

Window Rock Unified School District No. 8

Window Rock Unified School District

P.O. Box 559
Navajo route 12
Fort Defiance, Arizona 86504

Office: 928.729.7001
Fax: 928.729.7661
www.wrschool.net

August 13, 2014

Debbie Davenport
Arizona Auditor General
2910 N. 44th Street Ste. 410
Phoenix, AZ 85018

Dear Ms. Davenport:

The Window Rock Unified School District submits its response to the Fiscal Year 2011 Performance audit to your office. The District would like to thank your staff who conducted this audit for their time and the professionalism that they displayed during this audit. The District agrees with the findings and recommendations.

The Window Rock Unified School District believes in our school motto which is "Embracing change for student learning" and will continue to work, implement and support ideas and recommendations from your office. Please contact us if you have any questions regarding this response.

Thank you,

Donna M. Manuelito
WRUSD Co-Acting Superintendent

Dr. Deborah Mayher
WRUSD Co-Acting Superintendent

Marty Bowman
President

Marcus Tulley
Board Clerk

Lynette Guy
Board Member

Carl A. Hillis
Board Member

Josephine Dawes
Board Member

Finding 1: District's spending increased, but not in the classroom

Recommendation 1

The District should look for ways to reduce non-classroom spending to allow it to direct more of its monies back into the classroom.

The District does agree with the recommendation and will implement the recommendation by decreasing non-classroom expenditures. It will also evaluate the District and school level improvement plans and put more budget capacity into the classroom to help increase student achievement.

Recommendation 2

The District should review its student support services spending to determine whether it can provide services in a more efficient or economical manner.

The District does agree with the recommendation and will implement the recommendation with the help of all administrators and staff that work with our children in these areas and see what we can do to offer the same services in a more efficient and economical manner.

Recommendation 3

The District should review its instruction support services spending to ensure it provides needed services in the most cost beneficial manner.

The District does agree with the recommendation and will implement the recommendation. Due to a high turnover in Teachers and Principals, the District will continue to send new staff to trainings. The District will continue to train our staff as trainers, and will look into new ways to train staff at an economical price.

Finding 2: District had much higher administrative costs and lacked adequate controls to protect it from fraud and errors

Recommendation 1

The District should review its administrative positions and use of consultants to determine how it can reduce administrative costs and make any adjustments accordingly.

The District does agree with the recommendation and will implement the recommendation; the District has cut Administrative positions in the District by attrition. Administrators with experience in their respected fields have been hired and the need for consultants will be decreased.

Recommendation 2

To reduce its travel costs, the District should limit the number of employees attending a given conference or seminar to the key staff members who need to attend.

The District does agree with the recommendation and will implement the recommendation; the District has developed new travel procedures that will ensure that only key staff and Board

members attend specific conferences and trainings. These procedures will help to decrease travel expenses throughout the District.

Recommendation 3

The District should review the list of district vehicles that are loaned to staff to determine whether the employees need these vehicles based on their job responsibilities and make any adjustments accordingly.

The District does agree with the recommendation and will implement the recommendation; employees no longer keep District vehicles year round and all District vehicles are returned daily to the Transportation Department daily. A Transportation Authorization form (TA) is completely filled out and is on file at the Transportation Department before any employee is authorized to operate a District vehicle. Employees that do sign out a District vehicle will maintain a mileage log.

Recommendation 4

The District should implement proper controls over district-provided vehicles by adopting policies and procedures governing allowable use, requiring that employees maintain mileage logs documenting the purpose of trips and related mileage, and reviewing the logs for appropriateness.

The District does agree with the recommendation and will implement the recommendation to develop and adopt policies and procedures requiring employees to maintain mileage logs and review the mileage logs.

Recommendation 5

The District should implement proper controls over fuel usage for district-provided vehicles by requiring that employees maintain fuel logs identifying the vehicle and its odometer reading, the individual pumping fuel, and the amount and date of fuel pumped.

The District does agree with the recommendation and will implement the recommendation to require employees to maintain fuel logs which will identify the vehicle and its odometer reading, the individual pumping fuel, and the amount and date of fuel pumped.

Recommendation 6

The District should ensure that it requires an independent review and approval for all of its purchases prior to the purchases being made.

The District does agree with the recommendation and will implement the recommendation; the District will adopt policies and procedures which will require all requisitions to go through the proper approval process which is the supervisor and purchasing agent before it is made into a purchase order.

Recommendation 7

To help ensure it receives the best price for goods and services, the District should follow the competitive procurement requirements in the school district procurement rules and the *Uniform System of Financial Records for Arizona School Districts* when purchasing goods and services.

The District does agree with the recommendation and will implement the recommendation; the District will ensure that all quotes and bids that are received by the District are handled and opened in accordance with the *Uniform System of Financial Records for Arizona School Districts (USFR)* and *School District procurement rules*. The District will also conduct trainings to staff so that they understand the procurement rules in the *USFR* when purchasing goods and services.

Recommendation 8

The District should implement proper controls over cash by reconciling sales to cash collections and comparing cash collections to actual cash deposits. The District should also provide cashiers with properly documented change funds to help ensure that it can accurately reconcile sales and cash collections.

