

# PERFORMANCE AUDIT

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## Schuylkill Valley School District Berks County, Pennsylvania

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December 2020



Commonwealth of Pennsylvania  
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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**EUGENE A. DePASQUALE  
AUDITOR GENERAL**

Mr. Michael T. Mitchell, Superintendent  
Schuylkill Valley School District  
929 Lakeshore Drive  
Leesport, Pennsylvania 19533

Mr. G. Dane Miller, Board President  
Schuylkill Valley School District  
929 Lakeshore Drive  
Leesport, Pennsylvania 19533

Dear Mr. Mitchell and Mr. Miller:

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

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

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

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

Our audit identified areas of noncompliance and significant internal control deficiencies in the areas of nonresident student data, transportation operations, and bus driver requirements and those deficiencies are detailed in the findings in this report. A summary of the results is presented in the Executive Summary section of this audit report.

In addition, we identified internal control deficiencies in the administrator separation area and the regular transportation reimbursement section of the transportation operations area that were not significant but warranted the attention of those charged with governance. Those deficiencies were verbally communicated to those charged with governance for their consideration. We also found the District performed adequately in the financial stability objective.

Mr. Michael T. Mitchell

Mr. G. Dane Miller

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Our 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 other relevant requirements.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Eugene A. DePasquale", with a long horizontal flourish extending to the right.

Eugene A. DePasquale

Auditor General

November 30, 2020

cc: **SCHUYLKILL VALLEY SCHOOL DISTRICT** Board of School Directors

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## Executive Summary

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### Audit Work

The Pennsylvania Department of the Auditor General conducted a performance audit of the Schuylkill Valley 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 and to determine the status of corrective action taken by the District in response to our prior audit recommendations.

Our audit scope covered the period July 1, 2015 through June 30, 2019, 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 2015-16 through 2018-19 school years.

### Audit Conclusion and Results

Our audit found that the District applied best practices and complied, in all significant respects, with certain relevant state laws, regulations, contracts, and administrative procedures, except for three findings.

#### **Finding No. 1: The District Failed to Accurately Report Nonresident Student Data to the Pennsylvania Department of Education Resulting In an Underpayment of \$43,390**

We found that the District inaccurately reported nonresident student data to the Pennsylvania Department of Education (PDE) for the 2015-16 and 2016-17 school years. During these school years, the District educated nonresident foster students for whom the District was eligible to receive Commonwealth-paid tuition; however, the District did not accurately report these students to PDE. The failure to report these students resulted in the District not receiving \$43,390 in

Commonwealth-paid tuition to which it was entitled (see page 9).

#### **Finding No. 2: The District Inaccurately Reported the Number of Nonpublic School Students Transported Resulting in an Overpayment of \$15,785**

The District inaccurately reported the number of nonpublic school students transported by the District. As a result, the District was overpaid a total of \$15,785 in transportation reimbursements from PDE for the 2015-16, 2016-17, 2017-18, and 2018-19 school years (see page 12).

#### **Finding No. 3: The District Failed to Comply with Provisions of the Public School Code and Associated Regulations by Not Maintaining Complete Records and Properly Monitoring Its Contracted Bus Driver**

The District failed to meet its statutory obligations related to the employment of individuals having direct contact with students during the 2019-20 school year by not maintaining complete and updated records for all drivers transporting students. We also found that the District's Board of School Directors (Board) did not approve all drivers who transported students throughout the school year. By not adequately maintaining and monitoring driver qualifications and having board approved drivers, the District could not ensure that all contracted drivers were properly qualified and cleared to transport students. Finally, we noted that the District's board policy regarding contracted services does not include the legal requirement to renew background clearances every five years (see page 16).

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

With regard to the status of our prior audit recommendations, we found that the District has taken appropriate corrective action in implementing

our recommendations pertaining to obtaining Board approval for contracts (see page 21).

## Background Information

School Characteristics 2019-20 School Year*	
County	Berks
<b>Total Square Miles</b>	53
<b>Number of School Buildings</b>	3
<b>Total Teachers</b>	155
<b>Total Full or Part-Time Support Staff</b>	108
<b>Total Administrators</b>	15
<b>Total Enrollment for Most Recent School Year</b>	2,111
<b>Intermediate Unit Number</b>	14
<b>District Career and Technical School</b>	Berks Career & Technology Center

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

## Mission Statement\*

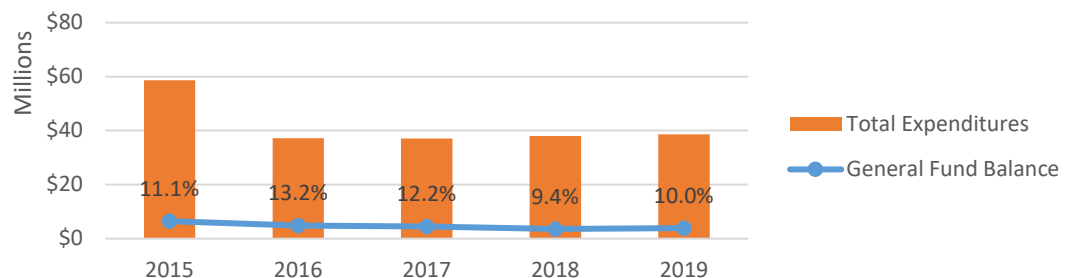
To provide a safe, nurturing environment in which each student is challenged to think critically, problem-solve, create and communicate. With the cooperation of parents and the community, we prepare our students to be responsible and contributing members of society.

## Financial Information

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

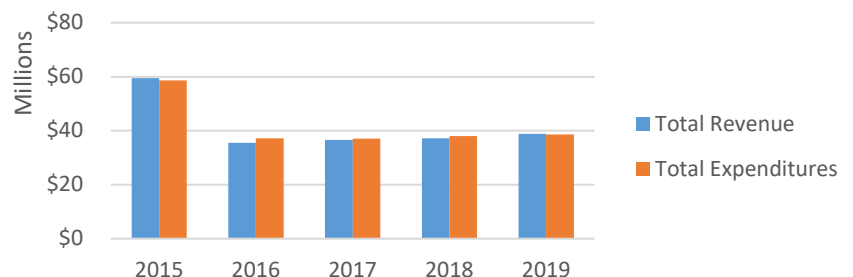
### General Fund Balance as a Percentage of Total Expenditures

	General Fund Balance
2015	\$6,478,048
2016	\$4,902,285
2017	\$4,512,444
2018	\$3,593,497
2019	\$3,861,825



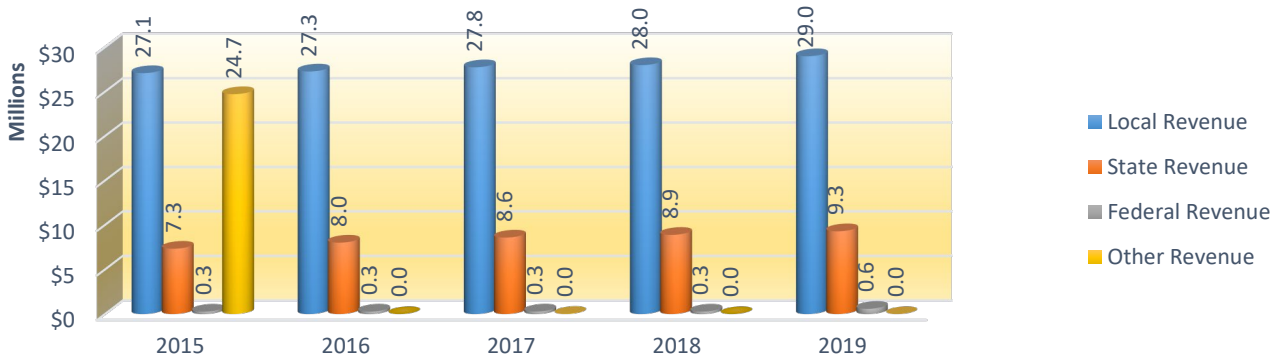
### Revenues and Expenditures

	Total Revenue	Total Expenditures
2015	\$59,433,258	\$58,604,713
2016	\$35,576,757	\$37,152,520
2017	\$36,650,406	\$37,040,247
2018	\$37,155,211	\$38,074,156
2019	\$38,887,283	\$38,618,955

