579 it received in transportation reimbursements from the Pennsylvania Department of Education (PDE) for the 2014-15 through 2017-18 school years. The District failed to retain supporting documentation for \$1,319,374 in regular transportation reimbursements and \$282,205 in supplemental transportation reimbursements it received during this time period.

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 charter school and nonpublic school students transported at any time during the school year.⁶

Without proper documentation, we were unable to determine the appropriateness of the regular and supplemental transportation reimbursements received by the District. It is absolutely essential that records related to the District's transportation expenses and reimbursements be retained in accordance with the PSC's record retention provision (for a period of not less than six years) and be readily available for audit. As a state auditing agency, it is extremely concerning to us that the District did not have the necessary and legally required documents available for audit. Periodic auditing of such documents is extremely important for District accountability and verification of accurate reporting.

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 year with PDE in order to be eligible for the transportation subsidies. The Westmont Hilltop 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

⁶ The District did not report any charter school students as transported during the audit period.

Criteria relevant to the finding (continued):

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.

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.

Section 2543 of the PSC, which is entitled, “**Sworn statement** of amount expended for reimbursable transportation; payment; withholding” of the PSC 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.” (Emphases added.) Ibid.

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.⁷

Regular Transportation Reimbursement

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 is used to transport students to and from school.
- Miles with and without students for each vehicle.
- Students assigned to each vehicle.

PDE guidelines state that districts are required to report the number of miles per day, to the nearest tenth, that each vehicle travels with and without students. If this figure changes during the year, districts are required to calculate a weighted or sample average. The District was able to provide odometer readings for all vehicles reported to PDE during the audit period, but the District was unable to produce documentation supporting the reported averages. Additionally, the District failed to retain supporting documentation for the number of students transported for each year of the audit period. The table below shows the student and vehicle data reported to PDE and the regular reimbursement received for each school year during the audit period.

Table 1

Westmont Hilltop School District Transportation Data Reported to PDE			
School Year	Reported Number of Students Transported	Reported Number of Vehicles	Total Reimbursement Received
2014-15	1,432	24	\$ 346,409
2015-16	1,484	24	\$ 298,762
2016-17	1,657	22	\$ 337,672
2017-18	1,592	22	\$ 336,531
Totals	6,165	92	\$ 1,319,374

As illustrated in the table above, the reported number of students increased from 2015-16 to 2016-17 school years; however, the reported number of vehicles decreased. Based on past accumulative experience, reported

⁷ 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
(continued):*

**PDE Instructions to Complete the
Worksheet for Computing Sample
Averages**

[https://www.education.pa.gov/
Documents/Teachers-Administrators/
Pupil%20Transportation/eTran%
20Application%20Instructions/
PupilTransp%20Instructions%
20SampleAverageWorksheet.pdf](https://www.education.pa.gov/Documents/Teachers-Administrators/Pupil%20Transportation/eTran%20Application%20Instructions/PupilTransp%20Instructions%20SampleAverageWorksheet.pdf)
(accessed 3/11/19).

Record the vehicle odometer readings on or about July 1 prior to the beginning of the school year and on or about July 1 at the end of the school year. The two readings should be about one year apart. After the second reading, subtract the beginning of the year odometer reading from the end of the year odometer reading to determine the annual odometer mileage.

Once during each month, from October through May, for to-and-from school transportation, measure and record:

1. The number of miles the vehicle traveled with students,
2. The number of miles the vehicle traveled without students,
3. The greatest number of students assigned to ride the vehicle at any one time during the day.

At the end of the school year, calculate the average of the eight measurements for each of the three variables calculated to the nearest tenth. These averages are called sample averages.

information of an inconsistent nature indicates possible errors and, therefore, warrants a detailed review of the reported information. Additionally, our review of odometer readings indicated concerns with the transportation data reported to PDE, but due to the District's failure to retain appropriate supporting documentation we were unable to determine the accuracy of the transportation data submitted to PDE and the Commonwealth reimbursements received.

Failure to Retain Source Documentation

Current District officials stated that the reason that the District did not have sufficient documentation to support the Commonwealth reimbursements received was the result of staff turnover and not being able to locate documentation that the prior District official used to submit data to PDE. The District official responsible for reporting transportation data during the audit period was also the District's child accounting coordinator. Additionally, this same official was the District's Assistant Superintendent or Superintendent during the 2014-15 and 2015-16 school years and the District's Business Manager during the 2016-17 and 2017-18 school years.

Our discussions with current District officials revealed that no other District official was involved in the transportation reporting operations during the audit period. The District did not have transportation specific reporting procedures or procedures on what transportation data needed to be retained and how to retain this data.

Supplemental Transportation Reimbursement

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

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

*Criteria relevant to the finding
(continued):*

The annual odometer mileage and the sample averages determined by the above methods should be used to complete the PDE-1049, end-of-year pupil transportation report in the eTran system.

Use of this specific form is not a PDE requirement; it has been designed and provided as a service to local education agencies that wish to use it for recording and calculating data that is reported to PDE on the PDE-1049 report in eTran. **If used, this form, along with the source documentation that supports the data, should be retained for auditor review.**

Number of Nonpublic School Pupils Transported

Enter the total number of resident NONPUBLIC school pupils you transported to and from school. Documentation identifying the names of these pupils should be retained for review by the Auditor General's staff. NONPUBLIC school pupils are children whose parents are paying tuition for them to attend a nonprofit private or parochial school. (Any child that your district is financially responsible to educate is a PUBLIC pupil.)

The table below illustrates the number of nonpublic school students reported to PDE as transported during the 2014-15 through 2017-18 school years and the supplemental transportation reimbursement received for those school years.

Table 2

Westmont Hilltop School District Transportation Data Reported to the PDE		
School Year	Nonpublic School Students Reported	Supplemental Transportation Reimbursement Received ⁹
2014-15	172	\$ 66,220
2015-16	171	\$ 65,835
2016-17	229	\$ 88,165
2017-18	161	\$ 61,985
Total	733	\$282,205

The District relied on its transportation contractor to compile the number of nonpublic school students transported during the audit period. However, when we requested the list of students for each year of the audit period, the District was unable to provide a list of students that matched what was reported to PDE. Additionally, the significant increase in nonpublic school students reported to PDE for reimbursement for the 2016-17 school year highlights the need for this information to be reviewed for accuracy. Finally, the District was unable to provide bus rosters or individual requests for transportation to support the number of nonpublic school students reported to PDE during the audit period and the \$282,205 received in commonwealth reimbursements.

The District attributed the lack of supporting documentation for the supplemental reimbursement it received to the prior District official who was solely responsible for reporting transportation data to PDE during the audit period.

Conclusion

The District failed in its fiduciary duties to taxpayers and was not in compliance with the PSC by not retaining this information. Without the documentation, we could not determine whether the amount of regular and supplemental transportation reimbursements received were appropriate for the 2014-15 through 2017-18 school years. Transportation expenses and the subsequent transportation reimbursements are significant factors that can impact the District's overall financial position. Therefore, it is in the best interest of the District to ensure that it regularly and consistently

⁹ Calculated by multiplying nonpublic school students reported by \$385.

meets its fiduciary and statutory duties and complies with the PSC's record retention requirements.

