



*Eastchester Union Free School District*

*Report on Internal Controls Pertaining to the Transportation Cycle*

*December 2022*



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**Scope of Engagement**

Pursuant to the request of the Eastchester Union Free School District and in accordance with the District’s March 2022 Risk Assessment Update, we have reviewed the District’s policies, procedures, and internal controls pertaining to the District’s Transportation Cycle. The Transportation procedures assessed within this report were requested by the District.

The objectives of our analysis were to determine whether the internal controls pertaining to transportation procedures are adequate and that duties are properly performed, thus safeguarding the District’s assets.

**Work Performed**

Our analysis consisted of the following:

1. Examined the documents provided to us by the District, including but not limited to the following:
  - a. Copies of forms utilized for Transportation in the District.
  - b. Board approved policies pertaining to the District’s Transportation program.
  - c. Appropriations status reports for the fiscal year 2021/2022, pertaining to the District’s Transportation expenditures.

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- d. Complete copies of the bid specifications, requests for proposals, and applicable vendor responses regarding the transportation services solicited by the District.
  - e. Certificates of insurance for the District and from awarded transportation vendors for the fiscal year 2022/2023.
  - f. Form TC – Transportation Contract and Forms CE - Extensions of Contract for Pupil Transportation submitted to the New York State Education Department indicating the annual costs of the contracts extended during the fiscal year 2021/2022.
  - g. Payment vouchers, including purchase orders, invoices, and check copies applicable to the District’s transportation vendors for the fiscal year 2022/2023.
  - h. Student bus and van schedule detail reports indicating student eligibility for regular education or special education transportation services, assigned bus/van routes, pick-up/drop-off locations, and times by student for the fiscal year 2022/2023.
  - i. Summaries of student enrollment reports for the fiscal years 2019/2020, 2020/2021, and 2021/2022.
2. Initial planning and interviews with the Assistant Superintendent for Business and Supervisor of Transportation involved in the Transportation Cycle. We reviewed documents and directed inquiries regarding transactional records, supporting documents, and timely reporting. The purpose of these interviews was to obtain knowledge of their job duties and involvement as they pertain to the Transportation Cycle, day-to-day responsibilities, and who they report to and supervise.
  3. Assessed the District’s internal controls, including control effectiveness, performance, and expenditures. Assessed possible improvements pertaining to the internal controls of the transportation cycle. Such recommendations are presented within each applicable report section.
  4. Prepared analysis and report. An audit exit conference was held on March 23, 2023 with the Assistant Superintendent for Business. The results, findings, and recommendations contained in this report were discussed with those attending.

**Assessment of Transportation Procedures**

The agreed upon scope of the District’s Transportation Cycle is organized into five (5) distinct categories. We have documented the related transportation processes by way of narratives for each categorical procedure within Exhibits 1 through 6. We have reviewed and tested each categorical procedure during the course of our audit. For ease of reference, the categories are listed below:

- ***General Organizational Structure & Policies***
- ***Transportation Budgeting Procedures***
- ***Transportation Contract Management Procedures***
- ***Transportation Accounts Payable Procedures***
- ***Transportation Bus Routing and Student Eligibility Procedures***

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**General Organizational Structure & Policies (Exhibits 1 and 2)**

The attached Exhibits 1 and 2 summarize the organizational structure and policies applicable to the District's Transportation services. We have made the following observations and recommendations:

The following processes are currently carried out by each Party:

