

# PERFORMANCE AUDIT

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## Hazleton Area School District Luzerne County, Pennsylvania

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May 2022



Commonwealth of Pennsylvania  
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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**TIMOTHY L. DEFOOR  
AUDITOR GENERAL**

Dr. Brian Uplinger, Superintendent  
Hazleton Area School District  
1515 West 23rd Street  
Hazle Twp, Pennsylvania 18202

Mr. Robert Fiume, Board President  
Hazleton Area School District  
1515 West 23rd Street  
Hazle Twp, Pennsylvania 18202

Dear Dr. Uplinger and Mr. Fiume:

We have conducted a performance audit of the Hazleton Area 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:

- Hiring Practices
- Bus Driver Requirements

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

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

Our audit identified noncompliance in the area of hiring practices, which is detailed in the finding in this report titled:

**The District Hired Staff that Did Not Possess the Required PDE Certification for Their Positions Resulting in a Potential Subsidy Forfeiture of \$39,025**

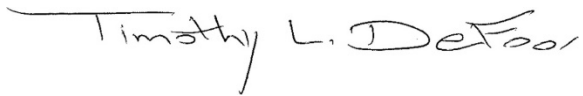
In addition, we identified an internal control deficiency in the area of bus driver requirements that was not significant but warranted the attention of District management and those charged with governance. This deficiency was verbally communicated to District management and those charged with governance for their consideration.

Dr. Brian Uplinger  
Mr. Robert Fiume  
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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 relevant requirements.

We appreciate the District's cooperation during the audit.

Sincerely,

A handwritten signature in black ink that reads "Timothy L. DeFoor". The signature is written in a cursive style with a horizontal line above the first few letters.

Timothy L. DeFoor  
Auditor General

May 24, 2022

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

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## Background Information

School Characteristics 2020-21 School Year*	
Counties	Luzerne, Schuylkill, and Carbon
Total Square Miles	256
Number of School Buildings	12
Total Teachers	801
Total Full or Part-Time Support Staff	502
Total Administrators	65
Total Enrollment for Most Recent School Year	12,483
Intermediate Unit Number	18
District Career and Technical School	Hazleton Area Career Center

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

## Mission Statement\*

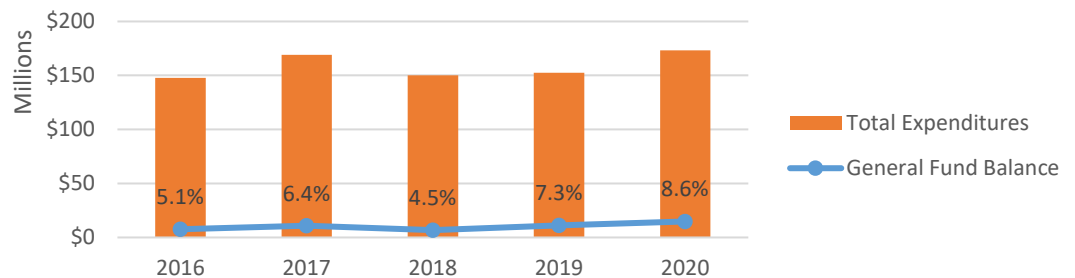
To provide a challenging and enriching education where all students are exposed to high career and academic standards, a rigorous curricula, and integrated technology in an inclusive environment.

## Financial Information

The following pages contain financial information about the Hazleton Area 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**.

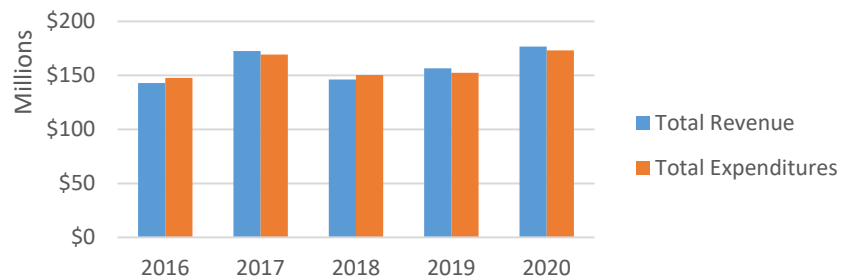
### General Fund Balance as a Percentage of Total Expenditures

	General Fund Balance
2016	\$7,512,766
2017	\$10,807,910
2018	\$6,788,428
2019	\$11,073,136
2020	\$14,802,653



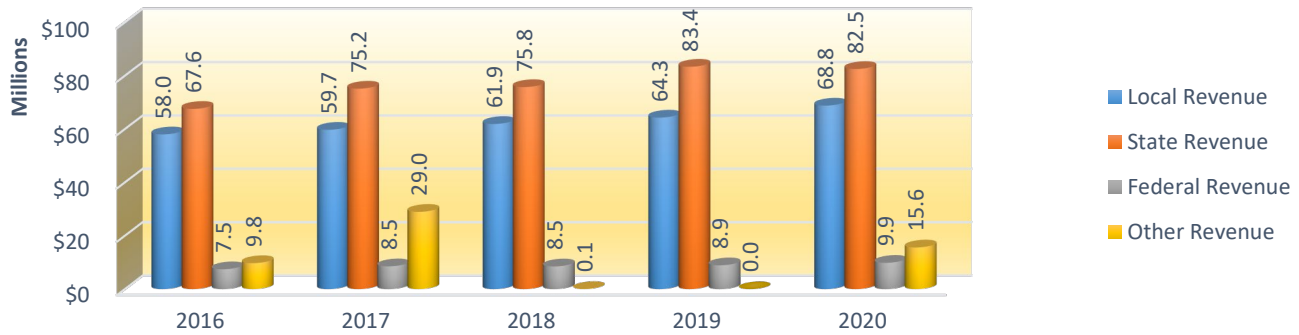
### Revenues and Expenditures

	Total Revenue	Total Expenditures
2016	\$142,808,300	\$147,770,587
2017	\$172,444,271	\$169,149,125
2018	\$146,250,607	\$150,270,092
2019	\$156,652,585	\$152,367,878
2020	\$176,823,775	\$173,094,257

