# Glendale School District

Corrective Action Plan

for

Performance Audit Report by the Pennsylvania Department of the Auditor General released January 31, 2011

Finding	Recommendation/ Corrective Action	Person (s) Responsible for Implementing Corrective Action/ Recommendation	Completion Date
Finding No.1-	1). Consult with their solicitor to determine if the stipends should be refunded to the District.  A) Stipends were paid to elementary principal,	1). Superintendent and solicitor.	February 29, 2010 COMPLETE
Failure to Comply with Grant Guidelines.	secondary principal, and former superintendent in year one of the PEP grant. In years two and three, no stipends were paid and the elementary principal and secondary principal performed work before school, after school, and during the summer. Any work during the school day by the elementary principal, secondary principal, and current superintendent were "in-kind" services. *  B) All grant funds were not expended by the district. The unexpended funds equaled \$207,259.46		June 30, 2011 COMPLETE

Finding No.1-	2). Adhere to approved program	2). Superintendent,	August 24, 2010
	narrative/budget in order to fulfill the grant	business manager,	and
(Continued)	objectives, goals and obligations.	elementary principal, and	June 30, 2011
	A) PEP Program narrative, budget, goals,	secondary principal.	COMPLETE
Failure to Comply with Grant Guidelines.	expenses, etc. were all resubmitted for years two and three of the grant and approved by USDOE via email received on August 24, 2010 and other supporting documentation.*  3). Include required "in kind" matches are part	3). Superintendent,	August 24, 2010
	<del>_</del>		
	of their general fund budget.  A) In years two and three of the resubmitted grant information, "in kind" matches are documented.*	business manager, elementary principal, and secondary principal	and June 30, 2011 COMPLETE

Finding No.1- (Continued)	4). Abide by PSC and board policy bidding requirements.  A) Beginning in the 2009-2010 school-year, the district adheres to PSC and board	4). Superintendent and business manager	July 27, 2010 COMPLETE
Failure to Comply with Grant Guidelines.		• Superintendent, business manager, business office, all administrators, and all office secretaries for items A-F.	May 2010 COMPLETE May 2010 COMPLETE
	D) The district became a member of the Co- Stars program and was trained on July 27, 2010.*		July 27, 2010 COMPLETE
	E) All contracts over \$100 are approved by the Board of Directors as of the start of Mr.		ON-GOING
	Nadonley's term as Superintendent. + F) Board minutes and agenda serve as documentation and correspond with invoices and purchase orders.*		ON-GOING

## Finding No.1-

(Continued).....

Guidelines.

- 5). THE UNITED STATES DEPARTMENT OF EDUCATION should: Conduct a detailed review to determine if the GSD fulfilled their goals, objectives and activities as outlined in the **Failure to Comply with Grant** program narrative submitted to the USD0E, and if not, detail what remedies the GSD can implement to satisfy the PEP Grant Requirements, if possible.
  - A). PEP Program narrative, budget, goals, expenses, etc. were all resubmitted for years two and three of the grant and approved by USDOE via email received on August 24, 2010 and other supporting documentation. The district believes that the enclosed documentation for Corrective Action items 1-4 should satisfy item #5 of Finding #1.\*

\*Denotes that documentation of compliance is in corrective action folder.

+ Compliance can be found in files, minutes, list of bills, contracts or other agreements.

# 5).USDoE

August 24, 2010 and June 30, 2011 COMPLETE

Finding	Recommendation/ Corrective Action	Person (s) Responsible for Implementing Corrective Action/ Recommendation	Completion Date
Finding No. 2  Errors in Reporting Dual	1). The district will review final expenditure reports to ensure accurate data was reported and submit revisions if necessary.	1). Superintendent, Business Manager, and Guidance Counselor.	1/25/2012 COMPLETE
Enrollment Data Resulted in a	A) The district reviewed the Dual Enrollment		
Reimbursement Overpayment.	final expenditure report for the years 2005-2006 and the district concurs with the auditor's findings.		
	B) In addition, the district reviewed additional Dual Enrollment programs from prior years (2008-2009, 2009-2010, and 2010-2011) and found a systemic problem with the district paying colleges above and beyond the program budget and state allocation. In this case, the costs for number of students taking courses or the number of courses the students were taking exceeded the state grant and the district was paying the tab without administrative knowledge or approval. An annual district-wide procedure to manage and place tighter internal controls on the Dual Enrollment	Superintendent	12/7/ 2011 COMPLETE

#### Finding No. 2

(Continued).....

