

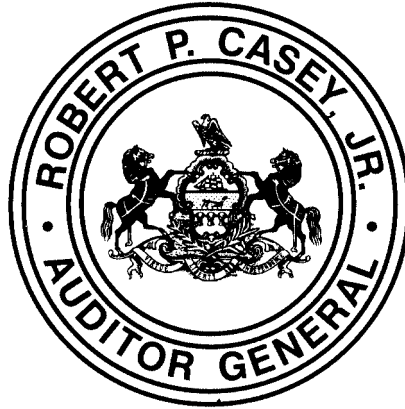
PENNCREST SCHOOL DISTRICT
CRAWFORD COUNTY, PENNSYLVANIA

AUDIT REPORT

FOR THE YEARS ENDED JUNE 30, 2002 AND 2001

WITH FINDINGS AND RECOMMENDATIONS

THROUGH MAY 11, 2004

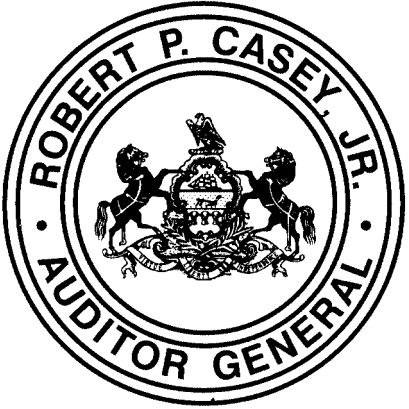


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AUDIT REPORT

FOR THE YEARS ENDED JUNE 30, 2002 AND 2001
WITH FINDINGS AND RECOMMENDATIONS
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PENNCREST SCHOOL DISTRICT
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The Honorable Edward G. Rendell
Governor
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania 17120

We have audited the operations of Penncrest School District for the years ended June 30, 2002 and 2001. Our objectives were:

- to ensure that the district received the funds from the state to which it was entitled;
- to determine if the district complied with state laws, regulations, contracts, and grants governing such entitlement and other state laws and regulations falling within the scope of our audit; and
- to determine if internal controls were adequate to help ensure the district's compliance with state laws and regulations governing such entitlement and other applicable laws and regulations falling within the scope of our audit.

In addition, we audited professional employees' certification for the period September 1, 2002 through February 28, 2004. Our objective was to determine if all administrators and teachers were properly certified for the positions they held.

We conducted our audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States of America. In completing the audit, we evaluated and tested documents, files, reports, agreements, systems, and procedures that we considered necessary. We also interviewed selected administrators and operations personnel.

Our audit, required by 72 P.S. § 403, was limited to the areas of Penncrest School District's operations relating to the objectives identified above.

Solely to assist us in planning and performing our audit, we made a study and evaluation of the internal controls of Penncrest School District. Our audit was made for the limited purposes described above. Accordingly, we do not express an opinion on the internal controls taken as a whole.

The results of our tests indicate that certain weaknesses, as further discussed in the findings in this report, should be corrected. These weaknesses were factors in the district's noncompliance with certain regulations. We believe our recommendations, if implemented by the district, will help ensure compliance with applicable state laws and regulations and the appropriate entitlement of funds from the state.

This report is intended solely for the information and use of management, Penncrest School District's Board of Directors, and Commonwealth agencies in determining the district's entitlement to funds received from the state and its compliance with state laws and regulations governing such entitlement and other applicable state laws and regulations falling within the scope of our audit. This report is not intended to be used for any other purposes and should not be used by anyone other than these specified parties.

May 11, 2004

Robert P. Casey, Jr.
Auditor General

PENNCREST SCHOOL DISTRICT
CRAWFORD COUNTY, PENNSYLVANIA
AUTHORITY AND BACKGROUND

Authority

Our audit was conducted under authority of 72 P.S. § 403, and does not supplant the local annual audit as required by 24 P.S. § 1-101 et seq.

Background

The district, located in Crawford and Venango counties, encompasses an area of approximately 420 square miles. It has a population of 25,093, according to the 2000 federal census. The administrative offices are at 18741 State Highway 198, Saegertown, Pennsylvania.

