

SAN JOSÉ/EVERGREEN COMMUNITY COLLEGE DISTRICT

San José City College * Evergreen Valley College



Rosa G. Pérez, Chancellor

600 S. Bascom Avenue
San Jose, CA 95128
Phone: 408-288-3136

October 7, 2009

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

FILED

OCT 15 2009

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

Re: *Response of the San Jose-Evergreen Community College District to the 2008-2009 Grand Jury Report, Santa Clara County Schools, Inventory Practices - \$300M+ Taxpayer Investment – But Who's Counting?*

Dear Mr. Kawashima and 2008-2009 Grand Jury Members:

We have had a change in staff, which regrettably has caused our district's response to be tardy and ask for your understanding. This information was to be transmitted following its approval by our board in July.

Pursuant to the requirements of Penal Code section 933.05, the San Jose-Evergreen Community College District ("SJECCD") respectfully submits this response to the Grand Jury Report dated June 9, 2009, *Santa Clara County Schools, Inventory Practices - \$300M+ Taxpayer Investment – But Who's Counting?*

FINDING AND RECOMMENDATION 1

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 obligation under the law.

RECOMMENDATION 1

Trustees should review and be knowledgeable of Education Code 81600 for community colleges to ensure complete implementation.

DISTRICT RESPONSE TO FINDING AND RECOMMENDATION 1

The District Board of Trustees agrees with this recommendation and directs the Chancellor to schedule a board item on this subject to review the requirements of the Education Code concerning inventory control. The recommendation will be fully implemented by December 31, 2009.

FINDING AND RECOMMENDATION 2

FINDING 2

No trustees or superintendents 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.

RECOMMENDATION 2

The C.C. 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.

DISTRICT RESPONSE TO FINDING AND RECOMMENDATION 2

The District Board of Trustees agrees with this recommendation and directs the Chancellor to identify opportunities for the Board to receive training on appropriate inventory practices and what the Board's role should be in ensuring and monitoring good inventory practices. The recommendation will be fully implemented by December 31, 2009.

FINDING AND RECOMMENDATION 3

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 reconciliation between past and current inventories and a proposed plan to resolve discrepancies.

DISTRICT RESPONSE TO FINDING AND RECOMMENDATION 3

The District Board of Trustees agrees with this recommendation and directs the Chancellor to provide a full inventory report to the Board, in conjunction with the annual audit report, at a public meeting by December 31, 2009.

FINDING AND RECOMMENDATION 11

FINDING 11

Chancellor's purchases (both credit card and purchase orders) are approved by subordinates, mainly direct reports. While the vast majority of these direct reports expressed their chancellors are very conservative with regard to spending, there is potential for abuse.

RECOMMENDATION 11

To strengthen internal controls and ensure fiscal accountability, purchases made by chancellors should be approved by the Board of Trustees. In the event an immediate purchase is required, post-approval by the Board would ensure no conflicts of interest or abuses occur. Credit card statements and a listing of disbursements should be provided to the Board for approval.

DISTRICT RESPONSE TO FINDING AND RECOMMENDATION 4

The Board of Trustees agrees with this recommendation and directs the Chancellor to provide an item on the Action agenda for Board review and approval each month in which there have been capital expenditures by the Chancellor using the District's credit card for the purchase of equipment. The current procedures of the District prevent the use of a credit card for the purchase of equipment exceeding \$750. However, this requirement may be waived by the Chancellor or Vice Chancellor of Administrative Services. Therefore, the recommendation to require the Board's approval, even if after the fact, for the purchase of any equipment by the Chancellor's Office, or for the Chancellor's Office by another cardholder, is affirmed.

Sincerely,



Rosa G. Perez, Chancellor
San José/Evergreen Community College District