Errors in Reporting Dual Enrollment Data Resulted in a Reimbursement Overpayment. programs and all grants was instituted on December 7, 2011 and is in the *Corrective Action* file folder. This corrective action was implemented even with the Dual Enrollment and other state programs being discontinued due to state budget reductions.

- 2). The district will reconcile with Saint Francis University the possible overcharges by the university.
  - A) A review of the *Dual Enrollment* program in December 2011 indicated that the district did in fact pay Saint Francis University the correct amount. However, the district's former superintendent submitted incorrect final expenditures reports that resulted in an over payment of \$4,622. Final expenditure reports and grant budgets were not shared with the district's Business Manager by the former Superintendent and thus the need for the annual district-wide procedure to manage and place tighter controls on all grants and programs.

2). Business Manager

11/3/ 2011 COMPLETE

Continued)	from allotment.	•	
Continued)			
	A) Lori Seiber from PDE was contacted via	<ul> <li>Business Manager</li> </ul>	11/4/ 2011
	telephone (717) 787-5423 on November 3,		COMPLETE
Errors in Reporting Dual	2011 and returned a telephone call on		
Enrollment Data Resulted in a	November 4, 2011 to the district's Business		
Reimbursement Overpayment.	Manager in reference to recovering the		
	\$4,622 overpayment. Ms. Seiber indicated		
	that it has not been deducted from our		
	subsidies as of November 4, 2011, but will		
	be deducted at a later date. Documentation		
	of the conversation with PDE is in the		
	Corrective Action file folder.		
	B) In addition, a review of this matter with the	<ul> <li>Superintendent and</li> </ul>	1/25/ 2012
	state auditor, Superintendent, and	Business Manager	COMPLETE
	Business Manager on January 25, 2012,		
	indicated it is not necessary for the district		
	to send PDE a letter on this matter.		
	*Denotes that documentation of compliance is in		
	corrective action folder.		
	+ Compliance can be found in files, minutes, list		
	of bills, contracts or other agreements.		

Finding	Recommendation/ Corrective Action	Person (s) Responsible for Implementing Corrective Action/ Recommendation	Completion Date
Finding No. 3  Failure to Bid Equipment Purchases.	<ol> <li>The district will abide by Sections 807.1 and 751 (a) of the PSC and District Board Policy #610.         <ul> <li>A) Beginning in the 2009-2010 school-year, the district adheres to PSC and board policy bidding requirements.+</li> <li>B) The district instituted a new requisition and purchase order process in May 2010. *</li> <li>C) All administrators and staff in the Central office and building level offices were trained on bidding requirements and procedures in May 2010 and again on July 27, 2010. *</li> <li>D) The district became a member of the Co-Stars program and was trained on July 27, 2010.*</li> <li>E) All contracts over \$100 are approved by the Board of Directors as of the start of Mr. Nadonley's term as Superintendent. +</li> <li>F) Board minutes and agenda serve as documentation and correspond with invoices and purchase orders.*</li> </ul> </li> </ol>	for items 71 1.	July 27, 2010 COMPLETE  May 2010 COMPLETE May 2010 COMPLETE  July 27, 2010 COMPLETE  ON-GOING  ON-GOING

For compliance documentation for Finding #3, please refer to documentation file in Finding #1, Recommendation #4 a,b,c,d, and e.		
<ul><li>2). The district will strengthen controls to ensure compliance with PSC and Board Policy.</li><li>A) See recommendations and corrective</li></ul>	2). Superintendent and business manager	July 27, 2010 COMPLETE/ ON-GOING
action above.  3). The district administration will review all purchases to ensure that purchases requiring bidding have been bid and that PEPPM waiver purchases are properly noted and adequately documented.  A) See recommendations and corrective action above.	3). Superintendent and business manager	July 27, 2010 COMPLETE/ ON-GOING
*Denotes that documentation of compliance is in corrective action folder.		
+ Compliance can be found in files, minutes, list of bills, contracts or other agreements.		

Finding	Recommendation/ Corrective Action	Person (s) Responsible for Implementing Corrective Action/ Recommendation	Completion Date
Finding No. 4	1). The district will ensure that all employees wages paid with federal funds are properly coded	1). Superintendent and Business Manager	March and April of 2009
Errors in Reporting Social Security and Medicare Wages Resulted in a Net Reimbursement Overpayment of \$15,178.	in the payroll system.  A) Beginning in April and March of 2009, the district developed a <i>Request for Proposals</i> and publicly advertised for a new local auditing firm to assist the district with compliance and establishing new procedures. Since that time, the business office staff has consulted and has worked collaboratively with <i>Kotzan CPA Associates</i> to ensure that all employee wages paid with federal funds are properly coded in the payroll system. Please see Single Audit Report located in compliance folder.  B) Beginning in March of 2010, the district assumed control of our payroll system by purchasing a new Business Management Office Software program from ProSoft (now Harris). This program allows for direct access and more hands on control.	• Superintendent, Business Manager, and all administrative and secretarial staff	March 2010 and continuing to December of 2010 COMPLETE

### Finding No. 4

#### (Continued).....

Errors in Reporting Social Security and Medicare Wages Resulted in a Net Reimbursement Overpayment of \$15,178.

