

# PERFORMANCE AUDIT

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## Council Rock School District Bucks County, Pennsylvania

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December 2020



Commonwealth of Pennsylvania  
Department of the Auditor General

Eugene A. DePasquale • Auditor General

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**EUGENE A. DePASQUALE  
AUDITOR GENERAL**

Dr. Robert Fraser, Superintendent  
Council Rock School District  
30 North Chancellor Street  
Newtown, Pennsylvania 18940

Mr. Andy Block, Board President  
Council Rock School District  
30 North Chancellor Street  
Newtown, Pennsylvania 18940

Dear Dr. Fraser and Mr. Block:

We have conducted a performance audit of the Council Rock School District (District) for the period July 1, 2015 through June 30, 2019, except as otherwise indicated in the audit scope, objective, and methodology section of the report. We evaluated the District's performance in the following areas as further described in Appendix A of this report:

- Transportation Operations
- Bus Driver Requirements
- Administrator Separations

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.

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 significant internal control deficiencies in the transportation operations and those deficiencies are detailed in the finding in this report entitled:

**The Council Rock School District Failed to Retain the Required Supporting Documentation to Verify \$5 Million Received in Regular Transportation Reimbursements**

In addition, we identified internal control deficiencies in the bus driver requirements objective that were not significant but warranted attention of those charged with governance. Those deficiencies were verbally communicated to those charged with governance for their consideration. We also found that the District performed adequately in the administrator separations objective.

Dr. Robert Fraser  
Mr. Andy Block  
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Our audit finding and recommendations have been discussed with the District, and its 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, 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

December 7, 2020

cc: **COUNCIL ROCK SCHOOL DISTRICT** Board of School Directors

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## Background Information

School Characteristics 2019-20 School Year*	
County	Bucks
Total Square Miles	72
Number of School Buildings	14**
Total Teachers	852
Total Full or Part-Time Support Staff	491
Total Administrators	46
Total Enrollment for Most Recent School Year	10,514
Intermediate Unit Number	22
District Career and Technical School	Middle Bucks Institute of Technology

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

\*\* Richboro Middle School closed at the end of the 2017-18 school year, so academic scores are presented for 15 schools prior to the 2018-19 school year.

### Mission Statement\*

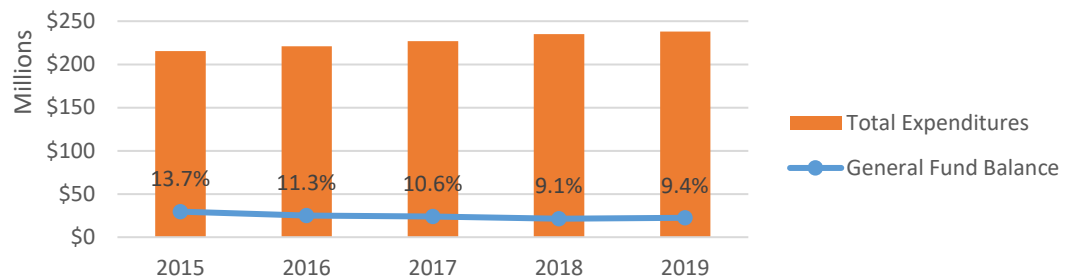
Council Rock School District, in partnership with its community, empowers all students with the knowledge, habits, and attitudes to become life-long learners and to lead and serve in a diverse global society.

## Financial Information

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

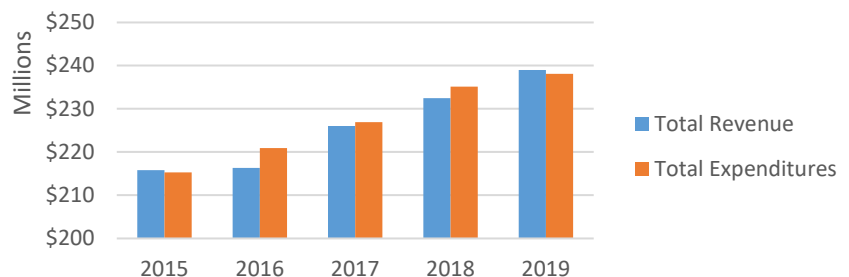
### General Fund Balance as a Percentage of Total Expenditures

	General Fund Balance
2015	\$29,564,946
2016	\$25,027,373
2017	\$24,086,667
2018	\$21,385,076
2019	\$22,265,145



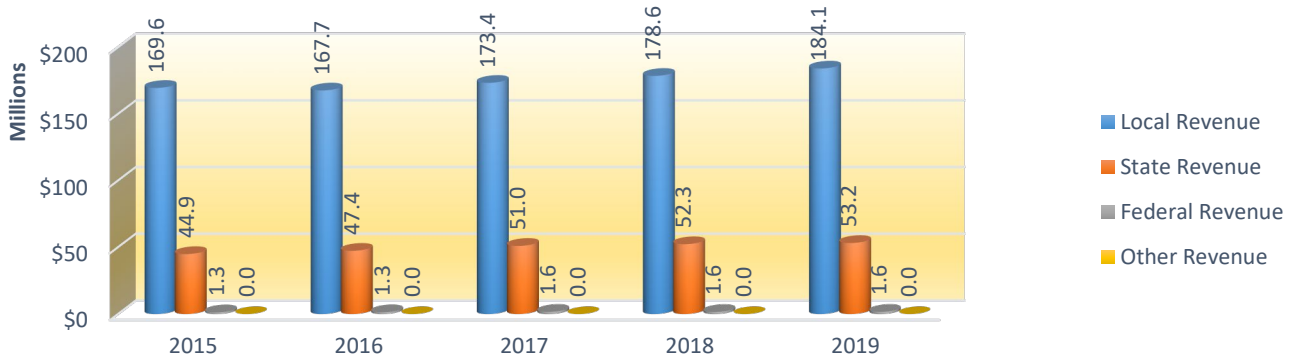
### Revenues and Expenditures

	Total Revenue	Total Expenditures
2015	\$215,779,441	\$215,261,488
2016	\$216,348,749	\$220,886,320
2017	\$226,003,958	\$226,944,665
2018	\$232,465,025	\$235,166,615
2019	\$238,963,860	\$238,083,792

