

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)

The Muncy School District Board of School Directors passed the attached resolution in regards to the adoption of the Department's recommendations on August 16, 2021. Please see attachments.

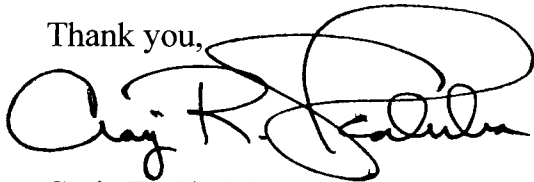
Clayton P. Carroll, Audit Reviewer
Bureau of Budget and Fiscal Management
Department of Education
333 Market Street – 4th Floor
Harrisburg, PA 17126-0333

Dear Mr. Carroll,

Attached for your review is the Muncy School District Board of School Directors response to the Auditor General's Performance Audit Report for fiscal years ending June 30, 2014, 2015, 2016 and 2017.

If you should have any questions concerning the above, please feel free to contact me.

Thank you,

A handwritten signature in black ink, appearing to read "Craig R. Skaluba". The signature is fluid and cursive, with a large loop at the end.

Craig R. Skaluba, Ph.D.
Superintendent

Attachments: Board Resolution and Board Minutes

WHEREAS, the objectives of the audit were 1) to determine if the District ensured compliance with applicable laws and regulations governing transportation operations, and did the District receive the correct transportation reimbursement from the Commonwealth; 2) to determine if the District ensured that bus drivers transporting District students had the required driver's license, physical exam, training, background checks, and clearances as outlined in applicable laws and ensure the District has written policies and procedures governing the hiring of new bus drivers; and 3) to determine if the District took action to ensure it provided a safe school environment;

WHEREAS, the Auditor General issued the Performance Audit Report on July 22, 2021 and copies of the report were delivered directly to the members of the Board of Directors;

WHEREAS, the Auditor General's report contained one (1) compliance-related matter reported as a finding located on pages six (6) through eight (8) that indicated "The District failed to implement an adequate internal control system resulting in an unauditible \$800,000 in transportation reimbursements";

WHEREAS, Section 25-2541 of Public School Code provides: "school districts receive a transportation subsidy for most students who are provided transportation";

WHEREAS, Section 25-2541(a) of Public School Code provides, in part: "School districts shall be paid by the Commonwealth for every school year on account of pupil transportation which, and the means and contracts providing for which, have been approved by the Department of Education, in the cases hereinafter enumerated, an amount to be determined by multiplying the cost of approved reimbursable pupils transportation incurred by the district by the district's aid ratio. In determining the formula for the cost of approved reimbursable transportation, the Secretary of Education may prescribe the methods of determining approved mileages and utilized passenger capacity of vehicles for reimbursement purposes":

WHEREAS, the Auditor General recommended the District administration: 1) Develop and implement an internal control system over its regular transportation operations. The internal control system should include, but not be limited to, the following: (a) all personnel involved in categorizing, calculating, and reporting transportation data are trained on PDE's reporting requirements, (b) an in-depth review of transportation data is conducted by an employee other than the employee who prepared the data before it is submitted to PDE (c) clear and concise written procedures are developed to document the transportation data collection, categorization, and reporting process, and 2) ensure that complete supporting documentation for all vehicle data is obtained, reviewed, and retained in accordance with PSC requirements. Record retention procedures should be well documented and staff should be trained on these procedures,

WHEREAS, the Auditor General recommended the Pennsylvania Department of Education make no adjustments to the District's received subsidy payments,

WHEREAS, District management provided the following response, agreeing with the observation:

The district did not have proper internal controls regarding required transportation subsidy data. While mileage, pupil, and school calendar data was available it was not complete in nature and did not meet all PDE supporting documentation requirements.

Corrective actions have already been implemented with the transportation contractor to supply monthly odometer readings for each bus run. Monthly reports identifying students assigned to each run will be prepared from the district's student information system to compile students transported data.

The district will provide for an additional level of internal control by having another district office employee review transportation data before final submission

district's transportation contractor.

Corrective Action #2 – Review of Transportation Data

The school district's accountant will be appointed to conduct an in depth review of transportation data. The accountant's review of transportation data will be in addition to the business administrator's review of transportation data. Both of these reviews will take place prior to submitting data to PDE. The accountant will document all items that may need further review and provide written documentation. The business administrator will then review the items in question and provide written explanation, further documentation or will make the proper adjustment to the report. All the review documents will be kept in district's transportation files.

