

# PERFORMANCE AUDIT

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## Governor Mifflin School District Berks County, Pennsylvania

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January 2022



Commonwealth of Pennsylvania  
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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**TIMOTHY L. DEFOOR  
AUDITOR GENERAL**

Mr. William L. McKay, Superintendent  
Governor Mifflin School District  
10 South Waverly Street  
Shillington, Pennsylvania 19607

Mr. James Ulrich, Board President  
Governor Mifflin School District  
10 South Waverly Street  
Shillington, Pennsylvania 19607

Dear Mr. McKay and Mr. Ulrich:

We have conducted a performance audit of the Governor Mifflin 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:

- Nonresident Student Data
- Transportation Operations
- Administrator Separations
- Bus Driver Requirements

We also evaluated the application of best practices and determined compliance with certain requirements in the area of school safety, including compliance with fire and security drill requirements. 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 noncompliance and significant internal control deficiencies in the area of nonresident student data and those deficiencies are detailed in the finding in this report titled:

**The District's Failure to Implement Adequate Internal Controls Led to Inaccurate Reporting of Nonresident Student Data to PDE Resulting in an Underpayment of \$97,559**

In addition, we identified internal control deficiencies in the areas of transportation operations, administrator separations, and bus driver requirements that were not significant but warranted the attention of District management. Those deficiencies were communicated to District management and those charged with governance for their consideration.

Mr. William L. McKay

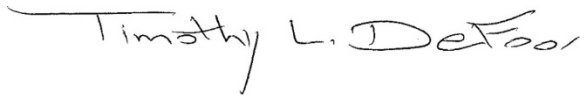
Mr. James Ulrich

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Our audit finding and recommendations have been discussed with the District's management, and their response is included in the audit report. We believe the implementation of our recommendations will improve the District's operations and facilitate compliance with legal and relevant requirements.

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

Sincerely,

A handwritten signature in black ink 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

January 4, 2022

cc: **GOVERNOR MIFFLIN SCHOOL DISTRICT** Board of School Directors

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## Background Information

School Characteristics 2020-21 School Year*	
County	Berks
Total Square Miles	42
Number of School Buildings	6
Total Teachers	299
Total Full or Part-Time Support Staff	200
Total Administrators	24
Total Enrollment for Most Recent School Year	4,188
Intermediate Unit Number	14
District Career and Technical School	Berks Career & Technology Center

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

## Mission Statement\*

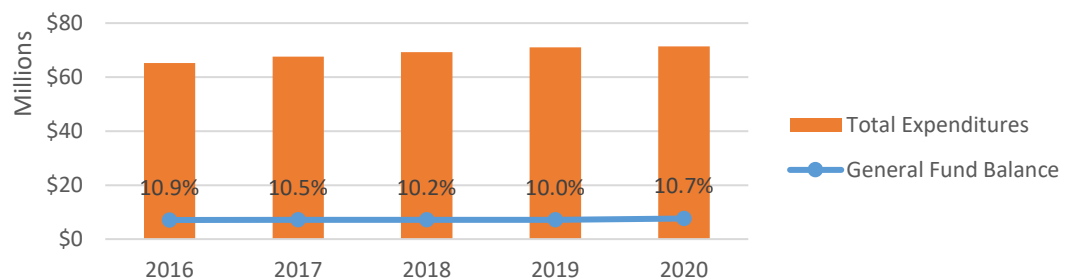
Educating While Inspiring, and Empowering Every Student, Every Day

## Financial Information

The following pages contain financial information about the Governor Mifflin 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**.

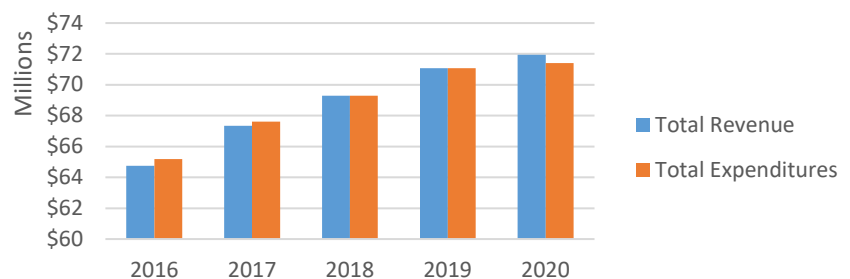
### General Fund Balance as a Percentage of Total Expenditures

	General Fund Balance
2016	\$7,084,842
2017	\$7,088,076
2018	\$7,088,076
2019	\$7,088,076
2020	\$7,629,694



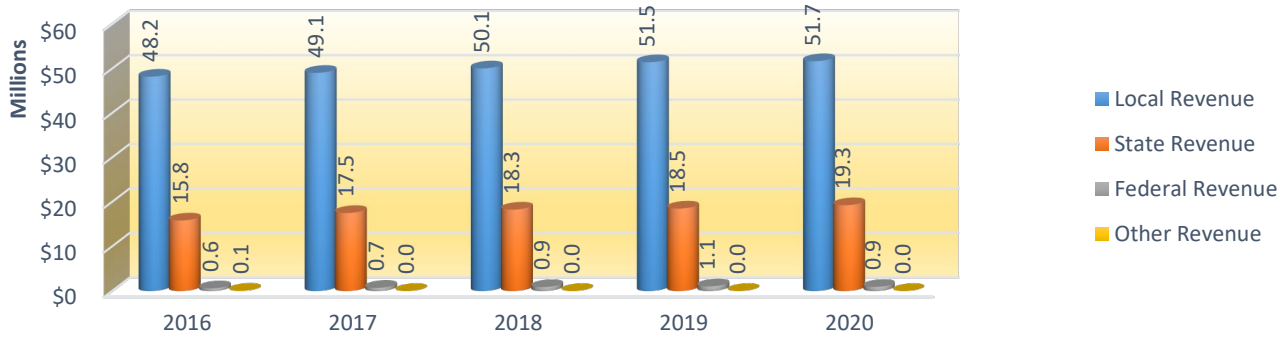
### Revenues and Expenditures

	Total Revenue	Total Expenditures
2016	\$64,743,805	\$65,190,693
2017	\$67,335,259	\$67,611,061
2018	\$69,281,233	\$69,281,233
2019	\$71,066,045	\$71,066,045
2020	\$71,946,620	\$71,405,001

