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AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

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DEPUTY AUDITOR GENERAL

February 8, 2018

The Honorable, Anthony Kern Chair
Joint Legislative Audit Committee

The Honorable Bob Worsley, Vice Chair
Joint Legislative Audit Committee

Dear Representative Kern and Senator Worsley:

Our Office has recently completed a 24-month followup of the Littleton Elementary School District's implementation status for the 8 audit recommendations presented in the performance audit report released in December 2015. As the enclosed grid indicates:

- 7 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 2015 performance audit.

Sincerely,

Vicki Hanson
Director, Division of School Audits

VH:bh
Enclosure

cc: Dr. Roger Freeman, Superintendent
Governing Board
Littleton Elementary School District

LITTLETON ELEMENTARY SCHOOL DISTRICT

Auditor General Performance Audit Report Issued December 2015 24-Month Follow-Up Report

Recommendation	Status/Additional Explanation
FINDING 1: District lacked adequate controls to protect it from errors, fraud, and misuse	
1. The District should ensure that it follows proper purchasing processes as outlined in the <i>Uniform System of Financial Records for Arizona School Districts</i> , including ensuring proper approval before making purchases.	Implemented at 12 months
2. The District should implement and enforce stronger password requirements.	Implemented at 24 months
3. The District should limit employees' access to the accounting system to only the access necessary to meet their job responsibilities to help ensure that no single employee can initiate and complete transactions without an independent review.	Not implemented Auditors reviewed accounting system access for the five employees identified during the audit as having too much access to the accounting system and found that the District has limited three employees' access in the system to only those functions necessary for them to meet their job responsibilities. However, two employees continue to have more access, including administrator-level access, in the accounting system than is necessary for them to meet their job responsibilities.
4. The District should develop and implement a formal process to ensure that terminated employees have their computer network access promptly removed.	Implemented at 24 months
5. The District should eliminate unnecessary generic accounts on its IT network and systems and minimize and properly control any generic accounts that are considered necessary by disabling them when not in use.	Implemented at 12 months
6. The District should review its formal disaster recovery plan to ensure it is complete and test it periodically to identify and remedy deficiencies.	Implemented at 6 months
7. The District should review and limit employees' access to its buildings based on district policy.	Implemented at 12 months
8. The District should classify all transactions in accordance with the Uniform Chart of Accounts for school districts.	Implemented at 12 months