



## Pearce Elementary School District #22

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"Where Excellence is the Expectation"



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Susan Ochoa, Business Manager

December 18, 2013

Debbie Davenport  
Auditor General's Office

Dear Ms. Davenport:

The Pearce Elementary School District is responding to the preliminary report draft of our performance audit.

In regards to Finding 1, the District agrees with the Auditor General's assessment of the district lacking adequate controls. Although there have not been any instances of misuse of funding or fraud, the District understands the need for additional controls within the school.

Our response in regards to Finding 1 is as follows:

1. The District is implementing procedures to ensure there are proper controls and a separation of duties in place as recommended.
2. The District is implementing procedures to ensure that there is a review of all payroll transactions as recommended.
3. The District is implementing procedures to ensure there is a review and approval of all purchases being made as recommended.
4. The District is implementing procedures to ensure there is approval of purchases made with credit cards as well as documentation as recommended.
5. The District has extended the use of the accounting system to an alternate person to help with independent review and the above procedures as recommended.
6. The District has implemented strong password controls as well as requirements for regular password changes as recommended.
7. The District is in process of establishing or receiving an agreement regarding the backup process of vendors who host our computer services as recommended.
8. The District has contacted the Superintendent's office and the Superintendent's office is working with their attorney to provide an agreement to our school district as well as others, as recommended.
9. The District is working diligently to ensure that transactions are coded in accordance with the Uniform Chart of Accounts as recommended.

In regards to Other Findings 1, the District agrees with the Auditor General's assessment of the district's transportation accounting.

Our response in regards to Other Findings 1 is as follows:

1. The District has implemented a new accounting procedure for bus drivers to ensure actual student counts are being taken into account as recommended.

In regards to Other Findings 2, the District agrees with the Auditor General's assessment that working with other school districts could improve efficiency and lower costs.

Our response in regards to Other Findings 2 is as follows:

2. The District agrees with the Auditor General's assessment regarding working with other school districts, however, the District understands that this has to be a ***cooperative*** agreement and currently there has been little interest in these cooperative agreements between Districts in regards to sharing staff, food service programs or transportation services.

The District appreciates the opportunity to respond to your recommendations and findings. The District feels that these findings are easily fixable or are already in the process of being fixed. If you have any questions, please do not hesitate to contact us.

Sincerely,

Kyle Hart  
Superintendent