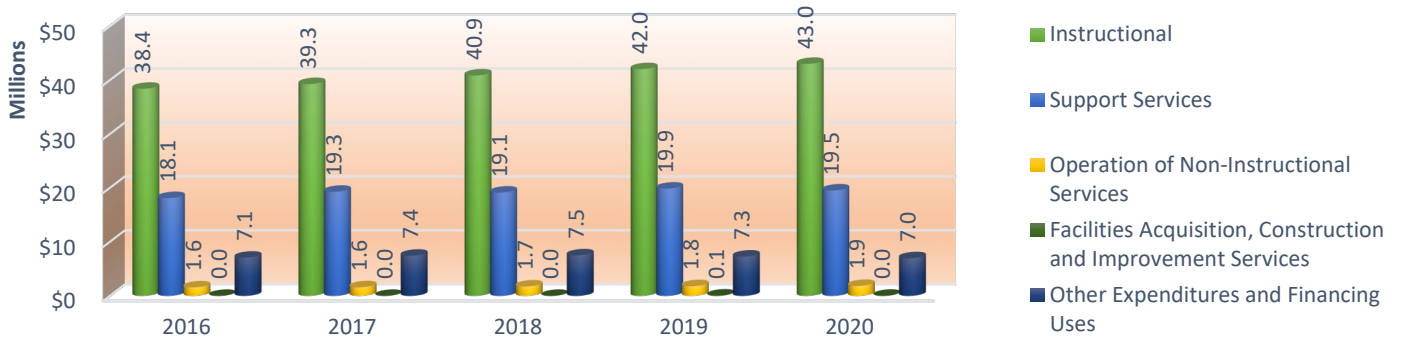


## Financial Information Continued

### Revenues by Source

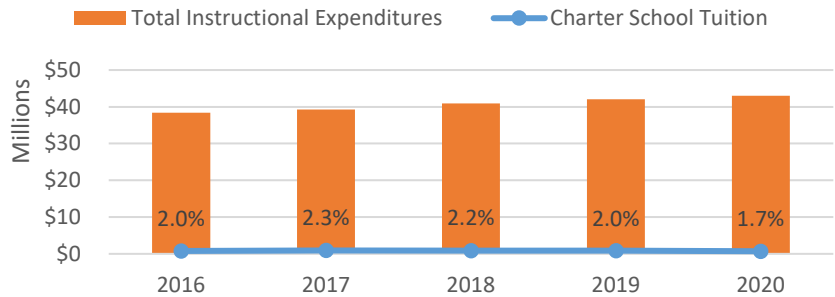


### Expenditures by Function

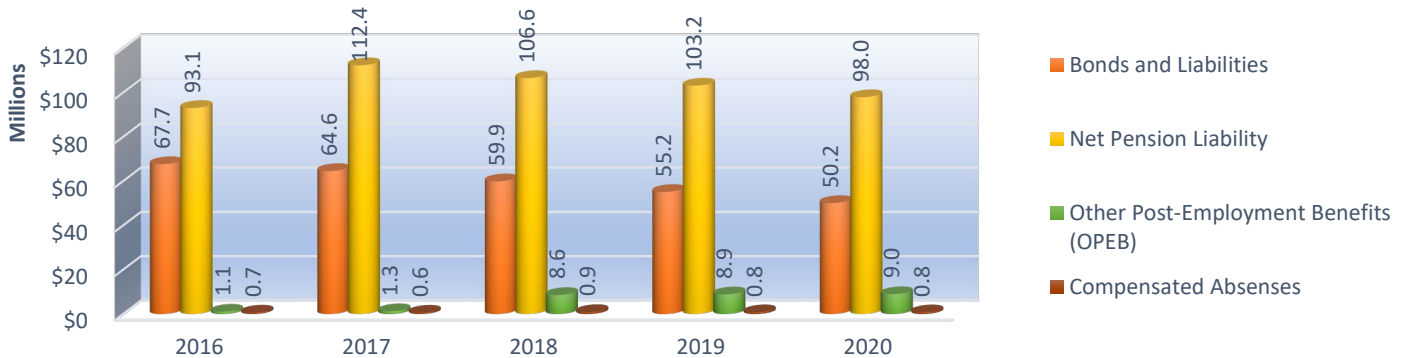


### Charter Tuition as a Percentage of Instructional Expenditures

	Charter School Tuition	Total Instructional Expenditures
2016	\$761,730	\$38,410,474
2017	\$922,174	\$39,280,170
2018	\$881,142	\$40,879,624
2019	\$836,787	\$42,047,260
2020	\$712,958	\$43,032,007



### Long-Term Debt

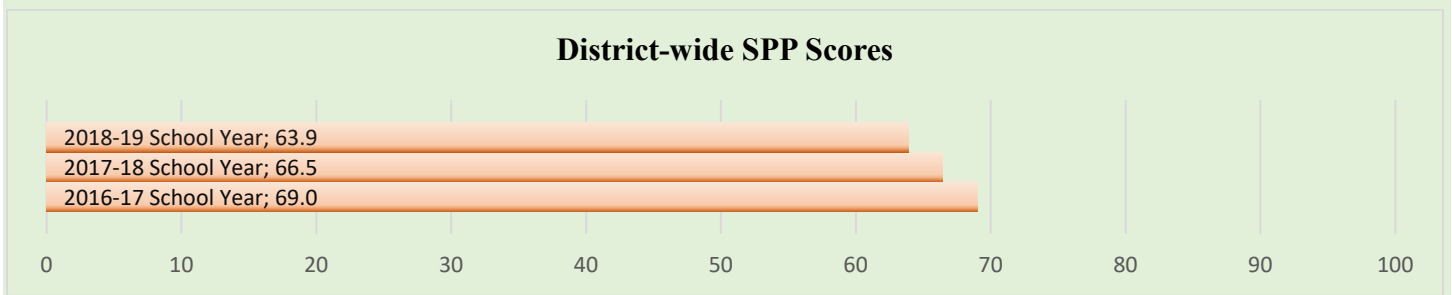


## Academic Information<sup>1</sup>

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.<sup>2</sup> In addition, the District's 4-Year Cohort Graduation Rates are presented for the 2017-18 through 2019-20 school years.<sup>3</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>4</sup>



<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> 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.

