



Maricopa Unified School District #20

44150 W. Maricopa/Casa Grande Highway
Maricopa, Arizona 85138

Board Members

Patti Coutre', President
AnnaMarie Knorr, Vice-President
Torri Anderson
Rhonda Melvin
Dr. Gary Miller

September 29, 2015

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

Dear Ms. Davenport:

The Maricopa Unified School District (MUSD) agrees with the findings and recommendations of the performance audit for FY 2012, and MUSD either has implemented the recommendations or will implement them soon.

Enclosed is our response to each finding. We have also submitted an electronic copy of our responses to Mr. Quinlan via email.

If you need any additional information please let me know.

Sincerely,

Steve Chestnut, Ed. D.
Superintendent

Maricopa Unified School District Performance Audit Responses

FINDING 1

Recommendation 1: The Maricopa Unified School District (MUSD) agrees with this finding and the recommendations, and MUSD has implemented the recommendations. Controls are now in place to ensure proper approvals are received and documented prior to any purchases. Approvals are generated in the Visions accounting system for most departments with email and hard copy signature approval for those not approved in the software system.

Since the year audited the District had turnover of staff in the Purchasing Department and processes were implemented to ensure that the proper approvals are received prior to any purchases. The District automated the requisition entry process utilizing the accounting software. The approvals from the end users/supervisors are electronic within the accounting system with only a few departments still requiring hard copy signatures or email approvals.

Recommendation 2: MUSD agrees with this finding and the recommendations, and MUSD will implement the recommendations. Arrangements have been made with various vendors for a 45 day billing cycle. Due to the board meeting schedule, some vouchers don't get approval in a timely manner. The District is working on a card vendor payment system with Commerce Bank to pay vendors within days of an invoice.

Recommendation 3: MUSD agrees with this finding and the recommendations, and MUSD has implemented the recommendations. Controls are currently in place to separate cash handling functions. Receipts are pre-numbered and collected with layered reviews of transmittals before money is deposited. Timely reconciliations and reviews are done by employees outside of the collection process.

All MUSD Food Service Staff has the cash handling training each school year. Total daily sales are counted by one staff member and final count by the cashier. Food Service has also began a quarterly audit procedure on all school sites. An independent MUSD staff member will go in and cashier for and/or or cook for a day. This enables the supervisor to determine if money sales, total tray count and/or food production reports are accurate and comparable. The internal auditor also compares sales reports provided by the POS system to compare with receipts. Since this is done regularly it is possible to catch oddities and irregularities in all areas of the food service department.

Recommendation 4: MUSD agrees with this finding and the recommendations, and MUSD will implement the recommendations. Accounting access has been limited and restricted to those who are directly responsible for the operations to which they have assigned access.

Recommendation 5: MUSD agrees with this finding and the recommendations, and MUSD will implement the recommendations. The Technology Department has eliminated all unnecessary accounts including those with and without administrative-level access, as well as disabling any vendor accounts that no longer require access. We have made sure there are no employees that

have more access than what is required to perform their daily job duties. Although we were not aware of any improper transactions, we took this concern very seriously. We now make sure all accounts being created, vendor or otherwise, have the proper access and are disabled in a timely manner.

Recommendation 6: MUSD agrees with this finding and the recommendations, and MUSD will implement the recommendations. The Technology Department has identified generic user accounts and deleted them. We are also no longer creating generic user accounts for security purposes, and this will no longer be an issue in the future.

Recommendation 7: MUSD agrees with this finding and the recommendations, and MUSD has implemented the recommendations. The Technology Department has elevated its password requirements for staff and students. All passwords now meet the suggested minimum requirements. At this time passwords are not set to expire, but that is something we will look into for the future.

Recommendation 8: MUSD agrees with this finding and the recommendations, and MUSD will implement the recommendations. The Technology Department has worked with Human Resources regarding employees leaving the district to combat unneeded access to the network when someone is longer employed. We now get communication directly from HR when someone has left the district, or his/her position has changed to grant or limit network access. There has also been a script created that is run manually to determine accounts that have not been used or have not been logged into in over 30 days, and to disable the account versus instead of deleting it in case of an error.

