

# OFFICE OF AUDITOR GENERAL



## Transportation Audit Report

May 28, 2009



## Transportation Index

| <u>Report Section</u>                                 | <u>Pages</u> |
|-------------------------------------------------------|--------------|
| <b>Executive Summary</b>                              | <b>1</b>     |
| <b>Summary of Recommendations</b>                     | <b>3</b>     |
| <b>Observations, Recommendations and Action Plans</b> |              |
| Policies and Procedures                               | 5            |
| Bus Drivers                                           | 6            |
| Accidents                                             | 11           |
| Incidents and Discipline                              | 12           |
| Fuel                                                  | 15           |
| Eligibility                                           | 17           |
| Billing                                               | 19           |



## **Transportation Executive Summary**

### **OBJECTIVE**

To evaluate the internal control environment in Transportation; including policies, procedures and compliance monitoring to ensure adequate controls have been implemented to deliver safe, timely and efficient transportation to all District students.

### **BACKGROUND**

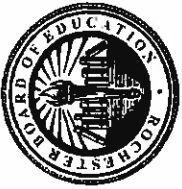
School transportation is a vital support service that demands sound management due to the large capital investment in bus fleets and annual expenditures for contracted services, maintenance and operations. Although numerous state regulations govern transportation services, districts have the flexibility of establishing procedures that enhance operations such as changing school start times (bell schedules), designing efficient routes and establishing sound safety procedures.

According to NYS Education Law and Board policies, the District provides transportation for District students that live 1 ½ miles from their school building. These transportation services are significantly subsidized by state aid. The District's Transportation department is responsible for safely transporting over 28,000 students to and from school each day. During fiscal year 2009, approximately \$50 million was spent for transportation at the Rochester City School District for internal services, contracted services, gasoline, public passes and tokens, and field trips. The District owns a small fleet of busses that provide services; however a majority of the transportation is performed by First Student, A&E, Monroe Transportation, and Regional Transit Services.

For the 2009-2010 school year, the District adopted a two tiered start time to reduce the number of busses and cost required to transport District students. At the same time, management changed the methodology for determining the cost of contracted bus services. Management anticipates that these changes will result in a savings of approximately \$5 million to the District. The actual result of these changes will be realized in the 2009-2010 school year.

### **SCOPE**

We evaluated the effectiveness of the internal controls, policies and procedures in Transportation. Our audit evaluated district compliance with bus driver regulations from the New York State Education Department and the Department of Motor Vehicles. We reviewed the transportation complaint process and internal accident policies and procedures. We also examined fuel for purchases and usage; and reviewed third party billing for accuracy and reasonableness for services rendered.



## **Transportation Executive Summary**

### **CONCLUSION**

Efficient procedures and controls must be in place to support student education while minimize spending and ensuring student safety. Procedures should be implemented to ensure the District is complying with NYSED and DMV regulations. Random drug and alcohol testing should occur throughout the entire year to coincide with the number of months drivers are working. Bus driver complaints should be documented and analyzed to identify recurring trends that should be remediated. The accidents policy should align discipline with the severity of the accident and chargeable accidents should be analyzed regularly for training opportunities. All bus incidents with or without troubleshooter interaction should be documented and analyzed by route and driver for appropriate remediation such as matrons, parent interaction and/or student discipline. Procedures should be in place to identify problem bus routes and retain evidence of the District's efforts to remediate problem bus routes in the case of litigation.

The current economic climate has caused the management to critically review opportunities for possible cost savings. In 2008, the District spent over \$2.5 million in fuel costs, yet the District lacks a fuel usage policy and effective monitoring procedures. Although policies exist to govern which students are eligible for transportation, there were approximately 1,000 students receiving transportation as an exception to District policies. We also noted that documentation was insufficient to identify why a number of students received exceptions to the policy.

There should be increased oversight of transportation contractors. Invoices should be monitored for accuracy and reasonableness to ensure that contractors are not charging the District for students that are not being transported. The District should perform monitoring to ensure contractor fuel usage is appropriate for the services rendered. Processes should be established to monitor transportation contractors' compliance with NYSED and DMV regulations and contractual requirements. Lastly, procedures should be in place to make sure the District is getting quality service from its contractors.



