

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:	114068103	School:	Twin Valley School District	CAN:	123678
Audit Period:	July 1, 2015 to June 30, 2019	Findings:	Four	Recommendations:	Twelve

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

As to Finding #1, the District failed to conduct all required monthly fire drills and failed to meet the security drill requirements in accordance with the Public School Code. The District agrees with the finding and the recommendations associated with it. The cause of the District's problem related to fire and security drill requirements stemmed from the District's acknowledgement that there was insufficient administrative oversight on individual schools conducting and documenting fire and security drills throughout the school year. This lack of oversight resulted in improper reporting of both drill types and drill dates. We also did not have universal procedures for recording and reporting drills at the building level. Therefore, in order to address this problem, the District will take the following corrective action steps: (1) Conduct security and fire drills consistent with state requirements for all future school years, (2) Keep detailed documentation of every fire and school security drill that happens at each building to ensure accurate annual reporting of data to the Pa Department of Education, (3) Ensure that building principals and the Director of Student Services verify drill data before the

District ACS Report is submitted to the Pa Department of Education, and (4) Make certain that our Director of Student Services, our Applications Specialist, and our PIMS/Data Secretary are trained on the Pa Department of Education's requirements and guidance related to ACS reporting.

As to Finding #2, the District failed to comply with provisions of the Public School Code and associated regulations by not maintaining complete records for and properly monitoring its contracted bus drivers. The District also agrees with this finding and the recommendations associated with it. The problem the District had related to contracted bus drivers was a result of internal control weaknesses in how the District obtained, reviewed, and monitored the qualifications and clearances for our contracted drivers. This resulted in incomplete driver records. More specifically, the District had bus drivers with missing and/or expired clearances and credentials. Of the 49 drivers reviewed, 33% had at least one documentation issue. Therefore, in order to address this problem, the District will take the following corrective action steps: (1) Improve our internal control procedures to make certain that only qualified and authorized individuals are driving bus for the District, (2) Ensure that all required credentials and clearances are on file at the District prior to a potential bus driver being recommended for Board approval, (3) Monitor all driver qualification and clearance documentation, (4) Follow all laws and regulations related to obtaining, reviewing, and maintaining required credentials and clearances for all bus drivers, including substitute drivers, (5) Take the necessary steps to review all clearance and qualification documents for potential bus drivers in a timely manner prior to Board approval, and (6) Approve potential bus drivers and bus aides throughout the year as we have new regular and substitute bus drivers.

As to Finding #3, the District's failure to implement an internal control system resulted in a transportation reimbursement underpayment of \$30,412 to the District. Similar to Finding #1 and Finding #2, the District agrees with the finding and inclusive recommendations as well. This finding occurred because in the 2017-2018 school year, Twin Valley School District under-reported what we paid our bus contractors. We did not have adequate internal control systems, which resulted in a transportation reimbursement underpayment of \$30,412. Specifically, our internal control system did not sufficiently monitor our processes for inputting, calculating, and reporting regular transportation data to PDE. As a result, Twin Valley School District will take the following corrective action steps: (1) Improve the District's overall internal control system over transportation operations, (2) The Transportation Supervisor will be trained on PDE's reporting requirements, (3) The Business Administrator will review transportation data annually before it is submitted to PDE, and (4) The District will develop comprehensive written procedures to make certain our reporting of transportation data is accurate.

Lastly, as to Finding #4, the District's failure to implement adequate internal controls led to inaccurate reporting of nonresident student data to PDE resulting in a net overpayment of \$59,612. The District also agrees with this finding as well as the recommendations with it. The District's problem related to the reporting of nonresident student data that resulted in a net overpayment of \$59,612 is due to not having adequate internal controls over how the District categorized and reported wards of state and foster student data. The District relied on the data provided by Abraxas and did not further review or verify it before reporting the data to the Pa

Department of Education. Therefore, in order to remedy this issue, the District will take the following corrective action measures: (1) Further develop and implement our internal control system that governs how wards of the state and foster students are categorized and reported, including training for the Applications Specialist, Business Administrator, and PIMS/Data Secretary, a review of nonresident student data by the Superintendent prior to Pa Department of Education submission, and written District procedures related to categorization and reporting of nonresident student data, (2) Ensure that we bill tuition costs to the districts of residency for those students inaccurately reported as wards of the state, and (3) Review the nonresident student data reported to the Pa Department of Education for 19-20 and 20-21 and decide whether or not additional revisions are needed.

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.