

PERFORMANCE AUDIT

Cocalico School District Lancaster County, Pennsylvania

January 2022



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



**Commonwealth of Pennsylvania
Department of the Auditor General
Harrisburg, PA 17120-0018
Facebook: Pennsylvania Auditor General
Twitter: @PAAuditorGen
www.PaAuditor.gov**

**TIMOTHY L. DEFOOR
AUDITOR GENERAL**

Dr. Ella H. Musser, Superintendent
Cocalico School District
800 South 4th Street, P.O. Box 800
Denver, Pennsylvania 17517

Reverend Kevin Eshleman, Board President
Cocalico School District
800 South 4th Street, P.O. Box 800
Denver, Pennsylvania 17517

Dear Dr. Musser and Reverend Eshleman:

We have conducted a performance audit of the Cocalico School District (District) for the period July 1, 2016 through June 30, 2020, except as otherwise indicated in the audit scope, objective, and methodology section of the report. We evaluated the District's performance in the following areas as further described in Appendix A of this report:

- Bus Driver Requirements
- Transportation Operations

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

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

Our audit identified areas of noncompliance and significant internal control deficiencies in the area of bus driver requirements and those deficiencies are detailed in the finding in this report titled:

The District Did Not Implement Adequate Internal Controls to Ensure Compliance with Driver Qualifications and Background Clearance Requirements

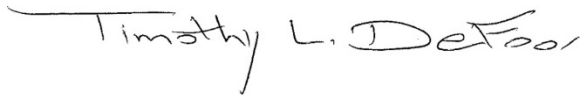
In addition, we identified deficiencies in the District's transportation operations that were not significant but warranted the attention of District management and those charged with governance. Those deficiencies were communicated to District management and those charged with governance for their consideration.

Dr. Ella H. Musser
Reverend Kevin Eshleman
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Our audit finding and recommendations have been discussed with the District's management, and their responses are included in the audit report. We believe the implementation of our recommendations will improve the District's operations and facilitate compliance with legal and other relevant requirements.

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

Sincerely,

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

Timothy L. DeFoor
Auditor General

December 30, 2021

cc: **COCALICO SCHOOL DISTRICT** Board of School Directors

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Background Information

School Characteristics 2020-21 School Year*	
Counties	Lancaster & Berks
Total Square Miles	50
Number of School Buildings	5
Total Teachers	233
Total Full or Part-Time Support Staff	208
Total Administrators	15
Total Enrollment for Most Recent School Year	3,091
Intermediate Unit Number	13
District Career and Technical School	Lancaster County Career & Technology Center

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

Mission Statement*

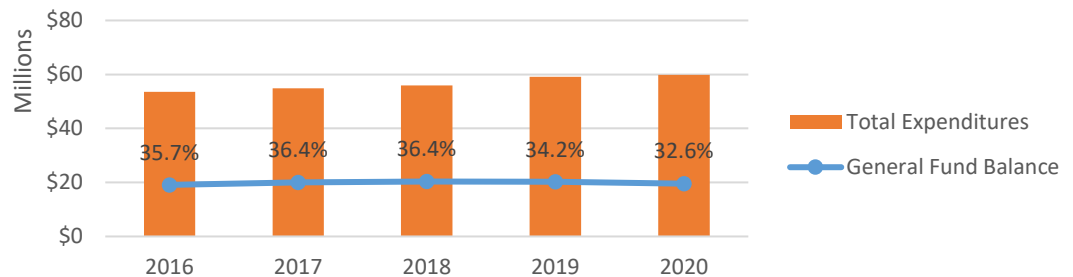
We inspire and support learning for every child, every chance, every day.

Financial Information

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

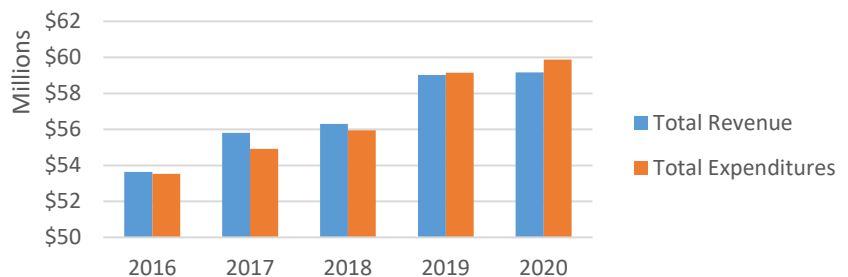
General Fund Balance as a Percentage of Total Expenditures

	General Fund Balance
2016	\$19,106,197
2017	\$19,997,617
2018	\$20,343,898
2019	\$20,234,511
2020	\$19,528,301



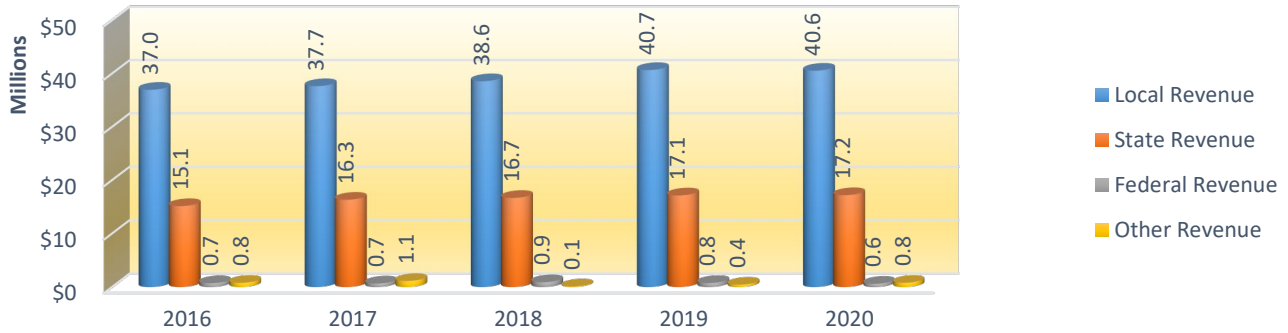
Revenues and Expenditures

	Total Revenue	Total Expenditures
2016	\$53,635,988	\$53,537,096
2017	\$55,800,075	\$54,908,656
2018	\$56,296,684	\$55,950,402
2019	\$59,031,765	\$59,141,154
2020	\$59,168,556	\$59,874,769

