



Cochise School District No. 26

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Karl Uterhardt, Superintendent

October 19, 2020

Ms. Lindsey Perry
Office of the Auditor General
2910 N. 44th Street, Suite 410
Phoenix, AZ. 85018

Dear Ms. Perry

Cochise Elementary School District has received and reviewed the Performance Audit report conducted for fiscal year 2018. The recommendations will enhance and improve district procedures as we strive to provide a world class education for all students.

Cochise Elementary School district concurs with the findings and recommendations resulting from the audit and plans to implement the recommendations. We continually strive to perform at the highest levels of academic and fiscal management. We will continue to work towards accomplishing the goals provided by this audit.

Cochise Elementary School District would like to thank the audit team for their insight, professionalism, and courtesy throughout the audit process, along with the opportunity to engage in discussions and collaboration.

If you have any questions, please feel free to contact myself or Ms. Candy Acuna, Business Manager.

Sincerely,

Karl Uterhardt
Superintendent

Finding 1: District put student safety at risk by not ensuring school buses were maintained; did not maintain documentation that bus drivers met all certification requirements; and misreported miles, resulting in underfunding.

District response: The District agrees with the finding.

Recommendation 1: Bus drivers have recently been trained to use tire pressure gauges during their pre-trip and pre-trip reports are being reviewed for bus issues. As our primary repair shop no longer works on school buses, we have an agreement with a traveling repair shop for bus repair and scheduled inspections and maintenance, and all bus repair orders/inspections will be kept for review.

Recommendation 2: All driver certifications and training are now being kept in the office; upon receipt, documents are sent to AZ DPS school bus division and/or ADOT medical review for certification documentation. Review of documents happens every quarter with AZ DPS emailing needed documents each quarter.

Recommendation 3: District office has reviewed ADE transportation guidance so more accurate accounting of mileage will occur.

Recommendation 4: The District will work with the ADE on its transportation reports to correct inaccuracies.

Finding 2: District's high food costs and low meal prices cost it about \$14,000 in monies that could have been spent on instruction.

District response: The District agrees with the finding, however, the district is increasing its student meal prices at a gradual rate so parents are not hit with a large increase thereby making the lunch unaffordable to many.

Recommendation 5: Menus are now being planned around available commodities, yet knowing many commodity items are of a lower grade; Cafeteria manager reviews food items on hand and prepares menus in accordance; continual reviews of numbers of meals served, menu items are used or eliminated based on popularity so students will want to eat cafeteria food.

Recommendation 6: Adult meal prices have been increased since the audit. Student meal prices are increasing every year at a slower rate to avoid large expense to parents.

Recommendation 7: Expenses and revenues will be reviewed each month knowing our student count is too few to have the school lunch program to be self-sustaining.

Finding 3: District did not restrict student access to and dispose of potentially harmful equipment.

District response: The district agrees with the finding.

Recommendation 8: The athletic field where the unusable items are kept is approximately 260 feet away from the path to the gym. Items have been taken away to the local dump over the past year and now only new unusable items remain. This area is also now locked and inaccessible to students or others. Items stored along the gym path have also been removed. The storage area in the student restroom in the gym has also been cleaned out and is now locked and inaccessible to students.

Recommendation 9: We will strive to remove all unusable items after auction is attempted or the Governing Board declares the items as trash.

Finding 4: District did not appropriately limit user's accounting system access to decrease risk of errors and fraud, and misclassified expenditures resulting in inaccurate financial reporting.

District response: The district agrees with the finding.

Recommendation 10: The district will add an additional user to the system so as to separate responsibilities and for independent reviews.

Recommendation 11: The district will adhere to the USFR guidance and receive training on the charts of accounts so all expenditures are classified correctly.