

## 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>	106618603	<b>School:</b>	Valley Grove School District	<b>CAN:</b>	123671
<b>Audit Period:</b>	July 1, 2015 to June 30, 2019	<b>Findings:</b>	Two	<b>Recommendations:</b>	Five

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

Per the attached Resolution dated October 25, 2021, the Valley Grove School District Board of School Directors adopted the Department's Findings and Recommendations for the audit period of July 1, 2015 to June 30, 2019.

**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.



**VALLEY GROVE**  
SCHOOL DISTRICT

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Valley Grove School District  
Board of School Directors

**KEVIN M. BRIGGS** Superintendent

Resolution

**BE IT RESOLVED**, that on October 25, 2021, the Valley Grove School District Board of School Directors accepts the audit findings and recommendations by the PA Auditor General's office for the PERIOD COVERING July 1, 2015 through June 30, 2019 and the District's Audit Response and Corrective Action Plans attached to this Resolution.

Finding 1 – Failure to implement an internal control system resulted in a transportation reimbursement net underpayment of \$22,869 to the district.

Recommendations:

The *Valley Grove School District* should:

1. Develop and implement an internal control system over its regular and supplemental transportation operations. The internal control system should include, but not limited to, the following:
  - All personnel involved in transportation data reporting are trained on PDE's reporting requirements.
  - A review of transportation data is conducted by an employee other than the employee who prepared the data before it is submitted to PDE.
  - Comprehensive written procedures are developed to ensure accurate reporting of regular and supplemental transportation data.
2. Review the transportation report completed and submitted for the 2019-20 school year to determine if similar errors were made and, if necessary, submit a revised report to PDE.

Finding 2 – Failure to implement internal controls led to inaccurate nonresident student data reported to PDE resulting in an \$8,860 underpayment.

MISSION STATEMENT

*The mission of the Valley Grove School District in partnership with the community is to provide the opportunity for each student to obtain a comprehensive and quality education.*

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AN EQUAL RIGHTS AND OPPORTUNITY AGENCY



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**KEVIN M. BRIGGS** Superintendent

Recommendations:

The *Valley Grove School District* should:

1. Develop and implement an internal control system governing the process of categorizing and reporting foster student data within the child accounting department. The internal control system should include, but not be limited to, the following:
  - a. A review of foster student data is conducted by an employee other than the employee who prepared the data before it is submitted to PDE.
  - b. Training on PDE's reporting requirements for all personnel involved in inputting, categorizing, and reporting foster student data.
  - c. Clear and concise written procedures that address foster student data entry and its associated review process.
2. Design an alert system that notifies appropriate District officials when a change has been made to the residency status of a student in the District's Student Information System.
3. Perform a reconciliation of the foster student data to source documents before reporting the data to PDE.

By BRANDON WINGER, Board President  
Brandon Winger

By Lorraine M. Hannon, Board Secretary  
Lorraine M. Hannon

October 25, 2021  
Date

MISSION STATEMENT

*The mission of the Valley Grove School District in partnership with the community is to provide the opportunity for each student to obtain a comprehensive and quality education.*

Valley Grove School District  
Corrective Action Plan  
Commonwealth of Pennsylvania  
Pennsylvania Department of the Auditor General

**Finding 1: Failure to Implement an Internal Control System resulted in a Transportation reimbursement net underpayment of \$22,869 to the district.**

Recommendations:

The *Valley Grove School District* should:

1. Develop and implement an internal control system over its regular and supplemental transportation operations. The internal control system should include, but not limited to, the following:
  - All personnel involved in transportation data reporting are trained on PDE's reporting requirements.

**District Response:** The first year of the audit, 2015-2016, was also the first year that the district employee responsible for transportation data and reporting was in that position. The audit process has indicated that the proper amount of training may not have been provided to the employee responsible for the PDE transportation reporting prior to assigning those tasks. Moving forward, VGSD will ensure that all personnel involved in transportation reporting will participate in PDE training and updates throughout the school year. This includes the employee responsible for reporting and also the additional administrative staff assigned for internal controls and a representative from the business office.

- A review of transportation data is conducted by an employee other than the employee who prepared the data before it is submitted to PDE.

**District Response:** As indicated above, an additional administrative employee will have oversight of the PDE transportation reporting. This will be added to the job description of the assigned administrator. This administrator will participate in training and review all transportation reports prior to submission and coordinate spot checks with a representative from the business office.

- Comprehensive written procedures are developed to ensure accurate reporting of regular and supplemental transportation data.

**District Response:** The transportation coordinator, the administrator assigned for internal controls and the business office will coordinate to create comprehensive transportation reporting procedures and associated timeline to ensure each requirement is met each year and that all reports are accurate and timely. Procedural guidelines will include sections for both supplemental transportation and regular transportation data.

2. Review the transportation report completed and submitted for the 2019-20 school year to determine if similar errors were made and, if necessary, submit a revised report to PDE.

**District Response:** Using clarification and information garnered from the audit process, district staff will complete a comprehensive review of the data submitted as part of the 2019-2020 transportation reports to PDE. If similar errors were included in these reports, the transportation coordinator will make necessary revisions, review with the business office and submit the revised report.

**Finding 2: Failure to implement internal controls led to inaccurate nonresident student data reported to PDE resulting in an \$8,860 underpayment.**

Recommendations:

The *Valley Grove School District* should:

1. Develop and implement an internal control system governing the process of categorizing and reporting foster student data within the child accounting department. The internal control system should include, but not be limited to, the following:
  - a. A review of foster student data is conducted by an employee other than the employee who prepared the data before it is submitted to PDE.

**District Response:** The district did not have proper internal control procedures in place with one district employee having sole control over identifying and reporting foster student data. Moving forward the district will assign an administrative supervisor to review and sign off on foster student data prepared by the child accounting department before PDE submission.

- b. Training on PDE's reporting requirements for all personnel involved in inputting, categorizing, and reporting foster student data.

**District Response:** Current district staff involved in categorizing and reporting foster student data has had minimal training. Moving forward the district will require staff in the child accounting department to receive yearly training. Additionally the administrative assistant to the Business Office will be trained as backup to the child accounting department. The administrative supervisor that

will review and sign off on foster student data will also be required to receive training.

- c. Clear and concise written procedures that address foster student data entry and its associated review process.

**District Response** The district currently does not have formal written procedures in place that address foster student identification and data entry. The following written procedures will be implemented:

- 1) Identified foster students will have individual files with a check list of supporting documentation signed by both the child accounting department and administrative supervisor.
- 2) All updated documentation received throughout the school year will be review and signed off by both the child accounting department and administrative supervisor before a residency change can be made.
- 3) The child accounting department will prepare and submit the foster student data for PDE entry to the administrative supervisor for approval.
- 4) Once data is approved for PDE submission by administrative supervisor the child accounting clerk will enter PDE data. The data entry will be double checked by the Business Office administrative assistant.
- 5) Submission is completed.

2. Design an alert system that notifies appropriate District officials when a change has been made to the residency status of a student in the District's Student Information System.

**District Response:** The district's child accounting software in the 2017-2018 did not provide any alert settings. The district's current software has alert setting capability that will be activated.

3. Perform a reconciliation of the foster student data to source documents before reporting the data to PDE.

**District Response** The district had not performed a formal reconciliation of foster student data in 2017-18 that included multiple district staff review and sign-off resulting in a reporting error. The new written procedures to be implemented (steps 3-5) include a review and reconciliation process of foster student data to be performed prior to PDE submission.