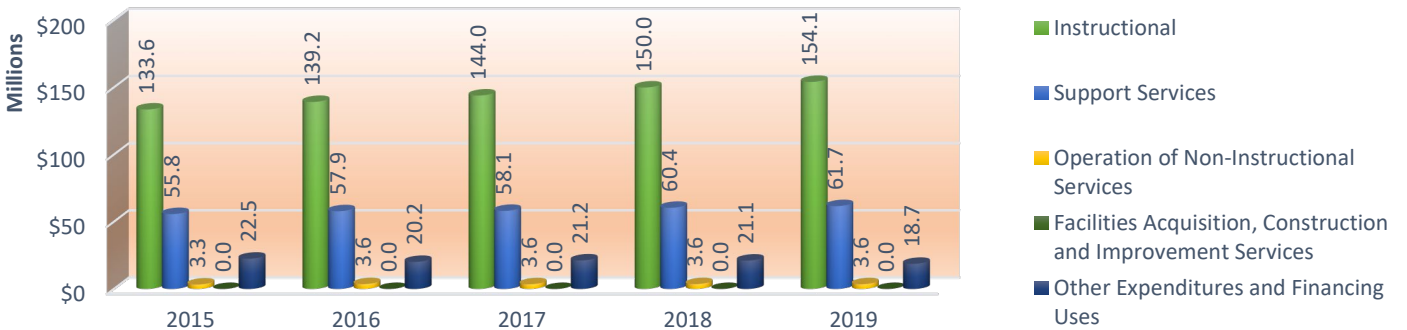


## Financial Information Continued

### Revenues by Source

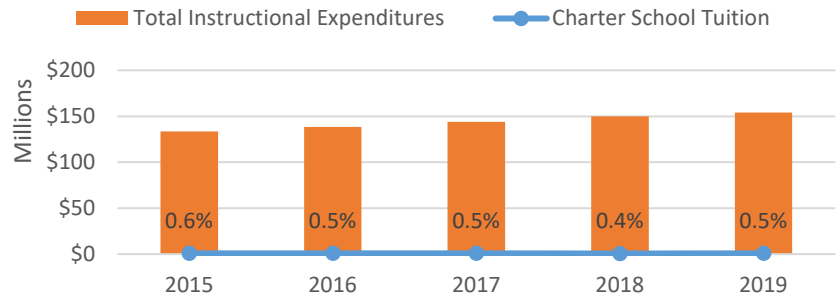


### Expenditures by Function

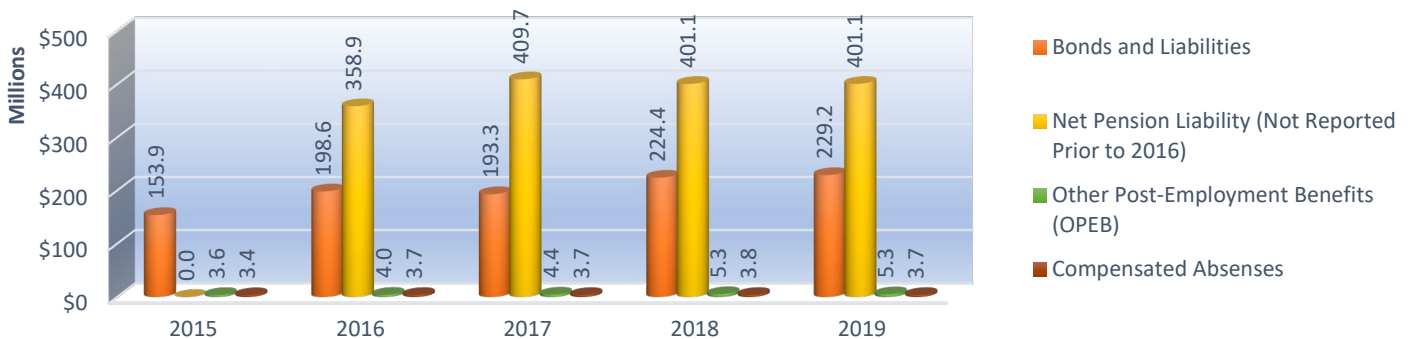


### Charter Tuition as a Percentage of Instructional Expenditures

	Charter School Tuition	Total Instructional Expenditures
2015	\$783,160	\$133,602,299
2016	\$743,393	\$138,218,931
2017	\$671,225	\$144,008,558
2018	\$646,343	\$149,973,880
2019	\$771,340	\$154,132,925



### Long-Term Debt

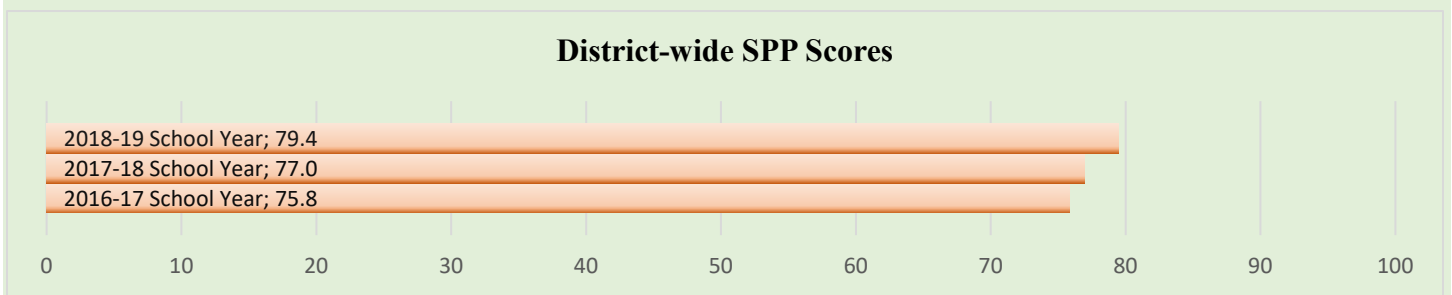


## Academic Information

The graphs on the following pages present the District-wide School Performance Profile (SPP) scores, Pennsylvania System of School Assessment (PSSA) scores, Keystone Exam results, and 4-Year Cohort Graduation Rates for the District obtained from PDE's data files for the 2016-17, 2017-18, and 2018-19 school years.<sup>1</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.

### 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>2</sup>



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

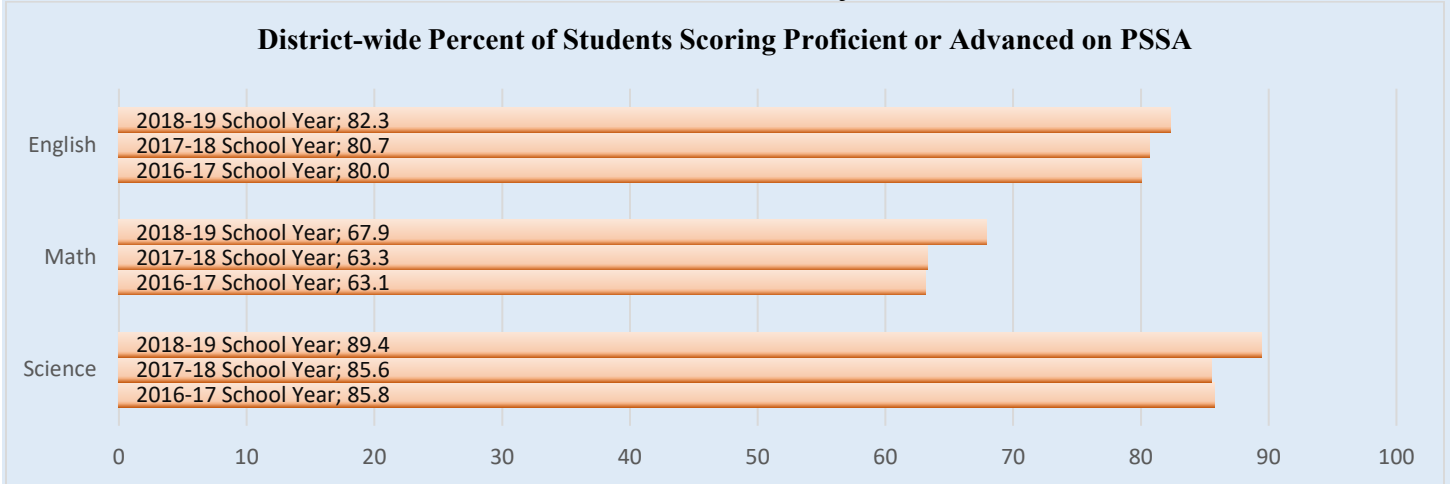
<sup>2</sup> PDE started issuing a SPP score for all public school buildings beginning with the 2012-13 school year. For the 2014-15 school year, PDE only issued SPP scores for high schools taking the Keystone Exams as scores for elementary and middle scores were put on hold due to changes with PSSA 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.

