



Clarkdale-Jerome School District #3

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December 8, 2010

Debra K. Davenport
Auditor General
2910 North 44th Street, Suite 410
Phoenix, Arizona 85018

Dear Ms. Davenport,

The Clarkdale-Jerome District respectfully submits its response to the Performance Audit of fiscal year 2009. The Performance Audit listed four recommendations.

Attached is the District response to the recommendations.

We thank you and your staff for the high degree of professionalism and assistance throughout the audit. The willingness of everyone to answer questions and engage in discussions regarding various points of view was very much appreciated.

We are also pleased that the Performance Audit recognized our high academic student achievement in addition to the operational efficiency of the District.

Please contact me if you have any questions.

Sincerely,

Kathleen Fleenor
Superintendent/Principal

Enclosure

District Response to Recommendations

1. The District should implement a more detailed review of supporting documentation for its accounts payable process to help reduce the risk of errors or improper transactions.

Response:

Even though no discrepancies or improper transactions have been noted, the district agrees and supporting documentation will be reviewed. The signed purchase order, the invoice and the payment check shall be periodically reviewed by the business manager and or the superintendent.

2. The District should implement a more detailed review of the information entered into the payroll system to help ensure that unauthorized changes to pay rates or data input errors are identified.

Response:

The District agrees and periodic verification of pay and pay rates shall be conducted to verify correct pay and hours of employees by the business manager and or the superintendent. Verification shall be conducted at the beginning of each year and periodically throughout the year.

3. The District should limit employees' access to only those accounting system functions needed to perform their work.

Response:

The District agrees but notes that it is a small district with very limited business office resources. Even though no discrepancies or improper transactions have been located by the Auditor General's Office or by yearly district audits, the district shall review employee job duties and address the feasibility of limiting access to accounting systems modules. The District will also determine if other procedures can be developed to compensate for this access such as those described in response 1 and 2 above.

4. The District should establish a written agreement with the Yavapai County School Superintendent's Office that outlines each party's responsibilities for its accounting system.

Response:

The District agrees and a written agreement will be established with the Yavapai County School Superintendent's Office. The District shall begin the procedures to establish a written agreement.