

# PERFORMANCE AUDIT

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## Dover Area School District York County, Pennsylvania

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January 2020



Commonwealth of Pennsylvania  
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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**EUGENE A. DePASQUALE  
AUDITOR GENERAL**

Mrs. Tracy L. Krum, Superintendent  
Dover Area School District  
101 Edgeway Road  
Dover, Pennsylvania 17315

Mr. Nathan Eifert, Board President  
Dover Area School District  
101 Edgeway Road  
Dover, Pennsylvania 17315

Dear Mrs. Krum and Mr. Eifert:

Our performance audit of the Dover Area 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.

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

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

January 10, 2020

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

# Table of Contents

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	Page
Executive Summary .....	1
Background Information .....	3
Findings .....	8
Finding No. 1 – Errors Related to the District’s Social Security and Medicare Reimbursements Resulted in a Net Overpayment of \$267,491 .....	8
Finding No. 2 – Inaccurately Reporting the Number of District Students Transported Who Were Eligible for Reimbursement Resulted in an Overpayment of \$13,070 to the District .....	11
Finding No. 3 – The Dover Area School District Failed to Conduct Monthly Fire Drills as Required by the Public School Code and Inaccurately Reported Fire Drill Data to PDE .....	15
Status of Prior Audit Findings and Observations .....	18
Appendix A: Audit Scope, Objectives, and Methodology .....	20
Appendix B: Academic Detail .....	24
Distribution List .....	30

## Executive Summary

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### Audit Work

The Pennsylvania Department of the Auditor General conducted a performance audit of the Dover Area School District (District). Our audit sought to answer certain questions regarding the District's application of best practices and compliance with certain relevant state laws, regulations, contracts, and administrative procedures and to determine the status of corrective action taken by the District in response to our prior audit recommendations.

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, 2015-16, 2016-17, and 2017-18 school years.

### Audit Conclusion and Results

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

#### **Finding No. 1: Errors Related to the District's Social Security and Medicare Reimbursements Resulted in a Net Overpayment of \$267,491.**

The District incorrectly reported Social Security and Medicare wages to the Pennsylvania Department of Education (PDE) for the 2014-15 and 2015-16 school years, which resulted in underpayments totaling \$24,308. In addition, we found that PDE erroneously paid the District twice for its Social Security reimbursement for the first quarter of 2018. This error resulted in a \$291,799 overpayment to the District. Taken together, these errors led to a net

overpayment to the District of \$267,491 (see page 8).

#### **Finding No. 2: Inaccurately Reporting the Number of District Students Transported Who Were Eligible for Reimbursement Resulted in an Overpayment of \$13,070 to the District.**

The District was overpaid \$13,070 in regular transportation reimbursements from PDE. This overpayment was due to the District improperly reporting the number of students transported who were not eligible for reimbursement during the 2015-16 through 2017-18 school years. Additionally, we were unable to determine the accuracy of the information reported for the 2014-15 school year due to the District's failure to retain the source documents (see page 11).

#### **Finding No. 3: The Dover Area School District Failed to Conduct Monthly Fire Drills as Required by the Public School Code and Inaccurately Reported Fire Drill Data to PDE.**

Our review of the District's fire drill reports for the 2017-18 school year disclosed that the District failed to conduct fire drills each month, as required by Section 1517(a) of the Public School Code.<sup>1</sup> We also found that the District did not maintain complete documentation to support the fire drills reported to PDE for each of its school buildings. 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 report and certification statement (see page 15).

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<sup>1</sup> 24 P.S. § 15-1517(a).

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

Our review of membership data for the 2008-09, 2009-10, 2010-11, and 2011-12 school years found that District personnel were not able to reconcile student membership day differences between the District's student membership detail reports and the student membership days reported to PDE for the 2008-09, 2009-10, 2010-11, and 2011-12 school years. We found the District complied with seven of the nine recommendations (see page 18) made in the previous audit.

## Background Information

School Characteristics 2017-18 School Year <sup>A</sup>	
County	York
Total Square Miles	65
Number of School Buildings	6
Total Teachers	258
Total Full or Part-Time Support Staff	240
Total Administrators	23
Total Enrollment for Most Recent School Year	3,508
Intermediate Unit Number	12
District Vo-Tech School	York County School of Technology

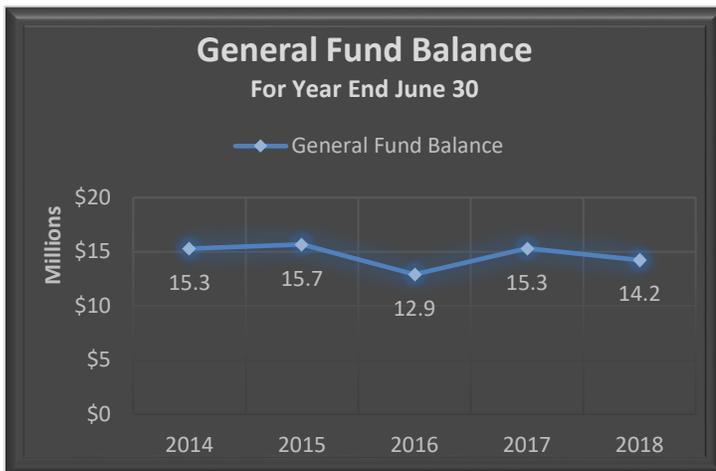
A - Source: Information provided by the District administration and is unaudited.

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

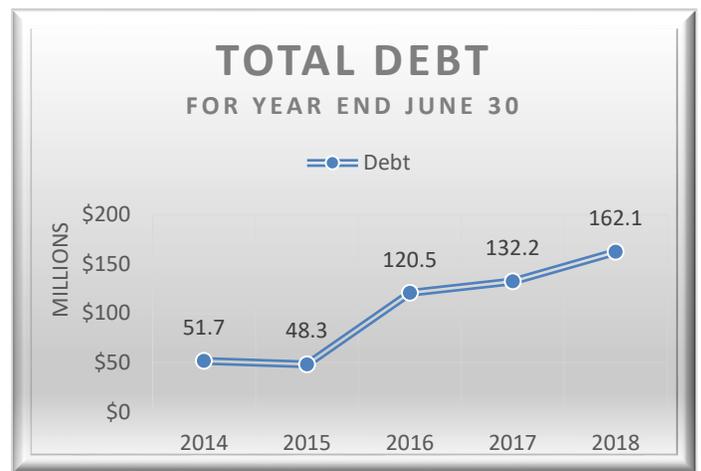
Educating and Empowering all learners to shape the 21<sup>st</sup> century.

## Financial Information

The following pages contain financial information about the Dover Area School District (District) obtained from annual financial data reported to the Pennsylvania Department of Education (PDE) and available on PDE's public website. This information was not audited and is presented for **informational purposes only**.

