

# PERFORMANCE AUDIT

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## South Side Area School District Beaver County, Pennsylvania

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March 2022



Commonwealth of Pennsylvania  
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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**TIMOTHY L. DEFOOR  
AUDITOR GENERAL**

Mr. Alan R. Fritz Jr., Superintendent  
South Side Area School District  
4949 State Route 151  
Hookstown, Pennsylvania 15050

Mr. Craig Stewart, Board President  
South Side Area School District  
4949 State Route 151  
Hookstown, Pennsylvania 15050

Dear Mr. Fritz and Mr. Stewart:

We have conducted a performance audit of the South Side Area School District (District) for the period July 1, 2016 through June 30, 2020, except as otherwise indicated in the audit scope, objective, and methodology section of the report. We evaluated the District's performance in the following areas as further described in Appendix A of this report:

- Transportation Operations
- Bus Driver Requirements
- Administrator Separations

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 control deficiencies in the area of transportation operations and those deficiencies are detailed in the finding in this report titled:

**The District's Failure to Implement an Adequate Internal Control System Resulted in an Unauditable \$2 Million in Transportation Reimbursements**

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

Mr. Alan R. Fritz Jr.

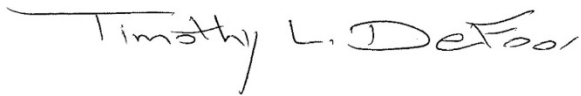
Mr. Craig Stewart

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

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

Sincerely,

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

Timothy L. DeFoor

Auditor General

February 25, 2022

cc: **SOUTH SIDE AREA SCHOOL DISTRICT** Board of School Directors

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## Background Information

School Characteristics 2020-21 School Year*	
County	Beaver
Total Square Miles	75
Number of School Buildings <sup>A</sup>	2
Total Teachers	91
Total Full or Part-Time Support Staff	58.5
Total Administrators	11
Total Enrollment for Most Recent School Year	924
Intermediate Unit Number	27
District Career and Technical School	Beaver County Career & Technical Center

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

A - District has two physical buildings to educate elementary, middle, and high school students. The middle school and the high school are located in one building.

## Mission Statement\*

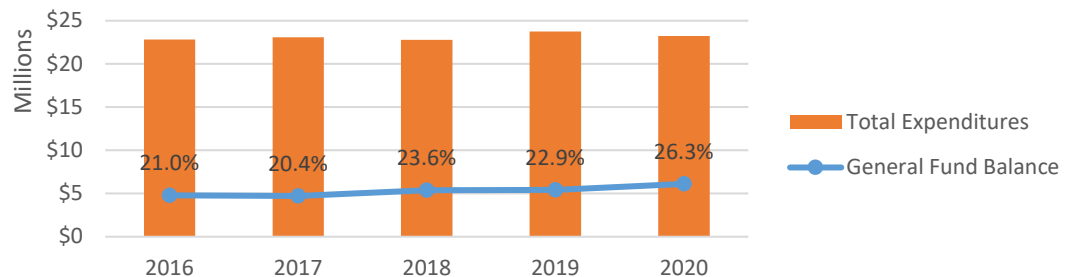
To develop the skills and knowledge necessary for students to achieve in an ever-changing world by supporting and empowering them through community involvement, teaching excellence and district-wide support and collaboration.

## Financial Information

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

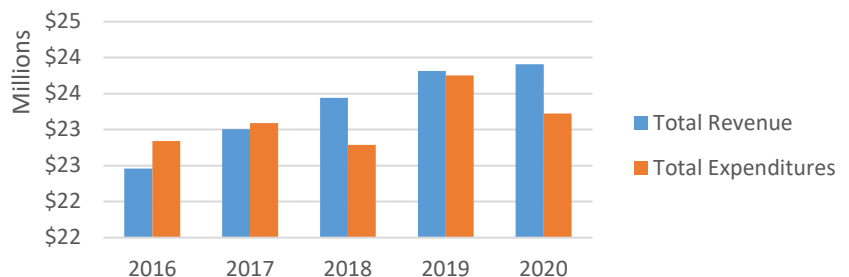
### General Fund Balance as a Percentage of Total Expenditures

	General Fund Balance
2016	\$4,800,617
2017	\$4,717,800
2018	\$5,370,980
2019	\$5,432,644
2020	\$6,113,397



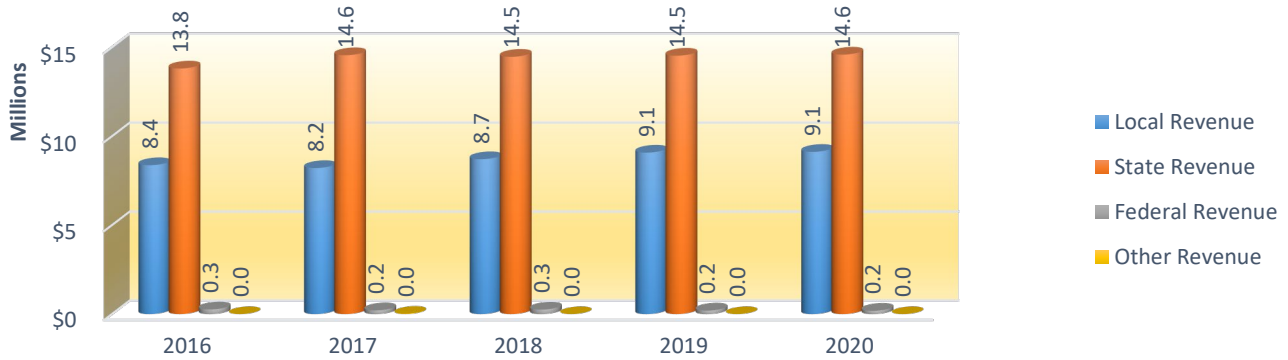
### Revenues and Expenditures

	Total Revenue	Total Expenditures
2016	\$22,458,316	\$22,841,984
2017	\$23,007,910	\$23,090,727
2018	\$23,441,306	\$22,788,125
2019	\$23,816,798	\$23,755,134
2020	\$23,906,432	\$23,225,680

