

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: 110171003 **School:** Clearfield Area School District **CAN:** 124607
Audit Period: July 1, 2016 to June 30, 2020 **Findings:** Two **Recommendations:** Seven

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

Schedule Attached

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.

Clearfield Area School District

AUN: 110171003

CAN: 124607

Audit Period: July 1, 2016, to June 30, 2020

Findings: Two

Recommendations: Seven

Act 44 Auditee Reporting Form

Finding No. 1. The District Inaccurately Reported Nonresident Student Data to PDE Resulting in a \$170,360 Overpayment

Recommendations:

1. Develop and implement an internal control system governing the process for identifying and reporting nonresident foster student data. The internal control system should include, but not be limited to, the following:
 - All personnel involved in identifying and reporting nonresident data are trained on PDE's reporting requirements.
 - A review of nonresident data is conducted by an employee, other than the employee who prepared the data before it is submitted to PDE.
 - Clear and concise written procedures are developed to document the categorization and reporting process for nonresident student data.

The district has begun to develop and implement an internal control system to identify and report nonresident data.

Individuals involved with the identification and reporting of nonresident data have received training on PDE's reporting requirements through A/CAPA, PIMS Q&A, as well as reference materials listed on PDE's website.

Beginning with the 2021-2022 school year, all nonresident student data will be reviewed and traced to source documentation by the Business Administrator prior to submission to PDE.

The district's Child Accounting Secretary and Business Administrator are in the process of establishing written procedures for identifying, categorizing, and reporting nonresident student data to PDE. The procedures will provide detailed guidance on how to perform the process if there is a personnel change for either the Child Accounting Secretary or Business Administrator.

2. Perform a reconciliation of the nonresident student data to source documents before the data is reported to PDE.

Beginning with the 2021-2022 school year, the Child Accounting Secretary will prepare the nonresident data for submission to PDE. Prior to submission, all data will be reviewed and traced to source documentation by the Business Administrator to ensure that it is complete and accurate.

3. Submit a tuition bill in the amount of \$48,070 to the neighboring school districts to recover the cost of educating the seven students who reside in their districts.

The Business Administrator, with the assistance of the Child Accounting Secretary, will prepare and send invoices with supporting documentation to the applicable LEAs for education of their student residents during the audit period.

Finding No. 2. The District Did Not Implement Adequate Internal Controls to Ensure Compliance with Driver Qualifications and Background Clearance Requirements

Recommendations:

1. Implement verifiable internal control procedures with a documented review process to ensure that only qualified and authorized individuals are driving for the district.

These procedures should ensure:

- The district obtains a comprehensive list of drivers at the beginning of each school year that is maintained and updated throughout the school year with any changes.
- All required qualification and clearance documents are obtained, reviewed, and on file at the district and that individual drivers assessed by district administration are presented to the Board for approval prior to transporting students.
- All driver qualification and clearance documentation are monitored on a regular basis sufficient to ensure continued compliance with requirements.

The district's Transportation Coordinator and Business Administrator are developing written procedures outlining the process of approving qualified drivers for contracted transportation services and maintaining their required credentials on an on-going basis.

The district's Transportation Coordinator has developed a spreadsheet compiling all the approved drivers and obtained copies of their credentials, including required clearances, from the transportation subcontractors. The spreadsheet will be updated on a regular basis and supporting documentation will be retained as additional drivers are approved by the Board.

As is the current practice, the district's Transportation Coordinator will review any supporting documentation on potential new drivers and present the information to the Business Administrator. The Business Administrator will review the potential driver credentials, have additional discussion with the Transportation Coordinator as needed, and decide whether to present the potential driver's name to the Board for approval. If the decision is made to move to Board Approval, the names will be presented at the next scheduled Board meeting. Drivers will not be permitted to transport students until they are Board approved.

The spreadsheet will be monitored on a continuous basis to ensure that it is accurate and up to date.

2. Comply with all applicable laws and regulations to obtain, review, and maintain required qualification and clearance information for all drivers.

The district's Transportation Coordinator and Business Administrator will review the Pennsylvania Code, PA Public School Code, Child Protective Services Law, and any other applicable laws and regulations to maintain compliance with driver qualification and clearance information.

3. Ensure that all drivers determined to be eligible to transport students are presented to the Board for approval prior to transporting students, including new drivers added throughout the school year.

A complete listing of available drivers will be presented to the Board at the beginning of each school year prior to them transporting students. Procedures have been established to verify that only drivers with appropriate credentials and clearances are presented to the Board. The same procedures will be followed when adding additional drivers during the school year.

4. Implement procedures to ensure compliance with the Board's *Contracted Services* policy and transportation contract, and promptly update the Board's policy for contracted services to align with provisions of the PSC and CPSL, including the requirement to obtain updated clearances every five years.

The Board's Contracted Services policy has been updated to the most recent version published by PSBA that aligns with the provisions of the PSC and CPSL and includes the requirement that clearances be updated every five years. In addition, the district is drafting written contracts with its van contractors for transportation services beginning with the 2022-2023 school year.