During 2001-02, the district provided basic educational services to 4,145 pupils through the employment of 14 administrators, 300 teachers, and 181 full-time and part-time support personnel. Special education was provided by the district and the Northwest Tri-County Intermediate Unit #5. Occupational training and adult education in various vocational and technical fields were provided by the district and the Crawford County Area Vocational-Technical School.

Expenditures for the years ended June 30, 2002 and 2001 were \$35,398,544 and \$34,937,863, respectively. Revenues supporting these expenditures were derived from local, state, and federal sources. Local revenues for 2001-02 were primarily based on a 39.35 mill real estate levy in Crawford County, and a 15.13 mill real estate levy in Venango County, a \$10 per capita tax, a 1 percent earned income tax, and a 1 percent real estate transfer tax.

PENNCREST SCHOOL DISTRICT
BACKGROUND

Description of State Revenue Received

Basic Education

Revenue received from Commonwealth appropriations as subsidy for basic education.

Charter Schools

Revenue received from the Commonwealth to fund the Charter Schools initiative. The state subsidy received includes revenue for startup funding, nonpublic transfers, and transitional grants.

School Performance Incentives

Revenue received from Commonwealth appropriations to reward significant educational and school-specific performance improvements as measured by improvements in student attendance and student accomplishments.

Tuition for Orphans and Children Placed in Private Homes

Revenue received from the Commonwealth as tuition for children who are orphans and/or children who are placed in private homes by the court. Payments are made in accordance with Sections 1305 and 1306 of the Public School Code.

Homebound Instruction

Revenue received from the Commonwealth as subsidy for expenses incurred on account of instruction of homebound pupils. Payments are made in accordance with Section 2510.1 of the Public School Code.

Vocational Education

Revenue received from the Commonwealth as subsidy on account of vocational education expenditures which are classified as current operating expenditures and also for preliminary expenses in establishing an area vocational education school. Payments are made in accordance with Sections 2502.8 and 2507 of the Public School Code.

Alternative Education

Revenue received from the Commonwealth as subsidy for alternative education. Alternative education is specialized educational instruction and support services to students that must be removed from regular classrooms because of disruptive behavior.

PENNCREST SCHOOL DISTRICT
BACKGROUND

Description of State Revenue Received (Continued)

Workforce Investment Act (WIA)/Job Training Partnership Act (JTPA)

Revenue received from the Commonwealth to train economically disadvantaged persons and others for permanent private sector employment.

Special Education

Revenue received from the Commonwealth as subsidy on account of expenditures incurred for instructing school age special education students.

Transportation

Revenue received from the Commonwealth as subsidy on account of pupil transportation expenditures and/or board and lodging in lieu of transportation. Payments for pupil transportation are made in accordance with Section 2541 of the Public School Code. Payments for board and lodging in lieu of transportation are made in accordance with Section 2542 of the Public School Code. This revenue also includes subsidy for the transportation of nonpublic and charter school students.

Rental and Sinking Fund Payments

Revenue received from the Commonwealth as a full or partial subsidy payment on account of approved lease rentals, sinking fund obligations, or any approved district debt obligations for which the Department of Education has assigned a lease number.

Health Services

Revenue received from the Commonwealth as subsidy on account of health services. Payments are made in accordance with Section 2505.1 of the Public School Code and include revenue for medical, dental, nurse and Act 25 health services.

Sewage Treatment Operations

Revenue received from the Commonwealth via the Department of Environmental Protection as subsidy for the annual operation costs of a sewage treatment plant. Payments are made in accordance with Act 339 of 1953.

Social Security and Medicare Taxes

Revenue received from the Commonwealth as subsidy designated as the Commonwealth's matching share of the employer's contribution of the Social Security and Medicare taxes for covered employees who are not federally funded.

PENNCREST SCHOOL DISTRICT
BACKGROUND

Description of State Revenue Received (Continued)

Retirement

Revenue received from the Commonwealth as subsidy designated as the Commonwealth's matching share of the employer's contribution of retirement contributions for active members of the Public School Employees' Retirement System.

