

MONITEAU SCHOOL DISTRICT
BUTLER COUNTY, PENNSYLVANIA
PERFORMANCE AUDIT REPORT

AUGUST 2010

The Honorable Edward G. Rendell
Governor
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania 17120

Dr. Douglas Kimmey, Board President
Moniteau School District
1810 West Sunbury Road
West Sunbury, Pennsylvania 16061

Dear Governor Rendell and Dr. Kimmey:

We conducted a performance audit of the Moniteau School District (MSD) to determine its compliance with applicable state laws, regulations, contracts, grant requirements and administrative procedures. Our audit covered the period May 22, 2008 through December 9, 2009, except as otherwise indicated in the report. Additionally, compliance specific to state subsidy and reimbursements was determined for the school years ended June 30, 2008 and June 30, 2007. Our audit was conducted pursuant to 72 P.S. § 403 and in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States.

Our audit found that the MSD complied, in all significant respects, with applicable state laws, regulations, contracts, grant requirements, and administrative procedures, except as detailed in three findings noted in this report. A summary of these results is presented in the Executive Summary section of the audit report.

Our audit findings and recommendations have been discussed with MSD's management and their responses are included in the audit report. We believe the implementation of our recommendations will improve MSD's operations and facilitate compliance with legal and administrative requirements. We appreciate the MSD's cooperation during the conduct of the audit and their willingness to implement our recommendations.

Sincerely,

/s/

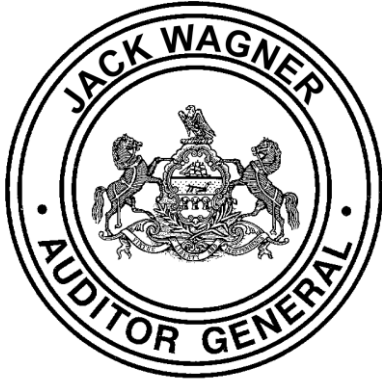
JACK WAGNER
Auditor General

August 27, 2010

cc: **MONITEAU SCHOOL DISTRICT** Board Members

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Executive Summary

Audit Work

The Pennsylvania Department of the Auditor General conducted a performance audit of the Moniteau School District (MSD). Our audit sought to answer certain questions regarding the District's compliance with applicable state laws, regulations, contracts, grant requirements, and administrative procedures; and to determine the status of corrective action taken by the MSD in response to our prior audit recommendations.

Our audit scope covered the period May 22, 2008 through December 9, 2009, except as otherwise indicated in the audit scope, objectives, and methodology section of the report. Compliance specific to state subsidy and reimbursements was determined for school years 2007-08 and 2006-07.

District Background

The MSD encompasses approximately 152 square miles. According to 2000 federal census data, it serves a resident population of 9,186. According to District officials, in school year 2007-08 the MSD provided basic educational services to 1,688 pupils through the employment of 109 teachers, 67 full-time and part-time support personnel, and 9 administrators. Lastly, the MSD received more than \$11.3 million in state funding in school year 2007-08.

Audit Conclusion and Results

Our audit found that the MSD complied, in all significant respects, with applicable state laws, regulations, contracts, grant requirements, and administrative procedures, except for three compliance-related matters reported as findings.

Finding No. 1: For the Fourth Consecutive Audit, Errors in Reporting Pupil Membership Data Resulted in Subsidy and Reimbursement

Overpayments Totaling \$216,531. For the fourth consecutive audit, we found errors in the MSD's membership reports, resulting in subsidy and reimbursement overpayments of \$140,758 for the 2007-08 school year and \$75,773 for the 2006-07 school year. It should be noted that this is the fourth consecutive audit that has found pupil membership errors (see page 6).

Finding No. 2: Errors in Reporting Pupil Transportation Data Resulted in a Net Reimbursement Underpayment of

\$96,139. Our audit found numerous errors in the reporting of pupil transportation data. In the 2007-08 school year errors resulted in underpayments of \$135,528, and errors in the 2006-07 school year resulted in overpayments of \$39,389. Include the total for a total reimbursement underpayment of \$96,139 (see page 9).