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

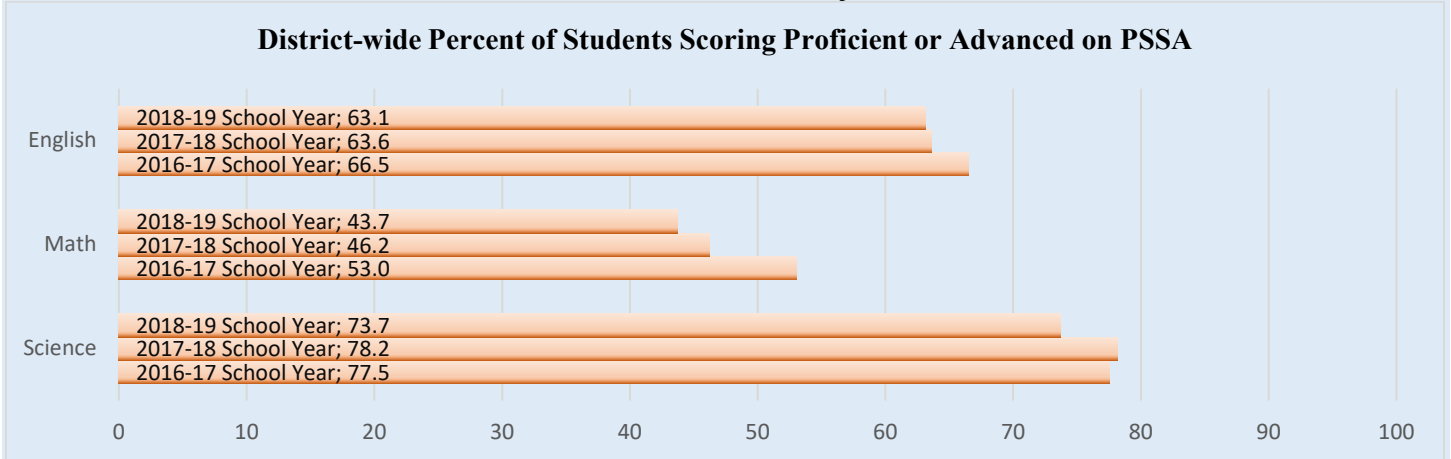
<sup>4</sup> PDE started issuing a SPP score for all public school buildings beginning with the 2012-13 school year. For the 2014-15 school year, PDE only issued SPP scores for high schools taking the Keystone Exams as scores for elementary and middle scores were put on hold due to changes with PSSA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

## Academic Information Continued

### What is the PSSA?

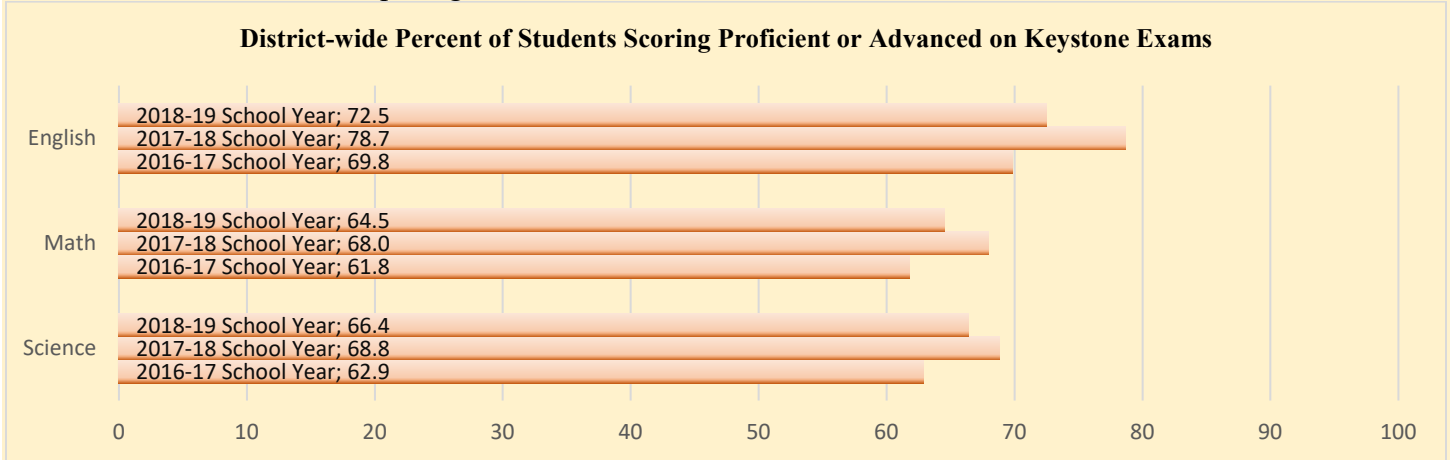
The PSSA is an annual, standardized test given across the Commonwealth to students in grades 3 through 8 in core subject areas, including English, Math and Science. The PSSAs help Pennsylvania meet federal and state requirements and inform instructional practices, as well as provide educators, stakeholders,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

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



### What is the Keystone Exam?

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



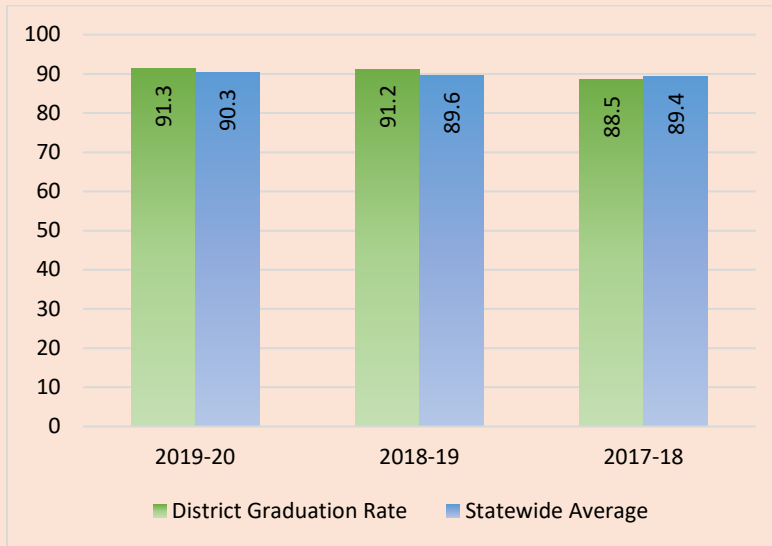
<sup>5</sup> Act 158 of 2018, effective October 24, 2018, amended the Public School Code to further delay the use of Keystone Exams as a graduation requirement until the 2021-22 school year. See 24 P.S. § 1-121(b)(1). Please refer to the following link regarding further guidance to local education agencies (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.<sup>6</sup>



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

## Finding

### Finding

### The District's Failure to Implement Adequate Internal Controls Led to Inaccurate Reporting of Nonresident Student Data to PDE Resulting in an Underpayment of \$97,559

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

The State Board of Education's regulations and Pennsylvania Department of Education guidelines govern the classifications of nonresident children placed in private homes based on the criteria outlined in the Public School Code (PSC).

#### **Payment of Tuition**

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

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

We found that the Governor Mifflin School District (District) failed to implement internal controls over the inputting, categorization, and reporting of nonresident student data resulting in a \$97,559 net underpayment from the Pennsylvania Department of Education (PDE).<sup>7</sup> This underpayment was caused by the District inaccurately reporting the number of wards of the Commonwealth and foster students educated by the District during the 2016-17 through 2019-20 school years.<sup>8</sup>

**Background:** School districts are entitled to receive Commonwealth paid tuition for educating certain nonresident students. Districts are eligible to receive Commonwealth paid tuition for educating students who are wards of the Commonwealth and foster students.