<b>Party</b>	<b>Function</b>
Board of Education	Approves transportation contracts and policies. Approves vendors through competitive bids and quotes processed that best meet the needs of the District.
Superintendent of Schools	Reviews the proposed transportation budget submitted by the Business Office and Transportation Department through the budget process.
Assistant Superintendent for Business	Oversees the Transportation Program. Monitors the Transportation Program's budget. Submits proposed budget to the Superintendent. Issues bids for transportation services. Reviews/Approves purchase order requisitions submitted by the Transportation Department. Reviews Form TC-Transportation Contract or Form CE-Extension of Contract for Pupil Transportation and submits to NYSED.
Supervisor of Transportation	Oversees the daily operations of the Transportation Program. Submits proposed budget to the Assistant Superintendent for Business. Prepares Form TC-Transportation Contract or Form CE-Extension of Contract for Pupil Transportation and submits them to NYSED. Address parent/guardian complaints and work to resolve any issues. Receives monthly invoices from transportation vendors. Reviews and approves any additions/deductions to the District's transportation services. Utilizes Transfinder school bus routing software and student enrollment listings to plan all routes. Maintains a bus route schedule indicating each route's assigned driver, route times, periods, and buildings serviced and notifies transportation vendors of any updates.
Accounts Payable Department	Receives monthly invoices from transportation vendors. Processes payments to transportation vendors after the invoices have been reviewed and approved.
Transportation Contractors	Transport students to/from school on a daily basis as directed by the District.

**Observation/Recommendation #1**

**Risk Rating: Moderate**

The District is following procedures as documented within our enclosed narratives (See Exhibits 1 through 7). We noted that a departmental procedural manual was not in place.

- ***We recommend that the District utilize the attached narratives to prepare a departmental process sustainability manual regarding budgeting, contract management, accounts payable, bus routing, and student eligibility procedures. This will result in a sustainable process, an annual internal review of the processes, and will serve as a training document for the Business Office.***

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**Transportation Budgeting Procedures (Exhibit 3)**

The attached Exhibit 3 summarizes the transportation budgeting procedures. We have made the following observations and recommendations:

We noted that total student enrollment was consistent during the time analyzed. Transportation expenditures increased by \$500,069, or 16.68%, from \$2,998,049 in 2019/2020 to \$3,498,108 in 2021/2022. The following table summarizes the District's student enrollment and transportation expenditures during the period analyzed:

<u>Students</u>	<u>2019/2020 (**)</u>	<u>2020/2021</u>	<u>2021/2022</u>
<b>Total Students</b>	<b>3,232</b>	<b>3,178</b>	<b>3,232</b>
<i>Change from Prior Year</i>	<i>N/A</i>	<i>(54)</i>	<i>54</i>
<i>% Change from Prior Year</i>	<i>N/A</i>	<i>-1.67%</i>	<i>1.70%</i>
<b>Actual Expenditures</b>	<b>2,998,049</b>	<b>3,222,737</b>	<b>3,498,108</b>
<i>Change from Prior Year</i>	<i>N/A</i>	<i>224,688</i>	<i>275,371</i>
<i>% Change from Prior Year</i>	<i>N/A</i>	<i>7.49%</i>	<i>8.54%</i>
<b>Transportation Aid (*)</b>	<b>466,495</b>	<b>402,709</b>	<b>535,123</b>
<i>Change from Prior Year</i>	<i>N/A</i>	<i>(63,786)</i>	<i>132,414</i>
<i>% Change from Prior Year</i>	<i>N/A</i>	<i>-13.67%</i>	<i>32.88%</i>

(\*) Transportation Aid is received by NYSED the year subsequent to the District incurring transportation expenses.

(\*\*) Remote/hybrid instruction began in March 2020 due to the COVID-19 pandemic.

We have conducted a comparative analysis and noted a variance of \$31,090, or 0.89%, between the 2021/2022 budgetary to actual transportation expenditures as follows:

<b>Account</b>	<b>Adj. Budget</b>	<b>Expensed</b>	<b>Difference</b>	
District Transportation	401,579	400,294	(1,285)	-0.32%
Contract Transportation	2,999,429	2,977,394	(22,034)	-0.73%
Public Transportation	10,000	8,220	(1,780)	-17.80%
Transportation From BOCES	69,000	63,009	(5,991)	-8.68%
<b>Total Transportation Expenditures</b>	<b>3,480,007</b>	<b>3,448,917</b>	<b>(31,090)</b>	<b>-0.89%</b>

➤ *No recommendation at this time.*

***Transportation Contract Management Procedures (Exhibit 4)***

The attached Exhibit 4 summarizes the transportation contract management procedures. We have made the following observations and recommendations:

The Business Office and Transportation Department determine the transportation service needs and select vendors through competitive bids. The Business Office and Transportation Department provide potential vendors with a bid packet including general conditions of bidding and a statement of collusion to be signed by the vendor. The latest bid for transportation services was conducted in April 2022. The approval of transportation vendors is overseen by the Board of Education, Superintendent of Schools, Assistant Superintendent for Business, and Supervisor of Transportation.

