

Glendale School District

Corrective Action Plan

for

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

<p><u>Finding No.1-</u></p> <p>Failure to Comply with Grant Guidelines.</p>	<p>1). Consult with their solicitor to determine if the stipends should be refunded to the District.</p> <p>A) Stipends were paid to elementary principal, 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. *</p> <p>B) All grant funds were not expended by the district. The unexpended funds equaled \$207,259.46</p>	<p>1). Superintendent and solicitor.</p>	<p>February 29, 2010 COMPLETE</p> <p>June 30, 2011 COMPLETE</p>
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<p><u>Finding No.1-</u></p> <p>(Continued).....</p> <p>Failure to Comply with Grant Guidelines.</p>	<p>2). Adhere to approved program narrative/budget in order to fulfill the grant objectives, goals and obligations.</p> <p>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.*</p> <p>3). Include required “in kind” matches are part of their general fund budget.</p> <p>A) In years two and three of the resubmitted grant information, “in kind” matches are documented.*</p>	<p>2). Superintendent, business manager, elementary principal, and secondary principal.</p> <p>3). Superintendent, business manager, elementary principal, and secondary principal</p>	<p>August 24, 2010 and June 30, 2011 COMPLETE</p> <p>August 24, 2010 and June 30, 2011 COMPLETE</p>
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<p><u>Finding No.1-</u></p> <p>(Continued).....</p> <p>Failure to Comply with Grant Guidelines.</p>	<p>4). Abide by PSC and board policy bidding requirements.</p> <p>A) Beginning in the 2009-2010 school-year, the district adheres to PSC and board policy bidding requirements.+</p> <p>B) The district instituted a new requisition and purchase order process in May 2010. *</p> <p>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. *</p> <p>D) The district became a member of the Co-Stars program and was trained on July 27, 2010.*</p> <p>E) All contracts over \$100 are approved by the Board of Directors as of the start of Mr. Nadonley's term as Superintendent. +</p> <p>F) Board minutes and agenda serve as documentation and correspond with invoices and purchase orders.*</p>	<p>4). Superintendent and business manager</p> <ul style="list-style-type: none"> Superintendent, business manager, business office, all administrators, and all office secretaries for items A-F. 	<p>July 27, 2010 COMPLETE</p> <p>May 2010 COMPLETE May 2010 COMPLETE</p> <p>July 27, 2010 COMPLETE</p> <p>ON-GOING</p> <p>ON-GOING</p>
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<p><u>Finding No.1-</u></p> <p>(Continued).....</p> <p>Failure to Comply with Grant Guidelines.</p>	<p>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 program narrative submitted to the USD0E, and if not, detail what remedies the GSD can implement to satisfy the PEP Grant Requirements, if possible.</p> <p>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.*</p> <p>*Denotes that documentation of compliance is in corrective action folder.</p> <p>+ Compliance can be found in files, minutes, list of bills, contracts or other agreements.</p>	<p>5).USD0E</p>	<p>August 24, 2010 and June 30, 2011 COMPLETE</p>
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<p><u>Finding No. 2</u></p> <p>Errors in Reporting Dual Enrollment Data Resulted in a Reimbursement Overpayment.</p>	<p>1). The district will review final expenditure reports to ensure accurate data was reported and submit revisions if necessary.</p> <p>A) The district reviewed the <i>Dual Enrollment</i> final expenditure report for the years 2005-2006 and the district concurs with the auditor's findings.</p> <p>B) In addition, the district reviewed additional <i>Dual Enrollment</i> 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 <i>Dual Enrollment</i></p>	<p>1). Superintendent, Business Manager, and Guidance Counselor.</p>	<p>1/25/2012 COMPLETE</p>
		<ul style="list-style-type: none"> • Superintendent 	<p>12/7/ 2011 COMPLETE</p>