## Transportation Summary of Recommendations

| Rec# | Recommendations                                                                                                                                                                                                                                                                                                                                 |
|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1    | <i>Develop comprehensive written policies and procedures for the entire Transportation function. Communicate and enforce compliance with the policies. The policies and procedures should, at a minimum, include: Contractor Management, Fuel Usage, Accidents, Discipline – Student and Bus Driver, Work Conduct, Eligibility and Routing.</i> |
| 2    | <i>Establish a process to monitor transportation contractors' compliance with NYSED and DMV regulations on a periodic basis.</i>                                                                                                                                                                                                                |
| 3    | <i>Implement procedures that ensure the District is complying with NYSED and DMV regulations. Consider the use of checklists to ensure that documented evidence of compliance with NYSED and DMV regulations is maintained.</i>                                                                                                                 |
| 4    | <i>Perform random drug and alcohol testing during the entire calendar year based upon the number of months the bus drivers are working.</i>                                                                                                                                                                                                     |
| 5    | <i>Prohibit bus drivers from transporting students until clearance of fingerprinting has been obtained.</i>                                                                                                                                                                                                                                     |
| 6    | <i>Develop a process to track complaints against bus drivers and analyze the complaints to determine their frequency. Provide written communication to bus drivers with recurring infractions.</i>                                                                                                                                              |
| 7    | <i>Update the current accident policy to ensure that the District aligns discipline with the severity of the accident. Establish procedures to track accidents electronically and perform regular analysis of chargeable accidents.</i>                                                                                                         |
| 8    | <i>Establish procedures to analyze bus incidents on a regular basis and document the analysis performed. Develop a process to remediate problems on buses and retain evidence of the District's efforts to remediate problem bus routes.</i>                                                                                                    |
| 9    | <i>Develop a process that ensures prompt resolution for students that commit offenses that require suspension when troubleshooters are unavailable.</i>                                                                                                                                                                                         |
| 10   | <i>Establish a process which requires troubleshooters to document all bus interactions and the respective resolution.</i>                                                                                                                                                                                                                       |



## Transportation Summary of Recommendations

| Rec# | Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 11   | <i>Establish procedures to obtain and monitor mileage readings for vehicles on a periodic basis. Monitor the fuel usage of District vehicles for reasonableness.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 12   | <i>Develop a process to monitor the amount of fuel that is purchased for contractors ensuring that the District is not purchasing more fuel than is allowed. Verify the amount of fuel the contractor received versus the amount of fuel the District purchased and evaluate discrepancies.</i>                                                                                                                                                                                                                                                                                                                  |
| 13   | <i>Develop procedures to reevaluate existing exceptions to Board policy and ensure that exceptions are consistent and valid. Consider placing time limits on exceptions to ensure the justification remains appropriate. Formalize the exception process and minimize the number of students that receive transportation outside of SED support.</i>                                                                                                                                                                                                                                                             |
| 14   | <i>Develop criteria for the documentation and approval of eligibility exceptions including all Board policy exceptions. Establish approval levels and communicate approval requirements to the transportation routers.</i>                                                                                                                                                                                                                                                                                                                                                                                       |
| 15   | <i>Formalize the practice where contractors are required to cease student pickup after a specified number of absences until notice is received from Transportation. Develop a communication process between the schools, Transportation and the contractors which identifies students who have transferred, dropped or have long term absences. Obtain the resources necessary to monitor the contractor billings to ensure the District is not being overbilled. This may include access to student attendance in Chancery or a customized report to provide Transportation with the necessary information.</i> |
| 16   | <i>Implement a process to monitor contractor invoices to ensure accuracy and reasonableness. Evaluate the current billing method and determine if the mileage of the routes require updating.</i>                                                                                                                                                                                                                                                                                                                                                                                                                |



## Transportation Observations, Recommendations and Action Plans

### OBSERVATION #1

#### Policies and Procedures

There is a lack of comprehensive policies and procedures for the Transportation Department. Although there are written policies for a number of the functions within the Transportation Department, they are not all inclusive. Desk procedures, which should communicate how to perform daily responsibilities in compliance with policies, also do not exist for the Transportation Department. A Policies and Procedures Manual for the Transportation Department should be detailed, comprehensive and up to date to ensure consistent application and compliance with transportation policies. Written and communicated policies and procedures would enhance the consistency of recorded data, consistency in the handling of transactions, and aid in holding employees responsible and accountable for the work performed.

