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AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

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DEPUTY AUDITOR GENERAL

August 28, 2006

The Honorable Laura Knaperek, Chair
Joint Legislative Audit Committee

The Honorable Robert Blendu, Vice Chair
Joint Legislative Audit Committee

Dear Representative Knaperek and Senator Blendu:

Our Office has recently completed a 24-month followup of the Tempe Elementary School District's implementation status for the eight audit recommendations (including sub-parts of the recommendations) presented in the performance audit report released in May 2004. As the attached grid indicates, all but one recommendation has been implemented, and the final recommendation is in the process of being implemented.

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 May 2004 performance audit.

Sincerely,

Debbie Davenport
Auditor General

Enclosure

cc: Dr. Arthur Tate, Superintendent
Governing Board
Tempe Elementary School District

Tempe Elementary School District 24-Month Follow-Up Report To Performance Audit Report Issued (May 2004)

CHAPTER 1: Administration

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. The District should review its staffing levels to determine whether the number of administrative positions can be reduced, and the District should review the administration costs assigned to its desegregation activities to determine if those costs can be reduced.	Implemented at 18 months	

CHAPTER 2: Food Service—No Recommendations

CHAPTER 3: Student Transportation

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. The District should develop and monitor performance measures, including cost per mile, cost per rider, and measures focusing on timeliness, bus capacity, and accidents to enhance its ability to manage the program and demonstrate the program's effectiveness.	Implemented at 18 months	
2. The District should ensure that each driver is notified of and obtains all necessary testing or other requirements to renew certifications and drivers' licenses in a timely manner.	Implemented at 6 months	

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CHAPTER 3: Student Transportation (Concl'd)

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
3. The District should install a lock system on its diesel fuel pumps to prevent unauthorized diesel fuel usage.	Implemented at 12 months	
4. The District should validate its route mileage estimates by comparing them to the mileage based on bus odometer readings from the beginning and ending of each school year. If significant discrepancies are noted, the District should file a corrected route mileage report with the Arizona Department of Education as soon as possible.	Implemented at 12 months	

CHAPTER 4: Plant Operation and Maintenance

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. The District should identify further methods for reducing its plant operation and maintenance costs. For example, the District should evaluate the cost benefit of using purchased services versus hiring employees for skilled maintenance tasks. In addition, the District should continue efforts to monitor and reduce energy and other plant costs.	Implemented at 18 months	

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CHAPTER 5: Proposition 301 monies—No Recommendations

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 18 months	

CHAPTER 7: Desegregation monies

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. If the District continues assigning indirect costs to the desegregation programs, it should prepare and retain documentation supporting the costs included in the calculation.	Implemented at 6 months	

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CHAPTER 7: Desegregation monies (Concl'd)

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
<p>2. Based on the District's comments at a November 2005 K-12 Education Committee of Reference hearing, auditors reviewed additional documentation regarding the District's desegregation plan for at-risk students. While this plan includes some services to address discrimination based on race and language barriers, it primarily targets services to low-income, transient students, including their needs for health, counseling, and psychological services. Because services for low-income, transient students are not addressing discrimination issues, the District should discontinue paying for these costs from its desegregation monies.</p>	<p>Implementation in Progress</p>	<p>The District is reviewing its desegregation program costs and determining a method for identifying and removing costs associated with at-risk students who do not have race and/or language barriers. Due to a new requirement in statute, the District's fiscal year 2007 desegregation budget identifies ELL incremental costs totaling over \$5.3 million, approximately \$1.1 million for pupil transportation and approximately \$6.6 million for regular and special education from its desegregation monies.</p>