<p><u>Finding No. 2</u></p> <p>(Continued).....</p> <p>Errors in Reporting Dual Enrollment Data Resulted in a Reimbursement Overpayment.</p>	<p>programs and all grants was instituted on December 7, 2011 and is in the <i>Corrective Action</i> file folder. This corrective action was implemented even with the Dual Enrollment and other state programs being discontinued due to state budget reductions.</p> <p>2). The district will reconcile with Saint Francis University the possible overcharges by the university.</p> <p>A) A review of the <i>Dual Enrollment</i> 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.</p>	<p>2). Business Manager</p>	<p>11/3/ 2011 COMPLETE</p>
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<p><u>Finding No. 2</u></p> <p>(Continued).....</p> <p>Errors in Reporting Dual Enrollment Data Resulted in a Reimbursement Overpayment.</p>	<p>3). PDE should recover the \$4,622 overpayment from allotment.</p> <p>A) Lori Seiber from PDE was contacted via telephone (717) 787-5423 on November 3, 2011 and returned a telephone call on November 4, 2011 to the district's Business 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 <i>Corrective Action</i> file folder.</p> <p>B) In addition, a review of this matter with the state auditor, Superintendent, and Business Manager on January 25, 2012, indicated it is not necessary for the district to send PDE a letter on this matter.</p> <p>*Denotes that documentation of compliance is in corrective action folder.</p> <p>+ Compliance can be found in files, minutes, list of bills, contracts or other agreements.</p>	<p>3).PDE</p> <ul style="list-style-type: none">• Business Manager• Superintendent and Business Manager	<p>PENDING BY PDE</p> <p>11/4/ 2011 COMPLETE</p> <p>1/25/ 2012 COMPLETE</p>
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Finding	Recommendation/ Corrective Action	Person (s) Responsible for Implementing Corrective Action/ Recommendation	Completion Date
Finding No. 3 Failure to Bid Equipment Purchases.	<p>1). The district will abide by Sections 807.1 and 751 (a) of the PSC and District Board Policy #610.</p> <p>A) Beginning in the 2009-2010 school-year, the district adheres to PSC and board policy bidding requirements.+</p> <p>B) The district instituted a new requisition and purchase order process in May 2010. *</p> <p>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. *</p> <p>D) The district became a member of the Co-Stars program and was trained on July 27, 2010.*</p> <p>E) All contracts over \$100 are approved by the Board of Directors as of the start of Mr. Nadonley's term as Superintendent. +</p> <p>F) Board minutes and agenda serve as documentation and correspond with invoices and purchase orders.*</p>	<p>1). Superintendent and business manager</p> <ul style="list-style-type: none"> Superintendent, business manager, business office, all administrators, and all office secretaries for items A-F. 	<p>July 27, 2010 COMPLETE</p> <p>May 2010 COMPLETE May 2010 COMPLETE</p> <p>July 27, 2010 COMPLETE</p> <p>ON-GOING</p> <p>ON-GOING</p>

	<p>For compliance documentation for Finding #3, please refer to documentation file in Finding #1, Recommendation #4 a,b,c,d, and e.</p> <p>2). The district will strengthen controls to ensure compliance with PSC and Board Policy. A) See recommendations and corrective action above.</p> <p>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.</p> <p>*Denotes that documentation of compliance is in corrective action folder.</p> <p>+ Compliance can be found in files, minutes, list of bills, contracts or other agreements.</p>	<p>2). Superintendent and business manager</p> <p>3). Superintendent and business manager</p>	<p>July 27, 2010 COMPLETE/ ON-GOING</p> <p>July 27, 2010 COMPLETE/ ON-GOING</p>
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Finding No. 4