### RECOMMENDATIONS and MANAGEMENT RESPONSES

*Develop comprehensive written policies and procedures for the entire Transportation function. Communicate and enforce compliance with the policies. The policies and procedures should, at a minimum, include: Contractor Management, Fuel Usage, Accidents, Discipline – Student and Bus Driver, Work Conduct, Eligibility and Routing.*

**Management Responses:** [REDACTED] Policies and procedures are currently being reviewed as a part of a comprehensive restructuring. Draft documents will be available by December 1, 2009. As a part of a continuous improvement process policies and procedures will be updated.

**Responsibility:** Jim Fenton, Senior Director of Operations; Maria Mello-Dupre, Director of Transportation

**Due Date:** December 1, 2009



## Transportation Observations, Recommendations and Action Plans

### OBSERVATION #2

#### Bus Drivers

##### *Contract Bus Drivers*

The District does not ensure that contractors are complying with NYSED and DMV regulations, nor does the District monitor contracted drivers' driving records. Provisions are included in the contracts that require bus driver's to comply with all applicable NYSED and DMV regulations. There is also a provision to audit contractors in the contract; however, the District does not have procedures in place to do so. All bus drivers, whether they are District employees or contracted drivers, should be in compliance with NYSED and DMV regulations. Periodic reviews of contractors' records should be performed to ensure bus drivers meet all necessary requirements to make certain the safety of students is not at risk. [REDACTED]

### RECOMMENDATIONS and MANAGEMENT RESPONSES

*Establish a process to monitor transportation contractors' compliance with NYSED and DMV regulations on a periodic basis.*

Management Responses: [REDACTED] Contract Administrator will use a form with Contractors when new drivers are hired, that will be forwarded to Transportation Department for approval. Contract Administrator will establish a monthly schedule to review employee records of all bus drivers of each contractor. Reviews will begin in October, 2009.

**Responsibility:** Jim Fenton, Senior Director of Operations; Maria Mello-Dupre, Director of Transportation

**Due Date:** October 30, 2009



## Transportation Observations, Recommendations and Action Plans

### OBSERVATION #3

#### *Compliance with NYSED and DMV*

Documentation was missing to identify that the District is in compliance with NYSED and DMV regulations. The New York State Education Department and the Department of Motor Vehicles have pre-employment requirements for bus drivers, as well as requirements for maintaining employment as a bus driver. There were some instances in which evidence of compliance with NYSED and DMV regulations did not exist. Maintaining supporting documentation on file is required per DMV regulations. The District is in violation of the required DMV regulations and is unable to prove that all regulations have been followed. Documentation checklists may aid in ensuring the existence of required documentation.

### RECOMMENDATIONS and MANAGEMENT RESPONSES

*Implement procedures that ensure the District is complying with NYSED and DMV regulations. Consider the use of checklists to ensure that documented evidence of compliance with NYSED and DMV regulations is maintained.*

Management Responses: [REDACTED]—District Safety Coordinator has created a check list which easily indicates dates of actual compliance to attach to each driver folder.

Responsibility: Jim Fenton, Senior Director of Operations; Maria Mello-Dupre, Director of Transportation

Due Date: October 30, 2009



## Transportation Observations, Recommendations and Action Plans

### OBSERVATION #4

#### *Random Drug and Alcohol Testing*

Random drug and alcohol testing is not performed during summer months. During our testing, it was noted that random drug and alcohol testing is performed ten months out of the year. There is no testing being performed in the summer even though students are transported. The District employs 12 month drivers for student transportation during the summer months. This practice warrants random drug and alcohol testing during summer months. Random drug and alcohol testing should be conducted throughout the entire year, for all drivers responsible for transporting District students.