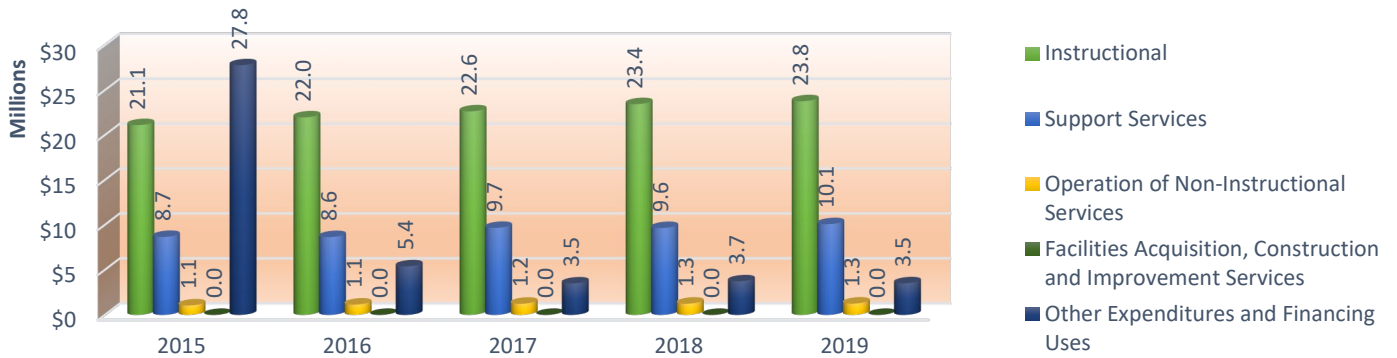


## Financial Information Continued

### Revenues by Source

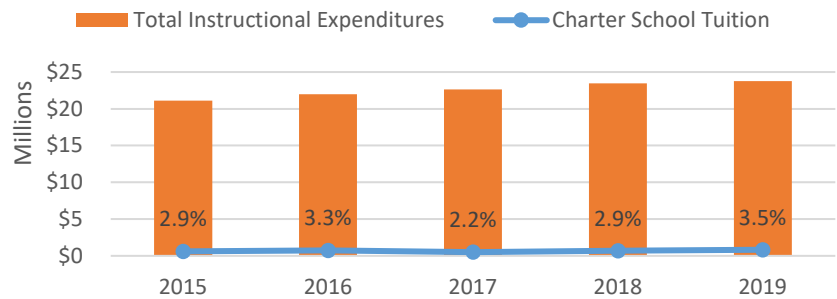


### Expenditures by Function

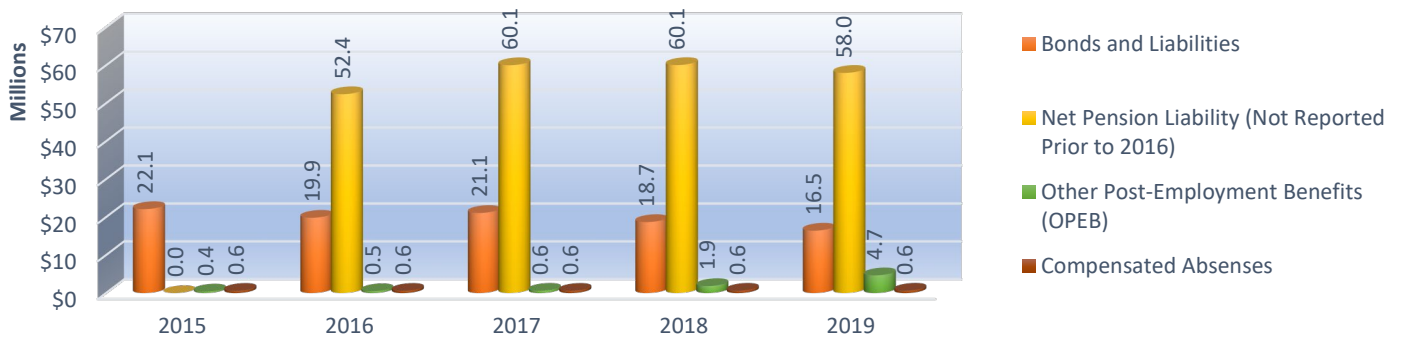


### Charter Tuition as a Percentage of Instructional Expenditures

	Charter School Tuition	Total Instructional Expenditures
2015	\$613,084	\$21,114,769
2016	\$730,767	\$21,974,685
2017	\$503,658	\$22,644,632
2018	\$688,897	\$23,449,101
2019	\$830,508	\$23,776,174



### Long-Term Debt



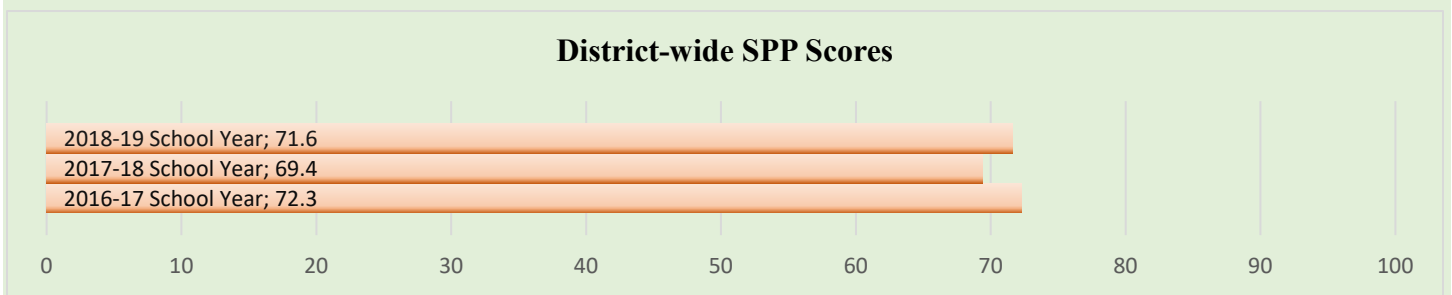


## Academic Information

The graphs on the following pages present the District-wide School Performance Profile (SPP) scores, Pennsylvania System of School Assessment (PSSA) scores, Keystone Exam results, and 4-Year Cohort Graduation Rates for the District obtained from PDE's data files for the 2016-17, 2017-18, and 2018-19 school years.<sup>1</sup> The District's individual school building scores are presented in Appendix B. These scores are provided in this audit report for **informational purposes only**, and they were not audited by our Department.

### What is a SPP score?

A SPP score serves as a benchmark for schools to reflect on successes, achievements, and yearly growth. PDE issues a SPP score annually using a 0-100 scale for all school buildings in the Commonwealth, which is calculated based on standardized testing (i.e., PSSA and Keystone exam scores), student improvement, advance course offerings, and attendance and graduation rates. Generally speaking, a SPP score of 70 or above is considered to be a passing rate.<sup>2</sup>



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

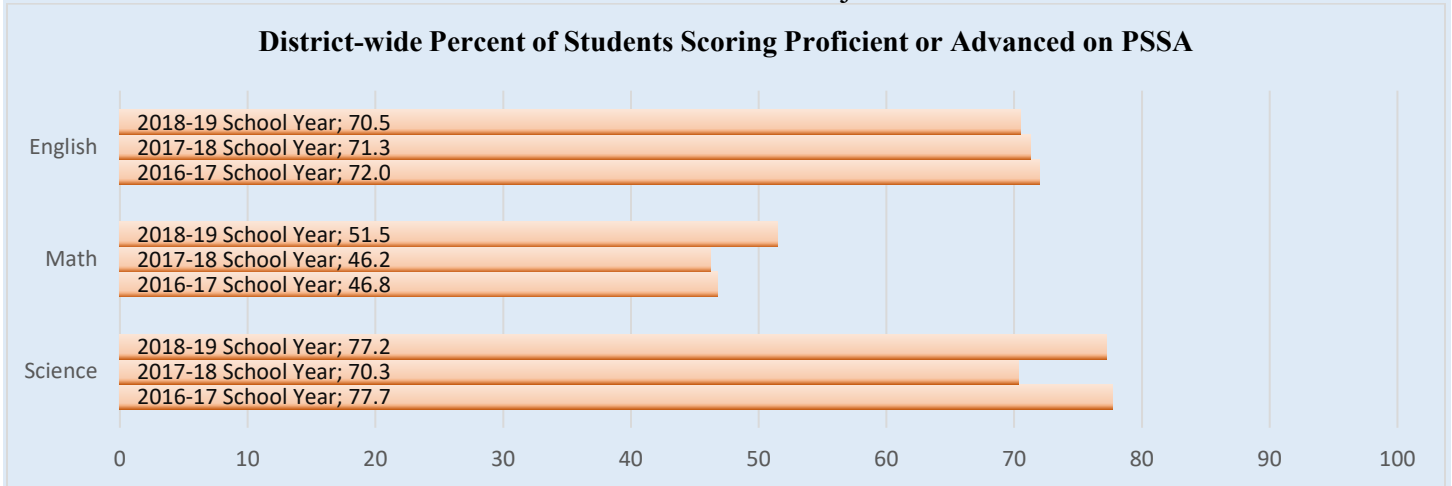
<sup>2</sup> PDE started issuing a SPP score for all public school buildings beginning with the 2012-13 school year. For the 2014-15 school year, PDE only issued SPP scores for high schools taking the Keystone Exams as scores for elementary and middle scores were put on hold due to changes with PSSA testing. PDE resumed issuing a SPP score for all schools for the 2015-16 school year.