Finding No. 3: Certification Deficiency.

Our audit found that one professional employee's teaching certificate had lapsed, which resulted in MSD being subject to subsidy forfeitures (see page 11).

Status of Prior Audit Findings and

Observations. With regard to the status of our prior audit recommendations to the MSD from an audit we conducted of the 2005-06 and 2004-05 school years, we found MSD had taken appropriate corrective action in implementing our recommendations pertaining to the following findings: health services (see page 13), Statements of Financial Interests (see page 14), internal control weaknesses for transportation (see page 14), lack of documentation necessary to verify bus drivers' qualifications (see page 15), student activity funds (see page 15), unmonitored vendor system access and logical access control weaknesses (see page 16), internal weaknesses regarding bus drivers' qualifications (see page 17) and timely updating of a Memorandum of Understanding (see page 18). We found that the MSD had not taken appropriate corrective action in implementing our recommendations pertaining to the finding on pupil membership (see page 12).

Audit Scope, Objectives, and Methodology

Scope

What is a school performance audit?

School performance audits allow the Department of the Auditor General to determine whether state funds, including school subsidies, are being used according to the purposes and guidelines that govern the use of those funds. Additionally, our audits examine the appropriateness of certain administrative and operational practices at each Local Education Agency (LEA). The results of these audits are shared with LEA management, the Governor, the PA Department of Education, and other concerned entities.

Our audit, conducted under authority of 72 P.S. § 403, is not a substitute for the local annual audit required by the Public School Code of 1949, as amended. We conducted our audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States.

Our audit covered the period May 22, 2008 through December 9, 2009, except for:

- The verification of professional employee certification which was performed for the period August 27, 2007 through August 12, 2009.
- The review of outside vendor access to the District's student accounting applications which was completed on November 13, 2009.

Regarding state subsidy and reimbursements, our audit covered school years 2007-08 and 2006-07.

While all districts have the same school years, some have different fiscal years. Therefore, for the purposes of our audit work and to be consistent with Department of Education (DE) reporting guidelines, we use the term school year rather than fiscal year throughout this report. A school year covers the period July 1 to June 30.

Objectives

Performance audits draw conclusions based on an evaluation of sufficient, appropriate evidence. Evidence is measured against criteria, such as, laws, regulations, and defined business practices. Our audit focused on assessing the MSD's compliance with applicable state laws, regulations, contracts, grant requirements and administrative procedures. However, as we conducted our audit procedures, we sought to determine answers to the following questions, which serve as our audit objectives:

- ✓ Were professional employees certified for the positions they held?
- ✓ In areas where the District receives state subsidy and reimbursements based on pupil membership (e.g. basic education, special education, and vocational

What is the difference between a finding and an observation?

Our performance audits may contain findings and/or observations related to our audit objectives. Findings describe noncompliance with a law, regulation, contract, grant requirement, or administrative procedure. Observations are reported when we believe corrective action should be taken to remedy a potential problem not rising to the level of noncompliance with specific criteria.

education), did it follow applicable laws and procedures?

- ✓ In areas where the District receives state subsidy and reimbursements based on payroll (e.g. Social Security and retirement), did it follow applicable laws and procedures?
- ✓ Is the District's pupil transportation department, including any contracted vendors, in compliance with applicable state laws and procedures?
- ✓ Does the District ensure that Board members appropriately comply with the Public Official and Employee Ethics Act?
- ✓ Are there any declining fund balances which may impose risk to the fiscal viability of the District?
- ✓ Did the District pursue a contract buyout with an administrator and if so, what was the total cost of the buy-out, reasons for the termination/settlement, and do the current employment contract(s) contain adequate termination provisions?
- ✓ Were there any other areas of concern reported by local auditors, citizens, or other interested parties which warrant further attention during our audit?
- ✓ Is the District taking appropriate steps to ensure school safety?
- ✓ Did the District use an outside vendor to maintain its membership data and if so, are there internal controls in place related to vendor access?
- ✓ Did the District take appropriate corrective action to address recommendations made in our prior audits?

