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**STATE OF ARIZONA**  
OFFICE OF THE  
**AUDITOR GENERAL**

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DEPUTY AUDITOR GENERAL

July 9, 2010

The Honorable Judy Burges, Chair  
Joint Legislative Audit Committee

The Honorable Thayer Verschoor, Vice Chair  
Joint Legislative Audit Committee

Dear Representative Burges and Senator Verschoor:

Our Office has recently completed a 6-month follow up of the Casa Grande Union High School District's implementation status for the 21 audit recommendations presented in the performance audit report released in November 2009. As the attached grid indicates:

- 4 recommendations have been implemented, and
- 17 recommendations are in the process of being implemented.

Our Office will continue to follow up at 6-month intervals with the District on the status of those recommendations that have not yet been fully implemented.

Sincerely,

Ross Ehrick, CPA  
Director, Division of School Audits

RE:bl  
Enclosure

cc: Mr. Dennis Dearden, Superintendent  
Governing Board  
Casa Grande Union High School District

# CASA GRANDE UNION HIGH SCHOOL DISTRICT

## Auditor General Performance Audit Report Issued November 2009

### 6-Month Follow-Up Report

Recommendation	Status/Additional Explanation
<b>CHAPTER 1: Administration</b>	
1. The District should review its administrative positions and the related duties and salaries to determine how administrative costs can be reduced.	<b>Implementation in process</b> Although the District has added administrative positions since the audit year, the District's new superintendent stated that the District will be reviewing this recommendation.
2. The District should review its administrative purchased services to determine how these costs can be reduced.	<b>Implementation in process</b> The District discontinued its legal services contract at an annual savings of \$50,000 to \$70,000 and is instead using the County attorney for legal services. The District is continuing to review its administrative purchased services for ways to further reduce costs.
3. The District should discontinue paying for meals for employees who are not on travel status and for nonemployees.	<b>Implemented at 6 months</b>
4. The District should enforce its credit card policies by requiring and maintaining supporting documentation for all expenditures, and ensuring credit card purchases do not exceed the established limits.	<b>Implementation in process</b> The District has revised its credit card policy and reduced its number of credit cards from 30 in fiscal year 2008 to 11 in fiscal year 2010. However, the District is still not always maintaining supporting documentation for credit card expenditures.
5. The District should improve its cash controls by separating cash-handling and recordkeeping responsibilities.	<b>Implementation in process</b> The District has strengthened its cash handling policies and procedures, but specific cash handling and inventory controls for its bookstore operations have not been established. Further, the District's policies do not require cash receipt forms or other documents to be completed to ensure that amounts deposited are accurate.
6. The District should implement proper access controls over its accounting system so that individual employees do not have the ability to initiate and complete a transaction without independent review and approval.	<b>Implementation in process</b> The District is working to ensure that accounting system access controls are appropriate. Auditors will review this recommendation again during the 12-month follow up.

Recommendation	Status/Additional Explanation
7. The District should clearly identify any additional compensation in employee contracts prior to the services being rendered.	<p><b>Implementation in process</b>            For fiscal year 2011, the District is planning to ensure that all employee compensation is documented in contracts or payroll action forms before work is performed.</p>

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## CHAPTER 2: Student transportation

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1. The District should review the costs associated with its special programs and services and determine whether they are necessary and being provided in the most cost-efficient manner.	<p><b>Implementation in process</b>            Although prior district officials made no effort to implement this recommendation, the new superintendent indicated that the District will be reviewing this area.</p>
2. The District should review its need for bus assistants on regular routes to determine if these costs can be reduced.	<p><b>Implemented at 6 months</b>            The District now limits bus monitors to special needs routes where a monitor is required per a student's individualized education plan. As bus monitors have left the District's service, their positions have not been filled.</p>
3. The District should review its billings to ensure that it is being charged according to the agreed-upon terms and in the most cost-effective manner.	<p><b>Implementation in process</b>            Although prior district officials stated that staffing is inadequate to supervise and scrutinize billings and mileage reports, the new superintendent has indicated that the District will be reviewing this recommendation.</p>
4. To aid in evaluating the costs and efficiency of its transportation program, the District should establish and monitor performance measures such as cost per mile, cost per rider, and bus capacity usage.	<p><b>Implementation in process</b>            The District reviewed its transportation costs in total, but has not established and monitored any performance measures.</p>
5. The District should periodically review both driver and bus files to ensure all requirements are met and documented in accordance with DPS' <i>Minimum Standards</i> .	<p><b>Implemented at 6 months</b></p>

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## CHAPTER 3: Plant operation and maintenance

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1. As the District opens its new school, it should review its staffing levels and monitor its costs to determine whether they are appropriate and where savings can be achieved.	<p><b>Implementation in process</b>            Although the District has increased its staffing levels since the audit year, the new superintendent stated that the District will be reviewing this recommendation.</p>
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**Recommendation****Status/Additional Explanation****CHAPTER 4: Proposition 301 monies**

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| 1. The District's Proposition 301 plan should specify the amount or a range of amounts of performance pay each eligible employee can earn if performance criteria are met. | <b>Implementation in process</b><br>The District is currently working on revising its Proposition 301 plan for next school year. Auditors will review this recommendation again at the 12-month follow up.   |
| 2. The District should ensure that it pays eligible employees' base, performance, and menu options pay in accordance with its Governing Board-approved plan.               | <b>Implementation in process</b><br>The District is currently working on revising its Proposition 301 plan for next school year. Auditors will review this recommendation again at the 12-month follow up, once the plan has been approved by the Governing Board. |
| 3. The District should seek legal counsel to determine whether overpayments made to employees should be recovered.   | <b>Implementation in process</b><br>The District is currently reviewing this recommendation to determine whether the overpayments should be recovered.   |
| 4. To promote improved performance, the District should establish meaningful performance goals for activities or achievements that the District does not already require.  | <b>Implementation in process</b><br>The District is currently working on revising its Proposition 301 plan for next school year. Auditors will review this recommendation again at the 12-month follow up.   |

**CHAPTER 5: Classroom dollars**

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| 1. The District should classify all transactions in accordance with the Uniform Chart of Accounts for school districts.   | <b>Implementation in process</b><br>The District is working to ensure that all expenditures are classified in accordance with the Uniform Chart of Accounts for school districts. However, auditors noted numerous classification errors in the District's fiscal year 2010 data and will review this recommendation again at the 12-month follow up. |
| 2. The District should review its noninstructional spending, especially its administration, plant operations, and transportation spending, to determine if savings can be achieved and some of these monies can be redirected to the classroom. | <b>Implementation in process</b><br>Although the District has not made progress in this area, the new superintendent indicated that the District will be reviewing this recommendation.   |

**CHAPTER 6: English Language Learner programs, costs, and funding**

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| 1. The District should ensure that all students with primary home languages other than English are tested, that testing data is accurate, and that all ELL students receive ELD instruction. | <b>Implementation in process</b><br>The District has implemented an internal system to ensure that all students with primary home languages other than English are tested and that all ELL students receive ELD instruction. However, the District's ELL data still contains numerous errors. |
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**Recommendation****Status/Additional Explanation**

2. The District should ensure that its English language development instruction is fully aligned with the models adopted by the ELL Task Force in September 2007.

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**Implemented at 6 months**