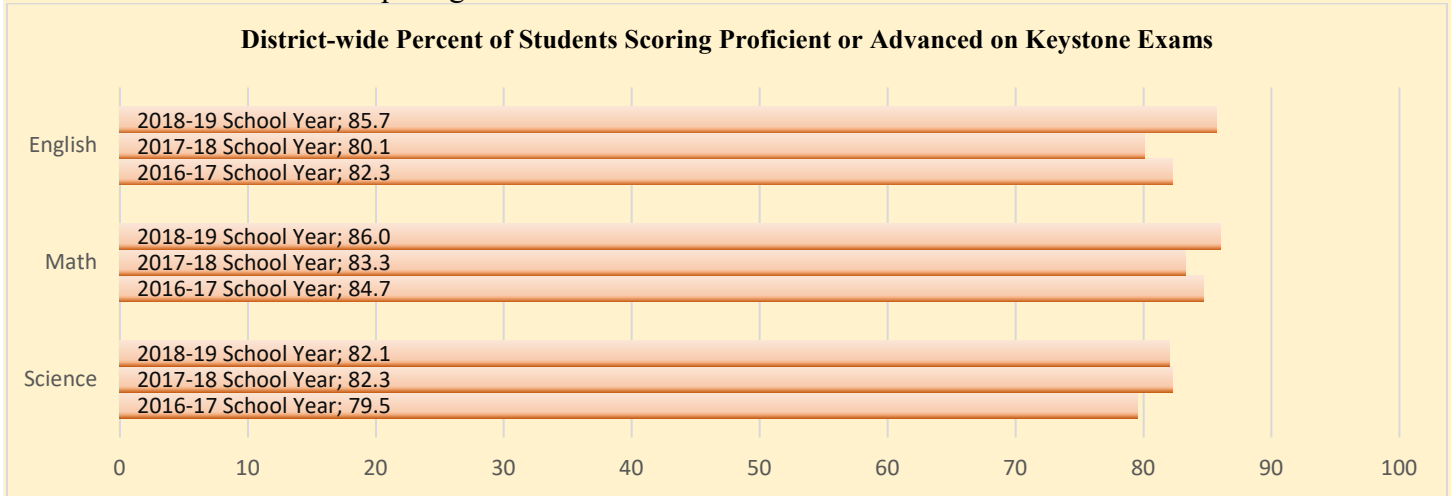




## Academic Information Continued

### 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>3</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.

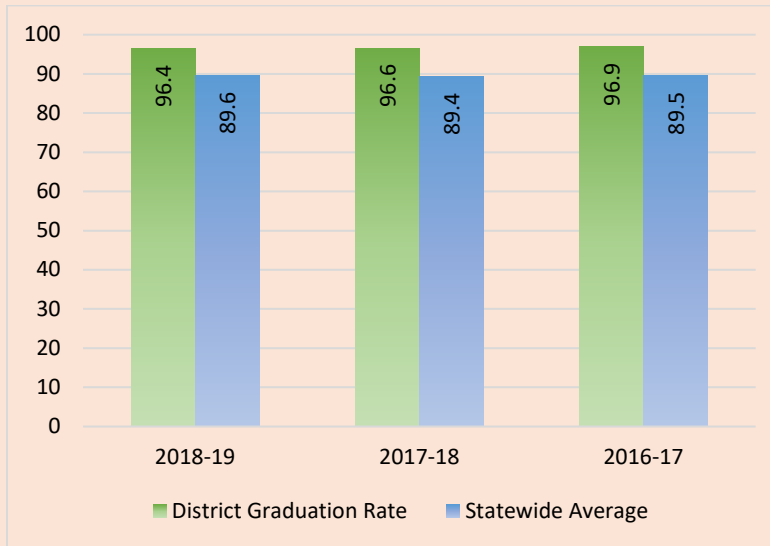


<sup>3</sup> Act 158 of 2018, effective October 24, 2018, amended the Public School Code to further delay the use of Keystone Exams as a graduation requirement until the 2021-22 school year. See 24 P.S. § 1-121(b)(1). See 24 P.S. § 1-121(b)(1). Please refer to the following link regarding further guidance 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.<sup>4</sup>



<sup>4</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

### The Council Rock School District Failed to Retain the Required Supporting Documentation to Verify \$5 Million Received in Regular Transportation Reimbursements

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

##### **Record Retention Requirement**

Section 518 of the Public School Code (PSC) requires that financial records of a district be retained 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. In determining the formula for the cost of approved reimbursable transportation, the Secretary of Education may prescribe the methods of determining approved mileages and the utilized passenger capacity of vehicles for reimbursement purposes." See 24 P.S. § 25-2541(a).

The Council Rock School District (District) did not comply with the record retention provisions of the Public School Code (PSC) when it failed to retain adequate source documents to verify the accuracy of the more than \$5 million it received in regular transportation reimbursements from the Pennsylvania Department of Education (PDE) during the 2015-16 through 2018-19 school years.

School districts receive two separate transportation reimbursement payments from PDE. One reimbursement is broadly based on the number of students transported, the number of days each vehicle was used for transporting students, and the number of miles that vehicles are in service, both with and without students (i.e., regular transportation reimbursement). The other reimbursement is based on the number of charter school and nonpublic school students transported (i.e., supplemental transportation reimbursement). The failure to retain documents pertains to the District's regular transportation reimbursements.

It is also important to note that the PSC requires that all school districts annually file a sworn statement of student transportation data for the prior and current school years with PDE in order to be eligible for transportation reimbursements. Current District officials stated the District completed this sworn statement for all four school years discussed in this finding; however, the District was able to provide only two years of signed sworn statements.<sup>5</sup> It is essential that the District accurately report transportation data to PDE and retain the supporting documentation for this reported 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>6</sup>

<sup>5</sup> The District provided a copy of the signed sworn statements for the 2015-16 and 2017-18 school years. Unsigned copies of the sworn statements were provided for the 2016-17 and 2018-19 school years. Please note that any unsigned statements are null and void.