Methodology

Government Auditing Standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings, observations and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

What are internal controls?

Internal controls are processes designed by management to provide reasonable assurance of achieving objectives in areas such as:

- Effectiveness and efficiency of operations;
- Relevance and reliability of operational and financial information;
- Compliance with applicable laws, regulations, contracts, grant requirements and administrative procedures.

MSD management is responsible for establishing and maintaining effective internal controls to provide reasonable assurance that the District is in compliance with applicable laws, regulations, contracts, grant requirements, and administrative procedures. Within the context of our audit objectives, we obtained an understanding of internal controls and assessed whether those controls were properly designed and implemented.

Any significant deficiencies found during the audit are included in this report.

In order to properly plan our audit and to guide us in possible audit areas, we performed analytical procedures in the areas of state subsidies/reimbursement, pupil membership, pupil transportation, and comparative financial information.

Our audit examined the following:

- Records pertaining to pupil transportation, bus driver qualifications, professional employee certification, state ethics compliance, and financial stability.
- Items such as Board meeting minutes, pupil membership records, and reimbursement applications.
- Tuition receipts and deposited state funds.

Additionally, we interviewed selected administrators and support personnel associated with MSD operations.

Lastly, to determine the status of our audit recommendations made in a prior audit report released July 21, 2009, we reviewed the MSD's response to DE dated November 9, 2009. We then performed additional audit procedures targeting the previously reported matters.

Findings and Observations

Finding No. 1

For the Fourth Consecutive Audit, Errors in Reporting Pupil Membership Data Resulted in Subsidy and Reimbursement Overpayments Totaling \$216,531

Criteria relevant to the finding:

Membership data must be reported in accordance with DE guidelines and instructions to ensure that the correct subsidies and reimbursements are received.

DE provides regulations and guidelines governing the classification of nonresident children placed in private homes by the court.

For the fourth consecutive audit, we found that District personnel incorrectly reported pupil membership data to the Department of Education (DE), resulting in subsidy and reimbursement overpayments of \$140,758 for the 2007-08 school year and \$75,773 for the 2006-07 school year.

Pupil membership reporting errors were as follows:

<u>Classification</u>	<u>Days (Over)/Understated</u>	
	<u>2007-08</u>	<u>2006-07</u>
<u>Resident</u>		
Half-Time Kindergarten	704	-
Elementary	(3,045)	(3,898)
Secondary	(1,052)	(23,385)
<u>Nonresident</u>		
Children Placed in Private Homes:		
Elementary	(176)	(176)
Secondary	(285)	(174)
District-Paid Tuition Students:		
Elementary	385	91
Secondary	(440)	(886)

The errors resulted in the following overpayments:

<u>Identification</u>	<u>Overpayments</u>		<u>Totals</u>
	<u>2007-08</u>	<u>2006-07</u>	
Basic Education Funding (BEF)	\$116,441	\$56,890	\$173,331
Children Placed in Private Homes	16,585	12,206	28,791
Special Education Subsidy	<u>7,732</u>	<u>6,677</u>	<u>14,409</u>
Totals	<u>\$140,758</u>	<u>\$75,773</u>	<u>\$216,531</u>

The errors also affected the District's 2008-09 and 2009-10 aid ratios.

The membership errors resulted from:

- reporting students in multiple membership categories, resulting in students being credited with more than one average daily membership;
- improperly reporting membership days for Moniteau School District students educated in intermediate unit classes housed at neighboring school districts;
- improperly reporting the days of membership for District students educated in intermediate unit classes;
- failing to report and improperly reporting membership for students from other districts that were mainstreamed in District classes; and
- improperly reporting resident students' membership days as nonresident children placed in private home membership.

