

PERFORMANCE AUDIT

Pine Grove Area School District Schuylkill County, Pennsylvania

February 2019



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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**EUGENE A. DePASQUALE
AUDITOR GENERAL**

Mr. Heath W. Renninger, Superintendent
Pine Grove Area School District
103 School Street
Pine Grove, Pennsylvania 17963

Dr. Evelyn Wassel, Board President
Pine Grove Area School District
103 School Street
Pine Grove, Pennsylvania 17963

Dear Mr. Renninger and Dr. Wassel:

Our performance audit of the Pine Grove Area School District (District) determined the District's compliance with certain relevant state laws, regulations, contracts, and administrative procedures (relevant requirements). This audit covered the period July 1, 2013 through June 30, 2017, except as otherwise indicated in the audit scope, objective, and methodology section of the report. The audit was conducted pursuant to Sections 402 and 403 of The Fiscal Code (72 P.S. §§ 402 and 403), and 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 objectives.

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 some of the results of this review to be confidential, we did not include the full results in this report. However, we communicated the results of our full review of school safety to District officials, the Pennsylvania Department of Education, and other appropriate officials as deemed necessary.

Our audit found that the District complied, in all significant respects, with relevant requirements, except as detailed in our two findings noted in this audit report. A summary of the results is presented in the Executive Summary section of the audit report.

Mr. Heath W. Renninger
Dr. Evelyn Wassel
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Our audit findings and recommendations have been discussed with the District's management, and their responses are included in the audit report. We believe the implementation of our recommendations will improve the District's operations and facilitate compliance with legal and relevant requirements. We appreciate the District's cooperation during the course of the audit.

Sincerely,



Eugene A. DePasquale
Auditor General

February 19, 2019

cc: **PINE GROVE AREA SCHOOL DISTRICT** Board of School Directors

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Executive Summary

Audit Work

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

Our audit scope covered the period July 1, 2013 through June 30, 2017, except as otherwise indicated in the audit scope, objectives, and methodology section of the report (see Appendix). Compliance specific to state subsidies and reimbursements was determined for the 2013-14 through 2016-17 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 two findings.

Finding No. 1: The District Failed to Retain Required Supporting Documentation to Substantiate the Regular Transportation Reimbursements Received and Incorrectly Reported Nonpublic School Students to the PDE, Which Resulted in an \$25,410 Overpayment of Supplemental Transportation Reimbursements. We found that the District did not comply with the record retention provision of the Public School Code (PSC) due to its failure to retain adequate student transportation documentation. The District failed to retain

documentation to support the number of non-reimbursable students and students residing on a hazardous walking route transported by the District during the 2013-14, 2014-15, 2015-16, and 2016-17 school years. (See page 10).

Finding No. 2: The Pine Grove Area School District Failed to Conduct a Majority of the Monthly Fire Drills as Required by the Public School Code. Our review of the District's fire drill reports for the 2016-17 school year disclosed that the District failed to conduct fire drills each month, as required by Section 1517(a) of the PSC. (See page 18).

Status of Prior Audit Findings and Observations. There were no findings or observations in our prior audit report.

Background Information

School Characteristics 2017-18 School Year ^A	
County	Schuylkill
Total Square Miles	109
Number of School Buildings	3
Total Teachers	135
Total Full or Part-Time Support Staff	67
Total Administrators	12
Total Enrollment for Most Recent School Year	1,616
Intermediate Unit Number	29
District Vo-Tech School	Schuylkill County AVTS

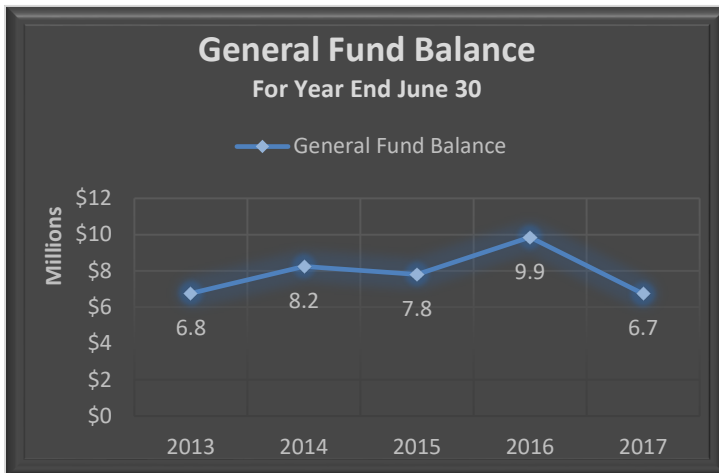
A - Source: Information provided by the District administration and is unaudited.

Mission Statement^A

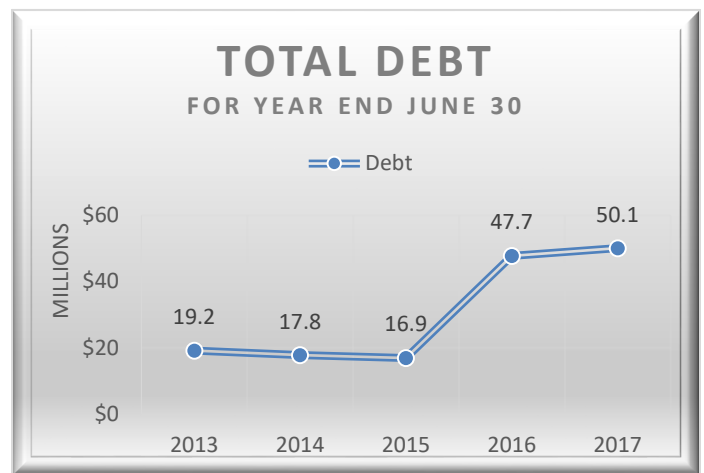
To Promote Growth, Achievement, Success, and Direction for all children. PGASD for all children!

