

SAN CARLOS UNIFIED SCHOOL DISTRICT NO. 20



July 19, 2005

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

Dear Ms. Davenport:

San Carlos Unified School District No. 20 appreciates the Auditor General's work with the District with regards to the Performance Audit. The meeting held with Performance Audit team on July 14 was helpful in identifying areas of concerns and in some cases clarified the district's status on the performance audit.

The District intends to address and implement plans for the recommendation made by your audit team. The attached response was reviewed and approved by the Governing Board at its regular meeting on July 18, 2005.

Again, we thank your office for your assistance. We look forward to meeting with your team in six months to provide documentation and evidence of improvements made by the district regarding your recommendations.

Sincerely,

SAN CARLOS USD NO. 20

John Bush, Ed. D.,
Superintendent of Schools

Attachment

cc: File

San Carlos Unified School District No. 20

Response to Auditor General's Performance Audit

July 2005

Introductory Statement:

The San Carlos Unified School District Governing Board, Administration and other school officials would like to thank the Auditor General's (AG) office for their intensive work on comparing our district with other comparable district during the Performance Audit. We realize that the recommendations of the Auditor General's office will assist the district in utilizing resources that are in the best interests of students at San Carlos Unified School District No. 20. All recommendations made by the Auditor General's office will be addressed. The Governing Board of San Carlos Unified School District No. 20 officially approved this response at its Regular Governing Board meeting on July 18, 2005.

Chapter 1 – Administration: *The district spent 60 percent more on Administrative costs more than other district of similar size.*

San Carlos Unified School District No. 20 agrees with the findings of the Auditor General. The district will take the following action(s) to address the recommendations made by the Auditor General to decrease costs.

For fiscal year 2005-2006, the district will decrease the administrative budget. The District eliminated the Public Relations Coordinator's position. Duties will be delegated to schools. The district has reassigned the Technology Coordinator to teach half time at San Carlos High School. The district has eliminated the Assistant Principal at High School & Junior High and delegate positions to Special Teacher Assignments for school year 2005-2006. A plan will be implemented to have teaching assignments during the school year.

The district will reduce administrative travel costs by reducing travel budgets for Board and School Administrators. The district will also limit the number of attendees at specific conferences. All staff travel must be approved by the Superintendent's office. The district will recheck all School Business Days (SBD). For example, district records indicate 20 (SBD) were used by the Executive Secretary and 15 (SBD) for the Superintendent. Documentation/evidence will be provided at the end of the six month period.

Chapter 2 – Food Service: *Inadequate cash controls make the program susceptible to error, fraud, and abuse.*

The district agrees with all findings and recommendations of the Auditor General. School administration intends to discuss concern/recommendations with the district's contracted vendor regarding a la carte items and recommend a district-wide check and balance system. The district

and its contracted vendor will implement a plan for cash controls. Record keeping, cash security will be addressed with vendor and Food Service Director.

Chapter 3 – Student Transportation: *The District's per-mile transportation costs were high than comparable districts averaged even though its route mileage was similar.*

San Carlos Unified School District No. 20 agrees that total routes and total eligible students which was reported in the fiscal year 2003-2004 were not correct. Per the Auditor's recommendation, proper records for route miles and students to be transported shall be kept on a daily basis and also to be reported to the Arizona Department of Education correctly to receive SAIS TRAN55-1 Transportation Route Report.

The salary and benefits cost associated with employees of the Transportation Department shall be allocated according to their related work either plant operation or maintenance or student transportation and proper records shall be maintained for records and audit.

The Auditor General's recommendation concerning part-time positions to save benefits costs shall be presented to the Governing Board for their consideration.

School District shall implement a plan and schedule to improve vehicle preventative maintenance, random drug and alcohol testing and mileage reporting. Documentation will be presented at the end of the six month reporting period to the Auditor General's office.

Separate accounting codes have been set up for the Transportation Department to keep accurate cost of fuel as student transportation and non-student transportation fuel and logs shall be maintained to provide odometer reading and gallons of fuel on these logs.

Chapter 4 – Plant Operation and Maintenance: *The District spent more than comparable districts on plan operation and maintenance.*

The district's waste disposal costs were significantly higher than the comparable districts. Per the recommendation of the Auditors, San Carlos Unified School District No. 20 contacted the waste disposal companies from surrounding communities and requested proposals. The district was informed that they do not service the San Carlos area. The San Carlos Apache Tribe does not have a landfill within the reservation. The District recognizes that this may be a continuing problem of reducing waste disposal costs. For fiscal year 2005-2006, the Governing Board has approved the local Tribal agency, Mt. Turnbull Sanitation as the sole source provider for trash pick-up and garbage disposal services.

The school district shall contact San Carlos Apache Tribe and its entity to help the district to reduce such cost in the future. The district will also review and analyze waste disposal needs with regard to pick-up frequency and size.

Chapter 5 – Proposition 301 Monies: *The District improperly spent approximately \$4,600 on noninstruction items. In addition, the District did not develop a comprehensive plan for how to spend base pay and menu option monies.*

The district agrees with the finding and recommendations of the Auditor General. School district administration acknowledge that it was in error in spending 301 monies for supplies and providing an administrative stipend for overseeing the drop-out prevention program. The district will utilize all 301 monies as outlined by state and policy. The district will ensure that the 301 committee will review proper expenditures of base pay and menu option monies with the Superintendent and Assistant Superintendent for Business. A comprehensive plan will be reviewed and presented to the Governing Board for approval.

Chapter 6 – Classroom Dollars: *The District did not accurately report classroom and other costs.*

The district will meet with the administrative team to discuss and review proper accounting code procedures. Monitoring and review of all federal program monies will occur on a monthly basis. Before submitting proposals to funding agencies the Federal Program Director and Assistant Superintendent for Business will review account codes and line items following USFR Chart of accounts to insure proper accounting procedures. All coding procedures will be reviewed by the administrative team to ensure that proper coding are utilized.