



August 3, 2015

Tolleson Elementary School District No. 17

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The Governing Board

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Dr. Lupita Hightower

Ms. Debra Davenport, Auditor General
State of Arizona
2910 N. 44th St., Ste. 410
Phoenix, AZ 85018

RE: 2011/2012 PERFORMANCE AUDIT FINDINGS RESPONSE

Dear Ms. Davenport:

The Tolleson Elementary School District No. 17 respectfully submits the following responses to the 2011/2012 Performance Audit conducted by the Arizona Auditor General's Office. The District appreciates your time as well as your feedback and recommendations as we continuously strive to improve in every area from academic achievement to fiscal responsibility.

We would like to also take this opportunity to express our gratitude to your audit team for their thorough audit and their professionalism in making recommendations and giving us positive feedback. It is validating to us to see that your findings found us to be efficient in plant operations and in our food service program compared to our peer districts. The District will continue to work toward its success in these programs.

The Tolleson Elementary School District has been taking steps to ensure financial responsibility and transparency. As stewards of public funds, always looking for continuous improvement, we have implemented a few changes, and we are already working on the recommendations your office has provided us through this performance audit.

If you have any questions, please feel free to contact me at (623) 533-3904.

Sincerely,

Lupita Hightower, Ed.D.
Superintendent

Finding 1: District had higher administrative costs and lacked adequate controls to protect it from errors and fraud

District Response: The District agrees with these findings

Recommendation 1: The District should review its administrative positions and related duties and salaries to determine how it can reduce administrative costs.

District Response: Since Fiscal Year 2012, TESD has reduced administrative spending over 10% from \$952 per student in 2012 to \$855 per student in 2014, which is below our peer group average for 2014. The District, however, concurs with the recommendation and will continue to look for opportunities to reduce administrative costs and direct more dollars into the classroom.

Recommendation 2: The District should implement proper controls over its payroll process to ensure proper separation of responsibilities.

District Response: The District concurs with this recommendation and has implemented changes to separate payroll and personnel functions in the accounting software.

Recommendation 3: The District should ensure that it requires independent review and approval for all of its purchases prior to the purchases being made.

District Response: The District concurs with this recommendation and is pleased to report that subsequent USFR audit findings in the purchasing process have decreased significantly.

Recommendation 4: The District should implement and enforce stronger password requirements.

District Response: The District concurs with the recommendation and recently implemented stronger password requirements within our network systems. We are in the process of implementing those changes to our student information systems as well.

Recommendation 5: The District should limit employees' access to its computerized accounting system to only those accounting system functions needed to perform their work.

District Response: The District concurs with this recommendation and will implement an annual review process to identify, review, and evaluate each users appropriate access levels.

Recommendation 6: The District should develop and implement a formal process to ensure that terminated employees have their network and system access promptly removed.

District Response: The District concurs with this recommendation and has formed a task force comprised of Human Resource, Business Office, Technology, and Welcome Center personnel to implement a universal notification process when an employee or student leaves the District.

Recommendation 7: The District should eliminate or disable unnecessary generic user accounts in its network and systems.

District Response: The District concurs with this recommendation and has taken the appropriate steps to remove generic users in its network and systems.

Recommendation 8: The District should review its formal disaster recovery plan to ensure it is complete and test it periodically to identify and remedy deficiencies.

District Response: The District concurs with this recommendation and is in the process of refining its disaster recovery plan.

Recommendation 9: The District should implement controls over its process for producing, distributing, and tracking building keys, including maintaining a complete and up-to-date distribution log, establishing a process for determining the access level given to employees, and implementing a user agreement outlining the rules and policies an employee must follow regarding the use of district keys.

District Response: The District agrees with this recommendation and is working on improving its key tracking and access controls at all locations.

Recommendation 10: The District should establish a written agreement with the service provider who is leasing space at a district school that outlines each party's responsibilities.

District Response: The District agrees with this recommendation and currently maintains written agreements with organizations and providers regarding District facilities.

Finding 2: District may be able to lower transportation costs by improving bus route efficiency

District Response: The District agrees with these findings and is taking steps toward improving efficiency.

Recommendation 1: The District should closely review its regular education bus routes to determine how it can improve route efficiency and adjust its bus routes accordingly.

District Response: The District concurs with this recommendation. We recently acquired route software to assist in improving route efficiencies.

Recommendation 2: The District should develop and monitor performance measures such as cost per mile, cost per rider, and bus capacity usage to help evaluate and improve the efficiency of its transportation program.

District Response: The District concurs with this recommendation. We have established a transportation metrics worksheet to compute cost per mile, cost per rider, and bus capacity usage.

Recommendation 3: The District should accurately calculate and report to the Arizona Department of Education the riders transported for state funding purposes.

District Response: The District concurs with this recommendation. We have recently received guidance and training from our peer districts in calculating and reporting transportation ridership each year.