

PERFORMANCE AUDIT

Northern York County School District York County, Pennsylvania

March 2022



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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

**TIMOTHY L. DEFOOR
AUDITOR GENERAL**

Mr. Steven Kirkpatrick, Superintendent
Northern York County School District
650 South Baltimore Street
Dillsburg, Pennsylvania 17019

Mr. Ken Sechrist, Board President
Northern York County School District
650 South Baltimore Street
Dillsburg, Pennsylvania 17019

Dear Mr. Kirkpatrick and Mr. Sechrist:

We have conducted a performance audit of the Northern York County 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:

- Transportation Operations
- Bus Driver Requirements
- Nonresident Student Data

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

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

Our audit identified areas of noncompliance and significant internal controls deficiencies in the areas of transportation operations and bus driver requirements. These deficiencies are detailed in the two findings of this report. A summary of the results is presented in the Executive Summary section of this report.

In addition, we identified internal control deficiencies in the nonresident student data objective that were not significant but warranted the attention of District management and those charged with governance. Those deficiencies were communicated to District management and those charged with governance for their consideration.

Mr. Steven Kirkpatrick

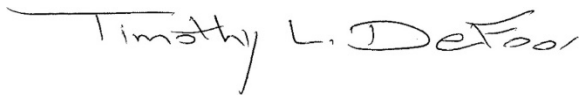
Mr. Ken Sechrist

Page 2

Our audit findings and recommendations have been discussed with the District's management, and their responses are included in the audit report. We believe the implementation of our recommendations will improve the District's operations and facilitate compliance with legal and 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 letter.

Timothy L. DeFoor

Auditor General

March 9, 2022

cc: **NORTHERN YORK COUNTY SCHOOL DISTRICT** Board of School Directors

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Executive Summary

Audit Work

The Pennsylvania Department of the Auditor General conducted a performance audit of the Northern York County School District (District). Our audit sought to answer certain questions regarding the District's application of best practices and compliance with certain relevant state laws, regulations, contracts, and administrative procedures.

Our audit scope covered the period July 1, 2016 through June 30, 2020, except as otherwise indicated in the audit scope, objectives, and methodology section of the report (see Appendix A). Compliance specific to state subsidies and reimbursements was determined for the 2016-17 through 2019-20 school years.

Audit Conclusion and Results

Our audit found areas of noncompliance and significant internal control deficiencies as detailed in the two findings in this report.

Finding No. 1: The District's Failure to Implement an Adequate Internal Control System Led to Inaccurate Reporting of Transportation Data Resulting in an \$11,165 Underpayment.

We found that the District did not implement an adequate internal control system over its process for reporting supplemental transportation data to the Pennsylvania Department of Education. Consequently, the District inaccurately reported the number of nonpublic school students it transported during the 2016-17 through 2019-20 school years which resulted in the District receiving \$11,165 less in transportation reimbursements than it was eligible to receive (see page 7).

Finding No. 2: The District Did Not Implement Adequate Internal Controls to Ensure Compliance with Driver Qualifications and Background Clearance Requirements.

The District failed to meet its statutory obligations related to the employment of individuals having direct contact with students during the 2021-22 school year by not maintaining and monitoring complete and updated records for all drivers transporting its students. Specifically, we found drivers with missing clearances and expired qualification documents. We also found that the District's Board of School Directors did not approve all drivers utilized by the District's three contractors. We determined that the District did not implement sufficient internal controls to meet these obligations (see page 12).

Status of Prior Audit Findings and Observations.

There were no findings or observations in our prior report.

Background Information

School Characteristics 2020-21 School Year*	
County	York
Total Square Miles	119
Number of School Buildings	6
Total Teachers	248
Total Full or Part-Time Support Staff	120
Total Administrators	18
Total Enrollment for Most Recent School Year	3,369
Intermediate Unit Number	15
District Career and Technical School	Cumberland Perry Area CTC

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

Mission Statement*

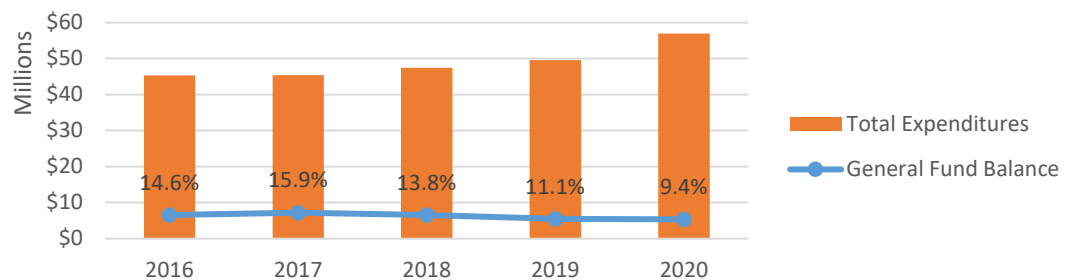
Intellectually Prepared, Civically Engaged,
Personally Responsible

Financial Information

The following pages contain financial information about the Northern York County 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**.

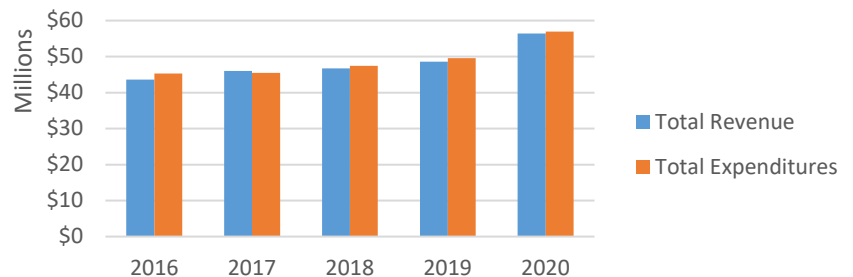
General Fund Balance as a Percentage of Total Expenditures

	General Fund Balance
2016	\$6,611,927
2017	\$7,208,780
2018	\$6,540,088
2019	\$5,512,406
2020	\$5,358,261



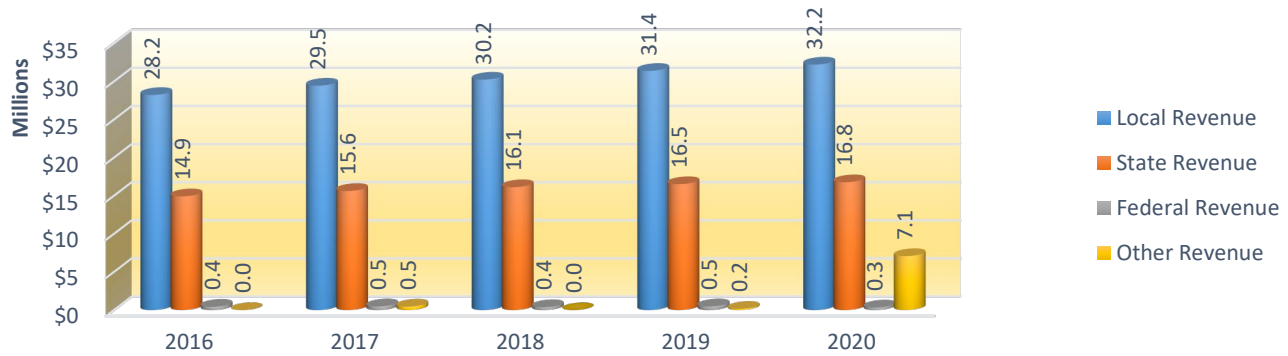
Revenues and Expenditures

	Total Revenue	Total Expenditures
2016	\$43,608,648	\$45,293,513
2017	\$46,037,742	\$45,440,887
2018	\$46,759,084	\$47,427,777
2019	\$48,574,585	\$49,602,268
2020	\$56,419,585	\$56,946,609