For a district to be eligible to report a student as a ward of the Commonwealth in any given school year, the District must ensure that the student has met the following conditions:

- 1) The student resided in an institution or group home within District boundaries.
- 2) The student's parent/guardian residency could not be determined by the District after documented attempts to determine residency.

For a district to be eligible to report a student as a foster student, the District must ensure that the student has met the following eligibility criteria:

- 1) The student's parent/guardian must not be a resident of the educating district.
- 2) The student must have been placed in the private home of a resident within the district by order of the court or by arrangement with an association, agency, or institution.<sup>9</sup>
- 3) The district resident must be compensated for the care of the student.
- 4) The student must not be in pre-adoptive status.

<sup>7</sup> The District received \$628,496 in Commonwealth reimbursement for reporting nonresident student data during the audit period.

<sup>8</sup> The term "wards" refers to children placed in children's homes or other types of institutions. See 24 P.S. § 13-1306(a).

<sup>9</sup> For example, the applicable county children and youth agency.

*Criteria relevant to the finding (continued):*

Subsection (a) of Section 1306 (relating to Non-resident... [Children placed in] children's institutions) of the PSC provides for Commonwealth payment of tuition for nonresident children placed in institutions as follows, in part:

“The board of school directors of any school district in which there is located any orphan asylum, home for the friendless, children’s home, or other institution for the care or training of orphans or other children, shall permit any children who are inmates of such homes, but **not legal residents in such district, to attend the public schools in said district**, either with or without charge for tuition, text books, or school supplies, as the directors of the district in which such institution is located may determine....” (Emphasis added.) See 24 P.S. § 13-1306(a).

Subsection (c) of Section 2503 (relating to Payments on account of tuition) of the PSC specifies the amount of Commonwealth paid tuition on behalf of nonresident children placed in private homes by providing, in part:

“Each school district, regardless of classification, which accepts any non-resident child in its school under the provisions of section **one thousand three hundred five or one thousand three hundred six** of the act to which this is an amendment, shall be paid by the Commonwealth an amount equal to the tuition charge per elementary pupil or the tuition charge per high school pupil, as the case may be . . . .” (Emphasis added.) See 24 P.S. § 25-2503(c).

It is the responsibility of the educating district to obtain documentation to ensure that each student met the eligibility criteria to be classified as a nonresident student. Further, the district must obtain updated documentation for each year that the district reports a student as a nonresident.

Because school districts can be eligible for additional revenue for educating nonresident students, it is essential for districts to properly identify, categorize, and report nonresident students that it educated to PDE. Therefore, school districts should have a strong system of internal controls over this process that should include, but not be limited to, the following:

- Training on PDE reporting requirements.
- Written internal procedures to help ensure compliance with PDE requirements.
- Reconciliations of source documents to information reported to PDE.

### Nonresident Student Reporting Errors

We found that the District made a total of 32 errors over the four-year audit period when it reported nonresident data to PDE. These reporting errors involved students who were inaccurately reported for multiple years. The following table details the number of students that the District inaccurately reported as wards of the Commonwealth and foster students for each school year of the audit period.

Governor Mifflin School District Nonresident Student Data		
School Year	Number of Students Inaccurately Reported	(Underpayment)/Overpayment <sup>10</sup>
2016-17	6	\$ 36,656
2017-18	6	\$ 14,370
2018-19	5	\$ (11,132)
2019-20	15	\$ (137,453)
<b>Totals</b>	<b>32</b>	<b>\$ (97,559)</b>

The reason for the overpayments in the 2016-17 and 2017-18 school years was that the District did not have the required documentation necessary to show that students met the eligibility criteria to be reported as wards of the Commonwealth or foster students. Without the required documentation, the wards of the Commonwealth and the foster students should have been

<sup>10</sup> The number of students inaccurately reported was less in the 2016-17 and 2019-20 school years as compared to the 2017-18 school year; however, the monetary effect was greater due to the number of days the students were inaccurately reported.

*Criteria relevant to the finding (continued):*

Section 11.19(a) (relating to nonresident child living with a district resident) of the State Board of Education's regulations provides as follows, in part.

"A nonresident child is entitled to attend the district's public schools if that child is fully maintained and supported in the home of a district resident as if the child were the resident's own child and if the resident receives no personal compensation for maintaining the student in the district. Before accepting the child as a student, the board of school directors of the district shall require the resident to file with the secretary of the board of school directors either appropriate legal documentation to show dependency or guardianship or a sworn statement that the child is supported fully without personal compensation or gain, and that the resident will assume all personal obligations for the child relative to school requirements and intends to so keep and fully support the child continuously and not merely through the school term." See 22 Pa. Code § 11.19(a).

classified as resident students and, therefore, the District was not eligible to receive reimbursement for educating these students. Two District employees worked cooperatively to categorize wards of the Commonwealth and foster students; however, neither employee was adequately trained on the documentation needed to accurately categorize these students.

During the 2018-19 and 2019-20 school years, the District inaccurately categorized and reported foster students educated by the District as resident students. The District had the required documentation to receive Commonwealth reimbursement for these students and intended to report them as foster students; however, the District employees responsible for data entry inadvertently reported these students as residents. We found that the District changed child accounting systems during the 2019-20 school year which should have necessitated additional oversight. However, the District did not ensure that another District official performed an independent review of this data prior to reporting it to PDE.

### **Significant Internal Control Deficiencies**

The District did not have adequate internal controls over the input, categorization, and reporting of wards of the Commonwealth and foster student data. Two District employees worked cooperatively to categorize wards of the Commonwealth and foster students; however, this information was reported to PDE for reimbursement without a review by a District official sufficiently knowledgeable on PDE reporting requirements. A reconciliation to source documents to ensure each ward of the Commonwealth and foster student met the eligibility requirements was also not performed during the audit period. Additionally, these two employees were not adequately trained on the PDE requirements, as well as on the documentation needed to demonstrate compliance with the eligibility criteria. Finally, the District did not have written policies and procedures to assist its employees in accurately identifying wards of the Commonwealth and foster students by obtaining the required documentation needed to support this categorization.

### **Future Reimbursement Adjustment**

We provided PDE with documentation detailing the reporting errors we identified for the 2016-17 through 2019-20 school years. We recommend that PDE adjust the District's future reimbursement amount by the \$97,559 that we identified as a net underpayment.

