

## Solomon Elementary School District #5

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July 22, 2019

Ms. Lindsey Perry, Manager  
Office of the Auditor General  
2910 N 44<sup>th</sup> St., Suite 410  
Phoenix, Az. 85018

Dear Ms. Perry,

The Solomon Elementary School District respectfully submits its response to the Performance Audit for the 2018 fiscal year conducted by the Office of the Auditor General. We extend our thanks to the AG Staff for their consideration, professional conduct and the information and guidance offered to the District during the audit process.

The District concurs with the findings and recommendations resulting from the audit. We continually strive to perform at the highest levels of academic and fiscal management. The District welcomes any and all constructive input to that end. We will endeavor to ensure that the findings and recommendations are addressed and resolved expeditiously.

Solomon Elementary School District has a long and proud history of delivering a sound educational experience to its students and families. Solomon holds a well-deserved reputation for excellence within the community and with its peer Districts. We will use the input from the audit to make improvements in our operations to maintain that legacy.

Respectfully Yours,

Kevin W. England  
Superintendent

**Finding 1:** District's inadequate accounting and computer controls increased risk of errors and fraud and led to incorrect payments

District Response: The District agrees with the finding.

As a small school district the recommended separation of duties is not always possible. We will review our policies and procedures to ensure compensating controls are in place to provide the greatest protection possible to prevent the risk of errors and fraud.

**Recommendation 1:** The District should implement proper controls over its purchasing process by having the superintendent or District office administrative assistants review the vendor checks and supporting documentation before sending the payments.

District Response: The District agrees with the recommendation and will implement the recommendation.

The District will develop a policy and procedure where two employees will review the vendor checks and supporting documentation before mailing.

**Recommendation 2:** The District should implement controls over its payroll process by including additional District employees in the process to ensure proper separation of responsibilities.

District Response: The District agrees with the recommendation and will implement a modification to the recommendation.

The District will develop a policy and procedure where two employees will review the payroll for accuracy to prevent over/underpayments..

**Recommendation 3:** The District should ensure that employees' duties or additional duties and related payments are addressed in annual contracts or personnel/payroll action forms, approved in advance of the work being performed as required by the *Uniform System of Financial Records for Arizona School Districts*, and maintained in employee personnel files.

District Response: The District agrees with the recommendation and will implement the recommendation.

The District will review and revise their current procedures.

**Recommendation 4:** The District should establish and implement procedures to review employee pay to help ensure that employees are paid correctly and rectify any overpayments or underpayments made to employees.

District Response: The District agrees with the recommendation and will implement the recommendation.

The District will develop a policy and procedure where two employees will review the payroll for accuracy to prevent over/underpayments.

**Recommendation 5:** The District should ensure that its superintendent's contract is structured in a manner in which up to 20 percent of the superintendent's total annual salary is classified as performance pay, and that the contract includes the performance goals the superintendent must meet in order to receive that portion of pay.

District Response: The District agrees with the recommendation and will implement the recommendation.

September board meeting the board will approve Superintendent's performance pay contract for fiscal year 2020

**Recommendation 6:** The District should ensure that it retains adequate documentation to demonstrate that teachers met their performance pay goals.

District Response: The District agrees with the recommendation and will implement the recommendation.

Documentation's/Survey's will be kept on file not just an overall tally.

**Recommendation 7:** The District should limit users' access in the accounting system to help ensure that no employee can initiate and complete a transaction without an independent review and approval.

District Response: The District agrees with the recommendation and will implement the recommendation.

The District will review all user roles and access. The District will enact controls and access to accounting system to only those needing access to perform the business of the District.

**Recommendation 8:** The District should ensure that its network-connected servers have currently supported operating systems installed or reduce the risk of computer-related attacks by limiting their use and/or remove the network access to these servers.

District Response: The District agrees with the recommendation and will implement the recommendation.

The District will work with the IT department to create a district technology plan that includes a timeline for upgrading old operating systems.

**Recommendation 9:** The District should implement and enforce stronger password requirements for its accounting and student information systems.

District Response: The District agrees with the recommendation and will implement the recommendation.

The District has since implemented and enforced stronger password requirements for staff. These requirements meet common guidelines for strong passwords.

**Recommendation 10:** The District should create and implement a customized written IT contingency plan, test it periodically to identify and remedy any deficiencies, and store backup drives in a secure location, separate from its server.