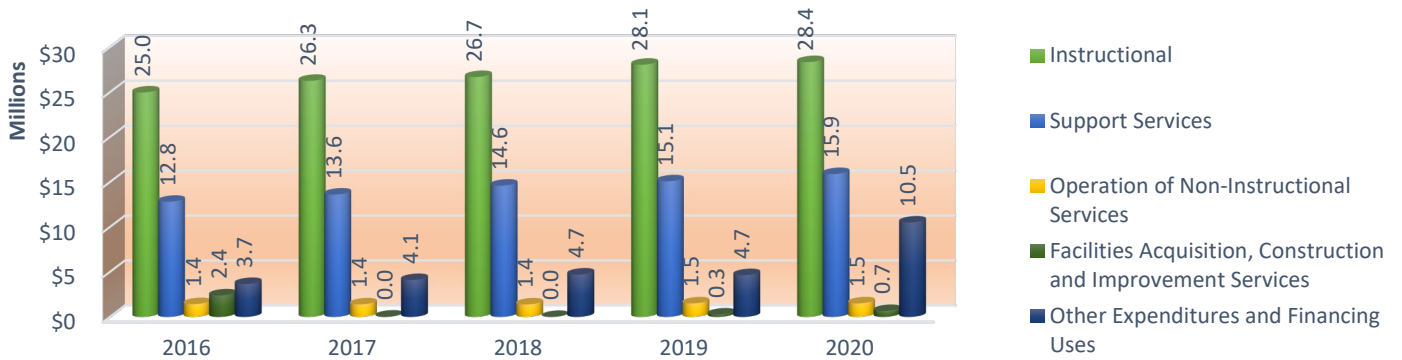


Financial Information Continued

Revenues by Source

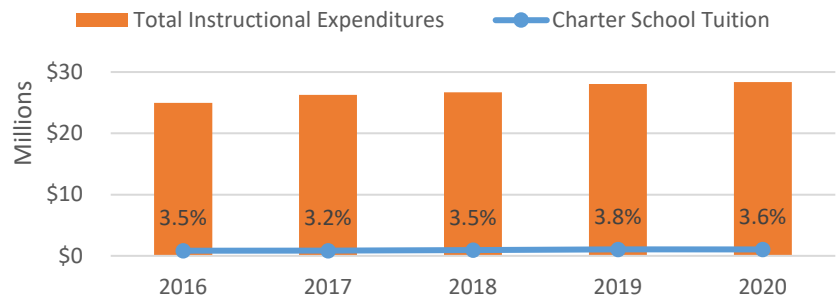


Expenditures by Function

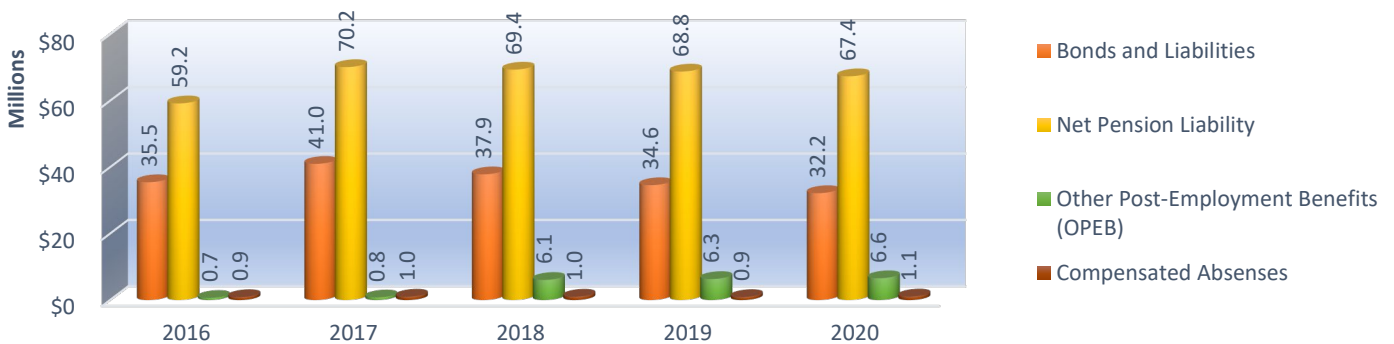


Charter Tuition as a Percentage of Instructional Expenditures

	Charter School Tuition	Total Instructional Expenditures
2016	\$863,428	\$24,983,030
2017	\$853,664	\$26,275,068
2018	\$927,823	\$26,702,716
2019	\$1,058,703	\$28,068,327
2020	\$1,034,847	\$28,359,692



Long-Term Debt

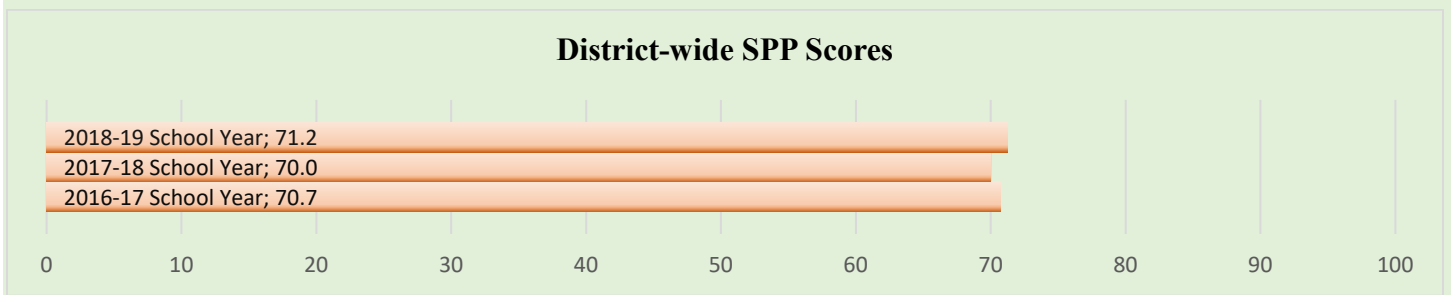


Academic Information¹

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

What is a SPP score?

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



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

² Due to the COVID-19 pandemic the PSSA and Keystone Exam requirements were waived for the 2019-20 school year; therefore, there is no academic data to present for this school year.

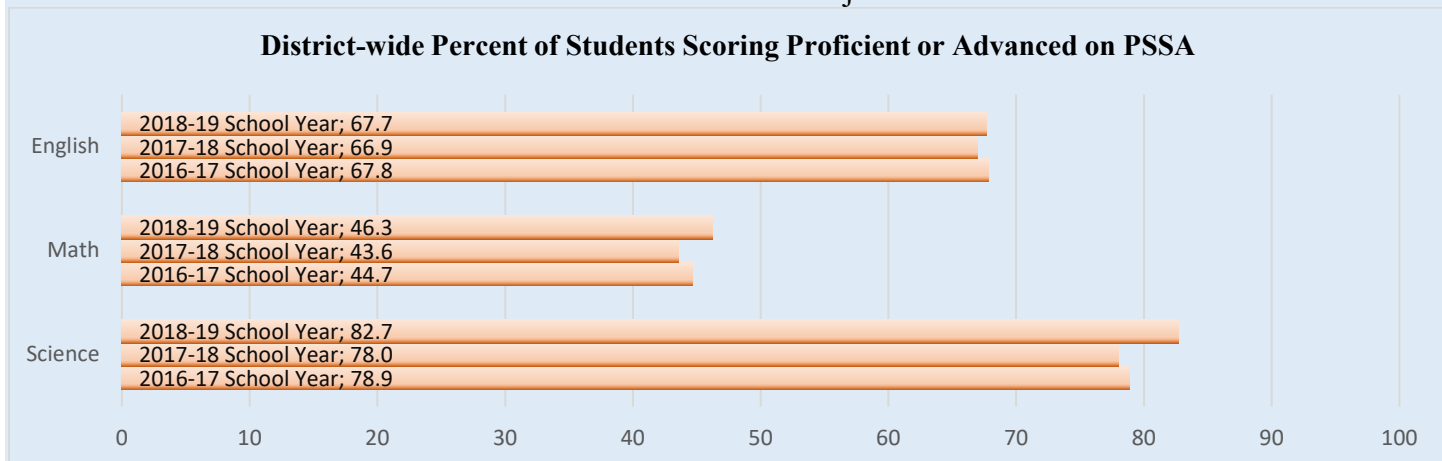
³ Graduation rates were still reported for the 2019-20 school year despite the COVID-19 pandemic.

