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OFFICE OF THE  
**AUDITOR GENERAL**

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December 22, 2011

The Honorable Rick Murphy, Chair  
Joint Legislative Audit Committee

The Honorable Carl Seel, Vice Chair  
Joint Legislative Audit Committee

Dear Senator Murphy and Representative Seel:

Our Office has recently completed the fourth followup of the Ash Fork Joint Unified School District's implementation status for the 15 audit recommendations (including sub-parts of the recommendations) presented in the performance audit report released in May 2009. As the enclosed grid indicates:

- 14 recommendations have been implemented, and
- 1 recommendation is not 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 May 2009 performance audit.

Sincerely,

Ross Ehrick, CPA  
Director, Division of School Audits

RE:bl  
Enclosure

cc: Mr. Seth Staples, Superintendent  
Governing Board  
Ash Fork Joint Unified School District

**ASH FORK JOINT UNIFIED SCHOOL DISTRICT**  
**Auditor General Performance Audit Report Issued May 2009**  
**Fourth Follow-Up Report**

<b>Recommendation</b>	<b>Status/Additional Explanation</b>
<b>CHAPTER 1: Administration</b>	
1. The District should strengthen its credit card policies and ensure they are strictly enforced to protect against misuse of its credit cards. Specifically, the District should ensure that:	
a) All credit card purchases are approved prior to purchases being made;	<b>Implemented at 6 months</b>
b) Receipts are obtained and reviewed for compliance with district policies and appropriateness of purchases and reconciled to the billing statement before payment;	<b>Implemented at 6 months</b>
c) A list of authorized users and credit card sign-out logs are maintained; and	<b>Implemented at 6 months</b>
d) Credit card balances are paid in a timely manner to avoid finance charges and late fees.	<b>Implemented at 6 months</b>
2. The District should implement proper access controls over its accounting system so that individual employees do not have the ability to initiate and complete a transaction without independent review and approval.	<b>Implemented at 12 months</b>
3. The District should improve password controls and require users to immediately change assigned passwords and then again periodically.	<b>Implemented at 6 months</b>
4. The District should implement basic security training to inform staff of the importance of locking computers when away from their desks to prevent unauthorized users from accessing district software and ensure that this provision is enforced.	<b>Implemented at 6 months</b>
5. The District should clearly identify any additional compensation in employee contracts prior to the services' being rendered.	<b>Implemented at 18 months</b>

Recommendation	Status/Additional Explanation
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**CHAPTER 2: Student transportation**

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No recommendations

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**CHAPTER 3: Plant operation and maintenance**

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1. The District should review staffing levels to determine whether the number of plant operation and maintenance positions can be reduced.

**Implemented at 6 months**

The District had previously eliminated 2.5 full-time equivalent (FTE) plant positions, but has since re-hired 2 positions. As of fiscal year 2011, the District employed 4.5 plant FTE positions, which is 0.5 FTE less than in the audit year, fiscal year 2007.

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2. The District should evaluate and monitor its energy usage and implement an energy conservation plan to help reduce energy usage. Further, the District should educate staff and students about energy conservation and encourage them to conserve energy.
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**Implemented at 12 months****CHAPTER 4: Proposition 301 monies**

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1. The District's Proposition 301 plan should specify the amount of performance pay each eligible employee can earn if performance criteria are met.
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**Implemented at 12 months**

**Recommendation****Status/Additional Explanation****CHAPTER 5: Classroom dollars**

1. The District should classify all transactions in accordance with the Uniform Chart of Accounts for school districts.

**Implemented at 18 months**

2. The District should closely analyze its spending in noninstructional areas to determine if savings can be achieved and whether some of those monies can be redirected to the classroom.

**Not Implemented**

Since the audit, the District has maintained its administrative and plant operations costs near their fiscal year 2007 levels. However, as of fiscal year 2011, these costs remained significantly higher than peer districts'. Further, preliminary analysis indicates that the District's fiscal year 2011 classroom dollar percentage has dropped by over seven percentage points since fiscal year 2007 to a very low 47.1 percent. According to district officials, they continue to look for ways to reduce costs in noninstructional areas.

**CHAPTER 6: English Language Learner programs, costs, and funding**

1. The District should continue to develop its ELL program to comply with statutory requirements and the newly adopted SEI models to provide 4 hours of English language acquisition to first-year ELL students.

**Implemented at 6 months**

2. The District should use ELL-related monies only for ELL instruction. Further, the District should begin separately accounting for the incremental portion of ELL costs and retain supporting documentation of how those amounts are determined.

**Implemented at 12 months**