



**Mesa Public Schools**

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Ember Conley, Ed.D.  
SUPERINTENDENT OF SCHOOLS

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December 18, 2018

Ms. Lindsey Perry, Auditor General  
2910 N. 44<sup>th</sup> Street, Suite 410  
Phoenix, AZ 85018

Dear Ms. Perry;

The Mesa Public Schools District respectfully submits its response to the Preliminary Performance Audit for the 2017 fiscal year conducted by the Office of the Auditor General. The District would like to express its appreciation for the professionalism, direction, and information sharing throughout the auditing process.

The District agrees with the performance audit findings and recommendations and has started incorporating improvements to increase the efficiency and effectiveness of our operations based on the recommendations provided.

Mesa Public Schools District is proud of its long history and dedication to the students, parents, and communities it serves and looks forward to continual improvements and providing quality education to its students.

Sincerely,

Ember Conley, Ed.D.

**GOVERNING BOARD**

Mr. Ben Smith  
PRESIDENT

Mrs. Elaine Miner  
CLERK

Mr. Steven Peterson  
MEMBER

Mrs. Jenny Richardson  
MEMBER

Mrs. Kiana Sears  
MEMBER

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**Finding 1:** District should strengthen cash-handling and computer controls

**Recommendation 1:** The District should strengthen its controls over cash handling and implement its internal auditors' recommendations, including ensuring that a supervisor conducts timely reviews of all voided transactions for appropriateness, ensuring that all waived fees and fines have documented approval before being processed, and updating its *Bookstore Manager Handbook* to provide additional guidance on fee/fine waivers.

District Response: The District agrees with the finding and has updated the Bookstore Handbook to require school administrators to view and sign off on void reports once a month. Also, all fine/fee adjustments or waivers will be approved, in writing, by an authorized administrator. The void report and all waiver documentation will be kept with the Bookstore's Cash Summary Reports. Bookstore Managers and School Administrators will be notified via email of the update and will be asked to read the revised handbook and implement this process as of January 1, 2019.

**Recommendation 2:** The District should strengthen its controls over PBIS tickets to ensure they are appropriately accounted for when using them to purchase items that would typically be paid for with cash, including ensuring that PBIS tickets can be tied to specific transactions and that bookstore deposits include the PBIS tickets students use to make PBIS purchases.

District Response: The District agreed with the finding and has begun to revise procedures specific to controls over PBIS tickets, including distribution of tickets to school staff, issuing and collecting tickets from students and accounting for tickets that have been redeemed at the school. In addition, the District is reviewing appropriate funding source for incentive items, determining an approved list of incentive items and segregating PBIS incentive items from non-PBIS incentive items.

**Recommendation 3:** The District should implement and enforce stronger password requirements for its computer network and critical systems.

District Response: The District agrees, and has since implemented and enforced stronger password requirements for staff.

**Recommendation 4:** The District should develop and implement a formal process to ensure that terminated employees have their access to critical systems promptly removed.

District Response: The District agrees and is working to resolve technical issues that have prevented compliance. We will fully comply with the recommendation after making the necessary programming changes. At that time, an employee's access to critical systems will be removed through an automated process based on the employee's termination date as entered by Human Resources into the financial system. An automated personnel action request form will be used to inform HR of the termination, and the process will be triggered as soon as HR receives and processes the termination.

**Recommendation 5:** The District should review and reduce the number of users with administrator-level access to its critical systems.

District Response: The District agrees, and has removed the unnecessary administrative-level users from the accounting and student information system. The Information Systems Standard Operating Procedures manual has been updated to incorporate a review process of administrative-level access for critical systems every six months.

**Recommendation 6:** The District should create and implement a formal IT contingency plan and test it periodically to identify and remedy any deficiencies.

District Response: The District agrees with the finding and 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 will 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 be articulated and implemented. The District plans to institute the new plan requirements by Spring 2019, with testing to take place at least twice a year.

**Finding 2:** District should ensure catering revenues cover costs and that its practice of providing food and beverages at nonstudent events is constitutional

**Recommendation 7:** The District should ensure that it considers all costs, including labor, utilities, insurance, and equipment-related costs, when determining prices for catering items and ensure that catering revenues cover all related costs.

District Response: The District agrees with the finding and is in the process of changing the way it accounts for catering operations. The revised accounting will more accurately represent all costs. All catering costs will be reviewed annually and pricing will be adjusted.

**Recommendation 8:** The District should consult with legal counsel to determine if its catering practices are constitutional. If present practices are continued, the District should document the public purpose of providing food and beverages at nonstudent events and whether the public benefits of providing food and beverages at these events outweigh the costs to the District.

District Response: The District accepts the finding and has consulted with its legal counsel to determine the constitutionality of providing food and beverages to non-students. Based on that review, the District will confirm that refreshments are paid from appropriate funding sources. In addition, the Governing Board will be asked to adopt a resolution that, under the cost-benefit analysis of the Gift Clause, modest expenditures for refreshments to encourage parents to attend meetings is worth the benefit to students and, therefore, such expenditures are authorized.