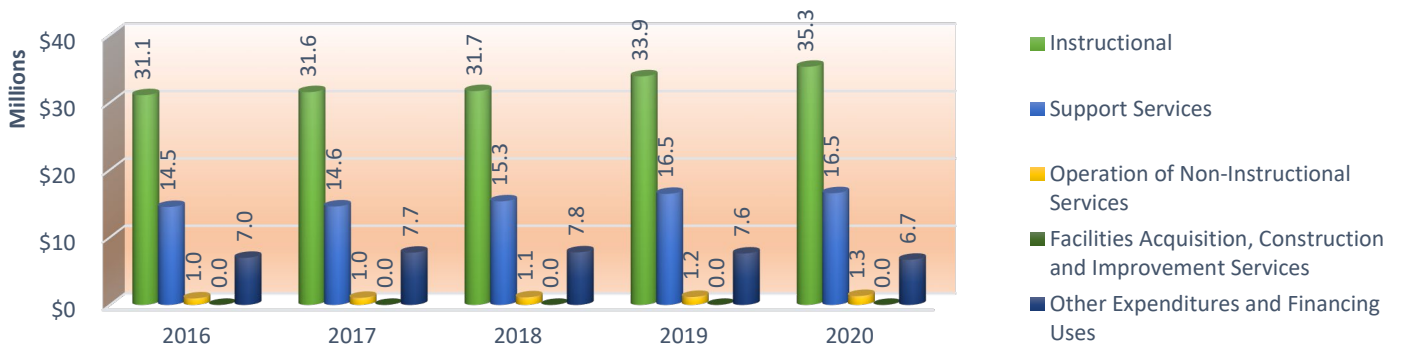


Financial Information Continued

Revenues by Source

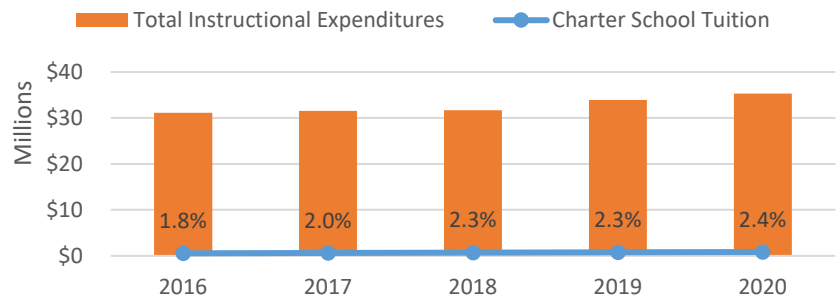


Expenditures by Function

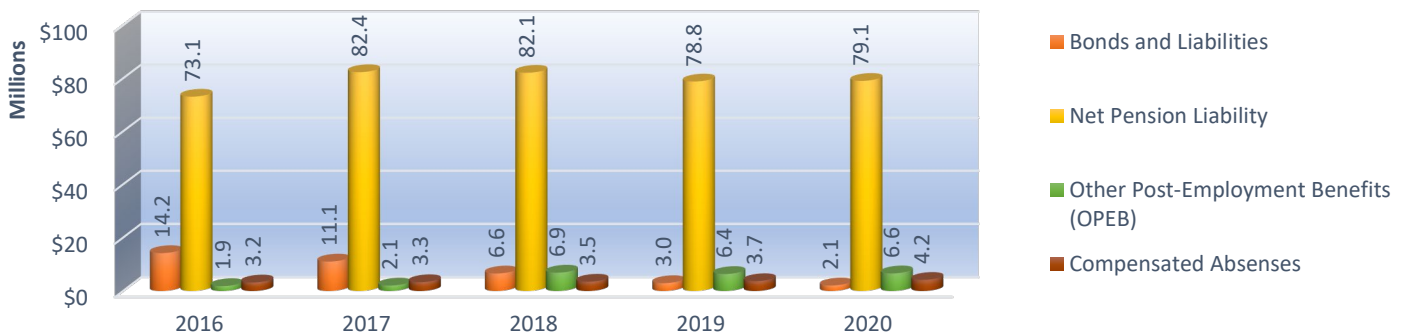


Charter Tuition as a Percentage of Instructional Expenditures

	Charter School Tuition	Total Instructional Expenditures
2016	\$548,066	\$31,106,352
2017	\$643,043	\$31,562,143
2018	\$725,596	\$31,717,608
2019	\$773,840	\$33,909,218
2020	\$836,219	\$35,328,126



Long-Term Debt

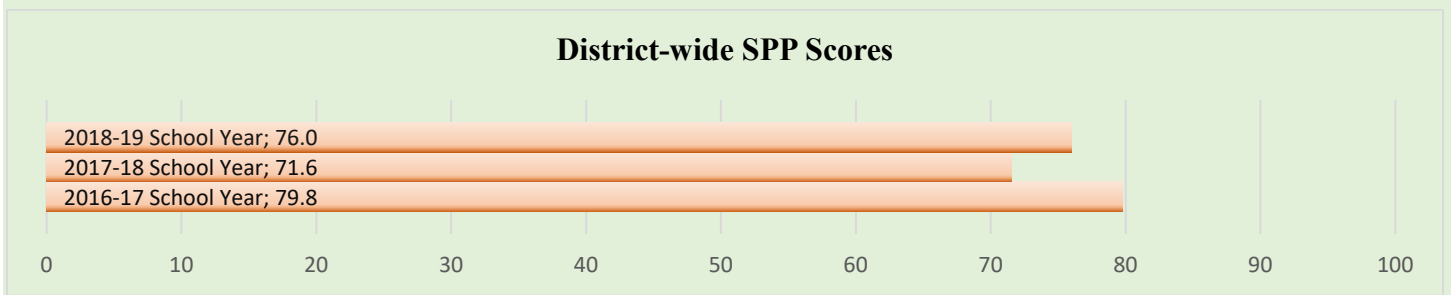


Academic Information¹

The graphs on the following pages present the District-wide School Performance Profile (SPP) scores, Pennsylvania System of School Assessment (PSSA) scores, and Keystone Exam results for the District obtained from PDE's data files for the 2016-17, 2017-18, and 2018-19 school years.² In addition, the District's 4-Year Cohort Graduation Rates are presented for the 2017-18 through 2019-20 school years.³ The District's individual school building scores are presented in Appendix B. These scores are provided in this audit report for **informational purposes only**, and they were not audited by our Department.

What is a SPP score?

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



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 Due to the COVID-19 pandemic the PSSA and Keystone Exam requirements were waived for the 2019-20 school year; therefore, there is no academic data to present for this school year.

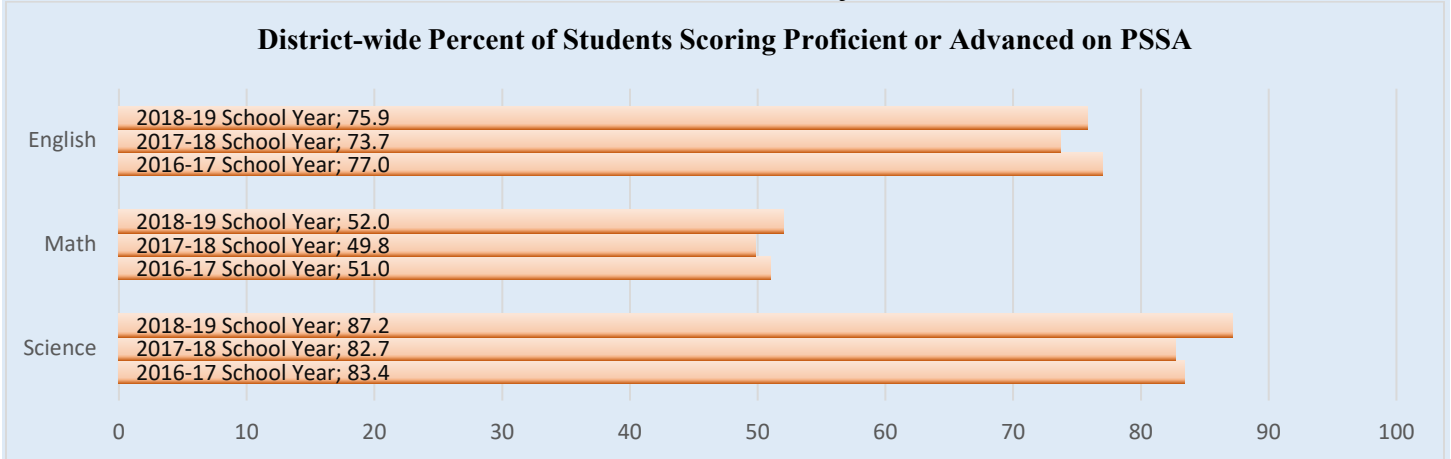
³ Graduation rates were still reported for the 2019-20 school year despite the COVID-19 pandemic.

