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June 10, 2019

The Honorable Rick Gray, Chair
Joint Legislative Audit Committee

The Honorable Anthony T. Kern, Vice Chair
Joint Legislative Audit Committee

Dear Senator Gray and Representative Kern:

We recently completed a 24-month followup of Cañon Elementary School District's implementation status for the 10 audit recommendations presented in the performance audit report released in April 2017. As the attached grid indicates, all 10 recommendations have been 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 April 2017 performance audit.

Sincerely,
Vicki Hanson, Director
Division of School Audits

cc: Governing Board
Ms. Angela Jangula, Superintendent
Cañon Elementary School District

CAÑON ELEMENTARY SCHOOL DISTRICT

Auditor General Performance Audit Report Issued April 2017

24-Month Follow-Up Report

Recommendation	Status/Additional Explanation
FINDING 1: District needs to strengthen its accounting and computer controls	
1. The District should ensure that additional duties and related payments are addressed in employment contracts or personnel/payroll action forms, approved in advance of the work being performed, and maintained in employee personnel files.	Implemented at 12 months
2. The District should ensure that it requires an independent review and approval of all of its purchases prior to the purchases being made.	Implemented at 6 months
3. The District should implement proper controls over its cash receipts by preparing and issuing prenumbered receipts for all monies collected, recording the number of items sold on the cash collection sheets, and having an employee who is not authorized to make disbursements perform the bank reconciliations.	Implemented at 24 months
4. The District should implement and enforce stronger password requirements related to password length, complexity, and expiration.	Implemented at 18 months
5. The District should limit employees' access in the accounting system to only those accounting system functions needed to perform their work.	Implemented at 12 months
6. The District should review and reduce the number of users with administrator-level access to its network.	Implemented at 18 months
7. The District should develop and implement a formal process to ensure that terminated employees have their computer network and systems access promptly removed.	Implemented at 18 months
8. The District should review and update its IT vendors' service agreements to ensure that all services provided are stipulated in the agreements.	Implemented at 12 months

Recommendation	Status/Additional Explanation
9. The District should review its contingency plan to ensure it is complete and test it periodically to identify and remedy any deficiencies.	Implementation at 24 months
10. The District should classify all transactions in accordance with the Uniform Chart of Accounts for school districts.	Implemented at 12 months