- C) Beginning in March of 2009, the long standing and confusing practice of "shifting" staff or salaries from one funding source to another funding source at various times throughout the school year by the former superintendent was discontinued. In addition, beginning on December 7, 2011, the district established an annual district-wide procedure to manage and place tighter internal controls on all grants. This was especially true in the *IDEA* and *Title II* programs where improper coding was a systemic program due to the reasons referenced above.
- 2). The district will perform reconciliation of the final federal expenditure reports to the payroll reports to ensure accuracy.
  - A) Reconciliation of final federal expenditure reports is conducted at least annually by the district's local auditing firm and reviewed with the Business Office staff for accuracy and corrections if necessary. Please see Single Audit Report located in compliance folder.

• Superintendent

March 2009 COMPLETE

2). Business Manager and payroll clerk in consultation with Kotzan CPA, Associates.

**ON-GOING** 

Finding No. 4	3). The district will review reports filed for years	3). Business Manager	ON-GOING
	subsequent to the audit period and, if errors are	and payroll clerk in	
	found, submit revised reports to PDE.	consultation with Kotzan	
(Continued)	A) Reports from subsequent years have been	CPA, Associates.	
	reviewed at least annually by the district's		
<b>Errors in Reporting Social Security</b>	local auditing firm. Please see Single Audit		
and Medicare Wages Resulted in a	Report located in compliance folder.		
Net Reimbursement Overpayment of	4). PDE should adjust the district's allocations	4). PDE	PENDING
\$15,178.	to resolve the net reimbursement overpayment.	,	
	A) As of February 2, 2012, PDE has not		
	notified the district if a "Notice of Final		
	Determination and Withholding" for this		
	finding has been withheld.		
	*Denotes that documentation of compliance is in		
	corrective action folder.		
	+ Compliance can be found in files, minutes, list		
	+ Compliance can be found in files, minutes, list		

of bills, contracts or other agreements.

Finding	Recommendation/ Corrective Action	Person (s) Responsible for Implementing Corrective Action/ Recommendation	Completion Date
Finding No. 5	1). The district will review the PSERS reference manual for determination of wages eligible for	1). Business Manager and Payroll Clerk	ON-GOING
Possible Inaccurate Reporting of Retirement Wages Totaling \$54,052.	retirement and contact PSERS for determination of any payments that the payroll clerk is unsure how to report.  A) Effective of February of 2010, the district reviewed the <i>Performance Audit Report by the Pennsylvania Department of the Auditor General</i> that was released January 31, 2011 and began an annual process to review the PSERS reference manual.		
	<ul> <li>2). PSERS should review the compensation reported for the former superintendent for 2004-05, 2005-06, 2006-07, and 2007-08 and the wages reported for the two additional administrators for the 2007-08 school year and render an opinion on the propriety of the retirement wages reported by the district for the individuals.</li> <li>A) The district and PSERS were in contact during the week of 2/14/11. The district provided payroll documents to PSERS and</li> </ul>	2). PSERS	PENDING

Finding	No.	5
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(Continued).....

Possible Inaccurate Reporting of Retirement Wages Totaling \$54,052.

as of 2/2/12 PSERS has not notified the district of any further action.

- 3). PSERS –If any parts of the payments are determined to be ineligible for retirement, make the necessary corrections to pension benefits and contributions.
  - A) The district and PSERS were in contact during the week of 2/14/11. The district provided payroll documents to PSERS and as of 2/2/12 PSERS has not notified the district of any further action.
- 4). PDE, in conjunction with the PSERS's determination of propriety of wages reported for retirement, should determine if the district was overpaid retirement subsidy, and make necessary adjustments.
  - A) The district and PSERS were in contact during the week of 2/14/11. The district provided payroll documents to PSERS and as of 2/2/12 PSERS has not notified the district of any further action. PDE has not issued a "Notice of Final Determination and Withholding" for this finding as of 2/2/12.

\*Denotes that documentation of compliance is in corrective action folder.

