



ISAAC SCHOOL DISTRICT NO. 5

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Mario Ventura, Ed.D.
Superintendent

February 18, 2015

Debra Davenport
Auditor General
State of Arizona
2910 N. 44th Street, Suite 410
Phoenix, AZ 85018

RE: Response to Isaac School District #5 Performance Audit

Dear Ms. Davenport,

Isaac School District respectfully submits its response to the Performance Audit for the fiscal year 2012. The Performance Audit lists four findings and one other less significant finding along with recommendations. Attached is the District's response to each of the findings in the report.

The District concurs with all audit findings identified for FY2012. In FY2013, the District had a change in administration and began to implement procedures to address the various findings in the report. The district will continue to implement and review procedures according to the remaining recommendations suggested in order to maximize classroom expenditures from all available district resources.

The Isaac School District remains committed to fiscal responsibility, transparency, and effective stewardship of public funds. Thank you for the courtesy and professionalism extended to our staff by your audit team. We appreciate the worthwhile interaction throughout the audit process and value the Auditors General's input and collaboration in this process.

Please contact us if there are any questions regarding our response.

Sincerely,

Dr. Mario Ventura
Superintendent



Isaac School District Response to Audit Findings

Finding 1: District reduced classroom spending and increased nonclassroom spending.

District Response: The District concurs with this finding and in subsequent years has taken steps to increase classroom spending.

Recommendation 1: In light of the District's shift in spending away from the classroom and its inefficient operations highlighted in this report, the District should look for ways to reduce nonclassroom spending, especially in administration and plant operations, to allow it to direct more of its monies back into the classroom.

District Response: The District has increased its classroom spending in the years following this audit and continues to explore ways to reduce nonclassroom spending specifically in the areas of administration and plant operations.

Finding 2: High administrative and plant operations costs despite closing two schools.

District Response: The district concurs with this finding.

Recommendation 1: The district should review its administrative and plant operations staffing levels and employee benefit costs and determine if they can be reduced to produce cost savings.

District Response: The District has new administration and through reorganization is reviewing the staffing at the District Office. The new administrator in plant operations has reviewed and reduced the staffing in that department, primarily custodial positions. The District has taken steps to reduce employee benefit costs districtwide.

Recommendation 2: The District should review its plant operations purchased services costs, particularly its repair and maintenance costs, to determine if they can be reduced to produce cost savings.

District Response: The district is reviewing repair and maintenance purchased services costs to determine if they can be reduced to produce cost savings.

Finding 3: District needs to strengthen controls over computer network and systems.

District Response: [The District concurs with this finding](#)

Recommendation 1: The District should review employee access to the accounting system and modify access to ensure that an employee cannot initiate and complete a transaction without independent review and that employees have only the access necessary to meet their job descriptions.

District Response: [Employee access to the accounting system will be reviewed and modified for employees based on the access necessary to meet their job responsibilities.](#)

Recommendation 2: The District should implement procedures to ensure that network passwords are known only to the employees who create them. Further, the District should implement and enforce stronger password controls by requiring users to create more complex passwords and periodically change them.

District Response: [Procedures are in the process of being implemented to ensure that network passwords are known only to the employees who create them. The District is also enforcing stronger password controls by requiring users to create more complex passwords and is moving toward the requirement to change them at regular intervals.](#)

Recommendation 3: The District should develop and implement a formal process to ensure that terminated employees have their IT network and system access promptly removed.

District Response: [The District has implemented a formal process to ensure that all resigned or terminated employees have their network access and access to all District systems \(accounting, student data\) removed.](#)

Finding 4: Despite efficient bus routes, District's transportation program had high costs.

District Response: The district concurs with this finding. The higher costs are primarily due to the mandate to transport McKinney/Vento students. In 2012, the District paid approximately \$200,000 to transport these students.

Recommendation 1: The district should review its transportation employee salaries and benefit costs and determine if they can be modified to produce cost savings.

District Response: The District has implemented cost saving measures by reducing bus driver hours and having staggered school start/end times to reduce positions.

Other Findings: The District did not accurately report costs

District Response: The district concurs with this finding.

Recommendation 1: The district should classify all transactions in accordance with the Uniform Chart of Accounts for School Districts

District Response: The District has reviewed the items identified as not being classified in accordance with the Uniform Chart of Accounts for School Districts and agrees that many of the items were incorrectly coded. The District will continue to review expenditures to assure they are classified correctly.