Technology Grants

Revenue received for technology initiatives that allow the schools to develop new information technology projects, such as upgrade of networks or improved computer hardware and software.

Other Program Subsidies/Grants

Revenue received from the Commonwealth not specified elsewhere.

PENNCREST SCHOOL DISTRICT
FINDINGS AND RECOMMENDATIONS

The findings and recommendations were reviewed with representatives of Penncrest School District, and their comments have been included in this report.

PENNCREST SCHOOL DISTRICT
FINDINGS AND RECOMMENDATIONS

Finding No. 1 – Health Services Reimbursement Underpayments of \$3,580

The district’s health services reimbursement applications submitted to the Department of Health (DH) for the 2001-02 and 2000-01 school years were inaccurate. Errors in reporting average daily membership (ADM) resulted in reimbursement underpayments totaling \$3,580, detailed as follows:

<u>Payable</u> <u>Year</u>	<u>ADM</u>		<u>Understated</u>	<u>Dental</u>	<u>Underpayments</u>		<u>Act 25</u>	<u>Totals</u>
	<u>Reported</u>	<u>Audited</u>			<u>Medical</u>	<u>Nurse</u>		
2002-03	4,023.021	4,107.221	84.200	\$ -	\$135	\$ 589	\$ 817	\$1,541
2001-02	4,095.820	4,188.007	92.187	-	148	645	894	1,687
2002-03	2,656.961	2,741.161	84.200	168	-	-	-	168
2001-02	2,810.710	2,902.890	92.180	<u>184</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>184</u>
			<u>Totals</u>	<u>\$352</u>	<u>\$283</u>	<u>\$1,234</u>	<u>\$1,711</u>	<u>\$3,580</u>

Section 2505.1 of the Public School Code provides for a reimbursement of the lesser of actual program costs or \$1.60 for medical services, \$2.00 for dental hygiene services and \$7.00 for nurse services for each child enrolled in a school for the entire term, and a proportionate share for each child enrolled for part of a term. In addition, Act 25 of 1991 established that districts would receive an additional reimbursement on account of health services of \$9.70 multiplied by the district's ADM.

For the 2001-02 and 2000-01 school years, the errors resulted when the ADM reported did not include pupils who attended the vocational-technical school part-time.

Recommendations

District personnel responsible for submitting the health services reimbursement applications to DH should strengthen controls to ensure that all ADM data is accurately reported for reimbursement. In addition, district personnel should review subsequent years applications submitted to DH for accuracy and revise reports if necessary.

DH should pay the district an additional \$3,580 to resolve the finding.

PENNCREST SCHOOL DISTRICT
FINDINGS AND RECOMMENDATIONS

Finding No. 1 (Continued)

Response of Management

Management provided the following written response, indicating agreement with the finding:

Penncrest School District was notified several years back that we were not to report health services for AVTS students during the time they were at the AVTS. Those reports were corrected and a note was placed in the file to report only home time of all AVTS students. This procedure was changed sometime after notification from PDE but PSD was never informed.

As of the 2003-2004 school year, the health services report will reflect attendance for AVTS students for a full day.

PENNCREST SCHOOL DISTRICT
FINDINGS AND RECOMMENDATIONS

Finding No. 2 – Internal Control Weaknesses and Lack of Documentation Supporting Pupil Transportation Reimbursement of \$2,587,936

Our review of pupil transportation records and reports submitted to the Department of Education (DE) for the 2001-02 school year disclosed internal control weaknesses supporting reimbursements of \$2,587,936 for the 2002-03 payable year.

Chapter 23 of the State Board of Education Regulations, Section 23.4 states, in part:

The board of directors of a school district shall be responsible for all aspects of pupil transportation programs, including the following:

- (3) The establishment of routes, schedules and loading zones which comply with laws and regulations, . . .
- (5) The furnishing of rosters of pupils to be transported on each school bus run and trip.
- (6) The maintenance of a record of pupils transported to and from school, including determination of pupils' distances from home to pertinent school bus loading zones.

