

## 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.

<b>AUN:</b>	113364403	<b>School:</b>	Manheim Central School District	<b>CAN:</b>	104553
<b>Audit Period:</b>	July 1, 2012 to June 30, 2016	<b>Findings:</b>	Two	<b>Recommendations:</b>	Three

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

Attached is a signed response, along with the corrective action plan submitted to the PA Department of Education consistent with their audit review procedures.

**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.



# Manheim Central School District

*Preparing Responsible Citizens, Who Are Lifelong Learners*

281 White Oak Road, Manheim, PA 17545  
Telephone: 717.664.8540; Fax: 717.664.8539

[www.manheimcentral.org](http://www.manheimcentral.org)

Peter J. Aiken, Ed.D. – Superintendent  
Sue Ann Senter – Assistant to the Superintendent

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October 1, 2018

Ms. Helen Weigel, Director  
Bureau of School Audits  
Department of the Auditor General

Re: Act 44 Auditee Response to Audit Report  
Fiscal Years Ending June 30, 2013, 2014, 2015, 2016

Dear Ms. Weigel,

This letter is an official response required by Act 44 of 2017 audit reporting requirements under Section 403 of The Fiscal Code, 72 P.S. § 403.

Attached to this response is a copy of the District's official response to the Pennsylvania Department of Education consistent with their audit review procedures.

The response to PDE and corrective action plan was approved by a resolution of the Board of Directors at a legally convened meeting on August 6, 2018.

01 OCT 2018  
Date

Peter J. Aiken  
Superintendent of Schools



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Peter J. Aiken, Ed.D. – Superintendent  
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August 6, 2018

Mr. Clayton P. Carroll, Audit Reviewer  
Bureau of Budget and Fiscal Management  
Department of Education  
333 Market Street – 4<sup>th</sup> Floor  
Harrisburg, PA 17126-0333

Re: Response to Audit Report  
Fiscal Years Ending June 30, 2013, 2014, 2015, 2016

Dear Mr. Carroll:

This letter is an official response to your letter received in our office on June 23, 2018. The response includes a corrective action plan for the findings of the Auditor General's Performance Audit Report for the fiscal years ending on June 30, 2016, 2015, 2014, and 2013.

## **FINDING #1 – The Former Assistant Superintendent's Separation Agreement Was Not Publicly Disclosed and Approved by the Board**

The auditors review of the board meeting minutes related to acceptance of the former Assistant Superintendent's resignation, we found that the Board of School Directors (Board) did not publicly disclose and approve a separation agreement that was discussed during a preceding executive session. The Board and District management should have provided residents of the District with notification about the previously signed Separation Agreement and its associated costs on the published agenda for the January 27, 2014, school board meeting in accordance with the Public School Code (PSC).

### **Management Response**

While the District concurs that the separation agreement was not properly listed as a separate motion and approval, it was publicly discussed prior to acceptance of the Assistant Superintendent's resignation. While not properly handled in accordance with the Public School Code, there was no intent to deceive or withhold the existence of the agreement or the terms of the agreement from the public.

### **Corrective Actions – District**

The District will ensure that all contracts and agreements are properly approved in accordance with the PSC and the Sunshine Act. It will also ensure that all Superintendent and Assistant Superintendent contracts include the proper termination provisions as required by Section 1073 ( e ) of the PSC.

### **Timetable**

The corrective measure for this finding has already been put in place.

### **Description of monitoring**

The District will review all contracts and separation agreements with legal counsel prior to any Board action.

*Equal Opportunity Employer*

**FINDING #2 - The District Reported Unqualified Earnings to PSERS for a Former Assistant Superintendent**

The District incorrectly reported *unqualified earnings* to the Public School Employees' Retirement System (PSERS) for a former Assistant Superintendent. Since PSERS retirement benefits are calculated using a formula that factors in an employee's final average salary, the reported unqualified earnings of approximately \$16,000 improperly inflated the former Assistant Superintendent's retirement Benefits.

**Management response**

Management concurs with the finding

**Corrective Actions – District**

In response to this finding, the district will ensure that the current payroll administrator is fully aware of the contents of the PSERS Employers' Reference Manual (ERM) and will ensure that wages are properly reported in accordance with said ERM.

The district will also work with PSERS to determine what corrections or adjustments need made to pension benefits or contributions.

**Timetable**


Steps to remedy this finding are already in the process of being implemented.

**Description of monitoring**

The Business office will ensure that the proper adjustments were made with PSERS and will ensure that similar situations are handled properly in the future.

This response and corrective action plan was approved by a resolution of the Board of Directors at a legally convened meeting on August 6, 2018.

06 AUG 2018  
Date

  
\_\_\_\_\_  
Superintendent of Schools

MANHEIM CENTRAL SCHOOL DISTRICT  
BOARD OF SCHOOL DIRECTORS

RESOLUTION TO APPROVE THE AUDIT RESPONSE AND CORRECTIVE ACTION PLAN TO THE PA DEPARTMENT OF EDUCATION REGARDING THE AUDITOR GENERAL'S PERFORMANCE AUDIT REPORT FOR FISCAL YEARS ENDING JUNE 30, 2016, 2015, 2014, AND 2013

WHEREAS, the Auditor General performed a performance audit of the Manheim Central School District for the fiscal years ending June 30, 2016, 2015, 2014, and 2013 and;

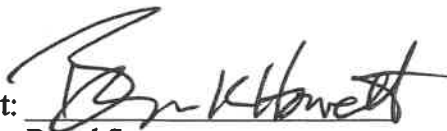
WHEREAS, The District received a letter on June 23, 2018, from the Pennsylvania Department of Education (PDE) requesting a response to the audit report with a corrective action plan

NOW, THEREFORE, BE IT RESOLVED:

1. The Manheim Central School Board of Directors approves the written response and corrective action plan as presented to the Board by administration at the August 6, 2018, Board of Directors meeting.
2. The Superintendent is directed to sign and send the letter and all necessary attachments to the Department of Education.

DULY ADOPTED by the Board of School Directors of the Manheim Central School District on this 6th day of August 2018

Attest:

  
Board Secretary

By:

  
Board President

MANHEIM CENTRAL SCHOOL DISTRICT

CERTIFICATE OF SECRETARY

The undersigned, Secretary of the Board of School Directors hereby certifies that:

1. The foregoing Resolution approving the written response and corrective action plan as presented to the Board by administration at the August 6, 2018, Board of Directors meeting and directing the Superintendent to sign and send the letter and all necessary attachments to the Department of Education was duly moved and seconded and adopted by a majority vote of all the members of the Board of School Directors at a duly called and convened public meeting of said Board held on August 6, 2018, that public notice of said meeting was given as required by law; and that the roll of the Board was called and such members voted or were absent as follows:

<u>Name</u>	<u>Vote</u>
Mr. Michael Clair	Y
Dr. J. Edward Frick	Y
Mrs. Rebecca Glass	Y
Mr. Robert Iosue	Y
Mr. Patrick McGeehan	Y
Mr. John Nied	Y
Mrs. Stacy Ritter	Absent
Dr. Leonard Szpara	Y
Mrs. Linda Williams	Y

2. Said Resolution has not been altered, amended, modified, suspended and is still in full force and effect as of the date of the delivery of this Certificate.

WITNESS my hand and seal of the Manheim Central School District as of August 6, 2018.

  
Board Secretary

(SEAL)