

COOLIDGE

UNIFIED SCHOOL DISTRICT

SERVING COOLIDGE & SAN TAN VALLEY

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April 11, 2011

Debra Davenport
Auditor General
State of Arizona
2910 N. 44th Street, Suite 410
Phoenix, AZ 85018

Re: Response to Coolidge Unified School District#21 Performance Audit

Dear Ms. Davenport,

Coolidge Unified School District respectfully submits our response to the Performance Audit for the fiscal year 2008-2009. The Performance Audit lists four findings along with recommendations.

Attached is the District's response to each of the findings in the report. The District concurs with all findings and will implement the recommendations suggested in order to maximize all available resources in the Coolidge Unified School District.

Thank you for the courtesy and professionalism extended to our staff by your audit team. We appreciate the worthwhile interaction throughout the audit process.

Sincerely,

Dr. Cecilia E. Johnson
Superintendent

Coolidge Unified School District #21

Performance Audit Responses

Finding 1: District had high administrative costs and lacked adequate procedures to protect it from errors.

Recommendations:

- 1.1 The District should continue to review its administrative positions and the related duties and salaries to determine how administrative costs can be reduced.
- 1.2 To help ensure that employees are paid accurately, the District should establish a delayed payroll system.
- 1.3 The District should continue to attempt to collect the remaining monies it overpaid to its employees.
- 1.4 The District should maintain documentation in personnel files, such as payroll or personnel action forms, to support additional duties and pay rates.
- 1.5 The District should require a district official to review and approve all of its purchases of goods and services prior to the purchase being made and document that approval on the purchase orders.
- 1.6 In order to properly safeguard its cash, the District should ensure that cash and checks are deposited in a timely manner.

Response:

- 1.1 The District concurs with this finding, and has taken Governing Board Action to reduce excessive administrative costs for the past two fiscal years.
- 1.2 The District concurs with this finding, and has implemented a two week delay in pay effective FY 2010-11.
- 1.3 The District concurs with this finding, and continues the attempt to collect overpaid monies through the county attorney's office.
- 1.4 The District concurs with this finding, and has taken steps to ensure that proper documentation is filed in personnel files. Par forms are currently being filled out for extra approved hours of work.
- 1.5 The District concurs with this finding, and is currently implementing internal controls that utilize improved purchasing procedures. In addition, the District continues to reinforce training efforts to ensure employees comply with requirements.
- 1.6 The District concurs with this finding, and has held cash handling training meeting with sites and implemented cash control webinars to ensure the proper handling of funds.

Finding 2: District paid high costs to contract out part of its transportation program and over-reported mileage for state funding purposes.

Recommendations:

- 2.1 To aid in evaluating the efficiency of its transportation program, the District should develop and monitor performance measures, such as cost per mile, cost per rider, and bus capacity utilization.

- 2.2 The District should accurately calculate and report the data needed for state transportation funding.
- 2.3 The District should contact the Arizona Department of Education and correct its transportation funding report.

Response:

- 2.1 The District concurs with this finding, and is currently utilizing the Transportation Performance formula and will monitor quarterly.
- 2.2 The District concurs with this finding, and has implemented written procedures with appropriate steps to accurately account for the reporting of data for the Transportation Route Report.
- 2.3 The District concurs with this finding, and has contacted the Arizona Department of Education (ADE) with the corrected transportation funding report. A 15-915 letter has been sent and ADE has adjusted state aid and general budget limit for the district.

Finding 3: Shift in spending indicates possible supplanting violations.

Recommendation:

- 3.1 To avoid supplanting, the District should direct more of its non-CSF monies back into the classroom as it did prior to fiscal year 2008.

Response:

- 3.1 The District concurs with this finding. The district will continue reviewing all out of classroom monies to redirect towards instructional programs.

Finding 4: District had an excessive number of cell phones and lacked proper oversight.

Recommendations:

- 4.1 The District should review whether employees currently provided cell phones actually require these phones as a necessary part of their job duties.
- 4.2 The District should cancel the cell phones that are not being used or that are not assigned to a specific individual.
- 4.3 The District should limit employees' cell phone plans to those allowable minutes needed to fulfill district responsibilities.
- 4.4 The District should review invoices to ensure individuals are using cell phones according to district policy and that individuals reimburse the District for any non-district use.

Response:

- 4.1 The District concurs with this finding. Cells phones are paid by the number of minutes in the plan not by the number of cell phones issued. The plan is e-rated at 80%. The majority of those cell phone numbers, the district is taking steps to ensure that they are utilized for radio connectivity only. Currently only 54 cell phones are assigned to district personnel. The District will review the employee usage of district cell phones.

4.2 The District will cancel all but six cell phones not in use. The minutes are bundled for all cell phone numbers assigned to the district. As staff change, this will keep the numbers in the 520 series grouped for CUSD.

4.3 The District concurs with this finding. The District will review the number minutes used with the number paid and reduce accordingly.

4.4 The District concurs with this recommendation. The district monthly bill should be reviewed monthly. Out of state numbers should be randomly called to verify the calls were business related.

Other Findings:

1. District should strengthen controls over access to IT resources and data.
2. District did not accurately report its costs. Coolidge USD did not consistently classify its fiscal year 2009 expenditures in accordance with the Uniform Chart of Accounts for School Districts. As a result, its annual financial report did not accurately reflect its cost, including both classroom and non-classroom expenditures. Auditors identified errors totaling \$1.2 million of the District's total \$36 million in current spending that decreased its reported instructional expenditures by over \$680,000, or 1.5 percentage points. The figures presented in this report reflect the corrected amounts.

Recommendations:

1. The District should limit employees' student information systems access to only those function needed to perform their work, ensure that access to the District's computer system is promptly removed when employees leave the District's employment, and limit physical access to its server rooms.
2. The District should classify all transactions in accordance with the Uniform Chart of Accounts for School Districts.

Response:

1. The District concurs with this finding. The District will implement procedures to review access by job description to determine the appropriate accessibility to student information. The District will quickly remove someone from access to the computer system when leaving the district. Human Resources will send IT a listing of all personnel within 48 hours of leaving the district and IT will remove them from access.
2. The District concurs with this finding. When coding payroll, the District will ensure the proper function code for support service personnel. Payroll and the Director of Business will review the coding of personnel monthly to insure proper coding.