Corrective Action #3 – Procedures

Procedures Addressing Overreliance on Transportation Contractor Mileage Data

- 1. District officials will train the district's transportation contractor on submitting monthly odometer readings from each bus's main odometer gauge (not the bus's trip odometer gauge) to the district office as required by PDE.**
- 2. District officials will use monthly odometer readings submitted by the transportation contractor from each bus's main odometer gauge (not the bus's trip odometer) to calculate the miles traveled with and without students each month using district approved forms.**

Procedures Addressing Failure to Obtain Accurate Supporting Documentation for Students Transported

- 1. District officials will use vehicle rosters verified by the school district**

reports on a monthly basis to ensure compliance with PDE required reporting procedures. Any areas of non-compliance by the transportation contractor will immediately be addressed by district officials to ensure receipt of accurate reports each month from the transportation contractor.

2. District officials will obtain, review and retain all calculations for each bus route on a monthly basis with supporting data in accordance with PDE standards. Any experienced discrepancies in calculations will be explained and supported with data.
3. District officials will maintain files with copies of required supporting documentation by PDE related to categorizing, calculating and reporting transportation data in the district office.

WHEREAS, the Auditor General concludes "We are encouraged that the District is in the process of implementing corrective action and those personnel responsible for reporting transportation data to the PDE are receiving appropriate training . We will determine the effectiveness of these and any other corrective actions taken by the District during our next audit of the District."

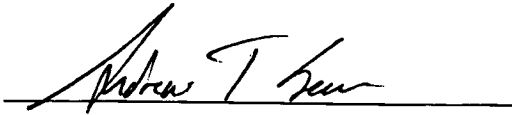
WHEREAS, the Pennsylvania Department of Education notified Muncy School District in correspondence dated July 22, 2021 that a response is required from the Board of Directors regarding the Performance Audit Report issued by the Office of the Auditor General;

- receiving an additional \$500,000 in transportation reimbursements ,
- 3) The Board hereby directs the District management to send this resolution to the Clayton P. Carroll, Audit Reviewer, Bureau of Budget and Fiscal Management, Department of Education, by e-mail.

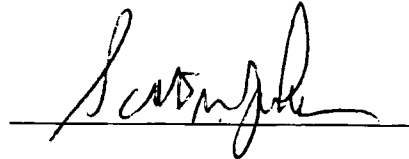
ADOPTED, by the Muncy School District Board of School Directors, this 16th day of August, 2021.

ATTEST:

Muncy School District

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Mr. Andrew T. Seese, Secretary

A handwritten signature in black ink, appearing to read "Scott M. Johnson", is written above a solid horizontal line.

Mr. Scott M. Johnson, President

Unauditable \$800,000 in Transportation Reimbursements

We found that the Muncy School District (District) did not implement an adequate internal control system over the calculation and reporting of regular transportation data. Additionally, the District did not comply with the record retention provisions of the Public School Code (PSC) when it failed to retain adequate source documentation for the regular transportation reimbursements it received for the 2015-16 through 2018-19 school years, and therefore, we could not determine the accuracy of the \$801,340 the District received in regular transportation reimbursements.

- **Observation #1** – *Overreliance on Transportation Contractor for Mileage Data*

The District relied on its transportation contractor to calculate the miles traveled with and without students during the audit period. The contractor provided the District with a summary report which contained mileage data that was averaged throughout the school year. After acknowledging that it did not have the supporting odometer readings, District officials attempted to obtain the odometer readings from its contractor; however, the contractor was unable to provide this information. Without this information we were unable to verify the accuracy of the mileage data calculated and reported to PDE.

- **Observation #2** – *Failure to Retain Supporting Documentation for Students Transported*

The District calculated and reported an average number of students transported; however, the District was unable to provide vehicle rosters for each vehicle that supported the reported data. Therefore, we could not verify the accuracy of the student counts reported to PDE for reimbursement. The District attributed the lack of vehicle rosters and average calculations to support the student data reported to PDE to District officials not being

transported, a cursory review of the reported data showed potential irregularities that warranted further review. For example, the number of students and vehicles reported to PDE for the 2017-18 and 2018-19 school years remained consistent; however, the reported number of miles decreased by more than 25,000 and without the supporting documentation we couldn't determine if there was an error or a valid reason for the decrease.

