



# Oracle School District #2

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ORACLE RIDGE CAMPUS  
Pre-School and Kindergarten  
520-896.3080/520.896.3082

MOUNTAIN VISTA CAMPUS  
Grades First-Eighth  
520-896.3000/520.896.3001

August 22, 2011

Debra Davenport, CPA Auditor General  
State of Arizona Office of the Auditor General  
2910 N. 44<sup>th</sup> Street, Suite 410  
Phoenix, AZ 85018

Re: Response to Oracle Elementary School District #2  
2008-2009 Performance Audit

Dear Ms. Davenport,

Oracle Elementary School District #2 respectfully submits this written response to the performance audit conducted by the Auditor General for fiscal year 2008-2009.

The district would like to thank the Auditor General's team for the professional and respectful way in which the audit was conducted. The district personnel who interacted with the Auditor General's staff during the audit enjoyed the experience. The auditors assigned to our district were friendly, engaging, and knowledgeable. The recommendations made by the auditing team have already proven valuable in improving our efficiency and accountability.

If I or any member of my staff may be of service to you please do not hesitate to ask.

Respectfully,

Todd Kissick  
Superintendent  
Oracle Elementary School District #2

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## G O V E R N I N G   B O A R D

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## Oracle Elementary School District Performance Audit Response

### **Finding 1: Higher staffing levels led to significantly higher administrative costs.**

#### Recommendations and District Response

1. The District should review its administrative staffing levels to determine if savings can be achieved and monies redirected to the classroom.
  - The District agrees with this recommendation. The District will continue to review the administration staffing levels at both school sites and at the District office. The current District office staffing allows for appropriate separation of duties and proper checks and balances.

### **Finding 2: Improvements needed to lower transportation costs, accurately report data, and ensure proper preventative maintenance**

#### Recommendations and District Response

1. The District should consider operating bus routes to only one of the high schools out of the District or establishing high school boundaries to eliminate the overlapping of bus routes.
  - The District agrees with this recommendation. The District will continue to review bus routes on an annual basis. Eliminating student/parent high school choice has been considered in the past. There are several reasons we plan to continue to offer the choice to parent and students:
    - Because we are a rural district we have found that some of our students perform better in a similar small rural setting while others thrive in a large school environment.
    - By offering a high school choice students who do not perform well in one school setting have the opportunity to try another school environment.
    - High school choice has been an option in the Oracle School District for over thirty years. Eliminating this choice has been presented to the public in town hall meetings and elections. In each case the District's stakeholders have overwhelmingly expressed their choice to preserve high school choice for the students of the District.
2. The District should review its high school and after-school activity routes to determine whether they could be more efficient.
  - The District agrees with this recommendation. The District has and will continue to review routes several times a year in its effort to look for more safe and efficient routes. We create athletic routes to benefit the students and to provide transportation home in a safe, timely manner.
3. The District should accurately calculate and report miles driven for state funding purposes.
  - The District agrees with this recommendation. All drivers log miles daily and logs are turned into the transportation office. The Transportation Department will refine their procedures to accurately calculate and report miles driven for state funding purposes.

4. The District should contact the Arizona Department of Education regarding needed corrections to its transportation funding reports and corresponding adjustments to its expenditure budget.
  - The District agrees with this recommendation. The Transportation Department personnel will contact the Arizona Department of Education regarding needed corrections to its transportation funding reports and corresponding adjustments to its expenditure budget.
5. The District should ensure that bus preventative maintenance is conducted and documented as specified in the Arizona Department of Public Safety's Minimum Standards for School Buses and School Bus Drivers.
  - The District agrees with this recommendation. The District has employed a full-time in house mechanic and the Transportation Department has implemented a new record keeping system to ensure all preventative maintenance is conducted and documented as specified in the Arizona Department of Public Safety's Minimum Standards for School Buses and School Bus Drivers.

