

PERFORMANCE AUDIT

Bristol Borough School District Bucks County, Pennsylvania

May 2017



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE
AUDITOR GENERAL

Dr. Thomas F. Shaffer, Superintendent
Bristol Borough School District
1776 Farragut Avenue
Bristol, Pennsylvania 19007

Mr. Jeff Paleafico, Board President
Bristol Borough School District
1776 Farragut Avenue
Bristol, Pennsylvania 19007

Dear Dr. Shaffer and Mr. Paleafico:

We have conducted a performance audit of the Bristol Borough School District (District) for the period July 1, 2012, through June 30, 2015, except as otherwise indicated in the audit scope, objective, and methodology section of the report. We evaluated the District's performance in the following areas as further described in the appendix of this report:

- Transportation Operations
- Administrator Contract Buy-Out
- Bus Driver Qualifications
- School Safety

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 performed adequately in the areas listed above, except as noted in the following finding:

- The District Failed to Comply with the Public School Code by Not Maintaining Sufficient and Accurate Documentation for its Transportation Reimbursements Totaling \$201,175

Dr. Thomas F. Shaffer
Mr. Jeff Paleafico
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We appreciate the District's cooperation during the course of the audit.

Sincerely,

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

Eugene A. DePasquale
Auditor General

April 28, 2017

cc: **BRISTOL BOROUGH SCHOOL DISTRICT** Board of School Directors

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Background Information

School Characteristics 2015-16 School Year ^A	
County	Bucks
Total Square Miles	1.5
Resident Population ^B	9,726
Number of School Buildings ¹	2
Total Teachers	87
Total Full or Part-Time Support Staff	75
Total Administrators	6
Total Enrollment for Most Recent School Year	1,258
Intermediate Unit Number	22
District Vo-Tech School	Bucks County Technical High School

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

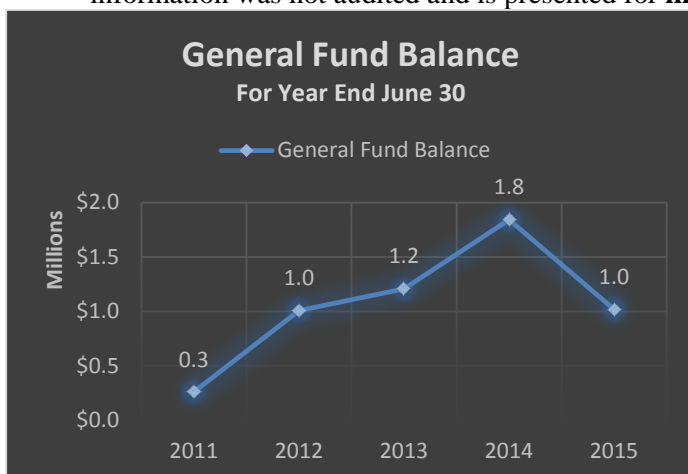
B - Source: United States Census <http://www.census.gov/2010census>.

Mission Statement^A

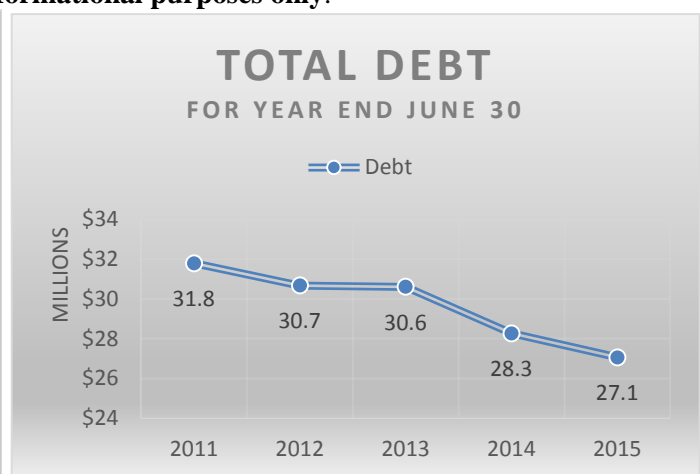
The Bristol Borough School District empowers all students to achieve excellence and become leaders in a global society, through an educational system immersed in the fabric of a unique and diverse community. Woven in history – focused on the future.

Financial Information

The following pages contain financial information about the 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**.