<sup>6</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 September 23, 2020).

Criteria relevant to the finding  
(continued):

**Sworn Statement and Annual Filing Requirement**

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

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

**PDE Instructions for Sample Average Worksheet**

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

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

The table below illustrates the number of students, vehicles, and annual miles reported by the District to PDE along with the regular reimbursement received for each school year during the audit period.

Council Rock School District Transportation Data Reported to PDE				
School Year	Reported Number of Students Transported	Reported Number of Vehicles	Reported Total Approved Annual Miles	Total Reimbursement Received
2015-16	12,580	174	2,112,032	\$1,309,186
2016-17	12,318	153	2,094,331	\$1,243,331
2017-18	11,965	148	2,088,744	\$1,293,913
2018-19	12,109	149	1,670,670	\$1,155,453
<b>Totals</b>	<b>48,972</b>	<b>624</b>	<b>7,965,777</b>	<b>\$5,001,883</b>

As illustrated in the table above, the reported number of students transported and reported number of vehicles fluctuated during the audit period. Based on past accumulative experience, reported information of an inconsistent nature indicates possible errors, and therefore warrants a detailed review of the reported information. However, we were unable to review this information due to the District’s failure to retain adequate supporting documentation.

The District was reliant on its transportation contractor to obtain and collect the supporting documentation throughout each school year needed to accurately calculate and report the transportation data to PDE for reimbursement. For each year of the audit period the District’s transportation contractor provided the District with documentation supporting miles traveled to transport students and the number of students transported. The District calculated summary data based on this information and reported this summary data to PDE. However, the District could not provide us with complete supporting documentation for any year of our audit period. The District calculated summary data was not available for three of the four years of the audit period and for each year of the audit period the District could not provide support for miles traveled, number of students transported, and number of days transported for all vehicles reported to PDE.

*Criteria relevant to the finding  
(continued):*

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

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

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

The District attributed the lack of complete supporting documentation to turnover in the role of the employee responsible for reporting transportation data. This position changed after the 2018-19 school year, and the District failed to ensure all supporting documentation was retained during this transition.

The District lacked internal controls over its transportation operations during the audit period. Further, the District did not have policies and procedures concerning the need to retain supporting documentation for transportation data reported to PDE. Additionally, the District did not have a documented review process by an employee other than the employee who calculated the summary data reported to PDE.

Despite turnover in the role of reporting transportation data in the 2018-19 school year, the District did not develop procedures concerning transportation reporting and retaining supporting documentation. Further, the District did not ensure adequate supporting documentation was retained prior to signing the 2018-19 sworn statement.

**Conclusion:** The District did not fulfill its fiduciary duties to taxpayers and was not in compliance with the PSC by not retaining this information. Without the documentation needed, we could not determine the appropriateness of the more than \$5 million in regular transportation reimbursements received by the District for the 2015-16 through 2018-19 school years.

## **Recommendations**

The *Council Rock School District* should:

1. Immediately take the appropriate administrative measures to ensure the District retains complete documentation supporting the transportation data reported to PDE, including student bus rosters, odometer readings, and summary data calculations in accordance with the PSC's record retention requirements.
2. Establish a safe and adequate location to store all source documents and calculations supporting the transportation data submitted to PDE.
3. Ensure that record retention procedures are documented and staff are trained on these procedures.
4. Establish internal controls over the collection, calculating, and reporting transportation to PDE. Ensure that these controls include a review of transportation data by an employee other than the employee calculating the transportation data.

5. Ensure that its statements pertaining to the reporting of student transportation data for the prior and current school years to PDE are fully executed with the sworn signature of a District official.

### **Management Response**

District management provided the following response:

“The Council Rock School District (“District”) is in receipt of the above-captioned Finding, and agrees with the Department’s Finding. This memorandum summarizes the cause of the problem and planned corrective action to be taken by the District.

The Auditor General’s office requested that the District management produce supporting documents that informed the calculation of the data utilized to calculate the transportation reimbursements for the 2015-16, 2016-17, 2017-18 and 2018-19 school years. The current Transportation Manager and Director of Business Administration were not employed for any years under audit and therefore relied on obtaining the documentation that was filed by their respective predecessors. (In this case of the Transportation Manager, there were two employees in that position during the audit period). It is also worth noting that the majority of the audit procedures were conducted remotely during the time period when the District was closed for operation due to the Governor's mandated closure for the COVID-19 pandemic. Therefore, the District attributes the cause of the Finding to the turnover in the position and the inability to effectively seek out documents during the mandated closure rather than a failure in its fiduciary duties.

Before addressing the recommendations in the Finding, the Auditor General cites 24 P.S. § 5-518 as requiring the District to retain the supporting documents for the subsidy calculation. Although Management would like to point out that 24 P.S. § 5-518 does not specifically require school districts to retain adequate source documents to verify the accuracy of transportation reimbursements. Management acknowledges that retaining these documents is a reasonable practice and agrees to implement a system of obtaining and electronically storing these documents from the contracted carrier on a periodic basis as supporting documentation for the annual subsidy report.

In response to the Finding's Recommendations:

RESPONSE to Recommendation No.1: Management will immediately implement protocols to routinely obtain data from its contractors and develop a secure electronic filing system for the monthly transportation data obtained from its contractors, including student bus rosters, odometer readings, and summary data calculations.

RESPONSE to Recommendation No. 2: Management will store source documents and calculations in a secure electronic location.

RESPONSE to Recommendation No. 3: Management will develop record retention procedures for recommendations 1 and 2 above, and will annually review this requirement with staff.

RESPONSE to Recommendation No.4: Management will implement a system whereby the Transportation Specialists will enter the data into the eTran reporting system, and the data will be reviewed and approved by either the Transportation Manager or the Director of Business Administration. Evidence of approval shall be in e-mail form.

RESPONSE to Recommendation No. 5: Management will store fully executed sworn statements in a secure electronic location.”

### **Auditor Conclusion**

We are pleased the District has agreed to implement corrective actions based on our audit recommendations. We believe that implementing our recommendations will help the District comply with the record retention provisions of the PSC. It is important to note that Section 518 of the PSC, requires that all *financial records* must be maintained for a period of not less than six years. The documentation that the District was unable to produce was the basis for the over \$5 million it received in transportation reimbursements and in turn, these are clearly financial records that are required to be maintained in accordance with the PSC. We will evaluate the effectiveness of all the corrective actions implemented by the District during our next audit of the District.

## Status of Prior Audit Findings and Observations

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Our prior audit of the Council Rock School District (District) released on July 23, 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 interviewed District personnel and performed audit procedures as detailed in each status section below.

### Auditor General Performance Audit Report Released on July 23, 2015

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**Prior Finding:**                      **Certification Deficiencies**

Prior Finding Summary: During our prior audit of the District, we found two professional employees, a health and physical education teacher and an elementary school counselor, whose temporary certificates had lapsed.

