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AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

August 6, 2007

The Honorable Robert Blendu, Chair
Joint Legislative Audit Committee

The Honorable John Nelson, Vice Chair
Joint Legislative Audit Committee

Dear Senator Blendu and Representative Nelson:

Our Office has recently completed a 12-month followup of the Litchfield Elementary School District's implementation status for the ten audit recommendations presented in the performance audit report released in August 2006. As the attached grid indicates, the District has implemented the recommendations.

Unless otherwise directed by the Joint Legislative Audit Committee, this report concludes our follow-up work on the District's efforts to implement the recommendations resulting from the August 2006 performance audit.

Sincerely,

Sharron Walker, CPA, CFE
Director, Division of School Audits

Enclosure

cc: Dr. Julianne Lein, Superintendent
Governing Board
Litchfield Elementary School District

Litchfield Elementary School District 12-Month Follow-Up Report To Performance Audit Report Issued August 2006

CHAPTER 1: Administration

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. The District should clearly identify performance pay goals, the criteria that will be used to evaluate the achievement of those goals, and the potential amount of related performance pay for administrative and classified staff.	Implemented at 6 months	
2. The District should seek counsel regarding the legality of bonuses paid to classified and administrative employees and whether any repayments are required.	Implemented at 12 months	

CHAPTER 2: Food Service

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. To ensure all payments collected by the vendor are deposited properly and in a timely manner, the District should reconcile the payment report to the related bank account deposits.	Implemented at 6 months	

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CHAPTER 2: Food Service (concl'd)

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
2. To help limit its potential liability, the District should modify its contract for online meal account payments to require the vendor to retain responsibility for the security of its credit card processing and storage.	Implemented at 6 months	
3. The District should ensure that another employee reconciles the snack bar inventory to sales records and deposits	Implemented at 6 months	

CHAPTER 3: Student Transportation

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. 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.	Implemented at 12 months	

CHAPTER 4: Plant Operation and Maintenance—No Recommendations

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CHAPTER 5: Proposition 301 monies

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. The District should ensure that its Proposition 301 plan also addresses which employees are eligible for increases and how it will allocate base pay and performance pay monies.	Implemented at 6 months	

CHAPTER 6: Classroom Dollars

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. The District should classify all transactions in accordance with the Uniform Chart of Accounts for school districts.	Implemented at 6 months	
2. The District should review available programs and try to gain additional state and federal program monies to supplement funding available for its classrooms.	Implemented at 6 months	
3. The District should review its spending in noninstructional areas to determine if savings can be achieved and whether some of these monies can be redirected to the classroom.	Implemented at 6 months	