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Phoenix, AZ 85042**

February 2, 2018

State of Arizona  
Office of the Auditor General  
2910 N. 44th Street, Suite 410  
Phoenix, AZ 85018

Attn: Debra Davenport, Auditor General  
Michael Quinlan, Audit Manager

Dear Ms. Davenport and Mr. Quinlan,

Roosevelt School District has received and reviewed the Preliminary Draft Performance Audit conducted for fiscal year 2016. Roosevelt would like to commend and extend appreciation to Mr. Quinlan and his staff for their professionalism and patience throughout the process.

The information shared has provided Roosevelt an opportunity to make improvements toward continued efficiency, compliance, and transparency. The District will continue to strive toward compliance in all areas and will comply with the recommendations as noted in the District's response.

Please find attached the District's response to each finding and recommendation.

Sincerely,

Dino M. Coronado, Ed.D.  
Superintendent

Cc: Jeff Gadd, Interim Chief Financial Officer  
Treena Bradley, Director of Finance

## **Finding 1: District had much higher administrative costs and needs to strengthen accounting and computer controls**

District Response: Roosevelt School District agrees with this finding and all the recommendations. The Administrative Team has been working to achieve efficiency in its overall operations over the last few years. The 16/17 school year will reflect lower admin costs.

**Recommendation 1:** The District should review and determine how to modify its administrative staffing to produce cost savings, and make changes accordingly.

District Response: The District 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 continue using time sheets and a delayed payroll system as required by the USFR to ensure it pays employees correctly.

District Response: The District has changed payroll procedures for all employees as required by the USFR to ensure delayed payroll follows USFR guidelines.

**Recommendation 3:** The District should continue to monitor its spending to ensure it does not exceed its legal budget limits.

District Response: The District agrees with this finding and has and will implement recommendations to address this finding

**Recommendation 4:** If the District considers any large projects in the future, such as the child nutrition and conference center, it should ensure it performs an evaluation of the project's costs and benefits.

District Response: The District concurs

**Recommendation 5:** The District should implement and enforce stronger password requirements for its computer network and accounting and student information systems.

District Response: The District supports a change in security measures. The District has been reviewing industry best practices to upgrade security.

**Recommendation 6:** The District should limit users' access to the accounting system to only those accounting system functions needed to perform their job responsibilities, including removing the business office employee's administrator level access.

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. Given the limited bus office staff some overlays maybe necessary.

**Recommendation 7:** The District should improve procedures to ensure that terminated employees have their computer network and systems access promptly removed.

District Response: Roosevelt School District concurs with this recommendation and the HR, Payroll, IT and Business Departments have met to discuss a process to ensure that employees that have separated from employment are addressed promptly

**Recommendation 8:** The District should ensure that its network-connected servers have currently supported operating systems installed or reduce the risk of computer-related attack by limiting their use and/or remove the network access to these servers.

District Response: The District has responded by updating server software and by removing network access to servers that have EOL system application in order to limit vulnerabilities that these systems could create.

**Recommendation 9:** The District should review its IT contingency plan to ensure it is complete and test it periodically to identify and remedy any deficiencies.

District Response: The District has begun to revise the current contingency plan to include key components (e.g. system recovery, plan testing, and contact information) delineated in the findings. The plan is being updated to provide necessary contact information for staff assigned by role/function with specific responsibilities during an equipment or system failure/interruption. A recovery plan for critical systems is being developed to prevent disruptions of system operations. Once the recovery plan has been completed, a testing plan will also be articulated and implemented.

## **Finding 2:** District should lower plant costs, increase capacity utilization, and strengthen oversight of facility rentals

District Response: The District agrees with the finding and all the recommendations. The District has experienced declining student enrollment over the last several years. The decline has resulted in unused classroom space in the school buildings. The District is in the process of evaluating the best course of action to reduce plant costs, including school repurposing, leasing, and magnet schools.

**Recommendation 1:** The District should review and determine how to modify its plant operations staffing to produce cost savings and make changes accordingly.

District Response: The District concurs

**Recommendation 2:** The District should review its plant operations repair and maintenance costs to determine how they can be reduced to produce cost savings and make changes accordingly.

District Response: The District is in the process of restructuring the organization to align staffing with the declining student enrollment. This will address the staffing in the plant operations as well as other support departments. The cross training of maintenance personnel has been implemented to minimize the need for contractors' services. The district has reduced the number of custodial positions.