Prior Recommendations: We recommended that the District should:

1. Ensure all professional employees maintain valid Pennsylvania certification throughout their terms of employment.

We also recommended that the Pennsylvania Department of Education (PDE) should:

2. Adjust the District's allocations to recover the subsidy forfeitures.

Current Status: The District implemented our recommendations on March 3, 2015. The District provided updated procedures that laid out a step-by-step process of how the District now monitors and ensures each professional employee maintains a valid and current Pennsylvania certification throughout their employment. The two employees cited in our prior finding obtained adequate certification, and the District also provided documentation of the subsidy forfeiture. PDE deducted the subsidy forfeitures recommended in our prior finding from the District's June 2016 Basic Education Funding allocation.

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## 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>7</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.

Our audit focused on the District's effectiveness and/or compliance with applicable statutory provisions and related regulations in the areas of Transportation Operations, Bus Driver Requirements, Administrator Separations, and School Safety, including fire and security drills. The audit objectives supporting these areas of focus are explained in the context of our methodology to achieve the objectives in the next section. Overall, our audit covered the period July 1, 2015 through June 30, 2019. The scope of each individual objective is also detailed in the next section.

The District's management is responsible for establishing and maintaining effective internal control to provide reasonable assurance that the District's objectives will be achieved.<sup>8</sup> *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.<sup>9</sup> 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.

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<sup>7</sup> 72 P.S. §§ 402 and 403.

<sup>8</sup> 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.

<sup>9</sup> 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
<b>Control Environment</b>	
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
<b>Risk Assessment</b>	
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
<b>Control Activities</b>	
10	Design control activities
11	Design activities for the information system
12	Implement control activities
<b>Information and Communication</b>	
13	Use quality information
14	Communicate internally
15	Communicate externally
<b>Monitoring</b>	
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		
Transportation	Yes							X	X		X		X	X	X	X	X	
Bus Drivers	Yes										X		X			X	X	
Administrator Separations	No																	
Safe Schools	No																	

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

## **Objectives/Scope/Methodology**

In order to properly plan our audit and to guide us in selecting objectives, we reviewed pertinent laws and regulations, the District's annual financial reports, annual General Fund budgets, and the independent audit reports of the District's basic financial statements for the July 1, 2015 through June 30, 2019 fiscal years. We conducted analytical procedures on the District's state revenues and the transportation reimbursement data. We reviewed the prior audit report and we researched current events that possibly affected District operations. We also determined if the District had key personnel or software vendor changes since the prior audit.

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

## **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?<sup>10</sup>
  - ✓ To address this objective, we assessed the District's internal controls for obtaining, inputting, processing, and reporting transportation data to PDE. We obtained PDE's Summary of Individual Vehicle Data report and randomly selected 15 out of 144 contracted vehicles. We also selected the four LEA-owned vehicles as individually important key items for the 2017-18 school year. For each vehicle selected for testing, we requested odometer readings, bus rosters, and school calendars. The District was not able to provide complete and sufficient documentation for review. We attempted to test the remaining 129 vehicles used to transport students in the 2017-18 school year and all of the vehicles used to transport students in the 2015-16, 2016-17, and 2018-19 school years. However, the District was also unable to provide sufficient documentation for these vehicles.<sup>11</sup>

**Conclusion:** The results of our procedures identified areas of noncompliance and significant internal control deficiencies related to the maintenance and reporting of vehicle data to PDE. Our results are detailed in the finding beginning on page 7 of this report.

- ✓ Additionally, we obtained and reviewed individual requests for transportation for 86 of the 1,057 nonpublic school and charter school students reported to PDE as transported by the District during the 2018-19 school year. Sixty of these students were randomly selected.<sup>12</sup> The other

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<sup>10</sup> See 24 P.S. §§ 13-1301, 13-1302, 13-1305, 13-1306; 22 Pa. Code Chapter 11.

<sup>11</sup> The District used 174, 153, 148, and 149 vehicles to transport students during the 2015-16, 2016-17, 2017-18, and 2018-19 school years, respectively.

<sup>12</sup> While representative selection is a required factor of audit sampling methodologies, audit sampling methodology was not applied to achieve this test objective; accordingly, the results of this audit procedure are not, and should not be, projected to the population.

26 students were selected due to having a higher risk of noncompliance.<sup>13</sup> For all 86 students selected, we ensured that each student was enrolled in a nonpublic or charter school and requested that transportation to/from that school be provided by the District.

**Conclusion:** The results of our procedures 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 verbally communicated to those charged with governance for their consideration.

### **Bus Driver Requirements**

- Did the District ensure that all bus drivers transporting District students are board approved and had the required driver's license, physical exam, training, background checks, and clearances<sup>14</sup> as outlined in applicable laws?<sup>15</sup> 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 maintaining and reviewing required bus driver qualification documents and procedures for being made aware of who transported students daily. We determined if all drivers were Board approved by the District. We randomly reviewed 16 out of 156 bus and van drivers transporting District students as of March 1, 2020.<sup>16</sup> We reviewed documentation to ensure the District complied with the requirements for bus drivers. We also determined if the District had monitoring procedures to ensure that all drivers had updated clearances, licenses, and health physicals.

**Conclusion:** The results of our procedures 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 verbally communicated to those charged with governance for their consideration.

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<sup>13</sup> These students were deemed to have a higher risk of noncompliance due to the fact that they were not labeled by the individual school they were transported to, but instead were labeled with generic titles like "private" and "charter." 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 entire population.

<sup>14</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>15</sup> 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.

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

## **Administrator Separations**

- Did the District ensure that all individually contracted employees who separated employment from the District were compensated in accordance with their contract? Also, did the contracts comply with Public School Code and were the final payments in accordance with the Public School Employees' Retirement System (PSERS) guidelines.
  - ✓ To address this objective, we reviewed the contract, board policies, and paid time off (leave) and payroll records for the two individually contracted administrator who separated with the District during the period of July 1, 2015 through June 30, 2019. We verified that the leave payouts were not reported as eligible wages to PSERS. We also verified the reason for separation was made public through the board meeting minutes.

**Conclusion:** The results of our procedures for this objective did not disclose any reportable issues.

## **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?<sup>17</sup> 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 all school Emergency Safety plans, risk and vulnerability assessments, climate surveys, trainings for staff and students, anti-bullying policies, and memorandums of understanding with local law enforcement.
- Did the District comply with the fire and security drill requirements of Section 1517 of the Public School Code?<sup>18</sup> 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 the LEA's Fire Evacuation and Security Drill Accuracy Certification Statement submitted to PDE for the 2018-19 school year, the school calendar, and individual school building drill documentation. We determined if security drills were held within the first 90 days of starting the school year for each building and if monthly fire drills were conducted in accordance with requirements.

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

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<sup>17</sup> Safe Schools Act 24 P.S. § 13-1301-A *et seq.*, Emergency Management Services Code 35 Pa.C.S. § 7701.

<sup>18</sup> Public School Code (Fire and Security Drills) 24 P.S. § 15-1517.