We have provided DE with reports detailing the errors for use in recalculating the District's BEF, children placed in private homes reimbursement, special education subsidy and aid ratios.

It should be noted this is the fourth consecutive audit that in which we found pupil membership reporting errors.

Recommendations

The *Moniteau School District* should:

1. Implement written procedures to ensure correct data is reported for entering and withdrawing students.
2. Implement written procedures for reconciling DE reports that would allow the District to detect any significant change in data.
3. Ensure that student pupil membership days reported to DE do not exceed the total number of days in session.
4. Report students in their proper classification.
5. Not report mainstream time for students in intermediate classes housed at other districts.
6. Ensure adherence to DE regulations when reporting nonresident students placed in private homes.
7. Review subsequent school years' membership reports submitted to DE for accuracy and resubmit accordingly.

The *Department of Education* should:

8. Adjust the District's allocations to correct the overpayments to the District of \$216,531.

Management Response

Management waived the opportunity to respond to the finding.

Finding No. 2 →

Errors in Reporting Pupil Transportation Data Resulted in a Net Reimbursement Underpayment of \$96,139

Criteria relevant to the finding:

Section 2541 of the 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. . . .

Our audit of the District's 2007-08 and 2006-07 pupil transportation records submitted to DE found reporting errors which resulted in underpayments of transportation reimbursement totaling \$135,528 in the 2007-08 school year and overpayments of \$39,389 in the 2006-07 school year.

The errors in the 2007-08 school year were caused by District personnel incorrectly reporting bus data as follows:

- the days of operation were incorrectly reported for 24 buses;
- daily mileage was incorrectly reported for 35 buses;
- the greatest number of pupils transported was incorrectly reported for three buses;
- the daily number of trips was incorrectly reported for two buses;
- layover hours for two buses was incorrectly reported;
- six buses had mileage for tutoring runs included in their daily mileage, although costs were being paid through a tutoring grant;
- \$22,722 paid out of a tutoring grant was incorrectly reported as contractor cost (no effect on reimbursement); and
- failed to report \$38,270 in fuel cost paid by the District (no effect on reimbursement).

The errors in the 2006-07 school year were as follows:

- the days of operation were incorrectly reported for 20 buses;
- daily mileage was incorrectly reported for 18 buses;

- the daily number of trips was incorrectly reported for two buses;
- one activity run bus was not reported for reimbursement;
- four buses had mileage for tutoring runs included in their daily mileage, although costs were being paid through a tutoring grant;
- \$17,206 paid out of a tutoring grant was incorrectly reported as contractor cost (no effect on reimbursement); and
- failed to report \$99,000 in fuel cost paid by the District (no effect on reimbursement).

We have provided DE with reports detailing the errors to be used in the recalculation of the District's pupil transportation reimbursement.

Recommendations

The *Moniteau School District* should:

1. Provide appropriate training for District personnel responsible for transportation reporting.
2. Establish and maintain written procedures for verifying days of operation, daily miles with and without pupils, pupil counts, number of trips per day, and other transportation data that is required by DE.
3. Review subsequent years' transportation reports submitted to DE for accuracy and resubmit accordingly.

The *Department of Education* should:

4. Adjust the District's future allocations to correct the net underpayment of \$96,139.

Management Response

Management waived the opportunity to respond to the finding.

Finding No. 3 →

Certification Deficiency

Criteria relevant to this finding:

Section 1202 of the Public School Code provides, in part:

No teacher shall teach, in any public school, any branch which he has not been properly certificated to teach.

Section 2518 of the Public School Code provides, in part:

[A]ny school district, intermediate unit, area vocational-technical school or other public school in this Commonwealth that has in its employ any person in a position that is subject to the certification requirements of the Department of Education but who has not been certificated for his position by the Department of Education . . . shall forfeit an amount equal to six thousand dollars (\$6,000) less the product of six thousand dollars (\$6,000) and the district's market value /income aid ratio.

