



COLORADO RIVER UNION HIGH SCHOOL DISTRICT #2
BULLHEAD CITY ELEMENTARY SCHOOL DISTRICT #15

CRUHSD

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November 27, 2018

Ms. Lindsey Perry
Auditor General Office
Division of School Audits
2910 N. 44th Street
Phoenix, AZ 85018

Dear Ms. Perry,

The Bullhead City Elementary School District respectfully submits their response to the Preliminary Draft Performance Audit Report.

The District agrees with the findings and is working to implement the recommendations provided by your office. We are committed to a continuous improvement process and ensure you that the District will continue to operate in an efficient and effective manner.

The Bullhead City Elementary District expresses their appreciation for your staffs help and professionalism that has been displayed to date.

Sincerely,

Benje Hookstra
Superintendent

Finding 1: District should strengthen accounting, computer, and building access controls

District Response: The District is working on procedures and contingency plans to strengthen computer controls regarding the network and the visions program. Most of the recommendations regarding visions controls have been addressed by the technology department in regards to user access. The network access concerns have been addressed and have been corrected by the technology department. Building access controls have been upgrade at sites where needed. Most sites had a master list of who had keys and to what rooms and gates. The two sites that needed to upgrade a master list and checkout policy have upgraded their policy and list. The District office has never had a list or master list of keys for each site; we are working with sites to furnish a list of who has keys to the individual rooms and who has master keys to each campus.

Recommendation 1: The District should ensure that it requires an independent review and approval for all its purchases prior to the purchases being made and maintains all supporting documentation for purchases, including receipts for any reimbursements or travelers checks provided.

District Response: The District is working on the requirement for an independent review and approval for all of its purchases. We have requirements in place, however they were not followed for a student trip to Washington D.C. We need to follow the requirement that are in place.

Recommendation 2: The District should strengthen its controls and oversight over fuel card purchases, including verifying that appropriate approvals have been obtained before issuing fuel cards to travelers, ensuring receipts are submitted and include information required by district policy for all purchases, and investigating any charges with missing or incomplete receipts or unusual fuel types.

District Response: The District has trained administrators and coaches on proper procedures however we will have signed copies by all staff that are trained on proper procedures regarding required information with use of the fuel card purchases. Approvals of travel with use of fuel cards are now kept on file with receipts. Any charges with missing or incomplete receipts or unusual fuel types will be recorded on a District form, dated and signed by the user of the card.

Recommendation 3: The District should implement proper controls over its payroll process to ensure proper separation of responsibilities.

District Response: The District has reviewed user's permissions in HR and payroll and reset accordingly.

Recommendation 4: The District should ensure that additional duties and related payments are addressed in employment contracts or personnel/payroll action forms, approved in advance of the work being performed, and maintained in employee personnel files.

District Response: The payroll department will review addendums with HR and the administrative assistant to assure that the Board of Education has approved addendums prior to payment.

Recommendation 5: The District should establish and implement procedures to review employee pay to help ensure that employees are paid correctly and rectify any overpayments or underpayments made to employees.

District Response: Review of users in visions; HR has view permission only in payroll and will verify correct payments to individual. Overpayments or underpayments will be rectified.

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

District Response: The District is in the process of reviewing recommendations and comparing Auditor Generals notes compared to the Grants Managements Audit. At this time the Grants Management Audit stated we were in compliance and the transactions for those grants must be classified for the completion reports to be approved.

Recommendation 7: The District should limit users' access in the accounting system to only those accounting system functions needed to perform their job responsibilities.

District Response: The District has reviewed the number of users in visions security groups and reset permission accordingly.

Recommendation 8: The District should review and reduce the number of users with administrator-level access to its computer network and systems.

District Response: The District has reviewed the number of administrative users and reset permission accordingly.

Recommendation 9: The District should develop and implement a formal process to ensure that terminated employees have their computer network access promptly removed.

District Response: We now have an automated process that will automatically terminate an employee's network access within one week if access had not been terminated manually.

Recommendation 10: The District should create and implement a formal IT contingency plan and test it periodically to identify and remedy any deficiencies.

District Response: A formal IT contingency plan has been developed and is in review.

Recommendation 11: 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, establish a process for determining the appropriate access levels for key holders, and implement a user agreement outlining the rules and policies that must be followed regarding the use of district keys.

District Response: Building access controls have been upgrade at sites where needed. Most sites had a master list for tracking building keys. The two sites that needed to upgrade a master list and checkout policy have upgraded their policy and list. The District office has never had a distribution list of keys for each site; we are working with sites to furnish a distribution list of their campuses. The District is developing a user

agreement policy outlining the rules and policies that must be followed regarding the use of district keys.

Finding 2: District should improve transportation program oversight

District Response: The District recognizes that there was a need for better clerical records and has hired a secretary to help the Transportation Department understand necessary record keeping.

Recommendation 12: The District should develop and implement procedures to ensure that bus driver certification requirements are met and appropriately documented in accordance with the State's Minimum Standards.

District Response: The District has hired a secretary for the Transportation Department and the records of the bus driver certification requirements being appropriately documented in accordance with the State's Minimum Standards are part of the job description for the secretary.

Recommendation 13: The District should develop and implement procedures to ensure that all bus driver drug test notifications and test results from the testing facility be sent to district employees who are not subject to drug testing.

District Response: The District has hired a secretary for the Transportation Department and the drug test notifications and test result information are included in the secretary's job description.

Recommendation 14: The District should accurately calculate and report to ADE for state funding purposes miles driven and students transported.

District Response: The District has hired a secretary for the Transportation Department and has been trained in the proper way to record and report miles driven and students transported. The reporting of this information is included in the secretary's job description.

Finding 3: District should improve oversight of shared service agreements

District Response: The District has started to review the shared service agreements; the item was placed on the November 2018 agenda and will be reviewed at the December meeting.

Recommendation 15: The District should work with Colorado River UHSD to revise its IGAs to specify each district's responsibilities, including accurately identifying shared employees and outlining their job duties for each district, and allocating the payment of these employees' salaries and related benefits to appropriately reflect the services provided to each district.

District Response: The District is working to identify all personnel that share responsibilities between Districts and have those positions stated in the IGAs, the District

identified which District pays the employee and the percentages that are paid by each District in the IGAs.

Recommendation 16: The District should work with Colorado River UHSD to develop and implement appropriate procedures for joint purchases and billing practices for shared services and supplies to ensure that items are properly approved and billed. Further, the District should ensure that its IGAs outline these agreed-upon procedures.

District Response: The District is working with Colorado River Union District to put into writing the process for shared purchased orders and billing by the accounts payable department.