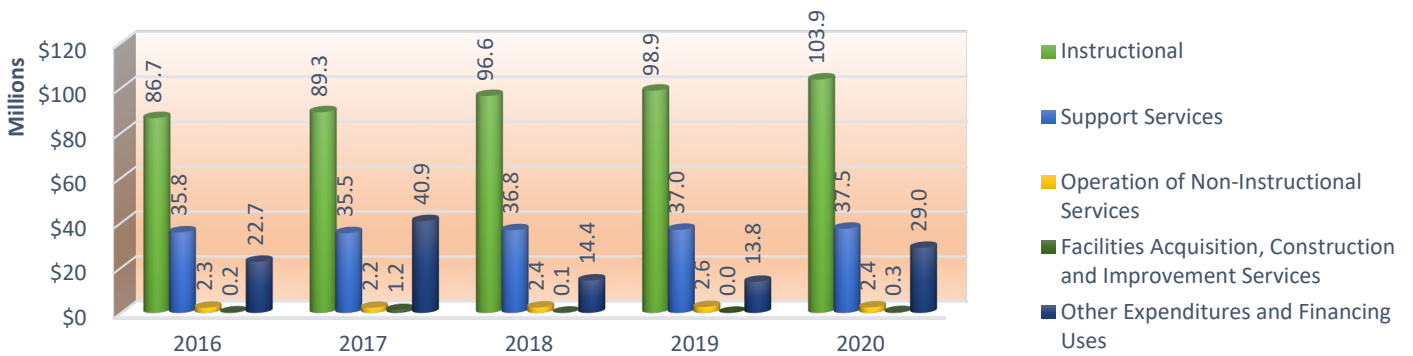


## Financial Information Continued

### Revenues by Source

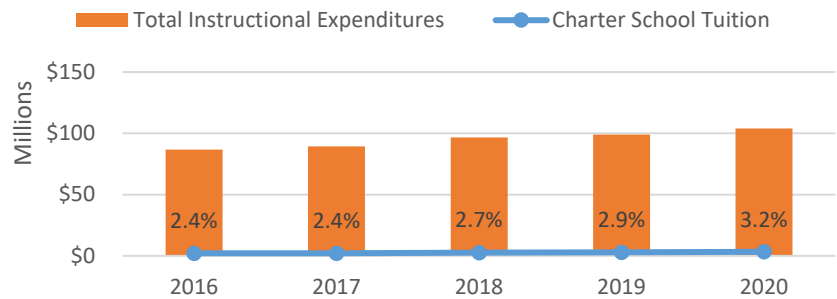


### Expenditures by Function

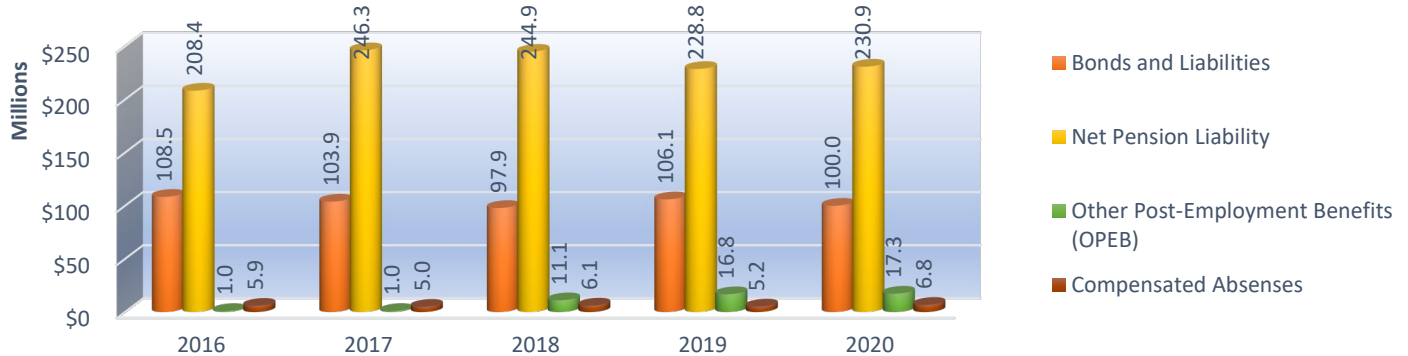


### Charter Tuition as a Percentage of Instructional Expenditures

	Charter School Tuition	Total Instructional Expenditures
2016	\$2,110,444	\$86,726,224
2017	\$2,178,692	\$89,328,812
2018	\$2,630,295	\$96,559,144
2019	\$2,846,439	\$98,940,905
2020	\$3,306,009	\$103,913,871



### Long-Term Debt

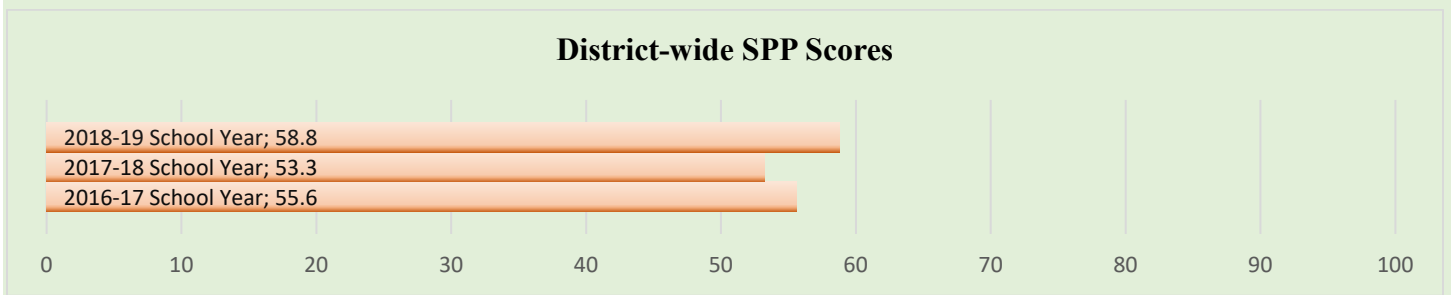


## Academic Information<sup>1</sup>

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>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.

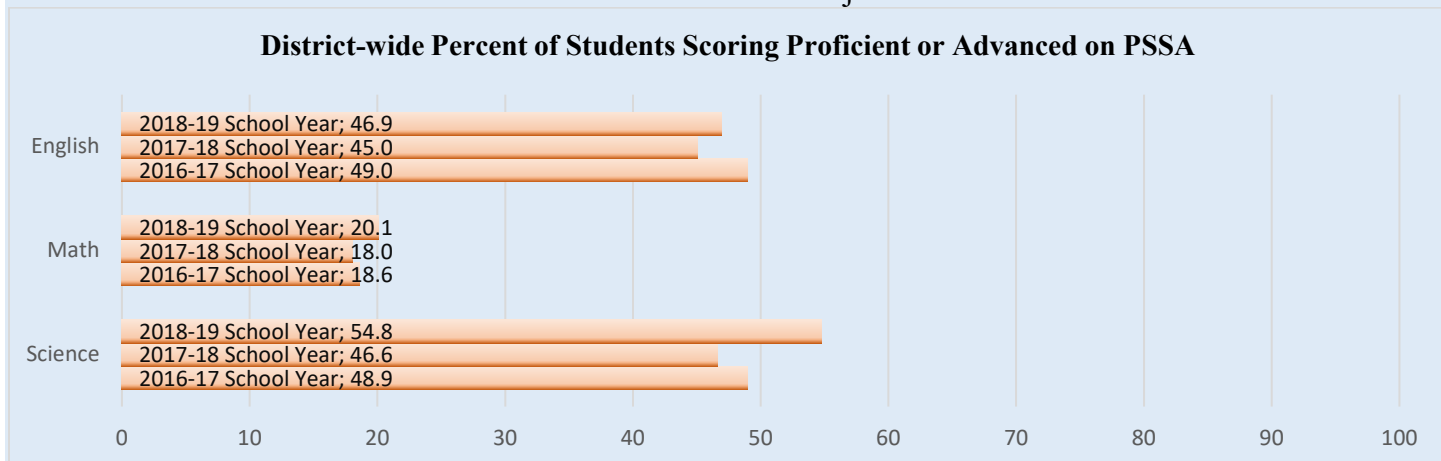
<sup>3</sup> Graduation rates were still reported for the 2019-20 school year despite the COVID-19 pandemic.