We analyzed all three (3) transportation service contracts for the 2022/2023 fiscal year and noted the following:

- The transportation service contracts were assessed and awarded through competitive bids processed by the District.
  - All transportation service contracts analyzed were appropriately filed with the New York State Education Department Management Services Unit for approval within 120 days following the onset of services.
- *No recommendations at this time.*

***Transportation Accounts Payable Procedures (Exhibit 5)***

The attached Exhibit 5 summarizes the transportation accounts payable procedures. We have made the following observations and recommendations:

The Business Office reviews the purchase order, invoices, and supporting documentation prior to processing payments. The review process includes reconciling the vendor rates between the invoices and contracts and verifying the reported routes to the bus routing schedules prepared by the Supervisor of Transportation. In the event of reporting discrepancies, the Supervisor of Transportation contacts the transportation vendors to resolve them. The Assistant Superintendent for Business reviews the monthly invoices and applicable spending trends. If there are any variances, the Assistant Superintendent for Business reviews the routing information with the Supervisor of Transportation.

We selected a random sample of seven (7) transportation expenditures paid during the period of July 2022 through October 2022. We verified that all invoice rates were traced and agreed to the contract rates and that all invoices and payments were mathematically accurate.

- *No recommendations at this time.*

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**Transportation Bus Routing and Student Eligibility Procedures (Exhibit 6)**

The attached Exhibit 6 summarizes the transportation bus routing and student eligibility procedures. We have made the following observations and recommendations:

**Fleet Structure (Bus Routes)**

The District has contracted its in-district and out-of-district student transportation services to the following:

<b>Bus Company</b>	<b>Type</b>	<b>Vehicles</b>
First Student	Bus & Van	26
Royal Coach	Van (Out of District)	33
<b>Total</b>		<b>59</b>

➤ *No recommendations at this time.*

**Assignment of Bus Routes (Eligibility)**

The District transports approximately 2,200 in-district and out-of-district students on a daily basis. The District and its transportation vendors utilize the Transfinder school bus routing software and student enrollment listings to plan bus routes. The following table summarizes the number of students, buses, and bus stops scheduled for each school during the fiscal year 2022/2023:

<b>School</b>	<b>Students</b>	<b>Routes</b>
Anne Hutchinson School	322	5
Eastchester High School	579	19
Eastchester Middle School	426	19
Greenvale Elementary School	473	8
Holy Child Transportation	1	1
Homeschooled by Parent (by parent/guardian choice)	1	1
IHM Transportation	7	1
IONA Grammar Transportation	3	1
Iona Prep School	1	1
IONA Prep Transportation	11	2
Ursuline Transportation	13	1
Waverly School	399	6
<b>Total</b>	<b>2,236</b>	<b>65</b>

The following table summarizes the mileage thresholds established by the Board of Education that determine the students' eligibility for transportation and the applicable bus routes:

<b>Students</b>	<b>Distance</b>
Grades K-1	.25 Miles or Up To 15 Miles
Grades 2-5	.40 Miles or Up To 15 Miles
Grades 6-12	.80 Miles or Up To 15 Miles

We have analyzed the bus routing schedule generated by Transfinder, indicating the schools, students, buses, and bus stops for transportation services during the fiscal year 2022/2023. Based on the information provided, we confirmed the following:

- The students listed in the bus route application were eligible for transportation according to the District's board approved policy mileage thresholds.

