



COTTONWOOD-OAK CREEK SCHOOL DISTRICT NO. 6

"THE DISTRICT OF OPPORTUNITIES"

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Superintendent
Barbara U'Ren

Director of Educational Services
Patricia Osborne

Director of Business Services
David Snyder

October 5, 2010

Debra Davenport
Auditor General
2910 North 44th Street, Suite 410
Phoenix, AZ 85018

RE: Response to Cottonwood-Oak Creek Elementary District #6 Performance Audit

Dear Ms. Davenport,

Cottonwood-Oak Creek ESD respectfully submits its response to the Performance Audit of fiscal year 2008-2009. The Performance Audit listed three main findings and one less significant area of concern.

Attached is the response to each of the findings and recommendations, and the District's plan to implement the recommendations.

The Cottonwood-Oak Creek School District is committed to operational efficiencies, effective stewardship of taxpayer funds, and increasing the amount of dollars to the classroom. We appreciate the professionalism of your staff, and their willingness to provide input and engage in dialogue during the audit process.

Please contact me if you have questions regarding the District response.

Sincerely,

Barbara U'Ren
Superintendent
Cottonwood Oak Creek School District

COTTONWOOD-OAK CREEK SCHOOL DISTRICT #6

Performance Audit Responses

Finding 1: Inadequate accounting and IT controls increase risk of errors and fraud

Recommendations:

- 1.1 The District should limit employees' access to only those accounting systems functions needed to perform their work and should remove all generic users accounts.
- 1.2 The District should develop and implement a system of formal written policies to ensure that terminated employees have their IT network access promptly removed.
- 1.3 The District should require user-defined passwords for IT network access and ensure that users periodically change these passwords.

Response:

- 1.1 The District concurs with this finding and will review all user functions to ensure access is limited to only needed functions. The District will remove all generic user accounts.
- 1.2 The District concurs with this finding and will include in the IT policies written guidance addressing removal of employee access after termination.
- 1.3 The District concurs with the finding and has implemented an automated system that requires users to periodically change passwords.

Finding 2: Food service program operates efficiently

Response:

The District appreciates recognition of the efficient operation of the food service program, and the efforts to effectively use commodities, generate revenue by selling meals to preschool and charter programs, and using those revenues to provide a free breakfast for all students.

Finding 3: District considering unification to increase efficiency and instructional spending

Recommendations:

- 3.1 As part of its unification planning, the District should continue to consider all opportunities for cost savings, such as streamlining staffing levels and eliminating duplicate positions.

3.2 If the District unifies with the union high school district, it should follow through on proposed reductions in noninstructional staffing levels in order to realize unification's cost-savings benefits.

Response:

3.1 The District concurs with the finding. During Governing Board discussions with the union high school district, it became very clear that any savings potential would come as a result of the elimination of duplicate positions. In a decision made earlier this year, the Governing Board of the Cottonwood-Oak Creek School District will not proceed toward unification with the high school district.

3.2 The District concurs with the finding, and if unification is considered in the future the proposed reductions in noninstructional staffing levels will be implemented.

Other Findings: District did not accurately report its costs

Recommendation:

The District should classify all transactions in accordance with the Uniform Chart of Accounts for school districts.

Response:

The District concurs with the finding and will properly classify expenditures according to the Uniform Chart of Accounts.