

J. O. Combs Unified School District  
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*"Developing a Community of Empowered Learners for the 21<sup>st</sup> Century"*

Gayle A. Blanchard, Superintendent

August 11, 2010

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

RE: Response to J.O. Combs Unified School District #44 Performance Audit

Dear Ms. Davenport:

J.O. Combs Unified School District respectfully submits our response to the Performance Audit for fiscal year 2008-2009. The Performance Audit lists four findings along with recommendations.

Attached is the District's response to each of the findings in the report. The District concurs with these findings and will implement the recommendations suggested in order to maximize all available resources in the J.O. Combs Unified School District.

Thank you for the courtesy and professionalism extended to our staff by your audit team. We appreciate the worthwhile interaction throughout the audit process.

Sincerely,

Gayle A. Blanchard  
Superintendent

Governing Board

Patricia J. Pinckard, President  
Kathy Bourgeois, Member

Rey Flores, Member

Shelly Hargis, Clerk  
James Stobaugh, Member

## J.O. Combs Unified School District #44

### Performance Audit Responses

**Finding 1:** High transportation costs reflect District's growth and geographic size, but some improvements needed.

**Recommendations:**

- 1.1 The District should review its routes, especially its preschool special needs routes, to determine whether it can increase efficiency and lower costs.
- 1.2 To aid in evaluating the efficiency of its transportation program, the District should develop and monitor performance measures, such as cost per mile, cost per rider and bus capacity utilization.
- 1.3 As specified in the State's *Minimum Standards for School Buses and School Bus Drivers*, the District should ensure the preventative maintenance and repairs are conducted and documented.

**Response:**

- 1.1 The District concurs with this finding, and is in the process of combing regular education routes to maximize bus capacity. We will also continue to monitor and work closely with the Director of Student Services and will create transportation schedules for future preschool students. In addition, changes have occurred in the preschool schedule from 3 daily sessions to 2 sessions, eliminating several routes.
- 1.2 The District concurs with this finding, and is currently utilizing the Transportation Performance formula and will monitor quarterly. In addition, the District is exploring Fleet Management and Maintenance software programs.
- 1.3 The District concurs with this finding, and is currently implementing a system to track all preventative maintenance and repairs on all District Vehicles and filing said information in an existing vehicle file. In addition, the District is exploring Fleet Management and Maintenance software programs.

**Finding 2:** Proper District oversight leads to low food service costs

- 2.1 We appreciate your recognition of the District's efforts to implement effective techniques and practices in order to control costs and maintain a self-sufficient food service program.

**Finding 3:** Inadequate controls increased risk of errors and fraud

**Recommendations:**

- 3.1 The District should implement proper controls over its payroll processing to ensure adequate separation of responsibilities and proper documentation and approval of additional pay. Payroll process lacked proper separation of responsibilities.
- 3.2 The District should ensure that it requires an independent review and approval for all of its purchases prior to the purchases being made.
- 3.3 The District should limit employee's access to its computerized accounting system so that no one individual is able to complete a transaction without an independent review and approval.

**Response:**

- 3.1 The District concurs with the finding and will ensure appropriate internal controls exist in this area. The Director of Business Services will review *Change Log Reports* daily before authorizing payroll vouchers. The Payroll Supervisor and the Director of Business Services will review and authorize each payroll voucher. The District has modified contract language to include additional payment for cell phone stipends for all administrators. The district has implemented a process to ensure that all extra duty assignments require a Personnel Action Request (PAR) form and supervisor's approval prior to payment.
- 3.2 The District concurs with this finding and is currently setting up an electronic accounting module for each site and department. These modules will require proper approval steps prior to purchases being made. The District will train all staff regarding the purchasing procedures to ensure appropriate internal controls exist.
- 3.3 The District concurs with the findings and has identified and created access to various accounting modules as it relates to functions and job responsibilities of the employee. At times the access to modules has been expanded to allow for cross-training opportunities within the departments. The expanded access although beneficial when employees are absent, does create the possibility of lesser internal controls as it relates to the separation of duties. The District will ensure that access to various accounting modules is limited, lessening the chance of error or mishap.

**Other Findings:**

The District has not developed and formally documented Information Technology policies and procedures.

Recommendation: The District should develop, formally document, and implement all needed Information Technology policies and procedures to ensure the security and integrity of its computerized information.

**Response:**

The District concurs with the findings that there is a need for formally documented policies and procedures in the areas of data access, privacy and security, change management, and disaster recovery planning. The District agrees that we need procedures as well as tools to monitor the use of unauthorized software and attempts at network intrusion. The District has created and implemented network security procedures that address unsuccessful attempts for a network logon. The District is currently creating additional security procedures that address unsuccessful attempts for other software applications.

The District will develop, formally document, and implement all needed information technology policies and procedures to ensure the security and integrity of its computerized information.