

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:	112282004	School:	Fannett-Metal School District	CAN:	123044
Audit Period:	July 1, 2015 to June 30, 2019	Findings:	Two	Recommendations:	Seven

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

Finding Number 1:

The Fannett-Metal School District's failure to implement adequate internal controls led to inaccurate nonresident student data reported to the Pennsylvania Department of Education resulting in an overpayment of \$9,142.

Auditor's Recommendation: Develop and implement an internal control system governing the process for identifying, categorizing, and reporting nonresident student data. The internal control system should include, but not be limited to, the following:

1. All personnel involved in the identification, categorization, and reporting of nonresident data are trained on PDE's reporting requirements.
2. A review of nonresident data is conducted by an employee, other than the employee who prepared the data before it is submitted to PDE.
3. Clear and concise written procedures are developed to document the categorization and reporting process for nonresident student data.

District Answer: *At the April 13, 2021, School Board Meeting, the Board of Directors approved a new position and hired an administrator who will be the Director of Special Education and Student Support Services. This newly hired administrator will oversee Foster Care within the School District and will be trained on all PDE documentation needed*

for identification, categorization, and reporting of nonresident student(s) and data. The employee identified by the audit who prepared the data will now have it checked by the Director of Special Education and Student Support Services. In addition, the Director of Special Education and Student Support Services, in conjunction with the School Superintendent, will develop written administrative procedures to follow when categorizing and reporting nonresident student data.

2. Obtain updated agency placement letters annually for all foster students to ensure proper categorization and accurate reporting to PDE.

District Answer: The newly hired Director of Special Education and Student Support Services will oversee the agency placement letter for all foster students are received from the proper agencies.

3. Review foster student data reported to PDE for the 2019-20 school year to determine if there were similar reporting errors and if necessary, submit revised data to PDE.

District Answer: Since the newly hired Director of Special Education and Student Support Services does not begin officially until July 1, 2021, the School Superintendent reviewed the foster student data that was reported to PDE in 2019-20 school year and determine there were no other similar reporting errors.

Finding Number 2:

The Fannett-Metal School District did not Implement Adequate internal Controls to ensure compliance with Bus Driver Qualifications and Clearance Requirements.

The Fannett-Metal School District does acknowledge this finding that ten (10) Bus Drivers on the School District List of Approved Drivers did not have all their clearances. Although these ten (10) Bus Drivers were approved by the School Board (denoted in the approvals as pending receipt of all clearances), the Transportation Director kept a thorough list with these ten (10) drivers identified as not being able to drive any vehicles due to not receiving all the necessary and required clearances. The Transportation Director had a system of internal controls that prevented any Bus Driver who was approved but did not have all their clearances submitted from driving for the district. Moving forward, the Transportation Director will not be submitting any School Bus Driver's name(s) to the School Board for approval until ALL required clearances are provided in advance.

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

District Answer: By requiring ALL Bus Driver clearances in advance prior to their name being submitted to the School Board for approval, this revised internal control will negate the need for a separate listing, comply with the transportation contract, adhere to School Board Policy 818, and will meet the Pennsylvania School Code requirements.

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.