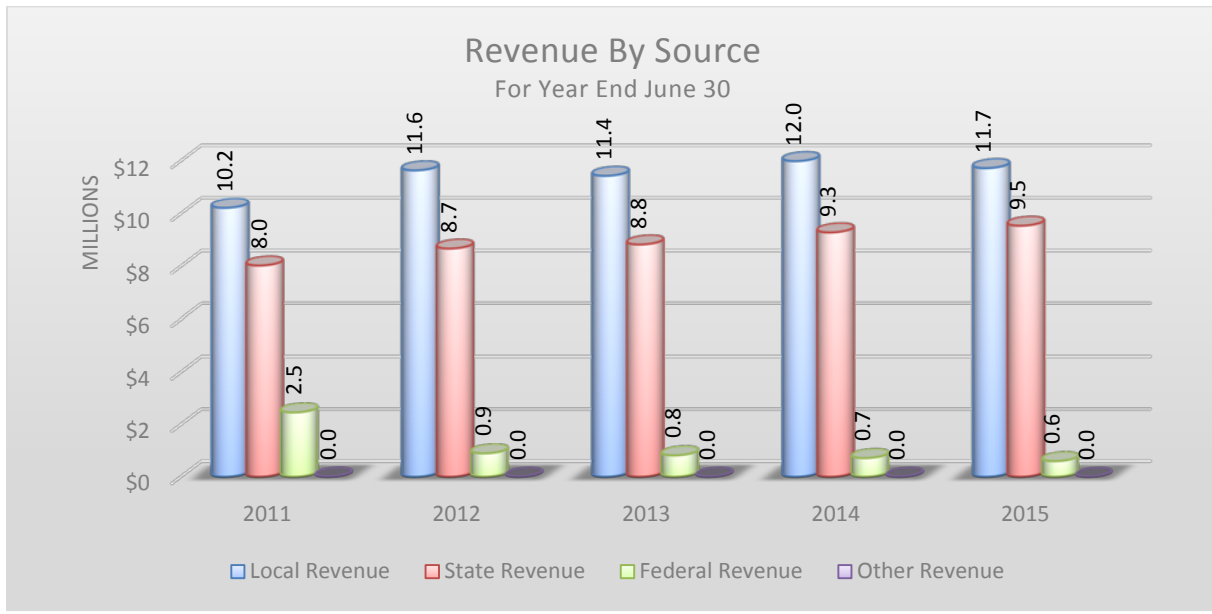
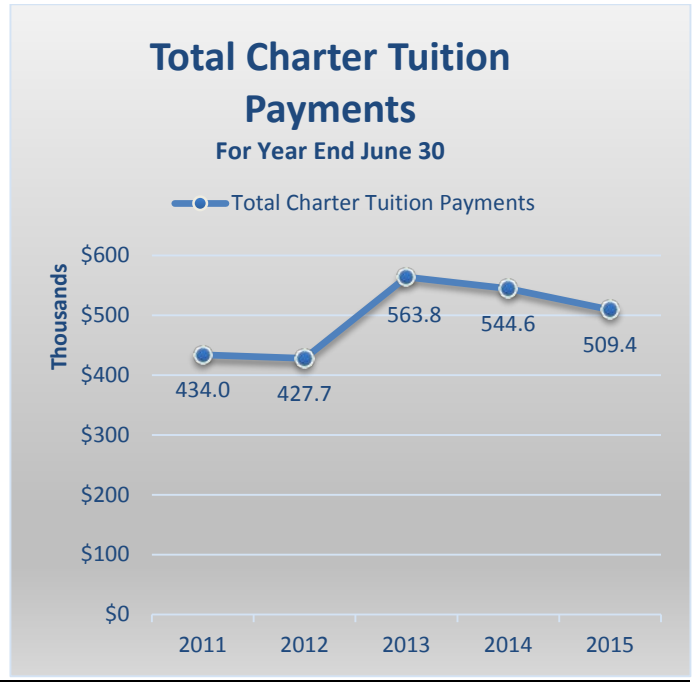
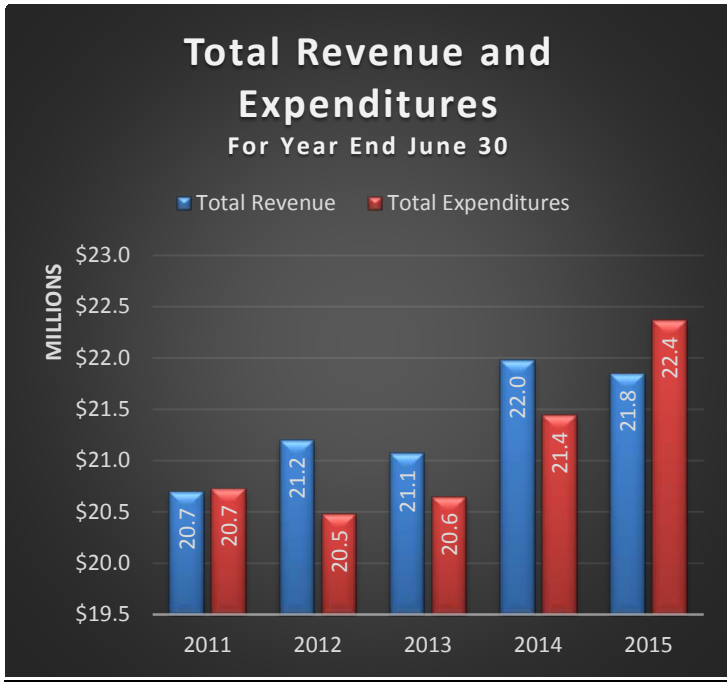
Note: General Fund Balance is comprised of the District's Committed, Assigned and Unassigned Fund Balances.



