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March 31, 2022

Auditor General Timothy L. DeFoor
Department of the Auditor General
613 North Street, Room 229
Harrisburg, PA 17120

Secretary Noe Ortega
Department of Education
333 Market Street
Harrisburg, PA 17126

Re: Elimination of Bureau of School Audits

Dear Auditor General DeFoor and Secretary Ortega,

I write in response to the recent news that the Department of Auditor General has decided to eliminate the Bureau of School Audits and transition the responsibility for conducting public school audits to the Pennsylvania Department of Education. As Democratic Chair of the Senate Education Committee, this decision raises a number of questions about how a move away from independent audits will impact the Commonwealth's ability to ensure accountability and transparency in Pennsylvania's schools, especially given the current influx of federal emergency COVID-19 funds.

I understand the audit engagements conducted by the Bureau of School Audits differ from the annual financial audits required by the Public School Code. However, I remain concerned about the loss of an independent review of our local education agencies. Taxpayers of this Commonwealth deserve to be assured that their tax dollars are properly used and that our school districts, career and technical schools, intermediate units, and charter schools are following state law and appropriate best practices.

In sending this letter to you both, I seek to learn more about how this impactful decision was made and what plans are in place for a coordinated transition – one that is scheduled to happen in only a matter of weeks on April 22, 2022.

Accordingly, please advise on the following:

- What planning discussions were held between the Departments leading up to this decision, including the logistics of this transfer (e.g., how open audit engagements will be completed, how the two agencies will ensure that PDE has an adequate number of staff trained to conduct audits in accordance with Government Auditing Standards, etc.)?
- What other options were explored before deciding to eliminate the Bureau of School Audits? What consideration was given to including the Bureau's dire circumstances and

the need to restore staffing levels as part of either Departments' annual budget request or testimony in front of the Senate Appropriations committee? What will happen to the 40 state employees whose jobs are being eliminated from the Bureau of School Audits? How will PDE hire qualified staff to handle this new audit responsibility in a timely manner?

- How will the transition plan address previously identified systemic issues that the Department of Auditor General has raised through its independent audits, such as school building safety plans, school staffing certifications, and transportation issues – all aspects of education that have faced increased challenges during the pandemic?
- As the Department of Auditor General has noted in its recent reports, there is currently limited oversight of charter schools at the state level. Local school districts have no oversight of cyber charter schools though they are responsible for the tuition payments. Historically, the Department of Auditor General has used its unique position and authority to supplement this limited oversight of charter schools. How will each Department ensure independent oversight of this significant sector of our public schools?
- How will both Departments ensure sufficient oversight and accountability of billions of state dollars, as well as the several billion dollars in federal emergency COVID-19 assistance that public schools are currently receiving, if not by independent, organized, state-level audits? Because Pennsylvania lacks the strong protections needed to encourage whistleblowers to come forward to report waste, fraud, and abuse of state tax dollars - despite my introducing the bipartisan SB 38 which would provide such protections nearly a year ago - taxpayers are relying on your efforts alone to safeguard taxpayer dollars.
- How is PDE planning to balance this new responsibility with the review of hundreds of federal funding applications submitted by charter schools and school districts pursuant to pressing federal deadlines? Is there a risk that this new responsibility will disrupt the state's ability to implement federally required processes designed to support students who have struggled during this pandemic?

I appreciate that the school business officials who manage the financial resources of Pennsylvania's public schools are professionals who are stewards of these funds; nevertheless, there remains a critical need to review how taxpayer dollars are spent so that all Pennsylvanians can have confidence in our public schools and how they spend public funds.

Thank you for your attention to this matter. I look forward to your prompt response.

Respectfully,



Senator Lindsey M. Williams
Democratic Chair, Senate Education Committee
38th Senatorial District