### RECOMMENDATIONS and MANAGEMENT RESPONSES

*Perform random drug and alcohol testing during the entire calendar year based upon the number of months the bus drivers are working.*

Management Responses: [REDACTED] Co-Med Services has been contacted to establish random drug and alcohol testing every month out of the year effective August, 2009.

Responsibility: Jim Fenton, Senior Director of Operations; Maria Mello-Dupre, Director of Transportation

Due Date: Completed



## Transportation Observations, Recommendations and Action Plans

### OBSERVATION #5

#### *Fingerprinting*

Bus drivers are transporting students prior to the District receiving clearance for their fingerprints. Fingerprinting is required by the Department of Motor Vehicles for all newly hired bus drivers. The District permits the bus drivers to transport students prior to the District knowing these results. Bus drivers should be cleared of all fingerprinting and background checks prior to permitting them to transport students. [REDACTED]

### RECOMMENDATIONS and MANAGEMENT RESPONSES

*Prohibit bus drivers from transporting students until clearance of fingerprinting has been obtained.*

#### Management Responses:

[REDACTED] - Currently driver fingerprinting is done on fingerprint cards and sent to the Driver Program Regulation in Albany. It is done electronically for teachers and other personnel, but not for bus drivers. Bus Driver fingerprinting is processed differently from other employees. It takes the Driver Program Regulation in Albany approximately four to six months to complete a background check. Due to illness and constant turnover in the area of bus drivers, it would greatly impact our ability to provide adequate service if we could not hire on a conditional basis while waiting for clearance.

The State does not expect electronic fingerprinting to be up and running until at least January 2010. To mitigate the risk, the Transportation Department has implemented an Employee Declaration for conditional hires to affirm that they have no pending criminal charges or criminal convictions. Bus Attendants are already processed electronically.

**Responsibility:** Jim Fenton, Senior Director of Operations; Maria Mello-Dupre, Director of Transportation

**Due Date:** January 31, 2010



## Transportation Observations, Recommendations and Action Plans

### OBSERVATION #6

#### *Complaints*

Bus driver complaints are not effectively monitored. Complaints for District employed bus drivers are filtered through the Transportation Department. These complaints can come from any person including parents and civilians and are forwarded to the Safety Coordinator. The Safety Coordinator verbally informs and questions bus drivers when an infraction occurs. A counseling memo is completed stating the infraction which may have been violated quoting any applicable NYS regulation. This memo is not provided to the driver. There is no evidence that the driver was informed of the complaint. The bus driver complaints are not logged or tracked to assist in determining frequency. Bus driver complaints should be analyzed and trended to determine the frequency of complaints. This can aid in determining needs for communication, discipline or training for recurring infractions.

In addition, the District only logs complaints for contracted bus drivers when District participation is warranted. All complaints are received by Transportation; however calls are forwarded without monitoring if it relates to contractors. Because not all complaints for contracted drivers are logged, there is a lack of visibility regarding the real number of complaints received. The contractor is a representative of the District and the District should ensure that quality service is being provided to the students and parents of RCSD.

### RECOMMENDATIONS and MANAGEMENT RESPONSES

*Develop a process to track complaints against bus drivers and analyze the complaints to determine their frequency. Provide written communication to bus drivers with recurring infractions.*

Management Responses: [REDACTED] All Contractor complaints will be logged as they come into the department prior to forwarding calls to contractors. Contract Administrator will review complaints on a weekly basis and follow-up on responses from contractors. All District complaints will be logged on same complaint sheet and will be reviewed and disciplinary action documented when necessary. Each complaint will be addressed in written form.