## Appendix B: Academic Detail

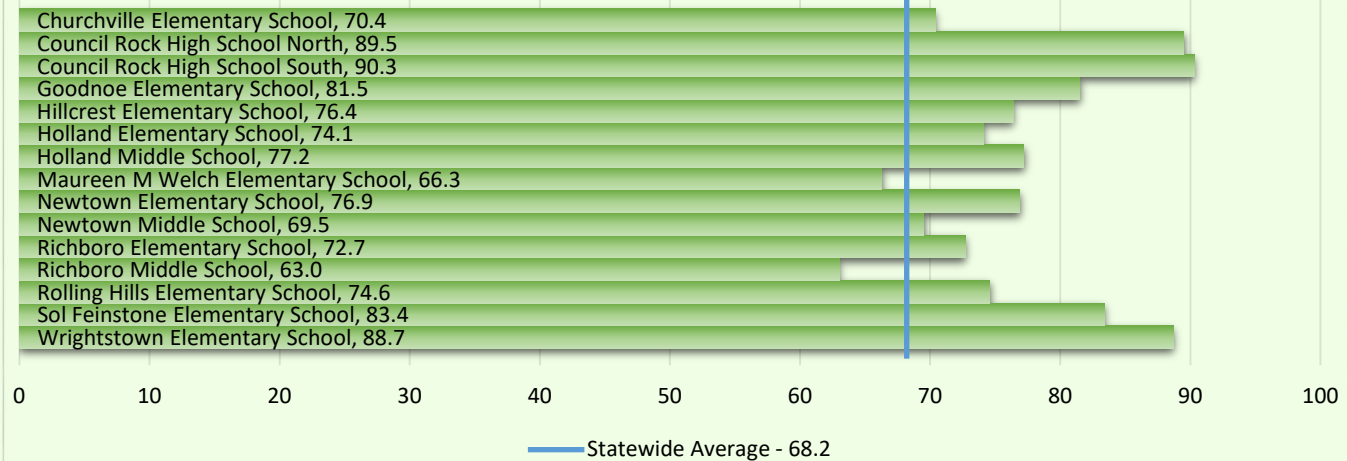
Benchmarks noted in the following graphs represent the statewide average of all public school buildings in the Commonwealth that received a score in the category and year noted.<sup>19</sup> Please note that if one of the District's schools did not receive a score in a particular category and year presented below, the school will not be listed in the corresponding graph.<sup>20</sup>

### SPP School Scores Compared to Statewide Averages

#### 2018-19



#### 2017-18

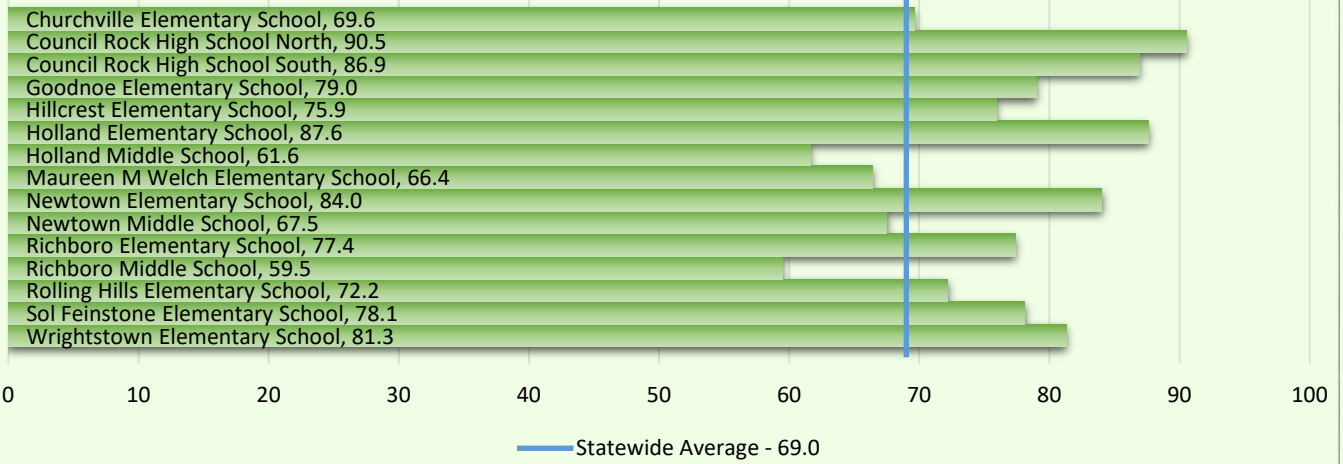


<sup>19</sup> Statewide averages were calculated by our Department based on individual school building scores for all public schools in the Commonwealth, including district schools, charters schools, and cyber charter schools.

<sup>20</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.

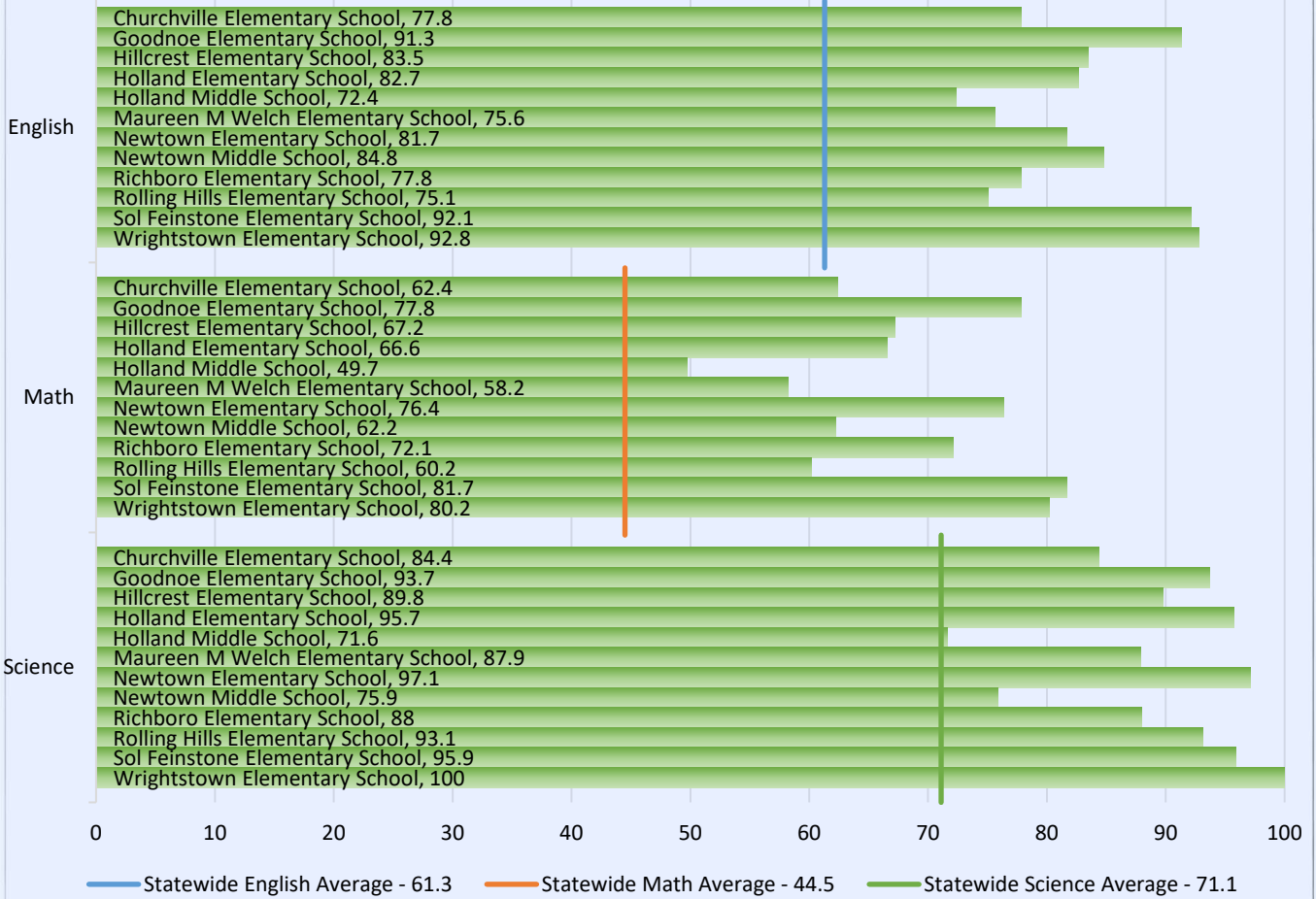
**SPP School Scores Compared to Statewide Averages (continued)**