## Academic Information Continued

### What is the PSSA?

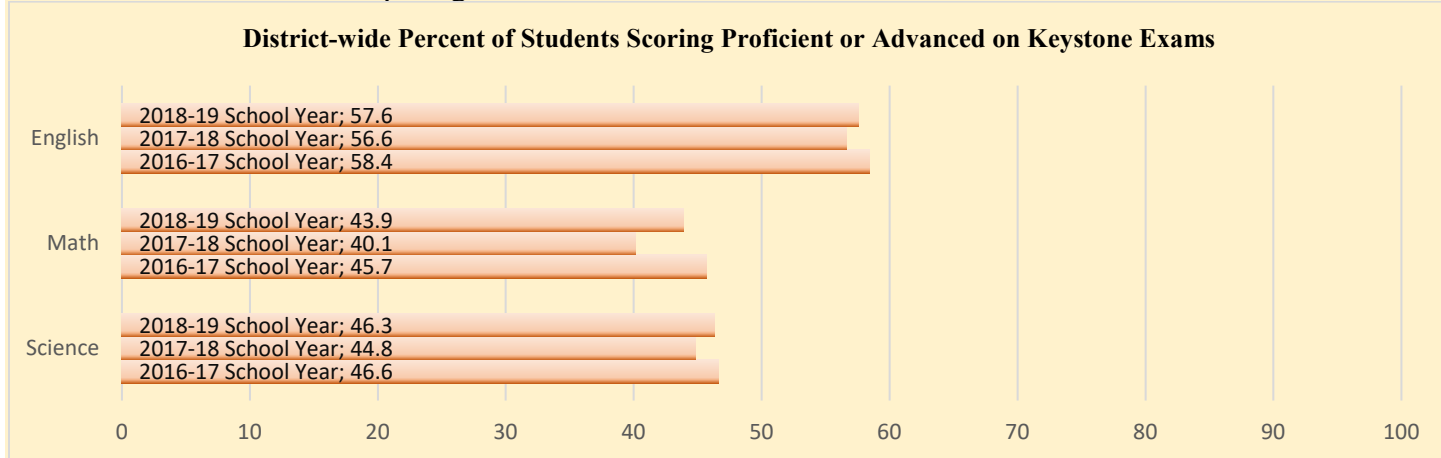
The PSSA is an annual, standardized test given across the Commonwealth to students in grades 3 through 8 in core subject areas, including English, Math and Science. The PSSAs help Pennsylvania meet federal and state requirements and inform instructional practices, as well as provide educators, stakeholders, 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>4</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.



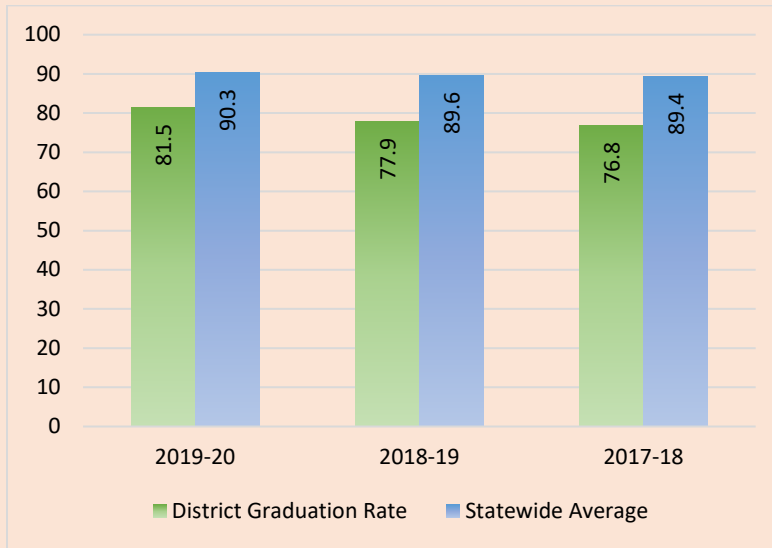
<sup>4</sup> Act 158 of 2018, effective October 24, 2018, amended the Public School Code to further delay the use of Keystone Exams as a graduation requirement until the 2021-22 school year. See 24 P.S. § 1-121(b)(1). Please refer to the following link regarding further guidance to local education agencies (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>5</sup>



<sup>5</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 Hired Staff that Did Not Possess the Required PDE Certification for Their Positions Resulting in a Potential Subsidy Forfeiture of \$39,025

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

Subsection (1) of Section 1101 (relating to Definitions) of the Public School Code (PSC), Article XI. “Professional Employees” provides:

“As used in this article, (1) The term ‘professional employee’ shall include those who are certificated as teachers, supervisors, supervising principals, principals, assistant principals, vice-principals, directors of vocational education, dental hygienists, visiting teachers, home and school visitors, school counselors, child nutrition program specialist, school librarians, school secretaries the selection of whom is on the basis of merit as determined by eligibility lists and school nurses.”  
See 24 P.S. § 11-1101(1).

#### **Forfeitures for employing improperly certified individuals**

Section 2518 (relating to **Forfeitures for employing improperly certified individuals**) of the PSC, Article XXV. “Reimbursements by Commonwealth and Between School Districts” pertaining to “Instruction” provides, in part:

“... has in its employ any person in a position that is subject to the certification requirements of the Department of Education but who has not been certificated for his position by the Department of Education... shall forfeit an amount equal to six thousand dollars (\$6,000) less the product of six thousand dollars (\$6,000) and the district’s market value/income aid ratio ...”  
See 24 P.S. § 25-2518.

The Hazelton Area School District (District) created new positions without determining if the positions required specific certifications issued by the Pennsylvania Department of Education (PDE). The District hired eight employees from October 2017 to January 2022 in positions that required certifications (mainly involving “Principal” certifications) that the employees did not possess. The District’s failure to ensure its staff possessed the required certifications could result in a nearly \$40,000 subsidy forfeiture. In addition, we found that the District’s Board of School Directors (Board) suspended its own hiring policies three times during the audit period and hired 43 employees without completing all the hiring procedures required by its policies. Finally, we found that the District did not post vacant positions either externally or internally when it promoted one current employee and hired an employee from another school district.

#### Staff Hired without Required Certification

The District is responsible for staffing its school buildings with employees who have valid certificates issued by PDE, or who have submitted all necessary documentation to PDE to demonstrate compliance with required credentials to obtain an emergency permit to be employed. All documentation related to obtaining certificates or emergency permits is reviewed and evaluated by PDE. Individuals should not be hired and/or assigned to a position until a valid certificate and/or emergency permit is obtained from PDE.

It is imperative for the District to ensure that all employees are properly certified for their positions so that students are interacting with staff that possess all necessary qualifications. Additionally, PDE certification ensures that all staff have the knowledge and experience needed for their positions.

We found that the District created 22 new positions over the audit period but did not contact PDE to determine if the created positions would require a certification. We submitted the job descriptions to PDE to obtain a determination of whether the positions required any type of certification. PDE informed us that four of the new positions required some type of certification. Our testing revealed that the eight employees hired for these new four positions did not possess the required certification. For example, in October 2017, the District created the Dean of Student Discipline

*Criteria relevant to the finding (continued):*

**Emergency Permits**

According to the Pennsylvania Department of Education’s CSPG No. 13, a Local Educational Agency (LEA) may request an emergency permit to fill a vacant position when it is unable to find a certified educator holding a valid and active certificate. Emergency permits are requested by the Chief School Administrator of the LEA that has a permanent, temporary, or day-to-day opening for a professional employee. The permit is valid from the first day of the month of issuance, until the last day of summer school in that school year. The LEA is required to post any permanent or temporary vacancy for a minimum of 10 days on the school entity’s website before submitting an initial or reissuance application for an emergency permit to fill the vacancy.

