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AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

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DEPUTY AUDITOR GENERAL

May 17, 2013

The Honorable Chester Crandell, Chair
Joint Legislative Audit Committee

The Honorable John Allen, Vice Chair
Joint Legislative Audit Committee

Dear Senator Crandell and Representative Allen:

Our Office has recently completed the fourth followup of the Cartwright Elementary School District's implementation status for the 10 audit recommendations presented in the performance audit report released in December 2010. As the enclosed grid indicates:

- 9 recommendations have been implemented, and
- 1 recommendation has not 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 December 2010 performance audit.

Sincerely,

Ross Ehrick, CPA
Director, Division of School Audits

RE:bl
Enclosure

cc: Dr. Jacob Chavez, Superintendent
Governing Board
Cartwright Elementary School District

CARTWRIGHT ELEMENTARY SCHOOL DISTRICT

Auditor General Performance Audit Report Issued December 2010

Fourth Follow-Up Report

Recommendation	Status/Additional Explanation
FINDING 1: Improvements needed to lower District's transportation program costs	
1. The District should consider ways to improve the efficiency of its 6 th -grade middle school bus routes.	<p>Implemented at 18 months</p> <p>The District implemented new 6th-grade middle school bus routes for fiscal year 2013. Auditors reviewed the routes for the second week of school and found them to be efficient, filling buses to near capacity. Further, according to district officials, the new routes have reduced the number of buses needed by at least one for each middle school. The buses no longer needed for the 6th-grade routes are now being used to run routes that were previously outsourced, such as routes used to transport homeless students. As a result, the District estimates it has eliminated about \$100,000 in outsourcing costs.</p>
2. The District should eliminate the amount of nonproductive time for which it pays its bus drivers and bus aides, or alternatively find other duties for these individuals to perform when they are not driving or riding buses.	<p>Implemented at 6 months</p> <p>The District has implemented a process to eliminate bus driver nonproductive time. As indicated in the December 2010 performance audit report, this could potentially save the District approximately \$200,000 annually.</p>
3. The District should ensure that bus preventative maintenance is conducted and documented as specified in the State's <i>Minimum Standards for School Buses and School Bus Drivers</i> .	<p>Implemented at 18 months</p>
4. To aid in evaluating the efficiency of its transportation program, the District should develop and monitor performance measures such as cost per mile and cost per rider and take appropriate actions based on the results of the performance measures.	<p>Implemented at 12 months</p>

Recommendation	Status/Additional Explanation
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FINDING 2: District lacks sufficient IT controls to adequately protect sensitive information

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| 1. The District should implement and enforce password requirements related to password length, complexity, and expiration. The District should also create and implement a formal process for reviewing and removing inactive user accounts. | Implemented at 18 months |
| 2. The District should develop and implement an adequate process to ensure critical updates are installed on user computers as well as establish and implement formal procedures for authorizing, testing, and reviewing changes to computer systems. | Implemented at 6 months |
| 3. The District should create a formal disaster recovery plan and test it periodically to identify and remedy deficiencies. | Implemented at 18 months |

FINDING 3: Some Classroom Site Fund monies not spent in accordance with statute

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| 1. The District should spend its Proposition 301 monies in accordance with statute. | Implemented at 18 months |
| 2. The District should reimburse the Classroom Site Fund for monies misspent in fiscal year 2009 and work with the Arizona Department of Education to make the necessary corresponding adjustments to its expenditure budget. | Implemented at 18 months |

OTHER FINDINGS: District did not accurately report its costs

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| 1. The District should classify all transactions in accordance with the Uniform Chart of Accounts for school districts. | Not implemented
Auditors reviewed the District's detailed accounting transactions for fiscal year 2012 and found that the District did not accurately report its costs and continued to make similar transaction classification errors as in fiscal year 2009, the audited fiscal year. In addition, auditors reviewed detailed accounting transactions for July 2012 through April 2013 and again found similar classification errors. District officials stated they have begun making changes to correct transaction classification errors. However, three years have passed since the District was notified of specific transaction classification errors and, if changes are made now, most will not occur until the District closes out its fiscal year 2013 accounting records. |
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