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AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

November 30, 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:

Our Office has recently completed a 24-month follow-up of the Sedona-Oak Creek Joint Unified School District's implementation status for the 11 audit recommendations (including sub-parts of the recommendations) presented in the performance audit report released in November 2003. As the attached grid indicates:

- 10 of the 11 recommendations have been implemented; and
- 1 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 November 2003 performance audit.

Sincerely,

Debbie Davenport
Auditor General

Attachment

cc: Dr. Kimberly Randall, Governing Board
Sedona-Oak Creek Joint Unified School District

**Secona-Oak Creek Joint Unified School District
24-Month Follow-Up Report to
Performance Audit Report issued November 2003**

CHAPTER 1: Administration—No Recommendations

CHAPTER 2: Food Service

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. The District should continue to monitor its meal prices to ensure they are sufficient to cover the costs associated with preparing and serving meals. To evaluate the sufficiency of meal prices, the District will need to consider revenue sources, such as federal reimbursement programs, and meal costs.	Implemented at 12 Months	
2. The District should thoroughly review and monitor all vendor invoices to ensure that they meet contract terms, and it should continue to establish cost limits to ensure that its food service program operates, at a minimum, at a break-even point.	Implemented at 12 Months	
3. The District should require the vendor to implement adequate internal control procedures, including requiring cashiers to have the students provide their PINs before recording sales and requiring students to present items to the cashier to pay for them.	Implemented at 12 Months	

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CHAPTER 2: Food Service (concl'd)

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
4. The District should record charge sales only against the account belonging to the student who receives the charged meal and require students to provide PINs to the cashier.	Implemented at 12 Months	
5. The District should require the vendor to separate cash-handling and recordkeeping responsibilities among its employees.	Implemented at 12 Months	

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CHAPTER 3: Student Transportation

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
<p>1. The District should perform cost-benefit analyses to determine if continuing to contract the entire student transportation function to a private company is a cost-effective method for providing student transportation services. As part of its analyses, the District should also consider the costs and benefits of contracting only a portion of the transportation program, or providing all transportation services itself.</p>	<p>Implementation in Process</p>	<p>The District intends to incorporate into its fiscal year 2007 request for proposals for student transportation services a request for estimated cost savings if the District were to provide the bus fleet. Further, the District plans to investigate the purchase of buses for activities, such as sports trips.</p>
<p>2. The District should ensure that it properly classifies all student transportation costs in accordance with the Uniform Chart of Accounts for school districts.</p>	<p>Implemented at 12 Months</p>	
<p>3. To ensure the accuracy of its reported route mileage, the District should require the vendor to ensure that bus drivers record odometer readings for each route driven daily. These odometer readings should then be used to calculate the District's total route mileage.</p>	<p>Implemented at 18 Months</p>	

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CHAPTER 4: Plant Operation and Maintenance

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
<p>1. To reduce its electricity expenditures, the District should develop a district-wide energy conservation plan, which would include:</p> <ul style="list-style-type: none"> a. Monitoring energy usage at each of its schools and identifying ways to lower energy usage based on each site's particular facilities and equipment; b. Determining the costs incurred when allowing outside groups to use school facilities and ensuring that rental fees are sufficient to recover those costs, or at least minimize their impact on the District's finances. 	<p>Implemented at 24 Months</p>	
<p>2. To reduce its water expenditures, the District should monitor its water usage at each of its schools and identify high usage areas as well as steps it can take to reduce usage, such as watering grounds less frequently.</p>	<p>Implemented at 24 Months</p>	

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CHAPTER 5: Proposition 301 Monies

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. The District should maintain proper documentation to demonstrate that employees receiving performance pay monies have met their performance goals.	Implemented at 18 Months	

CHAPTER 6: Classroom Dollars—No Recommendations