Financial Information

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

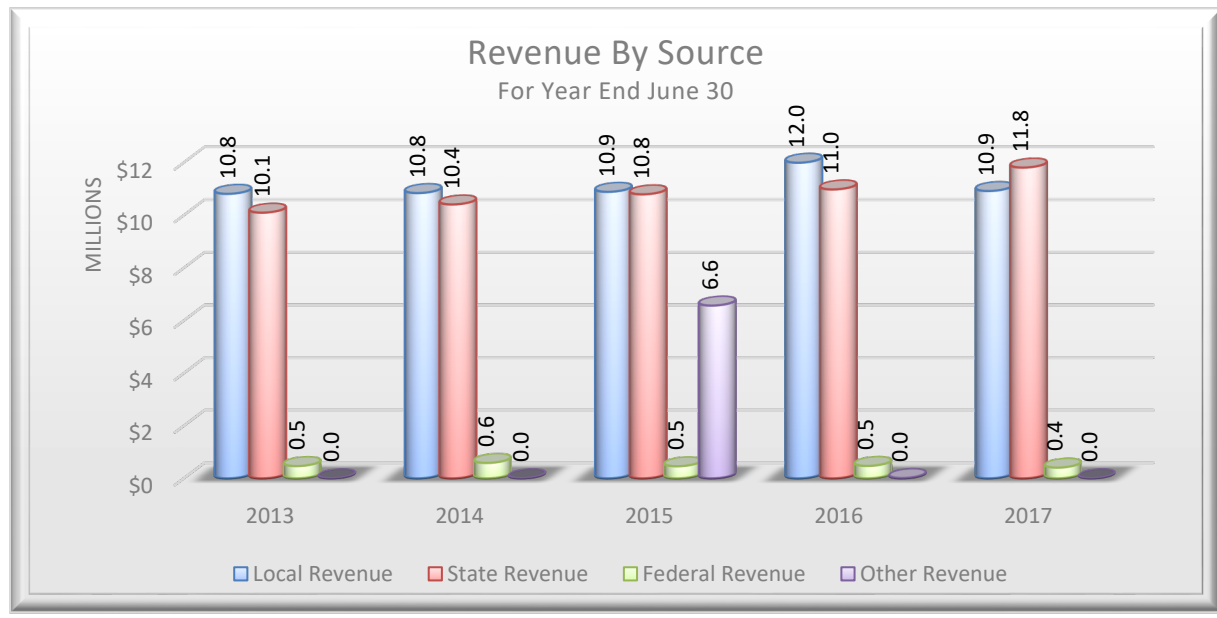
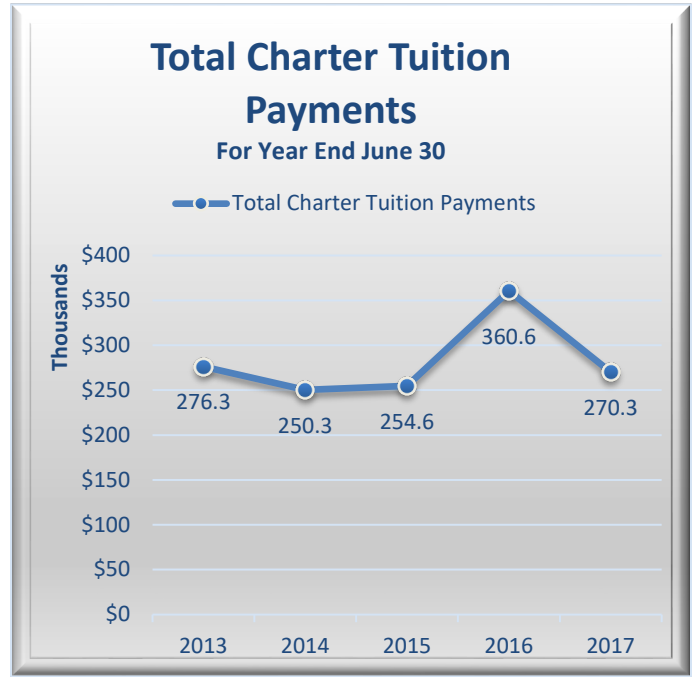
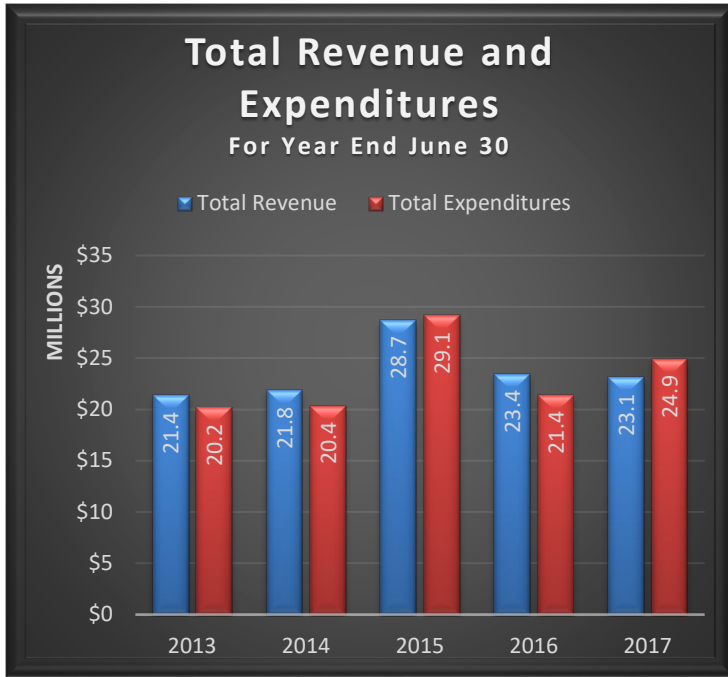


Note: General Fund Balance is comprised of the District's Committed, Assigned and Unassigned Fund Balances.



Note: Total Debt is comprised of Short-Term Borrowing, General Obligation Bonds, Authority Building Obligations, Other Long-Term Debt, Other Post-Employment Benefits, Compensated Absences and Net Pension Liability.

Financial Information Continued



Academic Information

The graphs on the following pages present 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 the PDE's data files for the 2014-15, 2015-16 and 2016-17 school years.¹ These scores are provided in the District's audit report for **informational purposes only**, and they were not audited by our Department. 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.² Finally, 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.³

What is a SPP score?

A SPP score serves as a benchmark for schools to reflect on successes, achievements, and yearly growth. The PDE issues a SPP score using a 0-100 scale for all school buildings in the Commonwealth annually, 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.

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

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.⁵ 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.

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

² The 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 the PDE's website for general information regarding the issuance of academic scores.

³ 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.

⁴ According to the PDE, SPP scores for elementary and middle schools were put on hold for the 2014-15 school year due to the state's major overhaul of the PSSA exams to align with PA Core standards and an unprecedented drop in public schools' PSSA scores that year. Since PSSA scores are an important factor in the SPP calculation, the state decided not to use PSSA scores to calculate a SPP score for elementary and middle schools for the 2014-15 school year. Only high schools using the Keystone Exam as the standardized testing component received a SPP score.

⁵ Act 39 of 2018, effective July 1, 2018, amended the Public School Code to further delay the use of Keystone Exams as a graduation requirement for an additional year until the 2020-21 school year. *See* 24 P.S. § 1-121(b)(1).

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 and Math. 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.⁶ 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.

