

Wayne Central School District

Transportation Department Operations

JANUARY 2022



OFFICE OF THE NEW YORK STATE COMPTROLLER
Thomas P. DiNapoli, State Comptroller

Contents

- Report Highlights 1**

- Transportation Department Operations 2**
 - How Should the Board and District Officials Oversee
Transportation Department Operations?. 2

 - The Board and District Officials Do Not Have a Process for
Overseeing Transportation Department Operations 3

 - What Do We Recommend? 4

- Appendix A – Response From District Officials 6**

- Appendix B – Audit Methodology and Standards 7**

- Appendix C – Resources and Services. 8**

Report Highlights

Wayne Central School District

Audit Objective

Determine whether Wayne Central School District (District) officials have developed a process to routinely evaluate the overall efficiency and cost-effectiveness of the transportation department's operations.

Key Findings

District officials did not develop a process to routinely evaluate the overall efficiency and cost-effectiveness of the transportation department's operations.

- The Board of Education (Board) did not adopt comprehensive written policies for the transportation department's operations.
- District officials did not maintain detailed records for the transportation department or develop procedures for evaluating the transportation department's operations.

Key Recommendations

- Develop and adopt written policies and procedures, including recordkeeping and reporting, to help guide management of the transportation department.
- Develop standardized procedures to consistently evaluate and monitor the performance of the transportation department's operations in accordance with Board-adopted policies and procedures.

District officials generally agreed with our recommendations and indicated they would take corrective action.

Background

The District serves the Towns of Ontario, Macedon, Walworth and Williamson in Wayne County and the Towns of Penfield and Webster in Monroe County.

The District is governed by an elected nine-member Board responsible for the general management and control of educational and financial affairs. The Superintendent of Schools is the chief executive officer and is responsible, along with other administrative staff, for day-to-day management under the Board's direction.

The Director of Transportation oversees day-to-day operations of the transportation department.

Quick Facts

2021-22 Transportation Department Appropriations	\$2.2 million
Number of Students Transported on District Buses During 2020-21	1,749
2020-21 Bus Mileage	315,091
Number of District Buses	55

Audit Period

July 1, 2019 – September 3, 2021

We extended the audit scope period back to January 2016 to review the transportation study report and relevant Board meeting minutes.

Transportation Department Operations

During 2016, the District conducted a four-part comprehensive study, which addressed the efficiency of District operations including: financial condition, building usage, staffing, enrollment, future capital projects, and transportation department operations. The goal of the study was to identify areas for cost-savings to combat fiscal difficulties the District was facing, such as declining enrollment, decreases in tax revenues due to changes in payment in lieu of taxes (PILOT) agreements, and uncertainties about future sales tax revenues.



As part of the project, the Board hired a transportation advisory group to perform a complete review of the transportation department. The results of the study were published in June 2016 and included numerous recommendations. Despite the size and significance of the study, District officials did not inform us during fieldwork that such a study was performed.

How Should the Board and District Officials Oversee Transportation Department Operations?

School districts are responsible for providing safe, economical, and efficient student transportation. The board and school district should establish written policies and procedures that prescribe a process for transportation department officials to monitor and evaluate the efficiency and cost-effectiveness of operations. Operating procedures should indicate the type of financial records to be maintained and consider all pertinent areas of transportation operations, including fleet management, maintenance, staffing, fuel, scheduling and routing. Standard operating procedures, in alignment with board policies, produce consistent results, and help to make employees accountable. Once policies and control procedures are established, school district officials should identify specific benchmarks that can be used to monitor performance. School districts should then routinely evaluate performance measures, such as through the development of regular reports. This review will enable officials to determine whether they are meeting operational and financial goals and help to identify areas for improvement.

