

Superior Unified School District No. 15

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November 30, 2011

Debbie Davenport
Office of the Auditor General
2910 North 44th Street, Suite 410
Phoenix, AZ 85018

RE: Superior Unified School District Response Report – Performance Audit for 2010

Dear Ms. Davenport:

The Superior Unified School District #15 respectfully submits its response to the performance audit conducted by the Auditor General for the fiscal year 2010. The report includes a number of findings and recommendations for those findings. These recommendations, to each finding, have already, and will continue to, improve our district's process and procedures. The following pages address the District's response to the findings, and the recommendations, as well as the current status of implementation of each recommendation.

Superior Unified School District #15 would like to thank the Auditor General staff that was assigned to our District with regard to their professionalism while interacting with our various staff members. The individuals were sensitive to the District's need for additional time for completion of this audit and were diligent in answering all of the district's questions.

If you have any additional questions, please feel free to call me at 928-812-2970.

Sincerely,

Pete Guzman
Superintendent

SUPERIOR UNIFIED SCHOOL DISTRICT #15 RESPONSES TO AUDITOR GENERAL PERFORMANCE AUDIT

FINDING 1: Inadequate accounting and computer controls increases risk of errors and fraud
District agrees with finding and will implement recommendations.

Payroll process lacks proper separation of duties:

New employee paperwork and payroll distribution is now being handled by the District Office Clerk, and time slips will be edited for coding and pay rates by the Superintendent.

Increased risk of unauthorized access to critical systems:

Upon obtaining a report listing employees with access to General Ledger, Payroll, etc. from the County School Data Processing Office, we asked Jeff Miller, to remove and/or modify a total of six (6) employees that had access to different parts of the system that were not needed in their work. We have also asked for an updated report after this process is complete.

Weak password requirements:

The District has revised the network password policy requirements. The new policy for password policy requires eight (8) characters and the combination of alpha and numeric characters. In addition, the requirement to change the password is every 180 days. See attached: Superior School District IT Policies and Procedures

Lack of disaster recovery plan could result in interrupted operations or loss of data:

The District has created and adopted a disaster recovery plan. The plan addresses the needs of a recovery plan in case of a disaster. In addition, it addresses the need to periodically test the backups to ensure the integrity of the backups. See attached: Superior School District IT Policies and Procedures

FINDING 2: Improvements needed to lower Districts significantly higher transportation costs
District agrees with finding and will implement recommendations.

District had high transportation costs:

District Mechanic will be utilized in other areas such as bus driver, maintenance and landscaping duties. Next school year 2011-2012, some bus pickups will be eliminated and the district will run two (2) school buses instead of three (3).

District lacks proper preventative maintenance documentation:

The district has ordered a "Driver Daily Report" (see attached form) that will demonstrate that our buses will receive systematic preventive maintenance and inspections as required by the state's minimum standards for school buses and school bus drivers.

District did not conduct random drug and alcohol tests:

The District Office will schedule random drug testing to ensure that 50% of all drivers are tested for drug use and 10% of all drivers for alcohol use annually beginning 2011-2012.

FINDING 3: District should review plant operations staffing levels for further cost savings
District agrees with finding and will implement recommendation.

The following changes have been made to the Plant Operations for the District in order to decrease the spending cost in the department for 2010-2011.

1. Cut three (3) full time employee departmental positions
2. Transfer one (1) full time position to a part time position
3. Cut four (4) part time positions
4. Maintain two (2) schools instead of three (3) per last year

FINDING 4: Some employees received performance pay despite not meeting goal
District agrees with finding and will implement recommendations.

The Superior Unified School District 301 Committee and the District Superintendent has put in place several safe guards to ensure the part two (2)(40%): Student Improvement and student/parent satisfaction performance pay goals will be according to the plan. Schools who do not meet their goals for Writing and Math will not receive 301 money.

Clarification of the issue is as follows:

The High School Teachers were paid although they did not meet their specified goal of 75% of the students showing improvement. Only 54% of the high school students showed improvement in Math. However, the high school resource students were not removed from the data pool. Consequently, this would have altered their percentages. Since this finding, the resource students are placed on a separate list to prevent this error in the future.

The 301 allocations vary year to year due to the fluctuation in taxes. Therefore, to protect Superior Unified School District, the 301 committee has only stated percentages for each portion of the plan:

Part I (20%) Employee Compensation

Part 2 (40%) Student Improvement and Parent/Student Satisfaction

Part 3 (40%) Discretionary

The plan does state approximate estimates for each of those parts. The teachers are advised throughout the year as information is available of what they should expect.

OTHER FINDINGS: District did not accurately reports its costs
District agrees with finding and will implement recommendation.

The district is aware of the findings and is using the Uniform Chart of Accounts to assist in the coding procedure.