## Academic Information Continued

### What is the PSSA?

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

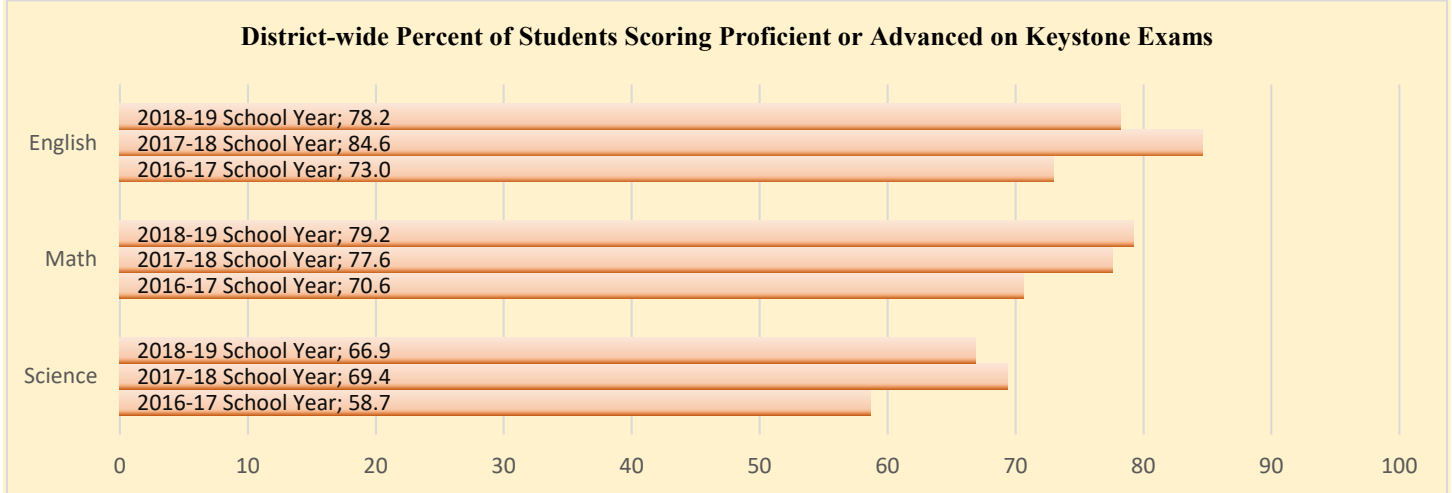
The 2014-15 school year marked the first year that PSSA testing was aligned to the more rigorous PA Core Standards. The state uses a grading system with scoring ranges that place an individual student's performance into one of four performance levels: Below Basic, Basic, Proficient, and Advanced. The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



## Academic Information Continued

### What is the Keystone Exam?

The Keystone Exam measures student proficiency at the end of specific courses, such as Algebra I, Literature, and Biology. The Keystone Exam was intended to be a graduation requirement starting with the class of 2017, but that requirement has been put on hold until the 2020-21 school year.<sup>3</sup> In the meantime, the exam is still given as a standardized assessment and results are included in the calculation of SPP scores. The Keystone Exam is scored using the same four performance levels as the PSSAs, and the goal is to score Proficient or Advanced for each course requiring the test.

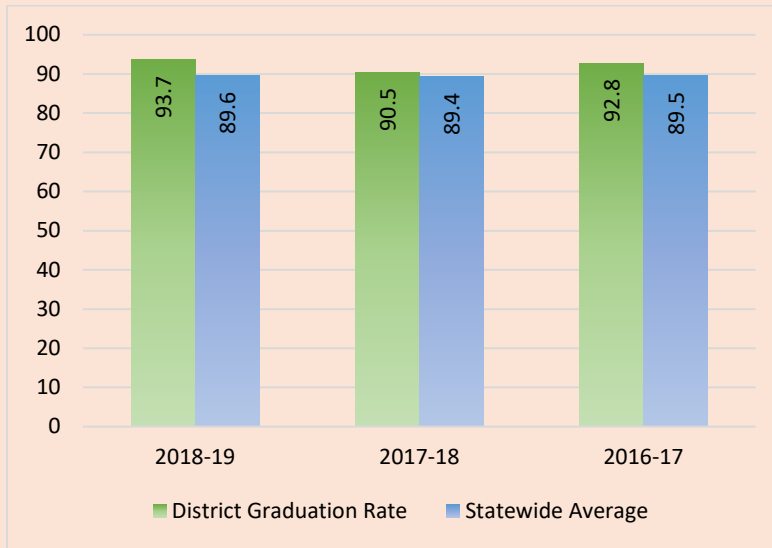


<sup>3</sup> Act 158 of 2018, effective October 24, 2018, amended the Public School Code to further delay the use of Keystone Exams as a graduation requirement until the 2021-22 school year. See 24 P.S. § 1-121(b)(1). Please refer to the following link regarding further guidance to local education agencies (LEAs) on Keystone end-of-course exams (Keystone Exams) in the context of the pandemic of 2020: <https://www.education.pa.gov/Schools/safeschools/emergencyplanning/COVID-19/Pages/Keystone-Exams.aspx>

## Academic Information Continued

### What is a 4-Year Cohort Graduation Rate?

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



<sup>4</sup> PDE also calculates 5-year and 6-year cohort graduation rates. Please visit PDE's website for additional information: <http://www.education.pa.gov/Data-and-Statistics/Pages/Cohort-Graduation-Rate.aspx>.

## Findings

### Finding No. 1

### The District Failed to Accurately Report Nonresident Student Data to the Pennsylvania Department of Education Resulting In an Underpayment of \$43,390

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

The State Board of Education's regulations and the Pennsylvania Department of Education (PDE) guidelines govern the classifications of nonresident children placed in private homes.

#### **Payment of Tuition**

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

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

We found that the Schuylkill Valley School District (District) inaccurately reported nonresident student data to the Pennsylvania Department of Education (PDE) for the 2015-16 and 2016-17 school years.<sup>5</sup> During these school years, the District educated nonresident foster students for whom the District was eligible to receive Commonwealth-paid tuition; however, the District did not accurately report these students to PDE. The failure to report these students resulted in the District not receiving \$43,390 in Commonwealth-paid tuition to which it was entitled.

School districts are entitled to receive Commonwealth-paid tuition for educating certain nonresident students. To be eligible to receive Commonwealth paid tuition, the student's parent/guardian must not be a resident of the educating district and the student must have been placed in the private home of a resident within the district by order of the court or by arrangement with an association, agency, or institution.<sup>6</sup> Additionally, the district resident must be compensated for the care of the student.

These students are commonly referred to as "foster students" and it is the mandate of the educating district to obtain the required documentation to correctly categorize and accurately report the number of foster students educated to PDE.

The table below details the number of foster students reported to PDE as educated by the District, the audited number of foster students educated, and the amount of Commonwealth-paid tuition that the District was underpaid as a result of failing to accurately report these students to PDE.

Schuylkill Valley School District Nonresident Student Data			
School Year	Reported Number of Foster Students	Audited Number of Foster Students	Underpayment
2015-16	7	8	\$10,347
2016-17	9	12	\$33,043
<b>Total</b>	<b>16</b>	<b>20</b>	<b>\$43,390</b>

<sup>5</sup> We found that the District accurately reported nonresident foster students to PDE for the 2017-18 and 2018-19 school years.

<sup>6</sup> For example, the applicable county children and youth agency.

*Criteria relevant to the finding  
(continued):*

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

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

The District did not have adequate internal controls over the categorization and reporting of foster students during the audit period. The former District official who reported this information was solely responsible for categorizing and reporting foster students. During our review of the documentation available, we concluded that there was no distinguishing characteristics in the documentation for the foster students who were not accurately reported to PDE. Based on this fact, a secondary review of the data by someone other than the official who was responsible for reporting the data to PDE most likely would have revealed these errors.