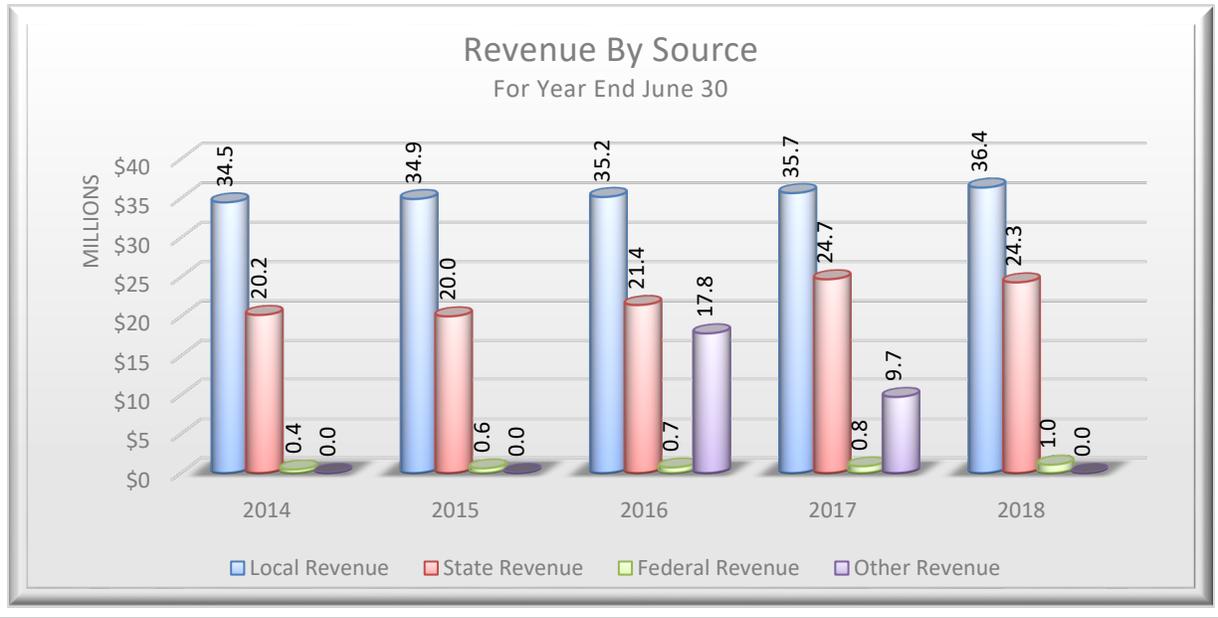
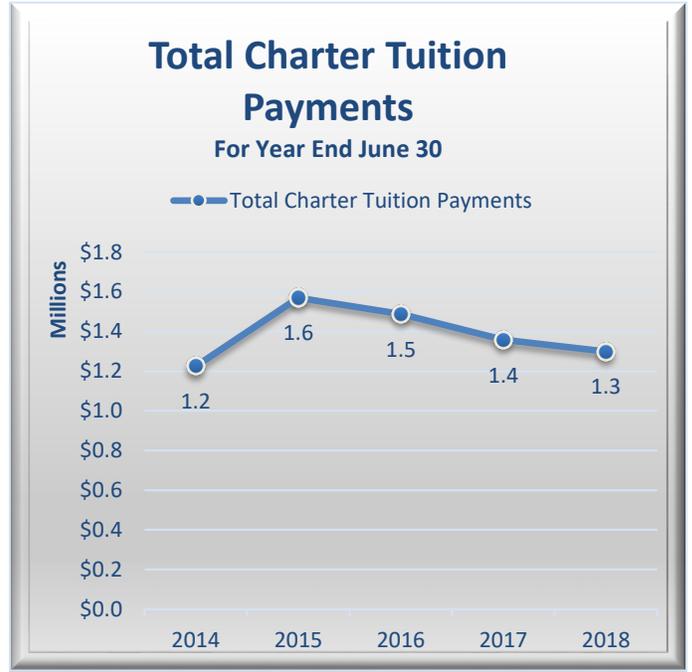
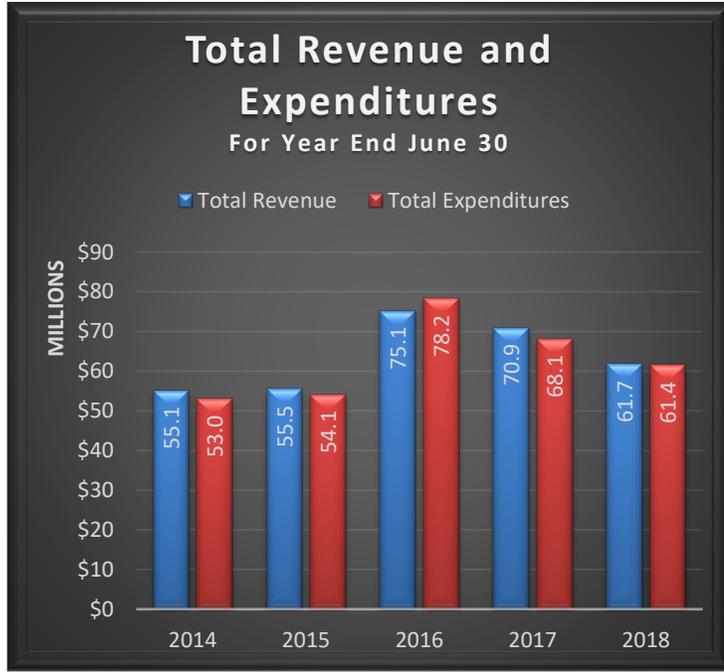


**Note:** General Fund Balance is comprised of the District's Committed, Assigned and Unassigned Fund Balances.



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

## Financial Information Continued

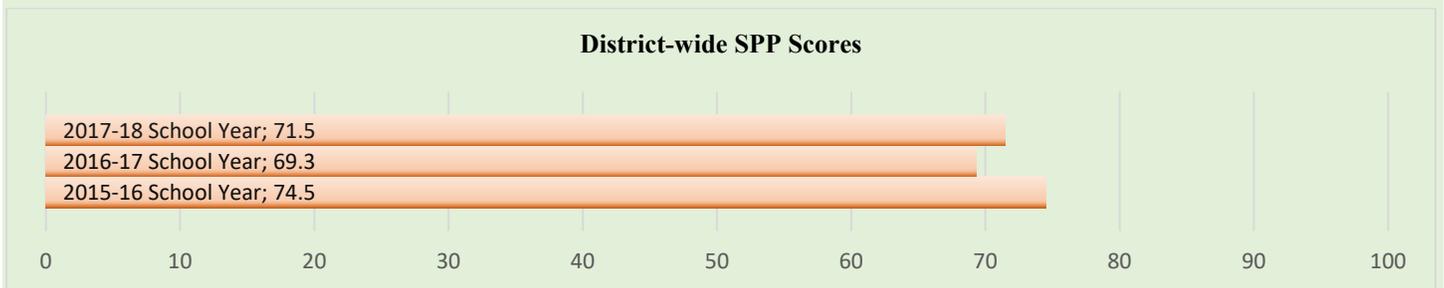


## Academic Information

The graphs on the following pages present the District-wide School Performance Profile (SPP) scores, Pennsylvania System of School Assessment (PSSA) scores, Keystone Exam results, and 4-Year Cohort Graduation Rates for the District obtained from PDE's data files for the 2015-16, 2016-17, and 2017-18 school years.<sup>2</sup> The District's individual school building scores are presented in Appendix B. These scores are provided in this audit report for **informational purposes only**, and they were not audited by our Department. Please note that if one of the District's schools did not receive a score in a particular category and year presented below, the school will not be listed in the corresponding graph.<sup>3</sup>

### What is a SPP score?

A SPP score serves as a benchmark for schools to reflect on successes, achievements, and yearly growth. PDE issues a SPP score annually using a 0-100 scale for all school buildings in the Commonwealth, which is calculated based on standardized testing (i.e., PSSA and Keystone exam scores), student improvement, advance course offerings, and attendance and graduation rates. Generally speaking, a SPP score of 70 or above is considered to be a passing rate.<sup>4</sup>



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

<sup>3</sup> PDE'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.

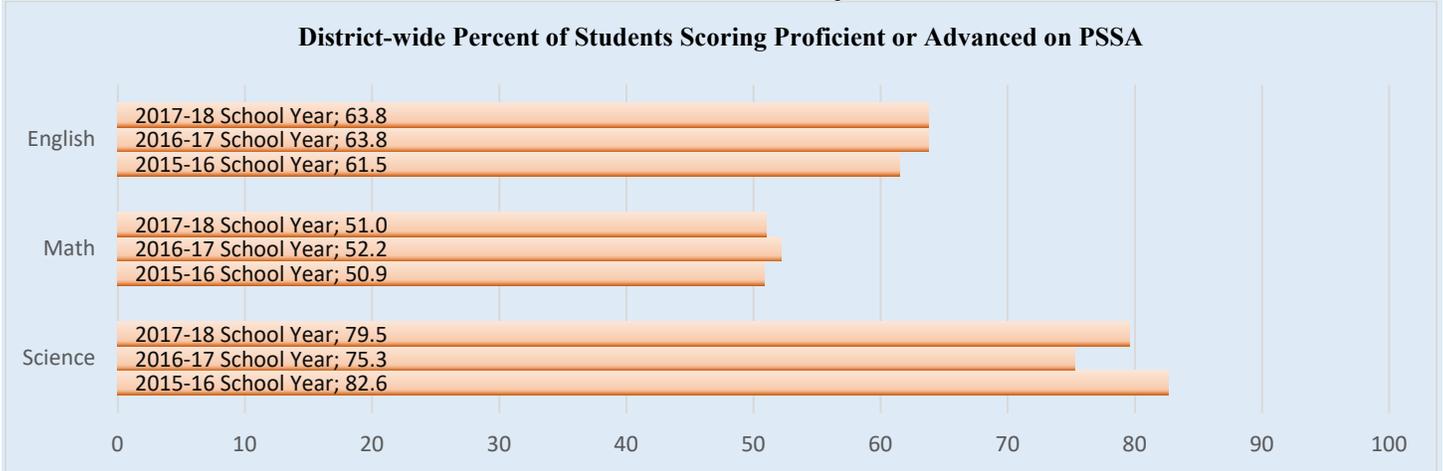
<sup>4</sup> PDE started issuing a SPP score for all public school buildings beginning with the 2012-13 school year. For the 2014-15 school year, PDE only issued SPP scores for high schools taking the Keystone Exams as scores for elementary and middle scores were put on hold due to changes with PSSA testing. PDE resumed issuing a SPP score for all schools for the 2015-16 school year.

