

BEAVER CREEK SCHOOL DISTRICT #26
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November 23, 2010

Debra Davenport
Auditor General
2910 N 44th St, Suite 410
Phoenix, Arizona 85018

Re: Response to Beaver Creek Elementary District #26 Performance Audit

Dear Ms. Davenport,

Beaver Creek Elementary School District respectfully submits its response to the Performance Audit of fiscal year 2008-2009.

Attached is the response to the District Overview, the findings and recommendations. Included in the response is the District's plan to implement the recommendations.

We would like to thank your staff for their professionalism and assistance throughout the audit.

Please contact me if you have any questions.

Sincerely,

Karin Ward
Superintendent/Principal

Enclosure

School Board Members
Jo Burke, Karen DuFresne, Gareld Hardy, Miguel Hernandez, Sheila Van Dyke,

District Overview Response:

Beaver Creek School District appreciates the opportunity to respond to the District Overview page, specifically less funding for the school and lower academic achievement.

Concerning less funding to the school district: The Governing Board has taken the stance of providing a fiscally responsible budget to the taxpayers; therefore, overrides have never been an option as in many of the comparison peer districts. Grant funding is lower due to the lower census poverty rate for the unincorporated community. The district continues to advocate for a change in the funding formula for entitlement grants. The District understands not being able to quantify the free and reduced lunch rate of schools. Yet at Beaver Creek the rate has jumped from 67% to 93% in two year's time; whereas, our census poverty rate remains relatively the same.

Concerning academic achievement: The School District began using the State approved AIMSweb assessment (much like DIBLES) for measuring kindergarten readiness in 2005-2006. Beginning in that year, an average of 96% of entering kindergartners knew NO letters. For the 2008-2009 year that equated to 42 out of 44 of the students knowing no letters. As the District tracked this data, it became apparent in the community that the lack of pre-school opportunities put 96% of the students far below peers in other communities. Beaver Creek communities had no daycare, no Head Start, no preschool, and no preschool library programs.

Through community efforts, a preschool began for a small group of children in 2008-2009. Then through stimulus funds in 2009-2010, preschool opportunities were expanded in Beaver Creek School to include two pre-school classes and one Head Start class. This year's kindergarten entrance data celebrates the payoff with a 52% growth rate in recognizing letters. This year only 21 of the 48 students did not know their letters.

The historical kindergarten readiness data showed the Governing Board that not only must they continue to fund preschool opportunities but also continue to fund full-day kindergarten at the local level.

Based on annual review of the District AIMS data, it is evident by the 7th and 8th grade that students have caught up with their peers. Through data-driven school improvement efforts the staff has identified and implemented research-based reading strategies for the school population having a Walk to Read Period for students to receive leveled reading instruction, hired an instructional coach to work with teaching staff on indentified areas of instruction, began progress monitoring of lower quartile students by setting and measuring rates of improvement, and this year adding HEART (Homework, Enrichment, Accelerated Reader, and Tutoring), an additional 30 minutes onto the school day for formative assessment reteaching and enrichment opportunities for those on or

above grade-level. These strategic interventions provided by the staff will continue to pay off for the students in Beaver Creek Elementary School District.

Lastly, concerning the academic levels of students, the District will request from the Student Accountability Information System, the opportunity to review data of students entering into a school district after the first 10 days. In 2008-2009, 93 students entered into Beaver Creek School after the 10th day. This mobility not only affects the office in registration and records request procedures, it affects each classroom. Each child comes with unique talents and academic knowledge of which staff needs to assess to provide the best educational path for the student. It takes time to get to know each student and best serve his or her needs. It would be enlightening to see a state formula that would calculate this mobility so that districts can evaluate the impact on student achievement.

Finding 1: District operates efficiently with lower costs than peer districts’.

Response:

The District makes every effort to be fiscally responsible with taxpayer dollars and appreciates the recognition of lower administrative costs, low plant operation costs, efficient food service program, efficient transportation program and acknowledges that many employees do indeed “wear many hats”.

Finding 2: Inadequate controls increase risk of errors, fraud, and misuse of sensitive information.

Recommendations:

- 2.1 The District should implement a more detailed review of the information entered into the payroll system to help ensure that unauthorized changes to pay rates or data input errors are identified.
- 2.2 The District should limit employees’ access to only those accounting system functions need to perform their work and should develop and implement a system of formal written policies to ensure that terminated employees have their network access promptly removed.
- 2.3 The district should improve accounting system password controls by ensuring that all users have log-in credentials, establishing a process for users to change assigned passwords to a confidential one that meets minimum complexity requirements, and requiring users to change their passwords periodically.

- 2.4 The District should establish a written agreement with the Yavapai County School Superintendent's Office that outlines each party's responsibilities for its accounting system.

Response:

- 2.1 The District concurs with this finding and has established a review procedure to ensure rates are not changed and data is entered correctly. The Business Manager now reviews pay rates periodically and compares the payroll journal against the timesheets each time payroll is prepared.
- 2.2 The District concurs with this finding and will include in the IT policies written guidance for level of access of accounting personnel to the software. District has already amended the Personnel Action Form to include a termination section that requests IT to remove employees' network access.
- 2.3 The District concurs with the finding and will work with the County to establish a procedure for changing passwords.
- 2.4 The District concurs with this finding and will work with the County to establish a written policy.

Other Finding: 'Stronger performance pay criteria needed'.

Response:

The District concurs with this finding. In 2009-2010 the District calculated rates of improvement for each class based on benchmark assessments. In Fiscal Year 2011 the rates of improvement will be set as part of performance pay requirements.