

Independent, objective, making a positive difference

The Arizona Auditor General's Office makes a positive difference in the way our state and its local governments operate. We focus on helping state agencies, the state universities, counties, community colleges, school districts, and special taxing districts improve their accountability and use public monies effectively. We do this by reviewing their finances, operations, and/or performance and making recommendations for improvement. The Office issued more than 200 audits, reviews, investigations, and followups with over 1,000 recommendations in fiscal year 2018.

Who we are

The Arizona Auditor General's Office is a legislative agency under the direction of the Joint Legislative Audit Committee, a bipartisan committee composed of five senators and five representatives.

Performance audits and sunset reviews

18 reports | 302 recommendations

Our performance audits assess how well state agencies, school districts, and other government entities are providing services to Arizona's citizens. Our reports include many recommendations that help state leaders, agencies, and school districts better serve the people of Arizona. Sunset reviews are performance audits that include questions to help the Legislature determine whether it is in the State's best interest to keep or "sunset" (terminate) an agency.

Followups

85 followups

We follow up with state agencies, school districts, and other government entities we have audited at established intervals to assess how many of our recommendations they have implemented and the status of these recommendations.

Recommendations implemented

 Agencies/school districts **90%**  Legislature **83%**

Financial investigations and alerts

7 reports | 16 recommendations

We conduct investigations of Arizona agencies, universities, counties, community colleges, school districts, and special taxing districts when we receive allegations that public monies are being misused. We receive these allegations from a number of sources—our audit teams, concerned citizens, public employees, prosecuting agencies, and law enforcement. If our investigations uncover criminal violations, we submit our findings to prosecutors for independent review, then issue these findings to the public after the prosecuting agency files a criminal indictment or complaint. We also issue special alerts to these entities to address particularly significant issues in a timely way, such as information we have prepared to help deter and detect fraud.

Financial and federal compliance audits

47 reports | 661 recommendations

Financial audits examine the State's, universities', counties', and community college districts' financial reporting for inconsistencies and errors, and help to ensure that these governments are properly accounting for and reporting their finances. Federal compliance audits examine how governments account for federal money in Arizona and help make sure this money is being used according to the rules and laws governing the federal programs.

Accountability reviews

54 reports | 14 recommendations

These reviews check to help ensure that public monies are protected and accounted for and that government entities, such as state agencies, counties, community colleges, and school districts, are following certain laws and regulations, including those related to appropriate uses and expenditure limits of public monies.

Special audits/reviews

5 reports | 25 recommendations

We conduct these reviews when specific laws require them, or when the Joint Legislative Audit Committee requests them. In 2018, these reviews included matters related to the Arizona Department of Child Safety, such as recruiting, training, and retention issues; the Central Arizona Water Conservation District; and Joint Technical Education Districts. In addition, 2018 legislation requires our Office to review the School Facilities Board's Building and Renewal Grant Fund expenditures for the period of July 1, 2016 through June 30, 2018. The audit will include a review of the School Facilities Board's records, and those of school districts and county school superintendents to assess the building renewal grant process and vendor selection and procurement.

How we provide value



Lowering Costs

We provided a state-wide analysis of school district spending, and in our school district performance audits we made recommendations to help districts reduce costs by reviewing high salaries, staffing levels, and excess school building space. For example, we found that had Tuba City Unified School District spent similar amounts on administration and plant operations as its peer districts averaged, it potentially could have saved more than \$2.6 million, monies that otherwise potentially could have been used for instructional costs, such as teacher salaries and classroom supplies. The District's costs were higher because it employed more staff and operated most of its schools at far below their intended capacities.



Uncovering Fraud

Our financial investigations look into allegations of fraud and misuse of public monies. For example, our investigation of the former accounting manager for the Pine-Strawberry Water Improvement District revealed that she may have embezzled a total of \$841,056 over 6 years that came from customer security deposits and water-use and property tax payments, monies that should have been used to support district operations. We also investigated an allegation of fraud reported to us by the Phoenix Union High School District and found that the former controller illicitly altered district payroll software information, falsely reducing income amounts reported to federal and state taxing authorities for herself and her sister (also a district employee) over a 3-year period. Additionally, her actions caused the software to generate electronic deposits of \$4,400 and \$4,000 to her and her sister's respective bank accounts. Both of these investigations resulted in indictments on multiple felony counts.



Helping Government Work Better

In addition to uncovering fraud and finding ways to save taxpayers' money, we focus on improving the way governments operate. Our performance audit of Arizona's three state universities' IT security found that sensitive data such as students' social security numbers and financial and health records was vulnerable and we recommended ways to improve security so this personal information could be better protected. Our special review of the Arizona Department of Child Safety's retention, recruitment, and training found that the Department has taken various actions to identify and address factors affecting staff retention and we recommended that they continue these efforts. We identified some additional practices for hiring best-fit job applicants that could help promote retention, particularly for caseworkers. We also recommended that the Department expand its current efforts to strengthen staff training, such as by implementing an annual training requirement and by better monitoring staff to ensure they have completed this training. In addition, our Office is recognized for high-quality work. We received a Certificate of Impact award from the National Legislative Program Evaluation Society (NLPES) for our performance audit: *Arizona Department of Education—Department Oversees Empowerment Scholarship Accounts Program Spending, but Should Strengthen its Oversight and Continue to Improve Other Aspects of Program Administration*. The NLPES presented us with this award for providing information to our Legislature and the public regarding impactful improvements that can result from implementing our recommendations.



High-Impact Training

Our staff, through free trainings, presentations, webinars, workshops, technical assistance, and other outreaches, provide Arizona governments with information to help them improve the value of their services to the State's citizens. We train employees of other state agencies, counties, school districts, local governments such as cities and towns, and other government entities.

Training statistics		Key training topics			
20 trainings	1,690 attendees	IT security controls	Accounting standards	Cash controls	School district chart of accounts