Recommendations

The *Westmont Hilltop School District* should:

1. Immediately take the appropriate administrative measures to ensure that it retains all documentation supporting the transportation data reported to PDE, including student bus rosters, mileage average calculations, and nonpublic school student requests for transportation in accordance with the PSC's record retention requirements.
2. Establish a safe and adequate location to store all source documents and calculations supporting the transportation data submitted to PDE.
3. Ensure that record retention procedures are documented and staff are trained on the procedures.

Management Response

District management provided the following response:

"As noted in the finding, a prior District administrator that was employed by the District during the audit period and was responsible for reporting the required information to the State and retaining the supporting documentation, no longer works for the District and was not present during the audit fieldwork. During the time period of the audit the District's administrative office moved several times to different locations because of on-going construction projects. The prior administrator whose responsibility it was to retain the documentation was among the employees who had to relocate several times. There was no central storage location available to the administration during these relocations. Some supporting documentation was found during the audit fieldwork, but not all supporting documentation requested by the auditors for the audit period was able to be located by the current administration.

"Recommendations and responses:

1. "Immediately take the appropriate administrative measures to ensure that it retains all documentation supporting the transportation data reported to PDE, including student bus rosters, mileage average calculations, and nonpublic school student requests for transportation in accordance with PSC's record retention requirements.
 - a. "In response, the District administration has implemented new record retention practices designed to ensure all documentation supporting transportation data reported to the PDE is retained in accordance with the PSC's record retention requirements.

2. “Establish a safe and adequate location to store all source documents and calculations supporting the transportation data submitted to the PDE.
 - a. “In response, the District administration has a secure file storage location in the District administrative office that will be used to store all source documents and calculations supporting the transportation data submitted to the PDE.
3. “Ensure that record retention procedures are documented and staff are trained on the procedures.
 - a. “Board Policy 800 addresses record retention. All pertinent staff will be trained on the procedures according to the policy.”

Auditor Conclusion

We are pleased that the District is in the process of implementing our specific recommendations. Implementing our recommendations will help ensure that the District is in compliance with the PSC, including the record retention provision. We will review the District’s corrective actions as stated above and any additional actions taken during our next audit of the District.

Finding No. 2

The District and Its School Board Failed to Comply with Provisions of the Public School Code and Associated Regulations by not Maintaining Records and Provided Insufficient Monitoring Procedures for Its Contracted Bus Drivers

Criteria relevant to the finding:

Chapter 23 (relating to Pupil Transportation) of the State Board of Education regulations, among other provisions, provides that the board of directors of a school district is responsible for the selection and approval of eligible operators who qualify under the law and regulations. *See*, in particular, 22 Pa. Code § 23.4(2).

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)-(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 for the 2019-20 school year. Specifically, we found that the District did not ensure that all bus drivers had the required qualifications and criminal history clearances before they transported students at the beginning of the school year but instead relied on its transportation contractor to determine driver fitness. We also found that the District was not following its own policy regarding contracted services.

Employment Requirements

Several state statutes and regulations establish the minimum required qualifications for school bus drivers. The primary purpose of these requirements is to ensure the protection, safety, and welfare of the students transported on school buses.

Regardless of whether they hire their own drivers or use a contractor's 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 the Board of School Directors' (Board) approval:

1. Driver qualification credentials,¹⁰ 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 Record (PSP clearance¹¹).

¹⁰ Pennsylvania's Vehicle Code, 75 Pa.C.S. §§ 1508.1 (relating to Physical examinations) and 1509 (relating to Qualifications for school bus driver endorsement).

¹¹ PSP refers to the Pennsylvania State Police.

*Criteria relevant to the finding
(continued):*

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)-(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)-(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).

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)-(c.1).

- b. Federal Criminal History Record, based on a full set of fingerprints (FBI clearance¹²).
- c. PA Child Abuse History Clearance.

Missing and Expired Driver Qualification Records and Background Clearances and Lack of On-Going Monitoring Procedures

The District utilizes a transportation contractor to provide bus drivers to transport District students. In January 2020, we requested and reviewed the personnel files of all 44 drivers employed by the District's transportation contractor for the 2019-20 school year to determine whether the District complied with bus driver qualification requirements, including the maintenance and monitoring of updated documentation after the initial date of hire. We determined that although some bus driver documentation was maintained at the District and the Board was approving a list of drivers, the District failed to maintain complete records and properly monitor and update driver records throughout employment. Instead, the District was relying on its contractor to demonstrate driver eligibility and provide required documentation, which was not always happening and/or was not being monitored. Consequently, we found that **required driver documentation was either not on file or out of date for 28 of 44 drivers, or 64 percent of all drivers**, in the District's personnel files.

Upon request by the District, the contractor was able to provide the required documentation for all of the drivers within a few days. Our follow-up review of the documents obtained from the contractor found that all of the drivers were eligible to transport students.

Nonetheless, the District's lack of monitoring of ongoing bus driver qualifications and clearances due to reliance on the contractor caused the District to have incomplete files, which resulted in the District not complying with the PSC, the CPSL, the State Vehicle code, the State Board of Education regulations, and PDE guidance. It is also important to note that the importance of maintaining complete and updated records has been heightened by recent amendments to the PSC and CPSL requiring that all clearances be renewed **every five years**.¹³ Without a process to monitor required driver documentation, the District would be unaware of when drivers with expired credentials and/or clearances are transporting students.

District administration explained that it thought it was the contractor's responsibility to provide all required documentation to the District, and that the District's failure to monitor this process was, in part, due to a change in administrative staff. During our audit, the District implemented an on-going monitoring process that includes monitoring responsibilities

¹² FBI refers to Federal Bureau of Investigation.

¹³ *See* 24 P.S. § 1-111(c.4) and 23 Pa.C.S. § 6344.4.

*Criteria relevant to the finding
(continued):*

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)-(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).

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 PDE, and shall be subject to a civil penalty up to \$2,500. *See* 24 P.S. § 1-111(g)(1).

assigned to current staff. The effectiveness of these newly implemented procedures will be reviewed during our next audit.

Non-Compliance with Contracted Services Personnel Policy

During our review, we also noted that the District was not adhering to its own *Contracted Services Personnel* Policy No. 818 adopted September 19, 2019. This policy requires independent contractors and their employees who have direct contact with students to comply with the mandatory background check requirements for both criminal history and child abuse reviews and to supply this information to the District for final determination. Further, this policy requires all documentation to be maintained centrally in a manner similar to that for school employees.

Again, the District's reliance on the contractor to provide necessary documentation without an on-going monitoring process resulted in the District not following its own policy.