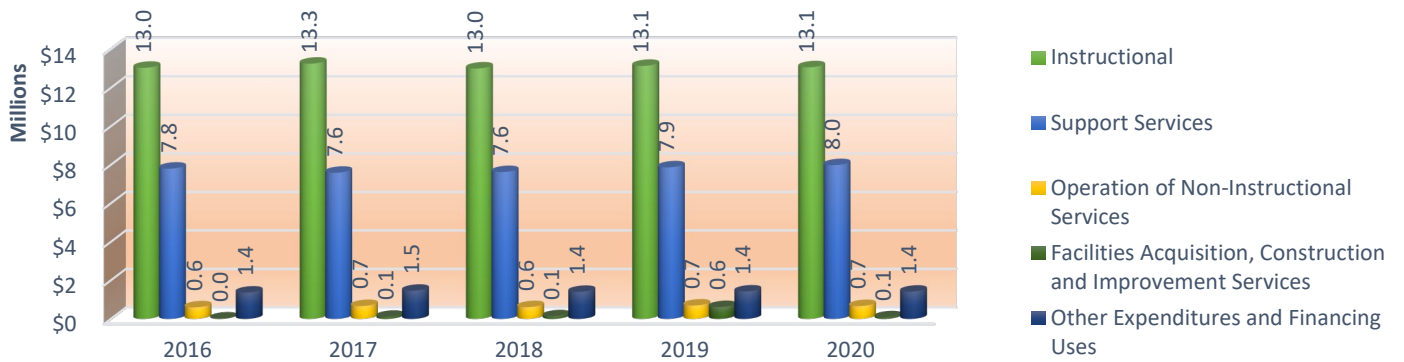


## Financial Information Continued

### Revenues by Source

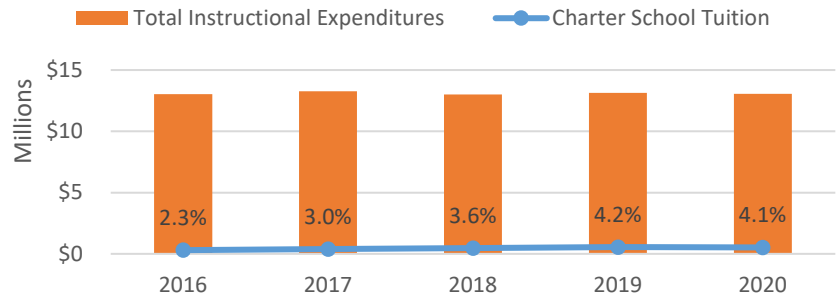


### Expenditures by Function

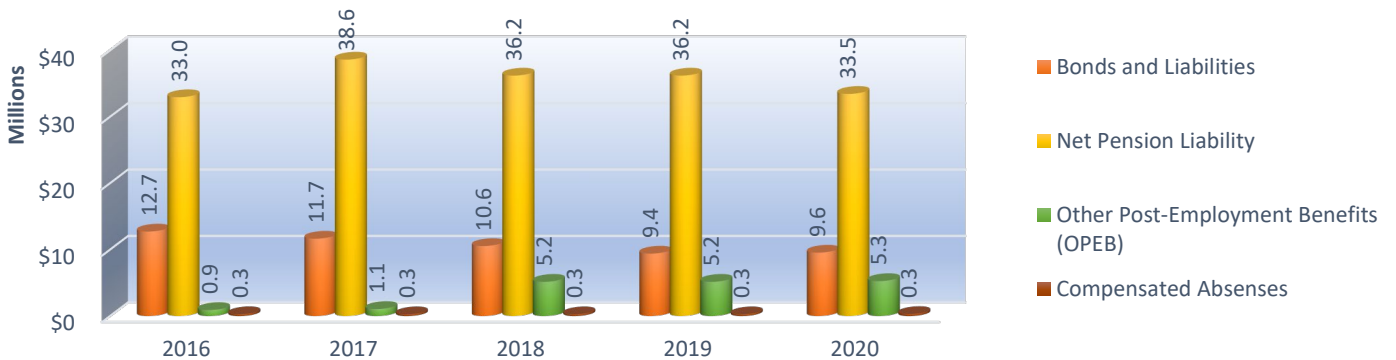


### Charter Tuition as a Percentage of Instructional Expenditures

	Charter School Tuition	Total Instructional Expenditures
2016	\$302,019	\$13,042,143
2017	\$403,433	\$13,256,173
2018	\$470,288	\$13,005,934
2019	\$555,209	\$13,142,436
2020	\$530,617	\$13,069,373