**District Board Policy #304: Teacher Hiring**

The *Applicant Screening and Interview* section states in relevant part:

“When a position becomes available, an interview committee shall be established to review the screened-approved applications and select those candidates to be considered for a position. The superintendent or his/her designee shall appoint interview committee members... The members of the interview committee for each subject area shall remain the same until all interviews are completed for the position. The Superintendent may participate, if s/he so chooses, as a member of any interview committee.”

position and immediately filled the position.<sup>6</sup> The District subsequently hired four more employees for the same position. PDE informed us that this position required a “Principal” certificate; however, none of the five employees the District hired had the required certification.

The following table shows the employees who were hired for the created positions but who did **not** possess the required certification.

**Table No. 1**

Hazelton Area School District Newly Created Positions Requiring Certification		
Position Title	Hire Date	Required Certification Type
Dean of Student Discipline	October 2017	Principal
Dean of Student Discipline	August 2018	Principal
Dean of Student Discipline	August 2018	Principal
Supervisor of Bilingual Pupil Services	October 2018	Principal
Assistant to the Superintendent	November 2018	Letter of Eligibility or Commission Qualification Letter
School Attendance Officer	October 2019	Home School Visitor
Dean of Student Discipline	September 2021	Principal
Dean of Student Discipline	September 2021	Principal

When we asked District officials why they hired the employees without the required certifications, they informed us that they were unaware that they should contact PDE’s *Bureau of School Leadership and Teacher Quality* for a determination of certification requirements for all newly created positions.

Subsidy Forfeiture

Certification deficiencies and the resulting subsidy forfeitures are ultimately determined by PDE. Information pertaining to the certification deficiencies identified in this finding were submitted to PDE for final determination and action. If PDE determines that the employees were not properly certified, the District could be subject to the subsidy forfeitures as

<sup>6</sup> The Board approved the hiring of an immediate relative of one of the board members. The board member recused herself from the vote to approve the hire.

Criteria relevant to the finding  
(continued):

**District Board Policy #303:  
Principal and Assistant Principal  
Hiring**

The *Vacancies* section states, in part:

“When the district requires appointment of a principal or assistant principal, the position shall be posted in all district schools for ten (10) days. The job shall also be posted on appropriate Internet websites, published in PSBA publications, and advertised in major regional newspapers for at least ten (10) days.”

**District Board Policy #302: Central  
Office Academic Administrators  
Hiring**

The *Vacancies* section states, in part:

“When the district requires appointment of a new Superintendent, Assistant Superintendent, or academic director, the position shall be posted in all district schools for thirty (30) days. The job shall also be posted on appropriate Internet websites, published in PSBA publications and advertised in major regional newspapers for at least one (1) month.”

shown in the following table:

**Table No. 2**

Hazelton Area School District Certification Subsidy Forfeitures July 1, 2016 – June 30, 2020 <sup>7</sup>		
School Year	Number of Employees Not Properly Certified	Potential Subsidy Forfeiture Amount
2017-18	2	\$4,055
2018-19	6	\$12,272
2019-20	6	\$11,426
2020-21	6	\$11,272
<b>Total</b>		<b>\$39,025</b>

The District could face a subsidy forfeiture totaling \$39,025, which is typically deducted from its basic education funding allocation. Subsidy forfeitures are calculated based on the number of employees and the length of time they were employed with the District without a valid certificate and/or emergency permit.

Hiring Policies Suspended

We found that the Board suspended the District’s hiring policies three times during the audit period. The **first policy suspension** occurred at the regular board meeting on July 13, 2017. During this meeting, the Board approved the suspension of the use of the hiring committee required by its teacher hiring policy until August 24, 2017. During that timeframe, the District hired 32 teachers without the use of a hiring committee.

The **second policy suspension** occurred at a special board meeting on August 17, 2017. The Board approved the suspension of the hiring policy for maintenance/custodial staff hiring for the period August 18, 2017 through September 15, 2017. The reason given for deviating from the policy was that the District was anticipating the potential need to fill a large number of maintenance positions for the 2017-18 school year. Since the District was experiencing turnover in its administration at the time, the Board wanted to be able to expedite the process to ensure sufficient staff were available at the start of the school year. Even with an anticipated need to fill multiple maintenance positions, only one custodian was hired during this policy suspension period.

<sup>7</sup> We also found eight employees were not properly certified for the 2021-22 school year, but we could not compute the subsidy forfeiture because the aid ratios for the 2021-22 school year had not been determined as of the date of this report. The deficiency information for the 2021-22 school year will also be provided to PDE for determination.

The **third policy suspension** occurred at the October 19, 2017 regular board meeting, during which the Board approved the suspension of all hiring policies. The Board then voted to approve the hiring of six administrative personnel, two principals, one teacher, and one IEP Coordinator. Current District officials stated that all hiring policies were suspended for that meeting to make appointments that were necessary to maintain the continuity of the District's operations during a time when the District administration was in a state of flux.

Hiring the most qualified staff for open positions is vital for the District to meet its mission of "Excellence in Learning and High Quality Teaching for every student while incorporating 21<sup>st</sup> century learning skills." The District's practice of suspending its hiring policies when it hired multiple teachers and high level administrators was not in accordance with best business practices. Further, this practice could result in violating the public trust by not operating in a transparent and accountable manner.

#### Noncompliance with Hiring Policy

We found two instances where the District failed to comply with its own policy when it did not post positions either internally or externally when it hired or promoted staff from within. An Assistant Principal was hired on October 28, 2021, but the position was never posted either internally or externally. According to District policy, an Assistant Principal position must be posted in all district school buildings for 10 days. The job position must also be posted on appropriate Internet websites, published in PSBA publications, and advertised in major regional newspapers for at least 10 days. The District stated they did not post for the vacant Assistant Principal position because the District was using the list of potential candidates from a previous round of hiring for a similar position.

Furthermore, an Assistant to the Superintendent for Student Services was Board approved for hire on December 16, 2021, after the open position was posted internally and externally on December 7, 2021. According to District policy, an Assistant Superintendent position must be posted internally for 30 days and posted externally for at least one month. The District did not comply with the required posting time frame when it hired this Assistant Superintendent. According to the District, the policy was not followed because a Superintendent from another District applied for the position within the 30-day posting period and the Board acted quickly to get this person hired. When the District violated its own hiring policy, it did not provide an equal opportunity to all potentially qualified applicants to apply for the open positions.

#### Summary

The District did not always follow its own hiring policies and suspended its hiring policies numerous times during the audit period. The District hired staff that did not meet the appropriate PDE certification

requirements during the audit period. Sound hiring practices are integral to ensuring transparency and accountability in hiring, as well as ensuring the recruitment and retention of qualified, competent staff. The District's failure to ensure it implemented and followed sound hiring practices also resulted in a potential financial penalty of \$39,025.