## Recommendations

The *Governor Mifflin School District* should:

1. Develop and implement an internal control system governing the process for categorizing and reporting data for wards of the Commonwealth and foster students. The internal control system should include, but not be limited to, the following:
  - All personnel involved in categorizing and reporting nonresident student data are trained on PDE's reporting requirements.
  - All personnel involved in categorizing and reporting nonresident student data are trained on the District's student information software and ensure the software produces data based on PDE's reporting requirements.
  - A review of nonresident student data is conducted by an employee—other than the employee who prepared the data—before it is submitted to PDE.
  - Written procedures are developed to document the categorization and reporting process for nonresident student data.

The *Pennsylvania Department of Education* should:

2. Adjust the District's future reimbursements to resolve the net underpayment of \$97,559.

## Management Response

District management provided the following response:

“The following procedures will be implemented to improve our systems of internal controls especially as it relates to a) training requirements, b) written procedures, and c) reconciliations of documents reported to PDE.

**“Training Requirements** - The team will continue to attend the ACAPA conferences, increase the number of participants attending when possible to further build capacity, and will utilize their resources and personnel, specifically asking for suggestions from the, Child Accounting Manager, Division of Subsidy Administration, to weigh in on best practices that the GMSD can implement.

**“Written Procedures** - We will use a District developed "foster student procedure" document at the time enrollment of a foster student occurs. This will enable the district to ensure and audit in the moment that the APL includes all necessary information. Similarly we will use District developed "Group Home Process Checklist" and "Demographics" forms for our group home students.

“In addition, and in collaboration with our Director of Information Systems, we will be developing a Data Governance planning document to help administration and administrative assistants become more effective and efficient. This data governance will include identification of our data systems, PIMS collections, and responsibilities for data entry and maintenance, data collection and uploads; data reports (PIMS and SIS); and review of data/reports.

**“Reconciliation of source documentation** - Most notably there were the fifteen inaccurately reported students in 2019-20. Though this was attributed in part to a SIS conversion we realize additional systems of checks and balances are warranted as there are likely students in previous years that would have been flagged had additional layers, such as those described above, been included. A great example will be to do an internal audit of the necessary information that should be included in the APLs received. Though we hope having specific procedures in place when agencies contact us about 1305 and 1306 students will catch missing information in real time (i.e. the time of enrollment), checking certain letters and agencies will be a regular occurrence at the end of each school year.

“Another area in terms of reconciliation is to make sure that we compare the hard files we have with reports that are generated by our SIS. The district SIS/PIMS coordinator will work with the Student Services department staff and administration to create/run/review reports from both the district SIS and PIMS on a regular basis. We will further compare what is in our SIS with what has been reported for Child Accounting using both SIS reports and all available Child Accounting PIMS reports. Any change to residency that occurs for any school year (including prior year corrections) we need to make sure that change has been reported and adjusted for Child Accounting. The Child Accounting uploads and reports/review will occur during the C5 PIMS collection.

“The district will take full advantage of uploading data and running reports for accurate entry/withdrawal, residency status and CAD following the attached PIMS collection calendar:

**“Student Information System:** - One correction that was realized after SIS conversion (2018-19 & 2019-20) was a code (W4) that was used by the previous SIS. After conversion that code was still being used inadvertently at the building level and it did not map correctly with the State. That code has been eliminated and been replaced with two appropriate codes that map to the state withdrawal codes.

**“Students Withdrawing** - Additional guidelines are being developed for withdrawals and will be provided to building office secretaries responsible for Student Enrollments/Withdrawals regarding district procedures, expectations, timeliness, accuracy of all entries and

withdrawals. This messaging also focuses on target areas of Withdrawals that occur at the end of year, summer, or right before the start of a school year.”

### **Auditor Conclusion**

We are pleased that the District intends to implement all of our recommendations in the area of reporting nonresident student data. We emphasize that developing effective internal controls should help ensure accurate reporting of this data to PDE. 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**

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**O**ur prior audit of the Governor Mifflin School District resulted in no findings or observations.



## 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>11</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 Nonresident Student Data, Transportation Operations, Administrator Separations, Bus Driver Requirements, 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.<sup>12</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>13</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>11</sup> 72 P.S. §§ 402 and 403.

<sup>12</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>13</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	X	X	X	X		X	
Nonresident Student Data	Yes				X			X	X		X		X	X	X				
Transportation	Yes				X			X	X		X		X	X	X	X	X		
Bus Drivers	Yes										X		X			X	X		
Administrator Separations	Yes										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.

### **Nonresident Student Data**

- Did the District accurately report nonresident students to PDE? Did the District receive the correct reimbursement for these nonresident students?<sup>14</sup>
  - ✓ To address this objective, we assessed the District's internal control for obtaining, inputting, categorizing, and reporting nonresident student membership to PDE. We reviewed all 53 nonresident students that the District reported to PDE as wards of the Commonwealth living in institutions within the District or foster students educated by the District during the 2016-17 through 2019-20 school years.<sup>15</sup> We reviewed documentation to verify that the custodial parents or guardian of the foster students were not residents of the District and to determine whether the foster parent received a stipend for caring for the student. For those students educated in the institution located within the District, we determined whether the student was a resident of another school district within the Commonwealth. Finally, we determined if the District received the correct reimbursement for these nonresident students.

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

### **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>16</sup>

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<sup>14</sup> See 24 P.S. §§ 13-1301, 13-1302, 13-1305, 13-1306; 22 Pa. Code Chapter 11.

<sup>15</sup> The District reported the following numbers of nonresident students: 22 in the 2016-17 school year, 22 in the 2017-18 school year, 9 in the 2018-19 school year, and 0 in the 2019-20 school year.

<sup>16</sup> See 24 P.S. § 2541(a).

- ✓ To address this objective, we assessed the District’s internal controls for obtaining, inputting, calculating, and reporting regular transportation data to PDE. We randomly selected 10 of 57 and 10 of 58 vehicles used to transport District students for the 2017-18 and 2018-19 schools years, respectively.<sup>17</sup> For the vehicles selected, we obtained and reviewed odometer readings, student rosters, and school calendars to determine if the District accurately calculated and reported vehicle data to PDE. Finally, we determined if the District received the correct amount of regular transportation reimbursement.

**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 District management and those charged with governance. Accordingly, these deficiencies were communicated to them 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>18</sup> as outlined in applicable laws?<sup>19</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 reviewing, maintaining, and monitoring the required bus driver qualification documents. We determined if all drivers were approved by the District’s Board of School Directors. We randomly selected 30 of the 60 drivers transporting District students as of May 6, 2021.<sup>20</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 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 District management and those charged with governance. Accordingly, these deficiencies were communicated to them for their consideration.