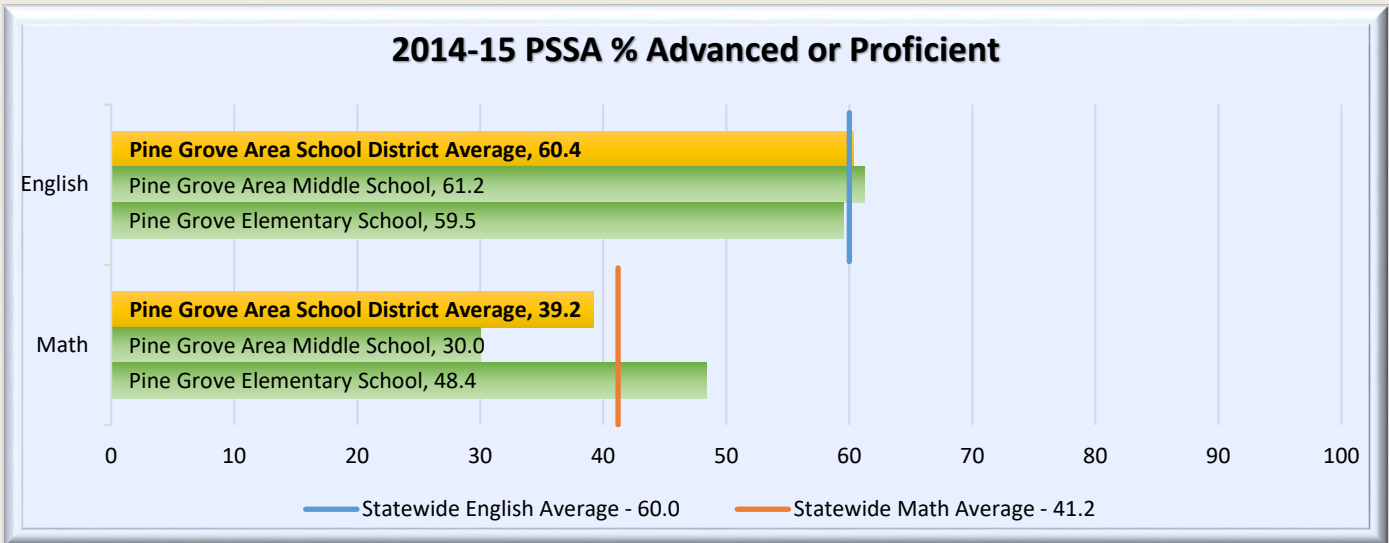
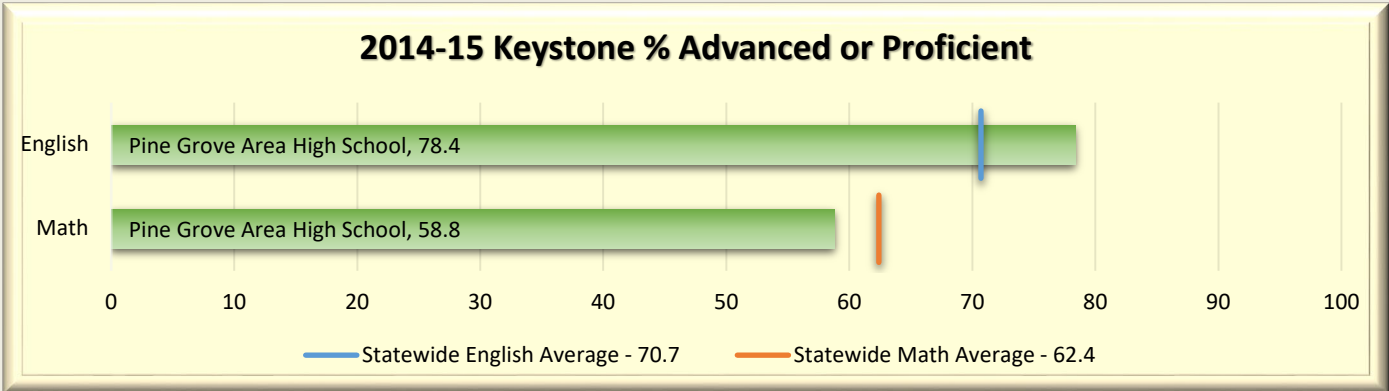
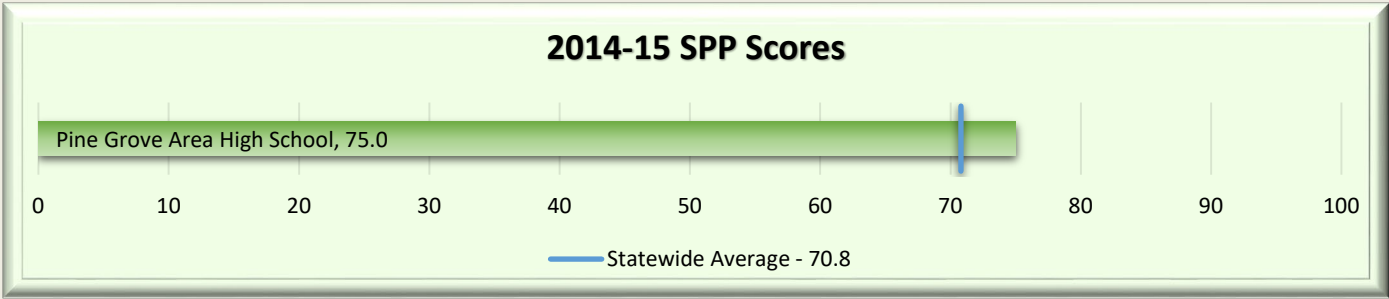
What is a 4-Year Cohort Graduation Rate?

The 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.⁷

⁶ The PDE has determined that PSSA scores issued beginning with the 2014-15 school year and after are not comparable to prior years due to restructuring of the exam.

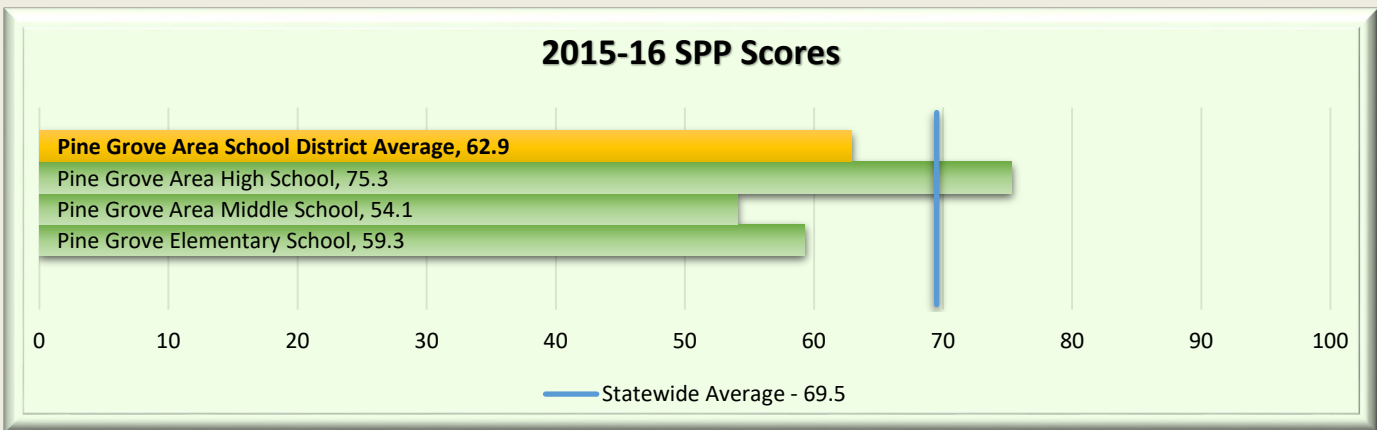
⁷ The PDE also calculates 5-year and 6-year cohort graduation rates. Please visit the PDE's website for additional information: <http://www.education.pa.gov/Data-and-Statistics/Pages/Cohort-Graduation-Rate-.aspx>.