Conclusion

The District and its Board did not meet their statutory obligations to ensure that bus drivers are qualified and eligible to transport students. Specifically, the District and its Board failed to comply with all applicable laws, regulations, PDE guidance documents, and board policy by failing to obtain, review, and maintain all required bus driver qualifications and clearances. Ensuring that ongoing credentials and clearances are satisfied are vital student protection legal and governance obligations and responsibilities 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. The use of a contractor to provide student transportation does not negate these legal and governance obligations and responsibilities.

Recommendations

The *Westmont Hilltop School District* should:

1. Obtain, review, and maintain all contracted driver credentials and clearances.
2. Continue to implement its new tracking and monitoring procedures on an on-going basis and evaluate the effectiveness of these procedures by verifying that all bus driver credentials remain complete and current throughout the school year.
3. Follow the District's *Contracted Services Personnel* Policy No. 818 establishing the District's duties related to the maintenance, review, and monitoring of contractors and contracted employees.

*Criteria relevant to the finding
(continued):*

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. *See* 24 P.S. § 1-111(e)-(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).

Section 23.4 of Title 22, Chapter 23 (relating to Pupil Transportation) of the State Board of Education regulations provide that the board of directors of a school district is responsible for the selection and approval of eligible operators who qualify under the law and regulations. *See* 22 Pa. Code § 23.4(2).

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>).

Management Response

District management provided the following response:

“The District agrees with the finding that all bus driver records were not on file. A prior District administrator that was employed by the District during the audit period and was responsible for reviewing the required information and retaining the supporting documentation, no longer works for the District and was not present during the audit fieldwork. During the time period of the audit the District’s administrative office moved several times to different locations because of on-going construction projects. The prior administrator whose responsibility it was to retain the documentation was among the employees who had to relocate several times. There was no central storage location available to the administration during these relocations. Some supporting documentation was found during the audit fieldwork, but not all supporting documentation requested by the auditors for the audit period was able to be located by the current administration.

“However, the District disputes the implication that the students’ safety was at risk during this time period. All bus driver qualifications were obtained and reviewed to ensure that credentials and clearances were satisfied during the audit period. The records were not maintained appropriately as described in the first paragraph, but the obligation to ensure that bus drivers were qualified and eligible to transport students was met by both the administration and the Board of Directors.

“Recommendations and responses:

1. “Obtain, review, and maintain all contracted driver credentials and clearances.
 - a. “In response, the District administration has implemented an on-going monitoring process and has also implemented proper record retention procedures for all bus driver records. The bus driver records will be sent to the District from the bus contractor as in the past. Periodic checks of the records at the contractor location will also be implemented to ensure all recent records are on file.
2. “Continue to implement its new tracking and monitoring procedures on an on-going basis and evaluate the effectiveness of these procedures by verifying all bus driver credentials remain complete and current throughout the school year.
 - a. “In response, the District will conduct on-going monitor of bus driver credentials. The bus contractor will continue to provide the necessary driver credentials. The District will continue to review and maintain these records. As an additional check, the

administration will conduct on-site review of the bus driver records periodically to ensure all files are up to date.

3. “Follow the District’s own *Contracted Personnel Policy* No. 818 establishing the District’s duties related to the maintenance, review, and monitoring of contractors and contracted employees.
 - a. “The current administration has implemented procedures to ensure that the Board Policy 818 is followed and adhered to.”

Auditor Conclusion

We are encouraged that the District took corrective actions in implementing our recommendations. Implementing our recommendations will help ensure that the District is in compliance with the PSC. We will review the District’s corrective actions implemented during our next audit of the District.

Regarding the District’s statement that it disputes the implication that the students’ safety was at risk during this time period, we did not make such an implication. Rather, we stated above that “ensuring that ongoing credentials and clearances are satisfied are vital student protection legal and governance obligations and responsibilities placed on the District and its Board.” While the transportation contractor’s ability to promptly produce the credentials and clearances not maintained in the District’s files indicates that the contractor may have ensured that its drivers met the requirements, failure to monitor the transportation contractor to verify that all credentials and clearances were obtained and kept up to date on an ongoing basis increases the risk of unqualified drivers transporting children, which increases the risk of the safety of students being compromised.

Finding No. 3

The District Failed to Conduct all Required Monthly Fire Drills in Accordance with the Public School Code and to Maintain Adequate Fire and Security 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 drill data for the 2017-18 and 2018-19 school years disclosed that the District failed to conduct monthly fire drills, as required by Section 1517(a) of the PSC.¹⁴ We also found that the District did not maintain documentation to support the security and fire drills reported to PDE. Moreover, based on alarm records obtained from an outside company, we found discrepancies between the fire drill data reported to PDE and the alarm records. Consequently, the District’s Superintendent inappropriately attested to the accuracy of the fire drill data in the PDE required reports and certification statements.

Reporting Requirements

During the 2017-18 school year, the PSC specifically mandated that monthly fire drills be conducted ***each and every*** month while school was in session with students and staff present. The 2018-19 school year marked a change in the law to require a security drill to be conducted within 90 days of the beginning of the school year and to permit up to two additional security drills in place of monthly fire drills. The PSC also requires districts to notify parents in advance of the required security drill to be conducted at the beginning of the school year. Both fire and security drill data must be annually reported to PDE.

As part of our review, we obtained the 2017-18 Fire Drill Accuracy Certification Statement and the 2018-19 Fire Evacuation and Security Drill Accuracy Certification Statement (ACS report) filed with PDE. We also requested and examined any available supporting documentation to determine if the required security drill and monthly fire drills were conducted as required by the PSC.

2017-18 School Year

For the 2017-18 school year, we found that the District self-reported that it conducted monthly fire drills at both the elementary and middle/high schools for the months of our review from September 2017 through May 2018. However, we were unable to verify that these drills were conducted due to inconsistent dates and a lack of supporting documentation.

¹⁴ 24 P.S. § 15-1517(a).

*Criteria relevant to the finding
(continued):*

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

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

Specifically, the middle/high school did not maintain drill logs and only had a hand-written note on a hard copy calendar. While the elementary school maintained fire drill logs, the dates on the logs were different than the dates reported to PDE on the ACS report. Consequently, we were unable to verify the actual number of monthly fire drills conducted at these two buildings, but we did determine that the elementary school inaccurately reported drill dates.

2018-19 School Year

Given the lack of fire drill logs at the middle/high school and the date inconsistencies found at the elementary school for the 2017-18 school year, we extended our review to include the 2018-19 school year and to review the alarm company’s records for both buildings. Since alarm company records are only available for one year prior to the date of the request, we obtained these records for the months of October 2018 through May 2019. Alarm company records for the month of September 2018 were not available because they were more than one year old at the time of our request.

Again, we found that both the middle/high school and the elementary school reported conducting all required fire drills for the 2018-19 school year on its ACS report filed with PDE, as well as the new security drill required to be conducted within the first 90 days of school. Both schools also reported conducting additional security drills in lieu of monthly fire drills as permitted by the PSC for the 2018-19 school year and subsequent school years.