**2016-17**



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

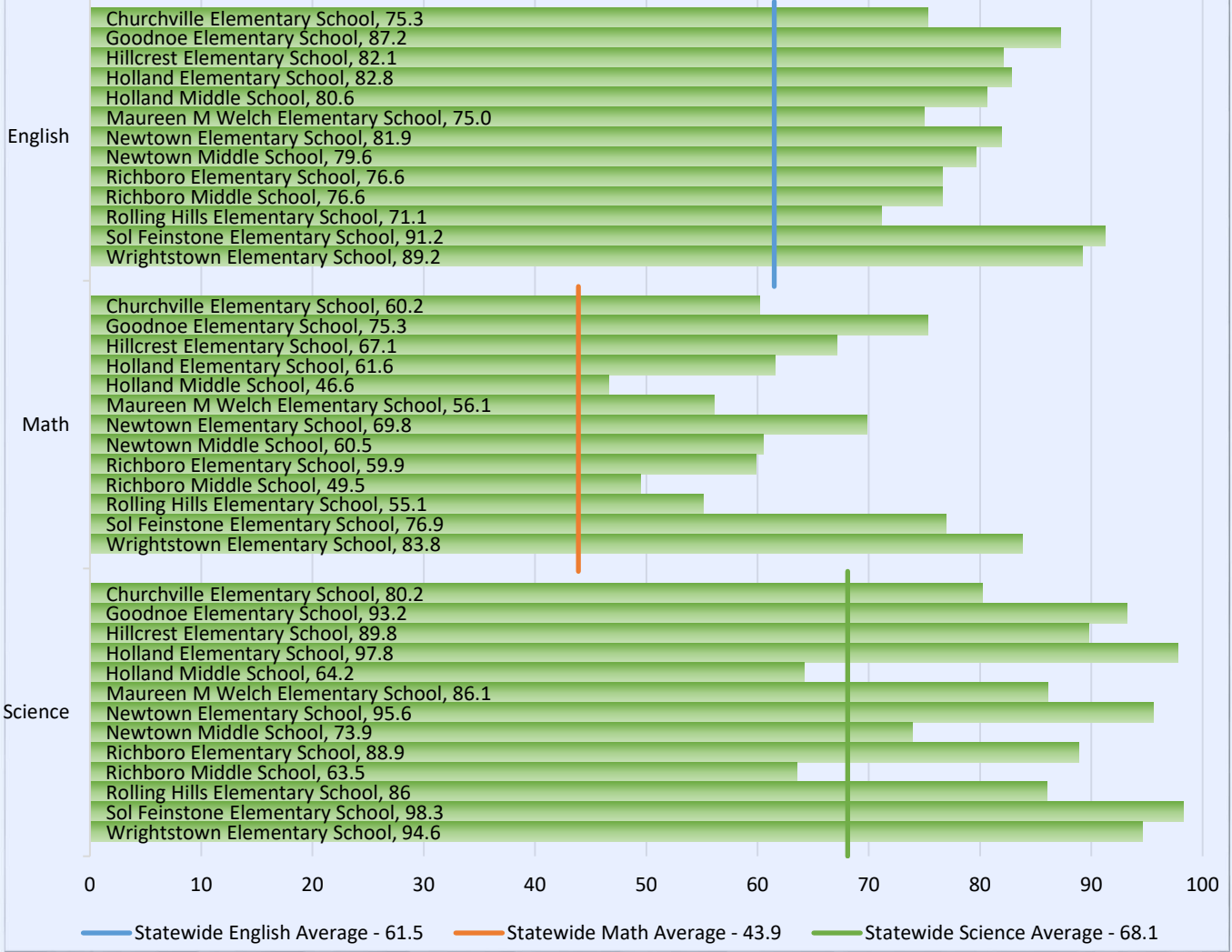
**2018-19**





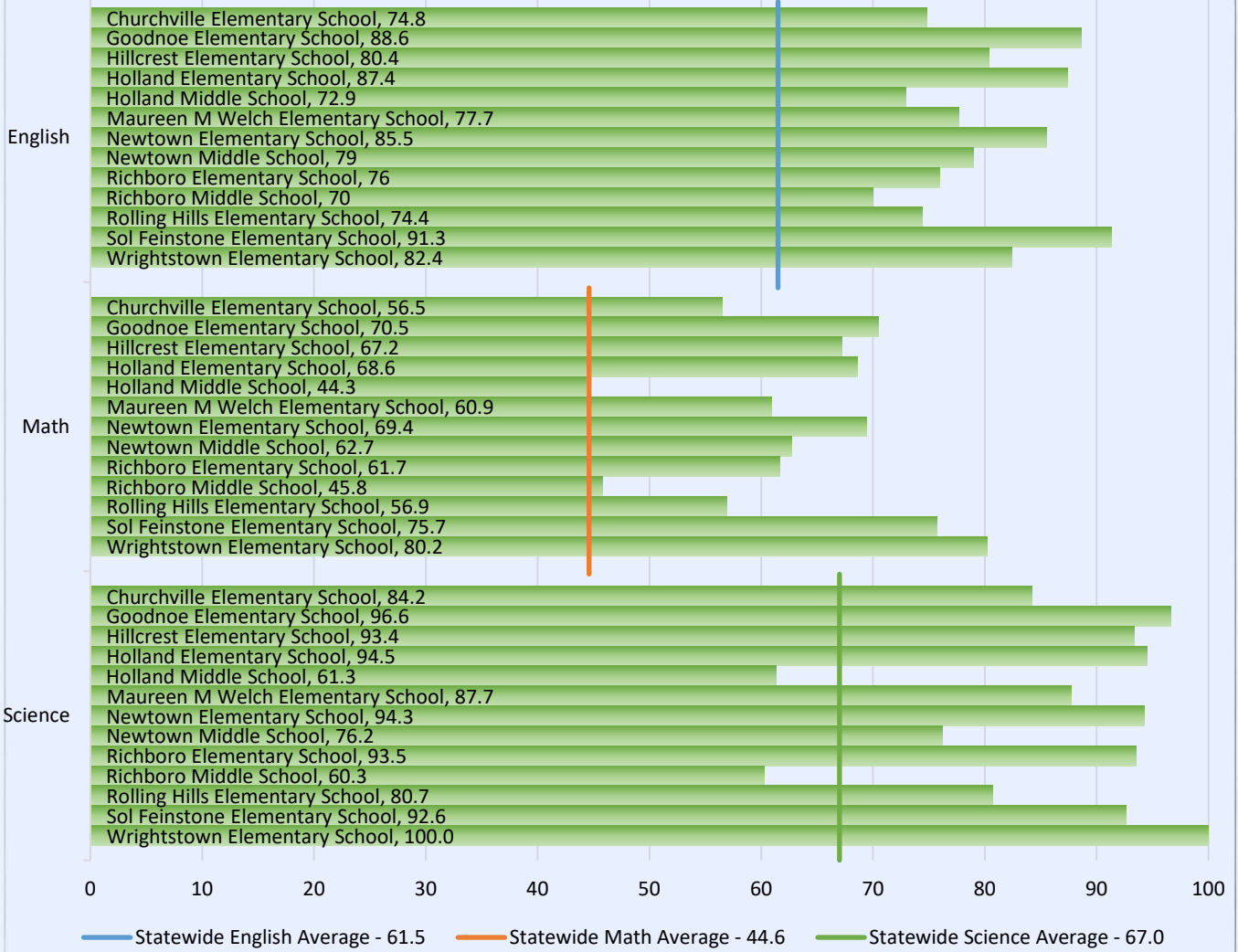
**PSSA Advanced or Proficient Percentage  
School Scores Compared to Statewide Averages (continued)**

**2017-18**



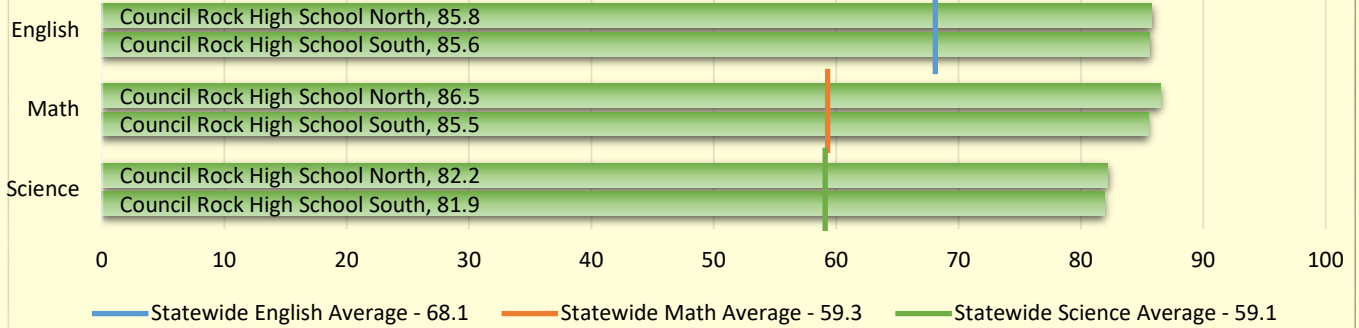
**PSSA Advanced or Proficient Percentage  
School Scores Compared to Statewide Averages (continued)**

