

# **North Clarion County School District**

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Steven L. Young  
Superintendent

Barbara A. Beveridge  
Board Secretary

Tina R. Karg  
Asst. Board Secretary

TO: Helen Weigel, Director; Bureau of School Audits

FROM: Steven Young, Superintendent

DATE: October 29, 2019

RE: North Clarion County School District Written Audit Response

I have included the Act 44 auditee reporting form in this email and evidence of Board approval as it relates to our corrective action plan. The District has addressed areas of weakness which were identified in the 2019 audit. If there is anything else that you need me to do as it relates to complying with the Act 44 regulations, please let me know.



# SUPERINTENDENT'S REPORT

## OCTOBER 14, 2019

1. Motion to approve First Reading of the following Policies:

204 PUPILS - Attendance  
209 PUPILS - Health Examinations / Screenings  
702 PROPERTY - Gifts, Grants, Donations  
707 PROPERTY - Use of School Facilities  
708 PROPERTY - Lending of School Owned Equipment and Books  
710 PROPERTY - Use of Facilities by Staff  
812 OPERATIONS - Property Insurance  
828 OPERATIONS - Fraud

Action \_\_\_\_\_

2. Motion to approve Cameron Hornberger as long-term elementary substitute for the 2019-2020 school year with salary set at \$33,000 (pro-rated).

Action \_\_\_\_\_

3. Motion to approve adding Track Co-Op with Clarion Area School District with girls and boys Junior High and Varsity to begin this 2019-2020 school year.

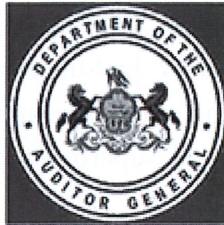
Action \_\_\_\_\_

4. Acknowledgment Items:

Act 44 Auditee Report Audit Period 7/1/13 - 6/30/17  
Steve Eisenman - unpaid day October 3, 2019



## 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>	106167504	<b>School:</b>	North Clarion County School District	<b>CAN:</b>	111761
<b>Audit Period:</b>	July 1, 2013 to June 30, 2017	<b>Findings:</b>	One	<b>Recommendations:</b>	Eight

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

The North Clarion County School District has made the following changes in response to the audit finding for audit period July 1, 2013 to June 30, 2017. The following procedures were revised and implemented to address issues related to weak internal controls and segregation of duties:

#### North Clarion Written Procedures for Internal Controls

- Payroll clerk will perform reconciliation of all credit card accounts monthly and review approved purchases to ensure they are valid District-related purposes. This information will then be reviewed by the Superintendent prior to being placed on the Board report for Board approval.
- Logs have been created for all district credit cards. Employees will need to sign the card out and get approval from Superintendent on purchases that will be made with the



card. The Business manager and employee will initial the log when the card is returned.

- Payroll clerk will perform reconciliation of all bank statements monthly. This information will then be reviewed by the Superintendent and Business Manager.
- All outbound electronic fund transfers will be approved by Business Manager and Superintendent or Payroll Clerk and Superintendent. A log will be created to document that this has occurred.
- A FOB is kept in a secure area by Superintendent. The FOB generates a code that is used in conjunction with the Business Manager to initiate wire transfers.
- The Board President or Vice President will also sign off on the Superintendent's expense report prior to it being placed on the Board report for approval.
- The Superintendent's signature stamp will only be used on an emergency basis as it relates to expense reports. The Business Manager has the authority to use this stamp.
- All expense reports will be submitted to the Board no later than 90 days after the expenditure
- The Board Treasurer was added as an authorized signer on the Capital Reserve Fund.
- The Board President or Vice-President will sign off on the Superintendent's expense report prior to it being placed on the Board report for approval.
- A formal written Internal Control Plan will be approved by the Board.
- Updated Policy 828 Fraud

## STUDENT ACTIVITY FUND

### DEPOSITS

1. Each student activity account within the activity fund has advisor and student officers. When an activity collects money, the advisor/treasurer brings funds to be deposited along with in-house 2-part deposit slip to the high school office secretary. On a daily basis, as needed, funds are counted by the secretary and confirms deposit with the in-house deposit slip. Secretary records deposits in the software system.
2. Funds are taken to business office and money is re-counted and confirmed with in-house deposit slips. An official deposit slip is made and deposits are recorded in the software system.
3. Funds are taken to the bank by the business manager and deposited on a daily basis.