Our audit of the District's professional employees' certification and assignments for the period August 27, 2007 through August 12, 2009, found one professional employee's supervisory certificate had lapsed.

Information pertaining to the certificate in question was submitted to the Bureau of School Leadership and Teacher Quality (BSLTQ), DE for its review.

On October 5, 2009, BSLTQ determined the individual's certificate had lapsed. As a result, the District will be subject to subsidy forfeitures of \$1,779 and \$1,640 for the 2007-08 and 2008-09 school years, respectively.

The lapsed certificate occurred because District incorrectly believed the individual's position did not require use of the supervisory certificate.

Recommendations

The *Moniteau School District* should:

1. Put procedures in place to ensure all professional employees are properly certified for their assignments.
2. Reassign the individual, if necessary, to ensure the individual's area of certification is proper for the position.

The *Department of Education* should:

3. Adjust the District's allocations to recover the subsidy forfeitures of \$3,419.

Management Response

Management waived the opportunity to respond to the finding.

Status of Prior Audit Findings and Observations

Our prior audit of the Moniteau School District (MSD) for the school years 2005-06 and 2004-05 resulted in six reported findings and three observations, as shown in the following table. As part of our current audit, we determined the status of corrective action taken by the District to implement our prior recommendations. We analyzed the MSD Board's written response provided to the Department of Education (DE), performed audit procedures, and questioned District personnel regarding the prior findings. As shown below, we found that the MSD did implement recommendations related to all of our findings and observations, except for Finding No. 1 regarding errors in reporting pupil membership.

<i>School Years 2005-06 and 2004-05 Auditor General Performance Audit Report</i>		
<i>Prior Recommendations</i>	<i>Implementation Status</i>	
<p><u><i>1. Finding 1: Continued Errors in Reporting Pupil Membership Data Resulted in Subsidy and Reimbursement Overpayments of \$107,420</i></u></p> <ol style="list-style-type: none"> 1. Ensure that pupil membership days reported to DE do not exceed the number of days in the school term. 2. Report students in their proper classification. 3. Do not report mainstream time for intermediate unit students taught by other districts. 4. Ensure adherence to DE regulations when reporting nonresident students placed in private homes and vocational education membership. 5. Perform an internal review of all pupil membership reports and supporting documentation before submission to DE. 	<p>Background:</p> <p>Our prior audit found errors in the District's pupil membership reports submitted to DE, resulting in an overpayment of \$55,128 for the 2005-06 school year and \$52,292 for the 2004-05 school year.</p>	<p>Current Status:</p> <p>Our current audit again found errors in reporting pupil membership data (see Finding No. 1, page 6).</p> <p>Base on our current audit we concluded the District did not implement appropriate corrective action.</p> <p>As of our fieldwork completion date of December 9, 2009, the overpayments of \$107,240 were pending final processing by DE.</p>