Academic Information Continued

What is the PSSA?

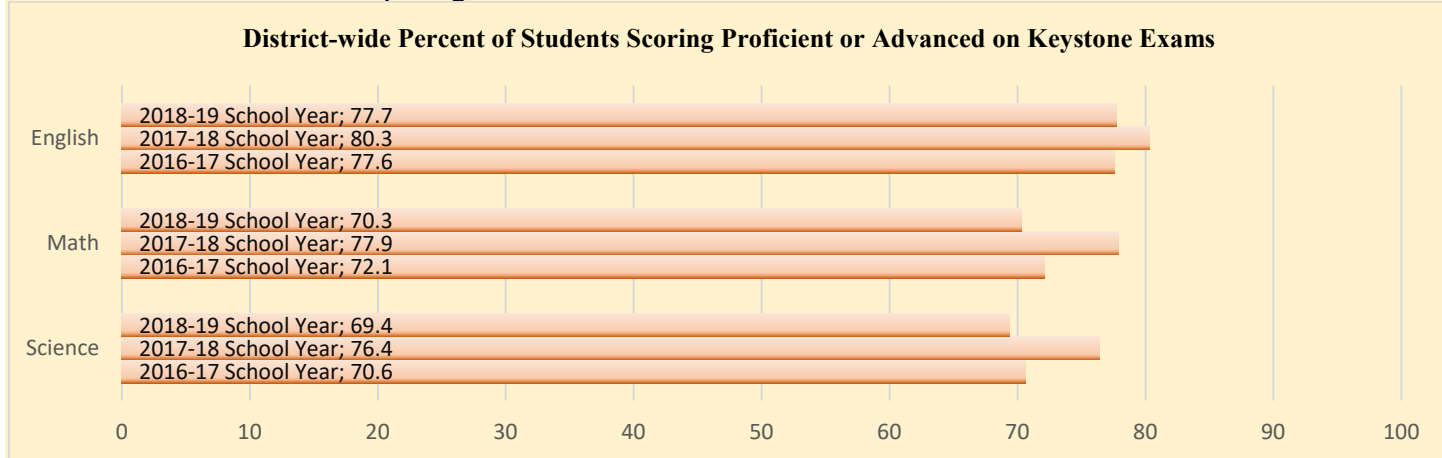
The PSSA is an annual, standardized test given across the Commonwealth to students in grades 3 through 8 in core subject areas, including English, Math and Science. The PSSAs help Pennsylvania meet federal and state requirements and inform instructional practices, as well as provide educators, stakeholders,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

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



What is the Keystone Exam?

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

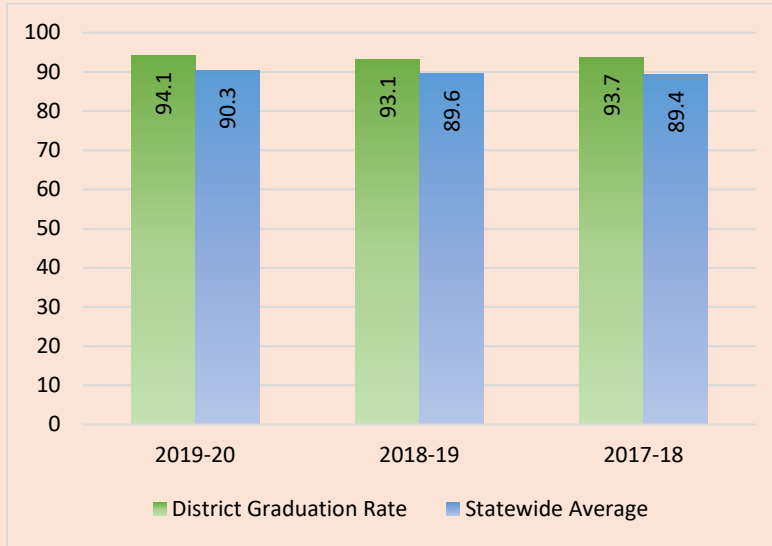


⁴ Act 158 of 2018, effective October 24, 2018, amended the Public School Code to further delay the use of Keystone Exams as a graduation requirement until the 2021-22 school year. See 24 P.S. § 1-121(b)(1). Please refer to the following link regarding further guidance to local education agencies (LEAs)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

Academic Information Continued

What is a 4-Year Cohort Graduation Rate?

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



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

Findings

Finding No. 1

The District's Failure to Implement an Adequate Internal Control System Led to Inaccurate Reporting of Transportation Data Resulting in an \$11,165 Underpayment

Criteria relevant to the finding:

Supplemental Transportation Subsidy for Nonpublic School Students

Section 2509.3 of the Public School Code (PSC) provides that each school district shall receive a supplemental transportation payment of \$385 for each nonpublic school student transported. *See* 24 P.S. § 25-2509.3.

Sworn Statement and Annual Filing Requirements

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

We found that the Northern York County School District (District) did not implement an adequate internal control system over its process for reporting supplemental transportation data to the Pennsylvania Department of Education (PDE). Consequently, the District inaccurately reported the number of nonpublic school students it transported during the 2016-17 through 2019-20 school years which resulted in the District receiving \$11,165 less in transportation reimbursements than it was eligible to receive.⁶

Background: School districts receive two separate transportation reimbursement payments from PDE. The **regular** transportation reimbursement is broadly based on the number of students transported, the number of days each vehicle was used to transport students, and the number of miles that vehicles are in service, both with and without students. The **supplemental** transportation reimbursement is based on the number of nonpublic school and charter school students transported at any time during the school year. The errors identified in this finding pertain to errors in reporting supplemental transportation reimbursement data only.⁷

Pursuant to the Public School Code (PSC), a nonpublic school is defined, in pertinent part, as a nonprofit school other than a public school within the Commonwealth of Pennsylvania, wherein a resident of the Commonwealth may legally fulfill the compulsory school attendance requirements.⁸ The PSC requires school districts to provide transportation services to students who reside in its district and who attend a nonpublic school, and it provides for a reimbursement from the Commonwealth of \$385 for each nonpublic school student transported by the district.

It is essential for the District to properly identify nonpublic school students that it transports, maintain records to support the total number of these students transported throughout the school year, and accurately report this data to PDE. Therefore, the District should have a strong system of internal control over its supplemental transportation operations

⁶ The District received a total of \$96,250 in supplemental transportation reimbursements for the four-year audit period.

⁷ The District did not transport any charter school students during the audit period.

⁸ *See* Section 921.1-A(b) (relating to "Definitions") of the PSC, 24 P.S. § 9-922.1-A(b).

Criteria relevant to the finding (continued):

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

Number of Nonpublic School Students Transported

PDE has established a Summary of Students Transported form (PDE-2089) and relevant instructions specifying how district are to report nonpublic school students transported to and from school.