Academic Information Continued

What is the PSSA?

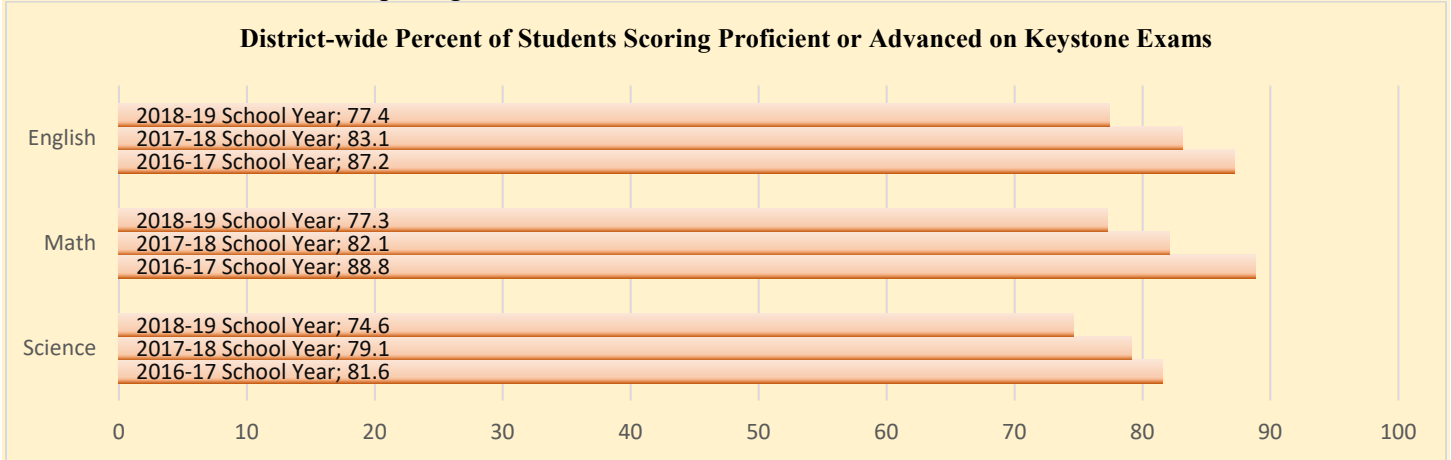
The PSSA is an annual, standardized test given across the Commonwealth to students in grades 3 through 8 in core subject areas, including English, Math and Science. The PSSAs help Pennsylvania meet federal and state requirements and inform instructional practices, as well as provide educators, stakeholders,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

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



What is the Keystone Exam?

The Keystone Exam measures student proficiency at the end of specific courses, such as Algebra I, Literature, and Biology. The Keystone Exam was intended to be a graduation requirement starting with the class of 2017, but that requirement has been put on hold until the 2020-21 school year.⁴ In the meantime, the exam is still given as a standardized assessment and results are included in the calculation of SPP scores. The Keystone Exam is scored using the same four performance levels as the PSSAs, and the goal is to score Proficient or Advanced for each course requiring the test.

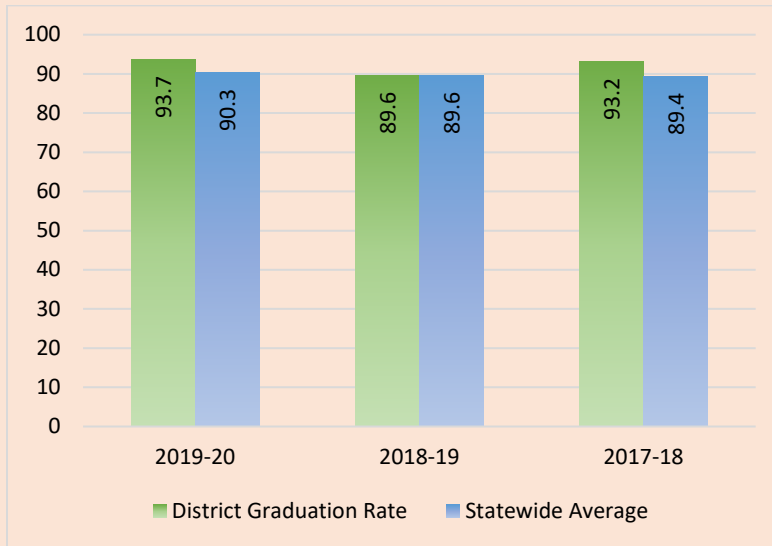


⁴ Act 158 of 2018, effective October 24, 2018, amended the Public School Code to further delay the use of Keystone Exams as a graduation requirement until the 2021-22 school year. See 24 P.S. § 1-121(b)(1). Please refer to the following link regarding further guidance to local education agencies (LEAs) on Keystone end-of-course exams (Keystone Exams) in the context of the pandemic of 2020: <https://www.education.pa.gov/Schools/safeschools/emergencyplanning/COVID-19/Pages/Keystone-Exams.aspx>

Academic Information Continued

What is a 4-Year Cohort Graduation Rate?

PDE collects enrollment and graduate data for all Pennsylvania public schools, which is used to calculate graduation rates. Cohort graduation rates are a calculation of the percentage of students who have graduated with a regular high school diploma within a designated number of years since the student first entered high school. The rate is determined for a cohort of students who have all entered high school for the first time during the same school year. Data specific to the 4-year cohort graduation rate is presented in the graph below.⁵



⁵ PDE also calculates 5-year and 6-year cohort graduation rates. Please visit PDE's website for additional information: <https://www.education.pa.gov/DataAndReporting/CohortGradRate/Pages/default.aspx>.

Finding

Finding

The District Did Not Implement Adequate Internal Controls to Ensure Compliance with Driver Qualifications and Background Clearance Requirements

Criteria relevant to the finding:

Internal Control Standards

Standards for Internal Control in the Federal Government (also known as the Green Book), issued by the Comptroller General of the United States in September 2014, provides a framework for management to establish and maintain an effective internal control system. Principle 10, *Design Control Activities*, Attribute 10.03, states, in part, “Management designs appropriate types of control activities for the entity’s internal control system. Control activities help management fulfill responsibilities and address identified risk responses in the internal control system. . . .” See Section 10.3 of the Green Book.

Statutory and Regulatory Requirements

Chapter 23 (relating to Pupil Transportation) of the State Board of Education’s 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).

We found that the Cocalico School District (District) did not implement sufficient internal controls to meet its statutory obligations under the Public School Code (PSC) and associated regulations related to the employment of individuals having direct contact with students during the 2021-22 school year. Specifically, we found that the District did not timely obtain, review, and monitor bus and van driver records or monitor who was driving school vehicles on a daily basis for its five supplemental secondary transportation contractors.⁶ Further, the District’s Board of School Directors (Board) failed to approve drivers for the five supplemental contractors providing services.

We also found that the District was not following its own Board approved *Contracted Services* policy, which requires the District to review background clearances for all contracted drivers prior to utilizing those drivers. By not obtaining, maintaining, and continuously monitoring complete driver records, the District could not ensure that all contracted bus drivers were properly qualified to transport students as required by state laws and regulations (see criteria box).

Background

Importance of Internal Controls

Several state statutes and regulations establish the minimum required qualifications for school bus and van drivers, including the PSC and the Child Protective Services Law. The District and its Board are responsible for the selection and approval of eligible drivers who qualify under applicable laws and regulations.⁷ Therefore, the District should have a strong system of internal controls over its driver review process that should include, but not be limited to, the following:

- Documented review of all driver credentials prior to Board approval.
- Monitoring of driver credentials to ensure current clearances, licenses, and annual physical exam documents are on file.
- Monitoring who is driving buses and vans each day throughout the school year to ensure all drivers have been authorized by the Board.