We found that, similar to the 2017-18 school year, the middle/high school did not maintain fire drill logs for the 2018-19 school year. As such, we utilized the alarm company records to determine whether monthly fire drills were held as reported for the eight months available for review from October 2018 through May 2019. According to the alarm records, fire drills were only conducted in March and May. As such, the middle/high school inaccurately reported its fire drill data to PDE. Additionally, the middle/high school reported conducting three security drills, but it did not maintain documentation that verified that the drills were in fact conducted, and therefore we were unable to verify whether the reported security drills were actually conducted. Further, it did not provide advance notice to parents of the required security drill at the beginning of the school year.

As for the elementary school, we found that the fire drill logs for the 2018-19 school year matched the data reported to PDE, which was further confirmed by the alarm company reports, except for one month. Specifically, the elementary school reported conducting a fire drill in January 2019, but the alarm company records did not show a drill conducted that month. Further, the elementary school reported that it held two security drills, but it did not maintain records that verified that the

*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.

The 2017-18 *Fire Drill Accuracy Certification Statement* and the 2018-19 *Fire Evacuation and Security Drill Accuracy Certification Statement* that the chief school administrator was required to sign and file with PDE states, in part:

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

security drills were actually conducted. It also did not provide notice to parents of the required security drill.

The District's Superintendent explained that the schools did document fire drills and security drills, but the level of detail was unknown to the building level administration and dates of drills were changed due to weather conditions without required documentation. The district office was unaware of the discrepancies on the ACS report filed with PDE. Finally, the District was unaware of the PSC's requirement to notify parents of the required security drill since it was a new requirement for the 2018-19 school year, and a systematic approach has been developed for future school years.

Under Section 1517(b) of the PSC, the chief school administrator is required to ensure that all requirements of Section 1517 are "faithfully carried out in the schools over which they have charge." Given that the District reported inconsistent dates and lacked adequate supporting documentation of both fire and security drills, the Superintendent failed to fulfill this mandate.

Conclusion

In conclusion, it is vitally important that the District's students and staff regularly participate in fire drills and other security drills throughout the school year. These drills should be evidenced by adequate documentation maintained in the District's school buildings. Further, it is essential that the District accurately report fire and security drill data to PDE pursuant to PDE's reporting requirements and guidance, and that the data has been double-checked for accuracy by properly trained personnel.

Recommendations

The *Westmont Hilltop School District* should:

1. Conduct security and fire drills in full compliance with the PSC for all future school years.
2. Create and retain individual school building security and fire drill logs noting relevant information like the date, type, and results of the drill performed, as support for the data that is reported to PDE.
3. Require building principals and other senior administrative personnel to verify drill data before submitting the district-wide ACS reports to PDE.
4. Ensure personnel responsible for completing and submitting ACS reports are trained with regard to PDE's reporting requirements and that the chief school administrator is aware of his fire and security drill obligations and certification requirements.

Management Response

District management provided the following response:

“The District maintains that all security and fire drills were completed for the time period reviewed; however, the documentation was insufficient. During the 2019-20 school year, the school district has updated district policy and instituted administrative regulation to ensure accurate documentation of completed security and fire drills. Also, the District administration has implemented new record retention practices designed to ensure all documentation supporting security and fire drill data reported to the PDE is reported accurately.

“Recommendations and responses:

1. “Conduct security and fire drills in full compliance with the PSC for all future year.
 - a. “In response, the District will continue to comply with the requirements of the PSC.
2. “Create and retain individual school building security and fire drill logs noting relevant information like the date, type, and results of the drill performed, as support for the data that is reported to PDE.
 - a. “In response, the District administration has implemented new record retention practices designed to ensure all documentation supporting security and fire drill data reported to the PDE is retained in accordance with the PSC’s record retention requirements.
3. “Require building principals and other senior administrative personnel to verify drill data before submitting the district-wide ACS reports to PDE.
 - a. “In response, the District administration has implemented new review practices designed to ensure all documentation supporting security and fire drill data reported to the PDE is verified and accurate.
4. “Ensure personnel responsible for completing and submitting ACS reports are trained with regard to PDE’s reporting requirements and that the chief school administrator is aware of his fire and security drill obligations and certification requirements.
 - a. “In response, the District administration will provide on-going training in regard to providing accurate data to PDE.

Auditor Conclusion

The auditors are encouraged that the District is implementing our recommendations to resolve these issues of record retention and reporting requirements. Implementing our recommendations will help ensure that the District is compliance with the PSC in ensuring that fire drills are being regularly conducted. We will review the District's corrective actions implemented during our next audit of the District.

Finding No. 4

The District Failed to Accurately Report Nonresident Student Data to the Pennsylvania Department of Education Resulting in an Underpayment of \$38,367

Criteria relevant to the finding:

The State Board of Education's regulations and PDE guidelines govern the classifications of nonresident children placed in private homes.

Payment of Tuition

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

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

We found that the District inaccurately reported nonresident student data to PDE for the 2016-17 and 2017-18 school years.¹⁵ During these school years, the District educated nonresident students for whom the District was eligible to receive Commonwealth-paid tuition. However, the District did not accurately report these students to PDE and as a result, it was underpaid a total of \$38,367 in subsidy reimbursements.

School districts are entitled to receive Commonwealth-paid tuition for educating certain nonresident students. To be eligible to receive Commonwealth-paid tuition, the student's parent/guardian must not be a resident of the educating district and 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.¹⁶ Additionally, the district resident must be compensated for the care of the student.

These students are commonly referred to as "foster students" and it is the mandate of the educating District to obtain the required documentation to correctly categorize and accurately report the number of foster students educated to PDE.

The table below details the number of foster students educated by the District and the corresponding amount of Commonwealth-paid tuition that the District was underpaid as a result of not accurately reporting these students to PDE.

Westmont Hilltop School District Nonresident Student Data		
School Year	Unreported Number of Foster Students ¹⁷	Underpayment
2016-17	2	\$18,717
2017-18	2	\$19,650
Total	4	\$38,367

¹⁵ We found that the District accurately reported nonresident foster students to PDE for the 2014-15 and 2015-16 school years.

¹⁶ For example, the applicable county children and youth agency.

¹⁷ The District did not report any foster students during the 2014-15, 2016-17, and 2017-18 school years. The District reported three foster students during the 2015-16 school year.

*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).

During the 2016-17 and 2017-18 school years, the District did not report any foster students to PDE for reimbursement despite educating four foster students during this period of time. As a result, the District failed to collect over \$38,000 in Commonwealth reimbursements it was eligible to receive. The District failed to report these foster students after accurately reporting three foster students during the 2015-16 school year. The District official responsible for categorizing and reporting foster students also took on the additional roles of District Superintendent and Business Manager prior to reporting for the 2016-17 and 2017-18 school years. This District official separated employment with the District in June 2019, prior to our audit beginning.