<https://www.education.pa.gov/Documents/Teachers-Administrators/Pupil%20Transportation/eTran%20Application%20Instructions/PupilTransp%20Instructions%20PDE-2089%20SummPupilsTransp.pdf> (accessed 1/20/22)

Enter the total number of resident NONPUBLIC school pupils you transported to and from school. Documentation identifying the names of these pupils should be retained for review by the Auditor General’s staff. NOPUBLIC school pupils are children whose parents are paying tuition for them to attend a nonprofit private or parochial school. (Any child that your district is financially responsible to educate is a PUBLIC pupil.)

that should include, but not be limited to, the following:

- Training on PDE reporting requirements.
- Segregation of duties.
- Written procedures.

It is also important to note that the PSC requires all school districts to annually file with PDE a sworn statement of student transportation data for the prior and current school years in order to be eligible for transportation reimbursements.⁹ The sworn statement includes the superintendent’s signature attesting to the accuracy of the reported data. Because of this statutorily required attestation, the District should ensure it has implemented an adequate internal control system so its submission to PDE can be made with the utmost confidence.

Nonpublic Student Reporting Errors

We reviewed the nonpublic school student transportation data that the District reported to PDE and found that the District inaccurately reported this data during the audit period. The reporting errors we identified are detailed in the table below.

Northern York County School District Supplemental Transportation Data Reporting Errors		
School Year	(A) No. of Nonpublic Students Over/(Under) Reported ¹⁰	(A) x \$385 Over/(Under) Payment
2016-17	(6)	\$ (2,310)
2017-18	(1)	\$ (385)
2018-19	1	\$ 385
2019-20	(23)	\$ (8,855)
Total	(29)	\$(11,165)

Each school year, the District should obtain a written request for transportation from every nonpublic school student that it transported. The District must maintain this documentation as support for the number of students it reports to PDE for the supplemental reimbursement calculations. We found that the District made errors when categorizing and reporting nonpublic school student data during the 2016-17 through 2019-20 school years.

⁹ See 24 P.S. § 25-2543.

¹⁰ The District reported that it transported the following number of nonpublic students for each school year: 70 during the 2016-17 school year; 70 during the 2017-18 school year; 70 during the 2018-19 school year, and 40 during the 2019-20 school year.

In the 2019-20 school year, the District failed to compile a complete list of the nonpublic students transported. Students attending certain nonpublic schools were mistakenly excluded from the total list. In addition, the District reported some nonpublic school students who were not eligible for reimbursement. A reconciliation between the District's lists of nonpublic students transported and the requests for transportation may have prevented these errors from occurring. The District employee who categorized and reported nonpublic school student data for the 2016-17 through 2018-19 school years is no longer employed by the District. We found that for these years, the annual list of nonpublic school students transported did not agree with the number of students the District reported to PDE.

The multiple categorization and reporting errors that we identified in each year of the audit period was evidence of the District's inadequate internal control system over the reporting of transportation data and ultimately led to the \$11,165 total underpayment to the District.

Significant Internal Control Deficiencies

As previously stated, our review of District transportation processes revealed that the District did not have an adequate internal control system over its supplemental transportation data reporting process. Specifically, we found that the District did not implement adequate segregation of duties when it relied solely on one employee to categorize, calculate, and report nonpublic school students. In addition, we found that the District did not implement the following control activities:

- Ensure that another employee reviewed the data as part of the collection and recording process before it was submitted to PDE.
- Ensure that the employee responsible for categorizing, calculating, and reporting supplemental transportation data received adequate training on PDE reporting requirements.
- Develop detailed written procedures for accurately reporting supplemental transportation data to PDE.

Future Reimbursement Adjustment: We provided PDE with reports detailing the supplemental transportation data reporting errors for the 2016-17 through 2019-20 school years. We recommend that PDE adjust the District's future transportation reimbursement amounts by the \$11,165 that we identified as the total underpayment.

Recommendations

The *Northern York County School District* should:

1. Develop and implement an internal control system governing the process for reporting accurate supplemental transportation data to PDE. The internal control system should include, but not be limited to, the following:
 - All personnel involved with categorizing, reviewing, and reporting supplemental transportation data are trained on PDE's reporting requirements.
 - A review of transportation data is conducted, and documented, by an employee separately from the employee who prepared the data before it is submitted to PDE.
 - Written procedures are developed to document the process for supplemental transportation data calculations and reporting the data to PDE. Such procedures should include adequate retention and safekeeping of records so they may be reviewed internally and through the auditing process.
2. Review the nonpublic school student data it reported for the 2020-21 school year to determine if similar errors were made. If errors are found, the District should submit revised reports to PDE.
3. Perform an annual reconciliation of the individual student written requests for transportation to the list of nonpublic school students transported prior to reporting this data to PDE.

The *Pennsylvania Department of Education* should:

4. Adjust the District's future allocations to resolve the \$11,165 underpayment to the District.

Management Response

Management stated the following:

The District was not able to produce the requested supporting documentation for non-public transportation. While the information should have been kept in long term storage, the documentation could not be found. Moving forward, the District will ensure that the reporting process to PDE for transportation data is reviewed by a person other than the employee preparing the data for submission. The District will develop written procedures to document this process and ensure that personnel are properly trained in this process. Review of nonpublic student data with a reconciliation of the written requests will be performed on an annual basis with revisions submitted, as needed.

Auditor Conclusion

We are pleased that the District intends to implement our recommendations in this area. 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.

Finding No. 2

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

Criteria relevant to the finding:

Internal Control Standards

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

Statutory and Regulatory Requirements

Chapter 23 (relating to Pupil Transportation) of the State Board of Education’s regulations, among other provisions, provides that the board of directors of a school district is responsible for the selection and approval of eligible operators who qualify under the law and regulations. See, in particular, 22 Pa. Code § 23.4(2).

The District failed to meet its statutory obligations related to the employment of individuals having direct contact with students during the 2021-22 school year by not maintaining and monitoring complete and updated records for all drivers transporting its students. Specifically, we found drivers with missing clearances and expired qualification documents. We also found that the District’s Board of School Directors (Board) did not approve all drivers utilized by the District’s three contractors. We determined that the District did not implement sufficient internal controls to meet these obligations.

By not adequately maintaining and monitoring driver records and board approving drivers, the District could not ensure that all contracted drivers were properly qualified and cleared to transport students as required by state law and associated regulations (see criteria box).

Background

Importance of Internal Controls

State statutes and regulations establish the minimum required qualifications for school bus and van drivers, including, among others, the PSC and the Child Protective Services Law. The District and its Board are responsible for the selection and approval of eligible school bus and van operators who qualify under state law and regulations.¹¹ Therefore, the District should have a strong system of internal control over its bus driver review process that should include, but not be limited to, the following:

- Documented review of all driver credentials prior to Board approval.
- Monitoring of driver credentials to ensure current clearances, licenses, and annual physical exam results are on file.
- A system to track who is driving each bus throughout the school year to ensure the Board has authorized all drivers.
- Clear and concise written policies and procedures specific to reviewing and monitoring driver qualification and clearance documents, including contracted drivers.
- Training on driver qualification and clearance requirements for employees responsible for all bus driver records.

¹¹ See 22 Pa. Code § 23.4(2).

Criteria relevant to the finding (continued):

Section 111 of the PSC requires state and federal criminal background checks and Section 6344(b) of the Child Protective Services Law (CPSL) requires a child abuse clearance. *See* 24 P.S. § 1-111 and 23 Pa.C.S. § 6344(b), as amended. Additionally, administrators are required to maintain copies of all required clearances. *See* 24 P.S. § 1-111(b) and (c.1) and 23 Pa.C.S. § 6344(b.1).