Recommendation #1

Muncy School District should develop and implement an internal control system over its regular transportation operations. The internal control system should include, but not be limited to, the following:

- All personnel involved in categorizing, calculating, and reporting transportation data are trained on PDE's reporting requirements.
- An in-depth review of transportation 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 transportation data collection, categorization, and reporting process.

Recommendation #2

Muncy School District should ensure that complete supporting documentation for all vehicle data is obtained, reviewed, and retained in accordance with PSC requirements. Record retention procedures should be well documented and staff should be trained on these procedures.

Section III – District’s Corrective Action Plan

In response to the first recommendation, Muncy School District will perform the following actions:

- **Corrective Action #1** – Training

All personnel involved in categorizing, calculating and reporting transportation data will be trained on PDE’s reporting requirements. Applicable district office staff will attend trainings related to PDE’s reporting requirements offered by The Pennsylvania Association of School Business Officials or PASBO. Subsequently, our trained district office staff will provide training to applicable staff members associated with the district’s transportation contractor.

- **Corrective Action #2** – Review of Transportation Data

The school district’s accountant will be appointed to conduct an in depth review of transportation data. The accountant’s review of transportation data will be in addition to the business administrator’s review of transportation data. Both of these reviews will take place prior to submitting data to PDE. The accountant will document all items that may need further review and provide written documentation. The business administrator will then review the items in question and provide written explanation, further documentation or will make the proper adjustment to the report. All the review documents will be kept in district transportation files.

- **Corrective Action #3** – Procedures

1. District officials will use vehicle rosters verified by the school district to calculate and report an average number of students transported for each vehicle.
- Procedures Addressing Failure to Obtain Accurate Supporting Documentation for the Number of Days Students Were Transported
 1. District officials will highlight non-transportation days for the school district (ex. Act 80 Days) on the district's approved school calendar on an annual basis.
 2. District officials will highlight non-transportation days to non-District school buildings (i.e., non-public schools) on the non-District school building's approved calendar on annual basis (i.e., non-public school).
 3. District officials will make note of any reasons for any significant changes in our reported total mileage on an annual basis and provide supporting documentation for the significant change in total mileage.

In response to the second recommendation, Muncy School District will perform the following actions:

- **Corrective Action #4** — Complete Supporting Documentation

Timetable for Implementation Corrective Action #1 – Training

- Initial training will take place prior to the September 25th deadline for the submission of our transportation subsidy information to PDE. Ongoing training will take place as future professional development opportunities are identified by the district.
- **Timetable for Implementation Corrective Action #2** – Review of Transportation Data
 - The review of transportation data will take place on a monthly basis and prior to the September 25th deadline of the submission of our transportation subsidy information to PDE.
- **Timetable for Implementation Corrective Action #3** – Procedures
 - All procedures were immediately addressed as the District was made aware of deficiencies throughout the audit process.
 - All procedures will be fully implemented for the start of the 2021-2022 school year.
- **Timetable for Implementation Corrective Action #4** — Complete Supporting Documentation
 - All procedures were immediately addressed as the District was made aware of deficiencies throughout the audit process.

- We will monitor progress related to Corrective Action #2 at our monthly administrative team meeting.
- **Description of Monitoring Procedures Corrective Action #3** – Procedures
 - We will monitor progress related to Corrective Action #3 at our monthly administrative team meeting.
- **Description of Monitoring Procedures Corrective Action #4**
 - We will monitor progress related to Corrective Action #4 at our monthly administrative team meeting.

earnest, Mr. David Edkin, Mr. David Frederick, Mr. Steven Hill, Ms. Lisa Sleboda, and Mrs. Sarah Woodward. Absent: Mr. Corey Walko

Members of the administration present: Superintendent Dr. Craig Skaluba, Business Administrator Mr. Andrew Seese, Elementary Principal Mr. Steven Haddon, Special Education Coordinator Mrs. April Farrell, and Technical Support Specialist Chris Frey.

President Johnson called the meeting to order at 7 p.m. The Pledge of Allegiance to the Flag was recited. There were twenty Zoom participants and three visitors.

REVIEW AND APPROVAL OF MINUTES

Mr. Walker moved to approve the minutes of the July 19, 2021 Regular Public Meeting of the Muncy School District Board of Directors. Mr. Hill seconded the motion and it passed unanimously.

