



Sunnyvale School District

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Benjamin H. Picard, Ed.D., Superintendent

FILED

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

September 2, 2009

Don Kawashima, Foreperson
2008-2009 Civil Grand Jury
Santa Clara County Superior Court
191 North First Street
San Jose, CA 95113

Re: Grand Jury Report- Santa Clara County Schools Inventory Practices

Dear Mr. Kawashima,

I am writing in response to your letter of June 9, 2009 to the Board of Trustees of the Sunnyvale School District. As required our responses to the Grand Jury Report on Santa Clara County Schools Inventory Practices are submitted in compliance with California Penal Code 933.05. All responses were approved by the Board of Education at their meeting of August 20, 2009.

Should you have any questions related to this matter please do not hesitate to contact me at (408) 522-8200 ext. 202.

Sincerely,

Benjamin H. Picard, Ed.D.
Superintendent

Enclosure

Board of Education

Jeffrey Arnett • Wendy Bockholt • Phyllis Fowler • Anita Herrmann • Nancy Newkirk

Responses to the Grand Jury Report: Santa Clara County Schools Inventory Practices

Findings and Recommendations

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.

- All K-8 and K-12 and Community College Districts

Recommendation 1

Trustees should review and be knowledgeable of Education Code §35168 for K-12 and Education Code §81600 for community colleges to ensure complete implementation.

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

Agree – Perform through Board Presentation on August 20, 2009

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 and K-12 and community college districts

Recommendation 2

All Santa Clara County school board trustees and superintendents/chancellors should be required to review and understand Education Code §35168 and §81600 and BAM 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.

For community colleges, the CC Board should investigate additional training in the area of inventory control offered through organizations such as the American Association of Community Colleges and the Community College League of California.

- All K-8 and K-12 and Community College District Boards of Trustees
- COE Board of Trustees

Agree – Sunnyvale School District will report to the school board on Sunnyvale School District processes and procedures.

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.

- All K-8 and K-12 and community college districts

Recommendation 3

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

- All K-8 and K-12 & Community College District Boards of Trustees

Agree – Sunnyvale School District inventory control provides a report to the Sunnyvale School District school board on a yearly basis.

Responses to the Grand Jury Report: Santa Clara County Schools Inventory Practices

Finding 4

With the exception of Santa Clara Unified and Los Gatos Unified School Districts, all K-12 districts fail to understand the need to reconcile inventories from previous years to the latest inventory update. Without reconciliation, the opportunity to: identify lost, missing or stolen items, take preventive measures, and obtain timely reimbursement may be lost.

- All K-8 and K-12 Boards of Trustees (except Santa Clara Unified and Los Gatos Unified)

Recommendation 4

All K-12 school districts should reconcile the most current, full inventory with prior inventories, to identify missing items and potential losses/thefts. The results will enable the districts to implement safeguards to prevent future losses.

- All K-8 and K-12 Boards of Trustees (except Santa Clara Unified and Los Gatos Unified)

Agree – Process at Sunnyvale School District is currently underway and reconciliation is performed by the business department.

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.

Expenditures should be presented separately from the Board's consent calendar to ensure proper scrutiny. Credit card statements and a listing of disbursements should be provided to the Board for approval.

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

Agree – Process will be added to board policy concerning inventory control by October 1, 2009.