



CREIGHTON
SCHOOL DISTRICT

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Quality Instruction...
Caring Teachers...
Successful Students...

www.creightonschools.org

June 29, 2010

Debra Davenport, Auditor General
State of Arizona
Office of the Auditor General
2910 North 44th Street, Suite 410
Phoenix, AZ 85018

Dear Ms. Davenport:

Creighton Elementary School District has received the results of the Performance Audit conducted by your office pursuant to ARS §41-1279.03(A)(9). We have read and understand the categories, methodologies, and results of that audit.

We understand the source and reason for each recommendation. In many cases improvements have been implemented since the audit year 2007/2008. In other cases improvements were underway or were being planned as a result of an internal audit conducted in 2006/2007.

The enclosed document describes in more detail our response to each recommendation.

The District appreciates the value of this feedback and looks forward to implementing further improvements to our processes.

Sincerely,

Dr. Charlotte Boyle
Superintendent

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RESPONSE

ADMINISTRATION

1. The District should evaluate whether it can reduce its number of administrative positions to produce cost savings.

The District agrees with this recommendation.

Several Administrative reductions were implemented for fiscal year 2010. One Assistant Superintendent position was eliminated. Administrators' pay and benefits were reduced. The contract year was reduced for some Administrators. Budgets were reduced for all Administrative departments.

Additional Administrative reductions have been implemented for fiscal year 2011. Administrators' pay was further reduced. Budgets were again reduced for all Administrative departments.

Finally, the Auditor General, in its report "Dollars Spent in the Classroom/Proposition 301 Results, (Fiscal Year 2009)" reports that Administrative Costs for Creighton School District are "Comparable" to its Peer Average.

2. The District should determine whether and to what extent using public monies for purchasing meals and bottled water for staff not in travel status serves a public purpose and has educational value.

The District agrees with this recommendation.

On September 18, 2008 the District issued a memo and discontinued the practice of offering food during lengthy or after hours meetings. The general procurement of bottled water was discontinued on September 1, 2009.

3. The District should document salary changes by preparing contract addendums or payroll action forms. Also, it should seek the advice of counsel to determine the legality of the one-time pay increase in 2008 and whether any repayments are required.

The District agrees with this recommendation.

The district is seeking legal counsel in order to update our contract language to reflect the possibility of earning merit pay or pay for performance for our ESP staff.

Steps have been taken to improve communication and verification across departments. Additionally, a more robust Human Resources/Finance software system that automates approval processes, separates duties, and limits access more effectively is in implementation and will come fully on-line July 1, 2010.

The District has requested a legal interpretation to assist in final resolution of any overpayment issue. Decisions will be made after a review of that interpretation as well as a review of what is best for the District from a long term perspective.

4. The District should limit access to the accounting and payroll systems to the minimum necessary for employees to complete their job duties.

The District agrees with this recommendation.

Three positions have been assigned to monitor and maintain the segregation of access to critical menus in our automated accounting system. Inservice was provided on February 8, 2010 to help implement these capabilities and ensure that segregation of duties remains a priority.

5. To protect student information, accounting data, and the District's computer servers, the District should:
 - a. Require employees to regularly change their computer passwords;
 - b. Monitor access to the accounting system for appropriate access periodically and remove access immediately when employees leave employment with the District;
 - c. Ensure server rooms are adequately air conditioned if possible, and equipped with fire-suppression equipment;
 - d. Store backup tapes offsite in a secure location; and
 - e. Ensure its disaster recovery plan specifies appropriate employees, their contact information, and responsibilities in case of emergency. Copies of the plan should be stored offsite.

The District agrees with this recommendation.

In November of 2009 the District implemented computer password procedures requiring all employees with network access to change passwords every 180 days.

A more robust Human Resources/Finance software system that automates approval processes, separates duties, and limits access more effectively is in implementation and will come fully on-line July 1, 2010. Employees separating from the system will automatically be removed from access at the time the separation is posted.

As schools are modernized as part of our long term facilities program, adequate fire suppression and air conditioning systems are planned for our server rooms.

District designated server rooms currently meet recommended requirements. Backup tapes have been moved to secure offsite locations in fireproof safes.

The Disaster Recovery Plan has been modified and copies are stored at multiple offsite and onsite locations.