### **Administrator Separations**

- Did the District provide any individually contracted employees with excessive payments upon separation of employment? Did the District ensure all payroll wages reported to the Public Employees’ Retirement System (PSERS) were appropriate and accurate?
  - ✓ To address this objective, we assessed the District’s internal controls for approving, calculating, reviewing, and processing final payments to District employees at the time of separation from

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<sup>17</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.

<sup>18</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>19</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>20</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.

employment with the District. We reviewed the contract, settlement agreement, board meeting minutes, board policies, leave records and payroll records for one of three individually contracted administrators who separated employment from the District during the period of July 1, 2016 through June 30, 2020.<sup>21</sup> We reviewed the final payouts to determine if the selected employee was compensated in accordance with their contract and that all payments were accurately reported to PSERS.

**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 District management and those charged with governance. Accordingly, these deficiencies were communicated to them 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?<sup>22</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, but not limited to, safety plans, memorandums of understanding with local law enforcement, anti-bullying policies, and risk and vulnerability assessments.

**Conclusion:** Due to the sensitive nature of school safety, the results of our review for this portion of the objective 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?<sup>23</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 and reviewed the fire and emergency drill records for all six of the District's school buildings to determine whether drills were conducted as required for the 2018-19 and 2019-20 school years. We determined if a security drill was held within the first 90 days of the school year for 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 documentation.

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

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<sup>21</sup> The one individually contracted employee selected for review was selected because we considered this separation to have a higher risk of noncompliance due to the position, duties, and responsibilities of the employee. Therefore, the selection is not representative of the population of individually contracted administrators who separated from the District, and the results are not, and should not be projected to that population.

<sup>22</sup> Safe Schools Act 24 P.S. § 13-1301-A *et seq.*, Emergency Management Services Code 35 Pa.C.S. § 7701.

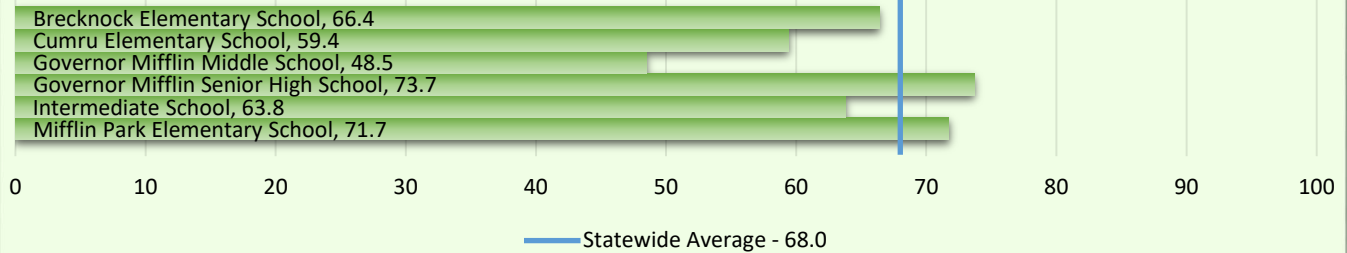
<sup>23</sup> Public School Code (Fire and Security Drills) 24 P.S. § 15-1517.

## Appendix B: Academic Detail

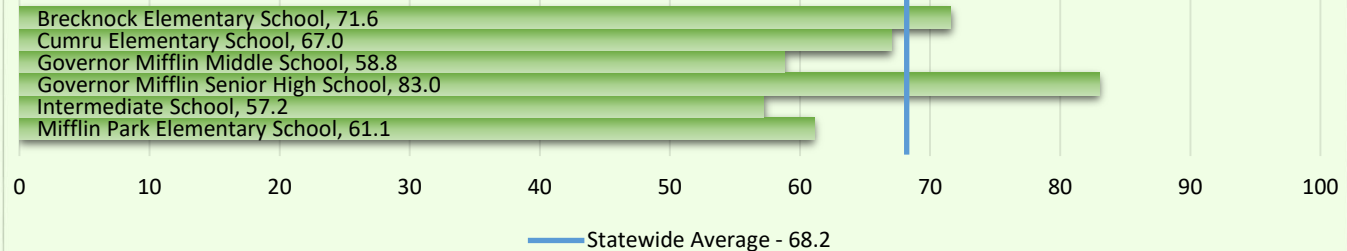
Benchmarks noted in the following graphs represent the statewide average of all public school buildings in the Commonwealth that received a score in the category and year noted.<sup>24</sup> Please note that if one of the District's schools did not receive a score in a particular category and year presented below, the school will not be listed in the corresponding graph.<sup>25</sup>

