



**DEBRA K. DAVENPORT, CPA**  
AUDITOR GENERAL

**STATE OF ARIZONA**  
OFFICE OF THE  
**AUDITOR GENERAL**

**MELANIE M. CHESNEY**  
DEPUTY AUDITOR GENERAL

July 21, 2011

The Honorable Rick Murphy, Chair  
Joint Legislative Audit Committee

The Honorable Carl Seel, Vice Chair  
Joint Legislative Audit Committee

Dear Senator Murphy and Representative Seel:

Our Office has recently completed a 6-month followup of the Clarkdale-Jerome Elementary School District's implementation status for the 4 audit recommendations presented in the performance audit report released in December 2010. As the enclosed grid indicates, all 4 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 December 2010 performance audit.

Sincerely,

Ross Ehrick, CPA  
Director, Division of School Audits

RE:bl  
Enclosure

cc: Ms. Kathleen Fleenor, Superintendent  
Governing Board  
Clarkdale-Jerome Elementary School District

# CLARKDALE-JEROME ELEMENTARY SCHOOL DISTRICT

## Auditor General Performance Audit Report Issued December 2010

### 6-Month Follow-Up Report

Recommendation	Status/Additional Explanation
<b>FINDING 1: District operates efficiently with much lower costs than peer districts'</b>	
No recommendations	
<b>FINDING 2: Inadequate controls increased risk of errors, fraud, and misuse of sensitive information</b>	
1. The District should implement a more detailed review of supporting documentation for its accounts payable process to help reduce the risk of errors or improper transactions.	<b>Implemented at 6 months</b>
2. The District should implement a more detailed review of the information entered into the payroll system to help ensure that unauthorized changes to pay rates or data input errors are identified.	<b>Implemented at 6 months</b>
3. The District should limit employees' access to only those accounting system functions needed to perform their work.	<b>Implemented at 6 months</b> The District reviewed employee access to the accounting system and, because of the limited number of business office staff, it has decided to maintain the broader system access. However, the District has implemented additional review procedures to help ensure that an employee cannot initiate and complete a transaction without independent review.
4. The District should establish a written agreement with the Yavapai County School Superintendent's Office that outlines each party's responsibilities for its accounting system.	<b>Implemented at 6 months</b>