In addition, Section 518 of the Public School Code, requires retention of these records for a period of not less than six years.

Instructions for completing DE's End-of-Year Pupil Transportation Reports provides that the local education agency (LEA) must maintain records of miles with pupils, miles without pupils, and the greatest number of pupils assigned to each vehicle. Additionally, the instructions provide that procedures, information, and data used by the LEA to compile the information should be retained for audit purposes.

Pupil Rosters

For reimbursement purposes, the district is to report the greatest number of pupils assigned to ride each bus at any one time.

For the 2001-02 school year, the contractor provided the greatest number of pupils transported on each bus not the greatest number of pupils assigned to ride the bus. The district does not generate their own bus passenger lists; they rely on the contractor to provide one. As a result, it was not possible to accurately verify that all pupils were assigned to ride a bus, to maximize the district's reimbursement.

PENNCREST SCHOOL DISTRICT
FINDINGS AND RECOMMENDATIONS

Finding No. 2 (Continued)

Miles Reported and Bus Route Descriptions/Maps

The bus driver's mileage report work sheets failed to identify odometer readings between all bus stops, and schools, as required by Chapter 23, State Board of Education Regulations.

The district failed to provide board approved detailed bus route descriptions of each bus route, including each trip from start to finish of the run.

The district's contracted Transportation Agreement, Section 6, provides, in part:

The contractor agrees to furnish such reports as may be required by the Board including but not limited to mileage and route records, student rosters, route maps, . . .

The district's mileage reports instructed the drivers to record the miles traveled with students, not the miles traveled without students.

Our review disclosed that only 16 percent, 5 of the 32 vehicles tested, had detailed bus route descriptions and only 34 percent, 11 of 32, had route maps.

The lack of detailed bus route descriptions, including odometer readings from start to finish of a run, resulted in the auditors not being able to confirm that all routes were reported or that the mileage reported was accurate.

Board Policy #810 provides, in part:

(XIII) The driver is absolutely prohibited from making unauthorized stops or rerouting. Exceptions will only be made in cases of extreme emergencies . . .

Our review also disclosed that one route was run without district approval or knowledge until our audit.

Additionally, our audit could not verify if the nonreimbursable pupils or if the number of pupils transported on approved hazardous walking routes was accurately reported.

Nonreimbursable pupils are elementary pupils living within 1.5 miles of their school or secondary pupils living within two miles of their school who are transported by the district. Such pupils do not qualify the district for transportation reimbursement unless they are classified as exceptional children, are being transported to the area vocational-technical schools, or are transported over certified hazardous walking routes.

PENNCREST SCHOOL DISTRICT
FINDINGS AND RECOMMENDATIONS

Finding No. 2 (Continued)

The district's pupil transportation supervisor stated the district accepts the mileage and pupil counts for each bus reported by the contractors, completes a weighted average calculation, and reports the district's calculated average to DE.

Liability Insurance

The district's contracted Transportation Agreement, Section 5, provides, in part:

The Board shall have evidence of a public liability insurance policy for the operations of the contractor under this contract in the amount of not less than one million dollars (\$1,000,000.00). It shall be a combined single limit policy naming Penncrest School District as additionally insured.

Our review disclosed that only 50 percent, 6 out of 12 contractors, had insurance policy data on file at the district, for audit review.

Additionally, the district did not have a written contract with one of its contractors.

Fuel Usage

Our review disclosed the district purchased 144,064 gallons of diesel fuel and 48,698 gallons of gasoline at a cost of \$142,881, during the school year, for contracted and district-owned vehicles providing pupil transportation services.

District personnel reported a cost of \$104,167 for district purchased tax-exempt fuel as the amount paid to the contractor for 106,823 gallons of diesel fuel and 39,188 gallons of gasoline for to and from school transportation, as part of the district's contracts with the transportation contractors. The cost reported is based on a district average fuel cost calculation, per gallon.

Our review disclosed fuel used for transporting pupils for athletic trips, field trips and activity events was not deducted from the amount reported as to and from school pupil transportation services. And, no record was kept of fuel dispensed to buses providing these services. Consequently, there is no way to separate to and from school transportation fuel costs from other transportation costs. The Commonwealth only reimburses district's for to and from school transportation fuel costs.