2014-15 Academic Data
School Scores Compared to Statewide Averages

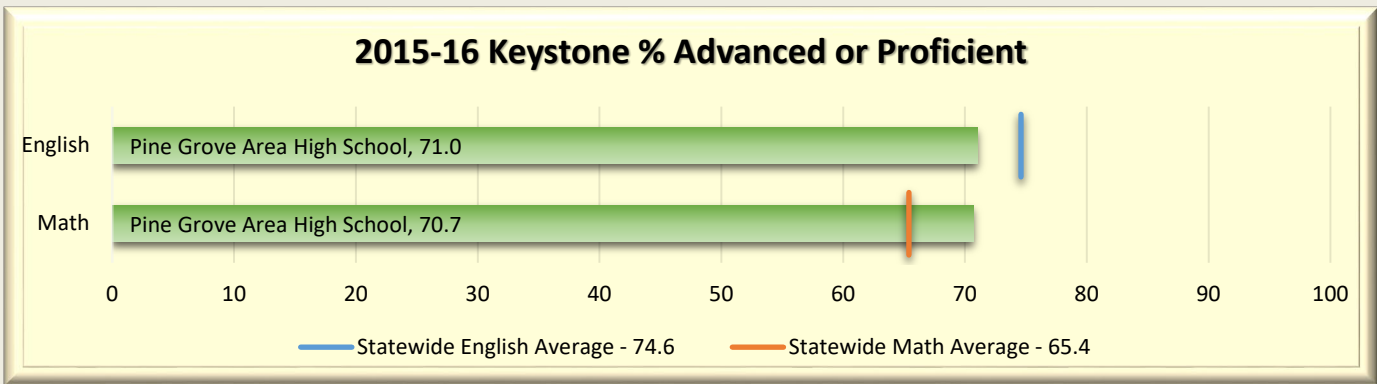


2015-16 Academic Data
School Scores Compared to Statewide Averages

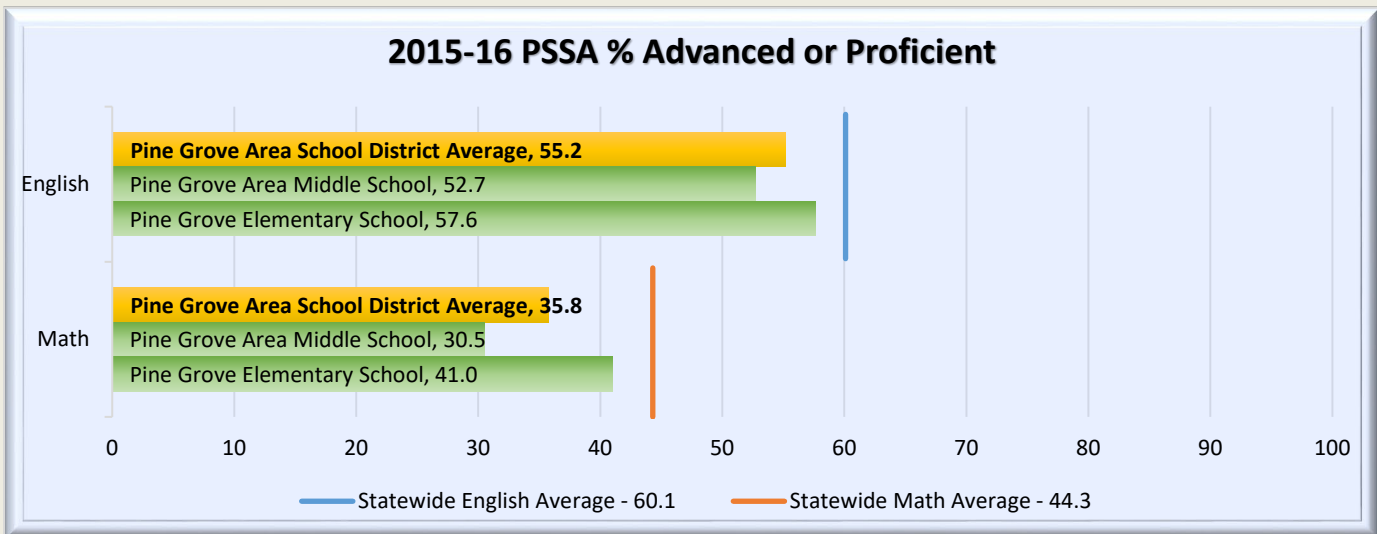
2015-16 SPP Scores



2015-16 Keystone % Advanced or Proficient

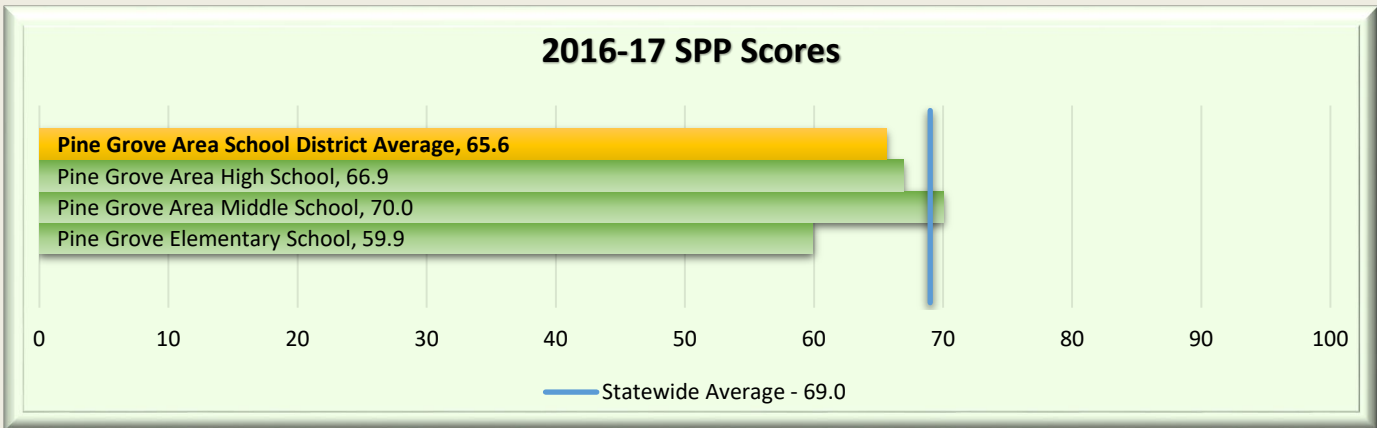


2015-16 PSSA % Advanced or Proficient

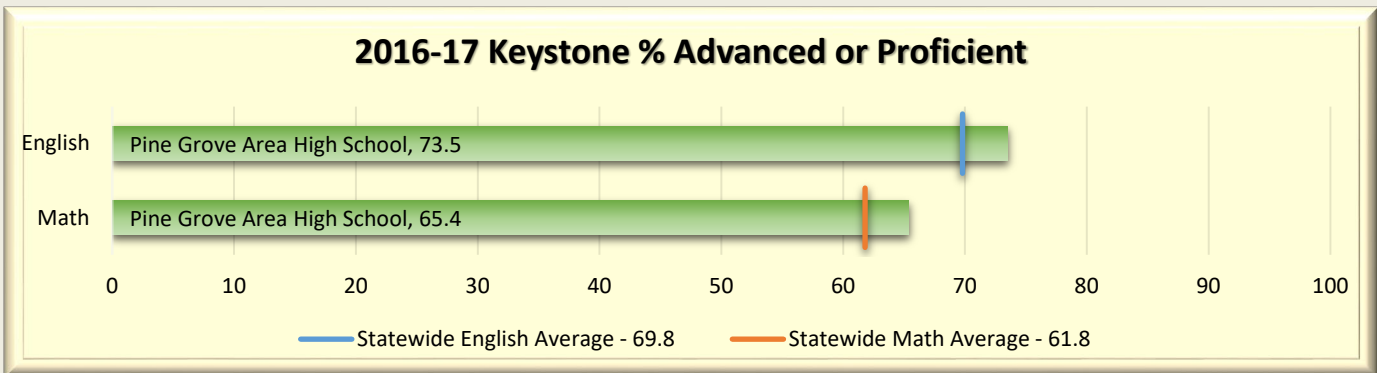


2016-17 Academic Data
School Scores Compared to Statewide Averages

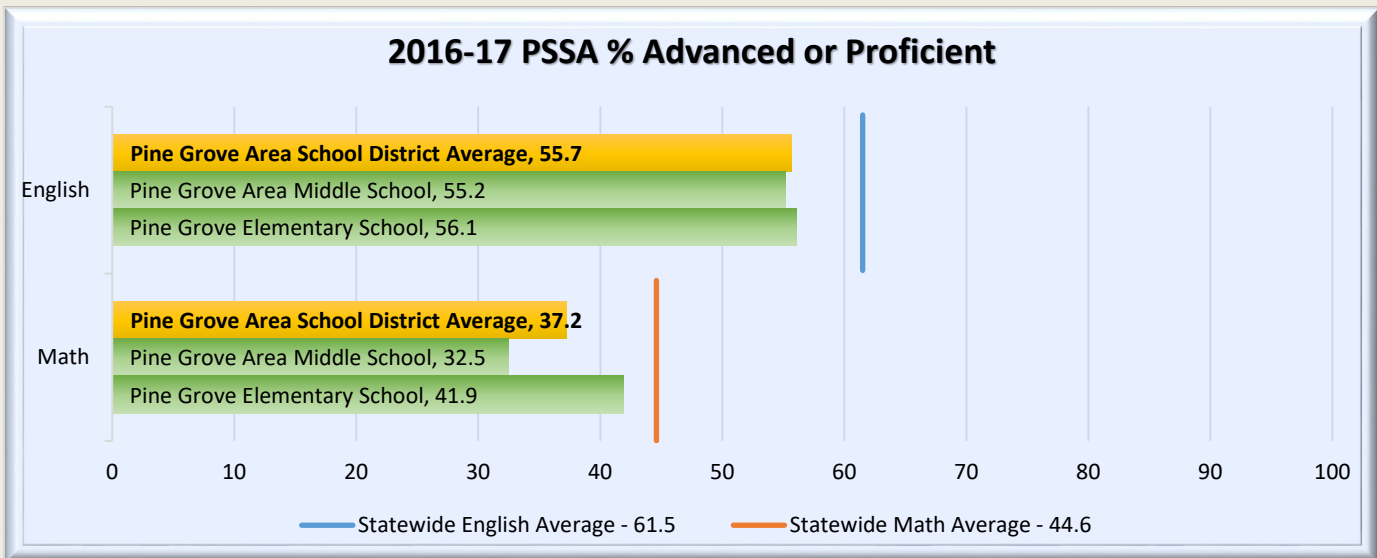
2016-17 SPP Scores



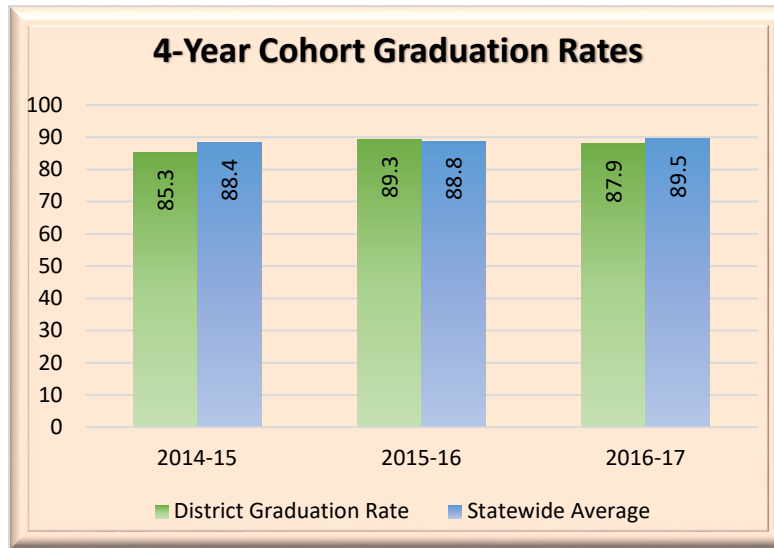
2016-17 Keystone % Advanced or Proficient



2016-17 PSSA % Advanced or Proficient



Graduation Data
District Graduation Rates Compared to Statewide Averages



Finding

Finding No. 1

The District Failed to Retain Required Supporting Documentation to Substantiate the Regular Transportation Reimbursements Received and Incorrectly Reported Nonpublic School Students to the PDE, Which Resulted in an \$25,410 Overpayment of Supplemental Transportation Reimbursements

Criteria relevant to the finding:

Student Transportation Subsidy

The Public School Code (PSC) provides that school districts receive a transportation subsidy for most students who are provided transportation. Section 2541 (relating to Payments on account of pupil transportation) of the PSC specifies the transportation formula and criteria. See 24 P.S. § 25-2541.

Total Students Transported

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, and the means and contracts providing for which, have been approved by the Department of Education, in the cases hereinafter enumerated, 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 Pine Grove Area School District (District) did not comply with the record retention provision of the Public School Code (PSC) due to its failure to retain adequate student transportation documentation. The District failed to retain documentation to support the number of non-reimbursable students and students residing on a hazardous walking route transported by the District during the 2013-14, 2014-15, 2015-16, and 2016-17 school years.

Additionally, we found that the District was overpaid a total of \$25,410 in transportation reimbursements from the Pennsylvania Department of Education (PDE). This overpayment was due to the District improperly reporting the number of nonpublic school students transported during the 2013-14, 2014-15, 2015-16, and 2016-17 school years.