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- All bus routes were less than 90 minutes, as recommended by the Commissioner of Education from the New York State Education Department.
- The centralized pick-up stops were, on average, ten (10) students for elementary schools and fifteen (15) for high and middle school, as required by the District's Board approved policy.

➤ *No recommendations at this time.*

**Risk Rating and Opinion**

**Inherent Risk Rating:** High

**Control Risk Rating:** Low (Eastchester Union Free School District)

**Audit Opinion:** Satisfactory

**Audit Comment:** The District's transportation procedures and related internal controls are satisfactory. The recommendations noted above are aimed to improve the effectiveness of the transportation governance procedures and the related controls within the Transportation Department.

**Exhibits**

***Exhibit 1*** Flowchart of Transportation Organizational Structure

***Exhibit 2*** Analysis of Transportation Policies

***Exhibit 3*** Narratives of Transportation Budgeting Procedures

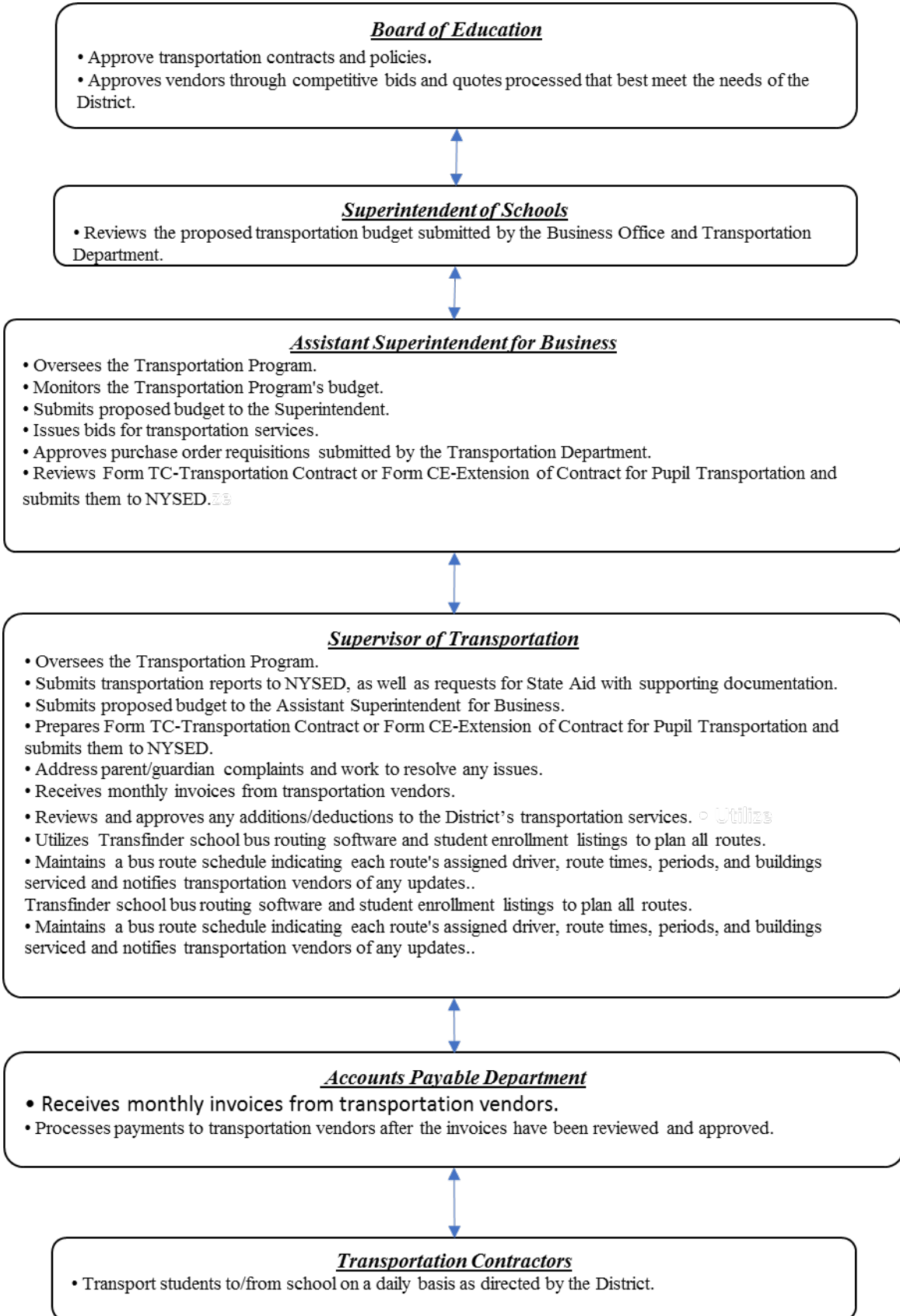
***Exhibit 4*** Narratives of Transportation Contract Management Procedures

