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AUDITOR GENERAL

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

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DEPUTY AUDITOR GENERAL

December 10, 2013

The Honorable Chester Crandell, Chair  
Joint Legislative Audit Committee

The Honorable John Allen, Vice Chair  
Joint Legislative Audit Committee

Dear Senator Crandell and Representative Allen:

Our Office has recently completed a fourth followup of the Coolidge Unified School District's implementation status for the 16 audit recommendations presented in the performance audit report released in May 2011. As the enclosed grid indicates:

- 14 recommendations have been implemented;
- 1 recommendation is in the process of being implemented; and
- 1 recommendation has not been 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 2011 performance audit.

Sincerely,

Ross Ehrick, CPA  
Director, Division of School Audits

RE:bh  
Enclosure

cc: Ms. Charie Wallace, Superintendent  
Governing Board  
Coolidge Unified School District

# COOLIDGE UNIFIED SCHOOL DISTRICT

## Auditor General Performance Audit Report Issued May 2011

### Fourth Follow-Up Report

Recommendation	Status/Additional Explanation
<b>FINDING 1: District had high administrative costs and lacked adequate procedures to protect it from errors</b>	
1. The District should continue to review its administrative positions and the related duties and salaries to determine how administrative costs can be reduced.	<p><b>Implementation in process</b></p> <p>The District has made substantial cuts to administration since the audit year, fiscal year 2009. In fact, the District's administrative costs were about \$1.1 million less in fiscal year 2013 than in fiscal year 2009. However, the District hasn't seen the full effects of these cuts in its administrative cost per student because it has continued to lose students. In fiscal year 2013, the District had 895, or 20 percent, fewer students than it had in fiscal year 2009. As a result, the District's administrative cost per student remains 18 percent higher than peer districts averaged. Therefore, the District should continue to review its costs in this area. District officials stated that they intend to continue to review administrative costs.</p>
2. To help ensure that employees are paid accurately, the District should establish a delayed payroll system.	<b>Implemented at 6 months</b>
3. The District should continue to attempt to collect the remaining monies it overpaid to its employees.	<b>Implemented at 12 months</b>
4. The District should maintain documentation in personnel files, such as payroll or personnel action forms, to support additional duties and pay rates.	<b>Implemented at 12 months</b>
5. The District should require a district official to review and approve all of its purchases of goods and services prior to purchases being made and document that approval on the purchase orders.	<b>Implemented at fourth followup</b>
6. In order to properly safeguard its cash, the District should ensure that cash and checks are deposited in a timely manner.	<b>Implemented at 6 months</b>

Recommendation	Status/Additional Explanation
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**FINDING 2: District paid high costs to contract out part of its transportation program and over-reported mileage for state funding purposes**

1. To aid in evaluating the efficiency of its transportation program, the District should develop and monitor performance measures, such as cost per mile, cost per rider, and bus capacity utilization.	<b>Implemented at 6 months</b>
2. The District should accurately calculate and report the data needed for state transportation funding.	<b>Implemented at 12 months</b>
3. The District should contact the Arizona Department of Education and correct its transportation funding report.	<b>Implemented at 12 months</b>

**FINDING 3: Shift in spending indicates possible supplanting violations**

1. To avoid supplanting, the District should direct more of its non-CSF monies back into the classroom as it did prior to fiscal year 2008.	<p><b>Not implemented</b></p> <p>Although district officials stated that it was their intention to direct more monies into the classroom, the District's classroom dollar percentage has declined since the audit year. As noted in the audit report, the District's classroom dollar percentage declined from 55.7 percent in fiscal year 2007 to 51.3 percent in fiscal year 2009, the audit year. Since then, the District's classroom dollar percentage has declined an additional 6.4 percentage points to 44.9 percent in fiscal year 2013.</p>
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**FINDING 4: District had an excessive number of cell phones and lacked proper oversight**

1. The District should review whether employees currently provided cell phones actually require these phones as a necessary part of their job duties.	<p><b>Implemented at fourth followup</b></p> <p>Since the audit year, the District has eliminated 71 of its 180 cell phones, saving over \$30,000 annually in cell phone service costs. Further, the District is no longer providing cell phones to employees who are not listed as eligible in its policy.</p>
2. The District should cancel the cell phones that are not being used or that are not assigned to a specific individual.	<b>Implemented at 6 months</b>
3. The District should limit employees' cell phone plans to those allowable minutes needed to fulfill district responsibilities.	<b>Implemented at 6 months</b>
4. The District should review invoices to ensure individuals are using cell phones according to district policy and that individuals reimburse the District for any nondistrict use.	<b>Implemented at 12 months</b>

**Recommendation****Status/Additional Explanation****OTHER FINDINGS: District should strengthen controls over access to IT resources and data**

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1. The District should limit employees' student information systems access to only those functions needed to perform their work, ensure that access to the District's computer system is promptly removed when employees leave the District's employment, and limit physical access to its server rooms.

**Implemented at fourth followup**

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**OTHER FINDINGS: District did not accurately report its costs**

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

**Implemented at 6 months**

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