Recommendation 9: MUSD agrees with this finding and the recommendations, and MUSD will implement the recommendations. At this time the Technology Department does not have a completed disaster recovery plan. Information that needs to be addressed is identifying IT staff responsibilities during a system /equipment failure or interruption, as well as determining the district's ability to restore electronic data files from backup to prevent loss of sensitive and critical data. We are currently in the process of creating a comprehensive disaster recovery plan and we should have it completed no later than January 2016.

FINDING 2

The Maricopa Unified School District (MUSD) agrees with this finding and the recommendations, and MUSD has implemented the recommendations.

MUSD currently uses desegregation funds to address desegregation issues, while recognizing that there is always room to improve the appropriate use of these funds. It is correct that all of the original documentation pertaining to this issue was misplaced for several years. This was the result of the district office being relocated several times over the past few years as a result of construction.

On August 11, 2015 MUSD received all of the documents that the United States Department of Education, Office for Civil Rights (OCR) was able to provide on the MUSD case. As a result, the

Maricopa Unified School District has a clear understanding of the Office for Civil Rights violation that was brought to the attention of MUSD by OCR. This violation was described in a letter received from OCR on 12/23/93 to the MUSD Superintendent, and MUSD agreed to address this violation by meeting the provisions of the Commitment to Resolve Agreement (Agreement), in a letter dated December 14, 1993. A letter from OCR dated July 10, 2000, informed MUSD that OCR was closing the monitoring of the Agreement and no further documentation from MUSD was required.

MUSD agrees to: 1) ensure that the K-12 desegregation program meets the goals of the 1993 Agreement; 2) ensure it is spending its desegregation dollars on those costs that directly support the goals of its program; 3) develop a method to evaluate the success of its desegregation program; and 4) make modifications to the program as necessary as a result of the evaluation.

FINDING 3

The Maricopa Unified School District (MUSD) agrees with this finding and the recommendation, and MUSD will implement the recommendation.

MUSD consists of nine schools: six elementary schools, two middle schools, and one high school. All nine schools were constructed with Arizona School Facilities Board (SFB) funds and with \$55,700,000 in bond funds approved by MUSD voters in November, 2006. Because of the extremely rapid growth in the school district prior to 2011-12 all nine schools were built with excess capacity.

In FY 2012 MUSD Average Daily Membership (ADM) enrollment was 5,407 P-12 students according to our records, which was 60% of total facility capacity. However, in August, 2011 the MUSD student headcount was 5,900 P-12 students, which was 65% of total facility capacity.

During the 2012-13 school year the MUSD Governing Board reviewed enrollment and capacity at each school. The Governing Board considered closing Maricopa Wells Middle School beginning with the 2013-14 school year but decided against it. The main reason the Governing Board made this decision was because the housing market began to improve at that time. Building permits in the City of Maricopa for single family residences had increased to 54 for the month of April, 2013. Since then, 814 single family residences have been built in the city and MUSD enrollment has been increasing. On September 1, 2015, head-count was 6,426 P-12 students, which was 71.2% of total facility capacity.

One reality that is faced by MUSD is that the Kyrene Elementary School District and the Tempe Union High School District send sixteen buses into Maricopa each day to transport 1,500 Maricopa students to their districts. If these 1,500 Maricopa students attended school in MUSD the September 1, 2015 enrollment would be 7,926 students, which would be 87.8% of total facility capacity.

For the past year MUSD has been actively recruiting the parents of Maricopa students enrolled at Kyrene and Tempe Union. A personal letter was sent to every parent in the spring of 2015 extending this invitation. Some students are beginning to return to MUSD. As enrollment

continues to grow because of new housing, and Kyrene and Tempe Union students return to MUSD, the district will be able to better utilize facility space.

Also, MUSD works diligently to utilize excess space. MUSD rents two classrooms at Maricopa Elementary School on a year-round basis to the Maricopa Community Alliance Against Substance Abuse. MUSD has a large number of facility rentals each year, with a total of 1,759 “distinct user days” in FY 15, and total deposits of \$209,000 in rental revenue.

The MUSD Governing Board will continue to evaluate the use of space at each of its schools and look for ways to reduce identified excess space.