### Long-Term Debt

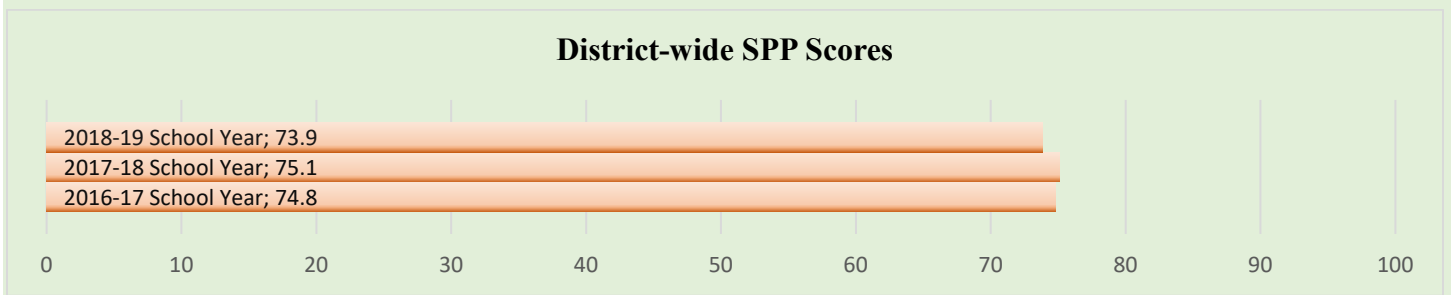


## Academic Information<sup>1</sup>

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

### What is a SPP score?

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



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

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

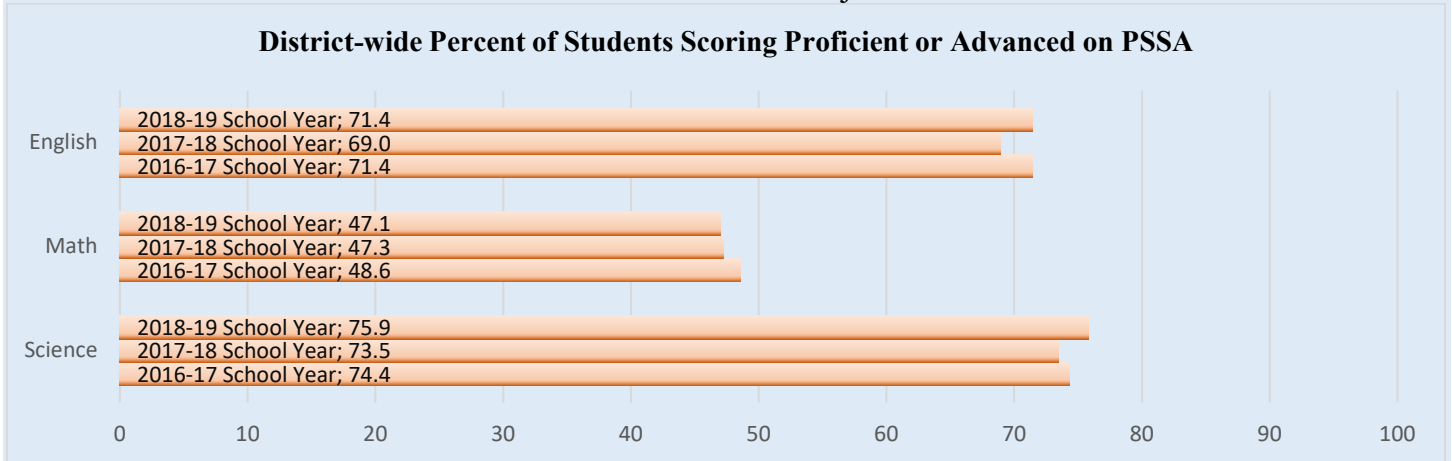
<sup>3</sup> Graduation rates were still reported for the 2019-20 school year despite the COVID-19 pandemic.

## Academic Information Continued

### What is the PSSA?

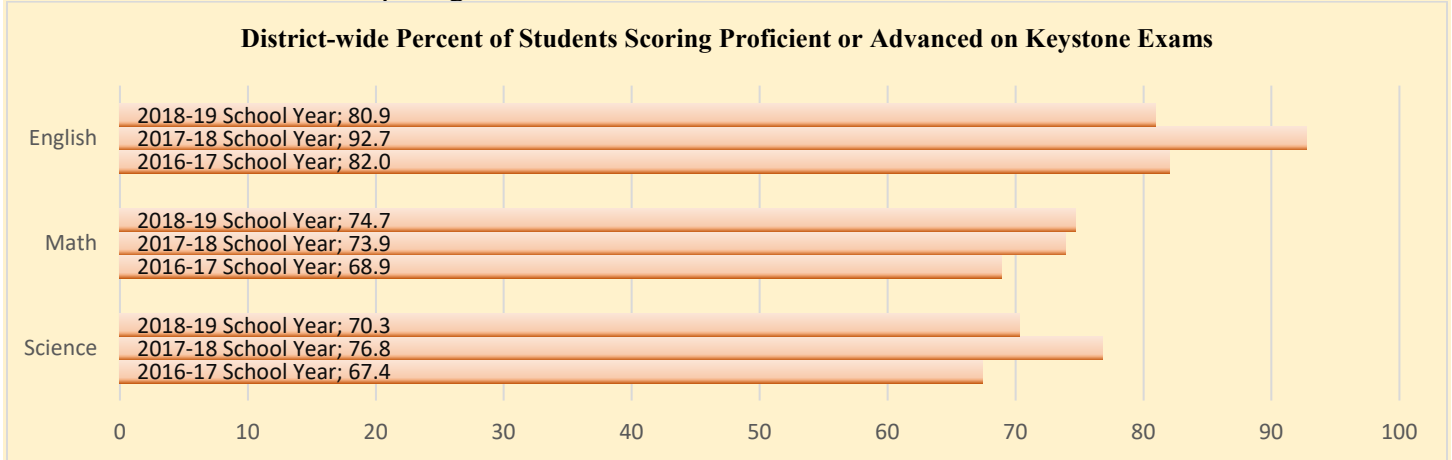
The PSSA is an annual, standardized test given across the Commonwealth to students in grades 3 through 8 in core subject areas, including English, Math and Science. The PSSAs help Pennsylvania meet federal and state requirements and inform instructional practices, as well as provide educators, stakeholders,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

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



### What is the Keystone Exam?

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



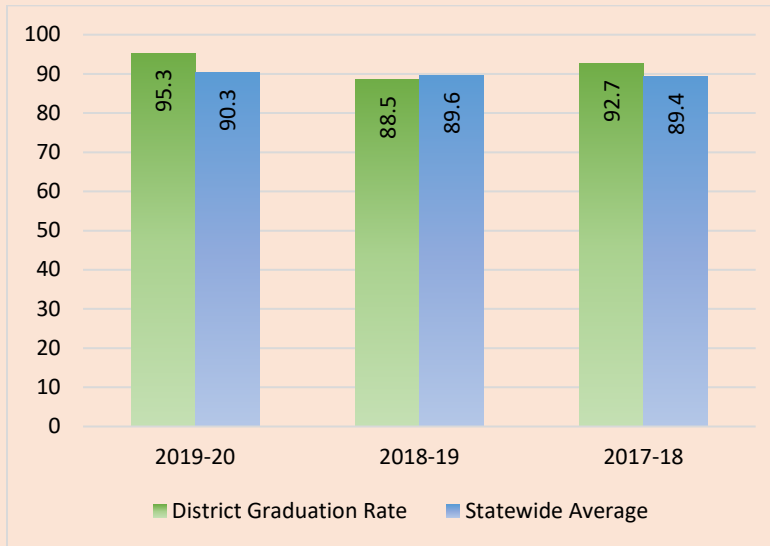
<sup>4</sup> Act 158 of 2018, effective October 24, 2018, amended the Public School Code to further delay the use of Keystone Exams as a graduation requirement until the 2021-22 school year. See 24 P.S. § 1-121(b)(1). Please refer to the following link regarding further guidance to local education agencies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



## Academic Information Continued

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

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



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

## Finding

### Finding

### The District's Failure to Implement an Adequate Internal Control System Resulted in an Unauditable \$2 Million in Transportation Reimbursements

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

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

Section 518 of the Public School Code (PSC) requires that financial records of a district be retained by the district for a period of **not less than six years**. (Emphasis added.) See 24 P.S. § 5-518.

