

**Mobile Elementary School District No. 86**

42798 South 99<sup>th</sup> Ave \* Maricopa, Arizona 85139

Telephone: (520) 568-2280 \* (520) 568-3947

Fax: (520) 568-9361

**Governing Board**

**Delores Brown**

**Patricia Blair**

**Vacant Position**

**Superintendent**

**Kit C. Wood, Ph.D.**

April 11, 2018

Ms. Melanie M. Chesney  
Deputy Auditor General  
2910 North 44<sup>th</sup> Street, Suite 410  
Phoenix, Arizona 85018

Dear Ms. Chesney,

The Mobile Elementary School District respectfully submits its response to the Preliminary Performance Audit for the 2016 Fiscal Year conducted by the Office of the Auditor General. The District extends our appreciation to Mike Quinlan, audit manager, and the Auditor General staff for their professionalism, direction, and information sharing during the audit process.

The District agrees with the performance audit findings and recommendations, and has already incorporated improvements to increase the efficiency and effectiveness of our operations based on recommendations provided. The District will work to ensure that all findings and recommendations are addressed and resolved in a timely manner.

The District is proud of its long history in the education and development of Mobile Elementary School students. While there are items requiring changes and correction, the District celebrates the commendable academic achievement and success of students, and the dedication of top quality teachers and staff. This was most recently evidenced when our school and staff were awarded funds in FY 2018 from SB 1522, results based funding.

The information shared has provided Mobile Elementary School District specific guidance and direction as we move forward towards compliance and efficiency in all areas of performance.

Sincerely,

Kit C. Wood, Ph.D.  
Superintendent

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

District Response: The District agrees with the findings. This District is restructuring administrative positions, changing administrative salary structures, and strengthening accounting and computer controls.

**Recommendation 1:** The District should review its superintendent position, related duties, and salary to determine how it can reduce administrative costs and make changes accordingly.

District Response: Recommendation 1 : The superintendent position, duties, and salary are being reviewed and the District plans to employ a part time superintendent, at a reduced salary, starting in the 2018-2019 school year. A new position, head teacher/special education teacher, is being added, which will include teaching responsibilities and administrative responsibilities. The superintendent will provide training and support to the head teacher as she learns her new roles and responsibilities, with the intent being to phase out the superintendent position.

**Recommendation 2:** The District should pay its hourly employees for only the actual number of hours they worked.

District Response: Recommendation 2 has been implemented since the start of the 2018 school year, and employees are paid only for the actual number of hours they work, according to timesheets submitted.

**Recommendation 3:** The District should pay performance pay to eligible employees only for the goals they have met in accordance with its approved performance pay plan. Further, the District should ensure that it retains adequate documentation to demonstrate that employees who received performance pay met their goals.

District Response: Recommendation 3 has been implemented starting with the 2018 school year. Documentation is maintained for employees who have performance goals, and the employees' achievement of these goals. Goals are established, communicated, and progress is documented throughout the school year. Payment is made based upon progress towards/attainment of goals.

**Recommendation 4:** The District should ensure that payments are made in a timely manner to avoid late fees and finance charges.

District Response: Recommendation 4 has been implemented starting in the 2018 school year, and it is currently standard practice to process payments on a regular weekly schedule to ensure timely payments. An established day(s) for processing accounts payables is observed each week.

**Recommendation 5:** The District should ensure lease agreements specify the lease charges and establish a process to ensure that it collects full and timely lease payments.

District Response: Recommendation 5 has been implemented starting in the 2018 school year, and monthly records are maintained to ensure collection of full and timely lease payments. All new lease agreements will specify lease charges.

**Recommendation 6:** The District should classify all transactions in accordance with the Uniform Chart of Accounts for school districts.

District Response: Recommendation 6 has been implemented and current transactions reflect compliance with the Uniform Chart of Accounts for school districts. Past incorrect transactions were corrected in the 2017 records, and the correct transaction account codes are being implemented according to the Uniform Chart of Accounts for 2018, and going forward.

**Recommendation 7:** The District should implement stronger password requirements related to password length, complexity, and expiration.

District Response: Recommendation 7 has been implemented, and stronger passwords incorporating the letter/number/special character combination have been applied to the student information and accounting systems.

**Recommendation 8:** The District should limit employees' access in the accounting system to only those accounting system functions necessary to perform their job duties, including transferring the business office employees' administrator-level access to someone outside of the business office.

District Response: Recommendation 8 is important. The District is currently reviewing the access that employees have to the accounting system. In the future, we will develop a plan to separate accounting responsibilities among administrative/business staff with limited access to all involved employees.

## **Finding 2:** District needs to improve transportation program oversight

District Response: The District agrees with the findings and is currently working to implement transportation policies and procedures.

**Recommendation 1:** The District should implement procedures to ensure that bus driver certification requirements are met and documented in accordance with the State's Minimum Standards.

District Response: The District has implemented procedures that identify bus driver certification requirements, and completion of each requirement. Each bus driver has a folder that contains the requirements for school bus driver certification along with dates the requirements were completed or need to be completed. All documentation for completed or needed requirements is included in each bus driver's folder.

**Recommendation 2:** The District should develop and follow a formal preventative maintenance policy that meets the State's Minimum Standards and includes the maximum number of miles and the maximum amount of time a bus can travel before it receives preventative maintenance services. Additionally, the District should ensure that it conducts

bus preventative maintenance in a systematic and timely manner and documents it in accordance with its formal policy.

District Response: The District has developed a formal preventative maintenance policy that meets State Minimum Standards and identifies the maximum miles and time the bus can travel before requiring maintenance. By providing preventative maintenance for buses twice a year, requirements are met. In addition, preventative and systematic bus maintenance records are maintained in a binder which contains records, forms, and logs of the dates and types of services performed. The facilities manager/bus driver maintains this binder and signs for services completed.

**Recommendation 3:** The District should develop and implement the use of a checklist to document that its buses receive required preventative maintenance as specified in the State's Minimum Standards.

District Response: The district has developed a checklist for bus preventative maintenance to document that buses received the required preventative maintenance as specified in the State's Minimum Standards. The facilities manager/bus driver signs for services completed.

**Recommendation 4:** The District should accurately calculate and report to the Arizona Department of Education the actual number of riders transported for state funding purposes.

District Response: The District will accurately calculate and report miles driven and riders transported for state funding purposes. Administration is receiving training on how to properly calculate and report miles driven and riders transported for state funding purposes.

### **Finding 3:** District likely has options to lower costs

District Response: The District agrees that it has options to lower costs and improve operational efficiency.

**Recommendation 1:** The District should look for ways to improve its efficiency and lower its costs, including the possibility of cooperatively providing services with other school districts or the County School Superintendent's Office, or paying tuition to a nearby district to educate its students.

District Response: The District is implementing administrative changes and restructuring staff to include a head teacher. The superintendent position will be reduced in time and salary, and restructured in responsibilities. The head teacher position will include an addendum for the transfer of principal-like and daily operations responsibilities. The County will be contacted to explore cooperative agreements for additional services; cooperative agreements for services between the County and the District have been a long standing practice in the areas of financial services, budgeting, accounts payable, payroll, information technology, ERATE, professional development, and grant participation. The District will review its spending and implement cost reductions and efficiencies as able. The District will continue to review the options presented and involve the governing board, community, staff, and parents in future plans.