The District did not have internal controls over the categorization and reporting of foster students. The District did not have any personnel involved with the review of child accounting data other than the District official responsible for categorizing and reporting foster students. It is important that District personnel independent of classifying a student’s residency status reviews this information for accuracy and ensure that it is accurately reported to PDE. Current District officials were unable to knowledgeably speak to the errors we identified, but hypothesized that the official responsible for categorizing and reporting foster students was not able to spend the time needed to accurately report foster student data as a result of other District responsibilities.

Current District officials were also unable to provide us with Student Information System (SIS) reports that would have helped us identify if the failure to be reimbursed for educating four students in the 2016-17 and 2017-18 school years was due to inaccurate categorizing of the students or inaccurate reporting. The failure of current District officials to provide us with these SIS reports further demonstrated the lack of internal controls in place over the reporting of foster students during the audit period.

We provided PDE with reports detailing the errors we identified for the 2016-17 and 2017-18 school years. PDE requires these reports to verify the underpayment to the District. The District’s future subsidy reimbursements should be adjusted by the amount of the underpayment.

Recommendations

The *Westmont Hilltop School District* should:

1. Ensure that District officials responsible for categorizing and reporting foster students are properly trained on the types of nonresident students and the supporting documentation necessary to support the classification reported to PDE.
2. Implement controls that would ensure that District personnel other than the employee who categorized foster student data reviews this data prior to reporting.

3. Ensure that District personnel are trained on District SIS reports and are able to generate reports that identify residency status of students.
4. Review membership reports submitted to PDE for the 2018-19 school year and, if errors are found, submit revised reports to PDE.

The *Pennsylvania Department of Education* should:

5. Adjust the District's allocations to correct the \$38,367 underpayment.

Management Response

District management provided the following response:

“As noted in the finding, a prior District administrator that was employed by the District during the audit period and was responsible for reporting the required Foster Student information to the State, no longer works for the District and was not present during the audit fieldwork. During the time period of the audit the prior administrator took on multiple roles within the District Administrative office from Superintendent to Assistant Superintendent to Business Manager. In those roles, the employee was responsible for the reporting of child accounting to the state. Proper internal controls were not in place to ensure the reporting to the state was correct during the time period under audit. The employee left employment of the district prior to the audit fieldwork.

Recommendations and responses:

1. “Ensure that District officials responsible for categorizing and reporting foster students are properly trained on the types of nonresident students and the supporting documentation necessary to support the classification reported to PDE.
 - a. “In response, the current administration will implement procedures to ensure staff responsible for the categorizing and reporting of student residency are trained on how to categorize foster students in PowerSchool as well as how to maintain proper documentation to support the categorization of the foster students.
2. “Implement controls that would ensure that District personnel other than the employee who categorized foster student data reviews this data prior to reporting.
 - a. “In response, the current administration will implement internal control procedures to ensure that student data reported to the state is reviewed for accuracy prior to being submitted.

3. “Ensure that District personnel are trained on District SIS reports and are able to generate reports that identify residency status of students.
 - a. “In response, the District will ensure that all staff with responsibilities for generating reports from PowerSchool are trained and can produce reports that accurately reflect the student information that is required to be reported to the state.
4. “Review membership reports submitted to PDE for the 2018-2019 school year and, if errors are found, submit revised reports to PDE.
 - a. “In response, the District will promptly review membership reports submitted to PDE for the 2018-2019 school year and, if errors are found, submit revised reports to PDE.”

Auditor Conclusion

We are encouraged that the District recognized the need to obtain and maintain the required documentation to support the reporting of nonresident foster students. We are also encouraged that the District is committed to providing training and implementing policies and procedures relating to the reporting of nonresident foster students. We believe that implementing our recommendations will help the District accurately report this information to PDE. We will review the District’s corrective actions implemented during our next audit of the District.

Status of Prior Audit Findings and Observations

Our prior audit of the Westmont Hilltop 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,¹⁸ 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, 2014 through June 30, 2018. In addition, the scope of each individual audit objective is detailed on the next page.

The Westmont Hilltop 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).¹⁹ 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.

¹⁸ 72 P.S. §§ 402 and 403.

¹⁹ 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, 2014 through June 30, 2018. 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
- ✓ Bus Driver Requirements
- ✓ School Safety
- ✓ Student Membership Data
- ✓ Administrator Separations

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?²⁰
 - ✓ To address this objective, we interviewed District personnel to get an understanding of the District's procedures for obtaining and reporting transportation data to PDE. Initially, we attempted to review the mileage, students transported, and total days traveled to transport students for 8 of the 22 vehicles used to transport students during the 2017-18 school year. However, during our initial review, we found that the District did not retain the required source documentation to verify the accuracy of the regular transportation reimbursement received for those 8 vehicles. We expanded our review to the remaining 14 vehicles used to transport students during the 2017-18 school year and attempted to review all vehicles used to transport students during the 2014-15 through 2016-17 school years.²¹ Additionally, we attempted to verify the accuracy of the supplemental transportation reimbursements received by the District by reviewing all of the nonpublic school students reported by the District during the 2014-15 through 2017-18 school years.²² The results of our review of this objective can be found in Finding No. 1 on page 8 of this report.

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

²¹ The District reported that it used 24 vehicles to transport students during the 2014-15 and 2015-16 school years and 22 vehicles during the 2016-17 school year.

²² The District reported 172 nonpublic school students transported during the 2014-15 school year, 171 nonpublic school students during the 2015-16 school year, 229 nonpublic school students during the 2016-17 school year, and 161 nonpublic school students during the 2017-18 school year.

- Did the District ensure that bus drivers transporting District students had the required driver's license, physical exam, training, background checks, and clearances²³ as outlined in applicable laws?²⁴ Also, did the District have written policies and procedures governing the hiring of new bus drivers that would, when followed, provide reasonable assurance of compliance with applicable laws?
 - ✓ To address this objective, we selected all 44 bus drivers transporting District students as of January 9, 2020. We reviewed documentation to ensure the District complied with the requirements for bus drivers. We also determined if the District had written policies and procedures governing the hiring of bus drivers and if those procedures, when followed, ensure compliance with bus driver hiring requirements. The results of our review of this objective can be found in Finding No. 2 on page 14 of this report.
- Did the District take actions to ensure it provided a safe school environment?²⁵
 - ✓ To address this objective, we reviewed a variety of documentation including, safety plans, training schedules, anti-bullying policies, fire drill documentation, and after action reports. A portion of the results of our review of this objective can be found in Finding No. 3 on page 19 of this report. Due to the sensitive nature of school safety, the full results of our review of this objective area are not described in our report. The full results of our review of school safety are shared with District officials, PDE, and other appropriate agencies deemed necessary.
- Did the District accurately report nonresident students to PDE? Did the District receive the correct reimbursement for these nonresident students?²⁶
 - ✓ To address this objective, we reviewed all three of the nonresident foster students reported by the District to PDE for the 2015-16 school year. We obtained documentation to verify that the custodial parent and/or guardian was not a resident of the District and the foster parents received a stipend for caring for the student. The student listings were compared to the total days reported on the Membership Summary and Instructional Time Membership Report to ensure that the District received correct reimbursement for these students. During our review of this documentation, we found that the District failed to report nonresident foster students to PDE for the 2016-17 and 2017-18 school years. The results of our review of this objective can be found in Finding No. 4 on page 24 of this report.
- 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 contracts comply with the Public School Code²⁷ and Public School Employees' Retirement System (PSERS) guidelines?
 - ✓ To address this objective, we reviewed the contracts, board meeting minutes, board policies, and payroll records for the two individually contracted administrators who separated employment from the District during the period July 1, 2014 through June 30, 2019. We verified the reasons

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 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*.