+ Compliance can be found in files, minutes, list of bills, contracts or other agreements.

3). PSERS

4). PDE and PSERS

PENDING

PENDING

Finding	Recommendation/ Corrective Action	Person (s) Responsible for Implementing Corrective Action/ Recommendation	Completion Date
Finding No. 6	1). The district shall ensure that all personnel are properly certified.	1). Superintendent	12/1/2010 COMPLETE
Certification Deficiencies	<ul> <li>A) New person assigned in November 2010 to PIMS to check certifications with the Superintendent.*</li> <li>2). PDE will adjust district's allocation and district will forfeit \$1,417.</li> <li>B) PDE sent "Notice of Final Determination and Withholding (Certification Only)" on March 7, 2011. Final amount forfeited was</li> </ul>	2). PDE	3/7/2011 COMPLETE
	*Denotes that documentation of compliance is in corrective action folder.  + Compliance can be found in files, minutes, list of bills, contracts or other agreements.		

Finding	Recommendation/ Corrective Action	Person (s) Responsible for Implementing Corrective Action/ Recommendation	Completion Date
Entering into Contracts and Agreements without Approval from School District Board of Directors	1). Obtain approval from the Board of Directors prior to entering into written and verbal contracts in compliance with PSC Section 508.  A) All contracts over \$100 are approved by the Board of Directors as of the start of Mr.  Nadonley's term as Superintendent.+  B) Board minutes and agenda serve as documentation and correspond with invoices and purchase orders.+  C) Prismworks Technology Inc The district no longer does business with the company. The district has Board approved contracts with In-Shore Technologies Inc. on file for technology support.+  D) Cellular Phone Companies- The district no longer has contracts with any cellular phone company as of 3/2/09.	1). Superintendent	3/2/2009 COMPLETE 3/2/2009 COMPLETE 3/2/2009 COMPLETE 3/2/2009 and 8/18/2009 COMPLETE
	Administrative contracts allow for monthly reimbursement for cellular phone/home internet use if used by the administrator for school business. +		

### Finding No. 7

(Continued).....

Entering into Contracts and Agreements without Approval from School District Board of Directors

- E) School Wires-The district <u>no longer</u> utilizes School Wires to maintain the district's website. The district has a contract for In-Shore Technologies on file to provide IT support including website maintenance.+
- F) Rental or leasing of computers-The district no longer rents or leases computers.

  Revenue from computer rentals and remaining funds in the STAR Account will be placed in a scholarship fund pending a legal opinion letter from the district solicitor. +, \*
- G) Credit Cards-The district <u>no longer</u> uses credit cards and all credit card accounts were cancelled prior to 3/2/09. A written /electronic purchase order system was implemented for all purchases in 2009-2010 and is being refined. +
- H) Ming Chuan University-The Board of Education voted to contact the university and terminate the contract prior to 3/2/09.
  \*,+.

2010-2011 School Year COMPLETE

3/2/2009 for rentals.
COMPLETE

9/12/2011 for Legal opinion COMPLETE

3/2/2009 COMPLETE

3/2/2009 COMPLETE

Finding No. 7	2). Familiarize themselves with IRS Form 1099	2). Business Manager	7/1/2011
	and DR reporting guidelines and instructions.	and Payroll Secretary	COMPLETE
(Continued)	A) District payroll personnel began issuing		
•	1099 forms all inclusively to all		
	independent contractors, referees, score		
Entering into Contracts and	keepers, etc. Consultation meeting to		
Agreements without Approval from	review guidelines and requirements for the		
School District Board of Directors	Athletic Director, Business Manager,		
	Payroll Secretary, Accounts Payable		
	Secretary, and Activities Secretary was held		
	during the week of 8/1/11 with district's		
	local auditor and superintendent. +		
	3). Contact the IRS to determine if a revised	3). Superintendent	PENDING
	Form 1099 is necessary.	_	
	A) District will be seeking additional guidance		
	from state auditors since it is believed that		
	this item is related to individuals under		
	federal and state investigation as of		
	8/8/2011.		
	4). Remit the proper sales tax for computer	4). Superintendent and	8/4/2011
	rental to the DR.	Business Manager	and
	A) Proper remittance in the amount of		8/8/2011
	\$846.72 was submitted on 8/8/2011 to		COMPLETE
	Pennsylvania Department of Revenue		
	under Voluntary Disclosure Program Case		
	No. V-5012. Voluntary Disclosure		
	Agreements, forms, and quarterly reports		
	were mailed on 8/4/2011. All mailed to		
	Matthew J. Pettigrew. *		