##### **Student Transportation Subsidy**

Section 2541(a) of the PSC states, in part: "School districts shall be paid by the commonwealth for every school year on account of pupil transportation which... have been approved by the Department of Education... an amount to be determined by multiplying the cost of approved reimbursable pupils transportation incurred by the district by the district's aid ratio. In determining the formula for the cost of approved reimbursable transportation, the Secretary of Education may prescribe the methods of determining approved mileages and the utilized passenger capacity of vehicles for reimbursement purposes..." See 24 P.S. § 25-2541(a).

We found that the South Side Area School District (District) did not implement an adequate internal control system over the calculation and reporting of regular transportation data. Additionally, the District did not comply with the record retention provision of the Public School Code (PSC) when it failed to obtain and retain adequate source documentation for the regular transportation data it reported to the Pennsylvania Department of Education (PDE) for the 2016-17 through 2019-20 school years. Therefore, we could not determine the accuracy of the \$2,008,810 the District received in regular transportation reimbursements.

#### **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 charter school and nonpublic school students transported at any time during the school year. The issues discussed in this finding refer to the District's regular transportation reimbursement.

It is absolutely essential that records related to the District's transportation reimbursements be obtained and retained in accordance with the PSC record retention provisions (for a period of not less than six years) and be readily available for audit. Periodic auditing of such documents is extremely important for District accountability and verification of accurate reporting. Therefore, the District should have a strong system of internal control over its transportation operations that includes, but is not limited to, the following:

- Segregation of duties.
- Comprehensive written procedures.
- Training on PDE reporting requirements.

It is also important to note that the PSC requires all 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 its transportation reimbursements. Further, the sworn statement of student transportation data should not be filed with the state Secretary of

Criteria relevant to the finding  
(continued):

#### Sworn Statement and Annual Filing Requirements

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.” (Emphases added.) See 24 P.S. § 25-2543.

The Pennsylvania Department of Education (PDE) instructions for Local Education Agencies (LEA) on how to complete the PDE-1049. The PDE-1049 is the electronic form used by LEAs to submit transportation data annually to PDE.

<http://www.education.pa.gov/Documents/Teachers-Administrators/Pupil%20Transportation/eTran%20Application%20Instructions/PupilTransp%20Instructions%20PDE%201049.pdf>  
(Accessed on 1/4/22)

#### Daily Miles With

Report the number of miles per day, to the nearest tenth, that the vehicle traveled with pupils. If this figure changed during the year, calculate a weighted average or sample average.

Education unless the data has been double-checked for accuracy by personnel trained on PDE’s reporting requirements.

An official signing a sworn statement must be aware that by submitting the transportation data to PDE, he/she is asserting that the information is true and that they have verified evidence of accuracy.<sup>6</sup> The sworn statement includes the superintendent’s signature attesting to the accuracy of the reported data. Because of that 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.

#### Unauditable Regular Transportation Reimbursement of More than \$2 Million

The District contracted with a vendor to provide transportation services for students during the audit period. At the beginning of each school year, the District used transportation mapping software to develop its vehicle routes. The District reported the *estimated* vehicle and student data determined at the beginning of the school year to PDE each year of the audit period. Reporting of this nature is not in compliance with PDE reporting requirements since the District did not report the *actual* mileage traveled and number of students transported. The vehicle data reported to PDE could not and did not account for any variation in the routes over the course of the school year. District officials acknowledged that estimated transportation data was reported to PDE and that vehicle routes changed during the school year and those changes were not considered when the data was reported to PDE.

The table below details the vehicle and student data reported to PDE for each year of the audit period.

South Side Area School District Regular Transportation Data			
School Year	Reported Number of Students Transported	Reported Number of Vehicles	Total Reimbursement Received
2016-17	1,047	32	\$ 524,070
2017-18	1,030	29	\$ 515,416
2018-19	990	32	\$ 511,205
2019-20	983	27	\$ 458,119
<b>Totals</b>	<b>4,050</b>	<b>120</b>	<b>\$2,008,810</b>

<sup>6</sup> Please note that while a sworn statement is different from an affidavit, in that a sworn statement is not typically signed or certified by a notary public but are, nonetheless, taken under oath. See <https://legaldictionary.net/sworn-statement/> (accessed December 2, 2021).

*Criteria relevant to the finding  
(continued):*

Daily Miles Without

Report the number of miles per day, to the nearest tenth, that the vehicle traveled without pupils. If this figure changed during the year, calculate a weighted average or sample average.

Pupils Assigned

Report the greatest number of pupils assigned to ride this vehicle at any one time during the day. Report the number of pupils assigned to the nearest tenth. The number cannot exceed the seating capacity. If the number of pupils assigned changed during the year, calculate a weighted average or a sample average.

Number of Days

Report the number of days (a whole number) this vehicle provided to and from school transportation. Count any part of a day as one day. Depending upon the service the vehicle provided, this number could exceed or be less than the number of days the district was in session: however, summer school or "Extended School Year" (Armstrong v. Kline) transportation may not be included in this number. "Early Intervention" program transportation may be included). If the district received a waiver of instructional days due to a natural or other disaster (such as a hurricane), the waiver does not extend to transportation services. Only days on which transportation was actually provided may be reported.

The District was unaware that it was required to obtain and retain actual vehicle mileage and student data since it was using data generated from its transportation software. District officials stated that this method of calculating and reporting transportation data has been used for several years and they believed that the estimated data generated from its transportation software was sufficient to be reported for reimbursement.

### **Significant Internal Control Deficiencies**

Our review revealed that the District did not obtain and retain the required supporting documentation necessary to accurately report its regular transportation data to PDE. We found the District did not have an adequate internal control system over its transportation operations. Specifically, District personnel responsible for transportation data were not adequately trained on PDE's reporting requirements and the need to obtain and retain actual vehicle data. Additionally, the District did not implement adequate segregation of duties when it placed responsibility on one District employee for calculating and reporting regular transportation data to PDE without review by another employee. Finally, the District did not have comprehensive written procedures for obtaining and retaining the documentation needed to accurately calculate and report transportation data.

### **Recommendations**

The *South Side Area School District* should:

1. Develop and implement an internal control system over its regular transportation data operations. The internal control system should include, but not be limited to, the following:
  - All personnel involved in obtaining, calculating, and reporting transportation data are adequately trained on PDE's reporting requirements.
  - A review of transportation data is conducted by an employee other than the employee who prepared the data before it is submitted to PDE.
  - Clear and concise written procedures are developed to document the regular transportation data collection, calculating, and reporting process.
2. Immediately initiate the process of requiring actual monthly mileage readings and student ridership for all vehicles transporting District students.
3. Ensure that complete supporting documentation for all regular transportation data is obtained, reviewed, and retained in accordance with PSC requirements. Record retention procedures should be documented and staff should be trained on these procedures.