Utilizing a systematic bus replacement plan is one of the most important elements in controlling fleet-related costs and ensuring that all buses within the fleet are safe for transporting students. The bus replacement plan should consider the full cost of transportation operations, including fuel, parts, labor, as well as vehicle

trade-in value, and anticipated State aid that will offset costs. Developing a plan will also allow school district officials to aim to keep the annual budgeted cost stable. To support the development of a bus replacement plan, school district officials should maintain detailed records for individual buses. Appropriate records may include vehicle daily mileage logs, fuel usage logs, and the cumulative costs of parts, labor and overhead by a vehicle over its life. Adopting a written bus replacement plan could reduce overall operating costs and help avoid the need to replace a major portion of the fleet at the same time.

The Board and District Officials Do Not Have a Process for Overseeing Transportation Department Operations

The Board has not established comprehensive written policies for transportation department operations, despite the 2016 transportation study recommendation for the Board to modify its policies to include additional specificity and guidance. District officials said they contract with Erie 1 Board of Cooperative Educational Services (BOCES) for policy guidance and BOCES did not recommend that District officials make changes to their transportation policies. The District's current transportation policy details available transportation services and student eligibility for those services. However, the Board has not fulfilled its oversight responsibility by providing guidance for internal operations, such as recordkeeping and reporting. Additionally, the District does not have a written bus replacement plan. Without comprehensive written policies in place, management did not implement a uniform and consistent process for monitoring and evaluating the transportation department's operations.

District officials do not maintain detailed records for all areas of the transportation department's operations. For example, the District uses a routing software program which houses data for all regular routes, but District officials do not input information for special routes (field trips and athletic trips). As was stated in the 2016 transportation study, one component of the District's transportation aid is the "other purpose miles ratio", which is used to calculate "non-aidable" miles, such as athletic trips. To the extent that District officials are able to minimize athletic trip miles, the aidable expenses should increase. Therefore, the routing software should be used for all trips to ensure that drivers are taking the most efficient routes.

Additionally, while drivers must enter a personal identification code to activate the District's fuel pumps, the fuel usage data is not being tracked on a vehicle-by-vehicle basis. The lack of detailed records prevents District officials from being able to analyze fuel efficiency over the life of the vehicle and identify irregularities in fuel usage, which could be an indicator of vehicle maintenance issues, or fraud.

Utilizing a systematic bus replacement plan is one of the most important elements in controlling fleet-related costs and ensuring that all buses within the fleet are safe for transporting students.

We also reviewed the transportation department's maintenance records to assess whether the level of recordkeeping was sufficient to allow District officials the ability to evaluate the overall efficiency and cost-effectiveness of the transportation department's maintenance operations. The head mechanic maintains an electronic spreadsheet which he updates daily based on inspection sheets provided by the bus drivers from the day prior. The spreadsheet tracks total mileage and preventative maintenance needs for each bus. Officials also maintain a folder for each bus containing forms that are manually updated by the mechanic each time service is performed on the vehicle. We reviewed six of the 55 bus files; however, only one listed the cost of parts that were purchased for the bus, and the part descriptions were not adequately detailed to trace to an associated invoice. Further, none of the files included detailed information to track costs, such as invoices for parts purchased or the number of maintenance hours spent. Maintaining the records in this manner, without summarizing and consolidating the data, does not allow District officials to analyze important performance measures, such as maintenance and repair costs per bus, maintenance cost per mile, and the amount of maintenance performed under vehicle warranty.

Had District officials implemented the recommendation from the 2016 transportation study, to utilize a vehicle maintenance software that would allow for the collection of important maintenance data, they would have the necessary information to make informed decisions.

Additionally, District officials have not developed standardized procedures for monitoring the transportation department's operations on a consistent basis. Without consistent reporting and performance measures, District officials cannot readily identify areas for improved efficiencies or cost savings.

What Do We Recommend?

The Board and District officials should:

1. Develop and adopt written policies and procedures, including recordkeeping and reporting, to help guide management of the transportation department.
2. Monitor the transportation department's performance against adopted policies and procedures.

District officials should:

3. Develop standardized procedures to consistently evaluate and monitor the performance of the transportation department's operations in accordance with Board-adopted policies and procedures.

Had District officials implemented the recommendation from the 2016 transportation study, to utilize a vehicle maintenance software that would allow for the collection of important maintenance data, they would have the necessary information to make informed decisions.