**2016-17**

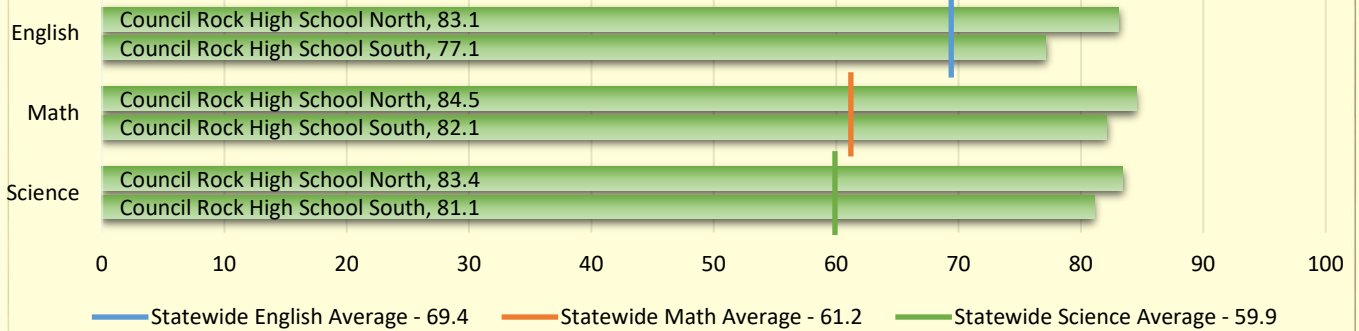


**Keystone Advanced or Proficient Percentage  
School Scores Compared to Statewide Averages**

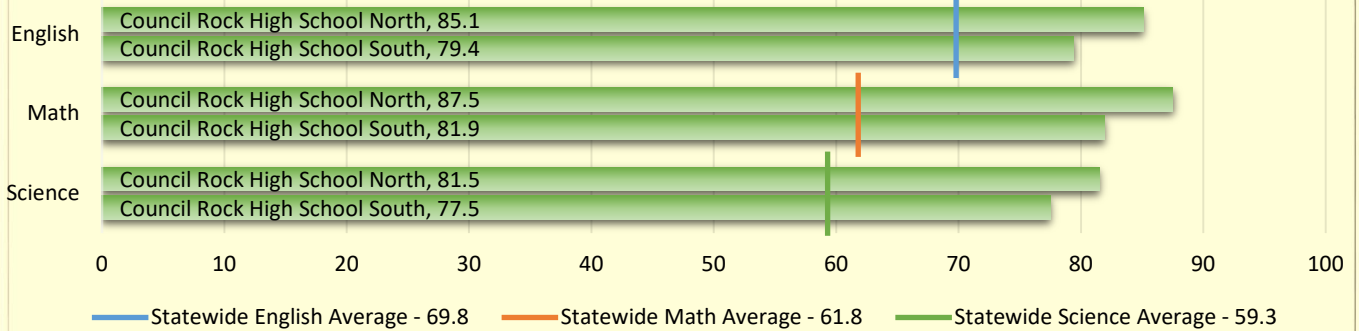
**2018-19**



**2017-18**



**2016-17**



## **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:

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Harrisburg, PA 17120

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