

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:	122092002	School:	Centennial School District	CAN:	123700
Audit Period:	July 1, 2015 to June 30, 2019	Findings:	Two	Recommendations:	Five

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

Finding No. 1 – The District's failure to implement adequate internal controls led to the district inaccurately reporting student data to PDE resulting in a \$306,678 overpayment

Response - We agree with the Auditor General's findings and appreciate their work. While no current staff members were with the District during the audit period, we take these findings very seriously and have been proactively taking action to improve and enhance our Child Accounting functions for the past year.

In advance of the audit, the Board approved in June the following two positions (1) Registration, Child Accounting and PIMS Specialist and (2) Data and Assessment Specialist, both of these positions enhance the reporting and verification of our child accounting activities, as recommended in the Auditor General's report.

Further on October 1st the board approved the attendance of 4 employees to attend the Child Accounting Professional Association's (CAPA) fall Conference. The attendees included the

two aforementioned staff members and, in an effort, to expand the knowledge base, two additional staff members, the Data & Software Specialist and the Special Education Secretary. This conference provided essential training related to Pennsylvania Department of Education and PIMS reporting (also recommended in the Auditor General's report), along with the opportunity to interact with colleagues from across the state.

Lastly the team has begun the documentation process that includes the categorization, reporting process and required documentation for nonresident students and are reviewing data collected in fiscal years 2020 and 2021.

Administration did attempt to collect Agency Placement Letters from the Bucks Children & Youth Social Services Agency for the earlier years and was made aware that they did not have those documents.

The Administration expects that these steps along with the continued focus on student data and documentation will address the shortfalls noted in the report.

Finding No. 2 – District's failure to implement an adequate internal control system resulted in a \$91,245 overpayment and an unauditable \$1.6 million in transportation reimbursements

We agree with the Auditor General's findings and appreciate the time the audit team spent with transportation's administration during their review. We do take the findings very seriously and have been proactively taking action to address the findings and improve internal processes in the department. Every effort will be made to correct the deficiencies found in the findings.

The report clearly defines three areas of concern that the auditors found during their visit with us. Said concerns were the lack of (1) segregation of duties, (2) written procedures, and (3) training on PDE requirements. These three concerns can be summed up into not having the transportation administrative team fully knowledgeable in the PDE transportation requirements, thereby leading to inaccurate information reported to PDE when seeking supplemental transportation reimbursement; and, therefore, leading to a \$91,245 overpayment.

The transportation department, and the CSD administration, will endeavor to correct current process challenges by developing an internal control system to collect certain student transportation data as required by PDE. This includes, but is not limited to, training provided by the Pennsylvania Association of School Business Officials (PASBO) and other sources, correct use of existing routing software (Transfinder), and developing written procedures for data collection. Furthermore, the department will continue to retain all necessary documentation in accordance with Public School Code (PSC) and Centennial School Board Policy (CSD Board Policy 800).

In addition to the operational recommendations presented in the audit findings, we will complete a reconciliation of the total non-public school and charter school students to ensure that our data is accurate prior to reporting same to PDE. This reconciliation is currently underway for School Years 2019-20 and 2020-21 respectively. Lastly, we understand that PDE may adjust any future transportation subsidy to resolve the overpayment of \$91,245.

The administration expects that these new procedures, management oversight, and the reporting of accurate data will address the concerns noted in the findings.

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.