District Response: The District agrees with the recommendation and will implement the recommendation.

The District will develop a contingency plan to ensure it is thorough and meets the needs of the district. We will also build ways to test the plans effectiveness.

**Finding 2:** Bat infestations created potential health and safety concerns

District Response: The District agrees with the finding.  
The District will continue to inspect and seal any openings that the bats can enter.

**Recommendation 11:** The District should continue working to seal the classroom building and address any potential health and safety hazards related to its fiscal year 2017 bat infestation.

District Response: The District agrees with the recommendation and will implement the recommendation.

The School District will continue to work on the recommendation. The School along with SFB have replaced entire roof. Replacing plywood, felt pad, replaced ceramic tiles with shingles. All fascia replaced with screened vents to prevent and alleviate bats from entering attic.

**Recommendation 12:** The District should incorporate a bat prevention plan into its overall building preventative maintenance plan to protect it from future infestations and health and safety risks as recommended in consultant reports from the 2 prior bat infestations.

District Response: The District agrees with the recommendation and will implement the recommendation.

The District is in the process of adding a bat prevention plan in our building maintenance preventative plan. We will continue to inspect and seal any openings that the bats can enter.

**Finding 3:** District needs to improve transportation program oversight

District Response: The District agrees with the finding.  
The District has already implemented new procedures for the oversight of the transportation program.

**Recommendation 13:** The District should establish a formal written policy that states what preventative maintenance work will be completed at what mileage or time frame, perform bus preventative maintenance in accordance with its policy, and maintain documentation of preventative maintenance performed to comply with the Minimum Standards and help ensure a safe transportation program.

District Response: The District agrees with the recommendation and will implement the recommendation.

The District has a plan implemented for maintenance and mechanics which comply with the Minimum Standards. Documentation is kept on file of each inspections and mileage logs.

**Recommendation 14:** The District should ensure its bus drivers perform pretrip inspections and should maintain documentation of these inspections.

District Response: The District agrees with the recommendation and will implement the recommendation.

The bus drivers are required to perform pretrip inspections and maintain documentation before proceeding on any trips.

**Recommendation 15:** The District should accurately calculate and report to ADE for State funding purposes the number of route miles traveled and actual number of students transported.

District Response: The District agrees with the recommendation and will implement the recommendation.

District has instituted a procedure where bus drivers perform a hard count of riders on each trip using a counter and records the data on a daily basis. That data will then be used to report student counts to ADE. A mileage log is also kept on each bus and data is recorded on a daily basis.

**Recommendation 16:** The District should work with ADE to determine whether it should correct errors it made in reporting its fiscal year 2017 miles and riders.

District Response: The District agrees with the recommendation and will implement the recommendation.

The School District will work with ADE on correcting errors.

**Recommendation 17:** The District should implement proper controls over its fuel card process, such as requiring employees to record the vehicle number and accurate odometer readings when fueling, reviewing all employees' fuel purchases to determine whether they appear reasonable, and investigating any questionable purchases and taking action, as appropriate.

District Response: The District agrees with the recommendation and will implement the recommendation.

Fuel cards will be used to fuel busses. Odometer and vehicle number will be documented on each fuel purchase to ensure there is no misuse of fuel cards. Fuel purchases for riding tractor will be documented on receipts when no odometer reading is available.

**Recommendation 18:** The District should work with its fuel vendor to determine if the vendor can add restrictions to the fuel cards, including restricting the days and times that fuel can be purchased with a fuel card or the number of times a fuel card can be used each week. If the vendor is not able to add these features, the District should implement another method for obtaining this information, such as requiring its bus drivers and other employees who fuel District vehicles to complete fuel logs so that it can match the vendor receipts to the logs to further ensure the appropriateness of fuel purchases and the use of the vehicles.

District Response: The District agrees with the recommendation and will implement the recommendation.

The District has since implemented and requires bus drivers and employees that fuel school vehicles to complete fuel logs to be kept on file with receipts.

**Recommendation 19:** The District should require all employees who use fuel cards to sign a user agreement that directs them on appropriate fuel use and fueling procedures, as well as consequences for misusing the fuel cards.

District Response: The District agrees with the recommendation and will implement the recommendation.

The District will create a user agreement for fueling procedures and misuse of fuel cards for employees to sign