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AUDITOR GENERAL

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

**MELANIE M. CHESNEY**  
DEPUTY AUDITOR GENERAL

June 9, 2015

The Honorable Judy Burges, Chair  
Joint Legislative Audit Committee

The Honorable John Allen, Vice Chair  
Joint Legislative Audit Committee

Dear Senator Burges and Representative Allen:

Our Office has recently completed an 18-month followup of the Colorado River Union High School District's implementation status for the 9 audit recommendations presented in the performance audit report released in August 2013. As the enclosed grid indicates:

- 7 recommendations have been implemented, and
- 2 recommendations are in the process of being implemented.

Our Office will continue to follow up at 6-month intervals with the District on the status of those recommendations that have not yet been fully implemented.

Sincerely,

Ross Ehrick, CPA  
Director, Division of School Audits

RE:bh  
Enclosure

cc: Mr. Riley Frei, Superintendent  
Governing Board  
Colorado River Union High School District

# Colorado River Union High School District

## Auditor General Performance Audit Report Issued August 2013

### 18-Month Follow-Up Report

Recommendation	Status/Additional Explanation
<b>FINDING 1: District needs to strengthen controls over computer systems, fuel purchases, and cash handling</b>	
1. The District should limit employees' access to only those accounting system functions needed to perform their work.	<b>Implemented at 12 months</b>
2. The District should implement and enforce password requirements related to password length, complexity, and expiration, and only the user should know passwords.	<b>Implemented at 12 months</b>
3. The District should develop and implement a formal process to ensure that terminated employees have their IT system access promptly removed.	<b>Implemented at 6 months</b>
4. The District should ensure that its written agreement with its IT service provider outlines each party's responsibilities for the District's student information system.	<b>Implemented at 12 months</b>
5. The District should work with its local fuel vendor to ensure the vendor's billing statements include a means of identifying individuals purchasing fuel and the odometer readings of the vehicles at the time of the fuel purchases.	<b>Implemented at 6 months</b>
6. The District should ensure that all fuel card receipts are collected and properly reconciled to credit card statements to ensure purchases are appropriate and billings are accurate prior to payment.	<b>Implemented at 18 months</b>

Recommendation	Status/Additional Explanation
7. The District should strengthen its procedures for recording cash collections and reconciling daily bookstore sales to cash collections.	<p><b>Implementation in process</b>  The District has continued to make improvements to its cash-handling procedures, including requiring that all cash collections be processed through a cash register and implementing additional reconciliation and review procedures. However, auditors reviewed documentation for two weeks of bookstore operations and found that some cash collections were still not processed through the cash registers. Further, some additional reconciliation procedures should be implemented to help ensure cash collections are properly posted to student accounts. Auditors will review this recommendation again at the 24-month followup.</p>

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**FINDING 2: District’s Proposition 301 pay records incomplete and some performance pay goals did not promote improved performance**

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1. The District should ensure that it retains supporting documentation in accordance with state records retention schedules to demonstrate that performance pay goals were met.	<p><b>Implementation in process</b>  The District has implemented procedures to help ensure supporting documentation is maintained for performance pay. Auditors will review this recommendation at the 24-month followup after fiscal year 2015 performance pay payments have been made.</p>
2. To promote improved performance, the District should establish meaningful and measureable performance goals that are beyond what is already expected or required of employees.	<p><b>Implemented at 12 months</b></p>

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