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

¹ The District has two physical school buildings. However, one of those buildings functions as both an elementary and middle school. Academic data is reported separately.

Financial Information Continued



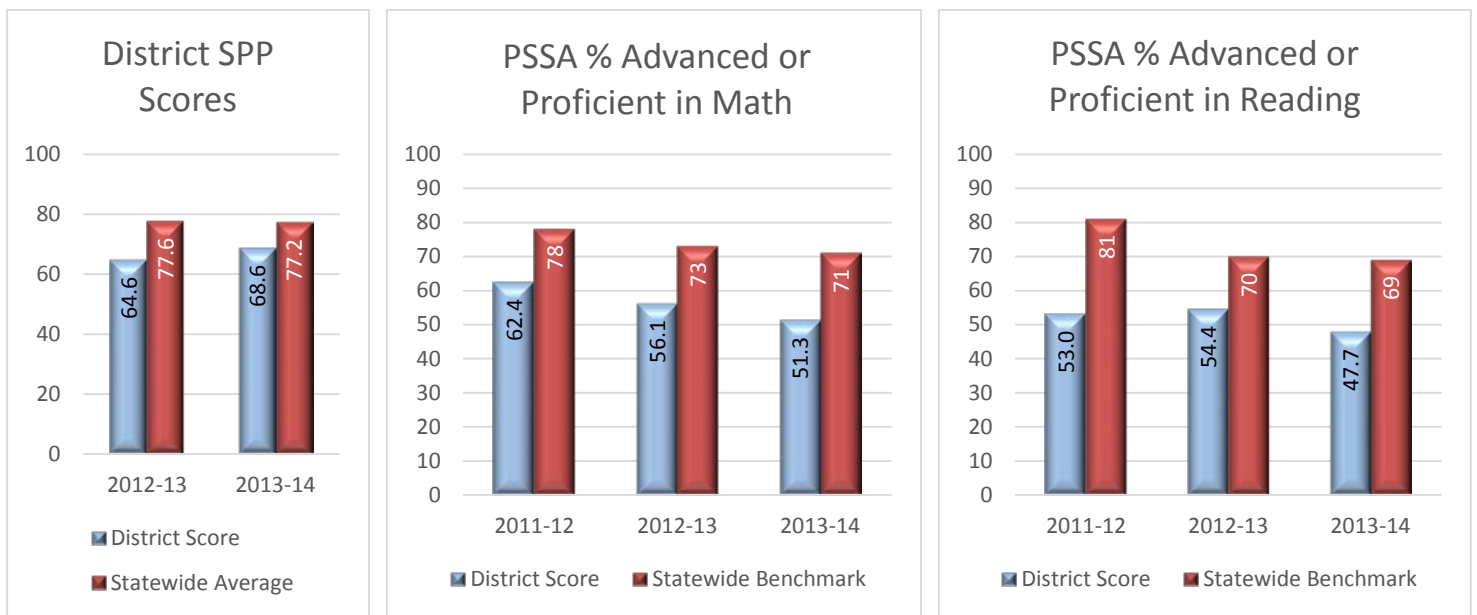
Academic Information

The following table and charts consist of School Performance Profile (SPP) scores and Pennsylvania System of School Assessment (PSSA) results for the entire District obtained from PDE's data files.² These scores are presented in the District's audit report for **informational purposes only**, and they were not audited by our Department.