Furthermore, both the PSC and the CPSL now require recertification of the required state and federal background checks and the child abuse clearance every 60 months (or every five years). *See* 24 P.S. § 1-111(c.4) and 23 Pa.C.S. § 6344.4.

With regard to criminal background checks, Sections 111(b) and (c.1) of the PSC require prospective school employees who have direct contact with children, including independent contractors and their employees, to submit a report of criminal history record information obtained from the Pennsylvania State Police, as well as a report of Federal criminal history record information obtained from the Federal Bureau of Investigation. *See* 24 P.S. § 1-111(b) and (c.1).

Moreover, Section 6344(a.1) and (b)(1) of the CPSL require school employees to obtain a Pennsylvania Child Abuse History Clearance to certify whether an applicant is named in the Statewide database as an alleged perpetrator in a pending child abuse investigation or as the perpetrator of a founded report or an indicated report. *See* 23 Pa.C.S. § 6344(a.1) and (b)(1).

Driver Employment Requirements

Regardless of whether they hire their own drivers or use contracted drivers, school districts are required to verify and have on file a copy of the following documents for each employed or contracted driver *before* he or she can transport students with Board approval:

1. Driver qualification credentials,¹² including:
 - a. Valid driver’s license (Commercial driver’s license if operating a school bus).
 - b. Valid school bus endorsement card, commonly referred to as an “S” card, indicating completion of skills and safety training (if operating a school bus).
 - c. Annual physical examination (if operating a school bus).
2. Criminal history reports/clearances:
 - a. State Criminal History Clearance (Pennsylvania State Police [PSP] clearance).
 - b. Federal Criminal History Clearance, based on a full set of fingerprints (FBI clearance).
 - c. PA Child Abuse History Clearance.¹³

It is important to note that all three clearances must be obtained every five years.¹⁴

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

The District utilized two primary contractors and one secondary contractor to provide bus and van drivers (drivers) to transport students. The secondary contractor only provided one van with one driver.

Incomplete Driver List

The District provided a list of 66 drivers transporting students as of November 5, 2021. We evaluated the completeness of that list and determined the District’s driver list was not complete. We found that two drivers were not included on the District’s list. We then requested the District’s personnel files for 35 of the 68 drivers, which included the two missing drivers, for testing.

¹² Pennsylvania’s Vehicle Code, 75 Pa.C.S. §§ 1508.1 (relating to Physical examinations) and 1509 (relating to Qualifications for school bus driver endorsement).

¹³ This clearance is from the state Department of Human Services.

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

*Criteria relevant to the finding
(continued):*

As for contracted school bus drivers, Section 111(a.1)(1) specifies that bus drivers employed by a school entity through an independent contractor who have direct contact with children must also comply with Section 111 of the PSC. *See* 24 P.S. § 1-111(a.1)(1). *See also* CPSL 23 Pa.C.S. § 6344(a.1)(1).

Pursuant to Section 111(c.4) of the PSC, administrators are required to review the background clearances and determine if the clearance reports disclose information that may require further action. *See* 24 P.S. § 1-111(c.4).

Administrators are also required to review the required documentation according to Section 111(g)(1) of the PSC. This section provides that an administrator, or other person responsible for employment decisions in a school or institution under this section who willfully fails to comply with the provisions of this section commits a violation of this act, subject to a hearing conducted by the Pennsylvania Department of Education (PDE) and shall be subject to a civil penalty up to \$2,500. *See* 24 P.S. § 1-111(g)(1).

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

The results of our review revealed that the District did not have adequate internal controls in place to properly oversee and Board approve its contracted drivers. The internal control weaknesses we identified are described in the following narrative.

Incomplete Driver Records

During our initial review, we found that the District did not have a personnel file for one driver and we therefore determined that the District had not obtained and reviewed any of the qualification and clearance documentation for that driver. In addition, we found that 5 of the remaining 34 drivers reviewed had at least one documentation deficiency, as noted below:

- One driver was missing the FBI clearance.
- One driver was missing the PSP clearance.
- One driver was missing the PSP clearance and had an expired physical examination.
- One driver had an expired physical examination.
- One driver had an expired S endorsement card.

District officials attributed the missing/expired documents, in part, to administrative error. The District employee who monitors driver files did not fully review those files to determine if all required qualifications and clearances had been provided and were valid. Moreover, District officials acknowledged that they never requested driver qualifications or clearances from the secondary contractor and that is the reason that the District did not have a personnel file for the driver mentioned above. District officials also indicated that delays with the two primary contractors providing updated qualifications and clearances contributed to the documentation deficiencies.

After we brought the documentation deficiencies to the District's attention, the District worked with its three contractors to obtain all of the missing documentation.

Failure to Board Approve All Drivers

The requirement to Board approve drivers is designed to provide the public with assurance that District administration has determined that authorized drivers have the required qualifications and clearances on file *prior to* employment. The Board approved an initial list of drivers for the 2021-22 school year at its September 2021 meeting. However, we found that 13 drivers from the District's list of 66 drivers, as of November 5, 2021, were not Board approved. Additionally, the two drivers who were not included on the District's driver list were also not Board approved. The District acknowledged that it does **not** have a

Criteria relevant to the finding (continued):

Section 8.2 of Title 22, Chapter 8 (relating to Criminal Background Checks) of the State Board of Education regulations requires, in part, “School entities shall require a criminal history background check **prior to hiring an applicant or accepting the services of a contractor**, if the applicant, contractor or contractor’s employees would have direct contact with children.” (Emphasis added.) See 22 Pa. Code § 8.2(a).

PDE Guidance Document

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

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

process in place to approve drivers hired after the start of the school year or drivers from its secondary contractor.

Conclusion

The District and its Board did not meet their statutory requirements to ensure that all drivers were qualified and eligible to transport students. Specifically, the District and its Board did not comply with all applicable laws, regulations, and PDE guidance documents when it failed to have the Board approve **all** drivers and when it failed to obtain, review, and maintain all required driver qualifications and clearances.

Ensuring that ongoing qualification and clearance requirements are satisfied is a vital student protection obligation and responsibility placed on the District and its Board. The ultimate purpose of these requirements is to ensure the safety and welfare of students transported on school buses and vans. The use of a contractor to provide student transportation does not alleviate the District’s legal obligations and responsibilities.

Recommendations

The *Northern York County School District* should:

1. Implement verifiable internal control procedures with a documented review process to ensure that only qualified and authorized individuals are driving for the District. These procedures should ensure:
 - All required qualification and clearance documents are obtained, reviewed, and on file at the District prior to individuals being presented to the Board for approval and/or transporting students.
 - All required documentation is continuously monitored, updated, and complete.
2. Comply with all applicable laws and regulations to obtain, review, and maintain required qualifications and background clearances for **all** contracted drivers that have direct contact with students.
3. Ensure that all qualification and clearance documents for new drivers added after the start of the school year are reviewed and all drivers are presented to the Board for approval in a timely manner.

Management Response

Management stated the following

The District will develop written procedures to document the process of obtaining driver qualifications and clearances for all drivers presented to the District by the transportation contractors. The documentation obtained for all drivers will comply with laws and regulations and be monitored and updated, as needed. Currently, drivers' lists have been taken to the Board

on an annual basis, however moving forward, the District will ensure that revised driver lists be taken to the Board for approval on a regular basis.

Auditor Conclusion

We are pleased that the District plans to implement corrective actions to address these recommendations. We will evaluate the effectiveness of the District's corrective actions during our next audit of the District.

Status of Prior Audit Findings and Observations

Our prior Limited Procedures Engagement of the Northern York County School District resulted in no findings or observations.