### SPP School Scores Compared to Statewide Averages

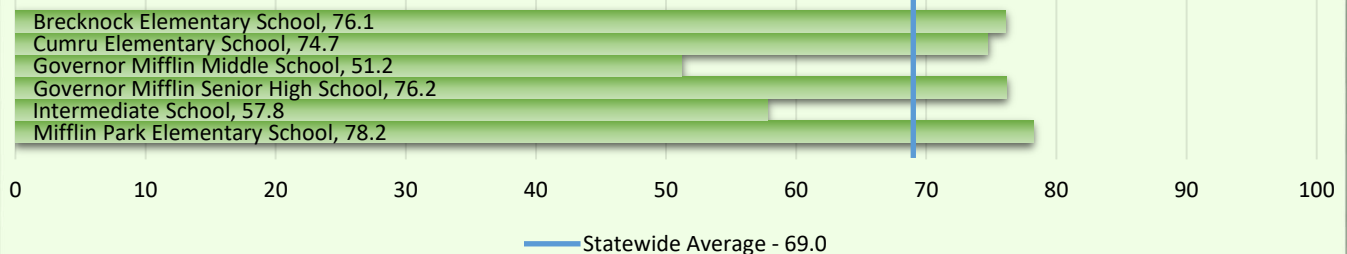
#### 2018-19



#### 2017-18



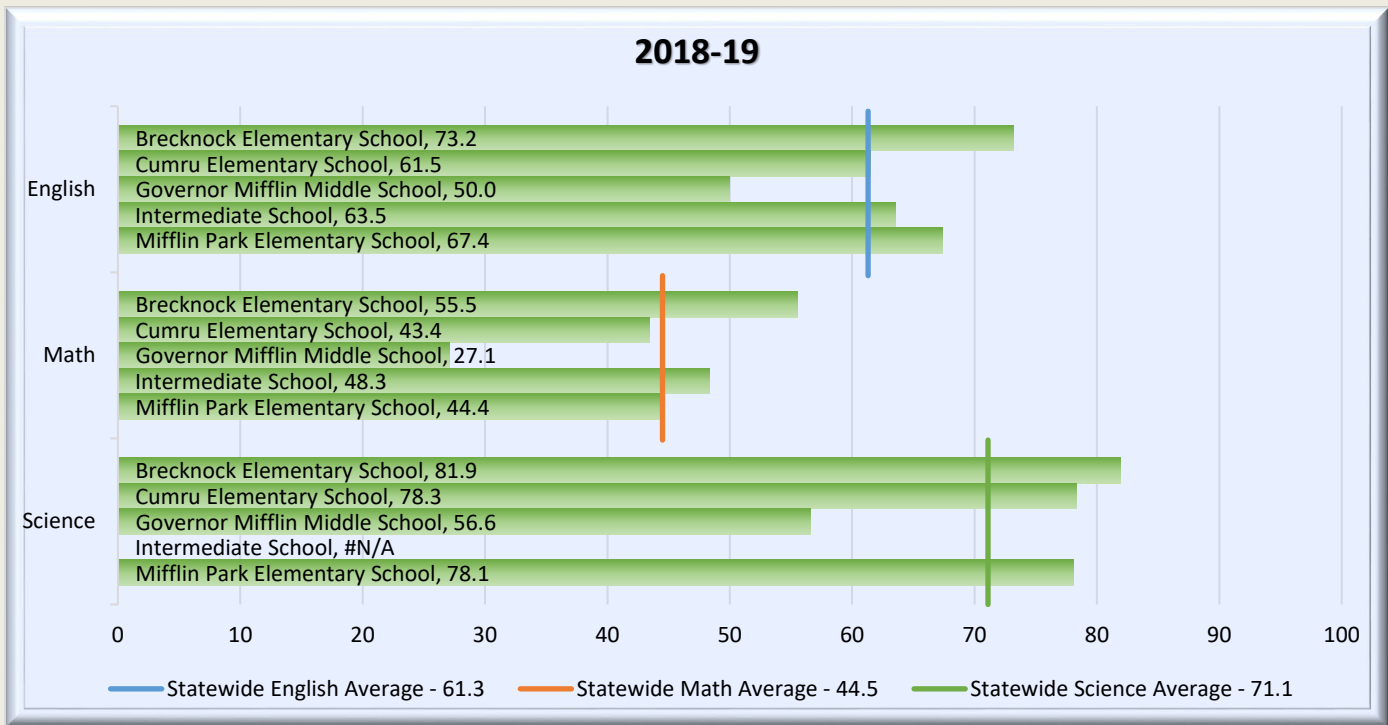
#### 2016-17



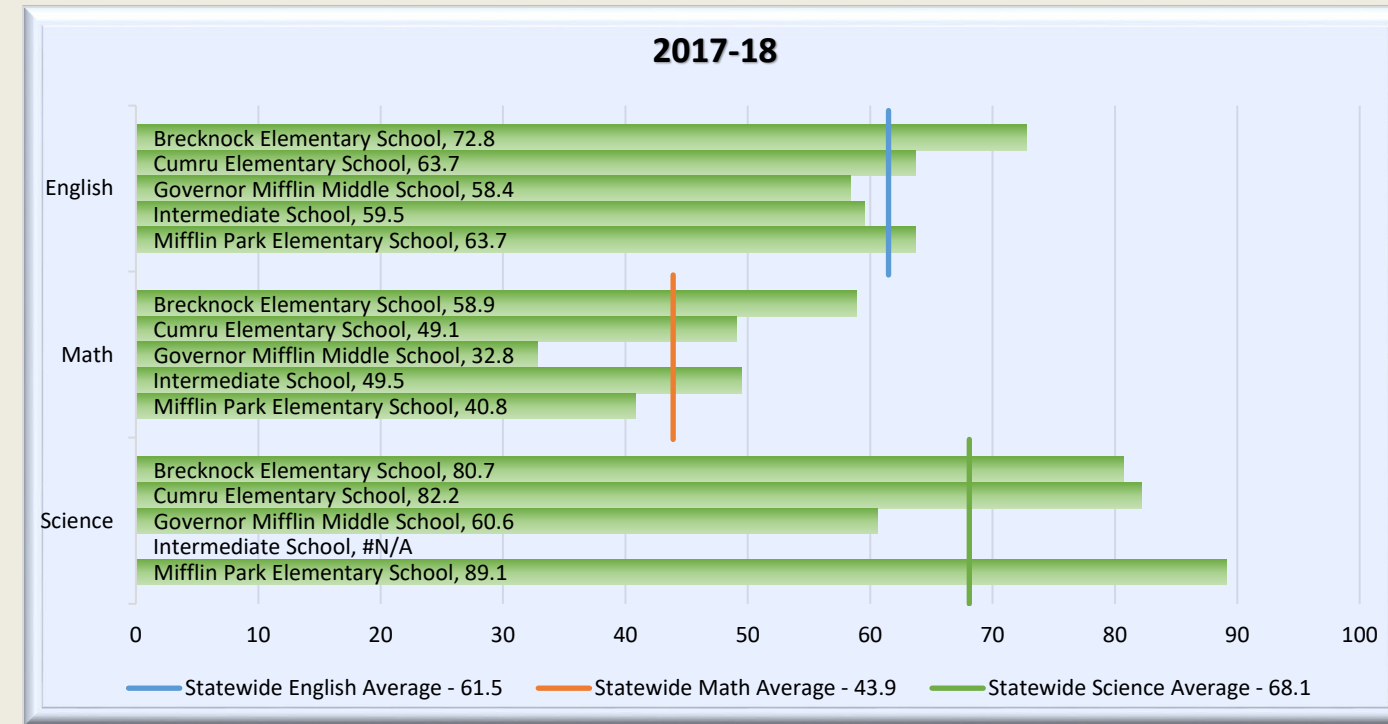
<sup>24</sup> Statewide averages were calculated by our Department based on individual school building scores for all public schools in the Commonwealth, including district schools, charters schools, and cyber charter schools.

<sup>25</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.