Districts receive two separate transportation reimbursement payments from the PDE. One reimbursement is broadly based on the number of students transported and the number of miles of vehicles in service, both with and without students (i.e., regular transportation reimbursement). Districts must accurately identify and report students who are not eligible for reimbursement, (commonly referred to as non-reimbursable students) to ensure that its regular transportation reimbursement is accurate. Districts must also accurately identify and report students who would be non-reimbursable; however, these students reside on a hazardous walking route as identified by the Pennsylvania Department of Transportation (PennDOT) and therefore are eligible to be reported as reimbursable. The other reimbursement received by districts is based on the number of charter school and nonpublic school students transported (i.e., supplemental

Criteria relevant to the finding (continued):

Non-reimbursable students

Non-reimbursable students are elementary students who reside within 1.5 miles of their elementary school and secondary students who reside within 2 miles of their secondary school. Non-reimbursable students do not include special education students or students who reside on routes determine by PennDOT to be hazardous. *See* 24 P.S. § 25-2541(b)(1).

Record Retention Requirement

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

Sworn Statement and Annual Filing Requirements

Section 2543 of the PSC sets forth the requirement for school districts to annually file a sworn statement of student transportation data for the prior and current school year with the 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.” (Emphasis added.)

transportation reimbursement).

It is also important to note that the PSC requires that all school districts must annually file a sworn statement of student transportation data for the prior and current school year with the PDE in order to be eligible for the transportation subsidies.

The lack of supporting documentation for critical transportation data elements precluded us from concluding on the accuracy of the over \$2.9 million in regular transportation reimbursement received by the District during the 2013-14 through 2016-17 school years. The reporting errors noted above affected the District’s supplemental transportation reimbursement and are discussed in more detail further below.