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4. Ensure staff use the routing software for all special routes (field or athletic trips, etc.).
 5. Ensure staff track fuel usage on a vehicle-by-vehicle basis.
 6. Ensure that adequate repair and maintenance records are maintained for each bus.

Appendix A: Response From District Officials



Wayne Central School District

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January 3, 2022

Edward V. Grant Jr., Chief Examiner
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Rochester, New York 14614-1608

Dear Mr. Grant,

This letter is in response to the recent comptroller's audit conducted at the Wayne Central School District from June through December 2021 of the Transportation Department Operations in the district.

In general, the district agrees with the findings and recommendations outlined in the report. While the district has already initiated the implementation of several of the recommendations, we look forward to continuing this effort to strive for an efficient and cost-effective management of the department.

The district will develop a formal corrective action plan based on the recommendations of the audit to be reviewed by the district's audit committee and approved by the Board of Education prior to submit

Thank you for your thorough assessment of the district's finances and operations and for the professional conduct of the auditing staff that worked with us from June until December.

Sincerely,

Joseph A. Siracuse, Ed.D.
Superintendent of Schools

Appendix B: Audit Methodology and Standards

We conducted this audit pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law. To achieve the audit objective and obtain valid audit evidence, our audit procedures included the following:

- We interviewed District officials and employees to gain an understanding of processes pertaining to the transportation department's operations, including recordkeeping and reporting.
- We reviewed District policies pertaining to the transportation department.
- We reviewed Board minutes to gain an understanding of fiscal oversight and governance performed by the Board, related to the transportation department.
- We reviewed various records and reports maintained to assess the recordkeeping systems for the transportation department's operations.
- Of the District's 55 buses, we used our professional judgment to select a sample size of 10 percent. We rounded up to six buses, consisting of four large buses and two small buses, and reviewed the maintenance records for each bus to evaluate the level of detail of the information collected and maintained.
- We reviewed the 2016 transportation study report to evaluate its findings and recommendations.

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Unless otherwise indicated in this report, samples for testing were selected based on professional judgment, as it was not the intent to project the results onto the entire population. Where applicable, information is presented concerning the value and/or size of the relevant population and the sample selected for examination.

The Board has the responsibility to initiate corrective action. A written corrective action plan (CAP) that addresses the findings and recommendations in this report must be prepared and provided to our office within 90 days, pursuant to Section 35 of General Municipal Law, Section 2116-a (3)(c) of New York State Education Law and Section 170.12 of the Regulations of the Commissioner of Education. To the extent practicable, implementation of the CAP must begin by the end of the next fiscal year. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. The CAP should be posted on the District's website for public review.

Appendix C: Resources and Services

Regional Office Directory

www.osc.state.ny.us/files/local-government/pdf/regional-directory.pdf

Cost-Saving Ideas – Resources, advice and assistance on cost-saving ideas

www.osc.state.ny.us/local-government/publications

Fiscal Stress Monitoring – Resources for local government officials experiencing fiscal problems

www.osc.state.ny.us/local-government/fiscal-monitoring

Local Government Management Guides – Series of publications that include technical information and suggested practices for local government management

www.osc.state.ny.us/local-government/publications

Planning and Budgeting Guides – Resources for developing multiyear financial, capital, strategic and other plans

www.osc.state.ny.us/local-government/resources/planning-resources

Protecting Sensitive Data and Other Local Government Assets – A non-technical cybersecurity guide for local government leaders

www.osc.state.ny.us/files/local-government/publications/pdf/cyber-security-guide.pdf

Required Reporting – Information and resources for reports and forms that are filed with the Office of the State Comptroller

www.osc.state.ny.us/local-government/required-reporting

Research Reports/Publications – Reports on major policy issues facing local governments and State policy-makers

www.osc.state.ny.us/local-government/publications

Training – Resources for local government officials on in-person and online training opportunities on a wide range of topics

www.osc.state.ny.us/local-government/academy

Contact

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