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AUDITOR GENERAL

STATE OF ARIZONA  
OFFICE OF THE  
AUDITOR GENERAL

WILLIAM THOMSON  
DEPUTY AUDITOR GENERAL

January 29, 2009

The Honorable Thayer Verschoor, Chair  
Joint Legislative Audit Committee

The Honorable Judy Burges, Vice Chair  
Joint Legislative Audit Committee

Dear Senator Verschoor and Representative Burges:

Our Office has recently completed a 6-month followup of the Arizona's Universities—Capital Project Financing regarding the implementation status of the 2 audit recommendations (including sub-parts of the recommendations) presented in the performance audit report released in June 2008 (Auditor General Report No. 08-03). As the attached grid indicates:

- Both recommendations have been implemented.

Unless otherwise directed by the Joint Legislative Audit Committee, this report concludes our follow-up work on the Universities' efforts to implement the recommendations from the June 2008 performance audit report.

Sincerely,

Melanie M. Chesney, Director  
Performance Audit Division

MMC:Acm  
Attachment

cc: Mr. Joel Sideman, Executive Director  
Arizona Board of Regents

Mr. Robert H. Shelton, President  
University of Arizona

Mr. John D. Haeger, President  
Northern Arizona University

**ARIZONA’S UNIVERSITIES—  
CAPITAL PROJECT FINANCING  
Auditor General Report No. 08-03  
6-Month Follow-Up Report**

Recommendation	Status/Additional Explanation
<b>Finding 2: Universities follow good debt management practices</b>	
2.1 UA should include provisions for monitoring compliance with IRS private use requirements in its debt management policy, as recommended by literature, and then finalize and implement it.	<b>Implemented at 6 Months</b>
2.2 NAU should develop and implement a debt management policy or formal guidelines that include the elements recommended in literature.	<b>Implemented at 6 Months</b>