Lack of Documentation for Regular Transportation Reimbursement Received

Without proper documentation, we were unable to determine the appropriateness of the number of non-reimbursable students and students residing on a hazardous walking route transported by the District and reported to the PDE for the 2013-14 through 2016-17 school years. It is absolutely essential that records related to the District’s transportation of these students be retained in accordance with the requirements of the PSC and be readily available for audit.

Districts are not eligible for reimbursement if the district elects to transport students who are considered within walking distance of their school (elementary students residing within 1.5 miles of their school and secondary students residing within 2 miles of their school) unless the students live on a hazardous walking route. If a district elects to transport these students, the district must report these students to the PDE as non-reimbursable so that these students are **not** included in the total number of reimbursable students transported by the district. As discussed earlier in the finding, the number of students transported is a significant factor in a district’s regular transportation reimbursement. Elementary students who reside within 1.5 miles of their school and secondary

Criteria relevant to the finding (continued):

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

Form Completion Instruction – PDE-1049 Transportation Services Forms

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.

Supplemental Transportation Subsidy for Nonpublic Students

Section 1361(a) of the PSC requires school districts to provide free transportation to their students attending a nonpublic school located within the school district or outside the school district not exceeding ten miles by the nearest public highway. These provisions also allow school districts to receive a supplemental, state transportation subsidy of \$385 per nonpublic student pursuant to Section 2509.3 of the PSC. See 24 P.S. § 13-1361(a) and 24 P.S. § 25-2509.3.

Nonpublic school pupils are children whose parents are paying tuition for them to attend a nonprofit or parochial school.

The definition of “Nonpublic school” in the PSC is as follows, in part: “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 of this act...” See 24 P.S. § 9-922.1-A(b).

students who reside within 2 miles of their school can be reported by the district as reimbursable students if they reside in areas that have been labeled as a hazardous walking route by PennDOT. To report these students as reimbursable, the district must obtain documentation from PennDOT certifying the hazardous walking routes.

The table below illustrates the number of students the District reported as non-reimbursable and as residing on a hazardous walking route during the 2013-14 through 2016-17 school years.

Table 1

Pine Grove Area School District Non-Reimbursable and Students Residing on a Hazardous Walking Route		
School Year	Non-Reimbursable Students Reported	Students Residing on a Hazardous Walking Route
2013-14	175	183
2014-15	168	211
2015-16	120	211
2016-17	0	282
Total	463	887

When we asked the District to provide us with documentation to support the number of non-reimbursable students reported to the PDE during the 2013-14 through 2015-16 school years, the District was unable to provide us with this information. More specifically, the District was unable to provide us with a list of students transported and the mileage from their respective schools. Without this important information, we were unable to conclude on the accuracy of the number of non-reimbursable students reported to the PDE and ultimately the District’s regular transportation reimbursement received during the audit period.

As shown in the table above, the reported number of non-reimbursable students decreased from 175 in the 2013-14 school year to zero in the 2016-17 school year. Based on past accumulative experience, fluctuations like this necessitate a review of the reported information. In this

case, we were unable to substantiate the fluctuations due to the District's lack of supporting documentation.

Additionally, the table above shows that the District reported 282 students who resided on a hazardous walking route in the 2016-17 school year, which was a significant increase from the 183 students reported for the 2013-14 school year. We were unable to substantiate these fluctuations because the District failed to retain information to support this reported data. The District was unable to provide us with supporting documentation to verify these students resided on a walking route that was determined to be hazardous by PennDOT.

The PSC requires that all financial records be retained for a period of not less than six years. We found that the District did not comply with the PSC's record retention requirements in maintaining supporting documentation for its transportation reimbursement.

The District failed in its fiduciary duty to taxpayers by not retaining this information. Without this documentation, we could not determine whether the over \$2.9 million of regular transportation reimbursement received was appropriate. Transportation expenses and the subsequent transportation reimbursements are significant factors that can impact the District's overall financial position. Therefore, it is in the best interest of the District to ensure that it regularly and consistently complies with the PSC's record retention requirements.

Nonpublic Students Transported

According to the PSC, a nonpublic school is defined 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 under the act and Title VI of the Civil Rights Act of 1964.⁸ The PSC requires school districts to provide transportation services to students who reside in its district and attend a nonpublic school, of which they are entitled to a reimbursement from the Commonwealth of \$385 for each nonpublic school student transported by the district. It is important to note that if the district transports one nonpublic student at any time during

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

the school year, the district would be eligible for \$385 in reimbursement for that nonpublic student.

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

Table 2

Pine Grove Area School District Nonpublic Reporting Errors		
School Year	Nonpublic Students Over/(Under) Reported	Overpayment/ (Underpayment)⁹
2013-14	36	\$13,860
2014-15	26	\$10,010
2015-16	(9)	\$(3,465)
2016-17	13	\$5,005
Total	66	\$25,410

The District failed to maintain complete and sufficient documentation to support the number of nonpublic school students transported during the 2013-14 through 2016-17 school years. The District was unable to provide a reconciliation of nonpublic school students reported to the PDE to the actual nonpublic school students transported.

Further, the District was unable to explain or provide supporting documentation for some of the nonpublic school students reported to the PDE as transported by the District during the 2013-14 through 2016-17 school years.

When we asked for the supporting documentation for the nonpublic students reported for the 2013-14 school year, the District was unable to access the transportation software in use during that year due to a system software error.

For the 2014-15 school year, the District was able to provide supporting documentation for some nonpublic school students, but was unable to identify or provide supporting documentation for an additional 26 nonpublic school students reported to the PDE.

⁹ Calculated by multiplying the “Nonpublic Students Over/(Under) Reported” column by \$385.

The District underreported the amount of nonpublic school students reported as transported during the 2015-16 school year and was unable to explain the number of nonpublic school students reported to the PDE.

Similar to the 2014-15 school year, the District was able to provide supporting documentation for some nonpublic school students for the 2016-17 school year, but was unable to identify or provide supporting documentation for an additional 13 nonpublic school students reported to the PDE.

The District did not have procedures in place to review the accuracy of the number of nonpublic students prior to reporting this information to the PDE. After our review of this information and discussions with District officials responsible for reporting transportation data, it was clear to us that the District staff who prepared the report lacked adequate knowledge to correctly identify and report nonpublic school students accurately.

We provided the PDE with reports detailing the nonpublic school student reporting errors for the 2013-14, 2014-15, 2015-16, and 2016-17 school years. The 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.

It is essential that the District accurately report transportation data to the PDE and retain the support for this transportation data. Further, the sworn statement of student transportation data should not be filed with the state Secretary of Education unless the data has been double-checked for accuracy by personnel trained on the PDE's reporting requirements.

Recommendations

The *Pine Grove Area School District* should:

1. Retain all documentation supporting the transportation data reported to the PDE, specifically including all requests for transportation for nonpublic students and documents supporting the number of non-reimbursable students and students who reside on hazardous walking routes as certified by the PennDot.

2. Implement a procedure to have a District official, other than the person who prepares the data, review the transportation data for accuracy and approve it prior to submission to the PDE. Ensure that this procedure includes reconciling requests for transportation to vehicle rosters.
3. Ensure personnel in charge of calculating and reporting transportation data are trained with regard to the PDE's reporting requirements.

The *Pennsylvania Department of Education* should:

4. Adjust the District's future transportation subsidy to resolve the \$25,410 overpayment to the District.

Management Response

District management provided the following response:

“The District agrees with the Auditor General’s finding regarding the lack of retention of supporting documentation for regular transportation reimbursements received and the incorrect reported number of nonpublic school students within the district during the time period covered by the audit.