## Academic Information Continued

### What is the PSSA?

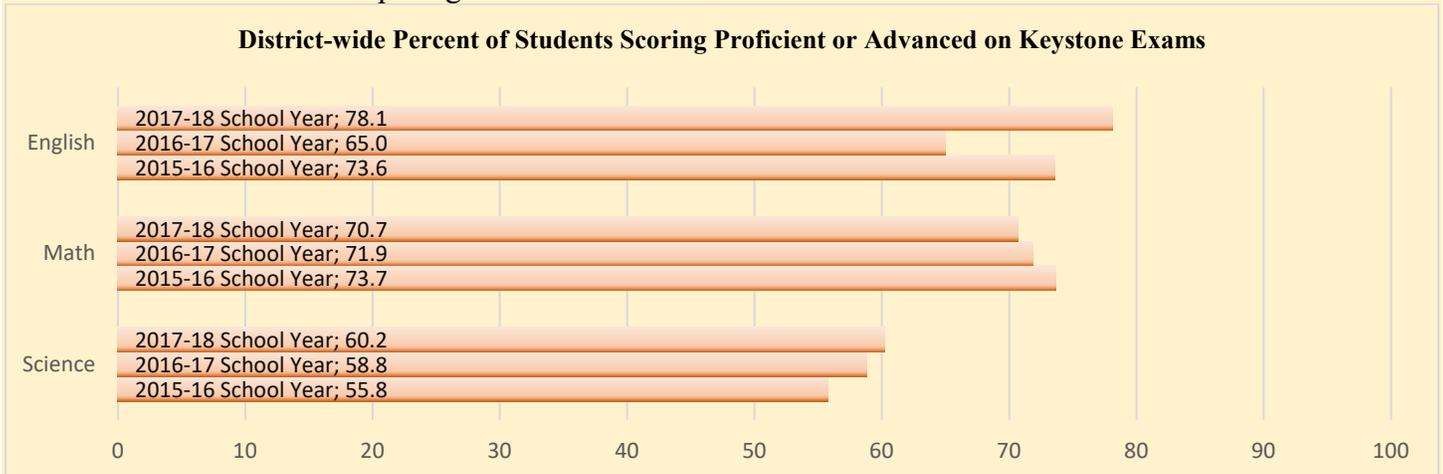
The PSSA is an annual, standardized test given across the Commonwealth to students in grades 3 through 8 in core subject areas, including English, Math and Science. The PSSAs help Pennsylvania meet federal and state requirements and inform instructional practices, as well as provide educators, stakeholders,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

The 2014-15 school year marked the first year that PSSA testing was aligned to the more rigorous PA Core Standards. The state uses a grading system with scoring ranges that place an individual student's performance into one of four performance levels: Below Basic, Basic, Proficient, and Advanced. The state's goal is for students to score Proficient or Advanced on the exam in each subject area.



### What is the Keystone Exam?

The Keystone Exam measures student proficiency at the end of specific courses, such as Algebra I, Literature, and Biology. The Keystone Exam was intended to be a graduation requirement starting with the class of 2017, but that requirement has been put on hold until the 2020-21 school year.<sup>5</sup> In the meantime, the exam is still given as a standardized assessment and results are included in the calculation of SPP scores. The Keystone Exam is scored using the same four performance levels as the PSSAs, and the goal is to score Proficient or Advanced for each course requiring the test.

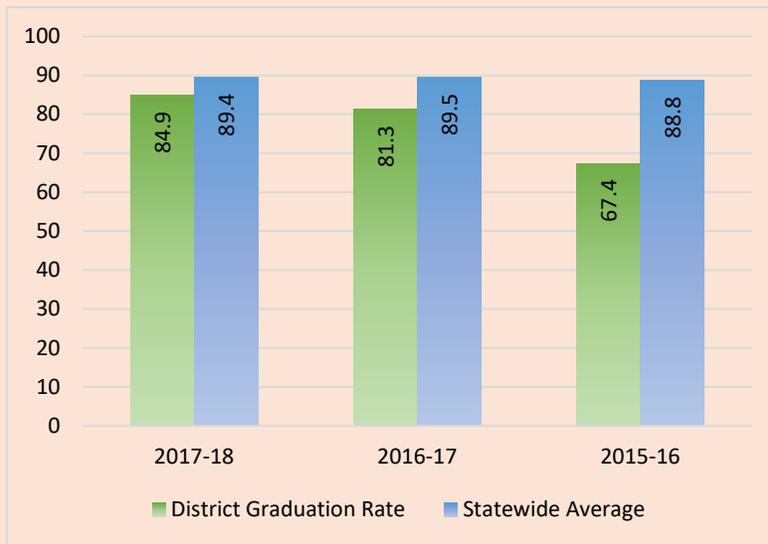


<sup>5</sup> Act 39 of 2018, effective July 1, 2018, amended the Public School Code to further delay the use of Keystone Exams as a graduation requirement for an additional year until the 2020-21 school year. See 24 P.S. § 1-121(b)(1).

## Academic Information Continued

### What is a 4-Year Cohort Graduation Rate?

PDE collects enrollment and graduate data for all Pennsylvania public schools, which is used to calculate graduation rates. Cohort graduation rates are a calculation of the percentage of students who have graduated with a regular high school diploma within a designated number of years since the student first entered high school. The rate is determined for a cohort of students who have all entered high school for the first time during the same school year. Data specific to the 4-year cohort graduation rate is presented in the graph below.<sup>6</sup>



<sup>6</sup> PDE also calculates 5-year and 6-year cohort graduation rates. Please visit PDE's website for additional information:  
<http://www.education.pa.gov/Data-and-Statistics/Pages/Cohort-Graduation-Rate-.aspx>

## Findings

### Finding No. 1

### Errors Related to the District's Social Security and Medicare Reimbursements Resulted in a Net Overpayment of \$267,491

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

The Federal 1986 Omnibus Budget Reconciliation Act requires local education agencies (LEA) to deposit Social Security and Medicare tax contributions for wages earned on or after January 1, 1987, directly to authorized depositories or Federal Reserve banks. LEAs were required to pay the full amount of the employer's tax due, including the Commonwealth's share, which is 50 percent of the employer's share of tax due for employees employed by an LEA prior to July 1, 1994 (existing employees). LEAs were subsequently reimbursed for the Commonwealth's matching share based on the wages reported to the Pennsylvania Department of Education (PDE), excluding wages paid with federal funds. (*See Pub. L. 99-509.*)

The Dover Area School District (District) inaccurately reported Social Security and Medicare wages to the Pennsylvania Department of Education (PDE) for the 2014-15 and 2015-16 school years, which resulted in underpayments totaling \$24,308. In addition, we found that PDE erroneously paid the District twice for its Social Security reimbursement for the first quarter of 2018. This error resulted in a \$291,799 overpayment to the District. Taken together, these errors led to a net overpayment to the District of \$267,491.

As discussed more fully in the criteria box, school districts are reimbursed for a portion of the employer contributions related to Social Security and Medicare. The reimbursement amount is lower for employees hired by a school district prior to July 1, 1994 (existing employees), than for those hired after that date and who were never previously employed by any school entity in the Commonwealth (new employees). Districts are required to classify each employee as "new" or "existing" and report this classification along with wage information to PDE quarterly.

#### **District misclassified employees resulting in \$24,308 underpayment**

Due to a data entry omission by a payroll clerk hired in February 2014, the District's payroll software incorrectly classified newly hired employees as "existing" instead of "new." The erroneous classification for all employees hired after February 2014 went undetected until May 2018 when a District official identified the error during a reconciliation process.<sup>7</sup> PDE allows school districts to submit revised reports for the current year and the immediately preceding year. Accordingly, the District corrected the errors and revised reports were submitted to PDE for the 2016-17 and 2017-18 school years. The District received the correct reimbursements for those two years.

<sup>7</sup> District officials were unable to provide an explanation for why the errors were not identified in previous years.

Since the District was not permitted to submit revised reports for the 2014-15 and 2015-16 school years, we reviewed the revised data prepared by the District and recalculated the reimbursement amounts that the District should have received. The following table shows the underpayments that resulted from the District’s reporting errors in the 2014-15 and 2015-16 school years.

<b>Dover Area School District Social Security Reimbursements 2014-15 and 2015-16</b>			
<b>School Year</b>	<b>Original Reimbursement Received</b>	<b>Recalculated Amount</b>	<b>Overpayment/ (Underpayment)</b>
<b>2014-15</b>	\$ 930,703	\$ 943,911	<b>(\$13,208)</b>
<b>2015-16</b>	\$ 987,737	\$ 998,837	<b>(\$11,100)</b>
<b>Totals</b>	<b>\$1,918,440</b>	<b>\$1,942,748</b>	<b>(\$24,308)</b>

*Criteria relevant to the finding (continued):*

Act 29 of 1994, enacted by the Pennsylvania General Assembly, further changed the way in which LEAs are reimbursed for Social Security and Medicare contributions by providing the LEAs with Social Security and Medicare employer shares for employees who had never been employed by a LEA prior to July 1, 1994 (new employee) based on the LEA’s aid ratio or 50 percent, whichever is greater. LEAs are subsequently reimbursed for the Commonwealth’s matching share based on wages reported to PDE, excluding wages paid with federal funds. *See also* Section 8329 (relating to Payments on account of Social Security deductions from appropriations) of the Public School Employees’ Retirement Code, 24 Pa.C.S. § 8329, and the Manual of Accounting and Financial Reporting for Pennsylvania Public Schools. *See* <https://www.education.pa.gov/Documents/Teachers-Administrators/School%20Finances/Comptrollers%20Office/Manual%20of%20Accounting.pdf>

**PDE Payment Error Led to a \$291,799 Overpayment to the District**

As previously stated, the District submitted revised reports to PDE for the 2016-17 and 2017-18 school years. PDE processed the revised data in August 2018. We reviewed PDE’s payments to the District and found that PDE mistakenly reimbursed the District twice for the payment related to the first quarter of 2018. More specifically, PDE included the original amount owed for the first quarter of 2018 with the revised amounts due for both the first and second quarters of 2018, resulting in an overpayment of \$291,799.<sup>8</sup>

After we brought the overpayment to the attention of the District, the Business Manager sent an email, dated June 19, 2019, to PDE requesting to speak to someone “in regards to our 2017-2018 subsidy payments.” The email did not mention that the District was aware that it was overpaid by nearly \$300,000. As of October 23, 2019, PDE had not responded to the District’s email, and the District made no further attempts to follow up with PDE to address the overpayment.