The current District official responsible for categorizing and reporting foster students started in this role during the 2016-17 school year. It was not until the 2019-20 school year that the District implemented written procedures specifically addressing the accurate categorization and reporting of foster students. The impetus for these procedures was turnover of the District’s Superintendent and Business Manager. However, the District did not implement a review process of the foster student data or additional internal controls to ensure that fosters students are correctly categorized and reported to PDE.

We provided PDE with reports detailing the errors we identified for the 2015-16 and 2016-17 school years. PDE requires these reports to verify the underpayment to the District. The District’s future subsidy reimbursements should be adjusted by the amount of the underpayment.

### **Recommendations**

The *Schuylkill Valley School District* should:

1. Ensure that District officials responsible for categorizing, reporting, and reviewing foster students are properly trained on the types of nonresident students and the supporting documentation necessary to support the classification reported to PDE.
2. Implement internal controls over the categorization and reporting of foster students. Ensure that internal controls include a review of all nonresident student data by an employee other than the employee who compiled the data prior to reporting to PDE.
3. Review membership reports submitted to PDE for the 2019-20 school year and, if errors are found, submit revised reports to PDE.

The *Pennsylvania Department of Education* should:

4. Adjust the District’s allocations to correct the \$43,390 underpayment.

## **Management Response**

District management provided the following response:

“The inaccurately reported nonresident student data as presented in the Auditor General’s report is due to personnel changes during the 2016-2017 school year. This was the first year for the Child Accounting Secretary in the Schuylkill Valley School District. There was also a change in the position of Data Management Secretary during the 2016-2017 school year, this position is responsible for the reporting of Child Accounting data to the Pennsylvania Information Management System (PIMS). Since that time the Child Accounting Secretary has worked with the Data Management Secretary on the correct reporting of nonresident foster students for the 2017-2018 and 2018-2019 school years.

The Child Accounting Secretary is a member of the Attendance/Child Accounting Professional Association (ACAPA/A) and attends trainings regularly by ACAPA/A, the District Student Information System vendor, PDE, and the Berks County Intermediate Unit to stay up-to-date on current guidance regarding the reporting of foster students and child accounting procedures. To ensure internal controls are in place the standard operation procedure, ‘Foster Student and PDE4507’ is in the written procedure implemented to ensure the checks and balances of the accounting of nonresident students enrolled in the District. Included in the Foster Student and PDE-4507 standard operation procedure is the review of all previous nonresident student records in the review of the previous school year PDE-4507 to determine the nonresident foster student status for the current year and verifying with the placement agency to receive new placement letters for the current school year. As part of the District’s internal controls, at the end of each month the Child Accounting Secretary and Data Management Secretary will conduct an internal audit in the review of all District nonresident foster students. The Child Accounting Secretary and Data Management Secretary have completed the review of Child Accounting membership reports submitted to PDE for the 2019-2020 school year and will continue to review the preliminary and final Summary of Child Accounting reports as they become available to verify the correct reporting of nonresident fosters students and submit corrections as needed.”

## **Auditor Conclusion**

We are encouraged that the District is taking appropriate corrective actions to implement our recommendations. We will determine the effectiveness of the District’s corrective actions during our next audit.

## Finding No. 2

## The District Inaccurately Reported the Number of Nonpublic School Students Transported Resulting in an Overpayment of \$15,785

### *Criteria relevant to the finding:*

#### **Supplemental Transportation Subsidy for Nonpublic School Students**

Section 2509.3 of the 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 Requirement**

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 PDE in order to be eligible for the transportation subsidies. *See* 24 P.S. § 25-2543.

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

The District inaccurately reported the number of nonpublic school students transported by the District. As a result, the District was overpaid a total of \$15,785 in transportation reimbursements from PDE for the 2015-16, 2016-17, 2017-18, and 2018-19 school years.

School districts receive two separate transportation reimbursement payments from PDE. 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. Supplemental transportation reimbursement is based solely on the number of charter school and nonpublic school students transported at any time during the school year. In order to be eligible to receive these reimbursements, the District must annually file a sworn statement of student transportation data for the prior and current school year with PDE, which the District did for all four years of our audit period.<sup>7</sup>

The issues identified in this finding pertain to errors in reporting supplemental transportation reimbursement data, specifically the number of nonpublic school students transported. According 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.<sup>8</sup> 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.

<sup>7</sup> Please note that while a sworn statement is different from an affidavit, in that a sworn statement is not typically signed or certified by a notary public but are, nonetheless, taken under oath. See <https://legaldictionary.net/sworn-statement/> (accessed September 21, 2020).

<sup>8</sup> See Section 922.1-A(b) (relating to “Definitions”) of the PSC, 24 P.S. § 9-922.1-A(b).



The table below illustrates the District’s supplemental transportation reimbursement reporting errors and the resulting overpayment.

Schuylkill Valley School District Supplemental Transportation Reimbursement Reporting Errors				
School Year	Reported Number of Nonpublic Students	Audited Number of Nonpublic Students	Nonpublic Students Over Reported	Overpayment <sup>9</sup>
2015-16	134	122	12	\$ 4,620
2016-17	127	123	4	\$ 1,540
2017-18	107	94	13	\$ 5,005
2018-19	101	89	12	\$ 4,620
<b>Total</b>	<b>469</b>	<b>428</b>	<b>41</b>	<b>\$15,785</b>

*Criteria relevant to the finding (continued):*

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

**Number of Nonpublic School Pupils Transported**

<https://www.education.pa.gov/Documents/Teachers-Administrators/Pupil%20Transportation/eTran%20Application%20Instructions/PupilTransp%20Instructions%20PDE-2089%20SummPupilsTransp.pdf> (accessed on September 14, 2020).

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. NONPUBLIC school pupils re 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.)

The District over reported the number of nonpublic school students for each year of the audit period for two reasons. First, the District incorrectly reported some students who were not transported. These students were included on the nonpublic school bus rosters but were not transported by the District. Second, the District incorrectly reported students transported to a special education school outside of the District as nonpublic school students. This special education school was mistaken for a parochial school due to its name.<sup>10</sup>

The District did not have adequate internal controls over the inputting, processing, and reporting of data for nonpublic students. The District did not have written administrative procedures for how to report transportation data, and specifically did not have procedures for reporting on nonpublic school students transported. Furthermore, the District relied solely on the former Transportation Supervisor to compile and report nonpublic school students during the audit period. A second level review of the data performed by a knowledgeable employee prior to reporting the data to PDE could have prevented the errors we found.

We provided PDE with documentation detailing the nonpublic school student reporting errors for the 2015-16, 2016-17, 2017-18, and 2018-19 school years. PDE requires these reports to verify the overpayment to the District. The District’s future transportation subsidies should be adjusted by the amount of the overpayment.

<sup>9</sup> Calculated by multiplying the “Nonpublic Students Over Reported” by \$385.

<sup>10</sup> The name of the special education school is John Paul II.

## **Recommendations**

The *Schuylkill Valley School District* should:

1. Ensure personnel in charge of reporting transportation data are trained with regard to PDE's reporting guidelines for nonpublic school students.
2. Develop and implement a written procedure to have a knowledgeable District official other than the employee who prepares the transportation reports review transportation data prior to submission to PDE and ensure that this procedure includes reconciling requests for transportation to nonpublic student rosters.
3. Develop written procedures regarding the collection, computing, and reporting of transportation data. Ensure these procedures specifically address maintaining accurate rosters of nonpublic school students as well as supporting documentation (e.g., requests for transportation).
4. Review the nonpublic students reported for the 2019-20 school year, and if errors are found, submit revised reports to PDE.

The *Pennsylvania Department of Education* should:

5. Adjust the District's future allocations to resolve the \$15,785 overpayment to the District.

## **Management Response**

District management provided the following response:

“The District management agrees with the finding of incorrectly reporting the number of nonpublic school students transported during the school years 2015-16, 2016-17, 2017-18, and 2018-19. It has been determined that the cause of the problem was due to an inaccurate record keeping system of the Request for Transportation Under Act 372 (Act 372) forms which are required for each nonpublic student. The transportation routing program, BusTrack, was not accurately updated annually by transportation department staff in regard to nonpublic student busing assignments each of those school years.

Starting in July, 2020, the District changed the transportation routing program system to Transfinder. The transportation department staff have to manually enter nonpublic students and students are not entered in Transfinder unless the staff have an Act 372 form, which allows us to better track our nonpublic students.

