

## 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:  School:  CAN:   
Audit Period:  Findings:  Recommendations:

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

**Finding No. 1** – Errors Related to the District's Social Security and Medicare Reimbursements Resulted in a Net Overpayment of \$267,491

*Auditor General Recommendation: Implement procedures that require an independent internal review of the wage data that supports the Social Security and Medicare reimbursement information prior to submission to PDE*

**District Response and Implementation of Recommendation/Corrective Action:** In regards to the Act 29 error, the district identified the error through review of each employee's personnel data when transitioning to a new financial system in 2017. The district immediately corrected all employee data that was incorrect and revised the quarterly social security reconciliation to PDE. The payroll coordinator has now been trained on the proper entry of hire dates as they relate to Act 29.

The Dover Area School District recognizes the error by PDE. The overpayment from PDE was originally identified in 2019 by district staff through review and approval and reconciliation processes in place by the district.

As related to the auditor general's recommendation, the district implemented review and approval processes and procedures in 2017 which provide for an analytical review of all wage data prior to submission to PDE to ensure proper reporting. The district will maintain these review and approval internal control processes and continue to reconcile social security subsidies quarterly upon reporting and receipt of funds.

Management will continue to monitor these processes to ensure they are being followed.

Implementation of Corrective Action: July 1, 2017 and ongoing

**Finding No. 2** – Inaccurately Reporting the Number of Districts Transported Who Were Eligible for Reimbursement Resulted in an Overpayment of \$13,070 to the District

Auditor General Recommendations:

1. *Ensure District personnel responsible for identifying, calculating, and reporting non-reimbursable students are trained with regard to PDE's reporting requirements*
2. *Ensure that the sworn statement of student transportation data is not filed with the state Secretary of Education until the data has been properly double checked for accuracy by personnel trained on PDEs reporting requirements*
3. *Establish detailed transportation procedures that address how to accurately identify, calculate, and report non-reimbursable students to PDE*
4. *Immediately take the appropriate administrative measures to ensure that it retains all documentation supporting the transportation data reported to PDE, including all supporting documentation for non-reimbursable students in accordance with the PSC's record retention requirement*

District Response and Implementation of Recommendation/Corrective Action: Dover Area School District Management is aware of the issues surrounding the finding as reported by the PA Auditor General's Office for years 2014-2015 through 2017-2018. The cause of the inaccuracies can be related to the consistent transferring of transportation responsibilities and turnover throughout the past five years. The transportation coordinator position was eliminated in 2014-2015 through attrition and responsibilities of reporting were transferred and split between various administrators within the district. Throughout this time period of 2014-2015 to 2017-2018, external training opportunities were not taken advantage of by the District. However, in 2018-2019, the district appointed a full-time transportation coordinator who has since received proper training through the Pennsylvania Association of School Business Officials and attends tri-county state transportation meetings for further training and collaborative opportunities. The coordinator has a good working relationship with the current transportation contractor of the district and reviews data on an ongoing basis.



In October 2019, as a result of the finding the district has implemented review and approval procedures prior to submitting the required data to the Secretary of Education to ensure the accuracy of the reported data including the identification of non-reimbursable students that are transported by the District.

The transportation coordinator along with her supervisor have also formulated written procedures to accurately identify, calculate and report non-reimbursable students to PDE. They have an improved understanding of the guidelines as specified under the PSC.

Since the implementation of new transportation software on July 1, 2015, the district is able to retain all information supporting data that is submitted to PDE. Hard copies along with software files are maintained separately and in conjunction with the data that is stored within the software package.

Management will continue to monitor all of these new processes on an ongoing basis through review and approval methods to ensure they are being followed.

Implementation of Corrective Action:

October 15, 2019 and ongoing - Review and approval procedures of state data including detailed transportation procedures

July 1, 2015 and ongoing – Retainage of Data

**Finding No. 3** – The Dover Area School District Failed to Conduct Monthly Fire Drills as Required by the Public-School Code and Inaccurately Reported Fire Drill Data to PDE

Auditor General Recommendations:

1. *Conduct monthly fire drills with staff and students as required by the PSC and report those dates to PDE*
2. *Ensure the District is reporting factually correct data as certified by its Superintendent to PDE in its annual fire drill reports that can be evidenced by supporting documentation*
3. *Consult with its solicitor to ensure it is fully aware of all amendments to the PSC regarding fire and school security drills to ensure compliance in future school years*

District Implementation of Recommendation: The Dover Area School District recognizes and acknowledges the root cause of the failure to accurately report fire drills precisely when they were conducted. The cause was multi-fold at various levels and includes such issues as lack of training for administrators in the completion and maintenance of proper documentation.

In addition, in 2017-2018, the district implemented a new software package for emergency response and awareness databases which house some of the necessary information, processes, and procedures surrounding fire drills. Prior to implementing the procedures on entering the drills into the Navigate Prepared software, building administration would track the fire drills in any fashion they deemed appropriate and then reported that information to the central administration office.



In June 2019, in order to remedy the problem, a step-by-step written procedure was created and reviewed and communicated to all administrative staff during our annual administrative retreat. Fire drills are now being conducted monthly and documented in the Navigate Prepared Software Package and administrators have been properly trained.

Beginning in June of 2020, prior to finalizing data contained on the annual ACS, the Director of Safety and Security will do a full detail review of the data and provide evidence of his review to the superintendent prior to certification.

In February of 2019, and when any local, state, or federal requirements are amended as they relate to emergency drills, the district will have their solicitor provide guidance and information in regards to those amendments.

Implementation of Corrective Action:

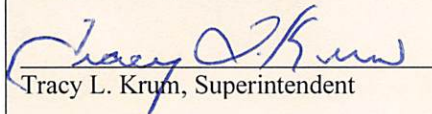
June 2018 – implementation and training on district software

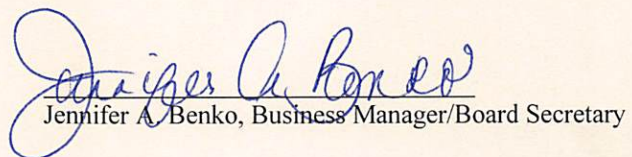
June 2019 – written procedures and processes as they relate drills, along with administrative training

June 2020 – full review of drill data prior to certification

February 2019 and ongoing – guidance from solicitor on amendments to requirements

Respectfully Submitted,

  
Tracy L. Krum, Superintendent

  
Jennifer A. Benko, Business Manager/Board Secretary

**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.