We also contacted PDE and provided it with the specific information that we uncovered related to the overpayment. PDE should make a concerted effort to work with the District to confirm the amount of the overpayment and then adjust the District’s future reimbursement payments to recover the full amount of the overpayment.

<sup>8</sup> Social Security and Medicare reimbursements are issued after quarterly reports are submitted to PDE.

## **Recommendations**

The *Dover Area School District* should:

1. Implement procedures that require an independent internal review of the wage data that supports the Social Security and Medicare reimbursements information prior to submission to PDE.

The *Pennsylvania Department of Education* should:

2. Review the reimbursement payments to the District and confirm the overpayment amount.
3. Adjust the District's future Social Security and Medicare reimbursement payments to resolve the net overpayment of \$267,491.

## **Management Response**

Management stated the following:

“In regards to the Act 29 error, the district identified the error through review of each employee's personnel data when transitioning to a new financial system in 2017. The district immediately corrected all employee data that was incorrect and revised the quarterly social security reconciliation to PDE. The payroll coordinator has now been trained on the proper entry of hire dates as they relate to Act 29.

“The Dover Area School District recognizes the error by PDE. The overpayment from PDE was originally identified in 2019 by district staff through review and approval and reconciliation processes in place by the district. The district will maintain these internal control processes and continue to reconcile social security subsidies quarterly upon reporting and receipt of funds.

“The district will continue to review all data reported through analytical review to ensure proper reporting.”

## **Auditor Conclusion**

We are pleased that the District's payroll coordinator has been trained on the Act 29 dates of hire. We continue to recommend that the District's procedures include an independent internal review of wage data that supports Social Security and Medicare reimbursements. We will determine the effectiveness of the District's corrective action during our next audit.

## Finding No. 2

### Inaccurately Reporting the Number of District Students Transported Who Were Not Eligible for Reimbursement Resulted in an Overpayment of \$13,070 to the District

#### *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 provided transportation. Section 2541 (relating to Payments on account of pupil transportation) of the PSC specifies the transportation formula and criteria. See 24 P.S. § 25-2541.

##### **Total Students Transported**

Section 2541(a) of the PSC states, in part: "School districts shall be paid by the commonwealth for every school year on account of pupil transportation which, and the means and contracts providing for which, have been approved by the Department of Education, in the cases hereinafter enumerated, an amount to be determined by multiplying the cost of approved reimbursable pupils transportation incurred by the district by the district's aid ratio.

The District was overpaid \$13,070 in regular transportation reimbursements from PDE. This overpayment was due to the District improperly reporting the number of students transported who were not eligible for reimbursement during the 2015-16 through 2017-18 school years. Additionally, we were unable to determine the accuracy of the information reported for the 2014-15 school year due to the District's failure to retain the source documents.

School districts receive transportation reimbursements from PDE. One reimbursement is based upon the number of students transported and the number of miles vehicles were in service both with and without students (regular transportation reimbursement). The other reimbursement is based upon the number of charter school and nonpublic school students transported by the District (supplemental transportation reimbursement). The issue identified in this finding involves the District's regular transportation reimbursement received.

It is also important to note that the Public School Code (PSC) requires that all school districts must 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 Dover Area School District completed this sworn statement for all four school years discussed in this finding. It is essential that the District accurately report transportation data to PDE and retain the support for this transportation data. Further, the sworn statement of student transportation data should not be filed with the state Secretary of Education unless the data has been double-checked for accuracy by personnel trained on PDE's reporting requirements. An official signing a sworn statement must be aware that by submitting the transportation data to PDE, he/she is asserting that the information is true and that they have verified evidence of accuracy.<sup>9</sup>

Non-reimbursable students are defined as elementary students residing less than 1.5 miles from school and secondary students residing less than 2 miles from school, excluding special education and vocational students, as well as students who live on a Pennsylvania Department of Transportation defined hazardous route. Districts can choose to transport these students, but if transported, the District must report these students

<sup>9</sup> Please note that while a sworn statement is different from an affidavit, in that a sworn statement is not typically signed or certified by a notary public but are, nonetheless, taken under oath. See <https://legaldictionary.net/sworn-statement/> (accessed October 28, 2019).

*Criteria relevant to the finding (continued):*

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).

**Non-reimbursable students**

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

**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 PDE in order to be eligible for the transportation subsidies. See 24 P.S. § 25-2543.

as non-reimbursable to PDE. Districts that transport non-reimbursable students receive a reduced regular transportation reimbursement from PDE compared to if the students were reimbursable.

The table below illustrates the number of students inaccurately reported to PDE as students eligible for reimbursement and the cumulative District overpayment.

<b>Dover Area School District Non-reimbursable Transportation Errors</b>		
<b>School Year</b>	<b>Non-reimbursable Students Inaccurately Reported at Reimbursable</b>	<b>Overpayment</b>
<b>2015-16</b>	<b>37</b>	<b>\$ 4,624</b>
<b>2016-17</b>	<b>36</b>	<b>\$ 4,712</b>
<b>2017-18</b>	<b>29</b>	<b>\$ 3,734</b>
<b>Total</b>	<b>102</b>	<b>\$13,070</b>

The District did not report any non-reimbursable students during the 2014-15 through 2017-18 school years. In discussions with current District officials, we found that the District was unaware of the definition of a non-reimbursable student and that District officials responsible for reporting this information were not properly trained on how to accurately identify and report non-reimbursable students. Additionally, the District did not have procedures on reporting transportation data specific to non-reimbursable students.

We were unable to verify the number of non-reimbursable students inaccurately reported to PDE as reimbursable during the 2014-15 school year. The major reason for this was that the District failed to retain documentation to support this information, which is in noncompliance with the PSC’s record retention requirement. 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.<sup>10</sup> 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.

<sup>10</sup> See 24 P.S. § 5-518.

*Criteria relevant to the finding  
(continued):*

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.” (Emphasis added.)

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

**Form Completion Instructions for PDE-2089**

Number of Non-reimbursable Pupils Transported on Contracted Vehicles: Enter the number of non-reimbursable pupils (both public and nonpublic pupils) transported on contracted service vehicles. If [a district] transports elementary pupils who reside within 1.5 miles of their school or secondary pupils who reside within 2 miles of their school who are not exceptional children or not required to use a certified hazardous walking route to reach their school, they are non-reimbursable pupils. Pupils who reside as indicated above, but are being transported to/from daycare providers located beyond those distances are still non-reimbursable. The location of their residence is the deciding factor.

The District attributed the failure to retain documentation in the 2014-15 school year to the District changing transportation software systems at the start of the 2015-16 school year.

We provided PDE with reports detailing the non-reimbursable student reporting errors for the 2015-16, 2016-17, and 2017-18 school years. PDE requires these reports to verify the overpayment to the District.

**Recommendations**

The *Dover Area School District* should:

1. Ensure District personnel responsible for identifying, calculating, and reporting non-reimbursable students are trained with regard to PDE’s reporting requirements.
2. Ensure that the sworn statement of student transportation data is not filed with the state Secretary of Education until the data has been properly double checked for accuracy by personnel trained on PDE’s reporting requirements.
3. Establish detailed transportation procedures that address how to accurately identify, calculate, and report non-reimbursable students to PDE.
4. Immediately take the appropriate administrative measures to ensure that it retains all documentation supporting the transportation data reported to PDE, including all supporting documentation for non-reimbursable students in accordance with the PSC’s record retention requirement.

The *Pennsylvania Department of Education* should:

5. Adjust the District’s future allocations to resolve the \$13,070 overpayment to the District.

**Management Response**

Management stated the following:

“Dover Area School District Management is aware of the issues surrounding the finding as reported by the PA Auditor General's Office for years 2014-2015 through 2017-2018. The cause of the inaccuracies can be related to the consistent transferring of transportation responsibilities and turnover throughout the past five years. The transportation coordinator position was eliminated in 2014-2015 through attrition and responsibilities of reporting were transferred and split between various administrators within the district. Throughout this time period of 2014-2015 to 2017-2018, external training opportunities were not taken advantage of by

the District. However, in 2018-2019, the district appointed a full-time transportation coordinator who has since received proper training through the Pennsylvania Association of School Business Officials and attends tri-county state transportation meetings for further training and collaborative opportunities. The coordinator has a good working relationship with the current transportation contractor of the district and reviews data on an ongoing basis.

“The district has since implemented review and approval procedures prior to submitting the required data to the Secretary of Education to ensure the accuracy of the reported data including the identification of non-reimbursable students that are transported by the District.

“The transportation coordinator along with her supervisor have since formulated written procedures to accurately identify, calculate and report non-reimbursable students to PDE. They have an improved understanding of the guidelines as specified under the PSC.

“Since the implementation of the new transportation software in 2015-2016, the district is able to retain all information supporting data that is submitted to PDE. Hard copies along with software files are maintained separately and in conjunction with the data that is stored within the software package.”

### **Auditor Conclusion**

We are encouraged that the District is taking steps to resolve the transportation reporting errors we identified during the audit. We continue to stress the importance of accurately reporting transportation data to ensure accurate reimbursement. We will determine the effectiveness of the District’s corrective action during our next audit.

