

NADABURG UNIFIED SCHOOL DISTRICT No. 81
“Our Mandate is Excellence”

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December 1, 2009

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

Re: Response to the Nadaburg Unified School District No. 81 Performance Audit

Dear Ms. Davenport:

Respectfully submitted herewith is the District's response to the Performance Audit for fiscal year 2008 conducted by your office's School District Audit Team.

We realize it is a difficult task to fairly compare and evaluate a number of school districts when each faces myriad and unique circumstances, and we appreciate the consideration and professionalism displayed throughout the process by your staff.

The District has brought a new elementary school online since the year for which the Performance Audit was conducted. As the District continues to grow, so will our need to formalize processes and procedures in all areas, many of which came to light in the course of the Performance Audit.

Thank you for acknowledging that the District's transportation routes are efficient. Transportation will continue to command a disproportionate share of our operating budget until the District is able to provide instruction for its high school students and expand services to its exceptional students.

If you have any further questions after reading our responses to your recommendations, please feel free to contact us.

Sincerely,

Greg Riccio, Ph.D.
Superintendent

Recommendations

Administration

1. *The District should implement proper controls over its payroll process, ensuring adequate segregation of duties, supervisory review of time sheets, and proper documentation and approval of extra duty pay.*

The District agrees with this recommendation. Job duties will be reassigned to ensure adequate segregation of duties. Time sheets now must be reviewed, approved and signed by the supervisor prior to being processed. Proper written documentation is now required prior to processing extra duty pay.

2. *The District should maintain required supporting documentation for all expenditures, including proof that the purchase was properly approved and the items or services were received.*

The District agrees with this recommendation and will ensure that its procurement procedures are followed by all employees.

3. *The District should improve controls over its fuel card purchases by:*
 - a. *Requiring additional documentation from the vendor, such as a log of district vehicle license numbers and odometer readings completed by District staff at the time of the fuel purchase.*
 - b. *Obtaining all receipts from district staff; and*
 - c. *Verifying the accuracy of billings.*

The District agrees with this recommendation and has made arrangements for the vendor to hold all copies of signed fuel receipts and drivers will be required to log every time a vehicle is fueled. The logs and the receipts will be reviewed monthly and verified for accuracy of billing as well as appropriateness.

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

The District agrees and has complied with this recommendation.

5. *The District should implement a system of formal written procedures to ensure that access is promptly removed when employees leave the District's employment.*

The District agrees and has complied with this recommendation.

Transportation

1. *To aid in evaluating the costs and efficiency of its transportation program, the District should develop and monitor performance measures, such as cost per rider, cost per mile, driver productivity, bus capacity utilization, and ride times.*

The District agrees with this recommendation. The District purchased a transportation software program to help improve the efficiency of its routes, and will develop and utilize other measures to further increase departmental efficiencies.

2. *The District should accurately track and report ridership to ensure it receives proper transportation funding.*

The District agrees and has trained staff to accurately track and report ridership.

3. *The District should evaluate controls over fuel inventory to restrict access to fuel pumps and ensure proper accounting of all fuel uses.*

The District agrees with this recommendation and has implemented scheduled fueling times, outside of which the fuel pump switch is locked and inaccessible to all but key personnel.

The District's agreement to allow the local fire department to fuel its vehicles was terminated upon the opening of a local gas station in the fall of 2009.

Plant Operation and Maintenance

1. *The District should review staffing levels to determine whether the number of plant operations and maintenance positions can be reduced.*

The District agrees with this recommendation and believes that the opening of a second elementary school in August 2008 has helped ameliorate the overstaffing issue. Our custodians now average about 22,328 square feet per FTE, which is more in line with the national average cited by the Audit Team.

The District has combined the Maintenance and Transportation Departments under one Director who now oversees two school campuses plus the District and Transportation facilities. The Maintenance Clerk position has been combined with the Dispatcher to eliminate .5 FTE.

We believe that the service longevity of some plant personnel is a contributing factor to higher-than-average salary and benefit costs compared to similar-size districts.

- 2. The District should evaluate its energy usage and implement an energy conservation plan to help reduce costs.*

The District agrees with this recommendation and has been making energy conservation efforts. A lighting retrofit project to upgrade T-10 and older lamps to newer, more energy efficient lamps was completed at the end of fiscal year 2009. Sensors also were installed so lights automatically turn off in vacant rooms after 20 minutes.

Water usage at the District's new elementary school had been a concern because it was to be the District's first experience with an outside water system provider. Costs came in lower than projected for the initial year. As of the end of October 2009, we have completed a full service year and now have a basis of comparison for future consumption.

The District will continue to monitor its energy usage and seek to implement additional conservation measures. A plan is being developed to help ensure that conservation measures are enacted district-wide.

Proposition 301 Monies

- 1. The District should review its performance pay plan to ensure that all of its goals promote improved performance.*

The District agrees with this recommendation. District administrators and teachers have reviewed the performance pay plan and will submit a revised plan for Governing Board approval in December 2009.

- 2. The District should evaluate all performance goals and maintain documentation to demonstrate that employees receiving performance pay have successfully completed their performance goals.*

The District agrees with this recommendation and will maintain all such documentation.

- 3. The District should ensure that performance pay is awarded only after determining the related goals have been met.*

The District agrees and will ensure this practice is followed.

English Language Learner Programs

1. *The District should promptly provide language acquisition services to all students identified as English language learners unless the parent or guardian formally requests that such services not be provided.*

The District agrees with the above recommendation and will promptly provide services to all students identified as ELL. The District will follow up with any formal request declining language acquisition services and maintain a copy of the follow up in the student cumulative file.

2. *The District should ensure its SEI program meets all state requirements, including developing ILLPs for each individual student, providing ELL students with the required hours of ELD instruction, and ensuring that all teachers working with ELL students have the required endorsements.*

The District agrees with the above recommendation. The District confirms that all teachers working with ELL students do have the required endorsements and that documentation is now on file in the District office. The District will ensure that its SEI program meets all state requirements, including developing ILLPs for each individual student, and providing ELL students with the required hours of ELD instruction.

3. *The District should use Compensatory Instruction monies only for authorized purposes.*

The District agrees with the above recommendation and will ensure that only eligible students participate in any future CI-funded programs the District may receive.