Appendix A: Audit Scope, Objectives, and Methodology

School performance audits allow the Pennsylvania Department of the Auditor General to determine whether state funds, including school subsidies, are being used according to the purposes and guidelines that govern the use of those funds. Additionally, our audits examine the appropriateness of certain administrative and operational practices at each local education agency (LEA). The results of these audits are shared with LEA management, the Governor, the Pennsylvania Department of Education (PDE), and other concerned entities.

Our audit, conducted under authority of Sections 402 and 403 of The Fiscal Code,¹⁵ is not a substitute for the local annual financial audit required by the Public School Code of 1949, as amended. We conducted our audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit.

Our audit focused on the District's effectiveness and/or compliance with applicable statutory provisions and related regulations in the areas of Transportation Operations, Bus Driver Requirements, Nonresident Student Data, 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.¹⁶ *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.¹⁷ 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.

¹⁵ 72 P.S. §§ 402 and 403.

¹⁶ 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.

¹⁷ Even though the Green Book was written for the federal government, it explicitly states that it may also be adopted by state, local, and quasi-government entities, as well as not-for-profit organizations, as a framework for establishing and maintaining an effective internal control system. The Green Book is assessable at <https://www.gao.gov/products/GAO-14-704G>

Figure 1: Green Book Hierarchical Framework of Internal Control Standards

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

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

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

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

Figure 2 – Internal Control Components and Principles Identified as Significant

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

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

Objectives/Scope/Methodology

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

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

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?¹⁸
 - ✓ To address this objective, we assessed the District's internal controls for obtaining, inputting, processing, and reporting supplemental transportation data (nonpublic school and charter school students) to PDE. We reviewed all 250 nonpublic school students reported by the District to PDE as transported during the audit period. For all nonpublic school students reported, we requested the individual written requests for transportation to determine whether the District had support for each student it reported to PDE and if the District was accurately reimbursed for the reporting of these students.
 - ✓ Additionally, we assessed the District's internal controls for obtaining, inputting, processing, and reporting regular transportation data to PDE. We then randomly selected 10 of the 56 vehicles reported by the District to PDE as transporting students for the 2019-20 school year.¹⁹ For each vehicle tested, we obtained and reviewed odometer readings, student rosters, and individual school calendars. We determined whether the District accurately calculated and reported sample average data to PDE and if the District was accurately reimbursed for the reporting of this data.

Conclusion: The results of our review of this objective identified areas of noncompliance and significant internal control deficiencies related to the supplemental transportation data that are detailed in Finding No. 1 beginning on page 7 of this report.

¹⁸ See 24 P.S. § 25-2541(a).

¹⁹ 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.

Bus Driver Requirements

- Did the District ensure that all bus drivers transporting District students are approved by the Board of School Directors (Board) and had the required driver’s license, physical exam, training, background checks, and clearances²⁰ as outlined in applicable laws?²¹ 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 Board. We selected 35 of the 68 bus and van drivers transporting District students as of November 5, 2021. We randomly selected 33 drivers while the remaining 2 were selected due to having a higher risk of noncompliance.²² We reviewed documentation to ensure the District complied with the qualification and clearance requirements for bus drivers. We also determined if the District had monitoring procedures to ensure that all drivers had updated clearances, licenses, and health physicals.

Conclusion: The results of our procedures identified areas of noncompliance and significant internal control deficiencies related to this objective. Our results are detailed in Finding No. 2 beginning on page 12 of this report.

Nonresident Student Data

- Did the District accurately report nonresident students to PDE? Did the District receive the correct reimbursement for these nonresident students?²³
 - ✓ To address this objective, we assessed the District’s internal controls over obtaining, categorizing, and reporting nonresident student membership data to PDE. We reviewed all six nonresident foster students reported to PDE as educated by the District during the 2019-20 school year. We reviewed documentation to verify that each nonresident student the District reported met the eligibility criteria. Specifically, we verified that the custodial parent and/or guardian was not a resident of the District. We also determined whether the foster parent(s) resided within the District and received a stipend for caring for the student. We determined whether or not the District received the correct reimbursement for these nonresident students.

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

²⁰ 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.

²¹ 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.

²² The drivers not randomly selected were chosen because they were not identified by the District on the initial list of 66 drivers provided to us upon request. Therefore, the combined selection of drivers is not representative of the population, and the results of this audit procedure are not, and should not be, projected to the population.

²³ See 24 P.S. §§ 13-1301, 13-1302, 13-1305, 13-1306; 22 Pa. Code Chapter 11.

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?²⁴ 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, training agendas, anti-bullying policies, risk and vulnerability assessments, student handbooks, and memorandums of understanding with local law enforcement.

Conclusion: Due to the sensitive nature of school safety, the full results of our review are not described in our audit report, but they were shared with District officials, PDE's Office of Safe Schools, and other appropriate law enforcement agencies deemed necessary.

- Did the District comply with the fire and security drill requirements of Section 1517 of the Public School Code?²⁵ Also, did the District accurately report the dates of drills to PDE and maintain supporting documentation to evidence the drills conducted and reported to PDE?
 - ✓ To address this objective, we obtained and reviewed the fire and security drill records for the 2018-19 and 2019-20 school years. We determined if security drills were held within the first 90 days of each 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 supporting documentation provided by the District.

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

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

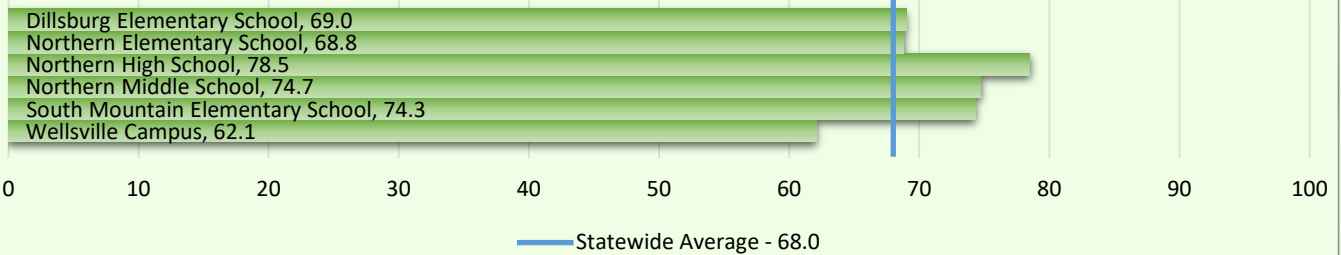
²⁵ Public School Code (Fire and Security Drills) 24 P.S. § 15-1517.

