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AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

March 2, 2010

The Honorable Judy Burges, Chair
Joint Legislative Audit Committee

The Honorable Thayer Verschoor, Vice Chair
Joint Legislative Audit Committee

Dear Representative Burges and Senator Verschoor:

Our Office has recently completed a 24-month followup of the Tolleson Union High School District's implementation status for the 12 audit recommendations (including sub-parts of the recommendations) presented in the performance audit report released in February 2008. As the attached grid indicates:

- 10 recommendations have been implemented;
- 1 recommendation is in the process of being implemented; and
- 1 recommendation has not been 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 February 2008 performance audit.

Sincerely,

Ross Ehrick, CPA
Director, Division of School Audits

RE:bl
Enclosure

cc: Dr. Margo Olivares-Seck, Interim Superintendent
Governing Board
Tolleson Union High School District

TOLLESON UNION HIGH SCHOOL DISTRICT

Performance Audit Report Issued February 2008

24-Month Follow-Up Report

Recommendation	Status/Additional Explanation
CHAPTER 1: Administration	
1. The District should ensure that purchases made on the Superintendent's district credit card are in accordance with district policies, including proper documentation and allowability of all purchases. The District should also seek legal counsel regarding past unallowable purchases and whether any reimbursements are required.	Implemented at 12 months
2. The District should establish appropriate expenditure controls and documentation. Specifically, the District should:	
a. Improve its procedures for charge account purchases, ensuring that supervisors review and approve purchases before payment and that detailed receipts support each purchase.	Implemented at 6 months
b. Evaluate its use of cell phone stipends, including eligible positions and appropriate amounts, and develop a district policy on the cell phone stipends for governing board consideration and approval. Further, any authorized cell phone stipends should be incorporated into employment contracts.	Implemented at 12 months
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.	Implemented at 12 months
4. The District should use fund-raising proceeds only for the purposes stated when the donations were solicited.	Implemented at 6 months
5. The District should no longer operate the fund-raising raffle and should seek counsel regarding the legality of its fund-raising golf tournament.	Implemented at 6 months

Recommendation

Status/Additional Explanation

CHAPTER 2: Student transportation

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| 1. The District should accurately track and report student transportation riders to ensure it receives proper transportation funding. | Implemented at 12 months |
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| 2. To aid in evaluating the costs and efficiency of its transportation program, the District should develop and monitor performance measures, such as cost per mile, cost per rider, driver productivity, and ride times. | Implemented at 12 months |
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CHAPTER 3: Plant operation and maintenance

No Recommendations

CHAPTER 4: Proposition 301 monies

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| 1. The District should ensure that it correctly calculates pay amounts in accordance with the Governing Board-approved plan. Further, the District should continue to review and recover overpayments made and make payments to employees who were underpaid. | Implemented at 6 months |
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CHAPTER 5: Classroom dollars

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| 1. The District should classify all transactions in accordance with the Uniform Chart of Accounts for School Districts. | Implemented at 18 months |
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| 2. The District should review its noninstructional spending to determine if savings can be achieved and some of these monies can be redirected to the classroom. | Implementation in process
The District has taken several steps to reduce costs such as limiting overtime, eliminating after-school activity bus routes, and altering walking boundaries. However, with the opening of its new high school in fiscal year 2009 and slowing student growth resulting in excess building capacity, the District significantly increased spending on administration and plant operations. As a result, the District spent a smaller percentage of its operating dollars in the classroom. The District should continue to evaluate its high administrative, plant operations, and transportation costs. |
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Recommendation	Status/Additional Explanation
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CHAPTER 6: English Language Learner programs, costs, and funding

1. In preparation for developing the District's SEI budget request, the District should identify and record all ELL incremental costs.

Not implemented

The District recorded its ELL costs; however, it included some costs that were not incremental.