INFORMATION AND VISITORS' PRESENTATIONS

There was an announcement of an executive session prior to the meeting for personnel and legal matters. The public was invited to address the Board at this time in accordance with Muncy School District's established public input procedures. An audience member made a few comments in support of optional masking. The Chair entertain any requests for listed agenda item changes and submission of abstention memorandums to the Board Secretary. There was one abstention by Mr. Frederick

OLD BUSINESS

A. Policies and Procedures

Motion to approve second reading and final approval of the following policies:

Policy 103 – Discrimination/Title IX Sexual Harassment Affecting Students (REVISED)

Policy 137.1 – Extracurricular Participation by Home Education Students (REVISED)

NEW BUSINESS

A. Financial Reports

Motion to approve July 2021 Financial Reports (Copied in Minutes):

1. Treasurer's Report
2. General Fund
3. Student Activities Fund
4. Food Service Report

B. Proposals and Agreements

Motion to approve the following Proposals and Agreements (Copied in Minutes):

Vendor/Provider

JusticeWorks, Inc.
New Story
Lycoming-Clinton Joinder Board
Keystone College
Bayada Home Health Care, Inc.
Spencer Mechanical Inc.
Bit Direct
Bit Direct
ESS

Services/Fees

1 Yr. Renewal Alternative Education Svcs. \$80.00-\$88.00 per day
Educational Services / \$378.00 per day
Letter of Agreement – Student Assistance Program
2021-2022 Dual Enrollment Agreement
2021-2022 Substitute Nursing Services / \$45.00 per hour
Zone Valving for HS AC / \$9,650.00
Classroom TV Displays and Mounts / \$6,629.55
Airtame 2 Wireless HDMI Adaptors / \$3,890.00
Secretarial Staff Substitute Agreement for 2021-2022
\$67.50 Full Day Pay Rate / \$89.37 Bill Rate

C. Assessment Appeals

Motion to approve appeal assessments based on recent sale prices of the parcels listed. (Copied in Minutes).

D. Handbook Approvals

Motion to approve the following for the 2021-2022 school year: (Copied in Minutes)

F. Performance Audit Resolution

Mr. Edkin recommended to approve the resolution entitled Muncy School District's Response to Performance Audit Report for Years Ending June 30, 2016, 2017, 2018, and 2019.

Mr. Walker moved to approve items A through F. Mr. Edkin seconded the motion and it passed unanimously.

PERSONNEL (Copied in Minutes)

A. Professional

1. Motion to approve the appointment of Michael Weber, Dean of Students, effective: 2021-2022 school year at the rate of pay of \$5,500/year.
2. Motion to approve payment for the following pre-approved on-line courses taught by a certified content area staff member: \$1,500 for 1-5 students and \$2,400 for 6-10 students
3. Motion to approve the movement on the negotiated salary scale for teacher Kristine Rosario to Masters +15.
4. Motion to approve payment at the current homebound instructional rate for teachers assigned by administration to high school supervisory duties throughout the 2021-2022 school year.
5. Motion to approve payment at the current homebound instructional rate for teachers assigned by administration to elementary supervisory duties throughout the 2021-2022 school year.

B. Classified

1. Motion to approve to pay classified staff at their current hourly rate using federal funds

From: Elementary School Paraprofessional
To: High School Paraprofessional
Effective: Beginning of 2021-2022 school year

4. Motion to approve the following appointments:

Name: Gerard Colby Alpaugh*
Position: Full-Time Maintenance
Rate: \$16.00 per hour
Effective Date: August 17, 2021

Name: Joslyn Rivera*
Position: Cafeteria Worker
Rate: \$10.00 per hour
Effective Date: August 23, 2021

Name: Kevin Styer*
Position: Substitute Custodian
Rate: \$10.00 per hour
Effective Date: TBD

* Pending receipt of district required hiring documentation.