FINDING 4:

Recommendation 1: The Maricopa Unified School District (MUSD) agrees with this finding and the recommendations, and MUSD will implement the recommendations. MUSD evaluates its transportation staffing levels to determine if they can be modified to produce cost savings. MUSD carefully monitors employee staffing and makes decisions on the number of special need students requiring specialized transportation based on their Individual Education Plan. The driver/monitor ratio is determined by the individual needs of each special needs student. MUSD does not supply a monitor to every route, but assigns based on student needs. Examples of this are the number of wheelchairs on route, the number of harnessed or restrained students, and behavioral and medical needs. Bus monitors are also used in different capacities such as van drivers for the white fleet, which also assists with McKinney-Vento transportation. During the 2015-2016 school year there were approximately 220 special needs students utilizing 19 SPED monitors.

Recommendation 2: MUSD agrees with this finding and the recommendations, and MUSD has implemented the recommendations. MUSD acknowledges the misreporting, and has successfully completed all transportation reports. The Transportation Department keeps documentation of all submitted reports including timestamps of all reports submitted to the Arizona Department of Education.

MUSD has reported the three categories of miles in the Transportation Route Report: daily route miles, other route miles, and miles for extended school year services. Additionally, MUSD has reported the eligible students actually transported.

To determine the number of eligible students, MUSD uses the following calculation: identifying at least 25 consecutive or nonconsecutive scheduled school days in the first 100 days in session. Each school district must document and maintain the selected days for audit purposes.

In addition to the three mileage categories described above, the MUSD has also reported the number of eligible students transported during the school year. Eligible students may only be counted one time by any one school district. No student may be counted as an eligible student by more than one school district. Charter school and school district-sponsored charter school students may not be reported as eligible students for transportation funding purposes.

Recommendation 3: MUSD agrees with this finding and the recommendations, and MUSD has implemented the recommendations. MUSD has implemented the recommendation for maintaining documentation of preventative maintenance. In addition to the operations checks described, MUSD systematically inspects, repairs, maintains, or causes to be systematically inspected, repaired, and maintained, all parts of a school bus chassis and body, described in Sections R17-9-106 and R17-9-107 and any other parts and accessories that may affect safe operation of the school bus. MUSD ensures that the maintenance of a school bus and repair of major defects is done by a qualified, skilled mechanic or service provider.

MUSD has maintained the following records in a separate file for each school bus that is in operation in Arizona: a. Number assigned to the school bus by the school bus owner; b. Name of the school bus body manufacturer; c. Name of the school bus chassis manufacturer; d. Identification number of the school bus by the year the school bus body was assembled upon the school bus chassis; f. Size of the tires placed on the school bus.

The MUSD maintains all records of initial inspections, subsequent inspections, repairs and maintenance procedures performed on the school bus for three years from the date of inspection, repair, or maintenance. MUSD ensures that all records of repairs and maintenance procedures are completed including verification from the owner of the business responsible for the repairs and maintenance procedures from the individual who actually performs the service. MUSD maintains an Excel spreadsheet for preventative maintenance for the entire white fleet and all buses.

Recommendation 4: MUSD agrees with this finding and the recommendations, and MUSD has implemented the recommendations. Monthly reports of fuel purchases, mileage for each vehicle and fuel purchase tickets are now received and reviewed by the Transportation Department's administrative assistant. Fuel logs are kept by the fuelers to be compared with the purchase tickets. The Transportation Department then sends the documentation to the Business Office for review by the accounts payable specialist. Fuel invoices are compared to the original purchase tickets, and a detailed billing statement is provided for the district's reconciliation.

Recommendation 5: MUSD agrees with this finding and the recommendations, and MUSD will implement the recommendations. MUSD now participates in a fleet card program to manage fuel usage, which requires entry of a vehicle's mileage before it can be fueled. All fuel cards are now stored in a secure location. As of result of the audit findings, MUSD will have every individual fueler sign a gas card agreement. Fuelers then receive their own personal code to identify who fueled a vehicle. The administrative assistant and the accounts payable specialist will review and reconcile all billings and report any anomalies to the director of transportation.