²⁵ 24 P.S. § 13-1301-A *et seq.*

²⁶ See 24 P.S. §§ 13-1301, 13-1302, 13-1305, 13-1306; 22 *Pa. Code Chapter 11*.

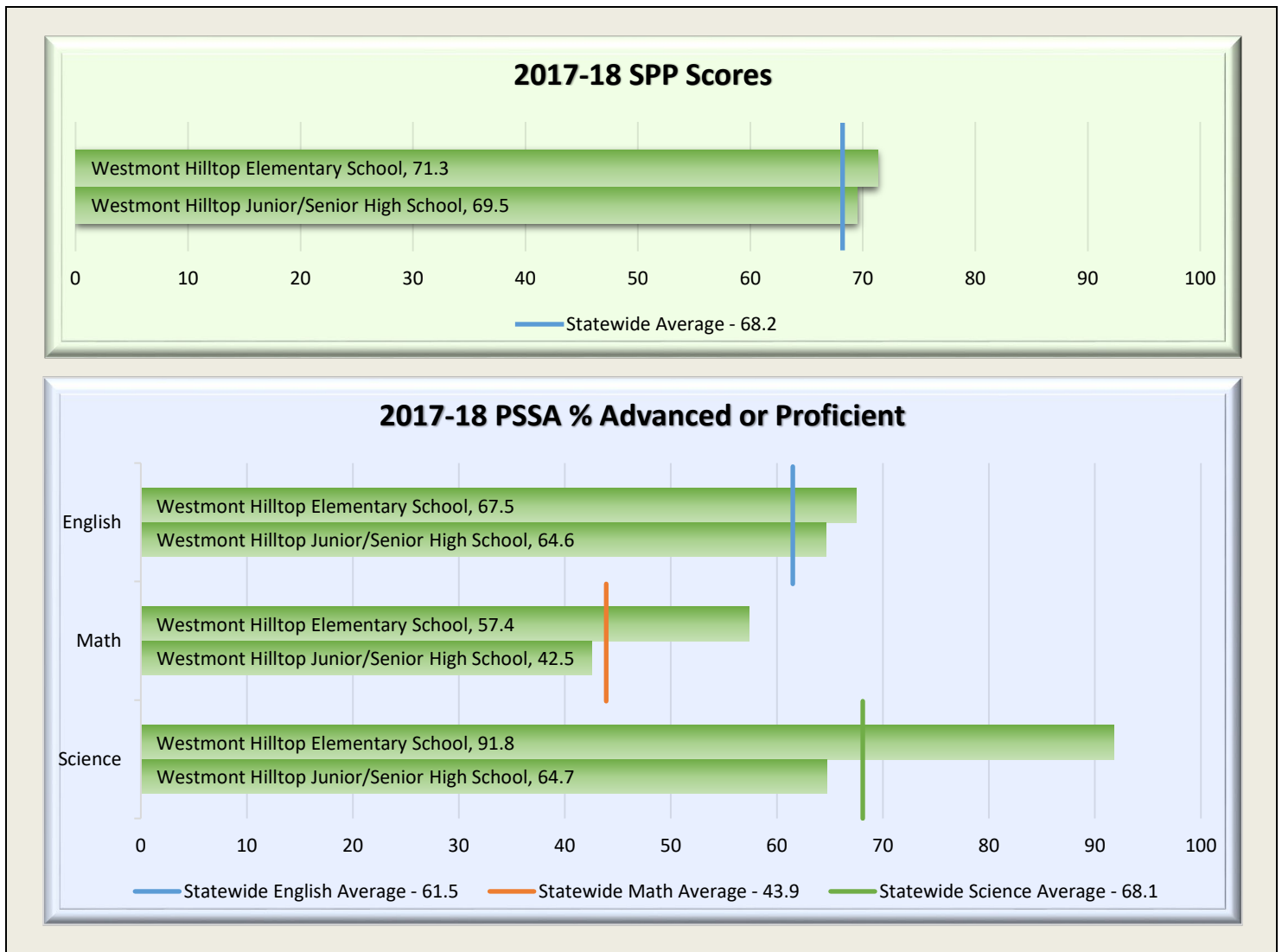
²⁷ 24 P.S. § 10-1073(e)(2)(v).

for separation and reviewed payroll records to ensure that all payments made were contractually stipulated and that these payments were correctly reported to PSERS. Our review of this objective did not disclose any reportable issues.

Appendix B: Academic Data Detail by Building

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.²⁸ 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.²⁹

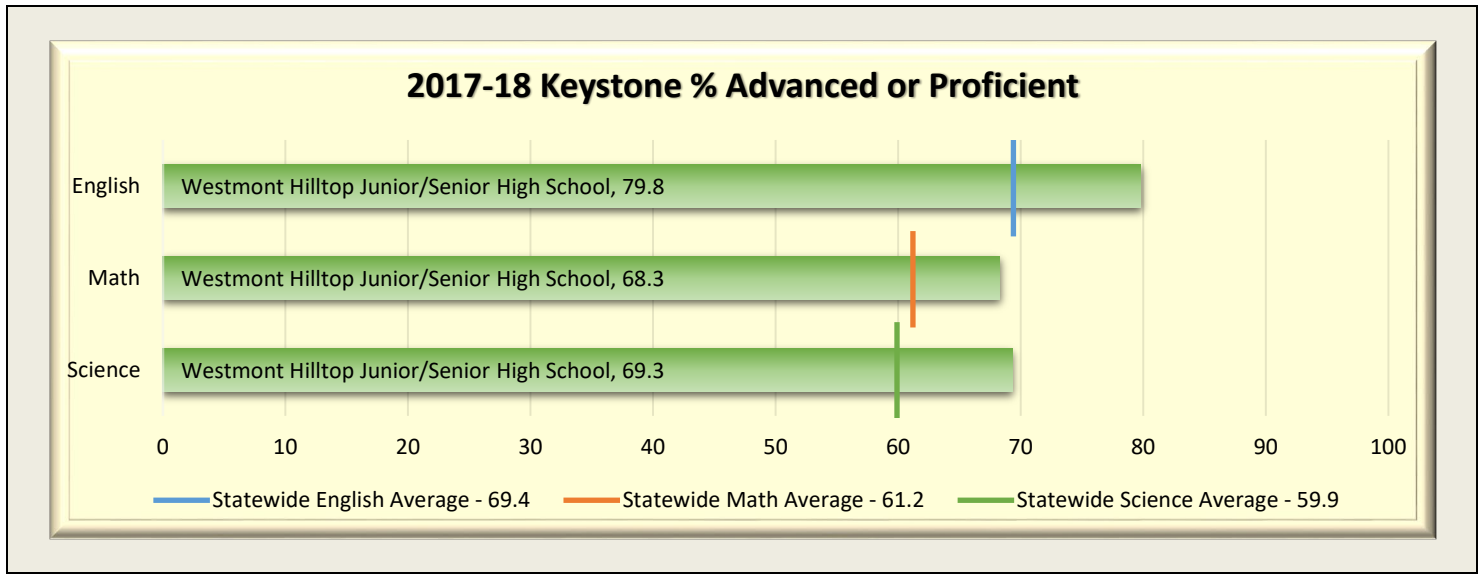
2017-18 Academic Data School Scores Compared to Statewide Averages