Responsibility: Jim Fenton, Senior Director of Operations; Maria Mello-Dupre, Director of Transportation

Due Date: October 30, 2009



## Transportation Observations, Recommendations and Action Plans

### OBSERVATION #7

#### Accidents

The District's accident policy and the monitoring process for tracking accidents require updating. The District's accident policy does not align discipline with the severity of the accident to ensure appropriate consequences for the destruction of District vehicles or injuries. The current discipline policy is based on the number of preventable accidents a bus driver has regardless of property damage, cost or personal injury. Disciplinary action should align with the severity of the accident. If bus drivers are not going to be held accountable for the severity of the accidents, there is no incentive to respect District property and take precaution. It was also noted during our audit that the current policy is not consistently followed, nor does it appear that the policy is being properly interpreted.

Accidents are recorded on a manual accident log identifying the driver, date, nature of the accident and whether or not the accident is preventable. This manual format does not allow for the effective analysis of accidents. Tracking accidents electronically will promote efficiency in monitoring bus driver's accidents.

#### RECOMMENDATIONS and MANAGEMENT RESPONSES

*Update the current accident policy to ensure that the District aligns discipline with the severity of the accident. Establish procedures to track accidents electronically and perform regular analysis of chargeable accidents.*

**Management Responses:** [REDACTED] Safety Coordinator has begun logging all accidents electronically. She is currently updating the document to include all previous accidents. The District Accident Policy is outdated and needs revising to strengthen discipline measures.

[REDACTED] -The initiative is with the district's Labor Relations office.

**Responsibility:** Jim Fenton, Senior Director of Operations; Maria Mello-Dupre, Director of Transportation

**Due Date:** January 31, 2010



## Transportation Observations, Recommendations and Action Plans

### OBSERVATION #8

#### Incidents and Discipline

##### *Analysis and Problem Resolution*

There is a lack of documentation to support the analysis performed on bus incidents. We were also unable to substantiate how problem routes are remediated. The Transportation Department does not have a defined monitoring process in place to analyze bus incidents. Information regarding all bus incidents is entered into an Access Database. If used to its full potential, this database can assist the Transportation Department in determining problem routes, bus drivers and students. The database can also be used to identify the types of incidents that are occurring on buses and their frequency. Management communicated that some analysis occurs, but there was a lack of documented evidence to show what is being performed. There was also a lack of documented evidence of the District's effort to remediate problem bus routes.

The District should be monitoring bus incidents and documenting the efforts made to rectify problems on the buses. Monitoring and analysis of incidents will allow the Transportation Department to focus on areas with the most problems. Analyzing bus incident data may increase awareness of issues on the buses and problem routes that may not have been apparent without the analysis. Documenting the analysis and efforts to fix problems on the bus routes provides evidence of the District's attempts to ensure safety on the buses.

#### RECOMMENDATIONS and MANAGEMENT RESPONSES

*Establish procedures to analyze bus incidents on a regular basis and document the analysis performed. Develop a process to remediate problems on buses and retain evidence of the District's efforts to remediate problem bus routes.*

##### Management Responses:

—A new incident reporting form will be developed by December 1, 2009 to be used by both District and Contract personnel when responding to buses for incidents that do not fall under obvious discipline guidelines. Contract Administrator and Discipline Coordinator will work together to review incidents and discipline problems that could identify driver concerns that warrant intervention.

**Responsibility:** Jim Fenton, Senior Director of Operations; Maria Mello-Dupre, Director of Transportation

**Due Date:** December 1, 2009



## Transportation Observations, Recommendations and Action Plans

### OBSERVATION #9

#### *Suspensions*

Students are able to ride the bus after incidents that would normally require immediate suspension. A student is supposed to be immediately suspended from the bus if the student is involved in a fight, threat or an incident of a sexual nature. If a driver attempts to call a troubleshooter and one is not available, the driver must temporarily handle the situation. Bus drivers are not allowed to issue suspensions, so if a troubleshooter is not available, the student will be allowed back on the bus until resolution is made.

