



SANTA
CLARA
UNIFIED
SCHOOL
DISTRICT

1889 Lawrence Rd.
Santa Clara, CA
95051
(408) 423-2000
STEVE STAVIS
SUPERINTENDENT

FILED

SEP 21 2009

DAVID H. YAMASAKI
Chief Executive Officer/Clerk,
Superior Court of CA County of Santa Clara
BY D. ALDYCKI

September 9, 2009

Office of the Honorable Jamie Jacobs-May
Presiding Judge
Santa Clara County Superior Court
191 North First Street
San Jose, CA 95113

Dear Honorable Judge:

In Santa Clara Unified School District's Responses to Grand Jury Inventory Practices dated August 31st, Finding #7 was omitted. Enclosed please find revised, complete responses including Finding #7.

Regards,

Jim Luyau
Assistant Superintendent
Business Services

BOARD
OF EDUCATION

INA K. BENDIS
DON BORDENAVE
JIM CANOVA
ELISE DeYOUNG
PAT FLOT
ALBERT GONZALEZ
ANDREW RATERMANN

"The mission of Santa Clara Unified School District is to prepare students of all ages and abilities to succeed in an ever-changing world."

SANTA CLARA UNIFIED SCHOOL DISTRICT
Responses to Grand Jury Inventory Practices
September 8, 2009

Finding #1: Community colleges and K-12 boards of trustees are responsible for inventory control. However, after interviewing ALL board of trustee presidents it was evident they were unaware of their obligations under the law.

Recommendation #1: Trustees should review and be knowledgeable of Education Code 35168 for K-12 and Education Code 81600 for Community Colleges.

SANTA CLARA UNIFIED SCHOOL DISTRICT REPOSE:

Santa Clara Unified School District agrees with this finding, that Boards are responsible for inventory control.

This recommendation will be implemented. Santa Clara Unified School District is incorporating CSBA language into the Board of Education's policies and procedures and will incorporate a review of Education Code 35168 within the 2009-10 fiscal year.

Finding #2: No trustees or superintendents/chancellors have been trained in inventory control. Inventory control training for board members and superintendents is not mandated by the State, resulting in a lack of familiarity and inconsistent application of inventory requirements by many districts. All K-8, K-12 and community college districts

Recommendation #2: *All Santa Clara County school board trustees and Superintendents or chancellors should be required to review and understand Education Code 35168 and 81600 and BAM (Community College Budget and Accounting Manual) requirements for inventory control.*

For K-12 Districts, the COE should take the lead in providing comprehensive training on inventory control, in conjunction with the release of the new inventory tracking module within Quintessential Software Systems spearheaded by the COE.

SANTA CLARA UNIFIED SCHOOL DISTRICT REPOSE:

Santa Clara Unified School District agrees with this finding that the school board trustees and Superintendents should be required to review and understand Education Code 35168 and 81600 and BAM (Community College Budget and Accounting Manual) requirements for inventory control.

This recommendation will be implemented in the 2009-10 fiscal year. Santa Clara Unified School District will train the Board of Education when the policy review group addresses BP3400 (CSBA sample – Management of District Assets/Accounts).

Finding #3: All district superintendents, chancellors and district staff report incomplete inventory information to their boards. This results in lack of knowledge about the value and size of their inventory.

Recommendation #3: All Boards of Trustees should require a presentation on the results of their districts' biennial inventory, including total value, variances resulting from the reconciliation between past and current inventories and a proposed plan to resolve discrepancies.

SANTA CLARA UNIFIED SCHOOL DISTRICT RESPONSE:

Santa Clara Unified School District agrees with this finding and will make a presentation on the results of the annual inventory are contained in the Combined Annual Financial Reports to the Board each fiscal year ended.

Finding #7: There is a potential for abuse in K-8 and K-12 districts when those who report to superintendents approve credit card transactions and purchase orders made by their superintendent.

- *All K-8 and K-12 School Districts*

Recommendation #7: To strengthen internal controls and ensure fiscal accountability, purchases made by the K-8 and K-12 Superintendents should be approved by the Boards of Trustees prior to purchase. In the event an immediate purchase is required, post-approval by the Board would ensure no conflicts of interest or abuses occur.

- All K-8 and K-12 District Boards of Trustees

SANTA CLARA UNIFIED SCHOOL DISTRICT RESPONSE:

We agree there is potential for abuse in K-8 and K-12 districts when those who report to superintendents approve credit card transactions and purchase orders made by their superintendent.

Santa Clara Unified School District Superintendent will provide credit card statement and a listing of disbursements along with financial reports that detail disbursements provided to the Board President for approval on a monthly basis.