



POMERENE SCHOOL DISTRICT #64

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Office of the Superintendent

May 14, 2013

**Ms Debra K. Davenport
Auditor General
Division of School Audits
2910 North 44th Street, Suite 410
Phoenix, Arizona, 85018**

Dear Ms. Davenport:

Pomerene Elementary School District respectfully submits its response to the Performance Audit of fiscal year 2011 conducted by the Office of the Auditor General and the Division of School Audits. The District would like to thank Mr. Mike Quinlan, Audit Manager, and the Audit Team for their time, effort and professionalism with regard to this audit. PESD agrees with all findings and recommendations of the team.

We appreciate the auditor's recognition of our efforts to control costs while maintaining test scores that exceeded both peer group and state averages. PESD is committed to fiscal responsibility, student achievement, and effective stewardship of taxpayers' funds.

Attached is the response to each of the findings and recommendations. Please do not hesitate to contact us if there are any questions regarding our response.

Sincerely,

**Dan Bailey
Superintendent**

Finding: District needs to strengthen its accounting and computer controls.

Payroll and purchasing controls need strengthening: Pomerene ESD's procedures for maintaining payroll records and processing purchases were inadequate.

- 1. Pay for classified employees not adequately documented.**
Recommendation: As recommended by the Uniform System of Financial Records for Arizona School Districts, the District should prepare and retain in employee personnel files a current personnel/payroll action form or contract for each employee to document employment terms.

Response: The district has implemented a policy of using contracts for all employees that will document employment terms.

- 2. District policy for purchase approval not always followed.**
Recommendation: The District should ensure that all purchases have prior approval.

Response: The district has reviewed accounting and purchasing practices to ensure established procedures are being followed. Use of stamp signatures in purchase requisitions and purchase orders has been eliminated. District staff has been provided with training in accounting and purchasing procedures.

Computer controls need strengthening: Pomerene ESD lacked adequate controls over its accounting system and lacked an agreement with the Cochise County Superintendent's Office for hosting its accounting system.

- 3. Broad access to accounting system.**
Recommendation: The District should limit employees' access to the accounting system so that one employee cannot complete transactions without an independent review.

Response: The district has reviewed job responsibilities and access to the accounting system. The district is in the process of separating and restricting access to the accounting system.

- 4. No written agreement for maintaining district accounting system.**
Recommendation: The District should establish a written agreement with the Cochise County School Superintendent's Office that outlines each party's responsibilities for its accounting system.

Response: The district will work with Cochise County School Superintendent Office to implement a written agreement.

District did not accurately report its costs.

- 5. Pomerene ESD did not always classify its fiscal year 2011 expenditures in accordance with the Uniform Chart of Accounts for school districts.**

Recommendation: The District should classify all transactions in accordance with the Uniform Chart of Accounts for school districts.

Response: The district has made all changes identified by the Auditor for the current school year. The district will continue to review and identify coding practices within the district. The district will continue to provide additional training to staff tasked with expenditure coding to ensure on-going compliance with the existing Uniform Chart of Accounts as well as update notifications when changes are issued.