4. A copy of the In-house deposit slip(s) are returned to the high school office secretary and copies are made and given to the advisor/treasurer for record. The business office keeps second copy and files for record.

#### CHECK REQUESTS

1. Check requests for the student activity accounts have an in-house 2-part check request which is filled out and given to high school secretary along with purchase order. Required signatures are completed (Advisor / Treasurer / HS Principal). Check requests are recorded in the software system.
2. Check request is taken to business office and check is processed through the software system. Processed check is taken to the high school office and from there is issued to the vendor. A copy of the In-house check request copy is returned to the high school office secretary for record. The business office keeps second copy for files for record

#### MONTHLY REPORT

1. Business Manager and High School Secretary, on a monthly basis, compare all accounts and make sure all both software systems are the same in information in the accounts. A monthly report of the student activity fund is generated and part of the monthly School Board Agenda. The High School Secretary gives copies to advisors.

### ATHLETIC FUND

#### DEPOSITS

1. Athletic Fund deposits are collected in the high school office along with an in-house 2-part deposit slip to the high school office secretary. On a daily basis, as needed, funds are counted by the secretary and confirms deposit with the in-house deposit slip. Secretary records deposits in the software system.
2. Funds are taken to business office and money is re-counted and confirmed with in-house deposit slips. An official deposit slip is made and deposits are recorded in the software system.
3. Funds are taken to the bank by the business manager and deposited on a daily basis.
4. A copy of the In-house deposit slip(s) are returned to the high school office secretary for record. The business office keeps second copy and files for record.

#### CHECK REQUESTS



1. Check requests for the athletic fund have an in-house 2-part check request which is filled out and given to high school secretary along with purchase order if required. Required signatures are completed (Advisor / Treasurer / HS Principal). Check requests are recorded in the software system.

2. Check request is taken to business office and check is processed through the software system. Processed check is taken to the high school office and from there is issued to the vendor. A copy of the In-house check request copy is returned to the high school office secretary for record. The business office keeps second copy for files for record.

#### MONTHLY REPORT

1. Business Manager and High School Secretary, on a monthly basis, compare athletic fund account and make sure both software systems are the same in information in the accounts. A monthly report of the athletic fund is generated and part of the monthly School Board Agenda. The High School Secretary gives copies to advisor.

### CAFETERIA FUND

#### DEPOSITS

1. Cafeteria Cashiers use the PrimeroEdge software system and after breakfast/lunch, money is counted and verified with the information in the software system and placed in bank money bags. The cafeteria fund deposits are collected daily by the Business Manager.
2. Funds are taken to business office and money is re-counted and confirmed with the PrimeroEdge software system. An official deposit slip is made and deposits are recorded in the software system.
3. Funds are taken to the bank by the business manager and deposited on a daily basis.
4. A copy of the deposits is filed in the business office.

#### CHECKS

1. The Cafeteria Manager collates invoices to be paid to cafeteria vendors on a monthly basis and given to the Business Manager for processing. Checks are processed with required signatures (Business Manager/Superintendent) using software system and issued to vendors.
2. Other bank transfers for cafeteria payroll and benefits are processed with software system.

#### MONTHLY REPORT



1. Business Manager generates a monthly report on the cafeteria account from the software system and is part of the monthly School Board Agenda.

### VOYA FINANCIAL PAYMENTS - New Retirement July 1, 2019

1. VOYA payments for employee and employer will be processed through the General Fund Account because the VOYA system is set up to use only one account.
2. Transmission of employee and employer contribution file is processed and submitted to VOYA prior to each pay period by the Payroll Clerk.
3. At the end of the month after the last pay and manual checks have been entered into the CSIU system, Business Manager will transfer the VOYA Financial amount of the employee portion from the Payroll Fund to the General Fund from where the funds were withdrawn.
4. The Employer portion of the VOYA Financial will be noted with a substitute check in the General Fund just like the checks used for the PSERS retirement withdrawals.

**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.