## **Management Response**

District management provided the following response:

“Background Information:

The district took a technology based approach for determining its student transportation routing and reporting. We feel this approach is a more accurate, efficient and cost effective means in which to report student transportation. [The vendor] software is used to calculate (not estimate) and report district transportation data. The transportation subsidy is determined by using four different allowance criteria-mileage is only one of the four criteria used to calculate our subsidy. The four allowance criteria are:

- 1 — Vehicle
- 2 — Mileage
- 3 — UPCM: Utilized Passenger Capacity Miles, (Annual miles multiplied by number of students)
- 4 — Excess Hours

Vehicle allowance can be verified. It is based on seating capacity and the age of the vehicle. Mileage figures are obtained from the [vendor] application software. This software calculates mileage using state of the art GPS technology. The audit report uses the term ‘estimated’ in various sections of the finding. The District did not estimate neither the miles nor number of students reported. For mileage the district used the system ‘calculated’ miles. For assigned student count data, an exact count is made on a daily basis for the number of students assigned to each bus. This data is used to determine the ‘Weighted Average Number Pupils Assigned.’ The auditors requested to see manually prepared logs filled in by each bus driver for each route. These logs did not exist, instead the district relied on the computer generated mileage data.

The District will now require bus drivers to complete a mileage log once a month to serve as supporting documentation to the software generated reports.

### **RECOMMENDATIONS:**

1. District administration will schedule additional training offered by [the vendor] and other appropriate state agencies regarding best practices on transportation reporting. In addition to the review that is conducted on the preliminary transportation report generated by the Pennsylvania Department of Education, a review will be conducted by the business manager or appropriate personnel on any data that is potentially submitted to PDE in preparation of the Preliminary report.

In addition to the current processes, written procedures will be prepared by the Business Manager in cooperation with the Transportation Director and shared with the transportation vendor.

2. In addition to the GPS driven mileage reports generated by [the vendor], the District has implemented the requirement of having bus drivers manually recording and preparing monthly, mileage reports.
3. In addition to the computerized data that is currently stored by [the vendor] dating back to the 2015 - 2016 school year, all paper documentation used to report transportation information will be retained for at least 7 years.”

### **Auditor Conclusion**

We are encouraged that the District has acknowledged the weaknesses noted and provided a corrective action plan that addresses our recommendations. It is important to note that the District used GPS mapping software to determine mileage for each vehicle route when the route was designed and this data was reported to PDE. While mapping software provides the mileage from point A to point B, it does not account for variations in the actual routes driven. Therefore, we stand by our conclusion that the mileage reported was more of an “estimate” than actual miles traveled. Our conclusion is further supported by the fact that the District reported the same mileage for each vehicle every month. It is highly unusual for vehicles to travel the exact same miles every month.

We firmly believe that it is in the District’s best interest to adopt the recommended sample averaging methodology for calculating and reporting vehicle mileage. The method the District used during the audit period may actually have resulted in underreporting actual miles travelled which could have resulted in a lower reimbursement amount.

We will evaluate the effectiveness of the District’s corrective actions during our next audit of the District.

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

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**O**ur prior Limited Procedures Engagement of the South Side Area School District resulted in no findings or observations.

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

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

Our audit, conducted under authority of Sections 402 and 403 of The Fiscal Code,<sup>7</sup> is not a substitute for the local annual financial audit required by the Public School Code of 1949, as amended. We conducted our audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit.

Our audit focused on the District's effectiveness and/or compliance with applicable statutory provisions and related regulations in the areas of Transportation Operations, Bus Driver Requirements, Administrator Separations, and School Safety, including fire and security drills. The audit objectives supporting these areas of focus are explained in the context of our methodology to achieve the objectives in the next section. Overall, our audit covered the period July 1, 2016 through June 30, 2020. The scope of each individual objective is also detailed in the next section.

The District's management is responsible for establishing and maintaining effective internal control to provide reasonable assurance that the District's objectives will be achieved.<sup>8</sup> *Standards for Internal Control in the Federal Government* (also known as and hereafter referred to as the Green Book), issued by the Comptroller General of the United States, provides a framework for management to establish and maintain an effective internal control system. The Department of the Auditor General used the Green Book as the internal control analysis framework during the conduct of our audit.<sup>9</sup> The Green Book's standards are organized into five components of internal control. In an effective system of internal control, these five components work together in an integrated manner to help an entity achieve its objectives. Each of the five components of internal control contains principles, which are the requirements an entity should follow in establishing an effective system of internal control. We illustrate the five components and their underlying principles in Figure 1 on the following page.

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<sup>7</sup> 72 P.S. §§ 402 and 403.

<sup>8</sup> District objectives can be broadly classified into one or more of the following areas: effectiveness of operations; reliability of reporting for internal and external use; and compliance with applicable laws and regulations, more specifically in the District, referring to certain relevant state laws, regulations, contracts, and administrative procedures.

<sup>9</sup> Even though the Green Book was written for the federal government, it explicitly states that it may also be adopted by state, local, and quasi-government entities, as well as not-for-profit organizations, as a framework for establishing and maintaining an effective internal control system. The Green Book is assessable at <https://www.gao.gov/products/GAO-14-704G>



**Figure 1: Green Book Hierarchical Framework of Internal Control Standards**

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

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

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

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

**Figure 2 – Internal Control Components and Principles Identified as Significant**

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

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

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

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

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

### **Transportation Operations**

- Did the District ensure compliance with applicable laws and regulations governing transportation operations, and did the District receive the correct transportation reimbursement from the Commonwealth?<sup>10</sup>
  - ✓ To address this objective, we assessed the District's internal controls for obtaining, processing, and reporting transportation data to PDE. For all vehicles reported to PDE as transporting students for the 2016-17 through 2019-20 school years, we requested odometer readings, student rosters, and supporting documentation for the number of days vehicles were used to transport students.<sup>11</sup> The District did not maintain the required supporting documentation for any vehicle for any year; therefore, we were unable to determine the accuracy of the regular transportation reimbursement the District received from PDE for the audit period.

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

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<sup>10</sup> See 24 P.S. § 25-2541(a).

<sup>11</sup> The District reported that it used the following number of vehicles for each school year of the audit period: 32 vehicles during the 2016-17 school year; 29 vehicles during the 2017-18 school year; 32 vehicles during the 2018-19 school year; and 27 vehicles during the 2019-20 school year.