SPP benchmarks represent the statewide average of all district school buildings in the Commonwealth.³ PSSA benchmarks and goals are determined by PDE each school year and apply to all public school entities.⁴ District SPP and PSSA scores were calculated using an average of all of the individual school buildings within the District. Scores below SPP statewide averages and PSSA benchmarks/goals are presented in red.

Districtwide SPP and PSSA Scores

District	SPP Scores		PSSA % Advanced or Proficient in Math			PSSA % Advanced or Proficient in Reading		
	2012-13	2013-14	2011-12	2012-13	2013-14	2011-12	2012-13	2013-14
<i>Statewide Benchmark</i>	77.6	77.2	78	73	71	81	70	69
<i>Bristol Borough SD</i>	64.6	68.6	62.4	56.1	51.3	53.0	54.4	47.7
<i>SPP Grade⁵</i>	D	D						



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

³ Statewide averages for SPP scores were calculated based on all district school buildings throughout the Commonwealth, excluding charter and cyber charter schools.

⁴ PSSA benchmarks apply to all district school buildings, charters, and cyber charters. In the 2011-12 school year, the state benchmarks reflect the Adequate Yearly Progress targets established under No Child Left Behind. In the 2012-13 and 2013-14 school years, the state benchmarks reflect the statewide goals based on annual measurable objectives established by PDE.

⁵ The following letter grades are based on a 0-100 point system: A (90-100), B (80-89), C (70-79), D (60-69), F (59 or below).

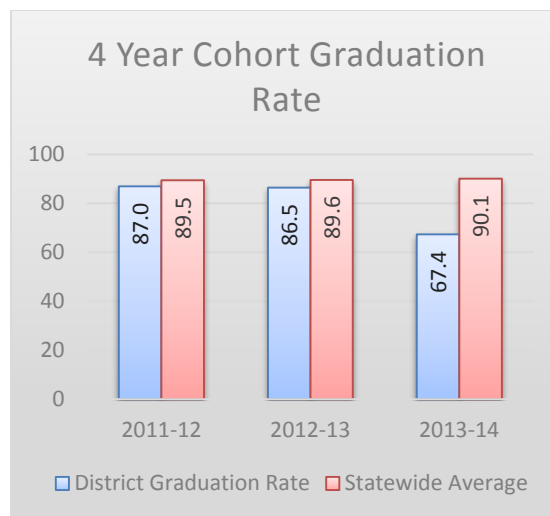
Individual School Building SPP and PSSA Scores

The following table consists of SPP scores and PSSA results for each of the District’s school buildings. Any blanks in PSSA data means that PDE did not publish a score for that school for that particular year.⁶

School Name	SPP Scores		PSSA % Advanced or Proficient in Math			PSSA % Advanced or Proficient in Reading		
	2012-13	2013-14	2011-12	2012-13	2013-14	2011-12	2012-13	2013-14
<i>Statewide Benchmark</i>	77.6	77.2	78	73	71	81	70	69
<i>Bristol High School</i>	57.4	56.0	59.0	46.8	33.3	55.3	53.2	30.5
<i>Warren Snyder-John Girotti Elementary School</i>	62.2	78.3	58.8	58.2	57.9	50.0	52.1	57.5
<i>Warren Snyder-John Girotti Middle School</i>	74.1	71.4	69.4	63.4	62.7	53.8	57.9	55.1

4 Year Cohort Graduation Rates

The 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.⁷



⁶ PDE’s data does not provide any further information regarding the reason a score was not published.

⁷ <http://www.education.pa.gov/Data-and-Statistics/Pages/Cohort-Graduation-Rate-.aspx>.

Finding

Finding

The District Failed to Comply with the Public School Code by Not Maintaining Sufficient and Accurate Documentation for its Transportation Reimbursements Totaling \$201,175

Criteria relevant to the finding:

Student Transportation Subsidy

The Public School Code (PSC) provides that school districts receive a transportation subsidy for most students who are provided transportation. Section 2541 of the PSC, 24 P.S. § 25-2541, specifies the transportation formula and criteria.

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 PDE, 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. . . ."