STUDENT TRANSPORTATION

1. To improve the efficiency of its student transportation program, the District should:
 - a. Evaluate its office and bus aide staffing levels to determine if the number of staff can be reduced;
 - b. Review bus driver staffing levels and scheduling to reduce the amount of overtime paid;
 - c. Establish better controls over the fuel inventory; and
 - d. Develop and monitor performance measures, such as cost per mile, cost per rider, and bus capacity usage.

The District agrees with this recommendation.

Bus aides have been reduced by two for fiscal year 2010 and by an additional two 2011. Of the office staff many also drive routes regularly or as needed to substitute. This may skew the appearance of the office staffing level.

Overtime paid by the Transportation Department decreased by a third in fiscal year 2009 and stabilized at that level in 2010.

Software will be added in the summer of 2010 that makes the District's fuel monitoring and security system complete. Weekly fuel usage is now monitored and evaluated, and reports kept on file.

Cost benchmarks will be established and monitored beginning fall 2010.

2. To ensure the safety of students and compliance with *Minimum Standards*, the District should:
 - a. Ensure that only buses are allowed in the bus loading/unloading areas and direct parents to the parent drop-off areas;
 - b. Ensure that bus drivers are exhibiting the proper procedures when backing up;
 - c. Ensure that school employees help load/unload students; and
 - d. Monitor the use of cross-walks.

The District agrees with this recommendation.

On June 18th, 2009 all concerned parties were briefed. A corrective action plan followed and was implemented for the 2009/2010 school year. Prior to the beginning of the 2010/2011 school year, Principals, Assistant Principals and District Bus Drivers will be inserviced on all applicable student transportation procedures. The Director of Transportation has been assigned to monitor drop-off and pickup zones throughout the year to ensure compliance.

3. The District should ensure that bus preventative maintenance is conducted and documented as specified in *Minimum Standards*.

The District agrees with this recommendation.

Procedures have been put into place to ensure preventative maintenance for buses is in compliance with state Minimum Standards.

PLANT OPERATIONS AND MAINTENANCE

1. If student enrollment continues to decline and the District's building capacity usage drops below 75 percent, the District should consider ways to reduce its excess building capacity and the related costs.

The District agrees with this recommendation.

Creighton School District is in the early stage of a long-term facilities update program. A bond authorization was recently passed. School size will continue to be a front line consideration as schools are modernized.

PROPOSITION 301 MONIES

1. The District should ensure that all eligible employees and only eligible employees received Proposition 301 monies.

The District agrees with this recommendation.

A written procedure was implemented on October 27, 2009, to define eligibility and coding for classroom site fund payments. We have added a specific line noting that educators of adults do not qualify for Classroom Site Fund dollars. We have reviewed the process for determining time of service eligibility to prevent future payments to employees who have not met that requirement.

2. The District should ensure that adequate documentation is retained to demonstrate that Proposition 301 monies were spent in accordance with the District's plan.

The District agrees with this recommendation.

As a part of our Response to Intervention framework, the District will develop specific data collection procedures to meet the requirements of Prop 301 recordkeeping for the 5% of performance pay monies in the "Identifying and Meeting Student Needs" section. For fiscal year 2011 payments, demonstration of appropriate recordkeeping will be a requirement for receiving payment.

CLASSROOM DOLLARS

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

The District agrees with this recommendation.

Some of these inconsistencies represent clerical oversights and some represent differences in interpretation of the text of the USFR. The Auditor General provides evidence to this end in that after corrections Dollars in the Classroom were higher than before. The District consults the USFR on a very regular basis and implements that guidance. Updated software to be fully implemented July 1, 2010 will make the classification of expenditures more easily audited.

2. The District should closely analyze its spending in nonclassroom operational areas to determine if savings can be achieved and whether some of those monies can be redirected to the classroom.

The District agrees with this recommendation.

Parameters used to construct the District budgets, for at least each of the last two years, have included a directive to seek efficiency in services and to keep reductions as far from the classrooms as possible. All adjustments to District budgets are evaluated for both classroom impact and for effect on classroom support.

The District receives a higher than average amount of state and federal assistance due to its high at-risk population. This creates a disadvantaged situation with regard to dollars in the classroom.