Finding No. 7	B) District received interest charges on	Superintendent and	9/19/2011
	9/1/2011 and they were paid on	Business Manager	COMPLETE
(Continued)	9/19/2011*		
, ,	5). Deposit proceeds from the lease of District	5). Business Manager	9/18/2011
	equipment into the general fund, not a separate		COMPLETE
Entering into Contracts and	account.		
Agreements without Approval from	A) Proceeds from the separate account known		
<b>School District Board of Directors</b>	as the STAR Account (Superintendent's		
	Trip of Achievement and Recognition-Dr.		
	Bruno) were transferred to a scholarship		
	account by Board action on 10/18/2011.		
	An opinion letter dated 9/12/2011 by		
	solicitor provides legal basis to transfer the		
	account to a scholarship account as per		
	the PSC. The premise behind this action is		
	to permit the former STAR Account money		
	that may have been obtained questionably		
	or unethically to now serve a more noble		
	purpose and to directly benefit students.		
	*,+		
	6). THE BOARD will ensure that all written and	6). Board of Education,	3/2/2009
	verbal contracts are approved by the Board prior	_	COMPLETE and
	to approving contracts.	Business Manager	ON-GOING
	A) All contracts over \$100 are approved		
	by the Board of Directors as of the start		
	of Mr. Nadonley's term as		
	Superintendent. +		

Finding No. 7 (Continued)	*Denotes that documentation of compliance is in corrective action folder.	
Entering into Contracts and Agreements without Approval from School District Board of Directors	+ Compliance can be found in files, minutes, list of bills, contracts or other agreements.	

Finding	Recommendation/ Corrective Action	Person (s) Responsible for Implementing Corrective Action/ Recommendation	Completion Date
Finding No. 8  Continued Internal Control Weakness Noted in Student Activity Fund Operations	1). Ensure that students are involved in the process determining how activity funds are disbursed and the approval of all disbursements by requiring proper documentation of expenditures and receipts to and from activity accounts.	1). High School Principal, Business Manager, and advisors.	6/3/2011 COMPLETE
	A) Findings of the Performance Audit have been shared with all clubs/advisors on 3/24/2011 and will be shared annually at a meeting with all club advisors and placed in a packet for all clubs. *	High School     Principal	3/24/2011 COMPLETE
	B) A complete audit of all clubs was conducted during the months of March through June of 2011 by the high school principal and business manager reviewing criteria needed to be included with various clubs as a result of the above recommendation. Audit recommendations are shared with the club and advisors after the audit.*	High School     Principal and     Business Manager	6/3/2011 COMPLETE

Finding No. 8	C) Two clubs will be audited once a month	High School	ON-GOING
	throughout future school years to ensure	Principal and	
(Continued)	compliance by the high school principal	Business Manager	
	and business manager reviewing criteria		
Continued Internal Control	needed to be included with various clubs		
Weakness Noted in Student Activity	as a result of the above recommendation.		
Fund Operations	Audit recommendations will be shared with		
	the club and advisors after the audits. *		
	D) A check list indicating the requirements	High School	6/3/2011
	from Board Policy #618, PSC, and	Principal and	COMPLETE
	recommendations from State Performance	_	COMIDDID
	Audit is included in club packets and the	Business Manager	
	_		
	check list serves as the auditing instrument. *		
			2/04/0011
	2). Ensure that minutes are being kept, and that	2). High School Principal	3/24/2011
	bylaws and listing of club officers are present.		COMPLETE
	A) Findings of the Performance Audit		
	have been shared with all		
	clubs/advisors on 3/24/2011 and		
	will be shared annually at a meeting		
	with all club advisors and placed in a		
	packet for all clubs. *		
	B) A complete audit of all clubs was	High School	6/3/2011
	conducted during the months of	Principal and	COMPLETE
	March through June of 2011 by the	Business Manager	
	high school principal and business		
	manager reviewing criteria needed to		
	be included with various clubs as a		
	result of the above recommendation.		

<u>Fin</u>	ding	No.	8

(Continued).....