⁶ The five secondary contractors transport students who attend local Mennonite schools.

⁷ See 22 Pa. Code § 23.4(2).

- Clear and concise written policies and procedures specific to reviewing and monitoring drivers, including contracted drivers.
- Training on driver qualification and clearance requirements for employees responsible for driver records.

Driver Employment Requirements

Regardless of whether the District hires its own drivers or uses 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 Board approval:

1. Driver qualification credentials,⁸ including:
 - a. Valid driver’s license (Commercial driver’s license if operating a school bus).
 - b. Valid school bus endorsement card, commonly referred to as an “S” card, indicating completion of skills and safety training (if operating a school bus).
 - c. Annual physical examination (if operating a school bus).
2. Criminal history reports/clearances:
 - a. State Criminal History Clearance (Pennsylvania State Police [PSP] clearance).
 - b. Federal Criminal History Clearance, based on a full set of fingerprints (FBI clearance).
 - c. PA Child Abuse History Clearance.

It is important to note that all three clearances must be obtained every five years.⁹

Inadequate Internal Controls Resulted in Incomplete Driver Records and Lack of Board Approval

The District utilizes six transportation contractors to provide drivers to transport students. The primary contractor provides both bus and van drivers while five supplemental contractors provide only bus drivers.

We reviewed driver information for the 2021-22 school year. After comparing driver lists obtained from the District and the six contractors, we found that the District failed to include four drivers on its list, consisting of one driver from the primary contractor and three drivers from the secondary contractors. Consequently, we determined the District’s driver list was incomplete, so we tested 35 of the 70 drivers from

⁸ Pennsylvania’s Vehicle Code, 75 Pa.C.S. §§ 1508.1 (relating to Physical examinations) and 1509 (relating to Qualifications for school bus driver endorsement).

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

*Criteria relevant to the finding
(continued):*

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

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

the District's list. We also added the four drivers not on the District's list to our testing population.

In total, we reviewed 39 driver files to determine whether the District complied with driver and background clearance requirements, including the maintenance and monitoring of required documentation during our review period.

The results of our procedures disclosed internal control weaknesses related to the District obtaining, reviewing, and monitoring qualifications and clearances for drivers employed by the five supplemental contractors. The District had a different process related to the *primary contractor's drivers*, and no deficiencies were found. The internal control weaknesses we identified are specific to the *supplemental contractors* and described in the following narrative.

Incomplete and Missing Driver Records for Supplemental Contractors

During our initial review, we found that the District maintained all required credentials and clearances for drivers utilized by the primary contractor, including the driver we added to our testing. However, we found ten drivers utilized by the secondary contractors with missing or expired clearances and/or driver credentials. According to District personnel, credentials and clearances are requested each year from the secondary contractors in August, when school starts, and are required to be submitted to the District in mid-September. Therefore, school is well underway before the District receives any credential or clearance information from the secondary contractors. In fact, prior to mid-September, the District is completely unaware of the names of drivers utilized by the secondary contractors and whether they are qualified and cleared to transport students. We completed our testing after the District's mid-September deadline and still found the following deficiencies:¹⁰

- The three drivers we added to our testing because they were not known to the District did not have any credentials or clearances on file at the District.
- One driver had an expired "S" endorsement card.
- One driver was missing a physical card.
- One driver was missing a PSP clearance.
- Three drivers were missing child abuse clearances.
- Six drivers were missing FBI clearances.

Additionally, we found that the District's process of obtaining FBI clearances is **not** consistent between contractors. Consequently, the District did not obtain or review FBI clearances pursuant to the

¹⁰ The number of deficiencies is greater than the number of drivers with deficiencies because some drivers were missing more than one credential and/or clearance.

*Criteria relevant to the finding
(continued):*

Section 8.2 of Title 22, Chapter 8 (relating to Criminal Background Checks) of the State Board of Education's 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).

Board Policy

Board Policy 818, *Contracted Services*, states in relevant part:

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

PDE Guidance Document

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

Further, see PDE's "Background Checks Portability" web site guidance regarding aligning school policies concerning background checks for employees and contractors with the provisions of the PSC and CPSL (<https://www.education.pa.gov/Educators/Clearances/FAQ/Pages/Portability.aspx#>).

requirements in the PSC and the Pennsylvania Department of Education's (PDE) guidance requiring the District to obtain and maintain the **official** FBI clearance directly from PDE's electronic database.

Failure to Board Approve Drivers for Supplemental Contractors

The requirement to Board approve drivers is designed to provide the public with assurance that District administration has determined that authorized drivers have the required qualifications and clearances on file *prior to* employment. The District has a process in place to Board approve drivers employed by the primary contractor. We found that the Board approved all drivers employed by the primary contractor on its list of drivers. However, the District acknowledged that it does **not** have a process in place to approve drivers employed by the five supplemental contractors. As such, none of the drivers employed by the supplemental contractors were Board approved, as required.

No Written Review Procedures and Insufficient Monitoring Process of Drivers for Supplemental Contractors

The District did not have a standardized review process and ongoing monitoring procedures to ensure that all contracted drivers having direct contact with children were properly qualified prior to and throughout employment. The lack of a standardized process and insufficient monitoring, which are important internal controls, resulted in missing and expired documentation for drivers from the supplemental contractors. District officials acknowledged that credentials and clearances for drivers employed by its supplemental contractors were not obtained and reviewed prior to the drivers transporting students. District officials also acknowledged that the District has no process to monitor which drivers are utilized by the supplemental contractors each day.

Noncompliance with Board Policy

During our review, we noted that District Policy No. 818, *Contracted Services*, was adopted in July 2009 and last revised in September 2015. This policy requires that all contracted drivers comply with the mandatory background check requirements for criminal history and a child abuse clearance and requires the District to evaluate clearances for contracted drivers. By failing to have complete and updated records for all drivers, including missing background clearances, the District did not comply with its own policy.

Conclusion

The District and its Board did not meet their statutory obligations to ensure that drivers were qualified and eligible to transport students. Specifically, the District and its Board did not comply with all applicable laws, regulations, and PDE guidance documents by failing to have the Board approve all drivers and by not obtaining, reviewing, and monitoring all required driver qualifications and clearances. Finally, the District failed to follow its relevant Board policy.

Ensuring that ongoing qualification and clearance requirements are satisfied is a vital student protection obligation and responsibility placed on the District and its Board. The ultimate purpose of these requirements is to ensure the safety and welfare of students transported on school buses and vans. The use of contractors to provide student transportation does not alleviate the District from its responsibility to ensure compliance with requirements for driver qualifications and background clearances. It is vitally important that clearances include both the complete official PSP clearance results and the official FBI clearance results since there could be some convictions that are not captured in one or the other of the two background checks.

Recommendations

The *Cocalico School District* should:

1. Implement verifiable internal control procedures with a documented review process to ensure that only qualified and authorized individuals are driving for the District.

These procedures should ensure:

- a. The District obtains a comprehensive list of drivers at the beginning of each school year that is maintained and updated throughout the school year with any changes properly notated.
 - b. All required qualification and clearance documents are obtained, reviewed, and on file at the District prior to individuals transporting students and being presented to the Board for approval.
 - c. All driver qualification and clearance documentation is monitored to ensure continued compliance with requirements, including the requirement to obtain updated clearances every five years.
2. Comply with all applicable laws, regulations, and Board approved policies to obtain, review, and maintain required qualification and background clearance documentation for all drivers transporting students. This should include the official FBI clearance obtained by the District.