### RECOMMENDATIONS and MANAGEMENT RESPONSES

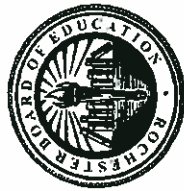
*Develop a process that ensures prompt resolution for students that commit offenses that require suspension when troubleshooters are unavailable.*

#### Management Responses:

Contract Administrator and Discipline Coordinator will promptly follow up with contractors verbally and in writing when a Driver or Road Supervisor fails to follow established procedure of immediately removing a student from the bus and delivering written notice to parent and the District. Failure to do so will result in disciplinary action by the Contractor. RCSD Discipline Coordinator will follow progressive discipline when a District Troubleshooter fails to follow the same procedure.

Responsibility: Jim Fenton, Senior Director of Operations; Maria Mello-Dupre, Director of Transportation

Due Date: October 30, 2009



## Transportation Observations, Recommendations and Action Plans

### **OBSERVATION #10**

#### *Troubleshooter Documentation*

Troubleshooters are called when bus drivers have incidents on the bus which they are unable to handle. No documentation is required when troubleshooters do not immediately suspend students for their behavior. There are circumstances in which a troubleshooter will address student behavior on the bus without concluding that the student should be removed or suspended. If a student is not issued an immediate suspension, there is no required documentation to report the incident and the resolution. The only log of the call is through Dispatch. All incidents should be logged to provide a more accurate reflection of the issues that are occurring on the buses which required the assistance of a troubleshooter. There is no comprehensive log or complete visibility of incidents on the buses that require troubleshooters.

### **RECOMMENDATIONS and MANAGEMENT RESPONSES**

*Establish a process which requires troubleshooters to document all bus interactions and the respective resolution.*

#### **Management Responses:**

—District Troubleshooters will complete Daily Log sheets which will record all bus interactions. Log sheets will be turned in at the end of each week and reviewed by Discipline Coordinator. Information will be entered into Discipline database for future reference.

**Responsibility:** Jim Fenton, Senior Director of Operations; Maria Mello-Dupre, Director of Transportation

**Due Date:** Completed



## Transportation Observations, Recommendations and Action Plans

### OBSERVATION #11

#### Fuel

##### *Controls over District Fuel Usage*

There is a lack of monitoring and controls over District fuel usage. All departments with vehicles obtain fuel from the same Service Center fuel pumps. Monitoring responsibility is within each department. Analysis of fuel used for District vehicles including miles per gallon and a reasonableness assessment is not being performed. Mileage logs are not being maintained for all District vehicles and the only reliable mileage noted was from work orders. Mileage logs should be maintained for all District vehicles. During our testing, it was noted that a number of the miles per gallon calculations did not appear reasonable. Through this analysis and inquiry, it was determined that departments are not monitoring their vehicles' fuel usage. Fuel usage should be monitored by vehicle and employee to determine the reasonableness of fuel usage. Fuel usage reports and other exception reporting should be obtained and reviewed.

### RECOMMENDATIONS and MANAGEMENT RESPONSES

*Establish procedures to obtain and monitor mileage readings for vehicles on a periodic basis. Monitor the fuel usage of District vehicles for reasonableness.*

#### Management Responses:

A report has been created that will indicate actual mileage for bus routes each time they are established and altered. The report will be reviewed monthly for accuracy. We are working on developing a process which will enable us to effectively monitor and calculate all our daily mileage using daily trip sheets. This will better alert us to excess mileage by any vehicle. Other departments use the same fuel pumps and receive a monthly chargeback for costs. The vehicles are provided chip keys that will monitor mileage and fuel usage. Restrictions on these chip keys can be removed, pending approval, which will result in better generation of information from the pump fuel system. It is the responsibility of each department head to review costs and usage.