Appendix B: Academic Detail

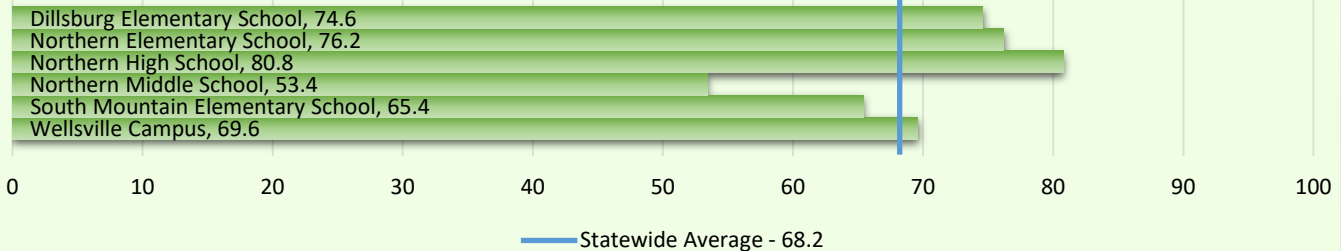
Benchmarks noted in the following graphs represent the statewide average of all public school buildings in the Commonwealth that received a score in the category and year noted.²⁶ Please note that if one of the District's schools did not receive a score in a particular category and year presented below, the school will not be listed in the corresponding graph.²⁷

SPP School Scores Compared to Statewide Averages

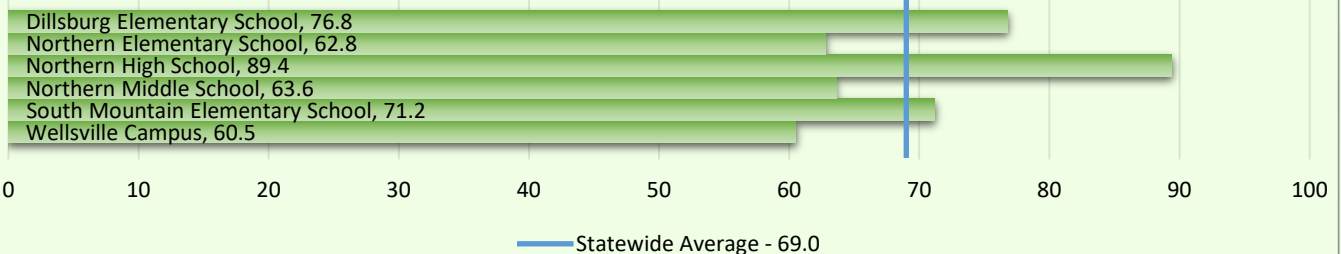
2018-19



2017-18



2016-17

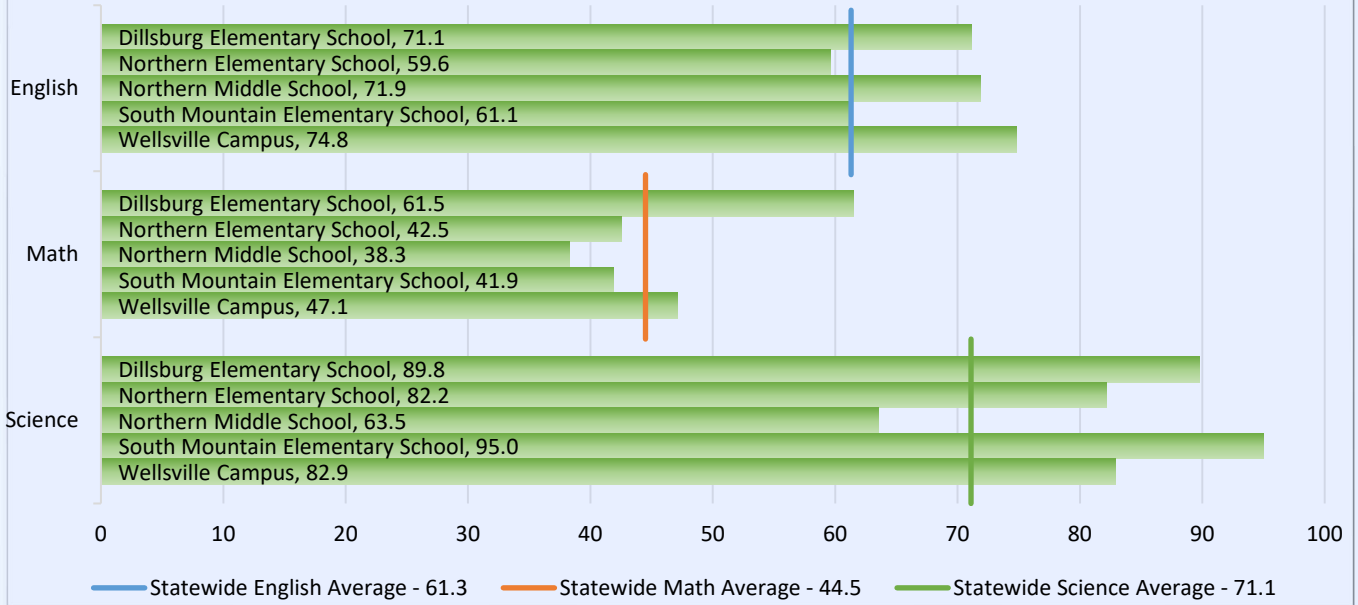


²⁶ Statewide averages were calculated by our Department based on individual school building scores for all public schools in the Commonwealth, including district schools, charters schools, and cyber charter schools.

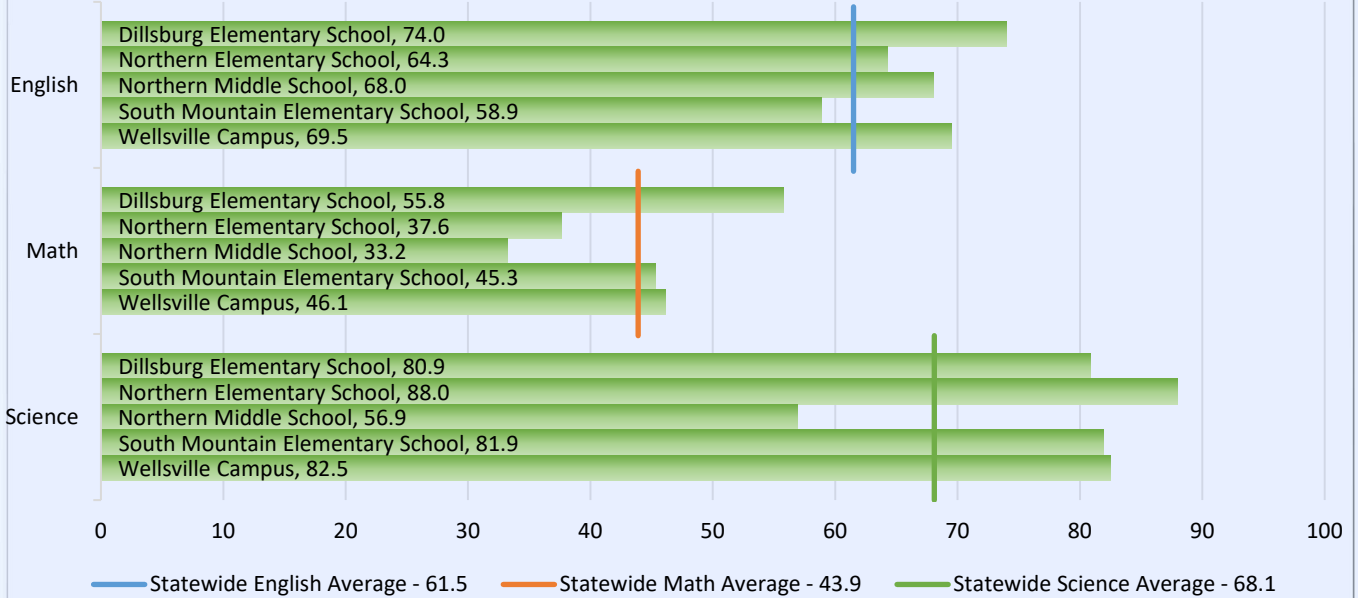
²⁷ PDE's data does not provide any further information regarding the reason a score was not published for a specific school. However, readers can refer to PDE's website for general information regarding the issuance of academic scores.