The District failed to maintain sufficient and accurate documentation to support its transportation reimbursements received for the 2012-13 through 2014-15 school years. Without proper documentation, we were unable to determine the accuracy of the transportation reimbursement received (see table below). Additionally, while we found inaccuracies in the reporting of non-reimbursable students to PDE for the 2013-14 and 2014-15 school years, the monetary amount of this error couldn't be calculated due to the lack of overall supporting transportation documentation.

School Year	Number of Students Transported (reported)	Number of Vehicles (reported)	Total Reimbursement Received
2012-13	124	10	\$73,252
2013-14	107	10	\$37,608
2014-15	123	12	\$90,315
Total:	354	32	\$201,175

Student transportation reimbursement is based on several components that are reported by the District to PDE for use in the calculation of the yearly reimbursement amount. These components include, but are not limited to, the following:

- Miles with and without students for each vehicle, both district-owned and contracted.
- Total annual miles for district-owned vehicles.
- Students assigned to each vehicle, both district-owned and contracted.

⁸ District transportation operations are limited to special education students and students who attend the career and technology school.

Criteria relevant to the finding (continued):

Annual Filing Requirement

Section 2543 of the PSC, 24 P.S. § 25-2543, 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.

Section 2543, 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.]

Record Retention Requirement

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

- Total number of students transported during the school year.
- Non-reimbursable students transported during the school year.

As evidenced by the components listed above, the number of students transported and miles driven are the basis for calculating the yearly reimbursement amount. Therefore, it is essential for districts to document, verify, and retain odometer readings, student rosters, and changes that occur during the year for each vehicle that is transporting students. However, the District did not maintain sufficient documentation of this information for the three years reviewed, sometimes merely allowing for the improper verbal verification of data. For example, the District relied on periodic verbal communications with drivers to obtain mileage, which was then reported to PDE.

Additionally, the District generated only one student roster per school year, which was based on year-end data only. The roster did not account for any changes in transportation services occurring before the end of the school year. Therefore, students who stopped riding a bus midway through the year or switched from one bus to another would not have been properly reported to PDE. Additionally, the roster did not include any students transported by transportation contractors. Therefore, this one roster was insufficient documentation to calculate the number of students assigned to each vehicle or determine the total number of students transported throughout the school year. We are unable to calculate the monetary effect of this error due to the lack of additional student rosters.

Furthermore, we also determined that certain students were inaccurately reported as non-reimbursable to PDE in the two school years we reviewed. For the 2013-14 and 2014-15 school years, the District reported all students transported by contractors as non-reimbursable. This was inaccurate, because in both school years, the District transported only career and technology students and special needs students. Both career and technology students and special needs students transported by the District are defined as reimbursable by PDE. By inaccurately reporting these students as non-reimbursable students, the District’s transportation reimbursements were inaccurate for the 2013-14 and 2014-15 school years. We are unable to determine the monetary amount of this error because other

Criteria relevant to the finding (continued):

PDE Forms

Student transportation data is required to be submitted annually to PDE on standardized forms. The “Transportation Service” forms (PDE-1049 forms) are end-of-year summary reports of pupil transportation provided by LEA-owned service, contracted service, or fare-based service. These forms are used to report vehicle information, the greatest number of students assigned to ride each vehicle at any one time during the day, daily mileage, and total annual mileage.

Additionally, the “Summary of Pupils Transported” form (PDE-2089 form) is used to report the total number of students transported during the school year. This form includes instructions specifying how districts are to report non-reimbursable students, charter school students, nonpublic students, and the total number of students transported to and from school.

transportation data that contributes to the overall calculation was not sufficiently maintained by the District.

District officials acknowledged that the District’s documentation was inadequate to verify the accuracy of reported transportation data during the audit period. District officials stated that they did not realize the importance of obtaining and retaining source documents to support the total number of students transported and vehicle mileage. The District also failed to attend multiple training sessions relevant to the reporting of transportation data that have been offered by professional organizations like the Pennsylvania Association of School Business Officials (PASBO). While these trainings are not mandatory, they can be beneficial as transportation reporting requirements are discussed, along with overall best practices related to transportation operations.

In addition to ensuring that its staff has sufficient training, the District must begin to improve its compliance with Section 2543 of the PSC. Under the PSC, the District must provide PDE with a sworn statement of the amount expended for reimbursable transportation, which requires supporting documentation as justification of its requested reimbursement. By improperly maintaining reimbursable transportation documentation, the District may not only incur financial losses, but it fails to comply with the PSC, which may under certain circumstances cause PDE to withhold such reimbursements.

