

Appendix A



COMMONWEALTH OF PENNSYLVANIA PENNSYLVANIA DEPARTMENT OF THE AUDITOR GENERAL

Act 44 Auditee Reporting Form (School District Audits)

The Department of the Auditor General provides this form for every school district to report its adoption of the Department's recommendations in its most recent audit pursuant to Act 44 of 2017 amendments to The Fiscal Code regarding Auditee reporting requirements and the Department's STATEMENT OF POLICY and FORM in 4 Pa. Code Part XIV published in the Pennsylvania Bulletin on February 10, 2018.

Within **120 business days** of the publication of the audit listed below, the school district must submit a response to the Department detailing the adoption of the Department's recommendations, or the reason why recommendations have not been adopted.

AUN:	107650603	School:	Belle Vernon Area School District	CAN:	111759
Audit Period:	July 1, 2013 to June 30, 2017	Findings:	Two	Recommendations:	Seven

District Response: (Textbox below will expand or attachments can be added as necessary)

Finding No, 1- Administrator Salary Increase Were Arbitrarily Awarded Without Board Approval and Without Performance Evaluations

Response- the previous Superintendent, Dr. John Wilkinson, did not conduct annual evaluations on any of the employees. He had the Act 93 members complete a form that was not PDE approved that outlined goals but he never complete the follow through of meeting and finalizing any paperwork. Four of the Act 93 members that were given raises were not presented to the board for the increase that were outside the confines of the Act 93 Agreement. The School Board was not made aware of the increases nor were other members of the Act 93 group that did not receive a raise.

To remediate this from occurring in the future the district will:

1. Conduct an annual review of all administrative employee's salaries to identify and/or prevent unapproved salary adjustments.

- a. The Business Manager will calculate the Act 93 salaries based on the current Act 93 Agreement by June 15th preceding the applicable year.
 - b. He/she will submit in writing the calculations to the Superintendent.
 - c. The Superintendent will review for accuracy and compliance with the Act 93 agreement.
 - d. The Superintendent will then respond in writing to the Business Manager any necessary changes/corrections.
2. Establish a clear chain of command and a transparent review process for all pay increases for administrators.
 - a. Please see the procedures outline in number 1.
3. Review all policies and procedures (in consultation with its solicitor) to ensure that the concept of administrative pay increases is addressed in accordance with policy and the Act 93 Agreement.
 - a. The District will review the policies and procedures in consultation with the solicitor to ensure that the concept of administrative pay increases are addressed in accordance with policy and the Act 93 Agreement.
4. Require the Superintendents to conduct employee performance evaluations in accordance with the Act 93 Agreement. The Superintendent should also present summary of results of the evaluations to the Board to evidence compliance with the Act 93 Agreement.
 - a. Dr. Michele Dowell has provided training for all of the Act 93 members on the use of the PDE approved 82-2 Form for evaluation.
 - b. Training was provided by Joe DiLucente at the Westmoreland Intermediate Unit on July 16, 2019.
 - c. The Act 93 Agreement was revised to reflect the use of the 82-2 Form. It was approved by the School Board at the July 22, 2019 regular voting meeting.
 - d. Dr. Michele Dowell created a Google classroom for the members to access regarding the process of the 82-2 evaluation.
 - e. The Act 93 members submitted goals for the year in PAETEP which is the district's warehouse for evaluations.
 - f. All members will be evaluated using the 82-2 Form by June 30th of each school year going forward.
 - g. The Superintendent will present a summary of the evaluations to the school board at the July or August board meeting.

Finding No. 2- The District Did Not Comply with the Tuition Reimbursement Requirements of Its Act 93 Agreement

The problem was caused by the previous Superintendent and Business Manager not having proper procedures and/or not following the procedures that were in place regarding tuition reimbursement.

To remediate this from occurring in the future the district will:

1. Review requests for tuition credit reimbursement thoroughly to ensure that the requests fall within an administrator's employment with the District.
 - a. The following procedures are in place for Act 93 Tuition Reimbursement:

1. An employee submits a prior approval form to the Superintendent. The Superintendent reviews the request to determine that it is appropriate and approves it by signing the form. Also, the Business Manager reviews the request to determine if the employee is eligible for the reimbursement and has not exceed the maximum amount established in the Act 93 Agreement.
 2. The form is then given to the Business Manager who enters the information into a spreadsheet to track the tuition reimbursement requests by employee. The prior approval form is kept on file in the employee's file.
 3. After an employee completes the course(s), a request for reimbursement, proof of payment of the tuition and the grades for the course(s) taken are submitted to the Superintendent's secretary to check for completeness. He/she also checks to make sure a prior approval form was signed and is in the employee's file.
 4. The information is then given to the Business Manager who checks for the following:
 - a. The courses were taken and paid for by the employee. No prepayment of tuition is allowed.
 - b. The employee has not exceed the allowable amount per the Act 93 Agreement.
 - c. Reviews grades for the course to determine if employee met the grade requirements established in the Act 93 agreement.
 5. After determining that the conditions above were met, the Business Manager submits the request for reimbursement along with all supporting documentation to the Superintendent for approval prior to being added to the board agenda.
 6. After the above steps, the tuition reimbursements are approved by the school board at the monthly meetings.
 7. The reimbursements are paid to applicable employees after the board has officially approved them at a board meeting. Payments are made to the employees for reimbursement of costs. No payments are to be paid directly to a college or university.
2. Implement internal controls to ensure that District management is presenting all tuition credit reimbursement requests to the Board for approval.
 - a. The District understands the importance of monitoring and paying tuition reimbursement to employees. As a result, the procedures listed above were established to maintain proper internal controls over the process.
 3. Implement detailed written procedures to help ensure compliance with the Act 93 Agreement provisions requiring evidence of satisfactory completion prior to reimbursing administrators for tuition credits.
 - a. The District has implemented procedures listed in item #1 to monitor and pay tuition reimbursement to ensure adherence to guidelines established in the Act 93 Agreement.

Note: Pursuant to Section 1.5 of Act 44, if the Auditee fails to respond to the Department's recommendations within **120 business days**, the Department will notify the Governor and the Chairpersons and Minority Chairpersons of the Appropriations Committees of the Senate and the

House of Representatives, which may consider an Auditee's failure to respond to the Department's audit when determining the Auditee's future appropriations.