3. Ensure that all drivers determined to be eligible to transport students are presented to the Board for approval prior to transporting students, including new drivers added throughout the school year.
4. Implement clear and concise procedures to ensure compliance with the Board's *Contracted Services* policy.

Management Response

District management provided the following response:

“The procedures/processes utilized in the collection of Brightbill Transportation (primary contractor) bus/van driver qualifications and background clearance requirements, as well as the approval of such drivers by the Cocalico School Board, were not employed to the same extent with the five supplemental contractors providing bus drivers for the non-public schools. Part of the disconnect resulted from the difference in the relationship the District transportation personnel share with the primary contractor versus the supplemental contractors. Brightbill drivers transport students attending school at Cocalico, whereas the non-public school drivers transport children attending private schools. Cocalico is reliant on those non-public schools to forward driver clearances and requirements, as well as communicating driver rosters and any changes during the school year. Additionally, the Human Resources Department was unaware of the five secondary contractors; otherwise, the same internal controls applied with Brightbill drivers would have been followed with the non-public school drivers.

In response to the finding that the District did not implement adequate internal controls to ensure compliance with driver qualifications and background clearance requirements, the Director of Transportation and the Business Manager plan to meet with administration from each of the five non-public schools to review these findings and communicate requirements and expectations going forward. Furthermore, the Director of Transportation and Business Manager will draft a new contract, with the assistance of legal counsel, that communicates the contractors' responsibilities. They will also be provided with a clearance requirements packet and copies of pertinent Cocalico Board policies dealing with contracted services and bus drivers.

Cocalico School District will implement verifiable internal control procedures with a documented review process to ensure only qualified and authorized individuals are driving for the District.

Each summer, before the start of the new school year, a comprehensive list of drivers will be requested from each of the contractors. The listings will include all available drivers to be employed by the contractors; this is to ensure the District is covered in the event of any last minute driver substitutions. From that listing, a spreadsheet will be created for each

contractor to ensure that all required driver qualifications and clearance documentations are received, reviewed and on file at the District. In addition, contractors will be instructed to provide updates as new drivers are added to their fleets, along with the required credentials and clearances. It will be the Transportation Department's responsibility to maintain the spreadsheets, track collection of credentials and clearances, and forward the clearances to the Human Resources Department.

Furthermore, the Transportation Department will collaborate with the employing non-public schools and Human Resources Department to ensure contractor credentials and clearances are updated as required. The Human Resources Department will be responsible to run the FBI clearance checks and provide any necessary follow-up with the Transportation Department.

The Transportation Department will submit a listing of all bus drivers (by contractor) for Board approval before the start of each school year, pending completion of all state and district requirements. Any new drivers added throughout the year shall also be presented to the Board for approval, prior to transporting students. In addition, the Transportation Department will request periodic driver rosters from each of the non-public schools to ensure compliance by the contractors.

The District believes that implementation of the internal controls listed above will provide the ability to timely obtain, review and monitor bus/van driver qualifications, as well as providing records as to who is driving, and assuring those individuals are approved by the District.”

Auditor Conclusion

We are pleased that the District intends to implement procedures to ensure that all bus drivers are properly qualified and Board approved. We will evaluate the effectiveness of the District's corrective actions during our next audit of the District.

Status of Prior Audit Findings and Observations

Our prior audit of the Cocalico 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,¹¹ is not a substitute for the local annual financial audit required by the Public School Code of 1949, as amended. We conducted our audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit.

Our audit focused on the District's effectiveness and/or compliance with applicable statutory provisions and related regulations in the areas of Bus Driver Requirements, Transportation, and School Safety, including fire and security drills. The audit objectives supporting these areas of focus are explained in the context of our methodology to achieve the objectives in the next section. Overall, our audit covered the period July 1, 2016 through June 30, 2020. The scope of each individual objective is also detailed in the next section.

The District's management is responsible for establishing and maintaining effective internal control to provide reasonable assurance that the District's objectives will be achieved.¹² *Standards for Internal Control in the Federal Government* (also known as and hereafter referred to as the Green Book), issued by the Comptroller General of the United States, provides a framework for management to establish and maintain an effective internal control system. The Department of the Auditor General used the Green Book as the internal control analysis framework during the conduct of our audit.¹³ The Green Book's standards are organized into five components of internal control. In an effective system of internal control, these five components work together in an integrated manner to help an entity achieve its objectives. Each of the five components of internal control contains principles, which are the requirements an entity should follow in establishing an effective system of internal control. We illustrate the five components and their underlying principles in Figure 1 on the following page.

¹¹ 72 P.S. §§ 402 and 403.

¹² District objectives can be broadly classified into one or more of the following areas: effectiveness of operations; reliability of reporting for internal and external use; and compliance with applicable laws and regulations, more specifically in the District, referring to certain relevant state laws, regulations, contracts, and administrative procedures.

¹³ Even though the Green Book was written for the federal government, it explicitly states that it may also be adopted by state, local, and quasi-government entities, as well as not-for-profit organizations, as a framework for establishing and maintaining an effective internal control system. The Green Book is assessable at <https://www.gao.gov/products/GAO-14-704G>

Figure 1: Green Book Hierarchical Framework of Internal Control Standards

Principle	Description
Control Environment	
1	Demonstrate commitment to integrity and ethical values
2	Exercise oversight responsibility
3	Establish structure, responsibility, and authority
4	Demonstrate commitment to competence
5	Enforce accountability
Risk Assessment	
6	Define objectives and risk tolerances
7	Identify, analyze, and respond to risks
8	Assess fraud risk
9	Identify, analyze, and respond to change

Principle	Description
Control Activities	
10	Design control activities
11	Design activities for the information system
12	Implement control activities
Information and Communication	
13	Use quality information
14	Communicate internally
15	Communicate externally
Monitoring	
16	Perform monitoring activities
17	Evaluate issues and remediate deficiencies

In compliance with generally accepted government auditing standards, we must determine whether internal control is significant to our audit objectives. We base our determination of significance on whether an entity’s internal control impacts our audit conclusion(s). If some, but not all, internal control components are significant to the audit objectives, we must identify those internal control components and underlying principles that are significant to the audit objectives.

In planning our audit, we obtained a general understanding of the District’s control environment. In performing our audit, we obtained an understanding of the District’s internal control sufficient to identify and assess the internal control significant within the context of the audit objectives. Figure 2 represents a summary of the internal control components and underlying principles that we identified as significant to the overall control environment and the specific audit objectives (denoted by an “X”).

Figure 2 – Internal Control Components and Principles Identified as Significant

Principle →	Internal Control Significant ?	Control Environment					Risk Assessment					Control Activities			Information and Communication			Monitoring	
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
General/overall	Yes	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		X	
Bus Drivers	Yes									X		X			X	X			
Transportation	Yes				X			X	X	X		X	X	X	X	X			
Safe Schools	No																		

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

Objectives/Scope/Methodology

In order to properly plan our audit and to guide us in selecting objectives, we reviewed pertinent laws and regulations, the District's annual financial reports, annual General Fund budgets, and the independent audit reports of the District's basic financial statements for the July 1, 2016 through June 30, 2020 fiscal years. We conducted analytical procedures on the District's state revenues and the transportation reimbursement data. We reviewed the prior audit report and we researched current events that possibly affected District operations. We also determined if the District had key personnel or software vendor changes since the prior audit.

