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AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

September 18, 2014

The Honorable John Allen, Chair
Joint Legislative Audit Committee

Dear Representative Allen:

Our Office has recently completed a 24-month followup of the Marana Unified School District's implementation status for the 15 audit recommendations presented in the performance audit report released in August 2012. As the enclosed grid indicates:

- 13 recommendations have been implemented, and
- 2 recommendations are in the process of being 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 August 2012 performance audit.

Sincerely,

Ross Ehrick, CPA
Director, Division of School Audits

RE:bh
Enclosure

cc: Dr. Doug Wilson, Superintendent
Governing Board
Marana Unified School District

MARANA UNIFIED SCHOOL DISTRICT

Auditor General Performance Audit Report Issued August 2012 24-Month Follow-Up Report

Recommendation	Status/Additional Explanation
FINDING 1: Better oversight and controls needed to help reduce the risk of errors and fraud	
1. The District should work with its legal counsel to obtain payment from the university for the district teacher who worked for the university in fiscal years 2010, 2011, and 2012.	Implemented at 6 months The District invoiced and received \$164,000 from the university for the district teachers who worked for the university in fiscal years 2010, 2011, and 2012.
2. The District should work with its legal counsel and the Arizona State Retirement System to determine whether the education association employee was eligible to participate in the state retirement system and, if not, what actions should be taken.	Implemented at 6 months
3. The District should ensure it provides employee benefits, including Arizona State Retirement System membership, only to qualified district employees.	Implemented at 6 months
4. The District should ensure that it properly deducts employee leave balances when employees use sick, vacation, and personal leave.	Implemented at 18 months
5. The District should limit employees' access to only those accounting system functions needed to perform their job responsibilities.	Implementation in process The District has limited employee access within the accounting system for five of the six individuals identified during the audit as having too much access. According to district officials, they are working to limit the remaining individual's access.
6. The District should ensure that all purchases are approved at the school sites prior to issuing purchase orders and ensure that all purchase orders are approved prior to the purchases being made.	Implemented at 18 months
7. The District should classify all transactions in accordance with the Uniform Chart of Accounts for school districts.	Implemented at 24 months

Recommendation	Status/Additional Explanation
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FINDING 2: Transportation program reasonably efficient, but District should improve controls over bus driver time, fuel usage, and reporting of riders

1. The District should limit the amount of nonproductive time for which it pays its bus drivers, as well as monitor the time each employee works in order to ensure that it appropriately pays drivers for overtime.	Implemented at 18 months
2. The District should assign an individual the responsibility of reviewing the fuel logs to ensure that fuel purchases are appropriate and follow up on any questionable purchases.	Implemented at 6 months
3. The District should track and report the actual number of students transported as required by statute, retain these numbers, and use them to calculate performance measures to evaluate its transportation program's efficiency.	Implemented at 6 months
4. The District should contact the Arizona Department of Education regarding needed corrections to its transportation funding reports.	Implemented at 18 months

FINDING 3: District paid some Classroom Site Fund monies to ineligible individuals and for unmet goals

1. The District should ensure that only eligible employees receive Classroom Site Fund monies.	Implemented at 6 months
2. The District should reimburse the Classroom Site Fund for monies spent for unallowable purposes in fiscal year 2010 and work with the Arizona Department of Education to make the necessary corresponding adjustments to its expenditure budget.	Implemented at 6 months
3. To promote improved performance, the District should require that teachers attain their agreed-upon goals in order to receive additional performance pay.	<p>Implementation in process</p> <p>The District revised its 2014-2015 performance pay plan to require teachers to attain their agreed-upon goals in order to receive performance pay, but the District has yet to make any payments based on this revised plan.</p>

Recommendation**Status/Additional Explanation****OTHER FINDINGS: District lacks many formal information technology policies and procedures**

1. The District should document formal information technology policies and procedures related to how and when terminated employees' access is removed, disaster recovery, wireless security, data access, and controls over changes to the District's IT infrastructure to ensure the security and integrity of its network and data.

Implemented at 24 months