Recommendations

The *Bristol Borough School District* should:

1. Obtain odometer readings needed to compute miles with and without students and total annual miles for all vehicles, district-owned or contracted, as instructed by PDE.
2. Maintain and update student rosters needed to compute the number of students assigned to each vehicle, district-owned or contracted, as instructed by PDE.
3. Establish procedures to ensure an accurate accounting of total students transported and non-reimbursable students.

4. Retain all source documents and calculations supporting transportation reports submitted for reimbursement in accordance with the PSC and PDE instructions.
5. Ensure District officials responsible for transportation reporting attend future transportation training sessions provided by professional organizations.

Management Response

Management agreed with the finding and provided the following response:

The District, since December 2016, requires all drivers to obtain odometer readings needed to compute miles with and without students and total annual miles for all vehicles, district owned or contracted.

The District, since February 2016, is keeping a running total of every change to a driver's roster with an effective date noted in the spreadsheet.

The District is currently reaching out to other LEAs to see what procedures they use regarding accurate accounting of total students transported and non-reimbursable students.

The Business Manager's Secretary will retain all source documents and calculations supporting transportation reports submitted for PDE.

The District has spoken to PASBO to notify the District of any presentations or training sessions to make sure the District official has a better understanding of the procedures.

Auditor Conclusion

It is encouraging that the District has established a corrective action plan to address the creation and retention of necessary documentation to support the transportation data it reports to PDE. We will determine the effectiveness of the District's corrective action during the next audit.

Status of Prior Audit Findings and Observations

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

Appendix: 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, PDE, and other concerned entities.

Our audit, conducted under authority of Sections 402 and 403 of The Fiscal Code,⁹ is not a substitute for the local annual financial audit required by the PSC 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, 2012, through June 30, 2015. In addition, the scope of each individual audit objective is detailed on the next page.

The District's management is responsible for establishing and maintaining effective internal controls¹⁰ to provide reasonable assurance that the District is in compliance with certain relevant state laws, regulations, contracts, and administrative procedures (relevant requirements). In conducting our audit, we obtained an understanding of the District's internal controls, including any information technology controls, which we consider 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.

⁹ 72 P.S. §§402 and 403.

¹⁰ 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, academic performance data, 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, 2012, through June 30, 2015. 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
- Administrator Contract Buy-Out
- Bus Driver Requirements
- School Safety

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

- ✓ Did the District have an adequate transportation data collection system to collect and report vehicle mileage and student data as well as district-wide student data to PDE?
 - To address this objective, we selected all district-owned and contracted vehicles reported for 2012-13, 2013-14, and 2014-15 school years (10, 10, and 12 vehicles, respectively). We reviewed documentation to determine if vehicle mileage and student data was reported accurately for each vehicle. We also reviewed documentation to determine if total students and non-reimbursable pupils transported district-wide were accurately reported. See the Finding beginning on page 5 for the results of our review of this objective.
- ✓ 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 comply with the PSC¹¹ and Public School Employees' Retirement System guidelines?
 - To address this objective, we reviewed the contracts, board meeting minutes, and payroll and leave records for both individually contracted administrators who separated from the District during the period July 1, 2012, through June 30, 2015. We also reviewed the current employment contracts for the individuals hired to replace these administrators to determine if those contracts contained adequate termination provisions. Our review of this objective did not disclose any reportable issues.

¹¹ 24 P.S. § 10-1073(e)(v).

- ✓ Did the District ensure that bus drivers transporting District students had the required driver's license, physical exam, training, background checks, and clearances as outlined in applicable laws?¹² 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 11 of the bus drivers employed by both the District and District's bus contractors from July 1, 2016, through September 29, 2016, and 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 would ensure compliance, when followed, with bus driver hiring requirements. Our review of this objective did not disclose any reportable issues.

- ✓ Did the District take actions to ensure it provided a safe school environment?¹³
 - To address this objective, we reviewed a variety of documentation including, but not limited to, safety plans, training schedules, and anti-bullying policies. Due to the sensitive nature of school safety, the results of our review of this objective area are not described in our audit report. The results of our review of school safety are shared with District officials and, if deemed necessary, PDE.

¹² 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.*

¹³ 24 P.S. § 13-1301-A *et seq.*

Distribution List

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

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