²⁸ 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.

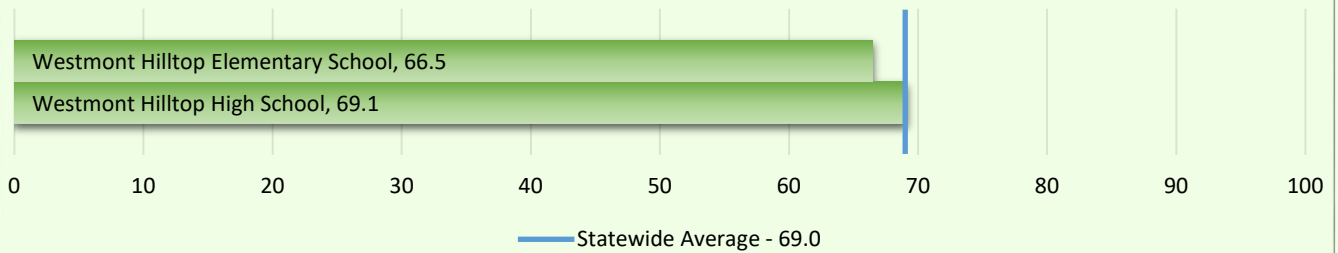
²⁹ PDE's data does not provide any further information regarding the reason a score was not published for a specific school. However, readers can refer to PDE's website for general information regarding the issuance of academic scores.