<p>6. Review subsequent school years' membership reports submitted to DE for accuracy and resubmit accordingly.</p> <p>7. DE should amend the District's membership reports and adjust the District's future allocations to recover the overpayments of \$107,420.</p>		
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<p><u>II. Finding 2: Continued Errors in Reporting Health Services Reimbursement Data Resulted in Overpayments of \$2,262</u></p> <p>1. Strengthen controls to help ensure that all average daily membership (ADM) data is accurately reported for reimbursement.</p> <p>2. Review subsequent school years' pupil membership records for accuracy to ensure the ADM reported on health services reimbursement applications submitted to the Department of Health (DH) is accurate, and revise reports if necessary.</p> <p>3. DH should adjust the District's allocations to correct the overpayments of \$2,262.</p>	<p>Background:</p> <p>Our prior audit found clerical errors were made when reporting ADM on the District's health services reimbursement applications.</p>	<p>Current Status:</p> <p>We found that the MSD did take appropriate corrective action to correct errors in reporting.</p> <p>Our current audit found no significant errors in reporting health services ADM.</p> <p>As of December 9, 2009, the overpayments of \$2,262 were pending final processing by DH.</p>
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<p><u>III. Finding 3: Board Members Failed to File Timely Statements of Financial Interests in Violation of the Ethics Act</u></p> <ol style="list-style-type: none"> 1. Seek the advice of the State Ethics Commission in regard to the board's responsibility when an elected board member fails to file timely a Statement of Financial Interests. 2. Develop procedures to ensure that all individuals required to file Statement of Financial Interests do so in compliance with the Public Official and Employee Ethics Act. 	<p>Background:</p> <p>Our prior audit found that two of the District's board members failed to file timely Statements of Financial Interests for the 2005 calendar year.</p>	<p>Current Status:</p> <p>We found that the District is now verifying that all board members (current and former) are submitting Statements of Financial Interests.</p> <p>Based on our audit we concluded the District did take corrective action.</p>
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<p><u>IV. Finding 4: Continued Internal Control Weaknesses for Pupil Transportation</u></p> <ol style="list-style-type: none"> 1. Prepare and retain pupil rosters and daily mileage documentation for all buses. 2. Prepare pupil weighting for all students assigned to each bus, including all students that enter, withdraw, or relocate within the District. 3. Retain documentation to support the number of nonpublic pupils transported. 	<p>Background:</p> <p>Our prior audit of pupil transportation noted several issues that contributed to internal control weaknesses. The issues were as follows:</p> <ul style="list-style-type: none"> • No odometer readings were provided to support the daily mileage used to calculate the District's weighted average mileages reported to DE; • No bus rosters were provided to support the number of students assigned to each bus as reported to DE, including all students that entered, withdrew, or relocated within the District; • The amount paid the contractor was incorrectly reported as a result of an adjustment made in November of 2005; and • Documentation was not provided to support the number of nonpublic pupils transported. 	<p>Current Status:</p> <p>Based on our current audit we concluded the District did implement corrective action pertaining to retaining records for audit. The District was able to provide documentation needed to perform the current audit.</p> <p>However, we found numerous clerical errors in reporting pupil transportation data. Consequently, we found that the District needs to take further steps to address these internal control weaknesses (see Finding No. 2, page 9).</p>
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<p><u>V. Finding 5: Continued Lack of Documentation Necessary to Verify Bus Drivers' Qualifications</u></p> <ol style="list-style-type: none"> 1. Ensure that the District's transportation coordinator reviews each driver's qualifications prior to that person transporting students. 2. Maintain files, separate from the transportation contractors, to ensure that the District's files are up to date and complete. 3. Review the District's internal monitoring system to see where the internal controls are lacking and implement suitable controls. 	<p>Background:</p> <p>Our prior audit test of 25 of 87 drivers found that the District did not have a valid driver's license on file for four drivers. In addition, the District did not have a physical examination certificate, criminal history record or child abuse clearance for one van driver.</p>	<p>Current Status:</p> <p>Our current audit tested 25 of 79 bus drivers and found that the District had on file all required documentation for each driver reviewed.</p> <p>The five previously cited drivers are either no longer driving for the District or now have the proper qualifications.</p> <p>Based on our audit we concluded the District did implement corrective action pertaining to this finding.</p>