**Recommendation 3:** The District should evaluate the use of space at each of its schools and determine and implement ways to reduce identified excess space.

District Response: The best solution is being explored to possibly consolidate schools and close down unused areas or even the whole building if feasible.

**Recommendation 4:** The District should ensure facility-rental contracts accurately reflect the agreement between the District and the renting entities.

District Response: District agrees that it can strengthen its facility use controls

**Recommendation 5:** The District should ensure it collects payments in accordance with its facility rental contracts, maintains documentation supporting the use of its facilities and that associated payments were received, and deposit payments in a timely manner.

District Response: District agrees with this recommendation. District is implementing this recommendation by updating its facility use policies and rental schedules receiving rental payment timely.

**Recommendation 6:** The District should ensure that its monthly facility rental rates are sufficient to adequately compensate the District for all costs associated with community use of its facilities.

District Response: District agrees with this recommendation. District has implemented this recommendation by updating its facility use policies and rental schedules.

### **Finding 3:** District had poor controls over catering program and should seek counsel regarding legality

District Response: Program has been discontinued for 17/18

**Recommendation 1:** The District should seek counsel regarding the legality of its catering program.

District Response: Program has been discontinued

**Recommendation 2:** If the District continues its catering services, it should properly oversee the program and implement proper controls to ensure that the District receives all catering revenues and that such revenues cover related costs.

District Response: Program has been discontinued

**Recommendation 3:** If the District continues its catering services, it should implement proper inventory procedures such as maintaining food supply inventory and production records, date-stamping food items, and properly storing food and supplies.

District Response: Program has been discontinued

### **Finding 4:** District should improve controls over transportation program

District Response: The District concurs with this finding and is currently working to implement updated transportation controls.

**Recommendation 1:** The District should accurately calculate and report to ADE the actual miles driven and eligible students transported for state transportation funding purposes and ensure it maintains documentation to support the numbers reported.

District Response: The District will accurately calculate and report the miles driven and riders transported for state funding purposes. This department has very recently received training on how to properly calculate and report the miles driven and riders transported for state funding purposes. There will be no further discrepancies in the reporting of the mileage.

**Recommendation 2:** The District should ensure that bus preventative maintenance is conducted in a systematic and timely manner in accordance with its schedule and the State's Minimum Standards.

District Response: The District developed and implemented a preventive maintenance procedure and schedule. Each bus has a dedicated binder which contains forms and logs of the dates and types of services performed. The mechanics maintain the logs and sign that the services were completed. The buses are inspected annually by AZ DPS

**Finding 5:** District levied and spent \$13.5 million that it classified as desegregation activities with no formal plan or programs to address violations

District Response: The district will implement the corrective action plan as outlined by ADE during the last monitoring visit

**Recommendation 1:** The District should determine what, if any, activities are needed to be in compliance with its administrative agreements, create a desegregation plan based on any needed activities, adjust its desegregation tax levy to support only these activities, and ensure that its desegregation monies are used only to directly support these activities.

District Response: Roosevelt School District spends desegregation monies on the identification of language minority students, educational program services for identified LEP students, reclassification procedures for LEP students, evaluating language minority students with special education needs, and provides notices to parents of LEP students as outlined in the Office of Civil Rights findings. These findings are being addressed through a holistic approach to educating our Limited English Proficient students by utilizing administrative staff to assess LEP students, providing classroom environments with strong language support, equipping the teachers of Roosevelt with highly effective teaching strategies in all classrooms, providing strong intervention programs to prevent over identification of language minority students into special education; as well as, utilizing a parent liaison to support families of language minority students.

**Recommendation 2:** The District should ensure that it follows its ADE-approved corrective action plan and corrects all deficiencies in its ELL program.

District Response: The district will implement the corrective action plan as outlined by ADE during the last monitoring visit.

## **Finding 6: Some Classroom Site Fund monies spent inappropriately**

District Response: The District concurs

**Recommendation 1:** As required by statute and to promote improved performance, the District should follow its performance pay plan and require that teachers attain agreed-upon goals to receive performance pay.

District Response: The District will ensure that it pays all CSF pay for performance salaries in accordance with its pay for performance plan.

**Recommendation 2:** The District should ensure that only eligible employees receive CSF monies.

District Response: The District strives to properly classify its employee eligibility for CSF funding. The District has reviewed and revised its coding procedures to prevent such errors in the future.