The District does agree with the recommendation and will implement the recommendation; District will implement processes and procedures to ensure proper controls over cash by reconciling sales to cash collections and comparing cash collections to actual cash deposits. The District will also implement a process to ensure a proper change fund is used.

Recommendation 9

The District should encrypt its wireless network.

The District does agree with the recommendation and will implement the recommendation; the Technology department will develop a technology plan that will include but not be limited to encrypting the wireless network.

Recommendation 10

The District should implement stronger password requirements for its computer network and systems related to password length, complexity, and expiration.

The District does agree with the recommendation and will implement the recommendation; the Technology department will implement policies and procedures related to password requirements for its computer network and systems related to password length, complexity, and expiration.

Recommendation 11

The District should limit employees' access to only those accounting system functions needed to perform their job responsibilities and ensure that no employees are able to complete a transaction without an independent review.

The District does agree with the recommendation and will implement the recommendation, the District will review and set limits on employees' access to the accounting system to ensure that no employee has the ability to complete a transaction without an independent review.

Recommendation 12

The District should create a formal IT disaster recovery plan and test it periodically to identify and remedy any deficiencies.

The District does agree with the recommendation and will implement the recommendation, the District will meet to create a formal IT disaster recovery plan and will test it periodically and fix any problems that are identified.

Recommendation 13

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

The District does agree with the recommendation and will implement the recommendation; the District will ensure that all transactions are coded correctly in accordance with the Uniform Chart of Accounts.

Finding 3: District spent more on plant operations primarily for excess building space

Recommendation 1

The District should review the use of space at each of its schools and determine ways to reduce identified excess space.

The District does agree with the recommendation and will implement the recommendation; the District will review the usage of space and make recommendations to close school buildings and consolidate students. The District will also begin planning on demolishing or remodeling old school and office buildings.

Recommendation 2

The District should evaluate its employee housing rental rates and costs and, if the District continues to subsidize its employee housing, determine the costs and benefits of doing so.

The District does agree with the recommendation and will implement the recommendation; the District will include in the five year capital plan, to replace the master meter in housing and place meters at every housing unit. On an annual basis, the District will compare housing rental rates with neighboring Districts to ensure rates are competitive.

Recommendation 3

The District should ensure that renting to nonemployees is not increasing its need to subsidize employee housing.

The District does agree with the recommendation and will implement the recommendation; the District will review and update its housing policy section that pertains to renting to nonemployees, and to ensure that it is not negatively impacting the District.

Finding 4: Food service program required \$108,000 subsidy

Recommendation 1

The District should maximize its use of USDA food commodity allotments to minimize food supply costs.

The District does agree with the recommendation and will implement the recommendation; the food service department will re-evaluate its menus to ensure that commodity food is used in the menus.

Recommendation 2

The District should enforce the guaranteed profit provision of its food service management contract by recovering monies from its food service vendor adequate to meet the contractually guaranteed profit for fiscal year 2012 and ensuring that the vendor fulfills its contractual requirements during the contract's term.

The District does agree with the recommendation and will implement the recommendation; the District will meet regularly with the food service management company to ensure that they will be fulfilling their contractual requirements to show a profit each fiscal year.

Finding 5: District did not meet bus driver certification and bus preventative maintenance requirements

Recommendation 1

The District should implement procedures to ensure that bus drivers meet certification requirements and that it documents such in accordance with the State's *Minimum Standards*.

The District does agree with the recommendation and will implement the recommendation; the District will develop procedures to ensure that the District will maintain complete records demonstrating that bus drivers met the *Minimum Standards*.

Recommendation 2

The District should create a formal preventative maintenance policy and schedule and ensure that bus preventative maintenance is conducted in a systematic and timely manner in accordance with its policy and the State's *Minimum Standards*.

The District does agree with the recommendation and will implement the recommendation; the District will work with the Transportation department to develop a formal preventative maintenance policy and schedule that will ensure bus preventative maintenance is conducted in a systematic and timely manner in accordance with its policy and the State's *Minimum Standards*.

Other findings1: District did not meet statutory requirements regarding out-of-state students' enrollment and transportation

Recommendation 1

The District should follow the enrollment and transportation requirements for out-of-state students as outlined in A.R.S. 15-823 and 15-901 et seq.

The District does agree with the recommendation and will implement the recommendation; the District will work with ADE and the Districts' attorney to present and get an Intergovernmental Agreement in place that will satisfy the requirements of A.R.S. 15-823 and 15-901 et seq. The District will also ensure that it keeps accurate counts on New Mexico students and the mileage that is used to transport these students.

Recommendation 2

The District should contact the Arizona Department of Education regarding any needed corrections to enrollment or transportation reports regarding its attending out-of-state students.

The District does agree with the recommendation and will implement the recommendation; the District will contact the Arizona Department of Education regarding any needed corrections to enrollment and transportation reports regarding its attending out-of-state students, and to ensure that the District is correctly reporting the out-of-state students in future reports.

Other findings 2: Elements of the performance pay plan did not promote improved performance

Recommendation 1

To promote improved performance, the District should establish meaningful performance goals that require standards that are higher than baseline expectations.

The District does agree with the recommendation and will implement the recommendation; the Districts' performance pay committee will ensure that all the goals that are created are meaningful performance goals and that they require standards that are higher than baseline expectations.