Performance audits draw conclusions based on an evaluation of sufficient, appropriate evidence. Evidence is measured against criteria, such as laws, regulations, third-party studies, and best business practices. Our audit focused on the District's effectiveness in four areas as described below. As we conducted our audit procedures, we sought to determine answers to the following questions, which served as our audit objectives.

Bus Driver Requirements

- Did the District ensure that all bus drivers transporting District students are Board approved and had the required driver's license, physical exam, training, background checks, and clearances¹⁴ as outlined in applicable laws?¹⁵ Also, did the District adequately monitor driver records to ensure compliance with the ongoing five-year clearance requirements and ensure it obtained updated licenses and health physical records as applicable throughout the school year?
- ✓ To address this objective, we assessed the District's internal controls for reviewing, maintaining, and monitoring the required bus driver documents. We determined if all drivers were Board approved by the District. We selected 39 of 74 bus and van drivers transporting students as of September 24, 2021. Thirty-five drivers were selected randomly while the remaining four drivers were selected due to a higher risk of noncompliance.¹⁶ We reviewed documentation to ensure the District complied with the requirements for bus drivers. We also determined if the District has monitoring procedures to ensure that all drivers have updated clearances, licenses, and physicals.

Conclusion: The results of our procedures identified areas of noncompliance and significant internal control deficiencies related to the maintenance and monitoring of driver records. Our results are detailed in the Finding beginning on page 6 of this report.

¹⁴ 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.

¹⁵ PSC 24 P.S. § 1-111, CPSL 23 Pa.C.S. § 6344(a.1), PSC (Educator Discipline) 24 P.S. § 2070.1a *et seq.*, State Vehicle Code 75 Pa.C.S. §§ 1508.1 and 1509, and State Board of Education's regulations 22 Pa. Code Chapter 8.

¹⁶ The drivers not randomly selected were chosen because they were not identified by the District on the initial list of 70 drivers provided to us upon request. Therefore, the combined selection of drivers is not representative of the population, and the results of this audit procedure are not, and should not be, projected to the population.

Transportation Operations

- Did the District ensure compliance with applicable laws and regulations governing transportation operations, and did the District receive the correct transportation reimbursement from the Commonwealth?¹⁷
- ✓ To address this objective, we assessed the District’s internal controls for obtaining, inputting, processing, and reporting regular transportation data (vehicle data) to PDE. We selected 12 of 54 non-parent driven vehicles used to transport students during the 2019-20 school year. Ten vehicles were randomly selected while the remaining two vehicles were selected due to a higher risk of noncompliance.¹⁸ For each vehicle selected, we obtained and reviewed odometer readings, bus rosters, and school calendars. We also determined if the District accurately calculated and reported sample average data to PDE.

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

School Safety

- Did the District comply with requirements in the Public School Code and the Emergency Management Code related to emergency management plans, bullying prevention, and memorandums of understanding with local law enforcement?¹⁹ Also, did the District follow best practices related to physical building security and providing a safe school environment?
 - ✓ To address this objective, we reviewed a variety of documentation including, but not limited to, safety plans, memorandums of understanding with local law enforcement, anti-bullying policies, trainings for staff and students, and risk and vulnerability assessments performed at the District.
- Conclusion:** Due to the sensitive nature of school safety, the results of our review are not described in our audit report, but they were shared with District officials, PDE’s Office of Safe Schools, and other appropriate law enforcement agencies deemed necessary.
- Did the District comply with the fire and security drill requirements of Section 1517 of the Public School Code?²⁰ Also, did the District accurately report the dates of drills to PDE and maintain supporting documentation to evidence the drills conducted and reported to PDE?
 - ✓ To address this objective, we obtained and reviewed the fire and security drill records for the 2018-19 and 2019-20 school years. We determined if a security drill was held within the first 90 days of each school year at each building in the District and if monthly fire drills were conducted in accordance with requirements. We also obtained the *Accuracy Certification Statement* that the District filed with PDE and compared the dates reported to the supporting documents.

¹⁷See 24 P.S. § 2541(a).

¹⁸ The vehicles not randomly selected were chosen because those vehicles did not report any miles traveled without students. Therefore, the combined selection of drivers is not representative of the population, and the results of this audit procedure are not, and should not be, projected to the population.

¹⁹ Safe Schools Act 24 P.S. § 13-1301-A *et seq.*, Emergency Management Services Code 35 Pa.C.S. § 7701.

²⁰ Public School Code (Fire and Security Drills) 24 P.S. § 15-1517.

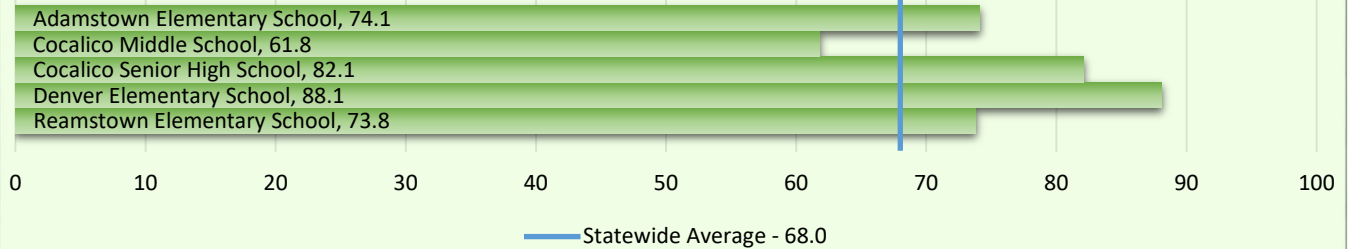
Conclusion: The results of our procedures did not identify any reportable issues.

Appendix B: Academic Detail

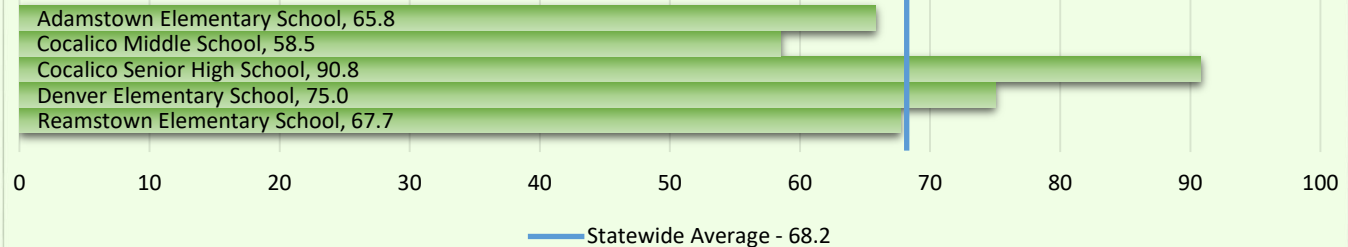
Benchmarks noted in the following graphs represent the statewide average of all public school buildings in the Commonwealth that received a score in the category and year noted.²¹ Please note that if one of the District's schools did not receive a score in a particular category and year presented below, the school will not be listed in the corresponding graph.²²