### **Recommendations**

The *Hazleton Area School District* should:

1. Request official determinations from PDE for all newly created positions to ensure that certification requirements are identified and met before employment.
2. Review current job descriptions and certifications to ensure all employees in District created positions are properly certified for their positions.
3. Ensure that hiring policies are adhered to ensure integrity, transparency, and accountability as well as to provide equal opportunities for all potential applicants.

The *Pennsylvania Department of Education* should:

4. Determine if the District violated the Public School Code by not ensuring the staff we identified in this finding were appropriately certified and, if necessary, assess the \$39,025 penalty against the District's future basic education funding allocations.

### **Management Response**

District management provided the following response:

“In reply to the above finding, the District was unaware that these positions identified required specific certifications from PDE. When creating the job descriptions and qualifications of the identified positions, the District in its research, did not believe that these positions required the certifications that were identified in these findings.”

Since this has come to our attention, the District is revising and forwarding the job descriptions in question and new job descriptions to the Pennsylvania Department of Education for their input and approval. Currently, the District has revised and PDE has approved some of the job descriptions in question. We will continue to work with PDE on revisions on the outstanding job descriptions in question until we are granted final approval.”

In addition, the District provided the following response to our recommendations:

- “1. All new job descriptions will be reviewed and approved by PDE prior to our School Board approving the job description.
2. We are working with PDE for all job descriptions identified in these findings.
3. The District administration plans to review and revise current hiring policies where applicable and will continue to provide equal opportunities for all potential applicants.
4. We respectfully ask PDE to grant the District an extension of time to make the necessary revisions based on the recommendations of the Auditor General’s Office before issuing any penalties as proposed. The District’s intention of creating the Dean of Student Discipline position was a result of budgetary measures performed by the District during challenging fiscal times. In conclusion, we ask PDE to take into account the worker shortages and overall fiscal challenges that PA school districts are facing currently.”

#### **Auditor Conclusion**

We are pleased that the District intends to implement corrective actions to address our recommendations. Further, we continue to stress the importance of the District ensuring that it complies with its own hiring policies and procedures.

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

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**O**ur prior audit of the Hazleton Area 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>8</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 Hiring Practices, 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>9</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>10</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>8</sup> 72 P.S. §§ 402 and 403.

<sup>9</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>10</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	
Hiring Practices	No																		
Bus Drivers	Yes										X		X			X	X		
Safe Schools	No																		

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

### **Objectives/Scope/Methodology**

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

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

### **Hiring Practices**

- Did the Board of School Directors (Board) suspend its hiring policies and, if so, how often? Additionally, did the District follow its policy for creating new positions including the determination of any required certifications?
  - ✓ To address this objective, we obtained and reviewed the District’s policies and procedures for the hiring of classified, non-classified, individually contracted, and administrative employees. We reviewed the board meeting minutes for the audit period to determine if the District suspended its hiring policies and if so, how long the policies were suspended and how many employees were hired while the policies were suspended. We obtained and reviewed the job descriptions for all 22 positions created during the audit period and determined if all individuals fulfilling these positions were properly certified. We interviewed District officials to obtain an understanding of the hiring process when hiring policies were suspended.

**Conclusion:** The results of our procedures identified significant areas of noncompliance related to this objective. Those results are detailed in the Finding beginning on page 6 of this report.

## **Bus Driver Requirements**

- Did the District ensure that all bus drivers transporting District students are approved by the Board and had the required driver's license, physical exam, training, background checks, and clearances<sup>11</sup> as outlined in applicable laws?<sup>12</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 over the receipt, review, and monitoring of driver qualification and clearance documents. We randomly selected 20 of the 80 drivers transporting District students as of November 3, 2021.<sup>13</sup> We obtained a list of drivers from the District and from the bus contractor to verify all drivers were approved by the Board and properly qualified in accordance with laws and regulations. We reviewed documentation to ensure the District complied with the qualification and clearance requirements for those 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 an internal control deficiency that was not significant to our objective but warranted the attention of District management and those charged with governance. This deficiency was communicated to District management and those charged with governance for their consideration.

## **School Safety**

- Did the District comply with requirements in the Public School Code and the Emergency Management Code related to emergency management plans, bullying prevention, and memorandums of understanding with local law enforcement?<sup>14</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 safety plans, anti-bullying policies, safety committee meeting minutes, risk and vulnerability assessments, and memorandums of understanding with local law enforcement. In addition, we conducted on-site reviews at 3 of the District's 12 school buildings to assess whether the District had implemented basic safety practices.<sup>15</sup>

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<sup>11</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>12</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>13</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>14</sup> Safe Schools Act 24 P.S. § 13-1301-A *et seq.*, Emergency Management Services Code 35 Pa.C.S. § 7701.

<sup>15</sup> We randomly selected one of the two high schools, one of the eight elementary/middle schools, and one of the two elementary schools. 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 not, and should not be, projected to the population.

**Conclusion:** Due to the sensitive nature of school safety, the results of our review for this 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>16</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 the District's 12 school buildings for the 2018-19 and 2019-20 school years to determine whether drills were conducted as required by PDE. 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 identify any reportable issues.

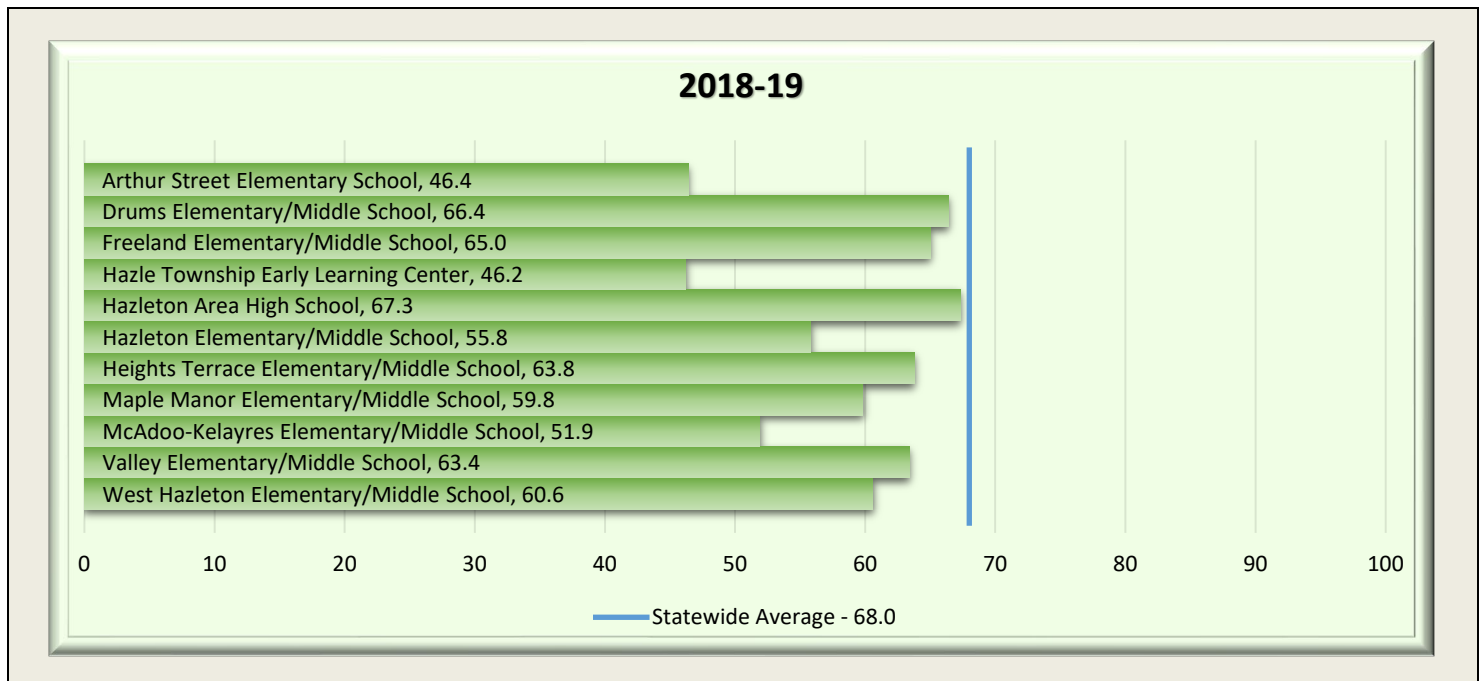
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<sup>16</sup> Public School Code (Fire and Security Drills) 24 P.S. § 15-1517.