In order to prevent such reporting errors going forward, the transportation department staff will maintain a spreadsheet of nonpublic students who

were provided transportation for each school year, by school, along with the respective the Act 372 forms. The staff will also perform yearly reconciliations between the bus rosters and busing assignments maintained in the transportation routing program to the Act 372 forms to ensure that the number of nonpublic students reported to the Pennsylvania Department of Education (PDE) accurate.

The District will follow PDE's repayment requirements for the \$15,785 overpayment.”

### **Auditor Conclusion**

We are encouraged that the District plans on implementing our recommendations. We will evaluate the effectiveness of the District’s corrective actions during our next regularly scheduled audit.

## Finding No. 3

## The District Failed to Comply with Provisions of the Public School Code and Associated Regulations by Not Maintaining Complete Records and Properly Monitoring Its Contracted Bus Drivers

### *Criteria relevant to the finding:*

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

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).

The District failed to meet its statutory obligations related to the employment of individuals having direct contact with students during the 2019-20 school year by not maintaining complete and updated records for all drivers transporting students. We also found that the District's Board did not approve all drivers who transported students throughout the school year. By not adequately maintaining and monitoring driver qualifications and having board approved drivers, the District could not ensure that all contracted drivers were properly qualified and cleared to transport students. Finally, we noted that the District's board policy regarding contracted services does not include the legal requirement to renew background clearances every five years.

### **Employment Requirements**

Several state statutes and regulations establish the minimum required qualifications for school bus drivers. The ultimate purpose of these requirements is to ensure the protection, safety, and welfare of the students transported on school buses.

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,<sup>11</sup> 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).

<sup>11</sup> Pennsylvania's Vehicle Code, 75 Pa.C.S. §§ 1508.1 (relating to Physical examinations) and 1509 (relating to Qualifications for school bus driver endorsement).

*Criteria relevant to the finding  
(continued):*

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).

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

2. Criminal history reports/clearances:
  - a. State Criminal History Clearance (PSP<sup>12</sup> clearance).
  - b. Federal Criminal History Clearance, based on a full set of fingerprints (FBI clearance).
  - c. PA Child Abuse History Clearance.

### **Failure to Meet Employee Requirements**

The District utilizes a transportation contractor to provide bus and van drivers (drivers) to transport District students. We reviewed driver information for the 2019-20 school year. The District provided a list of 48 drivers transporting students as of March 13, 2020.<sup>13</sup> We evaluated the completeness of that list by comparing it with information from the District's contractor and found that the District failed to include one driver on its list. We then requested and reviewed the District's personnel files for all 49 contracted drivers to determine whether the District complied with driver and background clearance requirements, including the maintenance and monitoring of required documentation during our review period.

Our review found the District did not adequately maintain and monitor required documentation from its contractor as described below.

### **Missing Background Clearances and Employee Personnel Record**

During our initial review, we found that ten drivers were missing the FBI clearance, two drivers were missing the Pennsylvania State Police clearance, and one driver did not have a personnel file at the District. The driver without a personnel file was the same driver excluded from the District list of drivers.

The District worked with its contractor to obtain the missing documentation, and as of September 17, 2020, all missing documentation was provided. District officials attributed the missing clearances to administrative error. The current Transportation Supervisor, who monitors driver files, did not review all the documents in those files when she began in her position in September 2019. She assumed the files were complete as noted on the monitoring spreadsheet maintained by her predecessor. District officials attributed the missing driver file to a miscommunication with the contractor. The contractor added other drivers during the 2019-20 school year, and we confirmed that the District's personnel files for these drivers were complete.

<sup>12</sup> Pennsylvania State Police.

<sup>13</sup> Governor Wolf ordered schools to close as of March 16, 2020 due to the COVID-19 pandemic. Instruction was delivered virtually for the remainder of the 2019-20 school year so students were not transported. We note that as of the date of this report, the District opted to continue virtual learning for the 2020-21 school year.

*Criteria relevant to the finding  
(continued):*

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).

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

*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>).

The District’s Policy No. 818, *Contracted Services Personnel*, states, in part:

“The Board is required by law to ensure that independent contractors and their employees comply with the mandatory background check requirements for criminal history and child abuse.

## **Board Failed to Approve All Drivers**

We found that the Board did not approve drivers who began transporting students after the start of the 2019-20 school year. Based on our interviews with District officials and a review of board meeting minutes, we learned that drivers were Board approved at the beginning of the school year, but the District’s process to Board approve newly hired drivers throughout the school year was not consistently applied. Consequently, we found that the Board only approved 37 of the 49 bus drivers reviewed as required by the State Board of Education regulations. Of the 12 unapproved drivers, seven were substitute drivers and five were regular drivers who began driving for the District after the start of the school year.

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.<sup>14</sup> The Board relied on District administrators to monitor and ensure all drivers were qualified to transport its students. As the governing body of the District, the Board should have implemented procedures to verify that the administrators were properly maintaining and monitoring qualifications of its contracted drivers.

District officials attributed the lack of approval for the five regular drivers to administrative error and stated that substitute drivers typically are not Board approved. The District further explained that there is supposed to be a process to Board approve newly hired drivers throughout the school year. While one driver that we reviewed was Board approved after the start of the school year, many other newly added drivers were not approved, indicating that the District’s internal controls over this process were deficient. The Board’s failure to provide adequate oversight of this important governance duty required by state regulations undermined student safety.

### **Noncompliance With and Outdated Board Policy**

During our review, we noted that the District’s Policy No. 818, *Contracted Services*, was adopted in 2001 and was last revised in 2013. This policy requires independent contractors and their employees who have direct contact with students to comply with the mandatory background check requirements for criminal history and child abuse. This policy also requires the District to ensure that all contractors submit a report of criminal history record information and an official child abuse clearance statement for each contractor's prospective employees prior to employment and to maintain a copy of the required information. By failing

<sup>14</sup> Section 23.4(2) of Chapter 23 (Pupil Transportation) of the State Board of Education Regulations in Title 22 provides that: “[t]he board of directors of a school district is responsible for all aspects of pupil transportation programs, including the following:\*\*\*(2) The **selection and approval** of appropriate vehicles for use in district service and eligible operators who qualify under the law and regulations.” (Emphasis added.) *See* 22 Pa. Code § 23.4(2).

*Criteria relevant to the finding  
(continued):*

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

to have complete and updated records for all drivers upon our initial review, including missing background clearances, the District did not comply with its own policy.

Additionally, the 2013 revision to the District’s contracted service policy does not incorporate the significant changes to laws and regulations that were made to the PSC and the Child Protective Services Law (CPSL) related to background clearances in recent years.<sup>15</sup> For example, both the PSC and the CPSL were amended to require that all three background clearances be obtained every five years.<sup>16</sup> Policy No. 818 does not address these important statutory changes.

## **Conclusion**

The District and its Board did not meet their statutory obligations to ensure that bus 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 obtain, review, and maintain all required bus driver qualifications and clearances and when it failed to have the Board approve all drivers. Finally, the District’s Board failed to update its contracted services policy.

Ensuring that ongoing driver credential 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. Further, even though the District used a contractor to provide transportation for its students, the ultimate responsibility for ensuring compliance with requirements for driver qualifications and background clearances falls on the District.

## **Recommendations**

The *Schuylkill Valley School District* should:

1. Comply with the PSC’s requirements to obtain, review, and maintain required credentials and background clearances for all contracted bus drivers that have direct contact with students.
2. Develop and implement standardized written procedures requiring the District to determine driver eligibility prior to employment and to conduct routine and ongoing monitoring of driver records. These procedures should ensure that all required credentials and clearances

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<sup>15</sup> Please note that our General Assembly has continually refined and enhanced the background clearance requirements first enacted in the mid-1990s and related child protection provisions by enacting more **than 20 pieces** of legislation since 2013, including improved reporting and mandated reporter requirements, to ensure that individuals such as bus drivers do not have criminal offenses on their record that would preclude them from having direct contact with children and to prevent and decrease child abuse in Pennsylvania. See <http://www.keepkidssafe.pa.gov/about/cpsl/index.htm> (accessed July 14, 2020).

<sup>16</sup> 24 P.S. § 1-111(c.4) and 23 Pa.C.S. § 6344.4

are obtained, reviewed, and on file at the District prior to individuals transporting students and that all required documentation is continuously monitored, updated, and complete. The procedures should also require the administration to attest in an open and public meeting before the Board that the list of drivers provided for approval contains only drivers for whom the District has obtained and reviewed all of the required records.

3. Promptly update board policies and procedures for contracted services to address the requirement to obtain updated clearances every five years.
4. Ensure that new drivers added after the start of the school year, and all available substitute drivers, are presented to the Board for approval.

