

Casa Grande Elementary Schools

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December 1, 2011

Debra Davenport, CPA
Auditor General
2910 North 44th Street, Suite 410
Phoenix, AZ 85018

RE: Response to Casa Grande Elementary School District FY10 Performance Audit

Dear Ms. Davenport:

Casa Grande Elementary School District respectfully submits our written response to the performance audit conducted by the Auditor General for FY2010. The audit indicated six findings and you will find the responses to these recommendations attached.

The District would like to extend our appreciation for the professionalism and courtesy extended by your staff during the audit.

Respectfully,

Frank Davidson, Ed. D
Superintendent

Finding 1: District greatly improved energy efficiency but staffing levels should also be reviewed

Recommendation: The district should review its plant operations staffing levels to determine if savings can be achieved.

We concur with the recommendation and will review our plant operations staffing levels.

Director Level Staffing - When construction activity spiked early in 2003, a district-hired demographer projected that our student population would be increasing more than 10% per year for years into the future that would require the construction of a new school every year. At that time, we created a Director of Construction position to manage the new construction activities that would be occurring. Since then we built four schools, a new administration facility and a transportation facility, as well as completing numerous renovations throughout the district. We also anticipated rebuilding three of our older schools using bond proceeds from a November 2011 election; however, since the bond election failed, we have already begun the process of evaluating the need for the two director-level facility employees.

Facility Staffing - We will examine the number of facility department employees we employ in comparison to appropriate industry and district standards to ensure that our schools are properly maintained but not overstaffed.

Energy Cost Savings - We appreciate your acknowledgment of our efforts to save taxpayer money by implementing an effective energy conservation program. Late in 2008, the district adopted an aggressive program addressing both employee behavior issues and equipment modifications that greatly reduced the amount of energy consumed by the district as well as the district's budget dedicated to energy costs.

Finding 2: District oversight helps control food services costs

We appreciate the recognition of our food services program in helping to control costs. Our Food Services Director diligently oversees all aspects of the food services program, including appropriate staffing levels based on the number of students participating in the meal program, meal preparation and prudent purchasing practices to ensure that it is operating as efficiently and effectively as possible.

Finding 3: District lacked sufficient computer controls to adequately protect sensitive information

Recommendation 1 – The District should review employee access to the accounting system and modify access to ensure that any one employee cannot initiate and complete a transaction without independent review.

The district agrees with this finding. The District will eliminate the full access to complete an entire transaction from one of the two employees who has full access. For the other employee with full access, we will implement a compensating control which will include a monthly review of access logs by an information technology (IT) employee to ensure this one employee never provides themselves access to all of the critical steps needed to complete an entire transaction.

Throughout the first six months after the implementation of this process, the effectiveness of the compensating control will be reviewed by IT and business office staff. If at anytime we determine this review is not practical or effective, we will modify access to ensure no employee outside of the IT staff can initiate and complete an entire transaction. While this access would technically provide the ability for the IT staff to complete an entire transaction, lack of familiarity with the detailed accounting software and lack of access to hard copies of check stock, invoices , contracts, etc. makes it improbable that such a transaction could be completed without being detected.

Recommendation 2 – The District should develop and implement a formal process to ensure terminated employees are promptly removed from its IT network.

The District concurs with this finding and is in the process of implementing a formal process for ensuring that terminated employees are promptly removed from the network. It is anticipated that a final process to ensure this occurs on a consistent basis will be implemented by December 31, 2011.

Recommendation 3 – The District should ensure that its servers and computers are using currently-supported operating system software and develop and implement a process to ensure critical updates are installed on its computers.

The District concurs with this finding. We recognize we have outdated operating system software on a number of computers and file servers in our district. However, due to State budget cuts over the past few years, we do not have the necessary funding to purchase upgrades for all of our systems. As funding allows, the District will review and update servers and computers based on the most likely to be subject to risk of attack and we will implement a process for the installation of critical updates on our computer systems.

Other Finding 1 – Driver certification requirements were not met

Recommendation – The District should regularly monitor its driver requirement log to ensure that its drivers meet the Arizona Department of Public Safety’s Minimum Standards.

We concur with this recommendation. Since the completion of the audit, we have implemented a tracking system that will be reviewed monthly for driver physicals, annual drug screenings, physical performance testing, refresher training, CPR and first aid. The tracking system identifies the next due date for each of the six requirements for each employee. Each month a report will be printed indicating the due date for each requirement and anyone who needs to complete any of the six requirements in the subsequent two months will be notified. Once the employee completes the requirement, the system will be updated. At this time, all employees meet all required certification requirements.

Other Finding 2 – Inadequate controls over fuel inventory increase risk of theft

Recommendation – The District should evaluate its controls over fuel inventory, restrict access to fuel pumps, and ensure proper accounting of all fuel use.

We concur with this recommendation. The card lock system that was purchased at the time the transportation facility was built which restricts access to fuel pumps and ensures proper accounting

of all fuel use was inoperable before and during the performance audit. Even though we never suspected inappropriate use of the fuel system, it did allow uncontrolled access to the fuel pumps and made accounting for appropriate fuel use inadequate. The card lock system is now fully functional. All buses are assigned a fuel card that must be used before dispensing fuel. Reports will be printed out monthly and reviewed for reasonableness.