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

<p><u>Finding No. 4</u></p> <p>(Continued).....</p> <p>Errors in Reporting Social Security and Medicare Wages Resulted in a Net Reimbursement Overpayment of \$15,178.</p>	<p>C) Beginning in March of 2009, the long standing and confusing practice of “<i>shifting</i>” 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 <i>IDEA</i> and <i>Title II</i> programs where improper coding was a systemic program due to the reasons referenced above.</p> <p>2). The district will perform reconciliation of the final federal expenditure reports to the payroll reports to ensure accuracy.</p> <p>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.</p>	<p>• Superintendent</p> <p>2). Business Manager and payroll clerk in consultation with Kotzan CPA, Associates.</p>	<p>March 2009 COMPLETE</p> <p>ON-GOING</p>
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<p><u>Finding No. 4</u></p> <p>(Continued).....</p> <p>Errors in Reporting Social Security and Medicare Wages Resulted in a Net Reimbursement Overpayment of \$15,178.</p>	<p>3). The district will review reports filed for years subsequent to the audit period and, if errors are found, submit revised reports to PDE.</p> <p>A) Reports from subsequent years have been reviewed at least annually by the district's local auditing firm. Please see Single Audit Report located in compliance folder.</p> <p>4). PDE should adjust the district's allocations to resolve the net reimbursement overpayment.</p> <p>A) As of February 2, 2012, PDE has not notified the district if a "<i>Notice of Final Determination and Withholding</i>" for this finding has been withheld.</p> <p>*Denotes that documentation of compliance is in corrective action folder.</p> <p>+ Compliance can be found in files, minutes, list of bills, contracts or other agreements.</p>	<p>3). Business Manager and payroll clerk in consultation with Kotzan CPA, Associates.</p> <p>4). PDE</p>	<p>ON-GOING</p> <p>PENDING</p>
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<p><u>Finding No. 5</u></p> <p>(Continued).....</p> <p>Possible Inaccurate Reporting of Retirement Wages Totaling \$54,052.</p>	<p>as of 2/2/12 PSERS has not notified the district of any further action.</p> <p>3). PSERS –If any parts of the payments are determined to be ineligible for retirement, make the necessary corrections to pension benefits and contributions.</p> <p>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.</p> <p>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.</p> <p>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 “<i>Notice of Final Determination and Withholding</i>” for this finding as of 2/2/12.</p> <p>*Denotes that documentation of compliance is in corrective action folder.</p> <p>+ Compliance can be found in files, minutes, list of bills, contracts or other agreements.</p>	<p>3). PSERS</p> <p>4). PDE and PSERS</p>	<p>PENDING</p> <p>PENDING</p>
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Finding	Recommendation/ Corrective Action	Person (s) Responsible for Implementing Corrective Action/ Recommendation	Completion Date
<u>Finding No. 6</u> Certification Deficiencies	<p>1). The district shall ensure that all personnel are properly certified. A) New person assigned in November 2010 to PIMS to check certifications with the Superintendent.*</p> <p>2). PDE will adjust district's allocation and district will forfeit \$1,417. B) PDE sent "Notice of Final Determination and Withholding (Certification Only)" on March 7, 2011. Final amount forfeited was \$1,264.68 *</p> <p>*Denotes that documentation of compliance is in corrective action folder.</p> <p>+ Compliance can be found in files, minutes, list of bills, contracts or other agreements.</p>	<p>1). Superintendent</p> <p>2). PDE</p>	<p>12/1/2010 COMPLETE</p> <p>3/7/2011 COMPLETE</p>

Finding	Recommendation/ Corrective Action	Person (s) Responsible for Implementing Corrective Action/ Recommendation	Completion Date
<p><u>Finding No. 7</u></p> <p>Entering into Contracts and Agreements without Approval from School District Board of Directors</p>	<p>1). Obtain approval from the Board of Directors prior to entering into written and verbal contracts in compliance with PSC Section 508.</p> <p>A) All contracts over \$100 are approved by the Board of Directors as of the start of Mr. Nadonley's term as Superintendent.+</p> <p>B) Board minutes and agenda serve as documentation and correspond with invoices and purchase orders.+</p> <p>C) Prismworks Technology Inc. - The district <u>no longer</u> does business with the company. The district has Board approved contracts with In-Shore Technologies Inc. on file for technology support.+</p> <p>D) Cellular Phone Companies- The district <u>no longer</u> has contracts with any cellular phone company as of 3/2/09. Administrative contracts allow for monthly reimbursement for cellular phone/home internet use if used by the administrator for school business. +</p>	<p>1). Superintendent</p>	<p>3/2/2009 COMPLETE</p> <p>3/2/2009 COMPLETE</p> <p>3/2/2009 COMPLETE</p> <p>3/2/2009 and 8/18/2009 COMPLETE</p>