### Finding No. 3

## The Dover Area School District Failed to Conduct Monthly Fire Drills as Required by the Public School Code and Inaccurately Reported Fire Drill Data to PDE

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

The following PSC provisions, as implemented by PDE in its guidance for the 2017-18 school year, are relevant to the finding:

Section 1517(a) of the PSC requires:

“ . . . 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 schools 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 reports for the 2017-18 school year disclosed that the District failed to conduct fire drills each month, as required by Section 1517(a) of the PSC.<sup>11</sup> We also found that the District did not maintain complete documentation to support the fire drills reported to PDE for each of its school buildings. 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 report and certification statement.

As part of our review, we obtained the District’s 2017-18 Fire Drill *Accuracy Certification Statement* (ACS) report filed with PDE for the District’s six school buildings. We found that the District attempted to document fire drills by using a drill form it created, but this form was not available for all months for all school buildings. Due to the District’s lack of consistent supporting documentation, we reviewed reports the District obtained from its alarm company to determine if monthly fire drills were conducted as required and to verify the accuracy of the data reported to PDE.

We found that the District reported to PDE that fire drills were conducted every month at each of its six school buildings during our review period from September 2017 through May 2018. However, our review of all available documentation revealed that only two of the six school buildings actually conducted all required monthly fire drills for the nine school months we reviewed. The other four buildings collectively missed 13 fire drills and inaccurately reported these missed drills to PDE as being conducted when they were not. Additionally, we found that the dates for 18 fire drills held throughout the District were inaccurately reported to the PDE. The problem of inaccurately reporting drill dates occurred at all six school buildings in the District. Overall, only 23 of the 54 fire drills required for the nine school months reviewed were performed and evidenced through proper documentation and accurate reporting dates.<sup>12</sup>

<sup>11</sup> 24 P.S. § 15-1517(a).

<sup>12</sup> The District has six school buildings and fire drills are required every month for each building during our review period of September 2017 through May 2018: 6 buildings x 9 months = 54 fire drills.

*Criteria relevant to the finding  
(continued):*

Further, Section 1517(b) of the PSC also requires:

“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.” See 24 P.S. § 15-1517(b). (Ibid.)

According to the PDE guidance emailed to all public schools on October 7, 2016, and its Basic Education Circular entitled, *Fire Drill 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 Pennsylvania Information Management System (PIMS) and fire drill certifications require each school entity to report the date on which each monthly fire drill was conducted. 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 ACS must be sent to PDE’s Office for Safe Schools.

We found several factors that contributed to the errors noted above.

- The District's fire drill tracking forms had three different dates: (1) Scheduled; (2) Held; and (3) Posted. We found that the District reported both “Held” and “Scheduled” dates to PDE when it should have only reported fire drills that were actually held.
- Building principals employed in 2017-18 did not always log information into the software that tracked fire drills, so the Operations Manager would enter information into the software that was provided through phone calls from the principals even though the principals were not always certain about the dates they provided verbally.
- The District failed to reconcile the fire drill data reported to PDE with the District’s *Emergency Drill Reporting Form* for each school building, which resulted in inaccurate information on the District’s fire drill report filed with PDE.

During the review period, the PSC required that fire drills be conducted in every public school at least once a month while school is in session. Practicing monthly fire drills helps to ensure that staff and students are properly trained to respond in a quick and safe manner to an emergency evacuation situation.

Under Section 1517(b) of the PSC, the chief school administrator is required to ensure that all of the requirements of Section 1517 are “faithfully carried out in the schools over which they have charge.” Additionally, the chief school administrator also has a duty to affirm that all of the information reported on the ACS report filed with PDE was correct and true to the best of his/her knowledge (*see* Criteria box). Since the District reported that drills were conducted when they were not and inaccurate dates were recorded for drills that were performed, the information the Superintendent attested to on the Fire Drill ACS report was not valid and accurate. The chief school administrator signing the ACS’s accuracy certification statement must be aware that by submitting the fire drill data to PDE, he/she is asserting that the data summarized on the ACS report is correct and true to the best of his/her knowledge.

In conclusion, it is vitally important that the District’s students and staff regularly participate in fire drills and other emergency drills while school is in session throughout the school year, and that fire drill data is accurately reported to PDE. In addition, the chief school administrator is responsible for attesting to the accuracy of the fire drill data reported in accordance with the PSC and the certification statement on the ACS report. The PSC specifically mandates that fire drills be conducted **each and every month** while school is in session with students and staff present. In fact, as further explained in the criteria to the left, recent amendments to

*Criteria relevant to the finding  
(continued):*

The Fire Drill *Accuracy Certification Statement* that the chief school administrator was required to sign for the 2017-18 school year states, in part:

“I acknowledge that 24 PS 15-157 ...[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 15-157 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 ....”

Important Note: The following summary is provided as a courtesy for informational purposes only to highlight recent amendments to the PSC, but does **not** apply to the review period (i.e., 2017-18 school year) for this finding.

In **2018**, the General Assembly amended Section 1517 of the PSC through Act 39 which **mandates** that each school entity conduct one school security drill per school year in each school building in place of a required fire drill within 90 days of the commencement of the school year after the subsection’s effective date (July 1, 2018) and in each school year thereafter. The school security drill **must** be conducted while the school entity is in session and students are present. Further, Act 39 provides that each school entity may conduct two school security drills per school year in each school building in place of two fire drills after 90 days from the commencement of each school year. (Emphasis added.) See 24 P.S. § 15-1517 (as most recently amended by Act 39 of 2018 and applicable to the 2018-19 school year and thereafter).

the PSC reinforce the importance of conducting both monthly fire drills and school security drills.

## Recommendations

The *Dover Area School District* should:

1. Conduct monthly fire drills with staff and students as required by the PSC and report those dates to PDE.
2. Ensure the District is reporting factually correct data as certified by its Superintendent to PDE in its annual fire drill reports that can be evidenced by supporting documentation.
3. Consult with its solicitor to ensure it is fully aware of all amendments (discussed in the criteria box) to the PSC regarding fire and school security drill requirements to ensure compliance in future school years.

## Management Response

Management stated the following:

“The Dover Area School District recognizes and acknowledges the root cause of the failure to accurately report fire drills precisely when they were conducted. The cause was multi-fold at various levels and includes such issues as lack of training for administrators in the completion and maintenance of proper documentation. In addition, in 2017-2018, the district was implementing a new software package for emergency response and awareness databases which house some of the necessary information, processes, and procedures surrounding fire drills. Prior to implementing the procedures on entering the drills into Navigate Prepared software, building administration would track the fire drills in any fashion they deemed appropriate and then reported that information to the central administration office. In order to remedy the problem, a step-by-step written procedure was reviewed and communicated to all administrative staff during our annual administrative retreat. Fire drills are now documented in the Navigate Prepared Software Package and administrators have been properly trained.”

## Auditor Conclusion

We are encouraged that the District is taking steps to resolve the fire drill issues we identified during the audit. We continue to stress the importance of accurately conducting and reporting fire drills to PDE. We will determine the effectiveness of the District’s corrective action during our next audit.

## Status of Prior Audit Findings and Observations

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Our prior audit of the Dover Area School District (District) released on April 30, 2015, resulted in one finding, as shown below. As part of our current audit, we determined the status of corrective action taken by the District to implement our prior audit recommendations. We reviewed the District's written response provided to the Pennsylvania Department of Education (PDE), interviewed District personnel, and performed audit procedures as detailed in each status section below.

### Auditor General Performance Audit Report Released on April 30, 2015

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**Prior Finding:** **Internal Control Weaknesses Regarding the Reporting and Retention of Student Membership Data**

Prior Finding Summary: Our review of membership data for the 2008-09, 2009-10, 2010-11, and 2011-12 school years found that the District personnel were not able to reconcile student membership day differences between the District's student membership detail reports and the student membership days reported to PDE for the 2008-09, 2009-10, 2010-11, and 2011-12 school years.

Prior Recommendations: We recommended that the District should:

1. Develop and implement written procedures to address the collection, reporting, and reconciling of District-generated student membership detail reports to the final PDE reports for all resident and nonresident students.
2. Ensure child accounting training is provided to personnel responsible for reporting student membership data.
3. Ensure the student information system (SIS) reports used to report student membership data to PDE in the Pennsylvania Information Management System (PIMS) are retained for each school year and available for audit.
4. Perform reconciliations between the District's student information system and PDE's PIMS reports to verify the accuracy of resident and nonresident data. These reconciliation documents should be retained for audit purposes.
5. Ensure instructional days are based on the actual school calendar and are accurately reported to PDE.
6. Ensure that there is sufficient communication between child accounting staff at the administration office and the secretaries at each building who perform child accounting functions.
7. Perform an analysis of state subsidy for wards of the state and nonresident foster students to ensure large unexplained variances in this state subsidy do not occur.

8. Review reports for school years subsequent to audit and, if errors are noted, submit revised reports to PDE.
9. Ensure that actual school days in session are accurately reported on PDE's Instructional Time Membership Report and the school calendar fact template within PIMS.

Current Status:

The District implemented seven of the nine recommendations noted above. We again recommend that the District implement the following recommendations to ensure that child accounting data is accurately recorded and reported to PDE:

1. Develop and implement written procedures to address the collection, reporting, and reconciling of District-generated student membership detail reports to the final PDE reports for all resident and nonresident students.
2. Perform reconciliations between the District's SIS and PDE's PIMS reports to verify the accuracy of resident and nonresident data. These reconciliation documents should be retained for audit purposes.