**Continued Internal Control** Weakness Noted in Student Activity **Fund Operations** 

- Audit recommendations will be shared with the club and advisors after the audit. \*
- C) Two clubs will be audited once a month throughout future school years to ensure compliance by the high school principal and business manager reviewing criteria needed to be included with various clubs as a result of the above recommendation. Audit recommendations will be shared with the club and advisors after the audits. \*
- D) A check list indicating the requirements from Board Policy #618, PSC, and recommendations from State Performance Audit is included in club packets and the check list serves as the auditing instrument. \*
- E) An example of acceptable or model minutes is included in the club packet and is provided to clubs when high school principal and business manager find weaknesses with minutes. \*

• High School Principal and **Business Manager** 

- High School Principal and
- High School Principal

**ON-GOING** 

**Business Manager** 

3/15/2011 COMPLETE

3/15/2011 **COMPLETE** 

Finding No. 8	3). Follow Board policy and require all inactive	3). High School Principal	3/24/2011
	accounts be terminated and that their balances	, ,	COMPLETE
(Continued)	be transferred to Student Council.		
·	A) Board policy #618 is included in club		
Continued Internal Control	packet that is shared annually with		
Weakness Noted in Student Activity	advisors/club or when there is a new		
Fund Operations	advisor. *		
_	B) Documentation is included in Finding	High School	10/31/2008
	No. 8 supporting documentation	Principal	COMPLETE
	folder indicating that an inactive		
	account was terminated and balances		
	were transferred to Student Council. *		
	C) Findings of the Performance Audit	High School	3/24/2011
	have been shared with all	Principal	COMPLETE
	clubs/advisors on 3/24/2011 and		
	will be shared annually at a meeting		
	with all club advisors and placed in a		
	packet for all clubs. *		0.10.1.10.01.1
	4). Prohibit the practice of using other account	4). High School Principal	3/24/2011
	monies to offset shortfalls in accounts with		COMPLETE
	negative balances.		2/04/0011
	A) Findings of the Performance Audit have	High School	3/24/2011
	been shared with all clubs/advisors on	Principal	COMPLETE
	3/24/2011 and will be shared annually at		
	a meeting with all club advisors and placed		
	in a packet for all clubs. *		

Finding	No.	8
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(Continued).....

Continued Internal Control Weakness Noted in Student Activity Fund Operations

- B) New club packet and sample forms prohibit the practice of using other account's monies to offset shortfalls in accounts with negative balances. \*
- C) A complete audit of all clubs was conducted during the months of March through June 2011 by the high school principal and business manager reviewing criteria needed to be included with various clubs as a result of the above recommendation. Audit recommendations will be shared with the club and advisors after the audit. \*
- D) Two clubs will be audited once a month throughout Future school years to ensure compliance by the high school principal and business manager reviewing criteria needed to be included with various clubs as a result of the above recommendation. Audit recommendations will be shared with the club and advisors after the audits. \*

- High School Principal
- High School Principal and Business Manager

 High School Principal and Business Manager 3/24/2011 COMPLETE

6/3/2011 COMPLETE

**ON-GOING** 

Finding No. 8	E) A check list indicating the	High School	3/15/2011
	requirements from Board Policy #618,	Principal	COMPLETE
(Continued)	PSC, and recommendations from	1	
	State Performance Audit is included		
Continued Internal Control	in club packets and the check list		
Weakness Noted in Student Activity	serves as the auditing instrument. *		
Fund Operations	5). Develop policies and procedures in addition	5). Superintendent, High	COMPLETE
	to PSC and board policy governing the	School Principal, and	As related to
	management of student activity funds.	Business Manager	above.
	A) See above recommendations and		
	corresponding corrective actions that bring		
	recommendation "5" into compliance. *		
	6). Provide training sessions to advisors	6). Superintendent, High	COMPLETE
	reviewing the PSC, board policy, administrative	School Principal, and	As related to
	policies and procedures governing the	Business Manager	above.
	management of student activity funds.		
	A) See above recommendations and		
	corresponding corrective actions that bring		
	recommendation "6" into compliance. *		
	*Denotes that documentation of compliance is in		
	corrective action folder.		
	+ Compliance can be found in files, minutes, list		
	of bills, contracts or other agreements.		

Observation	Recommendation/ Corrective Action	Person (s) Responsible for Implementing Corrective Action/ Recommendation	Completion Date
Observation No. 1  Unmonitored Vendor System Access and Logical Access Control Weakness	1). The district should generate monitoring reports (including firewall logs) of GACTC and employee access and activity on their system. Monitoring reports should include the date, time, and reason for access, change(s) made and who made the change(s). The district should review these reports to determine that the access was appropriate and that data was not improperly altered. The district should also insure it is maintaining evidence to support the monitoring and review.  A) The district no longer contracts with GACTC for SMS and BMOS services. The district purchased SMS and BMOS software from Pro-Soft (now Harris) on November 17. 2009 and implemented the software in March of 2010. This netted the district an annual savings of approximately \$50,000 and allowed for more hands on access, better data, and reporting capability.*,+	Technology Director      Technology Director	March 2010 COMPLETE

#### Observation No. 1

(Continued).....