The transportation supervisor stated the fuel tanks are located on school property and each bus is provided a fuel dispensing card, with the computer program system tracking each buses card usage and the total gallons of fuel each contractor is using in comparison to the total gallons of fuel each contractor is allotted, per contract. If a contractor usage exceeds the allocations the contractor reimburses the district accordingly.

PENNCREST SCHOOL DISTRICT
FINDINGS AND RECOMMENDATIONS

Finding No. 2 (Continued)

Additionally, no system was in place to ensure the tax-exempt fuel was only being dispensed for the exclusive purpose of transporting students to and from school or for district vehicles, and not for non-school related purposes or private vehicles. The lack of actual documentation to support the use of tax-exempt fuel allows for the potential misuse of the tax-exempt fuel.

Transportation Data Errors

Inaccuracies noted in review of pupil transportation data were, as follows:

- the number of nonpublic pupils transported was overstated by 17;
- the number of nonreimbursable pupils transported could not be verified;
- failure to prepare, and retain support documentation for pupils transported on approved hazardous walking routes, as reported;
- the year of manufacture was incorrectly reported for 5 buses;
- miles buses traveled with pupils were incorrectly reported for 24 vehicles;
- miles buses traveled without pupils were incorrectly reported for 14 vehicles;
- the number of days transported was incorrectly reported for 12 vehicles and could not be verified for 1 vehicle;
- the greatest number of pupils transported were incorrectly reported for 12 vehicles and could not be verified for 2 vehicles; and
- the amount paid contractor was incorrectly reported for three contractors.

The daily mileage, number of pupils transported, number of days in service, the number of nonpublic pupils transported, the number of nonreimbursable pupils transported, the number of hazardous pupils transported, year of manufacture for each bus, and the amount paid contractor are all integral parts of the pupil transportation reimbursement formula and must be maintained in accordance with the State Board of Education regulations and these factors must be accurately reported in accordance with DE guidelines and instructions to ensure that correct reimbursement is received.

PENNCREST SCHOOL DISTRICT
FINDINGS AND RECOMMENDATIONS

Finding No. 2 (Continued)

Inaccuracies were caused by clerical errors, a lack of training for support personnel, the district's failure to follow DE guidelines and instructions, and failure to prepare and/or retain supporting documentation.

As a result of district personnel's failure to prepare and/or retain support documentation, the auditor was unable to verify that the district received accurate reimbursement for pupil transportation services. Our review noted the district's pupil transportation un-reimbursed share of operating cost was 28 percent, with 43,571 un-reimbursed miles traveled.

It should be noted that pupil transportation was the subject of a finding in our prior audit report.

Recommendations

The board should require the district administration to:

- . conduct an internal review to ensure accuracy of vehicle data, the number of days transported, daily mileage, pupil counts, the number of nonpublic pupils, the number of nonreimbursable pupils, the number of hazardous pupils, and the amount paid to each contractor are accurately recorded and reported to DE;
- . prepare and retain complete daily mileage rosters identifying miles with and without pupils for each bus run;
- . prepare detailed route descriptions and to perform a yearly verification of all bus routes and mileage to ensure all buses follow board approved bus routes;
- . ensure summaries are prepared and reviewed to identify all nonpublic pupils that are reported for reimbursement;
- . ensure summaries are prepared to identify all pupils transported on approved hazardous walking routes;
- . ensure contracts are kept on file for all contractors;
- . ensure internal control exists over the usage of tax-exempt fuel, and the reporting of costs associated with to and from school pupil transportation services;
- . ensure liability insurance policies are on file and in compliance with contract;

PENNCREST SCHOOL DISTRICT
FINDINGS AND RECOMMENDATIONS

Finding No. 2 (Continued)

- require district transportation personnel to attend DE pupil transportation training seminars; and
- maintain, on file, the source data used to report pupil transportation data to DE.