## 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>17</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>18</sup>

### SPP School Scores Compared to Statewide Averages

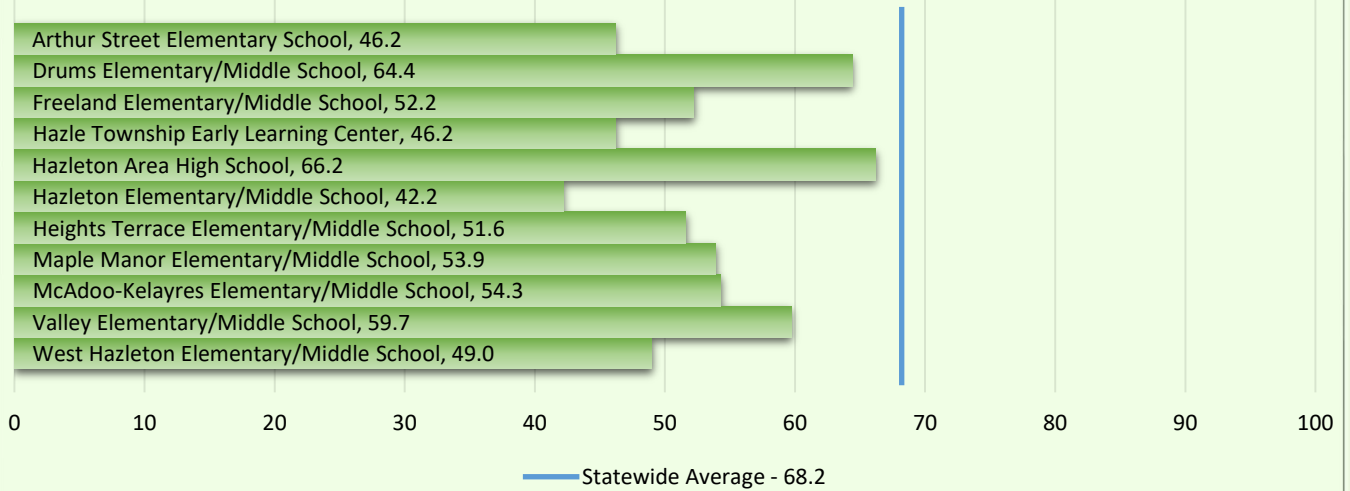


<sup>17</sup> Statewide averages were calculated by our Department based on individual school building scores for all public schools in the Commonwealth, including district schools, charters schools, and cyber charter schools.

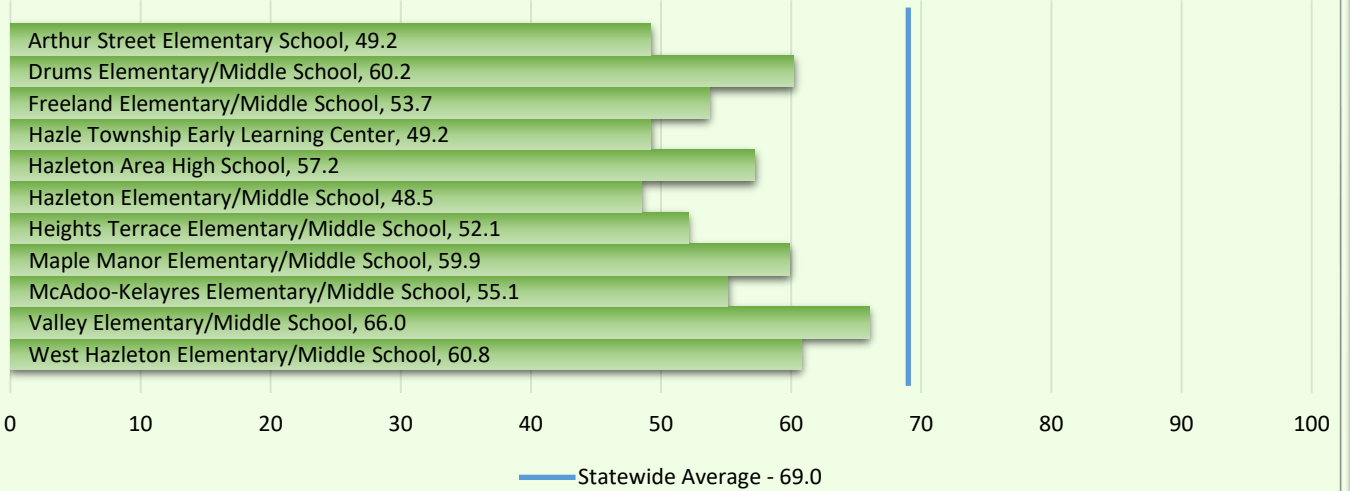
<sup>18</sup> PDE's data does not provide any further information regarding the reason a score was not published for a specific school. However, readers can refer to PDE's website for general information regarding the issuance of academic scores.