## **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 clearances<sup>12</sup> as outlined in applicable laws?<sup>13</sup> Also, did the District adequately monitor driver records to ensure compliance with the ongoing five-year clearance requirements and ensure it obtained updated licenses and health physical records as applicable throughout the school year?
  - ✓ To address this objective, we assessed the District's internal controls for maintaining and reviewing required bus driver qualification documents and procedures for determining who transported students daily. We determined if all drivers were approved by the Board. We randomly selected 10 of 34 drivers transporting District students as of October 25, 2021.<sup>14</sup> We reviewed documentation to determine if the District complied with the qualification and clearance requirements for those drivers. We also determined if the District had monitoring procedures to ensure that all drivers had updated clearances, licenses, and health physicals.

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

## **Administrator Separations**

- Did the District provide any individually contracted employees with excessive payments upon separation of employment? Did the District ensure all payroll wages reported to the Public School Employees' Retirement System (PSERS) were appropriate and accurate?
  - ✓ To address this objective, we assessed the District's internal controls over the calculation of post-employment benefits and the processing of final payments to individually contracted administrators who separated employment with the District. We reviewed the employment contract, leave records, and payroll records for the one individually contracted administrator who separated from the District during the period of July 1, 2016 through June 30, 2020. We reviewed the final payouts to determine if the administrator was compensated in accordance with the contract. We verified that leave payouts were not reported as regular wages to PSERS. We also verified that the Board complied with Section 508 of the Public School Code by voting to approve the administrator's separation from employment by the District.

**Conclusion:** The results of our procedures for the administrative separation objective did not disclose 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.

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<sup>12</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>13</sup> PSC 24 P.S. § 1-111, CPSL 23 Pa.C.S. § 6344(a.1), PSC (Educator Discipline) 24 P.S. § 2070.1a *et seq.*, State Vehicle Code 75 Pa.C.S. §§ 1508.1 and 1509, and State Board of Education's regulations 22 Pa. Code Chapter 8.

<sup>14</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.

## **School Safety**

- Did the District comply with requirements in the Public School Code and the Emergency Management Code related to emergency management plans, bullying prevention, and memorandums of understanding with local law enforcement?<sup>15</sup> Also, did the District follow best practices related to physical building security and providing a safe school environment?
  - ✓ To address this objective, we reviewed a variety of documentation including but not limited to safety plans, training schedules, risk and vulnerability assessments, anti-bullying policies, safety committee meetings, 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 objective are not described in our report, but they were shared with District officials, PDE's Office of Safe Schools, and other appropriate law enforcement agencies deemed necessary.

- Did the District comply with the fire and security drill requirements of Section 1517 of the Public School Code?<sup>16</sup> Also, did the District accurately report the dates of drills to PDE and maintain supporting documentation to evidence the drills conducted and reported to PDE?
  - ✓ To address this objective, we obtained and reviewed fire and security drill records for the 2018-19 and 2019-20 school years. We determined if a security drill was held within the first 90 days of the school year for each building in the District and if monthly fire drills were conducted in accordance with requirements. We also obtained the *Accuracy Certification Statement* that the District filed with PDE and compared the dates reported to the supporting documentation.

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

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<sup>15</sup> Safe Schools Act 24 P.S. § 13-1301-A *et seq.*, Emergency Management Services Code 35 Pa.C.S. § 7701.

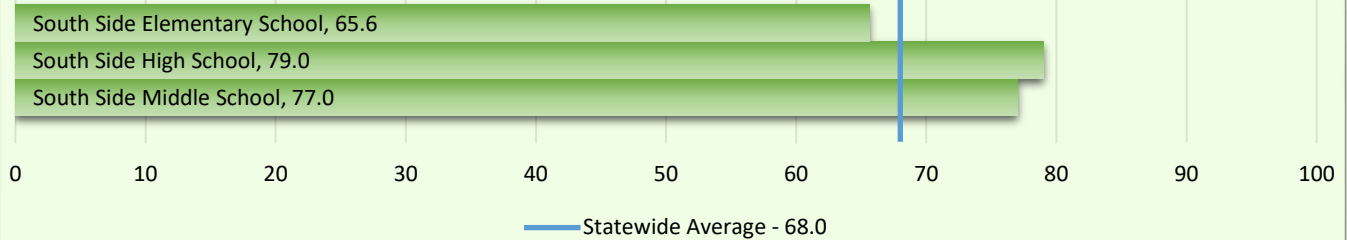
<sup>16</sup> Public School Code (Fire and Security Drills) 24 P.S. § 15-1517.

## Appendix B: Academic Detail

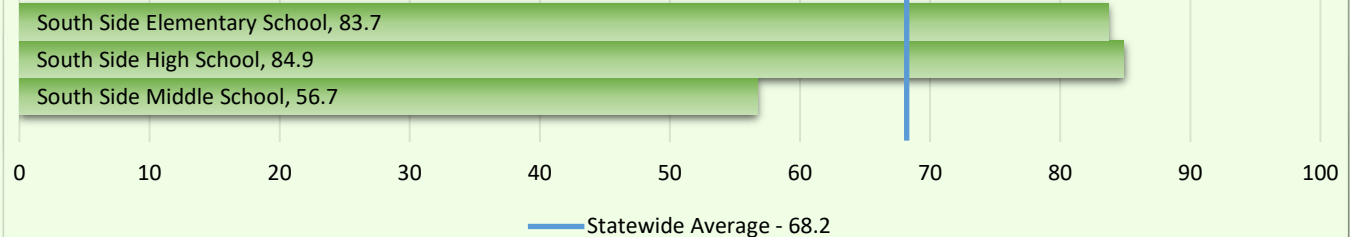
Benchmarks noted in the following graphs represent the statewide average of all public school buildings in the Commonwealth that received a score in the category and year noted.<sup>17</sup> Please note that if one of the District's schools did not receive a score in a particular category and year presented below, the school will not be listed in the corresponding graph.<sup>18</sup>