SPP School Scores Compared to Statewide Averages

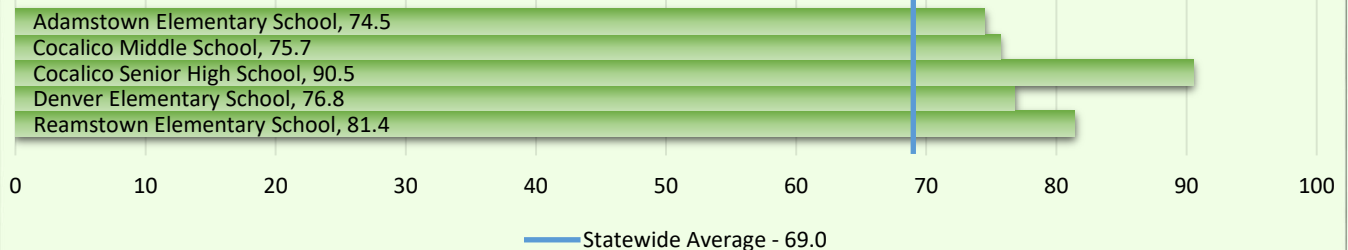
2018-19



2017-18



2016-17

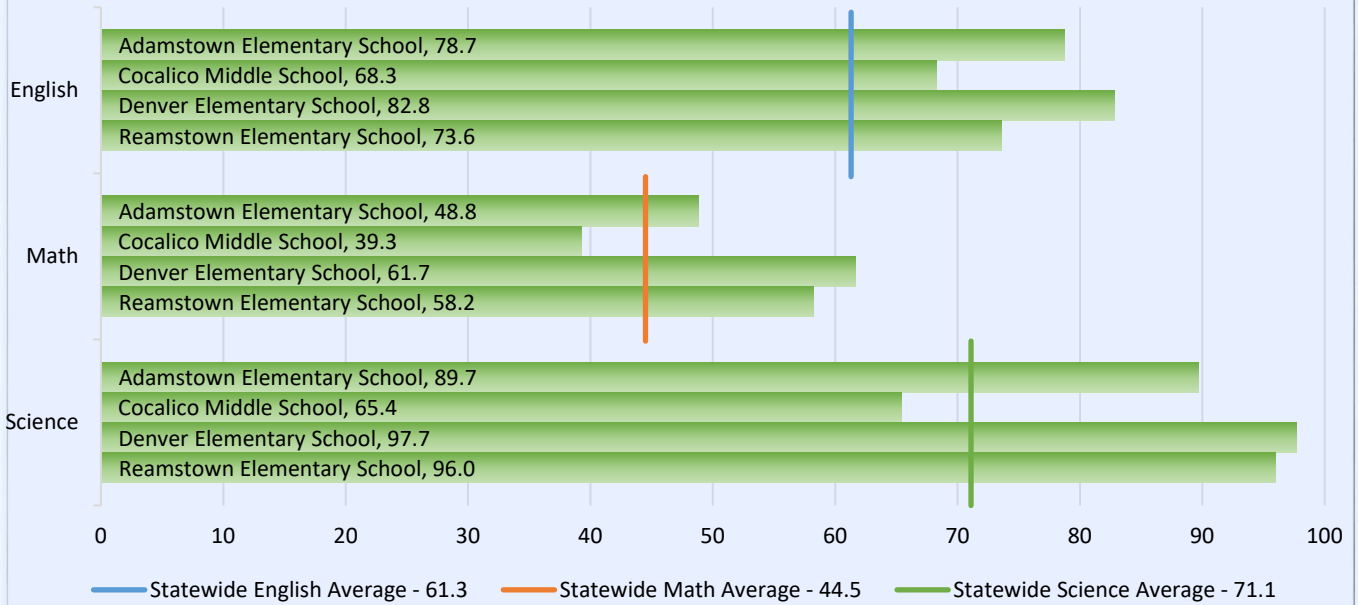


²¹ Statewide averages were calculated by our Department based on individual school building scores for all public schools in the Commonwealth, including district schools, charters schools, and cyber charter schools.

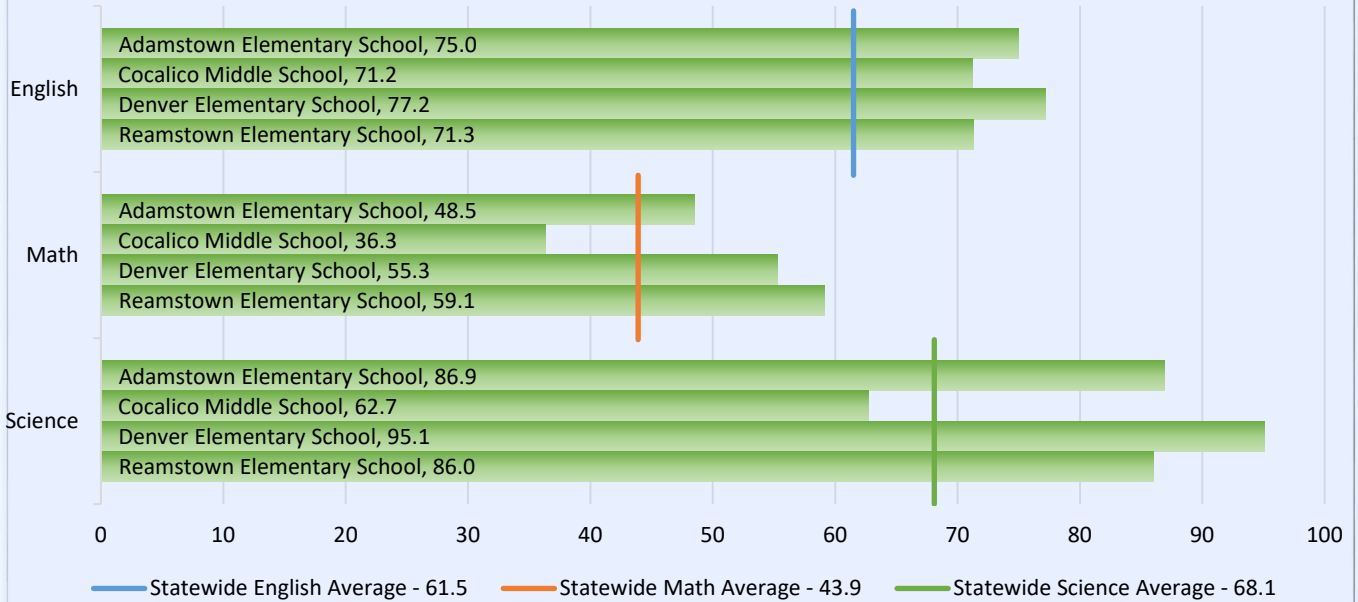
²² PDE's data does not provide any further information regarding the reason a score was not published for a specific school. However, readers can refer to PDE's website for general information regarding the issuance of academic scores.