Response of Management

Management provided a written response, indicating agreement with the finding and stating:

Preparing and verifying the large volume of information required to document district transportation operations creates time demands that make review of data and calculations for accuracy difficult. The transportation office will investigate computer programs that might help reduce this work load and also improve the accuracy of data calculations.

In addition, the district will improve internal controls by adopting the state recommended methods for calculating loaded and unloaded vehicle mileage; develop route narratives and mileage records at all stops; utilize checklists and internal reviews of contractor supplied information for accuracy; improve review of the state provided preliminary reimbursement report for accuracy; assure completeness of all records by utilizing check lists; prepare annual copies of all multi-year data and records.

The Transportation Supervisor will also attend future Department of Education workshops to obtain updated information about requirements for transportation reimbursement.

It is the intent of the Transportation Department to correct internal control weaknesses to ensure completeness and accuracy of documentation used for Pupil Transportation Reimbursement.

PENNCREST SCHOOL DISTRICT
FINDINGS AND RECOMMENDATIONS

Finding No. 3 – School Bus Driver Qualification Irregularities

The Public School Code (PSC) and other Commonwealth statutes and regulations define minimum qualifications school bus drivers must meet or possess in order to be employed as drivers. These qualifications are:

- . lack of criminal convictions for certain offenses;
- . ability to obtain appropriate clearance under the Child Protective Law;
- . possession of a valid driver's license;
- . completion of school bus driver safety training; and
- . ability to pass a physical examination.

Our review of personnel files for the 107 drivers employed by the district and/or the district's transportation contractors for the 2001-02 school year disclosed:

- . 58 drivers did not have proof of a bus driver's license on file;
- . 43 drivers did not have on file proof of school physical examinations;
- . 71 drivers did not have proof of school bus driver safety training certificate on file;
- . 25 drivers did not have proof of a criminal record check; and
- . 27 drivers did not have proof of a Child Abuse Clearance.

All qualifications for the district drivers were on file. However, the administration failed to maintain the appropriate files regarding bus driver's qualifications for contracted carriers.

The effect of not having and reviewing these files before the driver's transport school students could not only adversely effect the health and welfare of the students, but could also put the district at risk of a potential lawsuit.

PENNCREST SCHOOL DISTRICT
FINDINGS AND RECOMMENDATIONS

Finding No. 3 (Continued)

The PSC, Pennsylvania Statutes and other regulations related to these requirements are detailed, as follows:

Section 111 of PSC provides, in part:

- (a) This section shall apply to all prospective employees of public and private schools, intermediate units and area vocational-technical schools, including independent contractors and their employees.
- (b) Administrators of public and private schools, intermediate units and area vocational-technical schools shall require prospective employees to submit with their employment application . . . a report of criminal history record information from the Pennsylvania State Police. . . . Administrators shall require contractors to produce the original document for each prospective employe of such contractor prior to employment.

Section 6355 (1) of the Child Protective Services Law provides, in part:

[A]n administrator shall require each applicant to submit an official clearance statement obtained from the department [Department of Public Welfare] within the immediately preceding year as to whether the applicant is named the perpetrator of an indicated or founded report or is named as the individual responsible for injury or abuse in an indicated report for school employee or a founded report for school employee.

Pennsylvania Department of Transportation regulations establish standards regarding school bus driver training programs, including the requirement that bus drivers must receive and pass a physical examination before being employed.

Chapter 23 of the State Board of Education Regulations indicates the board of directors of a school district is responsible for all aspect of pupil transportation programs, including the selection and approval of eligible operators who qualify under the law and regulations.

Board Policy #810 provides:

- (3) All drivers (as a condition for employment) will meet the qualifications required by the Commonwealth of Pennsylvania and obey all rules and regulations established by the State for operation of a school bus.

PENNCREST SCHOOL DISTRICT
FINDINGS AND RECOMMENDATIONS

Finding No. 3 (Continued)

The district's contracted Transportation Agreement, Section 8, provides, in part:

The contractor agrees to furnish properly licensed and qualified drivers who met all State regulations (including Act 33 and 34 background clearance on file with the school district), in good health with current annual physical examination, and who maintain acceptable grooming and behavior as determined and approved by the Board.