Unmonitored Vendor System Access and Logical Access Control Weakness

- B) "Microsoft Active Directory" monitors any person who logs on to our system, network, or any program and electronic log reports include the date, time, and reason for access, change(s) made and who made the change(s). In addition, Prosoft's (Harris) procedures require written or telephonic permission to access the software for updates or problems. \*
- C) The district has ordered "Kiwi Sys Log" to monitor all incoming and outgoing connections to the Firewall. \*,+
- 2). The district should only allow access to their system when the GACTC needs to make preapproved changes/updates or requested assistance. This access should be removed when GACTC has completed its work. This procedure would also enable the monitoring of GACTC changes.
  - A) The district no longer contracts with GACTC for SMS and BMOS services. The district purchased SMS and BMOS software from Pro-Soft (now Harris) on November 17. 2009 and implemented the software in March of 2010 This netted the district an annual savings of approximately \$50,000 and allowed for more hands on access, better data, and reporting capability. \*,+

• Technology Director April 28, 2009 COMPLETE

- Technology Director
- 2). Technology Director

• Technology Director

March 2010 COMPLETE

February 9, 2012

COMPLETE

#### Observation No. 1

(Continued).....

Unmonitored Vendor System Access and Logical Access Control Weakness

- B) Prosoft's (Harris) procedures require that a log file is completed by Prosoft before gaining access to the server.

  Once the log is completed, it is forwarded to the GSD employee who would log into the software module notifying them of changes made and access. \*
- 3). The district should ensure that the contract with the vendor contains a non-disclosure agreement for the district's proprietary information.
  - A) Contract and supporting documentation is in the supporting documents folder. \*
- 4). The district should maintain documentation to evidence that terminated employees are properly removed from the system in a timely manner.
  - A) Effective December 1, 2011, the District developed an email procedure with a "read receipt" that notifies employees that are terminated or leaving the district that they are being removed from the district's systems (i.e. email, SMS, BMOS, Active Directly, storage servers, door access, etc.) unless the email is staying on in volunteer or coaching capacity and they may need access to certain items. +,\*

COMPLETE

Technology Director

February 3, 2012

December 6, 2011

**COMPLETE** 

- 3). Technology Director
  - 4). Technology Director December 1, 2011 COMPLETE

#### Observation No. 1

(Continued).....

Unmonitored Vendor System Access and Logical Access Control Weakness

- 5). The district should develop policies and procedures to require written authorization when adding, deleting, or changing a userID.
  - A) Effective April 20, 2011, the District developed employee "Exit Form" to address deleting of accounts and other items that the district is concerned about when an employee leaves the district.+,\*
  - B) Effective June, 29, 2009, the district revised its *Acceptable Use Policy* and this established a written procedure to add a user ID and system access.
- 6). The district should ensure the upgrades/ updates to the district's systems are made after receipt or written authorization from the appropriate district officials.
  - A) Prosoft's (Harris) procedures require that a log file is completed by Prosoft before gaining access to the server. Once the log is completed, it is forwarded to the GSD employee who would log into the software module notifying them of changes made and access. \* The Technology Director will respond with approval/denial and maintain an electronic record of the emails in a "Systems Upgrade/Update" folder. \*

5). Technology Director

April 20, 2011 COMPLETE

June 29, 2009 COMPLETE

6.) Technology Director

February 3, 2012 COMPLETE

Observation No. 1	7). The district should establish separate IT	7.) Technology Director	June 29, 2009
	policies and procedures for controlling the		COMPLETE
(Continued)	activities of the GACTC and have GACTC sign		
	this policy, or district should require GACTC to		through
Unmonitored Vendor System	sign the district's Acceptable Use Policy.		
Access and Logical Access Control	A) The district has contracts in place with		February 3, 2012
Weakness	vendors and specifically the procedures for		COMPLETE
	our SMS and BOM software address		
	controlling activities and are signed by		
	representatives of the software company		
	and district. +,*		
	8). The district should ensure that the district's	8.) Technology Director	June 29, 2009
	Acceptable Use Policy includes provisions for		COMPLETE
	authentication (password security		
	requirements). Further, employees should be		
	required to sign the policy.		
	A) The district placed a new "Acceptable Use		
	Policy" into effect on 6/29/2009 and the		
	policy addresses provisions for password		
	security and all staff and students are		
	required to read and sign the policy before		
	having access to our systems. +,*		
	9). The district should implement a security	9.) Technology Director	June 29, 2009
	policy and system parameter settings to require		COMPLETE
	all users, including the vendor, to change their		
	passwords on a regular basis (i.e. every 30 days).		
	Passwords should be a minimum length of eight		
	characters and include alpha, numeric, and		
	special characters. Also, the district should		