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

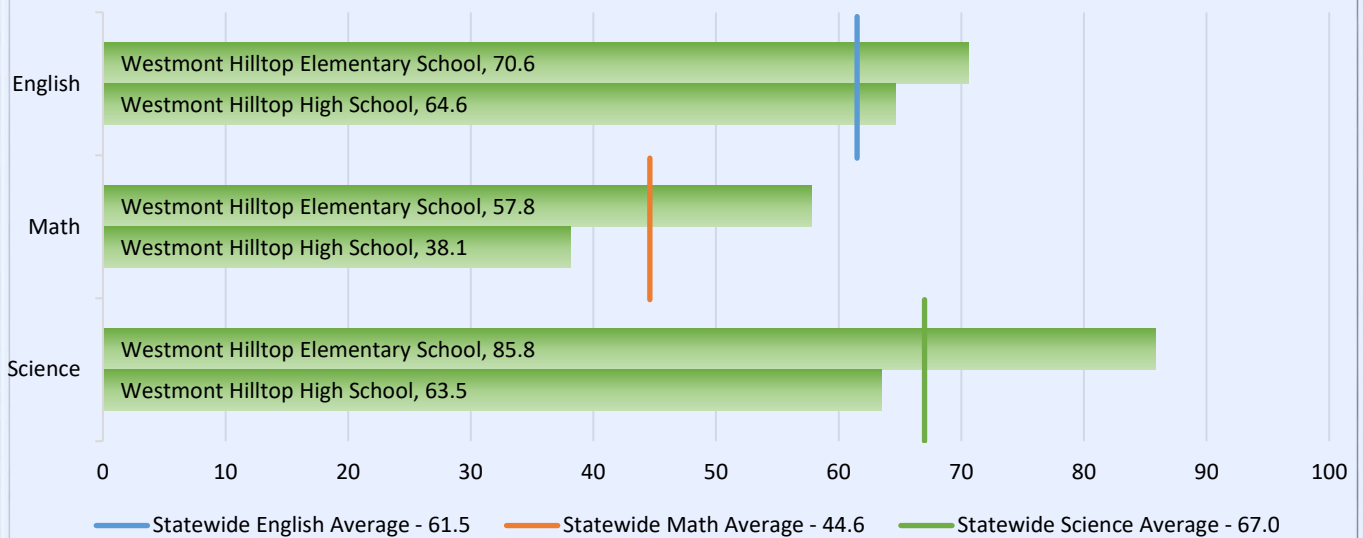


2016-17 Academic Data
School Scores Compared to Statewide Averages

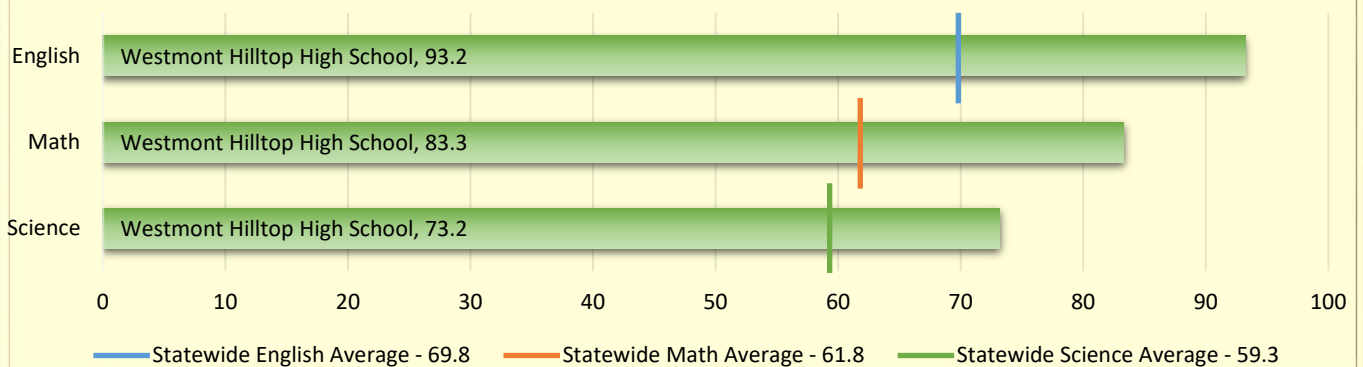
2016-17 SPP Scores



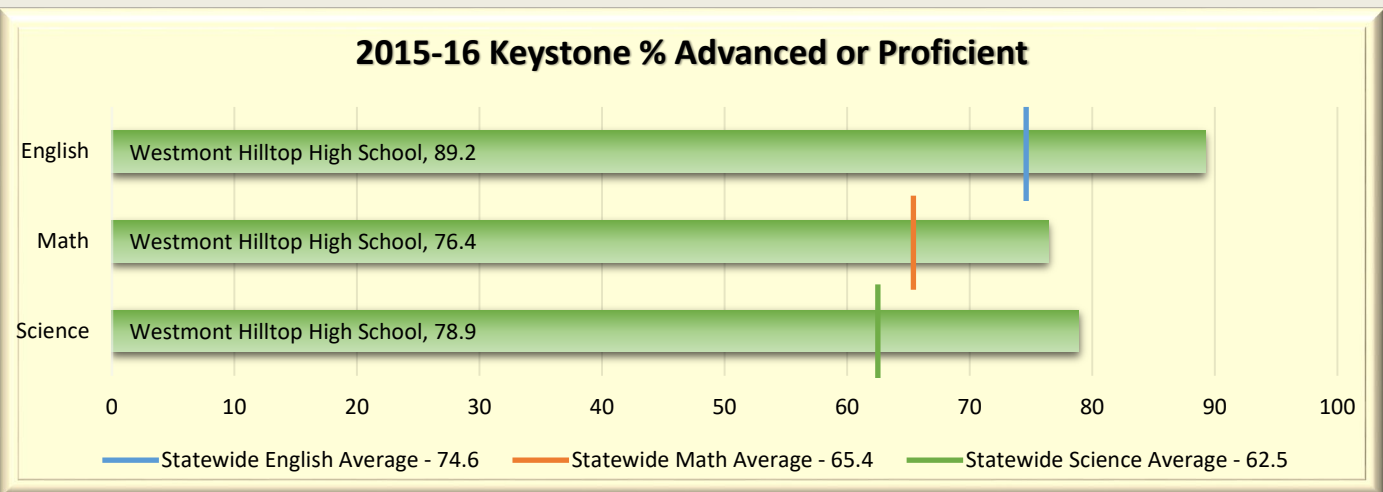
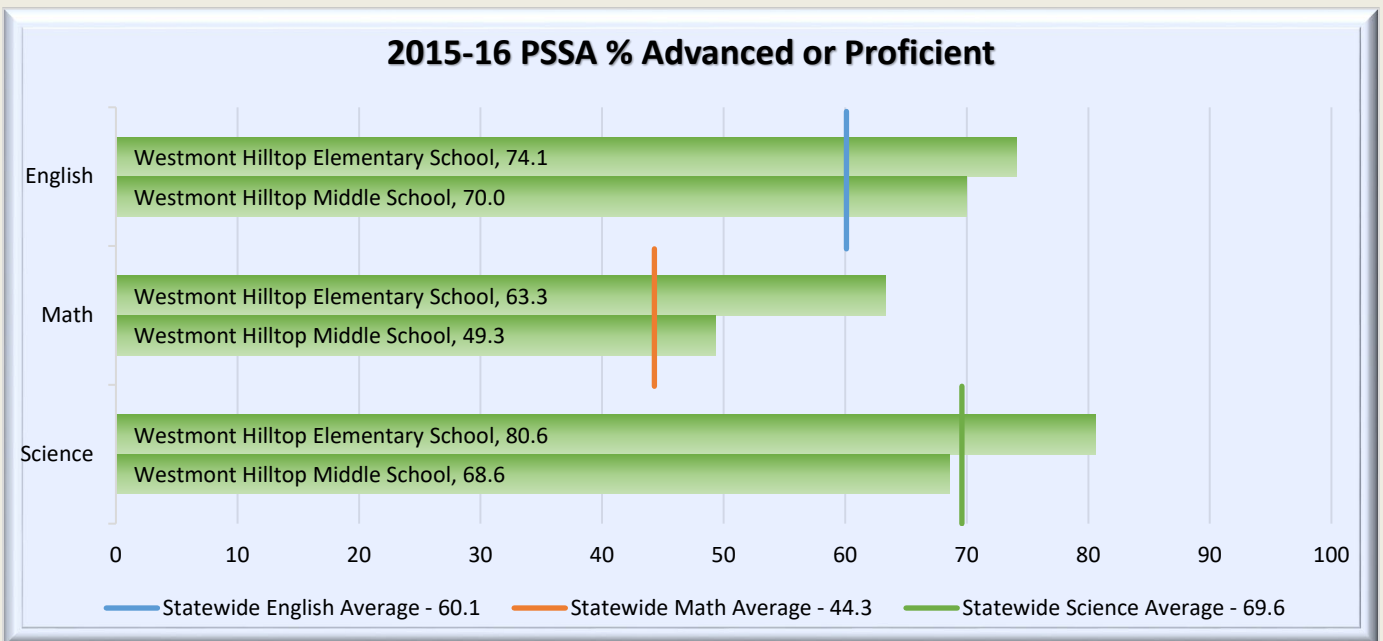
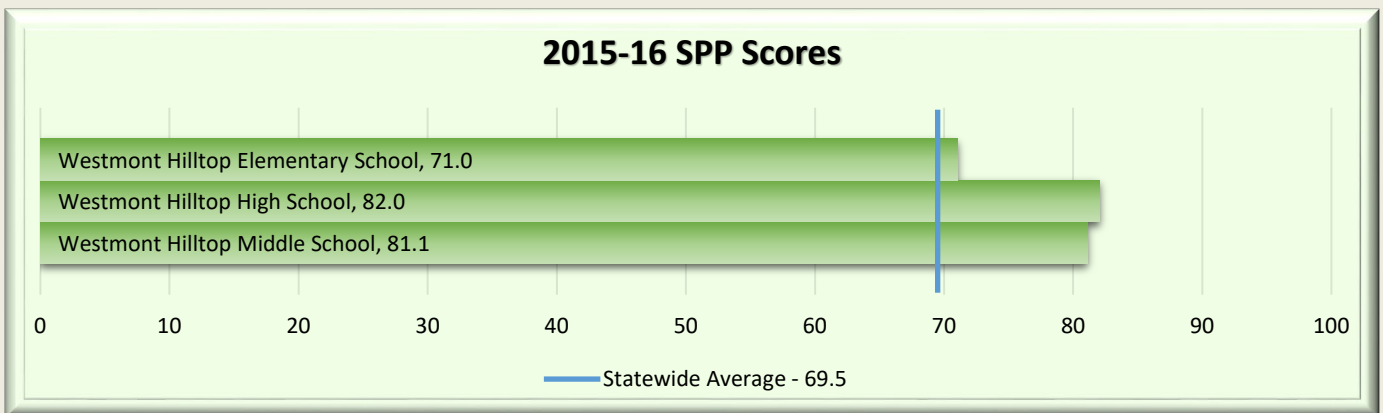
2016-17 PSSA % Advanced or Proficient



2016-17 Keystone % Advanced or Proficient



2015-16 Academic Data
School Scores Compared to Statewide Averages



Distribution List

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