## Appendix A: Audit Scope, Objectives, and Methodology

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School performance audits allow the Pennsylvania Department of the Auditor General to determine whether state funds, including school subsidies, are being used according to the purposes and guidelines that govern the use of those funds. Additionally, our audits examine the appropriateness of certain administrative and operational practices at each local education agency (LEA). The results of these audits are shared with LEA management, the Governor, the Pennsylvania Department of Education (PDE), and other concerned entities.

Our audit, conducted under authority of Sections 402 and 403 of The Fiscal Code,<sup>13</sup> is not a substitute for the local annual financial audit required by the Public School Code of 1949, as amended. We conducted our audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit.

### Scope

Overall, our audit covered the period July 1, 2014 through June 30, 2018. In addition, the scope of each individual audit objective is detailed on the next page.

The Dover Area School District's (District) management is responsible for establishing and maintaining effective internal controls to provide reasonable assurance that the District is in compliance with certain relevant state laws, regulations, contracts, and administrative procedures (relevant requirements).<sup>14</sup> In conducting our audit, we obtained an understanding of the District's internal controls, including any information technology controls, if applicable, that we considered to be significant within the context of our audit objectives. We assessed whether those controls were properly designed and implemented. Any deficiencies in internal controls that were identified during the conduct of our audit and determined to be significant within the context of our audit objectives are included in this report.

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<sup>13</sup> 72 P.S. §§ 402 and 403.

<sup>14</sup> Internal controls are processes designed by management to provide reasonable assurance of achieving objectives in areas such as: effectiveness and efficiency of operations; relevance and reliability of operational and financial information; and compliance with certain relevant state laws, regulations, contracts, and administrative procedures.

## Objectives/Methodology

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

- ❖ Social Security Reimbursements
- ❖ Transportation
- ❖ School Safety
- ❖ Administrator Separations
- ❖ Nonresident Student Data
- ❖ Bus Driver Requirements

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

- Did the District correctly calculate and report Social Security and Medicare wages to PDE for District employees, and did the District receive the correct amount of reimbursement from PDE?<sup>15</sup>
  - ✓ To address this objective, we obtained and reviewed IRS 941 quarterly tax returns, Reimbursement of Social Security and Medicare Tax Contributions forms and the District's revised wage reports for the 2014-15 and 2015-16 school years. We interviewed District officials to understand the need for revised wages reports to be submitted and documented our understanding of the District's reporting of Social Security and Medicare wages. Additionally, we obtained the District's employee listing for the 2015-16 school year with Act 29 hiring dates as reported to the Public School Employees' Retirement System. We randomly selected 60 of the 811 employees and verified that the Act 29 hire dates were accurate.<sup>16</sup> Finally, we verified the Social Security and Medicare reimbursement subsidies received from PDE and confirmed the accuracy of the reimbursements by recalculating the amounts due to the District. Our review of this objective disclosed reportable issues as outlined in Finding No. 1 of this report.
- Did the District ensure compliance with applicable laws and regulations governing transportation operations, and did the District receive the correct transportation reimbursement from the Commonwealth?<sup>17</sup>
  - ✓ To address this objective, we reviewed a variety of documentation including the PDE-2576 reports for the 2014-15 through 2017-18 school years and internal District-generated reports that document students transported. Additionally, we obtained Pennsylvania Department of

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<sup>15</sup> See 24 P.S. § 8329.

<sup>16</sup> While representative selection is required factor of audit sampling methodologies, audit-sampling methodology was not applied to achieve this test objective, accordingly, the results of this audit procedure are not and should not be, projected to the population.

<sup>17</sup> See 24 P.S. §§ 13-1301, 13-1302, 13-1305, 13-1306; 22 Pa. Code Chapter 11.

Transportation (PennDOT) hazardous route approvals. We also interviewed District officials concerning the process for identifying and reporting students transported. We obtained the home addresses for all students transported during the 2015-16 through 2017-18 school years and determined if each student met the requirement to be reported as reimbursable. The results of our review of this objective can be found in Finding No. 2 of this report.

- Did the District take actions to ensure it provided a safe school environment?<sup>18</sup>
  - ✓ To address this objective, we reviewed a variety of documentation including, safety plans, training schedules, anti-bullying policies, and fire drill documentation. We reviewed whether the District had implemented basic safety practices. A portion of the results of our review of this objective can be found in Finding No. 3 of this report. Due to the sensitive nature of school safety, the full results of our review for this object area are not described in our audit report. The results of our review of school safety are shared with District officials, PDE, and other appropriate agencies as deemed necessary.
- Did the District pursue a contract buy-out with an administrator and if so, what was the total cost of the buy-out, what were the reasons for the termination/settlement, and did the employment contract(s) comply with the Public School Code<sup>19</sup> and Public School Employees' Retirement System guidelines?
  - ✓ To address this objective, we reviewed the contracts, leave records, board meeting minutes, board policies, and payroll records for the two individually contracted administrators who separated employment from the District during the period of July 1, 2014 through May 21, 2019. Our review of this objective did not disclose any reportable issues.
- Did the District accurately report nonresident students to PDE? Did the District receive the correct reimbursement for these nonresident students?<sup>20</sup>
  - ✓ To address this objective, we reviewed documentation for all ten nonresident foster students reported by the District to PDE during the 2014-15 school year.<sup>21</sup> We obtained documentation to verify that the custodial parent or guardian was not a resident of the District and the foster parent 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 and Membership Report to ensure that the District received correct reimbursement for these students. Our review of this objective did not disclose any reportable issues.

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<sup>18</sup> 24 P.S. § 13-1301-A *et seq.*

<sup>19</sup> 24 P.S. § 10-1073(e)(2)(v).

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

<sup>21</sup> 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.

- Did the District ensure that bus drivers transporting District students had the required driver's license, physical exam, training, background checks, and clearances<sup>22</sup> as outlined in applicable laws?<sup>23</sup> Also, did the District 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 randomly selected 10 of the 81 bus drivers transporting District students as of June 10, 2019.<sup>24</sup> 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. Our review of this objective did not disclose any reportable issues.

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<sup>22</sup> Auditors reviewed the required state, federal and child abuse background clearances that the District obtained from the most reliable sources available, including the FBI, the Pennsylvania State Police and the Department of Human Services. However, due to the sensitive and confidential nature of this information, we were unable to assess the reliability or completeness of these third-party databases.

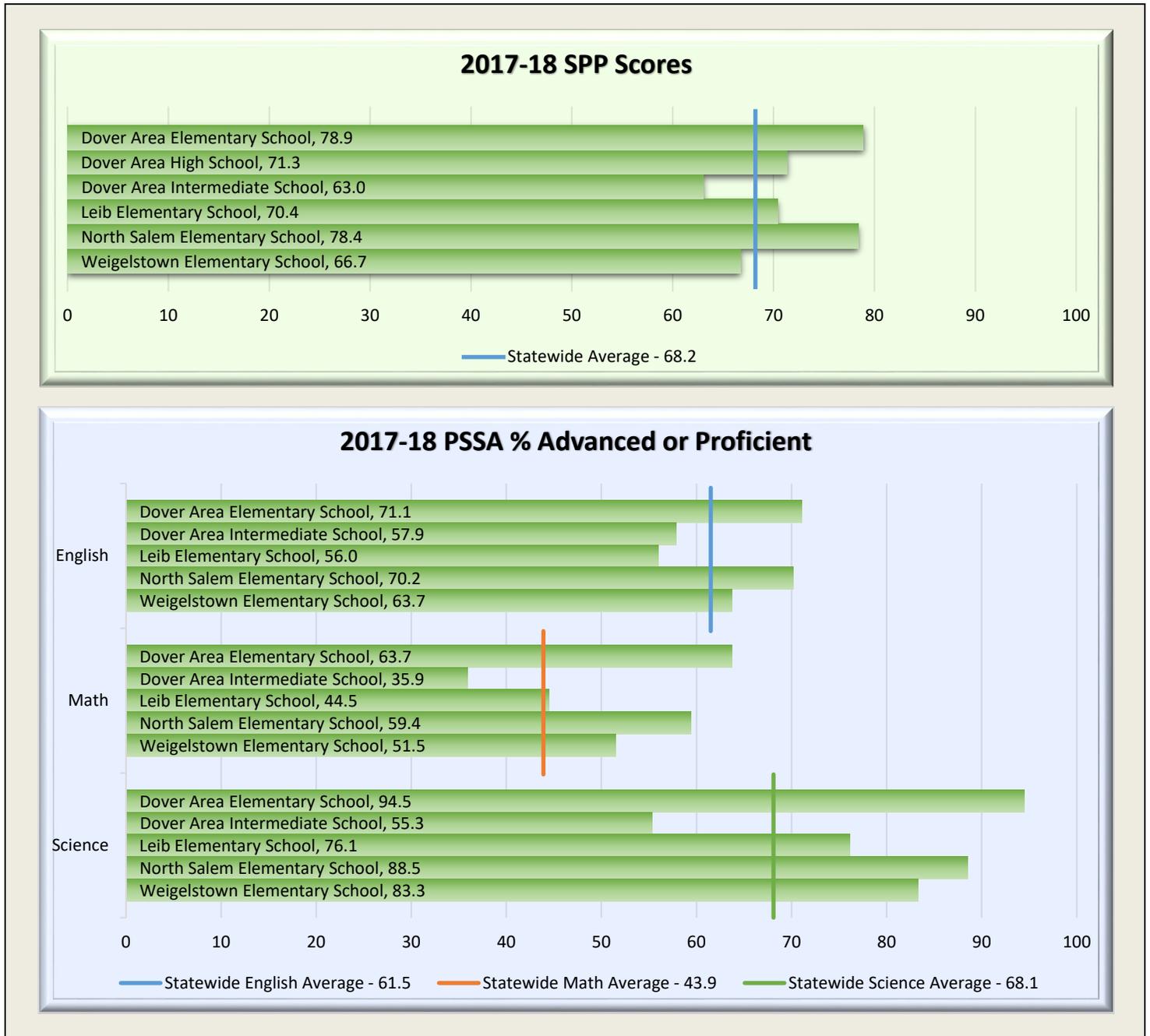
<sup>23</sup> 24 P.S. § 1-111, 23 Pa.C.S. § 6344(a.1), 24 P.S. § 2070.1a *et seq.*, 75 Pa.C.S. §§ 1508.1 and 1509, and 22 Pa. Code Chapter 8.