During the audit years in question there were substantial personnel changes within the Transportation Secretary and Transportation Director functions. When the current Transportation Secretary took over the position, there was very little training provided to her by the outgoing personnel whose primary duties had been transportation reporting and transportation record retention. As such, unintentional mistakes were made by the current Transportation Secretary due to a lack of training and oversight within the District’s transportation function.

After being informed of the State Auditor’s transportation finding, the District immediately took significant steps to remedy the shortcomings within the transportation operations. More specifically, the District has:

- Updated the transportation function processes in order to ensure that all information and data is being recorded, retained, and reported in an appropriate and correct manner.

- Completed intensive Transfinder training (undergone by the Transportation Secretary and the Business Manager) in order to ensure that accurate and complete information is being entered and captured in the District’s transportation software.
- Completed a detailed PASBO transportation webinar regarding accurate transportation cost and student count reporting to PDE, in addition to the requirements of transportation record retention guidelines.
- Implemented a procedure in which the District’s Business Manager thoroughly reviews the data prepared by the Transportation Secretary for completeness and accuracy prior to submission to PDE.
- Developed a plan to hire a separate PIMS position in order to separate these duties from the current duties of the Transportation Secretary. This will ensure that the Transportation Secretary is able to focus her undivided attention solely on the critical area of transportation reporting, recording, and retention.”

Auditor Conclusion

We are encouraged that the District immediately formulated a plan of action to rectify the lack of internal controls regarding the transportation operations. We are also pleased that the District will be hiring an additional staff member to fill a new Pennsylvania Information Management System (PIMS) position to ensure that the Transportation Secretary is able to focus their attention on transportation operations. We will evaluate the District’s corrective action during our next audit of the District.

Finding No. 2

The Pine Grove Area School District Failed to Conduct a Majority of the Monthly Fire Drills as Required by the Public School Code

Criteria relevant to the finding:

The following PSC provisions, as implemented by the PDE in its guidance for the 2016-17 school year, are relevant to the finding:

Section 1517(a) of the PSC required:

“(a) In all public schools where fire-escapes, appliances for the extinguishment of fires, or proper and sufficient exits in case of fire or panic, either or all, are required by law to be maintained, **fire drills shall be periodically conducted, not less than one a month**, by the teacher or teachers in charge, under rules and regulations to be promulgated by the district superintendent under whose supervision such schools are. In such fire drills, the pupils and teachers shall be instructed in, and made thoroughly familiar with, the use of the fire escapes, appliances and exits. The drill shall include the actual use thereof, and the complete removal of the pupils and teachers, in an expeditious and orderly manner, by means of fire-escapes and exits, from the building to a place of safety on the ground outside.” [Emphasis added.] See 24 P.S. § 15-1517(a) (effective through November 5, 2017).

Our review of the District’s fire drill reports for the 2016-17 school year disclosed that the District failed to conduct fire drills each month, as required by Section 1517(a) of the PSC during our audit period.¹⁰

As part of our review, we requested the 2016-17 Fire Drill Accuracy Certification Statement report required to be filed annually with the PDE for the District’s three school buildings and verified that it was filed by the reporting deadline. We also reviewed supporting documentation to determine if fire drills were conducted each month from September through May while school was in session. We found that the District correctly reported to the PDE the months in which fire drills were completed for all three District buildings.

However, our review found the District did not conduct a fire drill every month for every building as required by the PSC. Specifically, our review of the supporting documentation revealed that the District conducted only 13 of the 27, or **48 percent**, of the required fire drills at its three school buildings for the nine school months reviewed.¹¹

While the District scheduled monthly fire drills, it ultimately cancelled several of its scheduled fire drill dates for unplanned reasons, such as weather conditions, or to conduct required bus evacuation drills. The District’s Superintendent explained that he was new to the position and that in trying to prioritize the many business and budgetary functions, rescheduling the fire drills was overlooked. The District’s Superintendent acknowledged and understood the importance of performing monthly fire

¹⁰ 24 P.S. § 15-1517(a). Please also see the “Important Note” in our criteria box indicating that Section 1517 of the PSC was further amended by Act 39 of 2018, effective July 1, 2018, and will not apply until our next audit period.

¹¹ The District has three school buildings and fire drills are required each month for each building. Therefore, we determined that a total of 27 fire drills should have been conducted (3 buildings x 9 months = 27 drills).

*Criteria relevant to the finding
(continued):*

Further, Section 1517(b) of the PSC also required:

“(b) District superintendents are hereby required to see that the provisions of this section are faithfully carried out in the schools over which they have charge.” See 24 P.S. § 15-1517(b) (except minor wording changes, the language currently effective).

According to the PDE guidance emailed to all public schools on October 7, 2016, and its Basic Education Circular entitled, *Fire Drills and School Bus Evacuations*, annual certification of the completion of fire drills must be provided to the PDE. Beginning with the 2016-17 school year, annual reporting was required through the PIMS and fire drill certifications require each school entity to report the date on which each monthly fire drill was held. Fire Drill Accuracy Certification Statements must be electronically submitted to the PDE by July 31 following the end of a school year. Within two weeks of the electronic PIMS submission, a printed, signed original must be sent to the PDE’s Office for Safe Schools.

drills for every building as required by the PSC. Beginning with the 2018-19 school year, the District appointed a School Safety and Security Coordinator¹² who is charged with scheduling drills and ensuring that the District actually conducts fire drills each month for all buildings.¹³

Recommendations

The *Pine Grove Area School District* should:

1. Conduct monthly fire drills with staff and students at each school building while school is in session, as required by the PSC.
2. Request its solicitor to advise District officials about the amendments to the PSC related to fire and school security drill requirements beginning in the 2018-19 school year brought about by Act 39 of 2018, and the enhanced school safety and security provisions of Act 44 of 2018, so that the District can ensure consistent compliance with all current statutory provisions.

Management Response:

District management provided the following response:

“The District agrees with the Auditor General’s finding that the District failed to conduct a majority of the monthly fire drills as required by the Public School Code during the audit period in question.

When the current Superintendent came on board at the District, numerous areas of District operations were identified as needing further attention and correction. The areas of finance and technology were deemed as requiring immediate attention, as these areas were and are inherently critical to the continued daily operations of the District. Because attention was diverted to rectifying these two areas, other areas requiring oversight and rectification (i.e.

¹² Please note that Act 44 of 2018, effective June 22, 2018, which amended the PSC to provide for enhanced school safety and security measures, required each school administrator to appoint a school safety and security coordinator for their school entity by August 31, 2018. See page 4 of this link: [https://www.pccd.pa.gov/schoolsafety/Documents/Website%20Powerpoint%20\(Overview%20of%20Act%2044\).pdf](https://www.pccd.pa.gov/schoolsafety/Documents/Website%20Powerpoint%20(Overview%20of%20Act%2044).pdf), accessed on November 28, 2018.

¹³ Drills were conducted in September 2018 and October 2018.

*Criteria relevant to the finding
(continued):*

Important Note: The following summary is provided as a courtesy for informational purposes only to highlight recent amendments to the PSC, but does **not** apply to the audit period (i.e., 2016-17 school year) for this finding.