**Finding 3: District's performance pay plan did not promote improved performance.**  
Recommendations and District Response

1. To promote improved performance the District should establish meaningful performance goals for activities or achievements that the District does not already require.
  - The District agrees with this recommendation. The pay for performance committee will meet no later than August and review the recommendations and discuss how to implement suggestions made by the audit team.
    - Topics to be included:
      - Use of a standardized assessment to measure student performance in every grade level.
      - Strengthening the performance goals used to determine student achievement.
      - Teacher participation in staff development and extracurricular activities.
2. The District should ensure that it retains adequate documentation to demonstrate that performance pay goals were met.
  - The District agrees with this recommendation. The District has designated the Mountain Vista administrative office as the central place where records demonstrating that performance pay goals were met will be kept.
3. The District's performance pay plan or employment contracts should specify the amount or a range of amounts of performance pay each eligible employee can earn if performance criteria are met.
  - The District agrees with this recommendation. The District will take steps to include amount or a range of amounts of performance pay each eligible employee can earn if performance criteria are met in the District's performance pay plan.

**Finding 4: District lacks sufficient controls to adequately protect sensitive information within its computer network.**

Recommendations and District Response

1. The District should secure its important operational IT equipment in specific areas that are accessible only to appropriate personnel.
  - The District agrees with this recommendation. However there is a significant cash outlay involved with doing this. The original locations the equipment stands in were selected by the SFB in 2001 when they came in and laid the fiber and wired the campus. The District continues to consider the moving of this equipment to a more secure location and to consider funding sources for the project. No timetable currently exists for this project. At the Mountain Vista site, IT equipment in multi-use area will be secured by a locked door. The keys will only be issued to IT and office personnel.
2. The District should implement and enforce password requirements related to password length, complexity, and expiration.
  - The District agrees with this recommendation. Password policy to the District SIS (Student Information System) and the Districts Active Directory as it relates to staff will be created and tested during the 11-12 school year and implemented during the summer between 11-12 and 12-13. Password policy for students will remain as it currently exists.
3. The District should develop and implement a formal process to ensure terminated employees are promptly removed from its IT network.
  - The District agrees with this recommendation. The IT department and HR department have developed, implemented and will formalize a process to ensure terminated employees are promptly removed from its IT network.
4. The District should create a formal disaster recovery plan and test it periodically to identify and remedy deficiencies.
  - The District agrees with this recommendation. A formal IT disaster recovery plan exists now. The District houses no financial records as Pinal County houses that aspect of our business, which we access remotely. The remaining critical data, the student information system, is backed up nightly and tested annually. The District uses the existing plan along with the step by step from the PowerSchool Student Information System to perform a recovery. The District feels this is adequate, and historically it has proven to be so in real world situations. The IT Disaster recovery plan will be tested annually.

**Finding 5: District spent certain extracurricular tax credit monies inappropriately**

Recommendations and District Response

1. The District should ensure that extracurricular tax credit monies are spent in accordance with statute.
  - The District agrees with this recommendation. The District has taken steps working with legal counsel and their auditing team to be in accordance with statutes. The

District will ensure that staff members receive additional in-depth training on what expenses are allowable per statute and that tax credit monies are spent in accordance with said statute.

2. The District should reimburse the Extracurricular Activities Tax Credit Fund for monies inappropriately spent in fiscal year 2009 and work with the Arizona Department of Education to make the necessary corresponding adjustment to its expenditure Budget.
  - The District agrees with this recommendation. The District will work with the Arizona Department of Education to reimburse the Extracurricular Activities Tax Credit Fund and to make the necessary corresponding adjustment to its expenditure Budget.

**Other Findings: District did not accurately report its costs.**

Recommendations and District Response

1. The District should classify all transactions in accordance with the Uniform Chart of Accounts for school districts.
  - The District agrees with the recommendation. The District will ensure that staff members receive additional training on the Chart of Accounts. The District will continue to strive to ensure that all transactions be coded/classified in accordance with the Uniform Chart of Accounts for school districts.