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

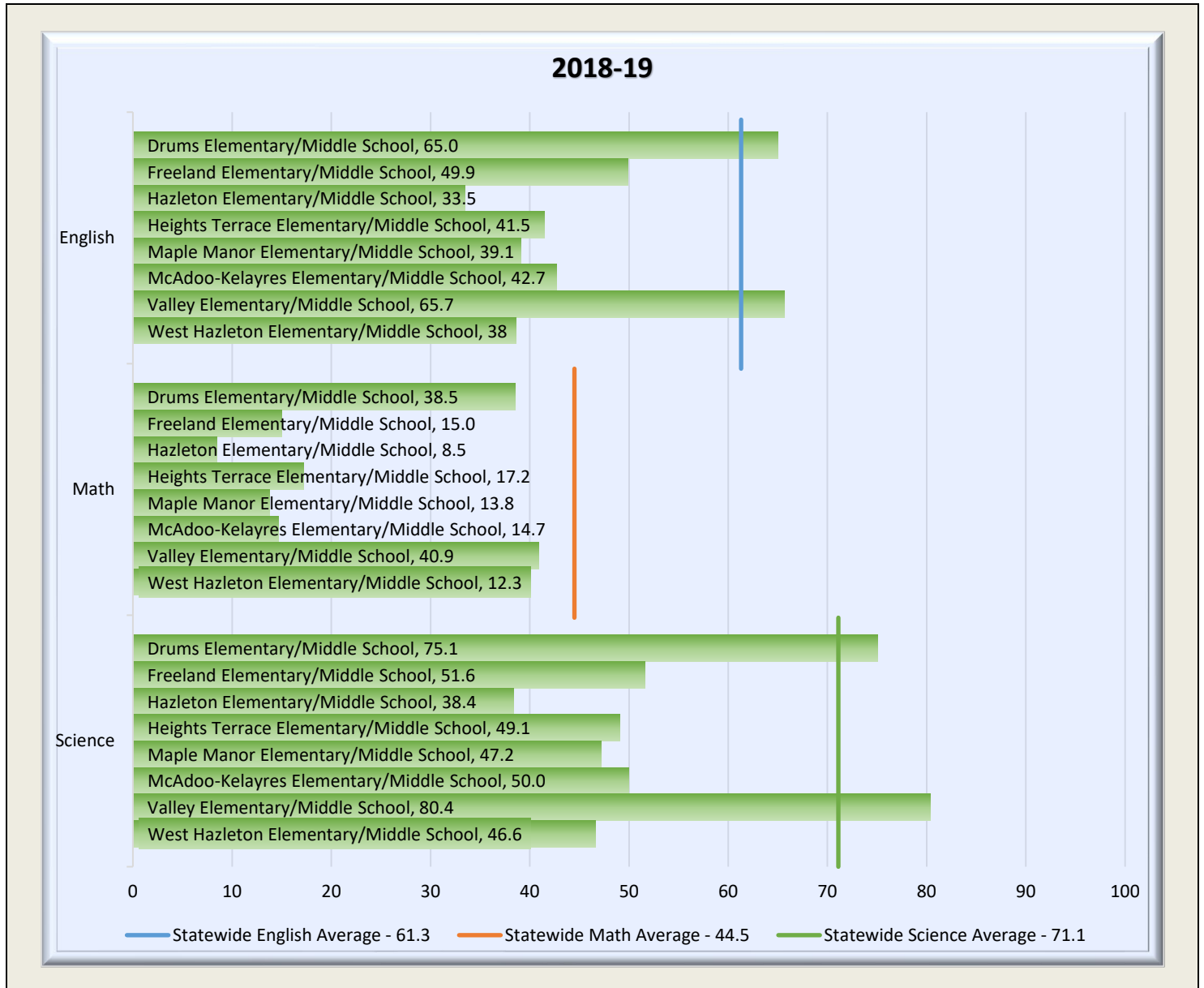
**2017-18**



**2016-17**

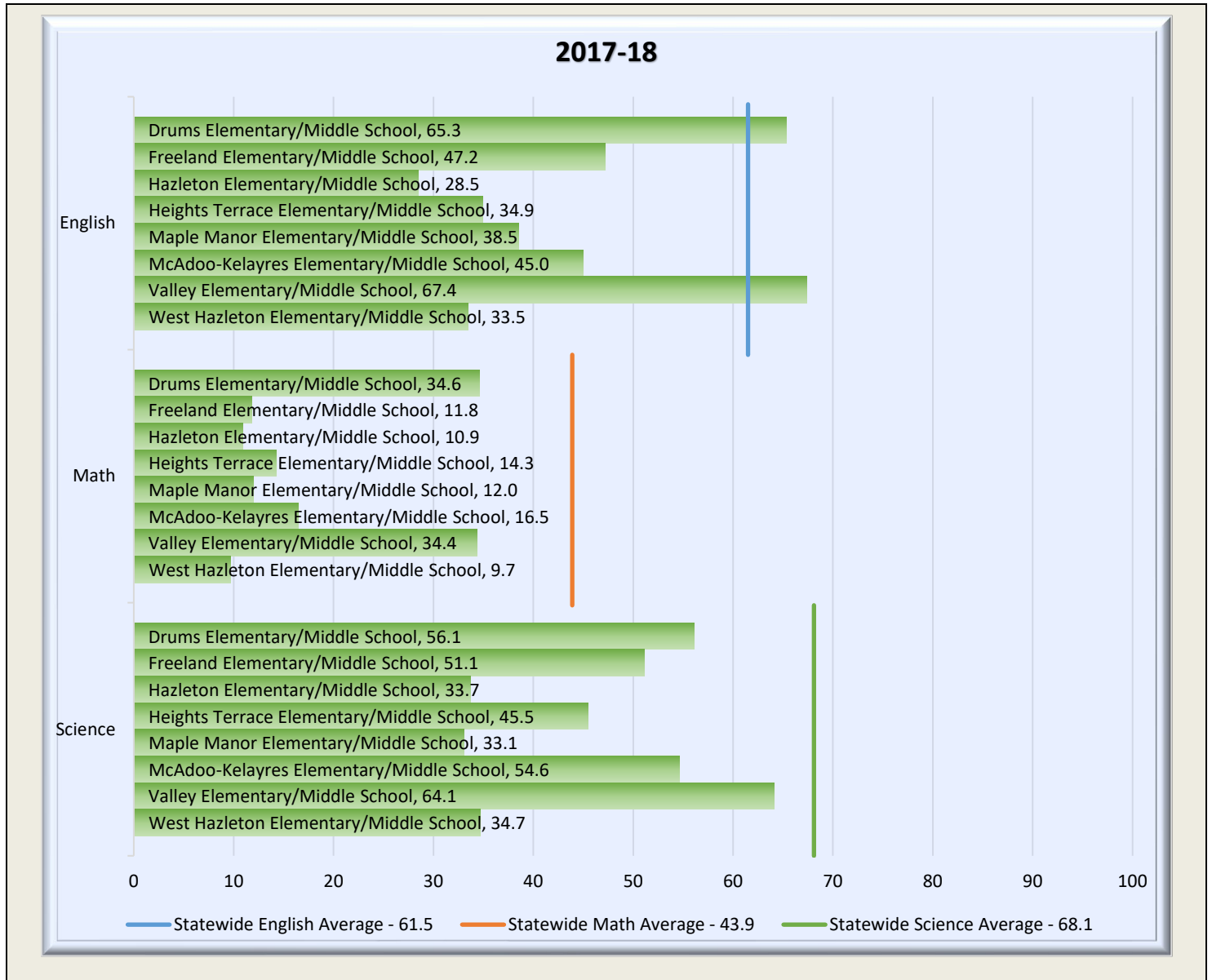


**PSSA Advanced or Proficient Percentage  
School Scores Compared to Statewide Averages**

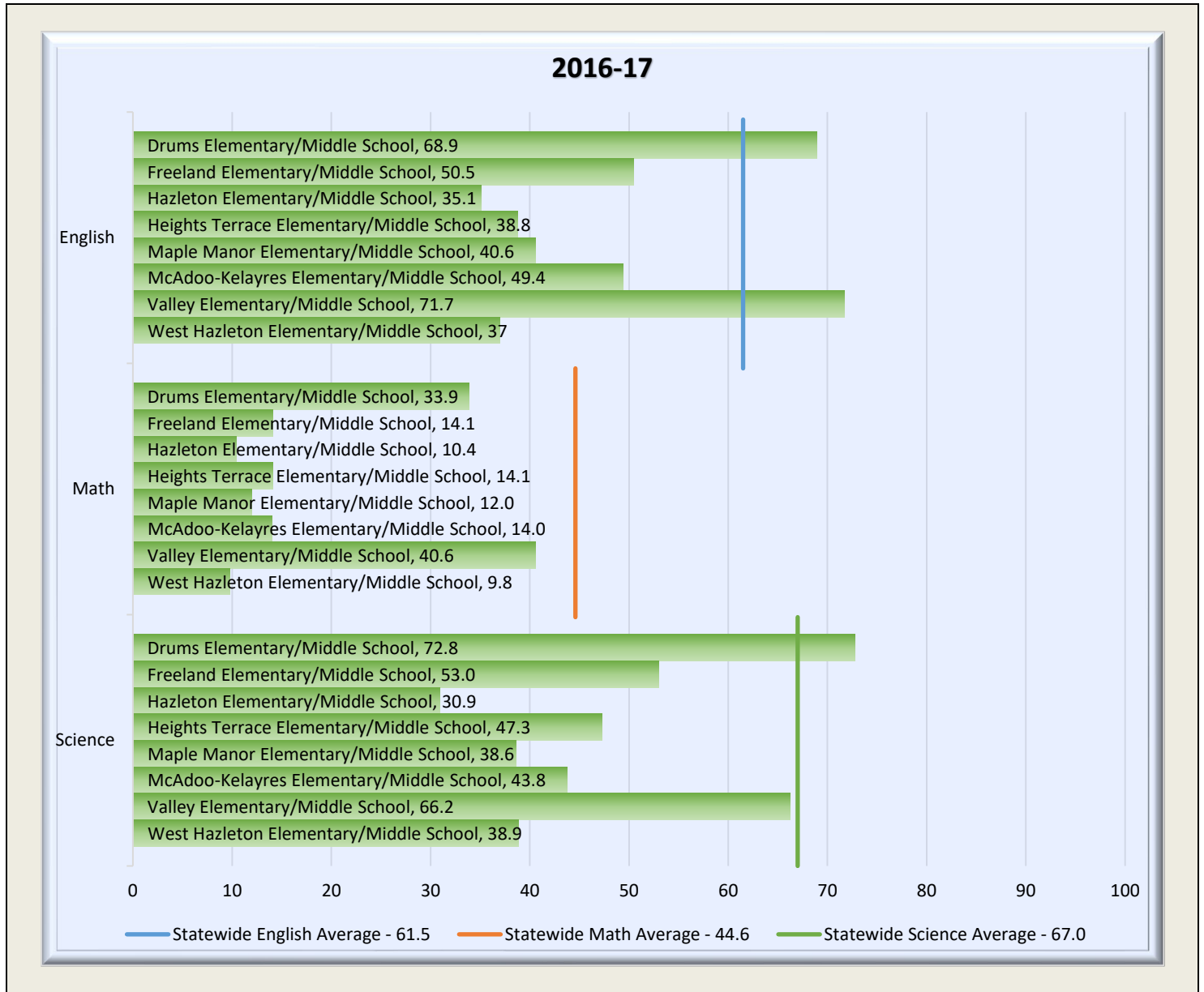




**PSSA Advanced or Proficient Percentage  
School Scores Compared to Statewide Averages (continued)**