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

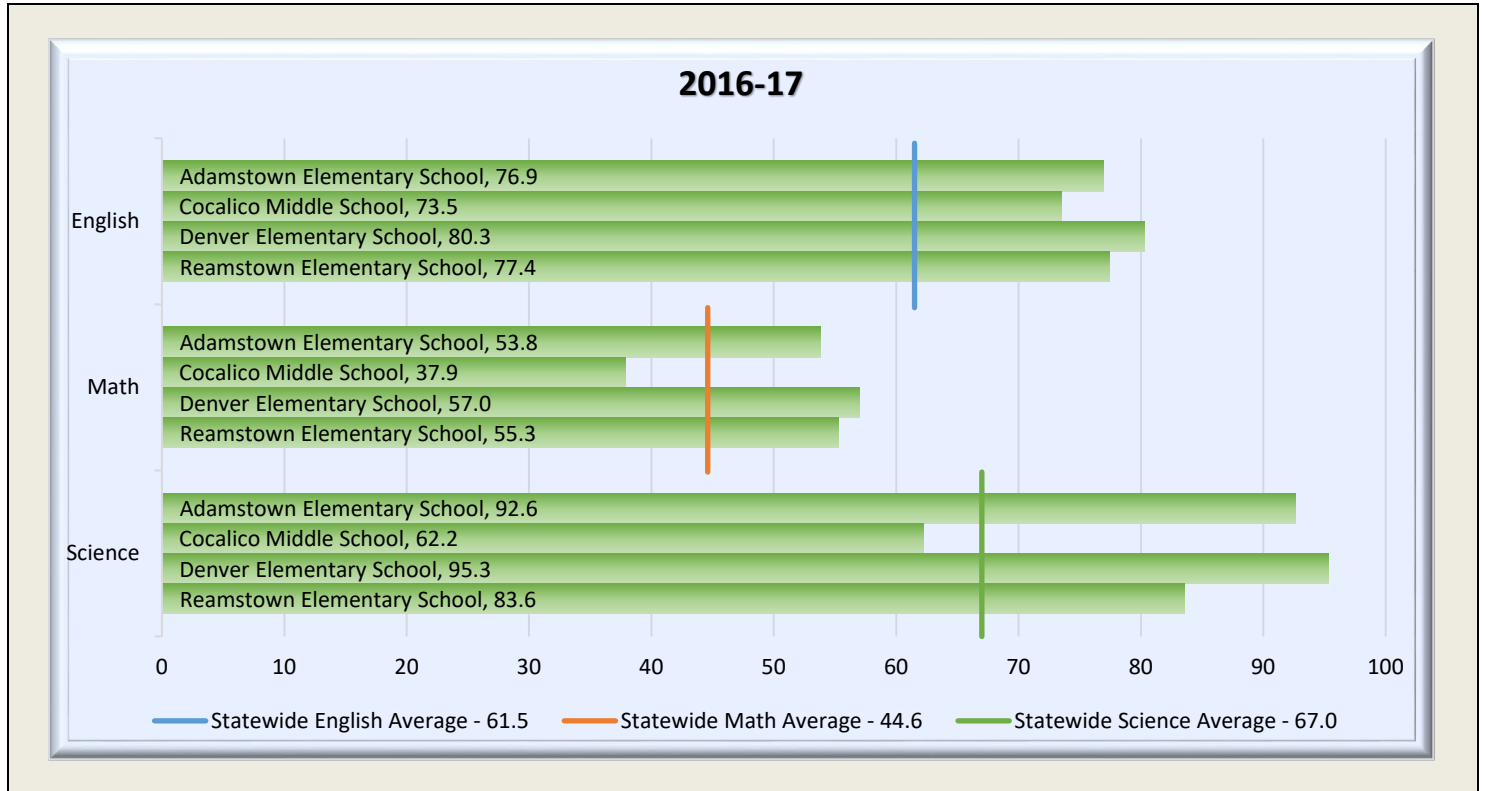
2018-19



2017-18

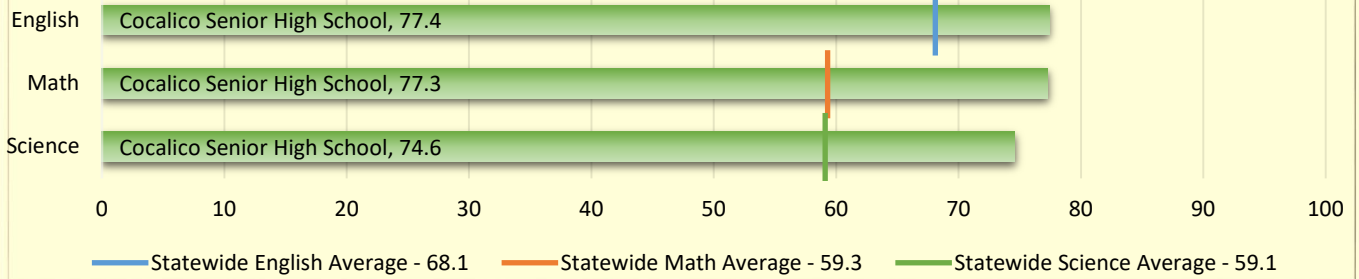


**PSSA Advanced or Proficient Percentage
School Scores Compared to Statewide Averages (continued)**

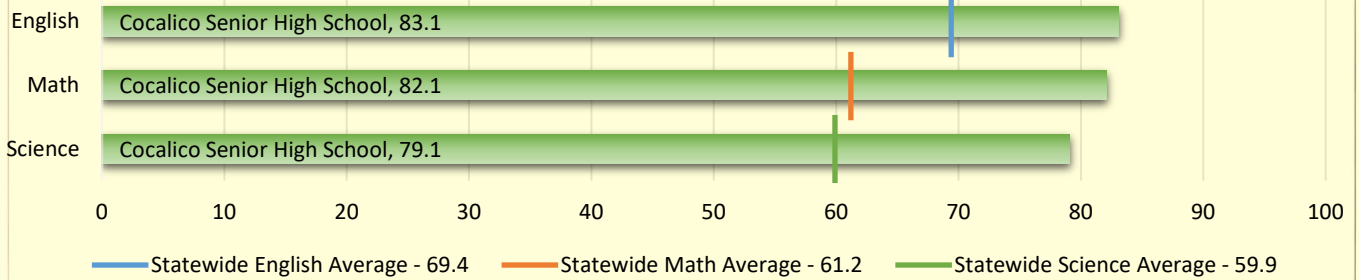


Keystone Advanced or Proficient Percentage School Scores Compared to Statewide Averages

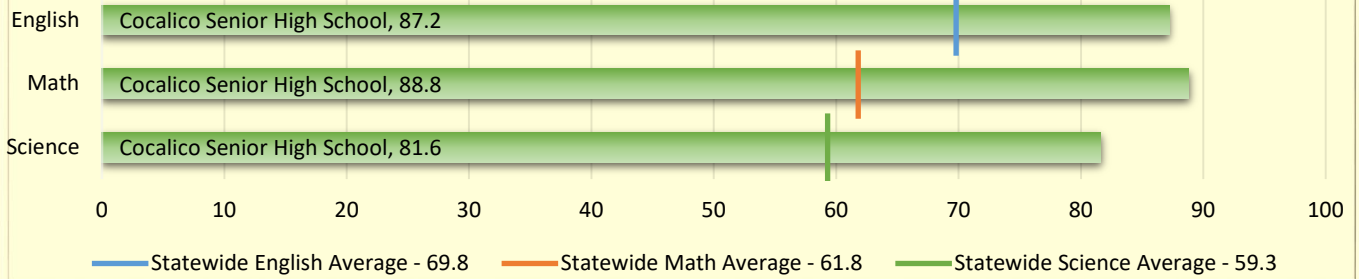
2018-19



2017-18



2016-17



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Harrisburg, PA 17120

The Honorable Noe Ortega
Secretary of Education
1010 Harristown Building #2
333 Market Street
Harrisburg, PA 17126

The Honorable Stacy Garrity
State Treasurer
Room 129 - Finance Building
Harrisburg, PA 17120

Ms. Jessica Sites
Director
Bureau of Budget and Fiscal Management
Pennsylvania Department of Education
4th Floor, 333 Market Street
Harrisburg, PA 17126

Dr. David Wazeter
Research Manager
Pennsylvania State Education Association
400 North Third Street - Box 1724
Harrisburg, PA 17105

Mr. Nathan Mains
Executive Director
Pennsylvania School Boards Association
400 Bent Creek Boulevard
Mechanicsburg, PA 17050

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