Finding No. 7**(Continued).....****Entering into Contracts and
Agreements without Approval from
School District Board of Directors**

- E) School Wires-The district no longer 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 no longer 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
COMPLETE3/2/2009 for
rentals.
COMPLETE9/12/2011 for
Legal opinion
COMPLETE3/2/2009
COMPLETE3/2/2009
COMPLETE

<p><u>Finding No. 7</u></p> <p>(Continued).....</p> <p>Entering into Contracts and Agreements without Approval from School District Board of Directors</p>	<p>2). Familiarize themselves with IRS Form 1099 and DR reporting guidelines and instructions.</p> <p>A) District payroll personnel began issuing 1099 forms all inclusively to all independent contractors, referees, score keepers, etc. Consultation meeting to review guidelines and requirements for the 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. +</p> <p>3). Contact the IRS to determine if a revised Form 1099 is necessary.</p> <p>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.</p> <p>4). Remit the proper sales tax for computer rental to the DR.</p> <p>A) Proper remittance in the amount of \$846.72 was submitted on 8/8/2011 to 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. *</p>	<p>2). Business Manager and Payroll Secretary</p> <p>3). Superintendent</p> <p>4). Superintendent and Business Manager</p>	<p>7/1/2011 COMPLETE</p> <p>PENDING</p> <p>8/4/2011 and 8/8/2011 COMPLETE</p>
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<p><u>Finding No. 7</u></p> <p>(Continued).....</p> <p>Entering into Contracts and Agreements without Approval from School District Board of Directors</p>	<p>B) District received interest charges on 9/1/2011 and they were paid on 9/19/2011*</p> <p>5). Deposit proceeds from the lease of District equipment into the general fund, not a separate account.</p> <p>A) Proceeds from the separate account known 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. *,+</p> <p>6). THE BOARD will ensure that all written and verbal contracts are approved by the Board prior to approving contracts.</p> <p>A) All contracts over \$100 are approved by the Board of Directors as of the start of Mr. Nadonley's term as Superintendent. +</p>	<p>Superintendent and Business Manager</p> <p>5). Business Manager</p> <p>6). Board of Education, Superintendent, and Business Manager</p>	<p>9/19/2011 COMPLETE</p> <p>9/18/2011 COMPLETE</p> <p>3/2/2009 COMPLETE and ON-GOING</p>
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<p><u>Finding No. 7</u></p> <p>(Continued).....</p> <p>Entering into Contracts and Agreements without Approval from School District Board of Directors</p>	<p>*Denotes that documentation of compliance is in corrective action folder.</p> <p>+ Compliance can be found in files, minutes, list of bills, contracts or other agreements.</p>		
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Finding	Recommendation/ Corrective Action	Person (s) Responsible for Implementing Corrective Action/ Recommendation	Completion Date
<p><u>Finding No. 8</u></p> <p>Continued Internal Control Weakness Noted in Student Activity Fund Operations</p>	<p>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.</p> <p>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. *</p> <p>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.*</p>	<p>1). High School Principal, Business Manager, and advisors.</p> <ul style="list-style-type: none"> • High School Principal • High School Principal and Business Manager 	<p>6/3/2011 COMPLETE</p> <p>3/24/2011 COMPLETE</p> <p>6/3/2011 COMPLETE</p>