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

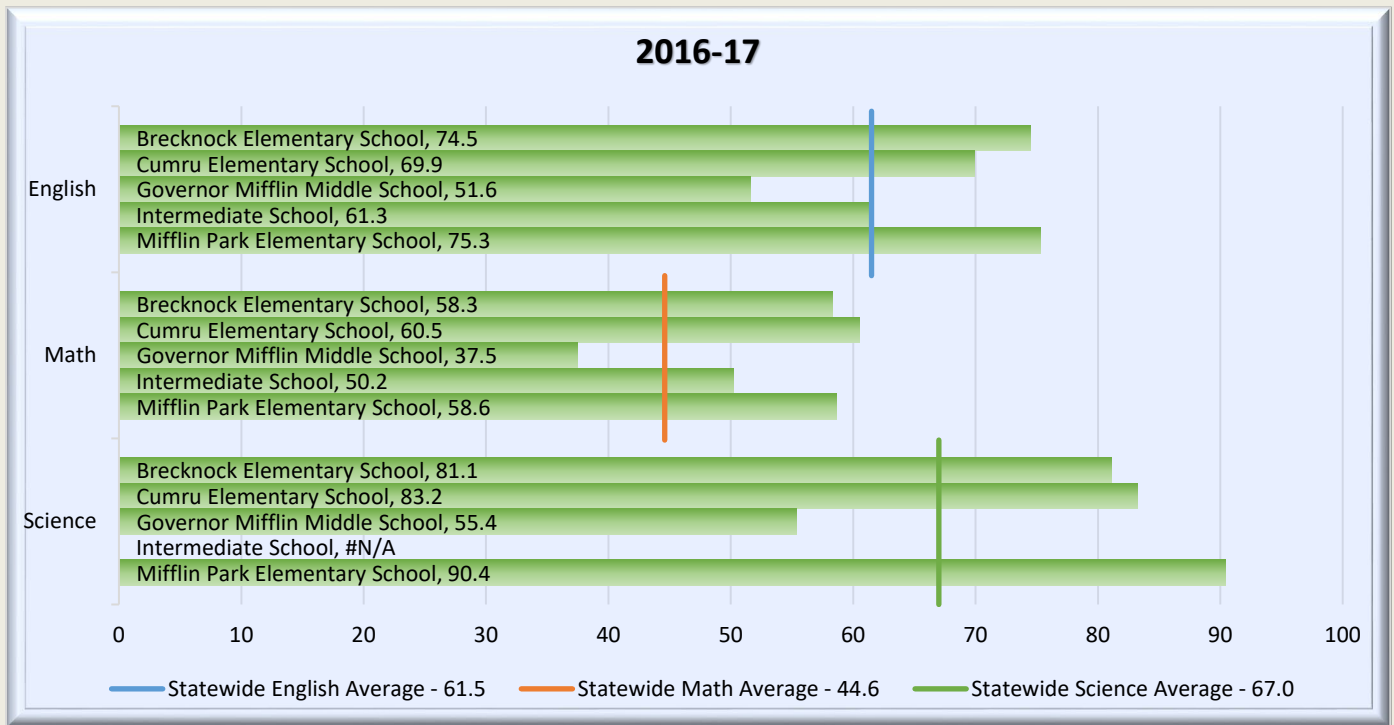


#N/A: Students in grades 4 and 8 are administered the Science PSSAs. The Intermediate School is a grade 5 through 6 school; therefore, Science PSSAs are not administered to this school's students.



#N/A: Students in grades 4 and 8 are administered the Science PSSAs. The Intermediate School is a grade 5 through 6 school; therefore, Science PSSAs are not administered to this school's students.

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

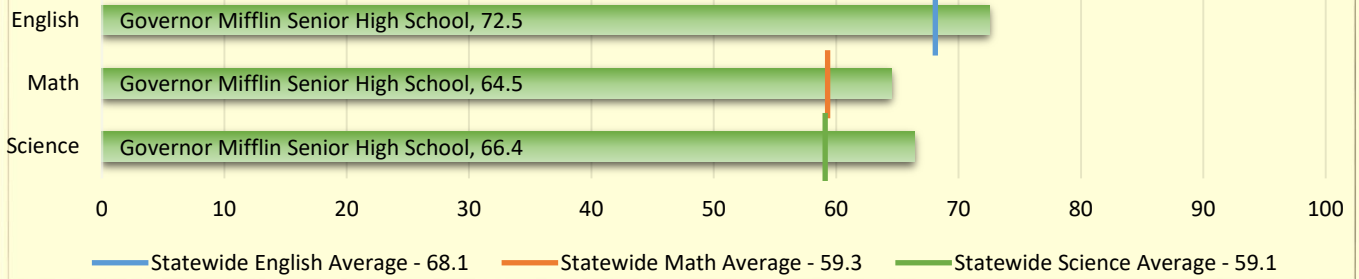


#N/A: Students in grades 4 and 8 are administered the Science PSSAs. The Intermediate School is a grade 5 through 6 school; therefore, Science PSSAs are not administered to this school's students.

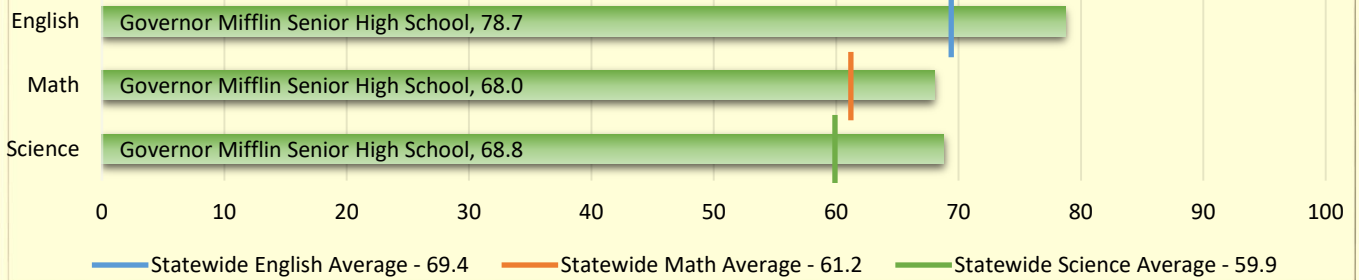


## Keystone Advanced or Proficient Percentage School Scores Compared to Statewide Averages

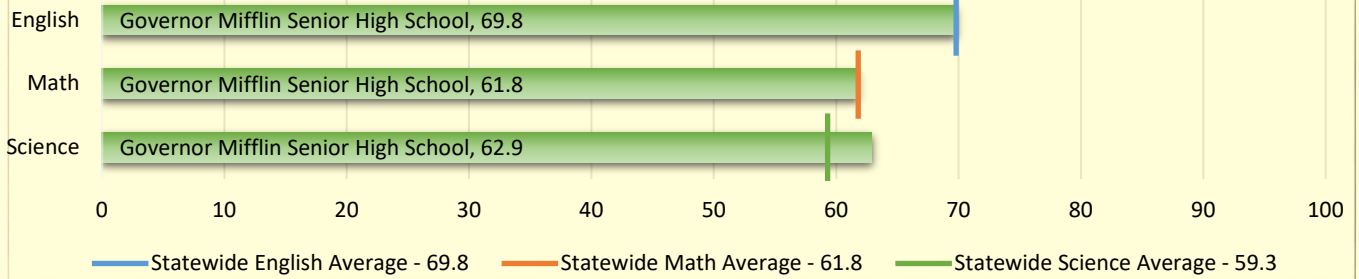
### 2018-19



### 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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