Recommendations

The board of directors and district administrators should:

- review credential files for all drivers to ensure files are up-to-date and complete;
- develop, adopt, and implement policy clearly defining district driver qualification requirements; and
- ensure that the transportation supervisor reviews all drivers qualification prior to that person transporting district pupils.

Response of Management

Management provided a written response, indicating agreement with the finding and further stating:

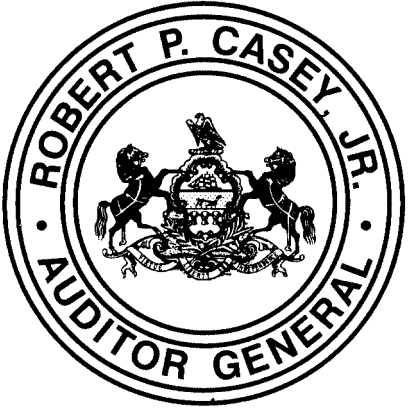
Some omissions of driver records occurred because of lack of internal controls to verify receipt of required documentation, and because some license information was only requested when updated in the state driver license program in a four year renewal and training cycle. To ensure that all driver files are complete, driver license information in the future will be duplicated and filed annually for each driver. Transportation department record keeping will be improved by utilizing check lists developed to assist the contractor with required documentation, and to track receipt in the transportation office of driver records.

PENNCREST SCHOOL DISTRICT
FINDINGS AND RECOMMENDATIONS

Finding No. 3 (Continued)

Missing criminal background and child abuse documentation has caused changes in district office procedures used to document receipt of the original forms. All missing documents in district personnel files will be obtained or replaced, and all current documentation brought into compliance. Internal controls to ensure receipt of this documentation will include personal review by the Transportation Supervisor and checklists to certify all new driver background checks are received prior to employment. The school district will evaluate any findings from background checks on a case by case basis as recommended by the Auditor General.

It is the intent of the Transportation Department to correct internal control weaknesses to ensure completeness of bus driver documentation as recommended in the findings.



PENNCREST SCHOOL DISTRICT

STATUS OF PRIOR YEARS' FINDINGS AND RECOMMENDATIONS

PENNCREST SCHOOL DISTRICT
STATUS OF PRIOR YEARS' FINDINGS AND RECOMMENDATIONS

The following is a summary of the findings and recommendations presented in the June 30, 2000 and 1999 audit report, along with a description of the school board's disposition of each recommendation. The status of each recommendation was determined by one or more of the following procedures:

- review of the board's written response, dated March 13, 2003, to the Comptroller's Office, Labor, Education, and Community Services, replying to the Auditor General's June 30, 2000 and 1999 audit report;
- tests performed as a part of, or in conjunction with, the current audit; and
- questioning of appropriate district personnel regarding specific prior years' findings and recommendations.

Finding No. 1 – Errors in Reporting Pupil Transportation Data Resulted in Reimbursement Overpayments of \$23,744

Inaccurate pupil transportation data submitted to the Department of Education (DE) for the 1999-2000 and 1998-99 school years resulted in overpayments to the district of \$9,439 and \$14,305, respectively.

We recommended that the board require district personnel responsible for transportation to perform an internal review of transportation reports before submission to DE, and strengthen controls to ensure more accurate reporting of contractor and district-owned vehicle data.

In addition, we recommended that DE adjust the district's future allocations to recover the overpayments.

In its written response, the board stated:

The errors were caused by mismarked computer files, incorrect worksheet formulas, incorrect vehicle serial numbers supplied by contractors, and mistakenly submitting the Head Start bus for reimbursement. All of the errors have been corrected.

Our current audit of pupil transportation services again revealed errors in data submitted to DE, as noted in Finding No. 2 in the current section of this report.

As of May 11, 2004, DE had not adjusted the district's allocations to resolve the \$23,744 in overpayments. Therefore, we again recommended that DE adjust the district's allocations accordingly.

