



Continental School District No. 39

Governing Board

Ruth E. Bennett, *President*
Andrew McGibbon, *Clerk*
Sergio Arellano, *Member*
Shelley Kais, *Member*
Stephen Oesterle, *Member*

Administration

Roxana Rico, *Superintendent*
DeAnna Cuevas, *Principal*
Steven Lathen, *Director of Student Services*
Stacy Matthews, *Director of Business Services*

Address

1991 E. White House Canyon Road
P. O. Box 547
Green Valley, Arizona 85622-0547
Telephone: 520.625.4581
Fax: 520.648.2569
<http://www.continentalesd.org>

October 29, 2019

Ms. Lindsey Perry
Office of the Auditor General
2910 N. 44th Street, Suite 410
Phoenix, AZ 85018

Dear Ms. Perry,

The Continental School District respectfully submits its response to the performance audit report conducted for fiscal year 2017. The Continental School District would like to extend our appreciation to Mr. John A. Ward, Manager of the Division of School Audits, and his team for their time and patience demonstrated throughout the auditing 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.

If you have any questions regarding the answers attached to this letter, please feel free to contact myself or Ms. Stacy Matthews, Director of Business Services.

Sincerely,

Roxana Rico
Superintendent
Continental School District No. 39

Finding 1: District lacked adequate accounting and computer controls, which increased risk of errors and fraud

District Response: The District agrees with the finding.

The district has already or will implement the following changes in order to reduce the risk of errors and fraud.

Recommendation 1: Ensure proper separation of responsibilities over its payroll process, including adequate supervisory review.

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

Director of Business Services and Director of Human Resources have already developed a system to separate responsibilities and to provide a checks and balances for each other's work.

Recommendation 2: Only pay its employees according to their contracted amounts.

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

Director of Business Services will review payroll journal and spot check actuals inputted by Director of Human Resources.

Recommendation 3: Ensure that employees make purchases only after obtaining proper approval and pay vendors or reimburse employees only after verifying that purchases are appropriate, documenting that all purchases have been received, and ensuring that billings are accurate.

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

The district will ensure that purchasing procedures are followed.

Recommendation 4: Strengthen its controls over cash handling by separating responsibilities over collecting, depositing, and reconciling cash among current employees; preparing and issuing numerically controlled receipts for all cash that it receives; and restrictively endorsing checks upon receipt.

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

Director of Business Services is working with Accounts Payable to develop a system to strengthen controls over cash handling. Mail will be opened together and sign that funds were received. Director of Business Services will handle receipts and Accounts Payable will handle deposits. A stamp indicating DEPOSIT ONLY has been ordered.

Recommendation 5: Ensure proper separation of responsibilities over credit card purchases and pay for credit card purchases only after verifying them against issued receipts.

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

The following process has been put in place. Director of Business Services will maintain custody of the credit cards. Accounts payable will be responsible for recording purchases and Director of Business Services will reconcile statements and Accounts payable will distribute payment to vendors.

Recommendation 6: Limit users' access in the accounting system to only those functions needed to perform their job duties, including removing the business office employee's administrator-level access and transferring it to someone outside the business office.

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

The district has already removed the Director of Business Services administrator-level access to accounting system. Future entries will be closely monitored to ensure the user only has access appropriate to their job.

Finding 2: District did not adequately oversee its transportation program, resulting in potential safety risks

District Response: The District agrees with the finding.

The district has a new Transportation Coordinator and the district has already or will implement the following changes to ensure minimizing of safety risks.

Recommendation 7: Develop and implement bus preventative maintenance policies indicating services to perform and how often, as well as procedures to track and document that services are systematically performed to ensure student safety and to comply with the State's Minimum Standards.

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

Director of Transportation along with Transportation Coordinator have developed a Google Doc in order to track and document services to ensure preventative maintenance policies are followed. Winter break will be when preventative maintenance and oil changes are conducted.

Recommendation 8: Develop and implement procedures to ensure that bus drivers meet certification requirements and document that requirements have been met to help ensure student safety and to comply with the State's Minimum Standards.

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

Director of Transportation along with Transportation Coordinator have developed a Google Doc in order to track and document training services and to ensure certification requirements are met. Director of Human Resources will also have access to Google Doc and will assist with ensuring requirements are met. Transportation coordinator will meet with DPS in August to review training and documentation for all drivers.