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AUDITOR GENERAL

**STATE OF ARIZONA**  
OFFICE OF THE  
**AUDITOR GENERAL**

**WILLIAM THOMSON**  
DEPUTY AUDITOR GENERAL

June 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 an 18-month followup of the Miami Unified School District's implementation status for the 19 audit recommendations presented in the performance audit report released in November 2008. As the attached grid indicates:

- 15 recommendations have been implemented;
- 1 recommendation is in the process of being implemented; and
- 3 recommendations are no longer applicable.

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 November 2008 performance audit.

Sincerely,

Ross Ehrick, CPA  
Director, Division of School Audits

RE:bl  
Enclosure

cc: Mr. Don Nelson, Superintendent  
Governing Board  
Miami Unified School District

# MIAMI UNIFIED SCHOOL DISTRICT

## Auditor General Performance Audit Report Issued November 2008 18-Month Follow-Up Report

Recommendation	Status/Additional Explanation
<b>CHAPTER 1: Administration</b>	
1. The District should examine the costs and benefits of paying for retiree healthcare benefits to determine whether to continue offering this option to future employees.	<b>Implemented at 18 months</b> The District's governing board approved a policy to provide retiree healthcare and death benefits only for employees hired prior to January 1, 2010.
2. 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.	<b>Implemented at 18 months</b>
3. The District should implement proper internal controls as outlined in the Uniform System of Financial Records over its team shop sales and inventory, including using its computerized cash register to help properly account for sales and inventory.	<b>No longer applicable</b> According to the District, the team shop is permanently closed.
<b>CHAPTER 2: Student transportation</b>	
1. The District should create and use efficient bus routes to maximize use of bus capacity.	<b>Implemented at 6 months</b>
2. To aid in evaluating the efficiency of its transportation program, the District should develop and monitor performance measures, such as cost per mile, cost per rider, and bus capacity utilization.	<b>Implemented at 6 months</b>
3. The District should ensure that bus preventative maintenance is conducted and documented as specified in the Arizona Department of Public Safety's <i>Minimum Standards for School Buses and School Bus Drivers</i> .	<b>Implemented at 6 months</b>

**Recommendation**

**Status/Additional Explanation**

**CHAPTER 3: Plant operation and maintenance**

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| 1. To reduce its water expenditures, the District should monitor water usage at each of its schools, work to isolate high usage areas, and identify steps it can take to reduce usage.  | <b>Implemented at 18 months</b><br>The District incorporated water conservation steps into its energy conservation plan, and it has begun monitoring water usage and costs at each of its schools. Water usage and costs have been decreasing since the District began enforcing the water conservation steps. However, significant savings have not yet been realized due to incidents such as a water main break at the District's high school. |
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| 2. To reduce its natural gas expenditures, the District should develop a district-wide energy conservation plan, which could include steps to lower energy usage based on each school's facilities and equipment, and a component for educating staff and students about energy conservation. | <b>Implemented at 12 months</b>   |
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**CHAPTER 4: Proposition 301 monies**

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| 1. The District's Proposition 301 plan should specify which positions are eligible for the monies and the maximum amount, or range, of performance pay each eligible employee can earn if performance criteria are met. | <b>Implemented at 6 months</b> |
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| 2. The District should reimburse the Classroom Site Fund with monies from the appropriate funds and ensure that it does not use Proposition 301 expenditures to supplant existing expenditures.                         | <b>Implemented at 6 months</b> |
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| 3. The District should contact the Arizona Department of Education regarding the restatement of the District's Annual Financial Report for fiscal year 2007 for the supplanted amount.                                  | <b>Implemented at 6 months</b> |
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| 4. The District should ensure that adequate documentation is retained to demonstrate that Proposition 301 monies were spent in accordance with the District's plan.   | <b>Implemented at 6 months</b> |
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**Recommendation****Status/Additional Explanation****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.   | <b>Implementation in process</b><br>The District continues working to ensure that all expenditures are classified in accordance with the Uniform Chart of Accounts for school districts. Auditors will review this recommendation again at the 24-month follow up.                    |
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| 2. The District should closely analyze its spending in noninstructional areas, especially administration, student support, and food service, to determine if savings can be achieved and whether some of these monies can be redirected to the classroom. | <b>Implemented at 12 months</b><br>The District has taken various steps, including closing a school and implementing water and energy reduction methods, to reduce costs in noninstructional areas. As a result, the District estimates an annual savings of approximately \$415,000. |
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| 3. The District should ensure that Extracurricular Activities Fees Tax Credit monies are spent in accordance with statute.  | <b>Implemented at 12 months</b>   |
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**CHAPTER 6: English Language Learner programs, costs, and funding**

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| 1. The District should implement the structured English immersion (SEI) plan that it has adopted for fiscal year 2009 to ensure that its ELL students receive the required amount of English language development instruction in the proper classroom settings. | <b>Implemented at 12 months</b>  |
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| 2. The District should use ELL compensatory instruction monies to offer English language development instruction to ELL students through programs in addition to normal classroom instruction and consistent with grant restrictions.                           | <b>No longer applicable</b><br>The District did not receive any ELL compensatory instruction monies for fiscal year 2010.  |
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| 3. The District should take necessary steps to ensure that student- and summary-level ELL data submitted to ADE is accurate.  | <b>Implemented at 18 months</b>  |
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| 4. The District should capture all of its incremental ELL-related costs and use the account codes required by the Uniform Chart of Accounts for school districts.   | <b>No longer applicable</b><br>The District was not approved for any incremental ELL costs through its fiscal year 2010 SEI budget, and therefore, has not recorded any incremental ELL costs. |
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