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AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

September 30, 2009

The Honorable Thayer Verschoor, Chair
Joint Legislative Audit Committee

The Honorable Judy Burges, Vice Chair
Joint Legislative Audit Committee

Dear Senator Verschoor and Representative Burges:

Our Office has recently completed a 24-month followup of the Chandler Unified School District's implementation status for the 19 audit recommendations presented in the performance audit report released in August 2007. As the attached grid indicates:

- 18 recommendations have been implemented; and
- 1 recommendation is in the process of being implemented.

Unless otherwise directed by the Joint Legislative Audit Committee, this report concludes our follow-up work on the District's efforts to implement the recommendations resulting from the August 2007 performance audit.

Sincerely,

Ross Ehrick, CPA
Director, Division of School Audits

RE:jw
Enclosure

cc: Dr. Camille Casteel, Superintendent
Governing Board
Chandler Unified School District

CHANDLER UNIFIED SCHOOL DISTRICT

Auditor General Performance Audit Report Issued August 2007 24-Month Follow-Up Report

Recommendation	Status/Additional Explanation
CHAPTER 1: Administration	
1. The District should reduce the number of procurement cards in use.	Implemented at 6 months The District reduced the number of procurement cards by nearly 20 percent, but still maintains 365 cards.
2. The District should more effectively implement its controls and reviews to protect against misuse of procurement cards.	Implemented at 6 months
3. The District should ensure that applicable discounts are obtained for all purchases and that items available in the warehouse are used first.	Implemented at 12 months
4. The District should determine whether items frequently purchased with p-cards should be purchased in bulk and maintained in the District's warehouse.	Implemented at 6 months The District has established a process to review procurement card purchases on an ongoing basis and make recommendations to the warehouse staff to stock items that appear to be purchased frequently.
5. The District should review whether employees currently provided cell phones actually require these phones as a necessary part of their job duties.	Implemented at 6 months The District reduced the number of its issued cell phones only slightly. However, the District established clear guidelines identifying staff eligible for a district cell phone based on their job duties and required 37 ineligible employees to return their phones. Auditors noted that the District had issued new phones to 28 other employees, who were previously without district-issued cell phones.
6. The District should review its cell phone policy to determine whether employees are reimbursing an appropriate amount for their personal use.	Implemented at 6 months
7. The District should follow its cell phone policies and ensure that cell phone agreements are signed by each user, and that monies owed the District are collected in a timely manner.	Implemented at 6 months

Recommendation**Status/Additional Explanation****CHAPTER 2: Student transportation**

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| 1. The District should increase oversight of its fuel card usage. Fuel cards for vehicles no longer in service should be canceled immediately. Additionally, the District should closely monitor fuel invoices for any improper or unusual fuel purchases and fuel efficiency. | Implemented at 6 months |
| 2. The District should maintain complete driver files and periodically review them to ensure that all driver requirements are met and in accordance with DPS Minimum Standards. | Implemented at 6 months |
| 3. The District should review rider counts throughout the year to evaluate and adjust routes to increase efficiency. | Implemented at 6 months |
| 4. To aid in evaluating the efficiency of its transportation program, the District should establish and monitor performance measures such as cost per mile, cost per rider, and bus capacity usage. | Implemented at 6 months |
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CHAPTER 3: Plant operation and maintenance

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| 1. The District should analyze its plant costs to identify ways to reduce its costs per square foot. | Implemented at 12 months |
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Recommendation**Status/Additional Explanation****CHAPTER 4: Proposition 301 monies**

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| 1. The District should use performance pay monies only for salary increases that are based on performance measures included in its plan and adopted by its Governing Board. A.R.S. §15-977(C) provides a list of sample performance measures such as measures of academic progress, dropout and graduation rates, attendance rates, and ratings of school quality by parents and students. | Implemented at 24 months |
| 2. The District should review its performance pay plan to ensure that compensated activities are optional and that eligible employees are performing activities for which they are not already compensated during normal contracted hours. | Implemented at 6 months |
| 3. The District should ensure that menu option monies are spent only for eligible employees or for purposes allowed by statute. | Implemented at 12 months |
| 4. The District should ensure that adequate documentation is retained for 3 years to demonstrate that Proposition 301 monies were spent in accordance with statute and the District's plan. | Implemented at 12 months |

CHAPTER 5: Classroom dollars

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| 1. The District should classify all transactions in accordance with the Uniform Chart of Accounts for school districts. | Implemented at 12 months |
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CHAPTER 6: English Language Learner programs, costs, and funding

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| 1. The District should comply with statutory requirements to provide 4 hours of English language acquisition in an ELL student's first year. | Implemented at 12 months |
| 2. The District should begin separately accounting for the incremental portion of ELL costs and retain supplemental documentation of how those amounts are being determined. | Implementation in process
The District continues to show improvement in recording its incremental ELL costs; however, it still includes some ELL costs as incremental that are not. |