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November 17, 2006

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

Re: Response to Avondale Elementary School District 2004-2005 Performance Audit

Dear Ms. Davenport:

Enclosed is the Avondale Elementary School District's response to the Performance Audit conducted by the Auditor General for fiscal year 2005. We understand the complexity of the work your staff has been charged with when comparing the performance of Arizona school districts. Furthermore, we appreciate the professional manner in which the audit was performed by your staff. As our student population grows, we are always exploring ways to improve our efficiency and effectiveness for our departments as they service our students, staff, and community. We have gained valuable insight and suggestions from your staff during the course of the audit that will assist us in this endeavor.

After meeting with your staff to review the results and recommendations of the audit, we are pleased to note there are many areas of success in the Avondale Elementary School District. To begin with, our administrative costs were 15% lower than other districts with similar number of students. This comparison indicates that our district is dedicated and successful in putting more dollars in the classroom. More dollars in the classroom will continue to be our commitment while meeting the challenge of increasing growth in our District.

In addition, the Auditor General's Office has no recommendations in the areas of Food Service or Plant Operation and Maintenance other than to continue to monitor the efficient operations of these departments. Certainly these departments are critical supports to students and staff in order to have healthy and safe learning environments.

We have already started implementing several of the recommendations made in other areas of our operations.

If you have any questions regarding our FY 2005 Performance Audit response, please contact Marcie Celaya.

Respectfully,

Dr. Cathy Stafford
Superintendent

Ms. Marcie Celaya
Executive Director of Business Services

Chapter 1: Administration

Recommendation #1

The District should seek legal counsel regarding the legality of bonuses paid to classified employees and whether any repayments are required.

Response

The District believes that the performance pay received by the 214 employees identified in our performance audit was reasonable and earned. Nonetheless, we will be consulting with legal counsel to determine whether any repayments are required and to make sure we use proper language in our employment contracts and letters of intent.

Recommendation #2

The District should ensure that all compensation, including performance pay, is specified in employment contracts.

Response

The District will work with our legal counsel to add language to employment contracts and letters of intent for employees to ensure that all compensation, including performance pay, is specified in employment contracts.

Recommendation #3

The District should implement proper access controls over its accounting system so that individual employees do not have the ability to initiate and complete a transaction without an independent review and approval.

Response

The District agrees with this recommendation. We have reviewed the level of access given to employees. Using the controls available in our accounting software we have placed restrictions where warranted based on best practice of separation of duties.

Chapter 2: Food Service

No Recommendations

Chapter 3: Student transportation

Recommendation #1

The District should ensure that its drivers complete daily logs with beginning and ending hub readings and that it uses the actual mileage when reporting route mileage for state funding purposes. Further, the District's drivers should record the number of students on each route, route times, and route mileage for each route segment to aid in evaluating the efficiency of bus routes.

Response

The District agrees with this recommendation. We have each of our drivers completing daily logs for our bus routes to track and record the number of students on each route, route times, and route mileage. This information is then input into an Excel Spreadsheet.

Recommendation #2

The District should develop a schedule for required drive certification activities and designate an employee as responsible for ensuring that all drivers are properly certified and that driver files are kept up to date.

Response

The District agrees with this recommendation. We have assigned this responsibility to an employee who has established a schedule which will assist in ensuring that all drivers are properly certified and files are kept up to date.

Recommendation #3

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

Response

The District agrees with this recommendation. The district transportation department has created a spreadsheet which will allow the management to monitor performance measures and evaluate efficiencies. Total cost per mile will be calculated using gasoline costs, bus depreciation, driver/aide costs, routine/major maintenance costs, including labor.

Chapter 4: Plant operation and maintenance

Recommendation #1

The District should continue to monitor its electricity usage and implement an energy conservation plan to help reduce energy usage.

Response

The District agrees with this recommendation. We will continue to implement the recommendations of our energy management consultant in order to improve the efficiencies of our utility use.

Chapter 5: Proposition 301 monies

Recommendation #1

The District should ensure that its Proposition 301 plan addresses which positions are eligible for Proposition 301 pay and the amount of performance pay that employees can earn.

Response

The District agrees with this recommendation. The District will review its Framework for Classroom Site Fund (our Proposition 301 plan) to ensure that it addresses which positions are eligible for Proposition 301 pay and the amount of performance pay that employees can earn.

Recommendation #2

The District should ensure that its pays eligible employees' base pay in accordance with statute and its governing board-approved plan. Further, the district should reimburse the Classroom Site Fund with monies from the appropriate funds.

Response

The District agrees with this recommendation. The District has put processes in place that will assist in ensuring the coding of employees' base pay is in accordance with statute and its governing board-approved plan. The district will reimburse the Classroom Site Fund for the monies.

Chapter 6: Classroom dollars

Recommendation #1

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

Response

The District agrees with this recommendation. The District has put processes in place to ensure we comply with the Uniform Chart of Accounts for school districts.