Responsibility: Jim Fenton, Senior Director of Operations; Maria Mello-Dupre, Director of Transportation

Due Date: December 31, 2009



## Transportation Observations, Recommendations and Action Plans

### OBSERVATION #12

#### *Monitoring Contractor Fuel Purchases*

Fuel purchased for contractors is not being monitored to ensure fuel purchases are appropriate. The District has no assurance that they are providing the proper amount of fuel to its contractors. Fuel is provided to contractors based on the number of miles the buses are driving for the First Student contract. The District provides the contractor with the total miles to be driven for the year at the start of the school year. The contractor calculates the allowable amount of fuel that is required for contracted services. The District does not validate the number of allowable gallons that the contractor has calculated. First Student prepares an analysis of actual deliveries versus allowed gallons, but the District does not verify the accuracy of this schedule. The amount of fuel provided to First Student is not being monitored to ensure the District is not oversupplying fuel. The District should be monitoring fuel provided to contractors to ensure the District is not overpaying for contractor's fuel.

### RECOMMENDATIONS and MANAGEMENT RESPONSES

*Develop a process to monitor the amount of fuel that is purchased for contractors ensuring that the District is not purchasing more fuel than is allowed. Verify the amount of fuel the contractor received versus the amount of fuel the District purchased and evaluate discrepancies.*

#### Management Responses:

A report has been created that will indicate actual mileage for bus routes each time they are established and altered. It is designed to reflect actual mileage which will be used by Contract Administrator to reconcile billing for fuel on a monthly basis.

Responsibility: Jim Fenton, Senior Director of Operations; Maria Mello-Dupre, Director of Transportation

Due Date: November 30, 2009



## Transportation Observations, Recommendations and Action Plans

### OBSERVATION #13

#### Eligibility

##### *Eligibility Exceptions*

Board policies exist regarding eligibility requirements for students that should be provided with District transportation to and from school. A route will not be considered for State aid purposes unless the route extends more than one and a half miles from the school. During our audit we noted over 1,100 students that lived less than 1.5 miles from the school; however, District transportation is provided. The majority of these students did not meet eligibility exceptions, as prescribed by the Board policy. The Board has set policies for student transportation and the District should be adhering to these policies minimizing any exceptions. The District does not receive transportation aid when students are not eligible for District Transportation. This area is an opportunity for cost savings.

#### RECOMMENDATIONS and MANAGEMENT RESPONSES

*Develop procedures to reevaluate existing exceptions to Board policy and ensure that exceptions are consistent and valid. Consider placing time limits on exceptions to ensure the justification remains appropriate. Formalize the exception process and minimize the number of students that receive transportation outside of SED support.*

##### Management Responses:

████████████████████ All transportation service is under review in an effort to maximize cost savings. It is our intent to enter 2009-2010 school year providing transportation only to exceptions clearly outlined in Board policy. A committee was established by the District in September 2009 to review any requests not clearly identified in the Board policy.

Responsibility: Jim Fenton, Senior Director of Operations; Maria Mello-Dupre, Director of Transportation

Due Date: Completed



## Transportation Observations, Recommendations and Action Plans

### OBSERVATION #14

#### *Supporting Documentation*

There is a lack of documentation supporting eligibility exceptions. Documentation supporting the approval of transportation eligibility exceptions was not consistently available. During our audit, it was not always apparent what approvals were required for exceptions to the eligibility requirement. It was also difficult to determine who actually approved the eligibility exceptions. Documentation to support the exception and its approval should be retained. There should be set criteria to specify who has authority to approve these exceptions and the staff responsible for routing should be aware of such criteria. Without documentation to support the exception and its approval, the risk of exceptions being given without approval exists. In addition, a lack of equity amongst students can exist when exceptions to policy are not well defined and implemented.

### RECOMMENDATIONS and MANAGEMENT RESPONSES

*Develop criteria for the documentation and approval of eligibility exceptions including all Board policy exceptions. Establish approval levels and communicate approval requirements to the transportation routers.*

#### Management Responses:

-A committee was established by the District in September 2009 to review any requests not clearly identified in the Board policy. A form will be created to be used by the committee when an approval is granted. The committee will be the sole grantor of exceptions; therefore there will be only one form to track.