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

## Appendix B: Academic Detail

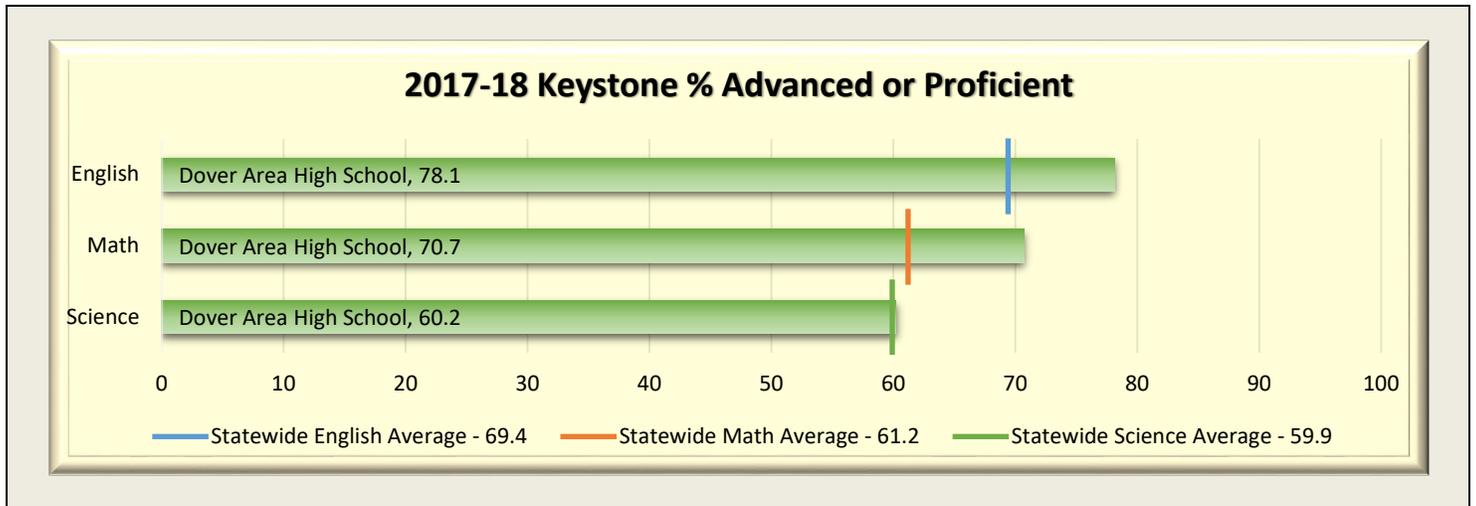
Benchmarks noted in the following graphs represent the statewide average of all public school buildings in the Commonwealth that received a score in the category and year noted.<sup>25</sup>

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



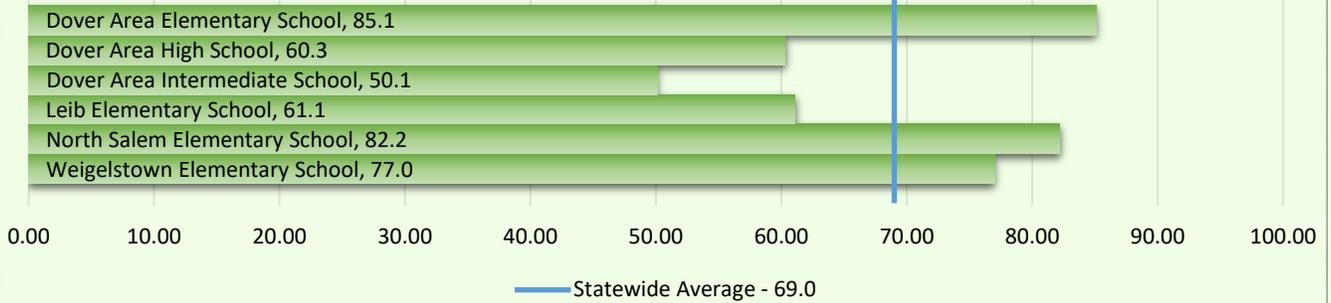
<sup>25</sup> Statewide averages were calculated by our Department based on individual school building scores for all public schools in the Commonwealth, including district schools, charters schools, and cyber charter schools.