C. Athletics

Motion to approve the following appointments:

<u>Name</u>	<u>Position</u>	<u>Effective</u>	<u>Classification</u>
Kristine Rosario	Assistant Varsity Girls Tennis	Fall 2021	V
Jon Weaver*	Head Jr. High Softball Coach	Fall 2021	V
Bob Koslap*	Asst. Jr. High Softball Coach	Fall 2021	VII
Adrian Blewitt**	Volunteer Girls Soccer Coach	Fall 2021	-----
Ammar Sahanovic**	Volunteer Boys Soccer Coach	Fall 2021	-----

University Club	Jeanne Rogan	Volunteer
Elementary Stage Director	Heather Diehl	V
Elementary Stage Assistant Director	Kristine Rosario	VIII
English Department Chair	Jen Gotschall	X
High School Fall Play Director	Mike Davis	VIII
Foreign Language Club	Brooke Walters	Volunteer
Indians Abroad Travel Club	Shawn McCahan	Volunteer
Junior Class	Shawn McCahan/Kindra Brelsford	VIII/IX
M Club	Brooke Walters/Mike Davis	X
Math Department Chair	Brad Watkins	X
Morning Intramurals	Jon Bennett/Katie Sick	.5 of X
National Honor Society	Robin Peterman	VII
Odyssey of the Mind Coordinator	Stephanie Trimble	VIII
Odyssey of the Mind Coach	Kristine Rosario	X
Odyssey of the Mind Coach	Violette Ganoë	Volunteer
Outdoor Club	Jon Bennett	Volunteer
SADD	Courtney Taylor	Volunteer
Science Club	Robin Peterman	Volunteer
Science Department Chair	Robin Peterman	X
Senior Class	Beth Baker/Brad Watkins	VII/IX
Social Studies Department Chair	Beth Baker	X
Sophomore Class	Jennifer Gotshall/Mike Davis	VIII/IX
Speech/Debate Club	Mike Davis	Volunteer
Spring Musical Directors	Heather Diehl/Amanda Hogan	VI
Student Administrative Council	Tim Welliver	Volunteer
Student Council	Beth Crissman	VIII
Technology and Computer Club	Mark Kreisher/Joanna Kreisher	VIII/Volunteer
Unified Arts Department Chair	Mark Kreisher	X
Weight Training Club	Ken Hampe	Volunteer

POSITION

FBLA

Name

Heather Zimmerman/Jason Gresh

Classification

VI/X

Mr. Walker moved to approve items A. Mr. Hill seconded the motion and it passed with seven yes votes and one abstention by Mr. Frederick.

B. Health and Safety Plan Updates

1. Mr. Johnson recommended to make masking optional on school district provide transportation*

*Not in alignment with CDC/DOH order.

Mr. Hill moved to approve. Mr. Edkin seconded the motion and it passed with five yes votes and three no votes. The motioned carried. Roll Call Vote - Yes Votes: Mr. Earnest, Mr. Edkin, Mr. Hill, Mr. Johnson, and Mr. Walker; No Votes: Mr. Frederick, Ms. Sleboda, and Mrs. Woodward.

2. Mr. Johnson recommended adding the following two exceptions to school district quarantine procedures:
 - a. Proof of full vaccination status.
 - b. Proof of positive anti-body test (good for 90 days from date of test)

Mr. Walker moved to approve item B. Mr. Edkin seconded the motion and it passed with seven yes votes and one no vote. The motioned carried. Roll Call Vote - Yes Votes: Mr. Earnest, Mr. Edkin, Mr. Hill, Mr. Johnson, Ms. Sleboda, Mr. Walker and Mrs. Woodward; No Votes: Mr. Frederick

COMMITTEE REPORTS

The board heard committee reports from Dr. Skaluba. The next board meeting will be held on Monday, September 20, 2021.

Mrs. Farrell reported on: ESY completed and ready to welcome students back.

DELEGATE REPORTS

Mr. Johnson gave a report to the board regarding BLAST IU #17 – Personnel updates.

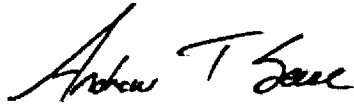
Mr. Walker gave a report to the board regarding the Lycoming Career & Technology Center – Executive Director search update.

Mr. Edkin gave a report on the PA School Boards Association – House bill #1749 update.

ANNOUNCEMENT OF EXECUTIVE SESSION

President Johnson announced that an executive session for personnel and legal topics would be held after the meeting. There being no further business, Mr. Walker moved to adjourn the meeting at 8:26 p.m. Mr. Hill seconded the motion and it passed unanimously.

Respectfully submitted,

A handwritten signature in black ink that reads "Andrew T. Seese". The signature is written in a cursive style with a large initial 'A' and 'S'.

Andrew Seese, Board Secretary