### **Management Response**

District management provided the following response:

“The District management agrees with the finding of failure to comply with provisions of the Public School Code and associated regulations by not maintaining complete records and properly monitoring its contracted bus drivers. The District utilized a third-party transportation management service company in 2019-2020 school year. The contract outlined responsibilities of the management service company which is required to maintain current information on drivers including licenses, physicals, trainings and the necessary background checks.

Policy 818 — Contracted Service will be reviewed and revised by the District's Policy, Personnel and Public Relations Committee on November 9, 2020. The updated policy includes the legal requirement to renew background clearances every five years.

The business manager will work with the transportation department staff to ensure on going monitoring procedures are in place to periodically review the list of drivers and collect required documents.

As a standard board meeting item, management will provide an up-to-date driver listing to the Board for approval before the start of each school year. And management will also provide updated lists to the Board for approval throughout the year as new drivers are added.”

### **Auditor Conclusion**

We are pleased that the District intends to implement our recommendations. We will determine the effectiveness of the District's corrective actions during our next audit.



## Status of Prior Audit Findings and Observations

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Our prior audit of the Schuylkill Valley School District (District) released on September 24, 2015, resulted in one finding, as shown below. As part of our current audit, we determined the status of corrective action taken by the District to implement our prior audit recommendations. We interviewed District personnel and performed audit procedures as detailed in each status section below.

### Auditor General Performance Audit Report Released on September 24, 2015

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**Prior Finding:**                    **The District Failed to Obtain Board Approval for all Contracts**

Prior Finding Summary: Our prior audit found that five of nine executed district contracts reviewed were not approved by the Board of School Directors (Board). The Board's review process of contracts is imperative to the checks and balances system currently required by the Public School Code (PSC). This process also ensures transparency and accountability as potential contracts and contractors are discussed by the representatives of District taxpayers in a public forum prior to authorization and payment of these contracts.

Prior Recommendations: We recommended that the District should:

1. End the practice of the District administration determining which executed contracts, except those contracts with an amount not exceeding \$100, should or should not be presented to the Board for their approval.
2. Ensure that, as required by the PSC, contracts of any kind require prior approval by the Board in public discussion and vote where such contracts exceed \$100.

Current Status:                    We determined that the District complied with our recommendations. We found that the District does ensure that the Board approves all contracts after a public discussion regardless of the monetary amount of the contract.

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## Appendix A: Audit Scope, Objectives, and Methodology

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

Our audit, conducted under authority of Sections 402 and 403 of The Fiscal Code,<sup>17</sup> is not a substitute for the local annual financial audit required by the Public School Code of 1949, as amended. We conducted our audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit.

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

The District's management is responsible for establishing and maintaining effective internal control to provide reasonable assurance that the District's objectives will be achieved.<sup>18</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>19</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>17</sup> 72 P.S. §§ 402 and 403.

<sup>18</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>19</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		
Nonresident Student Data	Yes				X			X	X		X		X	X	X	X		
Transportation	Yes							X	X		X		X	X	X	X	X	
Bus Drivers	Yes										X		X	X	X	X	X	
Administrator Separations	Yes										X				X			
Financial Stability	No										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, 2015 through June 30, 2019 fiscal years. We conducted analytical procedures on the District's state revenues and the transportation reimbursement data. We reviewed the prior audit report and we researched current events that possibly affected District operations. We also determined if the District had key personnel or software vendor changes since the prior audit.

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

### **Nonresident Student Data**

- Did the District accurately report nonresident students to PDE? Did the District receive the correct reimbursement for these nonresident students?<sup>20</sup>
  - ✓ To address this objective, we assessed the District's internal controls for inputting and processing residency status and reporting nonresident foster students to PDE. We then reviewed all 38 nonresident foster students reported to PDE as educated by the District during the 2015-16 through 2018-19 school years. We reviewed documentation to confirm that the custodial parents or guardians were not residents of the District and that the foster parents received a stipend for care of the student. We also verified if the District received the correct reimbursement for the education of these students.

**Conclusion:** The results of our procedures identified areas of noncompliance and significant internal control deficiencies related to the reporting of nonresident foster students. Our results are detailed in Finding No. 1 beginning on page 9 of this report.

### **Transportation Operations**

- Did the District ensure compliance with applicable laws and regulations governing transportation operations, and did the District receive the correct transportation reimbursement from the Commonwealth?<sup>21</sup>
  - ✓ To address this objective, we assessed the District's internal controls for obtaining, inputting, processing, and reporting nonpublic school student data to PDE. We then obtained and reviewed individual requests for transportation for all 469 nonpublic school students reported to PDE as

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<sup>20</sup> See 24 P.S. §§ 13-1301, 13-1302, 13-1305, 13-1306; 22 Pa. Code Chapter 11.

<sup>21</sup> See 24 P.S. §25-2541.

transported by the District during the four-year audit period and compared those requests to the data reported to PDE.

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

Additionally, we assessed the District's internal controls for obtaining, inputting, processing, and reporting vehicle data to PDE. We randomly selected 10 of 41 vehicles used to transport District students during the 2017-18 school year.<sup>22</sup> For each vehicle tested, we obtained and reviewed odometer readings, bus rosters, and school calendars. We verified if the District accurately calculated and reported sample average data to PDE and if the District was accurately reimbursed for these students.

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

### **Bus Driver Requirements**

- Did the District ensure that all bus drivers transporting District students are board approved and had the required driver's license, physical exam, training, background checks, and clearances<sup>23</sup> as outlined in applicable laws?<sup>24</sup> Also, did the District adequately monitor driver records to ensure compliance with the ongoing five-year clearance requirements and ensure it obtained updated licenses and health physical records as applicable throughout the school year?
  - ✓ To address this objective, we assessed the District's internal controls for maintaining and reviewing bus driver qualification documents. We determined if all drivers were Board approved by the District. We reviewed all 49 bus drivers transporting District students as of March 13, 2020. We reviewed documentation to ensure the District complied with the requirements for bus drivers. We also determined if the District had monitoring procedures to ensure that all drivers had updated clearances, licenses, and physicals.

**Conclusion:** The results of our procedures identified areas of noncompliance and significant internal control deficiencies related to the maintenance and monitoring of driver records. Our results are detailed in Finding No. 3 of this report beginning on page 16.

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<sup>22</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>23</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>24</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.

## **Administrator Separations**

- Were all individually contracted employees who separated employment from the District compensated in accordance with their contract? Also, did all final payments to the separated employees comply with the Public School Code<sup>25</sup> and Public School Employees' Retirement System guidelines?
  - ✓ To address this objective, we assessed the District's internal controls over compensating individually contracted employees when separating employment with the District. We then reviewed the contracts, board meeting minutes, payroll reports, and leave records for the two individually contracted administrators who separated employment from the District during the period July 1, 2015 through June 30, 2020. We reviewed the final payouts to determine if each administrator was compensated in accordance with his/her contract. We also verified the reason for the separation was made public through the board meeting minutes and that a board vote was conducted according to Section 508 of the Public School Code.<sup>26</sup>

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

## **Financial Stability**

- Based on an assessment of financial indicators, was the District in a declining financial position, and did it comply with all statutes prohibiting deficit fund balances and the over expending of the District's budget?
  - ✓ To address this objective, we reviewed the District's annual financial reports, General Fund budgets, and independent auditor reports for the 2014-15 through 2018-19 fiscal years. The financial and statistical data was used to evaluate the District's General Fund balance, operating position, debt service payments, and charter school costs. We also calculated the debt and current ratios for each fiscal year. These financial indicators were deemed appropriate for assessing the District's financial stability. The financial indicators were based on best business practices established by several agencies including the Pennsylvania Association of School Business Officials, the Colorado Office of the State Auditor, and the National Forum on Education Statistics.

**Conclusion:** The results of our procedures did not identify any significant internal control deficiencies, and our procedures related to this objective did not disclose any reportable issues.

## **School Safety**

- Did the District comply with requirements in the Public School Code and the Emergency Management Code related to emergency management plans, bullying prevention, memorandums of understanding with local law enforcement?<sup>27</sup> Also, did the District follow best practices related to physical building security and providing a safe school environment?

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<sup>25</sup> 24 P.S. § 10-1073(e) (2) (v).

<sup>26</sup> Required for all superintendent and assistant superintendent contracts signed or renewed from September 12, 2012 forward.

<sup>27</sup> Safe Schools Act 24 P.S. § 13-1301-A *et seq.*, Emergency Management Services Code 35 Pa.C.S. § 7701.