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

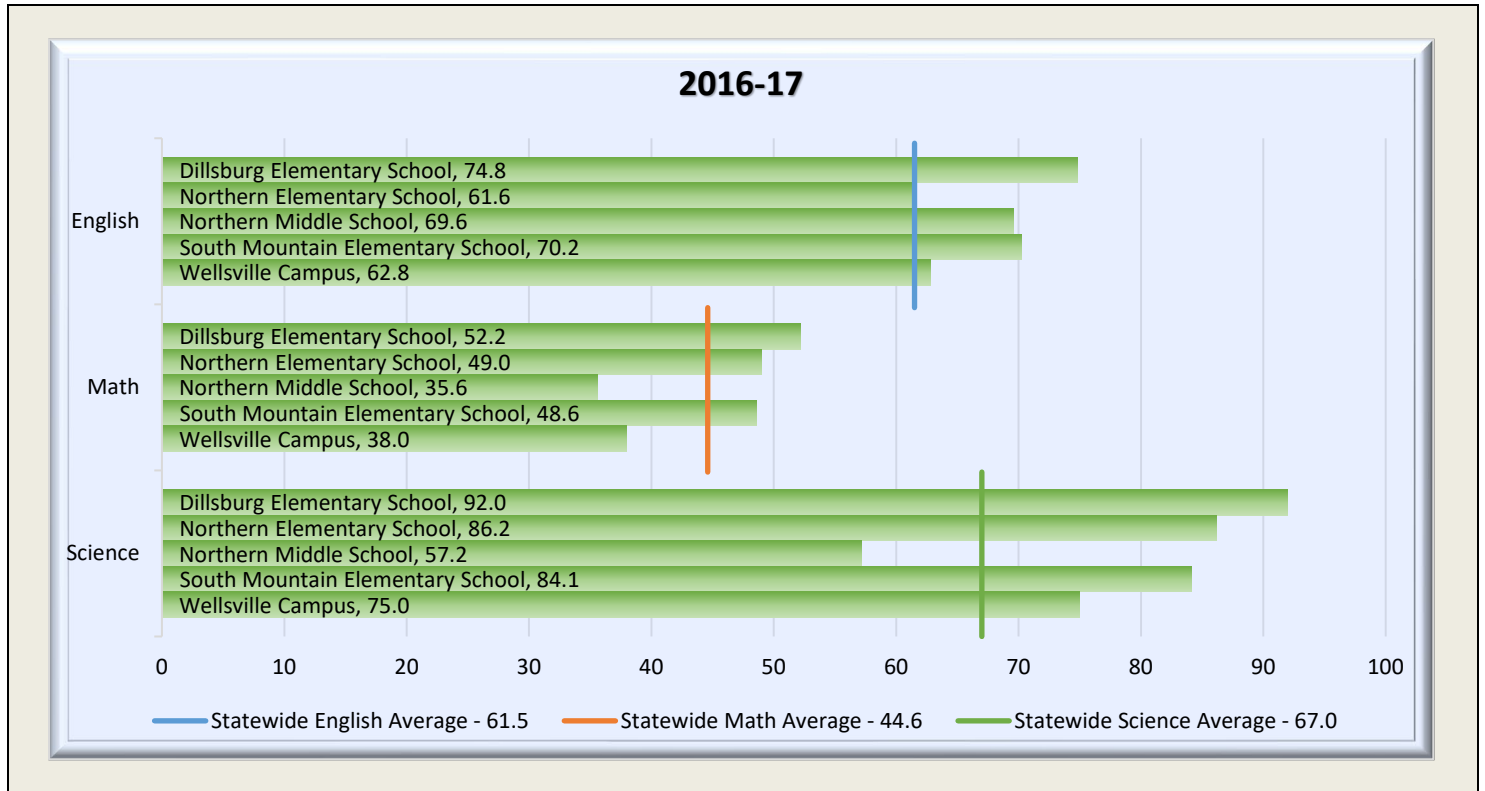
2018-19



2017-18

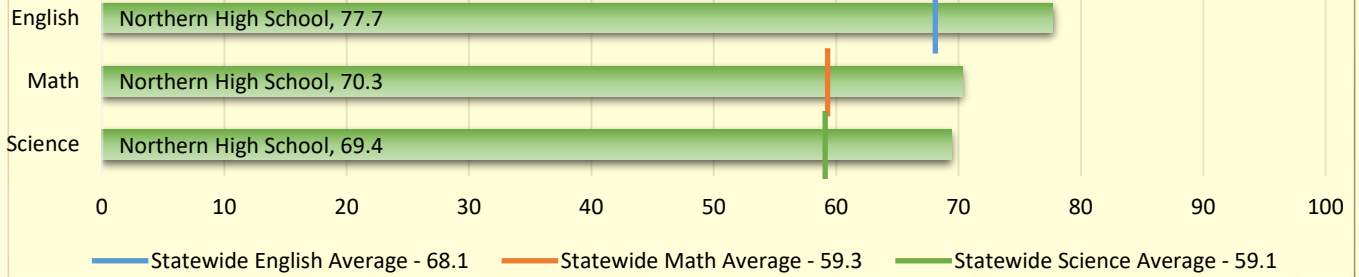


**PSSA Advanced or Proficient Percentage
School Scores Compared to Statewide Averages (continued)**

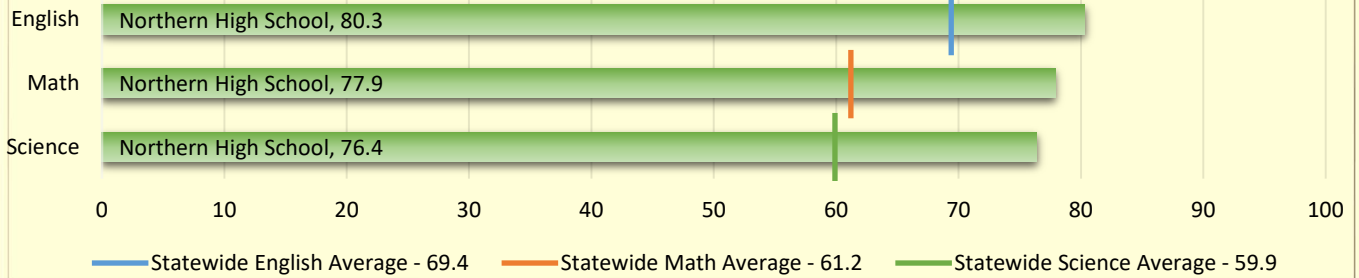


Keystone Advanced or Proficient Percentage School Scores Compared to Statewide Averages

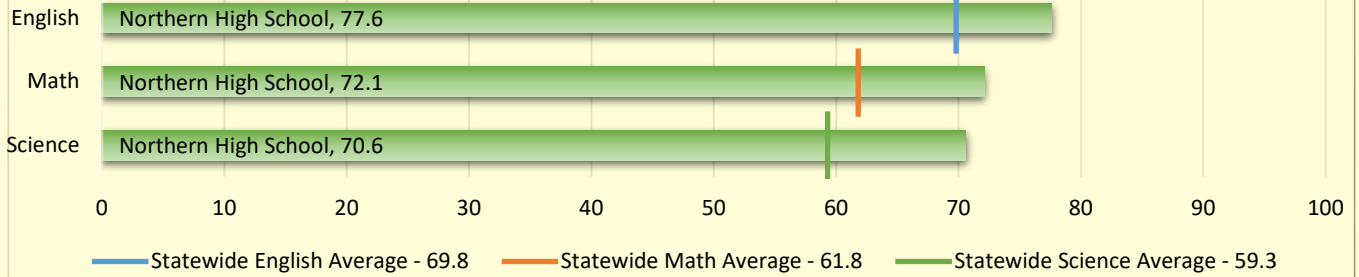
2018-19



2017-18



2016-17



Distribution List

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

The Honorable Tom W. Wolf
Governor
Commonwealth of Pennsylvania
Harrisburg, PA 17120

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

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

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

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

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

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