***Exhibit 5*** Narratives of Transportation Accounts Payable Procedures

***Exhibit 6*** Narratives of Transportation Bus Routing and Student Eligibility Procedures

Please contact our Hauppauge, New York office @ 631-756-9500 if you should have any questions in this regard.

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**Report on Internal Controls Pertaining to the Transportation Cycle**  
**Flowchart of Transportation Organizational Structure**  
**Exhibit 1**



***Eastchester Union Free School District  
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Analysis of Transportation Policies  
Exhibit 2***

According to the Board approved policy 8410 regarding Student Transportation, the Superintendent of Schools, or his/her designee, shall be responsible for determining student eligibility. Eligibility will be reviewed at least once a year to ensure all entitled students receive transportation. It is the policy of the District, based on voter authorization, to provide transportation services to children in grades Kindergarten through Grade 1 who reside more than .25 and up to 15 miles from the school which they legally attend, to students in Grades 2-5 who reside more than .4 and up to 15 miles from the school they legally attend, and to students in grades 6-12 who reside more than .8 and up to 15 miles from the school they legally attend.

To qualify for transportation service, mileage shall be measured from the nearest roadway closest to the center point of the student's parcel to the center of the driveway (bus loop) in front of the building entrance of the school of attendance. The distance from the roadway to the center of the parcel is not included in the measurement. The measurement is based on the nearest, shortest route between home and school in either direction, either walking or driving, whichever is shortest. A property extending any amount into an eligibility zone shall be eligible for transportation. The official measurement method shall be the current transportation routing software utilized by the District, Transfinder, or any other routing software the District may decide to implement. The Westchester County Geographic Information Systems Municipal Tax Parcel Viewer shall be used to confirm parcel boundaries. Should Transfinder be unable to calculate an accurate distance due to locations not available on District maps or other technical difficulties, the District shall utilize Google Maps to determine mileage eligibility.

Bus routes and bus stops shall be established annually by the District within the limitations of Board policy and in conformity with school attendance areas established by the Board. All routes and stops shall be reviewed annually to provide a safe and efficient transportation program.

No door-to-door bus service shall be permitted unless approved by the Board of Education upon the recommendation of the Committee on Special Education.

The following criteria will be used to determine the location of bus stops:

- Centralized pickup points will be used with an average of ten (10) students/pickup for elementary and an average of fifteen (15) students/pickup for middle school and high school;
- Generally, dead-end and loop streets will not be serviced by school buses;
- Whenever possible, stops will be at the intersections of two streets.

The District shall route buses to maximize ridership. Whenever possible, buses should be filled to capacity to have an available seat only for those who are expected to ride the bus. The District may use actual ridership projections to assign students to buses.

In lieu of the transportation otherwise provided between home and school, the District will provide transportation to any child attending Kindergarten through eighth grade between the child's school and before and/or after-school childcare locations in accordance with the District's transportation mileage limitations. Child care location shall mean a place, other than the student's home, where care for less than 24 hours a day is provided on a regular basis for a student who attends school within the District, provided that such place is situated within the District. This definition includes, but is not limited to, a variety of childcare services such as daycare centers, family daycare homes, and in-home care by non-relatives.