- ✓ To address this objective, we reviewed a variety of documentation including, but not limited to, safety plans, risk and vulnerability assessments, anti-bullying policies, safety committee meeting minutes, school climate surveys, and memorandums of understanding with local law enforcement.

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

- Did the District comply with the fire and security drill requirements of Section 1517 of the Public School Code?<sup>28</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 security drill records for the 2018-19 school year. 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 for this portion of the school safety objective did not disclose any reportable issues.

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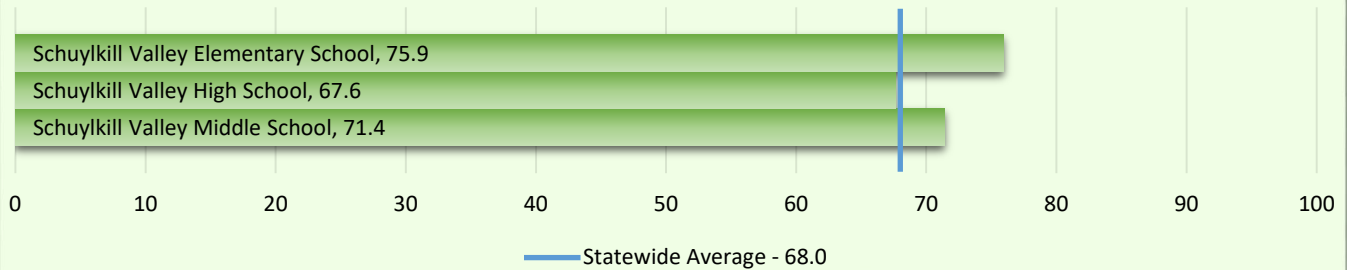
<sup>28</sup> Public School Code (Fire and Security Drills) 24 P.S. § 15-1517.

## Appendix B: Academic Detail

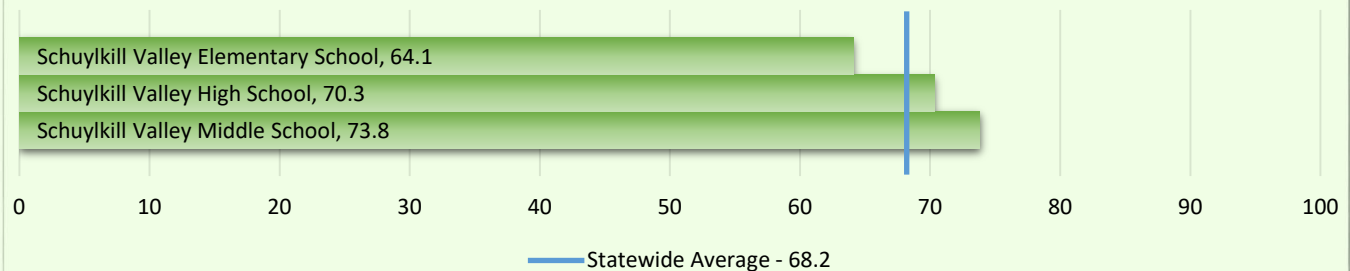
Benchmarks noted in the following graphs represent the statewide average of all public school buildings in the Commonwealth that received a score in the category and year noted.<sup>29</sup> Please note that if one of the District's schools did not receive a score in a particular category and year presented below, the school will not be listed in the corresponding graph.<sup>30</sup>

### SPP School Scores Compared to Statewide Averages

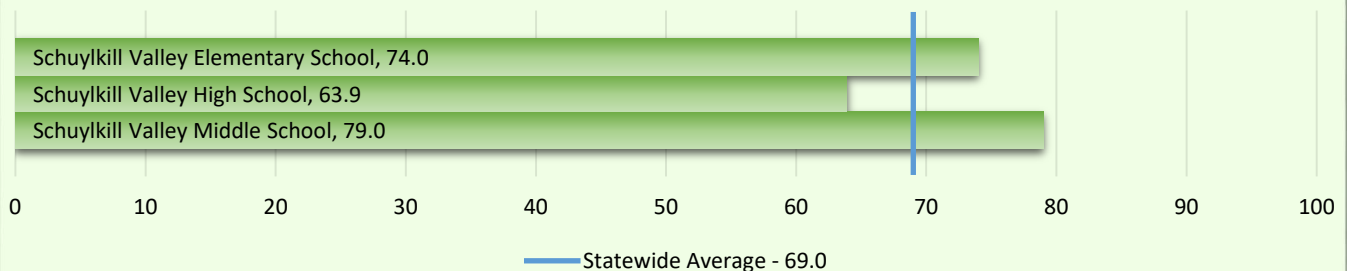
#### 2018-19



#### 2017-18



#### 2016-17



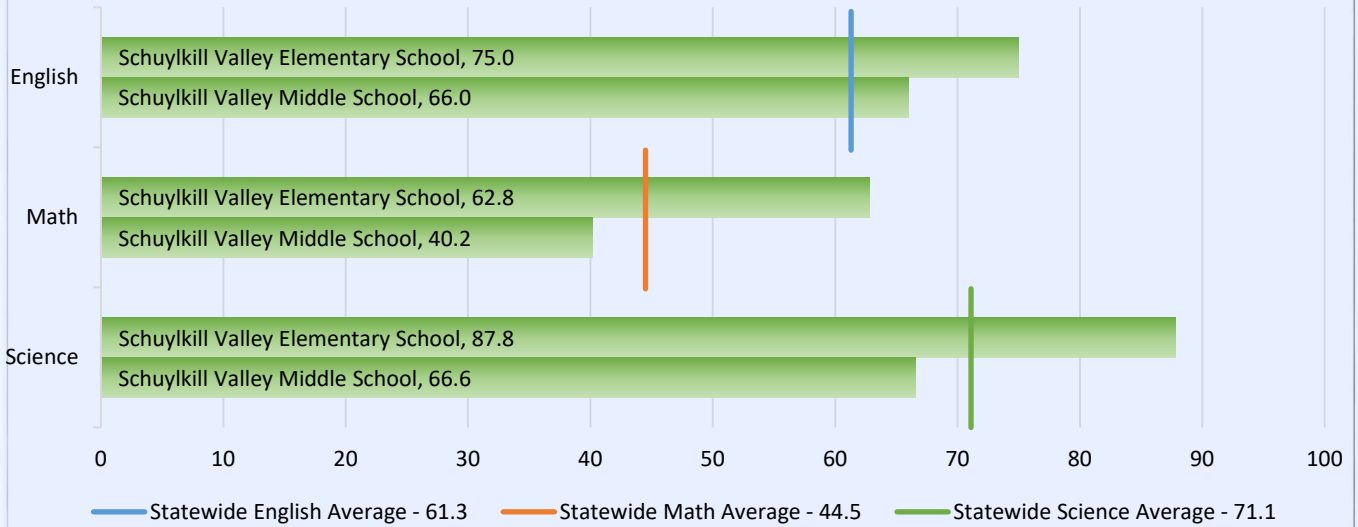
<sup>29</sup> Statewide averages were calculated by our Department based on individual school building scores for all public schools in the Commonwealth, including district schools, charters schools, and cyber charter schools.

<sup>30</sup> PDE's data does not provide any further information regarding the reason a score was not published for a specific school. However, readers can refer to PDE's website for general information regarding the issuance of academic scores.

