



St. David Unified School District
Where Students Are Our Primary Focus

December 8, 2014

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

Dear Ms. Davenport:

The St. David Unified School district respectfully submits its response to the Performance Audit conducted by the Office of the Auditor General for the 2012 Fiscal Year as is required per A.R.S. 41-1279.03.

As an administration and Governing Board we appreciate the efforts and professionalism of the Auditor General's office. We value the recommendations and anticipate that they will assist our district in becoming more efficient and improve our operational practices.

The district agrees with the findings provided and has already implemented some of the recommendations to correct the findings and have begun to develop plans to address the remainder. The subsequent pages contain our responses to the findings and recommendations.

If there should be any questions regarding our responses, please do not hesitate to contact me.

Sincerely,

Mark Goodman
Superintendent
St. David Unified School District

Finding 1-

District lacked adequate accounting and computer controls to protect it from errors and fraud.

Recommendations

- The District should ensure that additional duties and related payments are addressed in employment contracts or personnel payroll action forms, approved in advance of the work being performed, and maintained in employee personnel files

District Response: The District agrees with the finding and recommendation. District personnel will begin using the Personnel Action Request (PAR) worksheet to approve additional duties and payment in advance of work being performed.

- The District should require supervisors to thoroughly review time sheets to help ensure that all employee pay amounts are accurate.

District Response: The District agrees with the finding and recommendation. Though this has been a requirement, a safeguard was not in place to ensure that it occurred prior to processing. District Payroll staff will not process time cards until they have been approved by the appropriate supervisor.

- The District should establish and maintain effective internal controls to safeguard cash, including issuing receipts for all cash received and making deposits timely.

District Response: The district agrees with the finding and recommendation. The district has taken action to improve its timeliness of deposits. Receipts will be issued for cash received and proper fundraising documentation will be required to be turned in with all deposits accounting for items sold and cash received. The District athletic department will utilize numbered tickets when they collect entrance fees for home games.

- The District should review employee access to accounting system and modify access to ensure that an employee cannot initiate and complete a transaction without independent review and that each employee has only the access necessary to meet their job responsibilities.

District Response: The District agrees with the finding and recommendation. The Superintendent and IT Director will review the access that is granted in the accounting system and limit access to each user based upon their assigned duties.

- The District should implement and enforce password requirements related to password length, complexity, and expiration.

District Response: The District agrees with the finding and recommendation. The District has taken steps to comply with this recommendation. Currently, password length, and complexity is required for login criteria. However, there are several programs that do not have an expiration requirement for employees to change passwords. The IT director will evaluate all login criteria and make the necessary adjustments to comply with the recommendation by requiring passwords to be changed every 90 days.

- District should limit physical access to its IT server room so that only appropriate personnel have access.

District Response: The District agrees with the finding and recommendation. The district IT Server room remains locked when the IT Director is not present. It requires a “Master” Key to enter the room thus limiting access to only the IT director and administration. The room is also currently alarmed and monitored by video surveillance.

- The District should create a formal Disaster recovery plan and test it periodically to identify and remedy deficiencies.

District Response: The District agrees with the finding and recommendation. Following the audit, most, if not all, financial and student related data is kept offsite. A disaster recovery plan has been put into place.

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

District Response: The District agrees with the finding and recommendation. Following the initial audit the district working with the Auditor General’s office complied with this recommendation by identifying and correcting the accounts coded incorrectly.

FINDING 2

Improvements needed and some taken to lower District’s high food service costs

Recommendations:

- The District should review its food service staffing levels to determine if changes can be made to produce cost savings.

District Response: The District agrees with finding and recommendation. The District was operating with 2.8 FTE for FY 2012. Since that time staffing has been reduced to 2.25 FTE. The district will continue monitor staffing to determine if additional reductions are required.

- The District should continue to closely monitor its food service program to identify and implement any additional cost saving measures

District Response: The District agrees with this finding and recommendation. The District will implement the recommendation by ensuring that we receive the best price for items purchased and monitoring the average cost per meal in determining efficiency and methods to achieve additional cost savings.

FINDING 3

Improvements needed for transportation program recordkeeping and Oversight

Recommendations:

- As the statute requires for state funding purposes and also to help it evaluate its transportation programs efficiency, the District should determine and report to the Arizona Department of Education the actual number of students transported.

District Response: The District agrees with the finding and recommendation. The director of transportation will maintain accurate records of accurate counts of students transported daily.

- The District should evaluate and implement additional controls over its fuel inventory to help ensure proper accounting of all fuel deliveries and usage.

District Response: The District agrees with the finding and recommendations. The district currently requires the transportation director to track fuel usage in district vehicles. This process will be evaluated, and the district will include additional controls to ensure the fuel amount in the tank corresponds with the amount used and to check the accuracy of the vendor.