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<p><u>VI. Finding 6: Continued Improper Management of Student Activity Funds</u></p> <ol style="list-style-type: none"> 1. Review board guidelines and procedures to ensure they are updated. 2. Adhere to Board Policy No. 244, board guidelines and procedures, and Section 511 of the Public School Code. 3. Require all organizations to maintain by-laws, written minutes and student officer listings for all activity accounts. 4. Ensure all graduating classes designate a school-related purpose for their unused funds prior to graduation. 	<p>Background:</p> <p>Our prior audit of the District's student activity funds for the 2006-07 and 2007-08 school years found continued deficiencies in the management and control of the funds.</p>	<p>Current Status:</p> <p>Our current audit of the 2008-09 school year activity funds found no continuing issues with the management of student activity accounts.</p> <p>Based on our audit we concluded the District did implement corrective action pertaining to this finding.</p>
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<p>5. Abolish all inactive accounts.</p> <p>6. Develop more stringent oversight controls to ensure the board's corrective action is implemented successfully.</p>		
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<p><u>VII. Observation I: Unmonitored Vendor Access and Logical Access Control Weaknesses</u></p> <ol style="list-style-type: none"> 1. Generate monitoring reports of Midwestern Intermediate Unit #4 (IU) and employee access and activity on the system. 2. Have compensating controls that would allow the District to detect unauthorized changes to the membership database in a timely manner, to mitigate information technology (IT) control weaknesses. 3. Encrypt the District's remote connections. 4. Establish policies and procedures to analyze the impact of proposed program changes in relation to other business-critical functions. 5. Establish separate IT policies and procedures for controlling the activities of vendors/consultants and have the IU sign this policy, or the District should require the IU to sign the District's Acceptable Use Policy. 	<p>Background:</p> <p>Our prior audit noted that MSD used software purchased from the IU for its critical student accounting applications.</p> <p>Additionally, the District's entire computer system, including all its data and the software, are maintained on the IU's servers, which are physically located at the IU. The District has remote access into the IU's network servers, with the IU providing system maintenance and support.</p> <p>We determined that a risk existed that unmonitored vendor system access and logical access control weaknesses could lead to unauthorized changes to the District's data.</p>	<p>Current Status:</p> <p>Our current audit found that the District and IU implemented all of our recommendations.</p> <p>Therefore, we concluded that they did take corrective action.</p>
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<p>6. Include provisions in its Acceptable Use Policy for privacy, access, accountability, authentication and violation/incidents.</p> <p>7. Implement a security policy and system parameter setting to require all users, including the IU, to change passwords on regular basis. Password should be a minimum length of eight characters and include alpha, numeric, and special characters. Also, the District should maintain a password history that will prevent the use of a repetitive password and log users off the system after a period on inactivity.</p>		
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<p><u>VIII. Observation 2:</u> <u>Continued Internal Control Weaknesses in Administrative Policies Regarding Bus Drivers' Qualifications</u></p> <p>1. In consultation with the District's solicitor, develop a process to determine whether prospective and current bus drivers and/or transportation contract carrier personnel have been charged with or convicted of crimes that, even though not disqualifying under state law, affect their suitability to have direct contract with children.</p> <p>2. Implement written policies and procedures to ensure that the District</p>	<p>Background:</p> <p>Our audit of bus driver's qualifications for the 2006-07 school year found continued internal control weaknesses regarding bus drivers' qualifications.</p>	<p>Current Status:</p> <p>Our current audit found that MSD did take appropriate corrective action. A board policy addressing our concerns was adopted June 8, 2009.</p>
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<p>is notified when drivers are charged with or convicted of crimes that call into question their suitability to continue to have contract with children.</p>		
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<p><u><i>IX. Observation 3: Memorandum of Understanding Not Updated Timely</i></u></p> <ol style="list-style-type: none"> 1. In consultation with the District’s solicitor, review and update the current Memorandum of Understanding (MOU) with local law enforcement agencies. 2. Adopt a board policy requiring the administration to review and re-execute the MOU every two years. 	<p>Background:</p> <p>Our prior audit found the MOU with local enforcement agencies had not been updated since November 13, 2001.</p>	<p>Current Status:</p> <p>Our current audit found that MSD did take appropriate corrective action. The MOU was updated on November 3, 2009.</p>
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Distribution List

This report was initially distributed to the superintendent of the school district, the board members, our website address at www.auditorgen.state.pa.us, and the following:

The Honorable Edward G. Rendell
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