***Applicable procedures are analyzed within Exhibits 3, 4, 5, & 6.***

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Narratives of Transportation Budgeting Procedures  
Exhibit 3*

1. The Transportation Department and Pupil personnel Service Department determine the annual transportation needs by analyzing student enrollment data and services to be provided by grade level, travel distances, and type of students (e.g., in-district, out-of-district, special education, and private).
2. During November, the Assistant Superintendent for Business and Supervisor of Transportation commence the budgeting process and develop a transportation budget for the upcoming fiscal year based on the District's current capacity and vendor contracts and applicable consumer price index (CPI) increases. During this process, the Assistant Superintendent for Business and Supervisor of Transportation compare the prior year's budget to the current service costs and address any current transportation needs.
3. In December, the Assistant Superintendent for Business submits a proposed budget to the Superintendent of Schools for review. Multi-year contracts are reflected within the District's budget and applicable budget notes.
4. The Assistant Superintendent for Business reviews and updates the proposed budget during the budget season.
5. The Transportation Department maintains a budget control sheet and vendor payment summary to monitor available funds by purchase order and vendor.
6. The Supervisor of Transportation periodically reviews and reconciles the budget control sheet to budget status reports generated by nVision.

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Narratives of Transportation Contract Management Procedures  
Exhibit 4*

**Transportation Contracts**

1. The Transportation Department and Pupil Personnel Service Department determine the transportation service needs and select vendors through competitive bids processed by the Business Office. The Business Office and Transportation Department provide potential vendors with a bid packet, including general conditions of bidding and a statement of collusion to be signed by the vendor. The latest bid for transportation services was conducted in April 2022. The Assistant Superintendent for Business and Supervisor of Transportation oversee the selection of transportation vendors.
2. The Board of Education awards service contracts to the lowest reputable bidder for regular and summer school transportation services. Additional clauses and terms are not allowed subsequent to the original filing. Multi-year contracts are reflected within the District's budget and applicable budget notes.
3. The Business Office, with the assistance of the Assistant Superintendent for Business and Legal Counsel, prepares contracts for regular transportation, athletic trips, and field trips, indicating the rates for bus or van routes.
4. Contract rates are increased in accordance with the Consumer Price Index (CPI) and the New York State Education Department guidelines.
5. Vendors are not allowed to request increases in the cost of a contract due to fuel surcharges or chair-lift expenses.

**NYSED Contracts:**

1. The Business Office files the following contract forms with the New York State Education Department ("NYSED"):
  - a. Form TC - Transportation Contract (used for the District's main transportation service or field trips, athletic events, and graduation)
  - b. Form CE - Extension of Contract for Pupil Transportation (used for contract extensions only – contracts may be extended annually for up to 5X)
  - c. Form TCS - Transportation Contract Summer Transportation (used for Summer Transportation only)
2. The Transportation Department prepares Form TC – *Transportation Contract*, or Form CE – *Extension of Contract for Pupil Transportation* indicating the terms of the agreement.
3. The Superintendent of Schools, the Board of Education President, and the vendor approve and sign off on the Form TC – *Transportation Contract*.
4. The Transportation Department submits the approved Form TC – *Transportation Contract* to the NYSED's Management Services Unit and maintains copies on file.
5. Contracts are filed with the NYSED's Management Services Unit for approval no later than 120 calendar days following the onset of services.