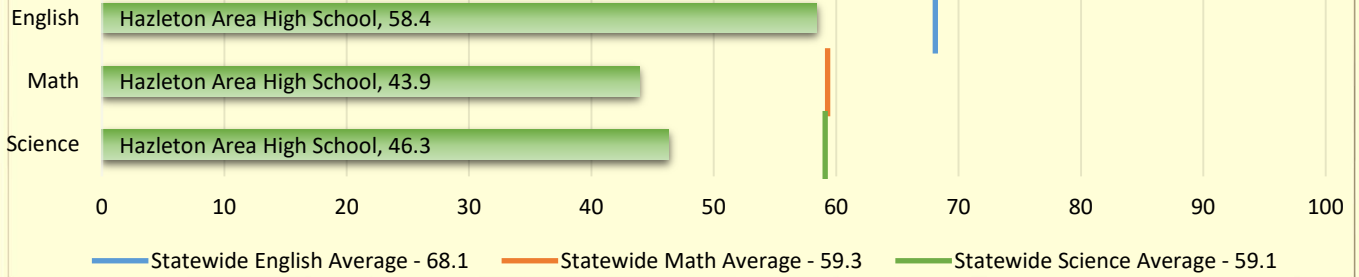


**PSSA Advanced or Proficient Percentage  
School Scores Compared to Statewide Averages (continued)**

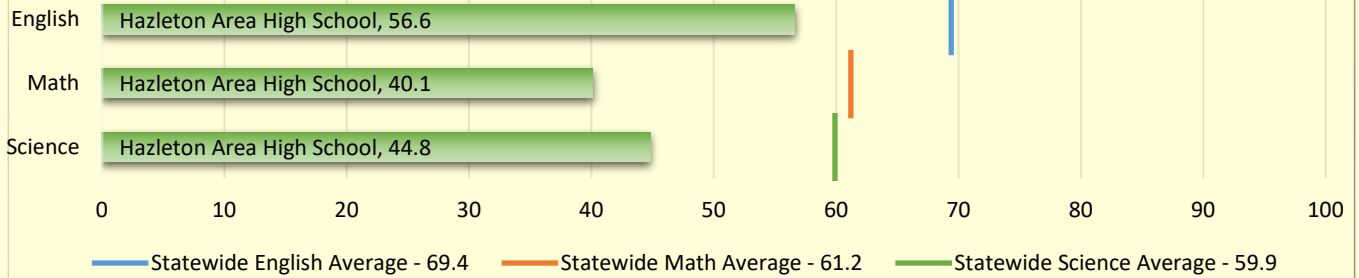


## Keystone Advanced or Proficient Percentage School Scores Compared to Statewide Averages

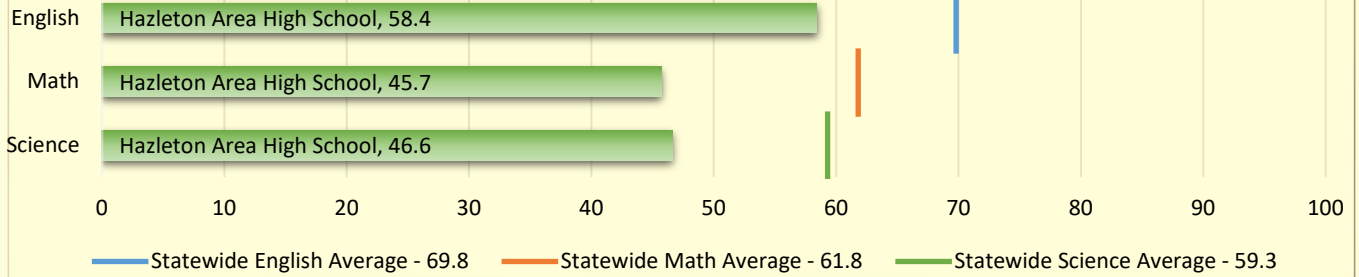
### 2018-19



### 2017-18



### 2016-17



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