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AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

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February 3, 2012

The Honorable Carl Seel, Chair
Joint Legislative Audit Committee

The Honorable Rick Murphy, Vice Chair
Joint Legislative Audit Committee

Dear Representative Seel and Senator Murphy:

Our Office has recently completed a 24-month followup of the Nadaburg Unified School District's implementation status for the 16 audit recommendations presented in the performance audit report released in December 2009. As the enclosed grid indicates all of the recommendations have been implemented.

Unless otherwise directed by the Joint Legislative Audit Committee, this report concludes our follow-up work on the District's efforts to implement the recommendations resulting from the December 2009 performance audit.

Sincerely,

Ross Ehrick, CPA
Director, Division of School Audits

RE:bl
Enclosure

cc: Dr. Gregory Riccio, Superintendent
Governing Board
Nadaburg Unified School District

NADABURG UNIFIED SCHOOL DISTRICT

Auditor General Performance Audit Report Issued December 2009 24-Month Follow-Up Report

| Recommendation | Status/Additional Explanation |
|---|---------------------------------|
| CHAPTER 1: Administration | |
| 1. The District should implement proper controls over its payroll process, ensuring adequate segregation of duties, supervisory review of time sheets, and proper documentation and approval of extra-duty pay. | Implemented at 12 months |
| 2. The District should maintain required supporting documentation for all expenditures, including proof that the purchase was properly approved and the items or services were received. | Implemented at 12 months |
| 3. The District should improve controls over its fuel card purchases by: <ul style="list-style-type: none"> a. Requiring additional documentation from the vendor, such as a log of district vehicle license numbers and odometer readings completed by district staff at the time of the fuel purchase; b. Obtaining all receipts from district staff; and c. Verifying the accuracy of billings. | Implemented at 6 months |
| 4. The District should limit employees' access to only those accounting system functions needed to perform their work. | Implemented at 6 months |
| 5. The District should implement a system of formal written procedures to ensure that access is promptly removed when employees leave the District's employment. | Implemented at 18 months |

| Recommendation | Status/Additional Explanation |
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CHAPTER 2: Student transportation

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| 1. To aid in evaluating the costs and efficiency of its transportation program, the District should develop and monitor performance measures, such as cost per rider, cost per mile, driver productivity, bus capacity utilization, and ride times. | Implemented at 12 months |
| 2. The District should accurately track and report ridership to ensure it receives proper transportation funding. | Implemented at 6 months |
| 3. The District should evaluate its controls over fuel inventory to restrict access to fuel pumps and ensure proper accounting of all fuel use. | Implemented at 6 months |

CHAPTER 3: Plant operation and maintenance

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| 1. The District should review staffing levels to determine whether the number of plant operations and maintenance positions can be reduced. | Implemented at 6 months The District reduced its plant operations staffing by 1.5 full-time equivalent positions during fiscal year 2010. |
| 2. The District should evaluate its energy usage and implement an energy conservation plan to help reduce costs. | Implemented at 12 months |

CHAPTER 4: Proposition 301 monies

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| 1. The District should review its performance pay plan to ensure that all of its goals promote improved performance. | Implemented at 12 months |
| 2. The District should evaluate all performance goals and maintain documentation to demonstrate that employees receiving performance pay have successfully completed their performance goals. | Implemented at 18 months |
| 3. The District should ensure that performance pay is awarded only after determining the related goals have been met. | Implemented at 18 months |

CHAPTER 5: Classroom dollars

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| No recommendations |
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Recommendation**Status/Additional Explanation****CHAPTER 6: English Language Learner programs, costs, and funding**

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| 1. The District should promptly provide language acquisition services to all students identified as English language learners unless the parent or guardian formally requests that such services not be provided. | Implemented at 12 months |
| 2. The District should ensure its SEI program meets all state requirements, including developing ILLPs for each individual student, providing ELL students with the required hours of ELD instruction, and ensuring that all teachers working with ELL students have the required endorsement. | Implemented at 24 months |
| 3. The District should use Compensatory Instruction monies only for authorized purposes. | Implemented at 12 months |
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