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

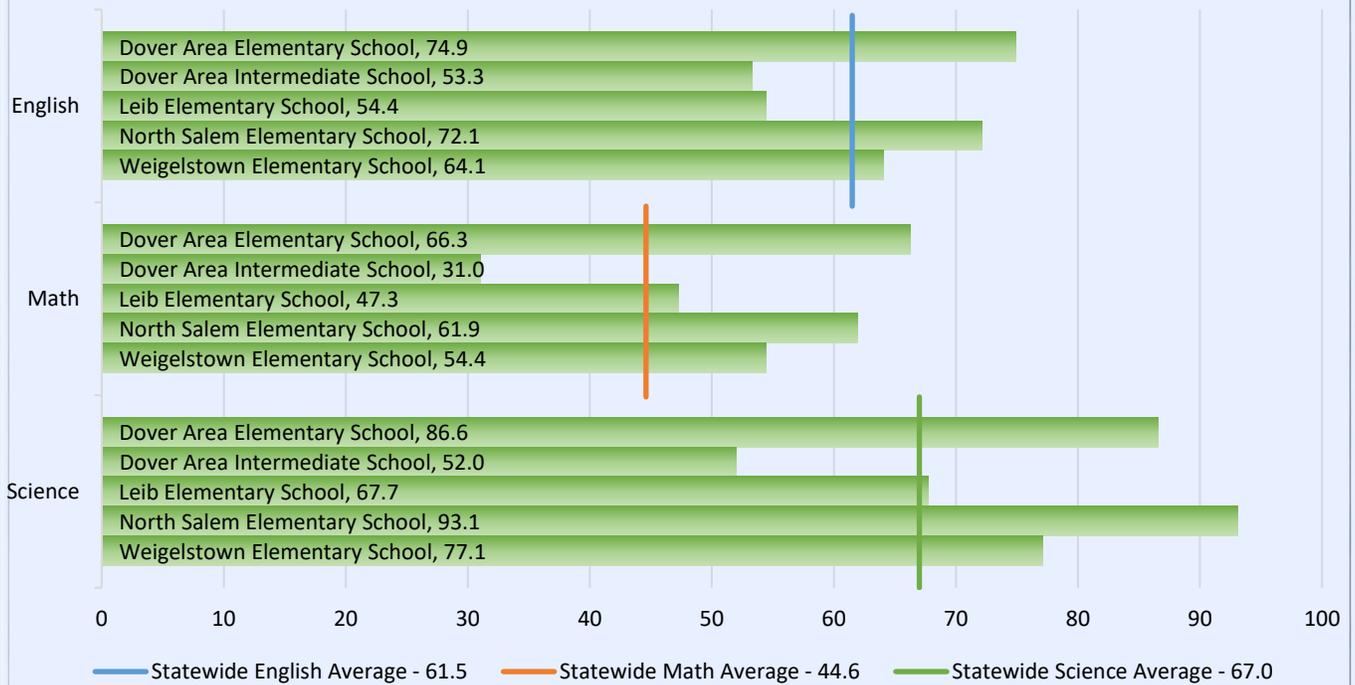


**2016-17 Academic Data**  
**School Scores Compared to Statewide Averages**

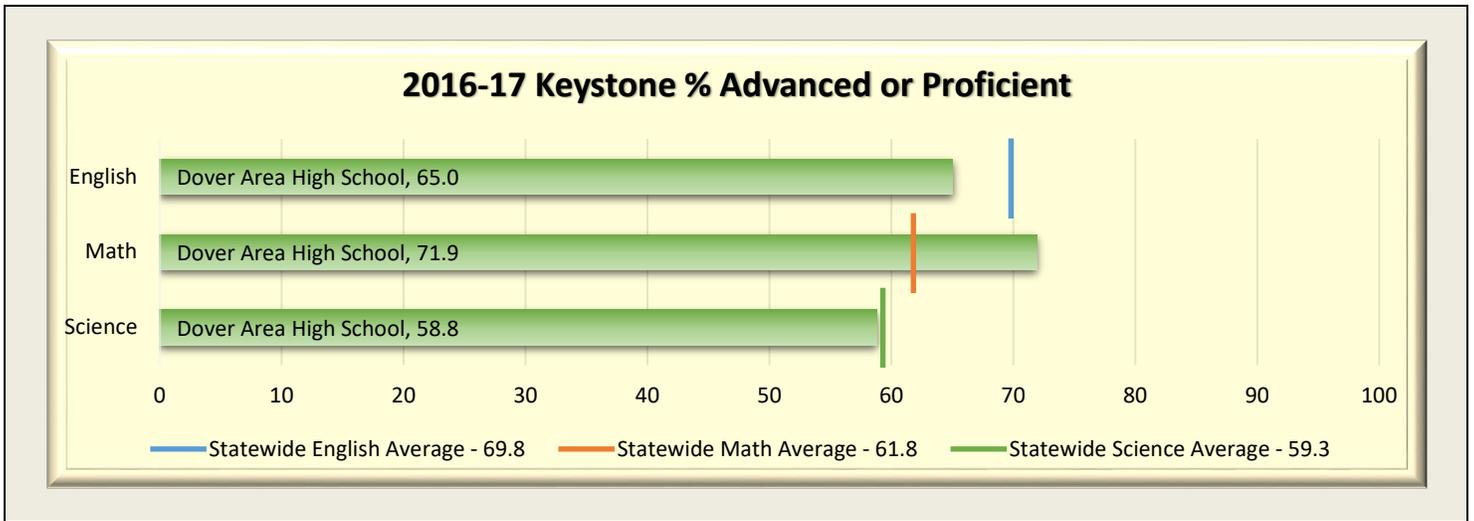
**2016-17 SPP Scores**



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

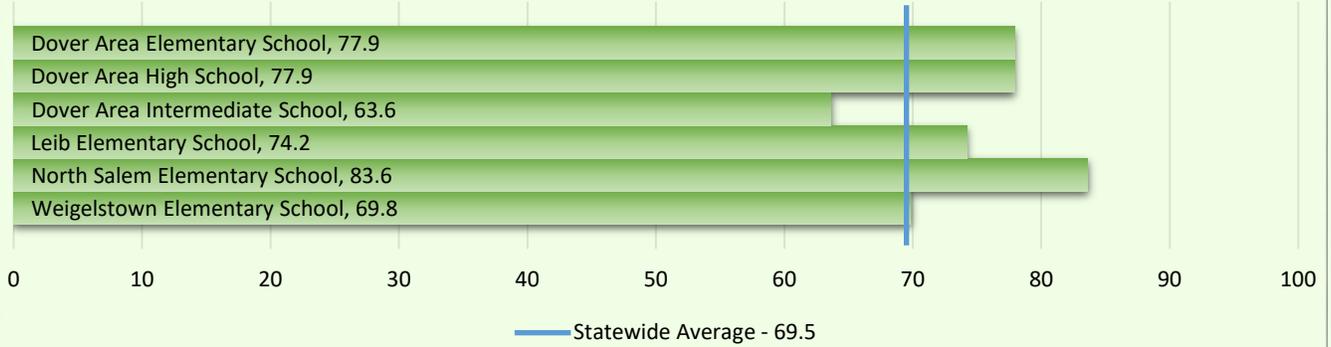


**2016-17 Academic Data**  
**School Scores Compared to Statewide Averages (continued)**

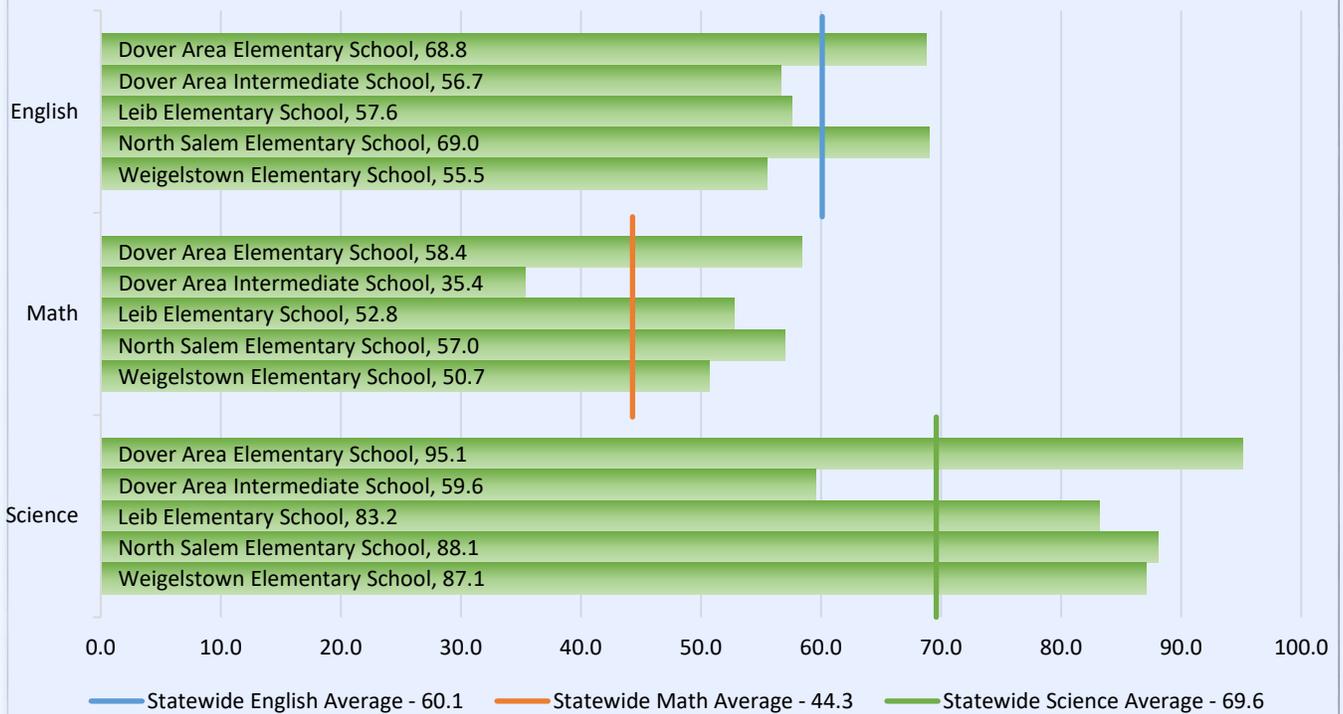


**2015-16 Academic Data**  
**School Scores Compared to Statewide Averages**

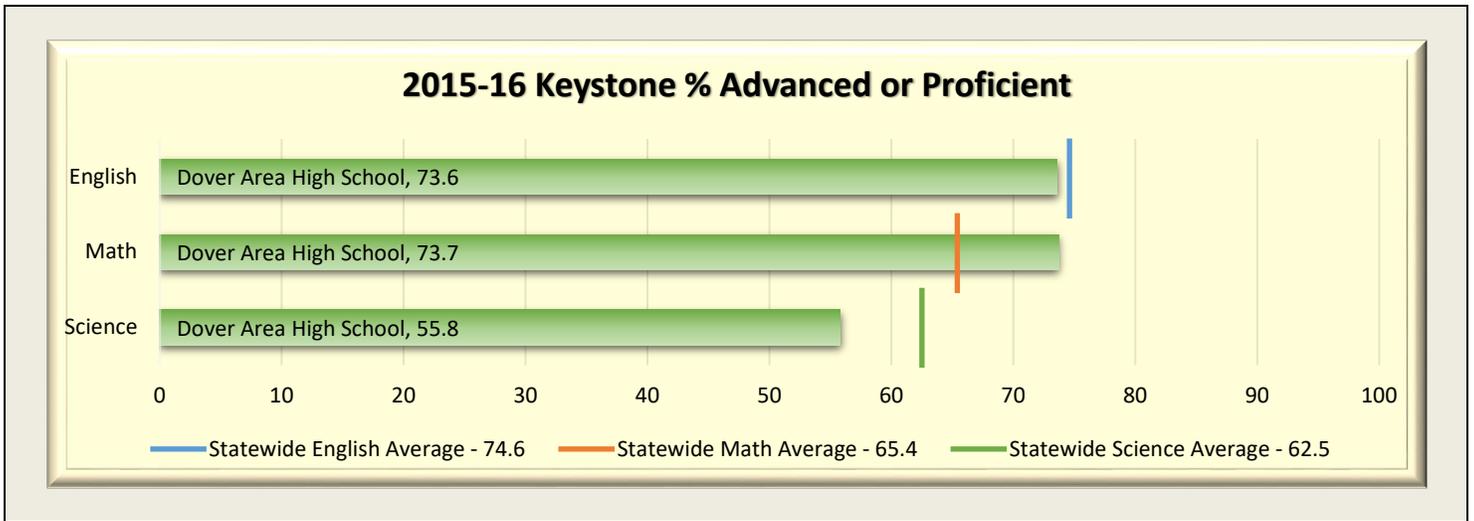
**2015-16 SPP Scores**



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



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



## **Distribution List**

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

**The Honorable Tom W. Wolf**

Governor  
Commonwealth of Pennsylvania  
Harrisburg, PA 17120

**The Honorable Pedro A. Rivera**

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**The Honorable Joe Torsella**

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