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AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

June 21, 2005

The Honorable Robert Blendu, Chair
Joint Legislative Audit Committee

The Honorable Laura Knaperek, Vice Chair
Joint Legislative Audit Committee

Dear Senator Blendu and Representative Knaperek:

My Office has recently completed a 24-month follow-up of the Murphy Elementary School District's implementation status for the 11 audit recommendations (including sub-parts of the recommendations) presented in the performance audit report released in June 2003. As the attached grid indicates, the District has implemented 9 recommendations. The District continues to indicate it will implement the remaining 2 recommendations relating to the need to reduce the number of administrative positions. However, to date, it has not yet reduced the number of administrative positions or lowered its administrative assistants' pay range based on market surveys and other factors.

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 April 2003 performance audit.

Sincerely,

Debbie Davenport
Auditor General

Attachment

cc: Dr. Paul Mohr, Superintendent
Governing Board
Murphy Elementary School District

MURPHY ELEMENTARY SCHOOL DISTRICT
24-Month Follow-Up Report To
Performance Audit Report issued June 2003

TOPIC: 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.	Implementation In Process	According to the District, it continues to evaluate administrative positions as staffing changes occur. However, since the audit was issued in June 2003, the District has not reduced administrative positions.
2. The District should establish a salary range for administrative assistants based on market surveys or other factors.	Implementation In Process	The District conducted a salary survey which also indicated that its administrative assistants' pay range is higher than other area school districts'. Therefore, the District has frozen the administrative assistants' pay range at the fiscal year 2005 level. According to the District, as the individuals currently in some of these positions retire during the next fiscal year, the District will lower the pay range.

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TOPIC: Food Service

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. The District should identify, document, and monitor program measures, such as meals per labor hour and cost per meal, and compare them with other similar districts or industry standards.	Implemented at 18 Months	
2. The District should periodically assess the financial and operational impact of providing charter school meal service by separately accounting for revenues and expenditures, conducting periodic cost-benefit analyses, and contingency planning.	Implemented at 18 Months	
3. The District should implement a process to ensure its staff accurately summarizes all meal counts to minimize the potential for errors in its federal reimbursement reports.	Implemented at 18 Months	

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Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
<p>4. The District should ensure all staff with purchasing authority are trained on procurement laws, regulations, and procedures, including documenting specific agreement terms, preparing written bid evaluations, ensuring the necessity of sole-source procurements, and following contract terms.</p>	<p>Implemented at 24 Months</p>	
<p>5. The District should establish inventory tracking and documentation procedures, including physical inventory counts, reorder points, and monthly inventory reconciliations. In addition, the District should manage inventory on a first-in, first-out basis with regular rotation of food items.</p>	<p>Implemented at 24 Months</p>	
<p>6. The District should follow all appropriate health codes, including not re-using previously served food items, such as unopened cartons of milk.</p>	<p>Implemented at 12 Months</p>	

MURPHY ELEMENTARY SCHOOL DISTRICT
24-Month Follow-Up Report To
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TOPIC: Student Transportation

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. The District should ensure that it properly classifies all student transportation costs in accordance with the Uniform Chart of Accounts for school districts.	Implemented at 24 Months	
2. The District should ensure the accuracy of its reported route mileage by requiring and ensuring that each bus driver records odometer readings to calculate the District's 100-day route mileage and to estimate its mileage for the remainder of the school year.	Implemented at 12 Months	

TOPIC: Proposition 301 Monies — No Recommendations

TOPIC: 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 24 Months	