PENNCREST SCHOOL DISTRICT
STATUS OF PRIOR YEARS' FINDINGS AND RECOMMENDATIONS

Finding No. 2 – Possible Certification Irregularities

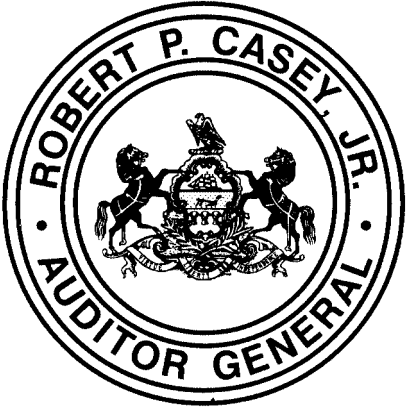
Our review of the professional employees' certification for the period March 1, 2001 through August 31, 2002, revealed that three individuals might have been assigned to areas for which they were not properly certified.

We recommended that the district put procedures in place to compare a teacher's certificate to the certification requirements of the assignments the district intends to give the teacher.

The board, in its written response, agreed with one of our citations, but disagreed with the other two.

Our current audit disclosed that the finding has been administratively addressed.

Our current audit also disclosed that the Bureau of Teacher Certification (BTC) did not acknowledge any improper assigned irregularities, and that BTC had not made a final determination regarding the appropriateness of the assignment.



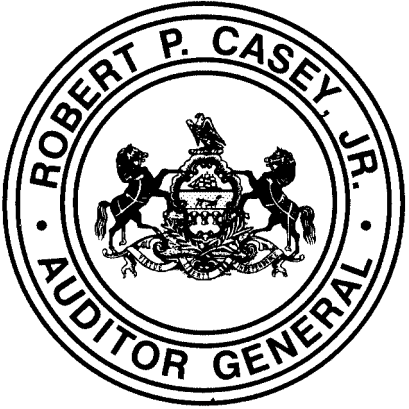
PENNCREST SCHOOL DISTRICT
APPENDIX

[UNAUDITED]

Schedule of State Revenue

The district reported state revenue of \$21,758,771 and \$21,153,149, respectively, for the years ended June 30, 2002 and 2001, as detailed in the following schedule:

<u>STATE REVENUE</u>	<u>2002</u>	<u>2001</u>
Basic Education	\$14,704,802	\$14,254,100
Charter Schools	44,042	-
School Performance Incentives	73,017	9,432
Tuition for Orphans and Children Placed in Private Homes	217,251	217,330
Homebound Instruction	1,497	848
Vocational Education	32,117	45,482
Alternative Education	39,409	36,222
Workforce Investment Act (WIA)/Job Training Partnership Act (JTPA)	-	4,850
Special Education	1,814,223	1,606,657
Transportation	2,478,888	2,351,352
Rental and Sinking Fund Payments	1,317,369	1,309,806
Health Services	80,575	83,773
Sewage Treatment Operations	10,061	10,061
Social Security and Medicare Taxes	662,786	657,135
Retirement	122,948	355,150
Technology Grants	-	107,602
Other Program Subsidies/Grants:		
Pregnant & Parenting Teen	9,799	8,479
Growing Greener	4,717	2,770
Your Schools, Your Money	2,500	2,500
Elect/ Elect Fatherhood	139,490	89,600
Environmental Education	3,280	-
<u>TOTAL STATE REVENUE</u>	<u>\$21,758,771</u>	<u>\$21,153,149</u>



BUREAU OF SCHOOL AUDITS

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

Ms. Connie Huber, Acting Comptroller
Labor, Education & Community Services Comptroller's Office
15th Floor, Labor & Industry Building
Harrisburg, PA 17120

The Honorable Barbara Hafer
State Treasurer
Room 129 - Finance Building
Harrisburg, PA 17120

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

Ms. Ann Boyko, School Personnel Services Administrator
Pennsylvania School Boards Association
774 Limekiln Road
New Cumberland, PA 17070

Mr. Michael J. Burns, Acting Assistant Comptroller for Audits
Public Health and Human Services Comptroller's Office
Room 316 Eastgate Building
Audits Division
Harrisburg, PA 17102

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