### SPP School Scores Compared to Statewide Averages

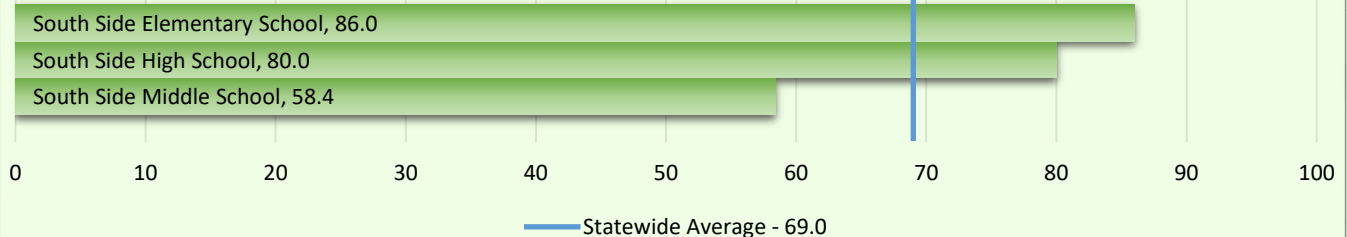
**2018-19**



**2017-18**



**2016-17**

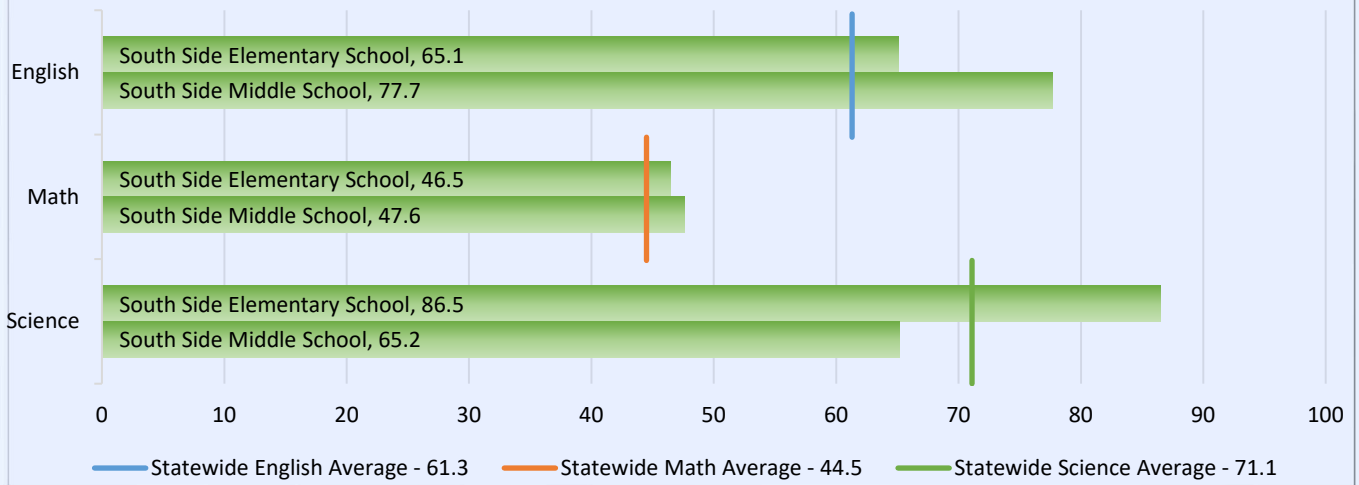


<sup>17</sup> Statewide averages were calculated by our Department based on individual school building scores for all public schools in the Commonwealth, including district schools, charters schools, and cyber charter schools.

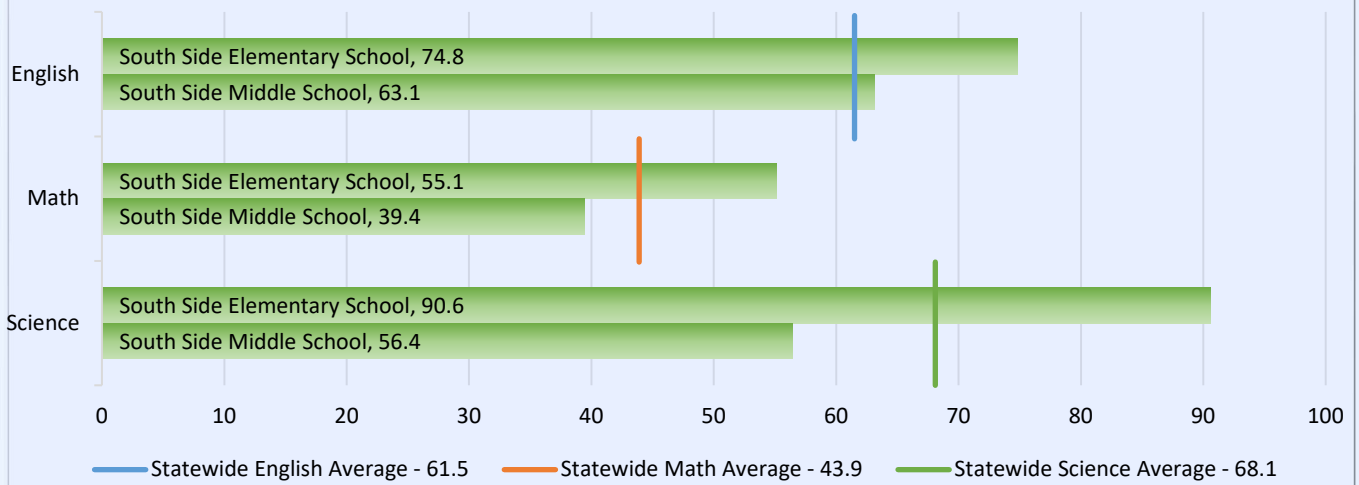
<sup>18</sup> PDE's data does not provide any further information regarding the reason a score was not published for a specific school. However, readers can refer to PDE's website for general information regarding the issuance of academic scores.