<p><u>Finding No. 8</u></p> <p>(Continued).....</p> <p>Continued Internal Control Weakness Noted in Student Activity Fund Operations</p>	<p>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. *</p> <p>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. *</p> <p>2). Ensure that minutes are being kept, and that bylaws and listing of club officers are present.</p> <p>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. *</p> <p>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.</p>	<ul style="list-style-type: none"> High School Principal and Business Manager High School Principal and Business Manager <p>2). High School Principal</p> <ul style="list-style-type: none"> High School Principal and Business Manager 	<p>ON-GOING</p> <p>6/3/2011 COMPLETE</p> <p>3/24/2011 COMPLETE</p> <p>6/3/2011 COMPLETE</p>
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<p><u>Finding No. 8</u></p> <p>(Continued).....</p> <p>Continued Internal Control</p> <p>Weakness Noted in Student Activity</p> <p>Fund Operations</p>	<p>Audit recommendations will be shared with the club and advisors after the audit. *</p> <p>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. *</p> <p>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. *</p> <p>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. *</p>	<ul style="list-style-type: none">• High School Principal and Business Manager• High School Principal and Business Manager• High School Principal	<p>ON-GOING</p> <p>3/15/2011 COMPLETE</p> <p>3/15/2011 COMPLETE</p>
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<p><u>Finding No. 8</u></p> <p>(Continued).....</p> <p>Continued Internal Control Weakness Noted in Student Activity Fund Operations</p>	<p>B) New club packet and sample forms prohibit the practice of using other account's monies to offset shortfalls in accounts with negative balances. *</p> <p>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. *</p> <p>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. *</p>	<ul style="list-style-type: none"> • High School Principal • High School Principal and Business Manager • High School Principal and Business Manager 	<p>3/24/2011 COMPLETE</p> <p>6/3/2011 COMPLETE</p> <p>ON-GOING</p>
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<p><u>Finding No. 8</u></p> <p>(Continued).....</p> <p>Continued Internal Control Weakness Noted in Student Activity Fund Operations</p>	<p>E) 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. *</p> <p>5). Develop policies and procedures in addition to PSC and board policy governing the management of student activity funds. A) See above recommendations and corresponding corrective actions that bring recommendation “5” into compliance. *</p> <p>6). Provide training sessions to advisors reviewing the PSC, board policy, administrative policies and procedures governing the management of student activity funds. A) See above recommendations and corresponding corrective actions that bring recommendation “6” into compliance. *</p> <p>*Denotes that documentation of compliance is in corrective action folder.</p> <p>+ Compliance can be found in files, minutes, list of bills, contracts or other agreements.</p>	<ul style="list-style-type: none"> • High School Principal <p>5). Superintendent, High School Principal, and Business Manager</p> <p>6). Superintendent, High School Principal, and Business Manager</p>	<p>3/15/2011 COMPLETE</p> <p>COMPLETE As related to above.</p> <p>COMPLETE As related to above.</p>
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<p><u>Observation No. 1</u></p> <p>Unmonitored Vendor System Access and Logical Access Control Weakness</p>	<p>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.</p> <p>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.*,+</p>	<p>1.) Technology Director</p> <p>• Technology Director</p>	<p>March 2010 COMPLETE</p>
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<p><u>Observation No. 1</u></p> <p>(Continued).....</p> <p>Unmonitored Vendor System Access and Logical Access Control Weakness</p>	<p>B) <i>“Microsoft Active Directory”</i> 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. *</p> <p>C) The district has ordered <i>“Kiwi Sys Log”</i> to monitor all incoming and outgoing connections to the Firewall. *,+</p> <p>2). The district should only allow access to their system when the GACTC needs to make pre-approved 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.</p> <p>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. *,+</p>	<ul style="list-style-type: none"> • Technology Director • Technology Director <p>2). Technology Director</p> <ul style="list-style-type: none"> • Technology Director 	<p>April 28, 2009 COMPLETE</p> <p>February 9, 2012 COMPLETE</p> <p>March 2010 COMPLETE</p>