Observation No. 1	maintain a password history that will prevent		
	the use of a repetitive password (i.e. last ten		
(Continued)	passwords); and log users off the system after a		
•	period of inactivity (i.e. 60 minutes maximum).		
<b>Unmonitored Vendor System</b>	A) The MircoSoft Platform that was installed	Technology Director	June 29, 2009
Access and Logical Access Control	in the Summer of 2009 has a built in		COMPLETE
Weakness	default that requires all users including		
	the vendor to change their passwords on a		
	regular basis. Our system is set to require		
	password changes every 60 days. The		
	Technology Director is the only		
	administrator that can select the length of		
	the required change timeframe and the		
	Technology Director is the only		
	administrator who can disable the		
	password change process. +		
	B) Passwords are a minimum length of six	Technology Director	June 29, 2009
	characters. It is recommended annually		COMPLETE
	that employees use variations of alpha,		
	numeric, special characters. +,*		
	C) The district maintains a password history	Technology Director	June 29, 2009
	on "MicroSoft Active Directory" that will		COMPLETE
	prevent the use of a repetitive password		
	(i.e. last ten passwords); and log users off		
	the system after a period of inactivity (i.e.		
	60 minutes maximum). All software		
	systems are backed-up and archived every		
	day both on and off site. +		

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Observation No. 1	10). The district should develop and maintain a	10.) Technology Director	December 1, 2011
	list of authorized individuals with access to the		COMPLETE
(Continued)	hardware (servers) that contains the		
	membership /attendance data.		
Unmonitored Vendor System	A) Effective December 1, 2011, the district		
Access and Logical Access Control	has developed and maintains a		
Weakness	record/log/list of authorized individuals		
	with access to the hardware (servers) that		
	contains the membership /attendance		
	data. *		
	11). The district should consider implementing	11.) Technology Director	
	additional environmental controls around the	, 33	
	network server sufficient to satisfy the		
	requirements of the manufacturer to ensure		
	warranty coverage. Specifically, the district		
	should install fire detectors and fire		
	extinguishers in the computer room (Server).	Technology Director	December 1, 2011
	A) Additional environmental controls were	recimology Birector	COMPLETE
	installed around the network servers to		
	satisfy the requirements of the		
	manufacturer to ensure warranty cover.		
	Fire extinguishers and smoke detectors		
	were included.		I 0000
	B) In addition, all servers, software and	Technology Director	June 2009
	systems are backed-up daily and		COMPLETE
	archived daily both onsite and off-site		
	(Barracuda). *		

Observation No. 1 (Continued)	*Denotes that documentation of compliance is in corrective action folder.	
Unmonitored Vendor System Access and Logical Access Control Weakness	+ Compliance can be found in files, minutes, list of bills, contracts or other agreements.	

Observation	Recommendation/ Corrective Action	Person (s) Responsible for Implementing Corrective Action/ Recommendation	Completion Date
Observation No. 2	1). Continue to review, update and re-execute MOU between the district and Pennsylvania	1). Superintendent & High School	2/16/2011 COMPLETE
Memorandum between District and the Pennsylvania State Police was not updated in a timely fashion.	State Police.  A) New MOU was updated on 2/16/2011.  B) An electronic task reminder has been placed on Superintendent's <i>Microsoft Outlook Task List</i> to serve as a biannual reminder/procedure to review, update, and re-execute MOU between the district and Pennsylvania State Police.	Principal	COMILECTE
	2). Adopt a policy requiring the administration to review and re-execute the MOU every two years.  A) A policy was adopted on April 19, 2011 requiring the administration to review and execute the MOU every two years.  B) Draft Policy 218.1, Final Policy 218.1, C) Board agenda of 4/19/2011, and approved minutes provide	2). Superintendent, Secretary, and Board	5/19/2011 COMPLETE

Observation No. 2	supporting data.	
(Continued)	*Denotes that documentation of compliance is in corrective action folder.	
Memorandum between District and the Pennsylvania State Police was not updated in a timely fashion.	+ Compliance can be found in files, minutes, list of bills, contracts or other agreements.	

# STATUS OF PRIOR AUDIT FINDINGS and OBSERVATIONS From pages 37-39

- 1. Student Activity Funds
  - 2. Ethics Reports
  - 3. Bus Drivers