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

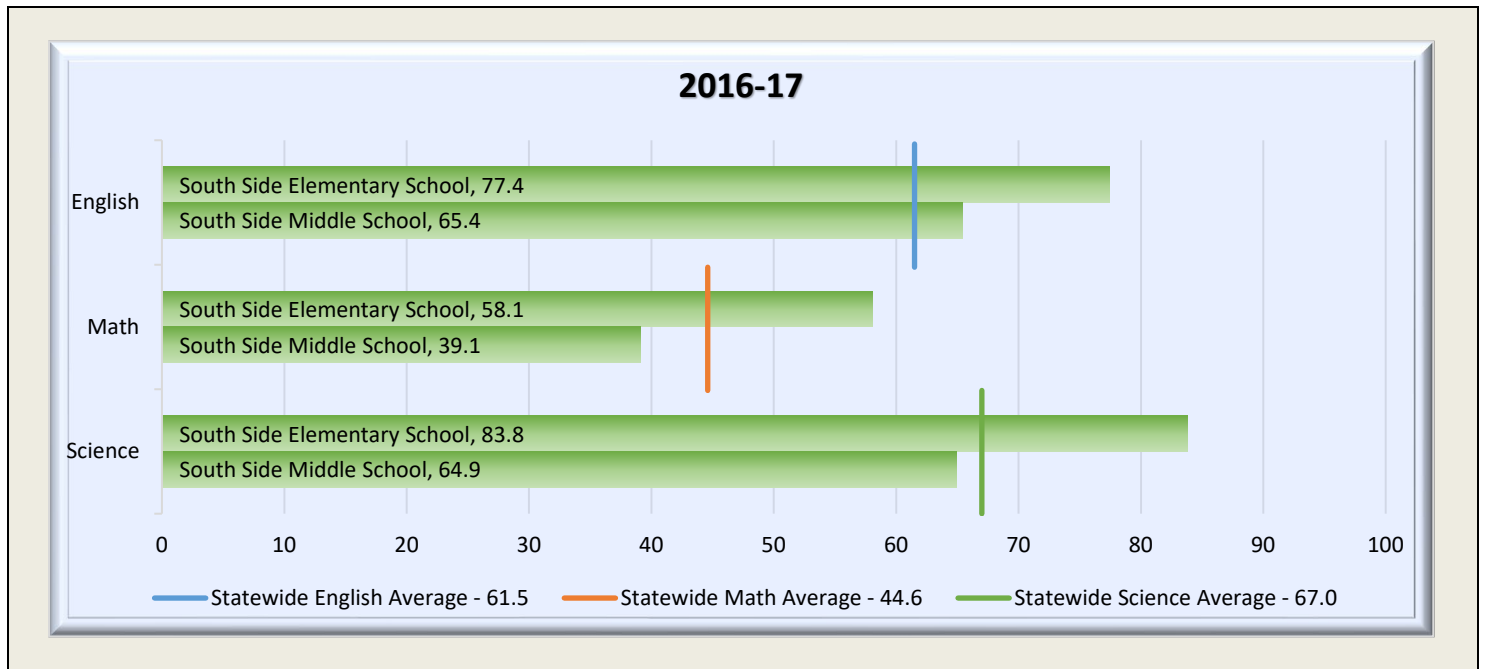
**2018-19**



**2017-18**

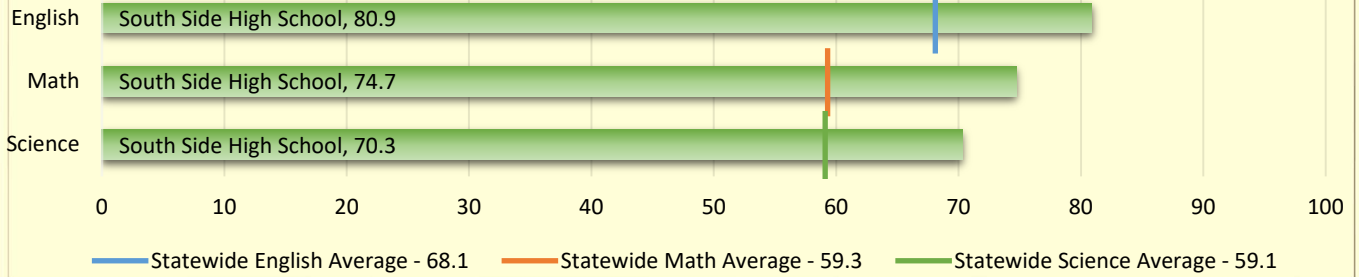


**PSSA Advanced or Proficient Percentage  
School Scores Compared to Statewide Averages (continued)**

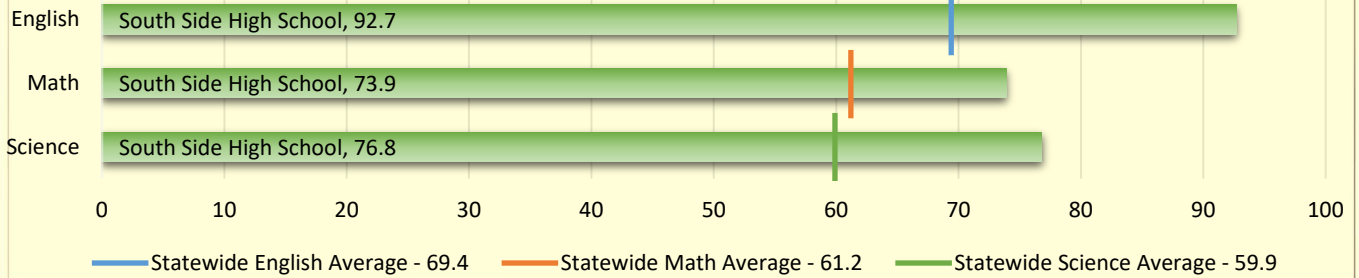


**Keystone Advanced or Proficient Percentage  
School Scores Compared to Statewide Averages**

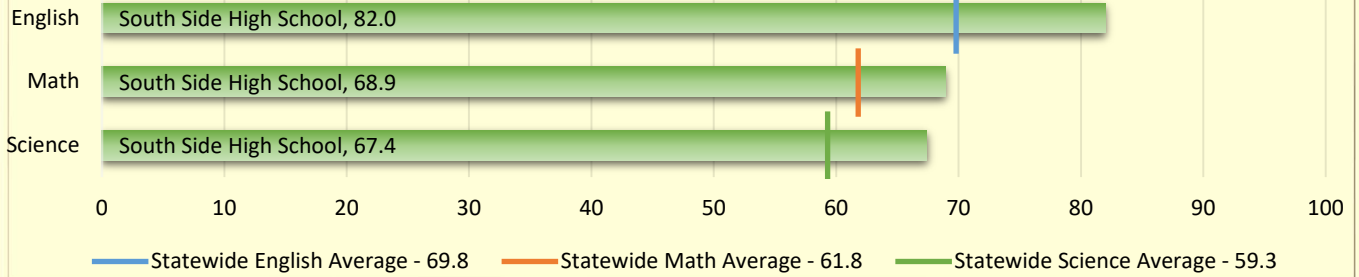
**2018-19**



**2017-18**



**2016-17**





## **Distribution List**

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Harrisburg, PA 17120

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