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<p><u>Observation No. 1</u></p> <p>(Continued).....</p> <p>Unmonitored Vendor System Access and Logical Access Control Weakness</p>	<p>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. *</p> <p>3). The district should ensure that the contract with the vendor contains a non-disclosure agreement for the district's proprietary information.</p> <p>A) Contract and supporting documentation is in the supporting documents folder. *</p> <p>4). The district should maintain documentation to evidence that terminated employees are properly removed from the system in a timely manner.</p> <p>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. +, *</p>	<ul style="list-style-type: none">• Technology Director <p>3). Technology Director</p> <p>4). Technology Director</p>	<p>February 3, 2012 COMPLETE</p> <p>December 6, 2011 COMPLETE</p> <p>December 1, 2011 COMPLETE</p>
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<p><u>Observation No. 1</u></p> <p>(Continued).....</p> <p>Unmonitored Vendor System Access and Logical Access Control Weakness</p>	<p>5). The district should develop policies and procedures to require written authorization when adding, deleting, or changing a userID.</p> <p>A) Effective April 20, 2011, the District developed employee “<i>Exit Form</i>” to address deleting of accounts and other items that the district is concerned about when an employee leaves the district.+,*</p> <p>B) Effective June, 29, 2009, the district revised its <i>Acceptable Use Policy</i> and this established a written procedure to add a user ID and system access.</p> <p>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.</p> <p>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 “<i>Systems Upgrade/Update</i>” folder. *</p>	<p>5). Technology Director</p> <p>6.) Technology Director</p>	<p>April 20, 2011 COMPLETE</p> <p>June 29, 2009 COMPLETE</p> <p>February 3, 2012 COMPLETE</p>
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<p><u>Observation No. 1</u></p> <p>(Continued).....</p> <p>Unmonitored Vendor System Access and Logical Access Control Weakness</p>	<p>maintain a password history that will 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).</p> <p>A) The MircoSoft Platform that was installed in the Summer of 2009 has a built in 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. +</p> <p>B) Passwords are a minimum length of six characters. It is recommended annually that employees use variations of alpha, numeric, special characters. +,*</p> <p>C) The district maintains a password history on “MicroSoft Active Directory” that will 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. +</p>	<p>Technology Director</p> <p>Technology Director</p> <p>Technology Director</p>	<p>June 29, 2009 COMPLETE</p> <p>June 29, 2009 COMPLETE</p> <p>June 29, 2009 COMPLETE</p>
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<p><u>Observation No. 1</u></p> <p>(Continued).....</p> <p>Unmonitored Vendor System Access and Logical Access Control Weakness</p>	<p>*Denotes that documentation of compliance is in corrective action folder.</p> <p>+ Compliance can be found in files, minutes, list of bills, contracts or other agreements.</p>		
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Observation	Recommendation/ Corrective Action	Person (s) Responsible for Implementing Corrective Action/ Recommendation	Completion Date
<p><u>Observation No. 2</u></p> <p>Memorandum between District and the Pennsylvania State Police was not updated in a timely fashion.</p>	<p>1). Continue to review, update and re-execute MOU between the district and Pennsylvania State Police.</p> <p>A) New MOU was updated on 2/16/2011.</p> <p>B) An electronic task reminder has been placed on Superintendent's <i>Microsoft Outlook Task List</i> to serve as a bi-annual reminder/procedure to review, update, and re-execute MOU between the district and Pennsylvania State Police.</p> <p>2). Adopt a policy requiring the administration to review and re-execute the MOU every two years.</p> <p>A) A policy was adopted on April 19, 2011 requiring the administration to review and execute the MOU every two years.</p> <p>B) Draft Policy 218.1, Final Policy 218.1,</p> <p>C) Board agenda of 4/19/2011, and approved minutes provide</p>	<p>1). Superintendent & High School Principal</p> <p>2). Superintendent, Secretary, and Board</p>	<p>2/16/2011 COMPLETE</p> <p>5/19/2011 COMPLETE</p>

<p><u>Observation No. 2</u></p> <p>(Continued).....</p> <p>Memorandum between District and the Pennsylvania State Police was not updated in a timely fashion.</p>	<p>supporting data.</p> <p>*Denotes that documentation of compliance is in corrective action folder.</p> <p>+ Compliance can be found in files, minutes, list of bills, contracts or other agreements.</p>		
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STATUS OF PRIOR AUDIT FINDINGS and OBSERVATIONS From pages 37-39

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