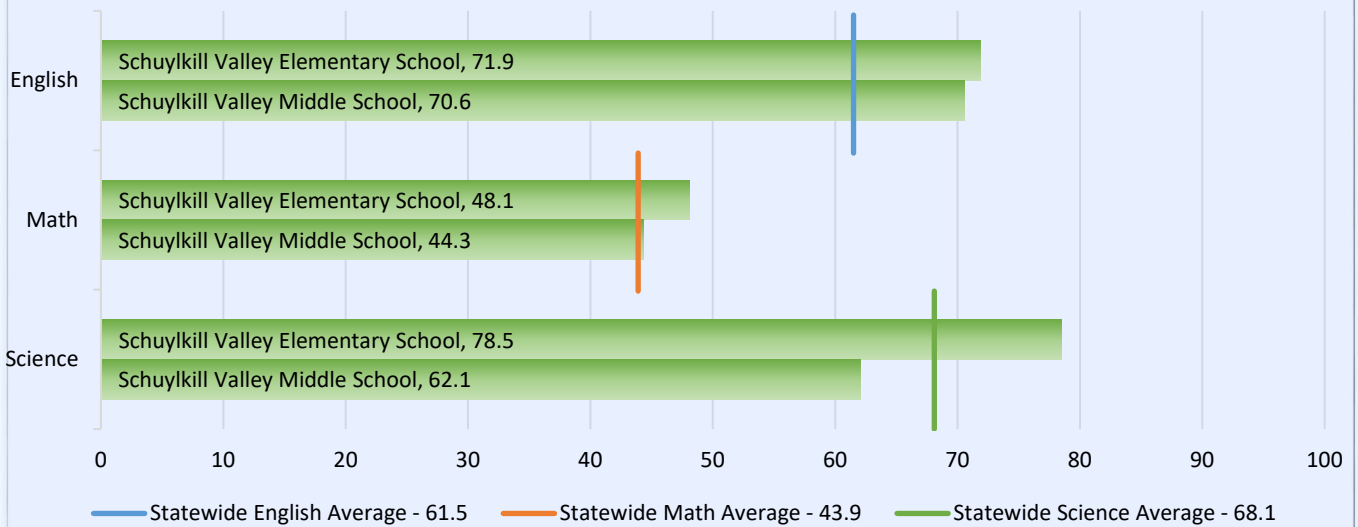


**PSSA Advanced or Proficient Percentage  
School Scores Compared to Statewide Averages**

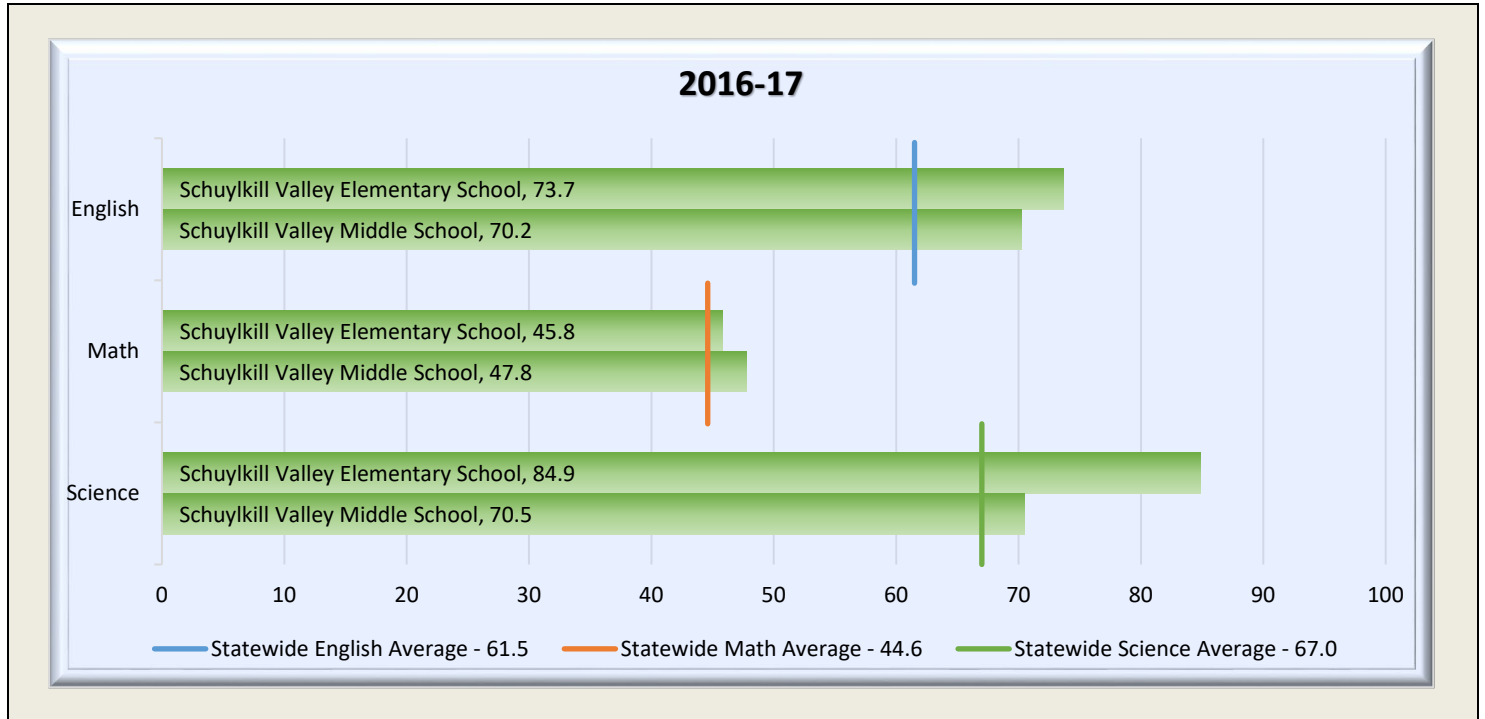
**2018-19**



**2017-18**

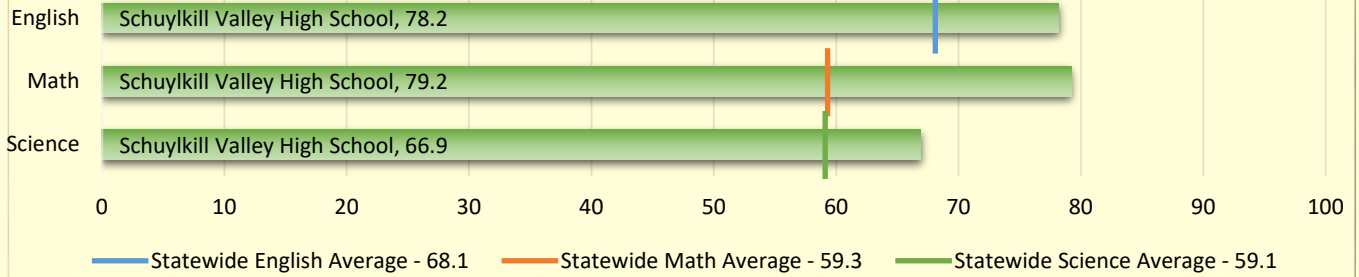


**PSSA Advanced or Proficient Percentage  
School Scores Compared to Statewide Averages (continued)**

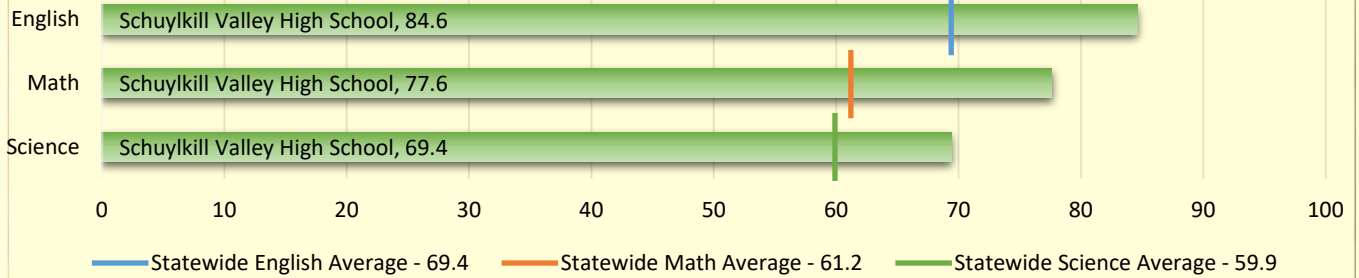


## Keystone Advanced or Proficient Percentage School Scores Compared to Statewide Averages

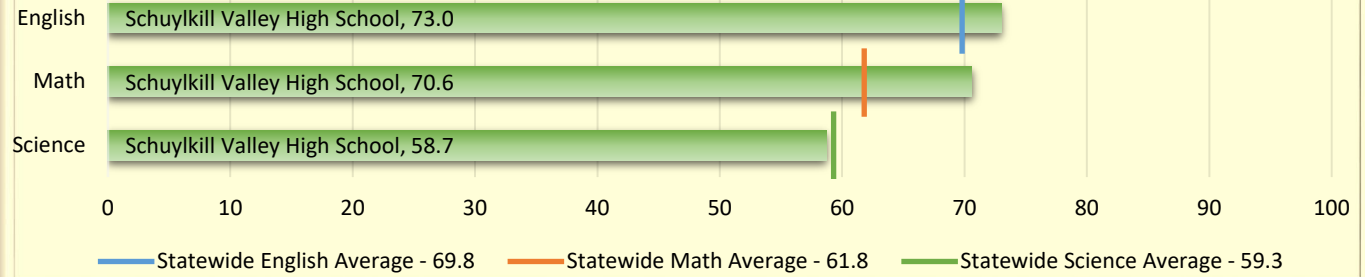
### 2018-19



### 2017-18



### 2016-17



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