Responsibility: Jim Fenton, Senior Director of Operations; Maria Mello-Dupre, Director of Transportation

Due Date: Completed



## Transportation Observations, Recommendations and Action Plans

### OBSERVATION #15

#### Billing

##### *Student Attendance*

The District is being billed for students who are not riding the bus. The District holds contracts with transportation vendors in which the District is billed per student. If a student does not ride the bus for 5 consecutive days, the driver is expected to cease pickup of the student and contact Transportation. Transportation service should not be continued until Transportation reauthorizes the pick-up. This practice is not formalized in the contract, but a verbal expectation was established. Unfortunately this practice is not consistently followed.

During our testing, we determined that there was approximately \$50K that the District was overbilled due to drop outs, transfers or student absences greater than 5 days. Transportation personnel was aware of this concern, however they lacked a process or the ability to monitor this cost. One barrier is that they do not have access to student attendance records to determine absences, nor is there any reporting currently available to provide such information. There is also no visibility to student attendance at agencies which makes the verification of City to County bills impossible.

The Transportation Department should have the resources necessary to monitor the contractor billings. Without access to student information, they are unable to adequately monitor and ensure the District does not pay for students that are not being transported.



## Transportation Observations, Recommendations and Action Plans

### RECOMMENDATIONS and MANAGEMENT RESPONSES

*Formalize the practice where contractors are required to cease student pickup after a specified number of absences until notice is received from Transportation. Develop a communication process between the schools, Transportation and the contractors which identifies students who have transferred, dropped or have long term absences.*

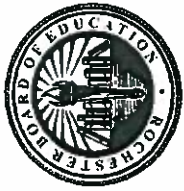
*Obtain the resources necessary to monitor the contractor billings to ensure the District is not being overbilled. This may include access to student attendance in Chancery or a customized report to provide Transportation with the necessary information.*

#### Management Responses:

Contractors know and will be informed again in writing that transportation will stop for any student that does not ride the bus for five (5) consecutive days. We currently have the ability to retrieve information from Chancery for students that have dropped or transferred. Any student that is identified as leaving the district or out for extended periods of time, results in a credit from the Contractor – with the exception of the five(5) days if no one was notified. Contractor Administrator has been made aware of his responsibility for reviewing billing and will develop a new format for validating information prior to the first billing cycle in November. Currently if we are made aware by a Contractor of an extended absence or possible removal from school, we communicate information to school by phone so that Chancery can be updated and information confirmed. We will develop a formal document that will track this information to ensure the change is made in Chancery and credits are received by the District for billing.

Responsibility: Jim Fenton, Senior Director of Operations; Maria Mello-Dupre, Director of Transportation

Due Date: October 30, 2009



## Transportation Observations, Recommendations and Action Plans

### OBSERVATION #16

#### *Accuracy and Reasonableness of Contractor Invoices*

There is a lack of effective monitoring of contractor invoices to ensure reasonableness. Bills are not reviewed to ensure the supporting documentation for the invoice agrees with the actual invoice, nor is the supporting documentation reviewed for reasonableness. It was noted during our testing that an invoice did not properly agree to the supporting documentation provided by the vendor. It was evident that this was not reviewed prior to payment.

First Student billings are partially based on mileage. Mileage was provided to First Student at the start of the school year and the mileage is utilized for District bills throughout the year. Routes are changing everyday and the accuracy of the mileage used for invoicing was questionable. During testing, differences in mileage on routes were noted as great as 300%.

Contractor bills should be reviewed for accuracy and reasonableness. Mileage used to bill the District should be current. The risk of the District being overbilled by the contractor exists if the bills are not monitored for accuracy and reasonableness and mileage used to bill the District is not current.

### RECOMMENDATIONS and MANAGEMENT RESPONSES

*Implement a process to monitor contractor invoices to ensure accuracy and reasonableness. Evaluate the current billing method and determine if the mileage of the routes require updating.*

**Management Responses:** [REDACTED] Contract Administrator is responsible for contractor invoices. A report has been created that will provide accurate mileage for each contractor route. Contract Administrator will review and reconcile billing at the end of each month.

**Responsibility:** Jim Fenton, Senior Director of Operations; Maria Mello-Dupre, Director of Transportation

**Due Date:** October 30, 2009