In **2018**, the General Assembly amended Section 1517 of the PSC through Act 39 which **mandates** that each school entity conduct one school security drill per school year in each school building in place of a required fire drill within 90 days of the commencement of the school year after the subsection's effective date (July 1, 2018) and in each school year thereafter. The school security drill **must** be conducted while the school entity is in session and students are present. Further, Act 39 provides that each school entity may conduct two school security drills per school year in each school building in place of two fire drills after 90 days from the commencement of each school year. See 24 P.S. § 15-1517 (as most recently amended by Act 39 of 2018).

fire drills), admittedly suffered from a lack of supervision and continued with errors.

Once the issue was pointed out by the State Auditors, the District immediately researched how and why the problem occurred. It was discovered that drills were skipped simply because they were overlooked and not scheduled by the building principals. In addition, it was discovered that some drills were cancelled due to weather, conflicting scheduling, etc. and then erroneously not rescheduled.

Corrective measures have immediately been implemented by the District. The District's Superintendent and Business Manager will meet with the solicitor to review Act 39 of 2018 and Act 44 of 2018 in order to ensure that the District has a complete understanding of the requirements that the District is in strict compliance in all areas of fire drills. In addition, we have assigned our School Safety and Security Coordinator to oversee the scheduling of all drills (fire, security, bus evacuation, etc.) in all schools. Upon completion of the drill, all building principals will be required to turn in a district-created documentation sheet to our School Safety and Security Coordinator and PIMS Secretary."

Auditor Conclusion

We are pleased the District has taken immediate actions to adhere to the requirements of Act 39 of 2018 and Act 44 of 2018. We will continue to stress that the District ensure that all required drills are being performed consistently and timely. We will determine the effectiveness of the District's corrective action during our next audit of the District's Safe School and Fire Drill procedures.

Status of Prior Audit Findings and Observations

Our prior audit of the Pine Grove Area School District resulted in no findings or observations.

Appendix: Audit Scope, Objectives, and Methodology

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

Our audit, conducted under authority of Sections 402 and 403 of The Fiscal Code,¹⁴ 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.

Scope

Overall, our audit covered the period July 1, 2013 through June 30, 2017. In addition, the scope of each individual audit objective is detailed on the next page.

The Pine Grove Area School District's (District) management is responsible for establishing and maintaining effective internal controls to provide reasonable assurance that the District is in compliance with certain relevant state laws, regulations, contracts, and administrative procedures (relevant requirements).¹⁵ In conducting our audit, we obtained an understanding of the District's internal controls, including any information technology controls, which we consider to be significant within the context of our audit objectives. We assessed whether those controls were properly designed and implemented. Any deficiencies in internal controls that were identified during the conduct of our audit and determined to be significant within the context of our audit objectives are included in this report.

¹⁴ 72 P.S. §§ 402 and 403.

¹⁵ Internal controls are processes designed by management to provide reasonable assurance of achieving objectives in areas such as: effectiveness and efficiency of operations; relevance and reliability of operational and financial information; and compliance with certain relevant state laws, regulations, contracts, and administrative procedures.

Objectives/Methodology

In order to properly plan our audit and to guide us in selecting objectives, we reviewed pertinent laws and regulations, board meeting minutes, academic performance data, annual financial reports, annual budgets, new or amended policies and procedures, and the independent audit report of the District's basic financial statements for the fiscal years July 1, 2013 through June 30, 2017. 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 efficiency and effectiveness in the following areas:

- ✓ Transportation Operations
- ✓ School Safety
- ✓ Administrator Contract Buyout
- ✓ Bus Driver Requirements

As we conducted our audit procedures, we sought to determine answers to the following questions, which served as our audit objectives:

- ✓ 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?¹⁶
 - To address this objective, we reviewed all nonpublic students listed on the District's roster of nonpublic students for 2013-14 through 2016-17 school years.¹⁷ We reviewed requests for transportation to nonpublic schools and nonpublic school class lists to determine if the students were eligible for the supplemental transportation reimbursement. We also interviewed District officials concerning the process of transporting nonpublic school children and how the District reports this information to the PDE.
 - Additionally, we attempted to review all of the non-reimbursable students and students who live on a hazardous route transported by the District during the 2013-14 through 2016-17 school years.¹⁸ We requested documentation to support the reporting of these students and interviewed District officials concerning the process of transporting these students and reporting this information to the PDE.

¹⁶ See 24 P.S. §§ 13-1301, 13-1302, 13-1305, 13-1306; 22 Pa. Code Chapter 11.

¹⁷ The District reported to the PDE 36 nonpublic school students transported during the 2013-14 school year, 35 transported during the 2014-15 school year, 25 transported during the 2015-16 school year, and 34 transported during the 2016-17 school year.

¹⁸ The District reported to the PDE that it transported 175 non-reimbursable students during the 2013-14 school year, 168 during the 2014-15 school year, 120 during the 2015-16 school year, and 0 during the 2016-17 school year. The District reported to the PDE that it transported 183 students who reside on a hazardous route during the 2013-14 school year, 211 during the 2014-15 and 2015-16 school years, and 282 during the 2016-17 school year.

Please see Finding No. 1 on page 10 in this report for the results of our review of this objective.

- ✓ Did the District take actions to ensure it provided a safe school environment?¹⁹
 - To address this objective, we reviewed a variety of documentation including, safety plans, training schedules, anti-bullying policies, fire drill documentation, and after action reports. In addition, we conducted on-site reviews at all three of the District's school buildings to assess whether the District had implemented basic safety practices.²⁰ A portion of the results of our review of this objective can be found in Finding No. 2 on page 18 of this report. Due to the sensitive nature of school safety, the full results of our review for this objective area are not described in our audit report. The results of our school safety review were shared with District officials, the PDE, and other appropriate agencies deemed necessary.

- ✓ Did the District pursue a contract buyout with an administrator and if so, what was the total cost of the buyout, what were the reasons for the termination/settlement, and did the employment contract(s) comply with the Public School Code²¹ and Public School Employees' Retirement System guidelines?
 - To address this objective, we reviewed the contracts, settlement agreement, board meeting minutes, board policies, and payroll records for both administrators who separated employment from the District during the period July 1, 2013 through June 30, 2017. Our review of this objective did not disclose any reportable issues.

- ✓ Did the District ensure that bus drivers transporting District students had the required driver's license, physical exam, training, background checks, and clearances as outlined in applicable laws?²² Also, did the District have written policies and procedures governing the hiring of new bus drivers that would, when followed, provide reasonable assurance of compliance with applicable laws?
 - To address this objective, we randomly selected 10 of the 38 bus drivers transporting District students as of July 1, 2018.²³ We reviewed documentation to ensure the District complied with the requirements for bus drivers. We also determined if the District had written policies and procedures governing the hiring of bus drivers and if those procedures, when followed, ensure compliance with bus driver hiring requirements. Our review of this objective did not disclose any reportable issues.

¹⁹ 24 P.S. § 13-1301-A *et seq.*

²⁰ Basic safety practices evaluated were building security, bullying prevention, visitor procedures, risk and vulnerability assessments, and preparedness.

²¹ 24 P.S. § 10-1073(e)(2)(v).

²² 24 P.S. § 1-111, 23 Pa.C.S. § 6344(a.1), 24 P.S. § 2070.1a *et seq.*, 75 Pa.C.S. §§ 1508.1 and 1509, and 22 *Pa. Code Chapter 8.*

²³ 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.

Distribution List

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

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