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Narratives of Transportation Accounts Payable Procedures  
Exhibit 5*

1. The Supervisor of Transportation reviews invoices against the applicable purchase orders for accuracy. The review process includes reconciling the bus rates between the invoices and contracts and verifying the reported routes to the bus routing schedules prepared by Transfinder. If discrepancies are reported, the Supervisor of Transportation contacts the transportation vendors to resolve them. The Assistant Superintendent for Business reviews the monthly invoices and applicable spending trends. If there are any variances, the Assistant Superintendent for Business reviews the routing information with the Supervisor of Transportation.
2. The Supervisor of Transportation tracks expenses by purchase order applicable to each vendor and reconciles year-end costs with the year-end reporting to the NYSED for state aid purposes.
3. Upon approval, the Supervisor of Transportation dates, signs off on the invoices, and notifies the Business Office to process payments.
4. The Business Office conducts a secondary review of the purchase order, invoices, and supporting documentation to process the payment.
5. The Business Office maintains on file the vendor contracts, invoices, and voucher packets supporting payments.
6. The District's Claims Auditor reviews all documentation purchase orders, invoices, contracts, and other supporting documentation for the payment.

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**Narratives of Transportation Bus Routing & Student Eligibility Procedures**  
**Exhibit 6**

**Fleet Structure**

The District has contracted its in-district and out-of-district student transportation services to the following:

<b>Bus Company</b>	<b>Type</b>	<b>Vehicles</b>
First Student	Bus & Van	26
Royal Coach	Van (Out of District)	33
<b>Total</b>		<b>59</b>

**Assignment of Bus Routes**

1. The District transports approximately 2,200 students in-district and out-of-district students on a daily basis. The District utilizes the Transfinder school bus routing software and student enrollment listings to plan bus and van routes. Any routes that result in additions to the number of buses and related costs are reviewed and approved by the Supervisor of Transportation. The following table summarizes the mileage thresholds established by the Board of Education that determine the students' eligibility for transportation and the applicable bus routes:

<b>Students</b>	<b>Distance</b>
Grades K-1	.25 Miles or Up To 15 Miles
Grades 2-5	.40 Miles or Up To 15 Miles
Grades 6-12	.80 Miles or Up To 15 Miles

2. In July of each year, the Transfinder database automatically rolls over the bus routes from the prior year. It determines the following year's transportation needs by analyzing student enrollment data and the services to be provided by grade level, travel distances, and type of students. (e.g., in-district, out of District, special education, and private placements)
3. In August of each year, the District forwards the bus routing information to its vendors to schedule their bus routes, drivers, and monitors.
4. At the end of August, the Pupil Personnel and Student Services Department provides the Transportation Department with student information related to McKinney Vento or special education related transportation services. Depending on their needs, the Transportation Department schedules early start bus routes. The Transportation Department revises its bus routes schedules to include special education related transportation services and forwards the revised information to its transportation vendors to schedule their bus routes, drivers, and monitors.
5. The Registration Office emails the Transportation Department information on new students as they enroll throughout the school year. The Transportation Department revises its bus route schedules to include transportation services for newly enrolled students and forwards the revised information to its vendor.
6. The Transportation Supervisor performs drive-through observations of routes on an as-needed basis to verify the functionality of routes.

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Narratives of Transportation Bus Routing & Student Eligibility Procedures  
Exhibit 6***

**Changes to Bus Routes**

1. The parents/guardians submit to the Transportation Department the following forms to request an addition or change in the student transportation services:
  - a. Transportation Bus Stop Change Request Form
  - b. Transportation Request for Child Care Form
2. The Supervisor of Transportation reviews and approves bus route change request forms. The Supervisor of Transportation reviews and analyzes if the bus stop change request increases service cost. The District notifies the applicable bus driver or bus company to update its transportation services.
3. The Transportation Department corresponds to the parents/guardians to notify them of changes to the student's bus stop and/or time.
4. The Transportation Department maintains on file forms and correspondence between parents/guardians and applicable transportation vendors regarding bus route changes.
5. During the school year, the Transportation Department receives the following information to make edits to bus route schedules:

<b><u>Category</u></b>	<b><u>Source</u></b>
Special Education Students	Download from Frontline IEP Direct to determine transportation service needs.
McKinney Vento Students	Special Education Department provides student information one business day following the notice of a McKinney Vento eligible student.
Regular Education Students	Download from the eSchool application one business day following the transfer request.
After Care Students	Upon receipt of the parental consent form.