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

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DEPUTY AUDITOR GENERAL

April 11, 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 the fourth followup of the Florence Unified School District's implementation status for the 7 audit recommendations presented in the performance audit report released in October 2010. As the enclosed grid indicates:

- 5 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 October 2010 performance audit.

Sincerely,

Ross Ehrick, CPA  
Director, Division of School Audits

RE:bl  
Enclosure

cc: Dr. Gary Nine, Superintendent  
Governing Board  
Florence Unified School District

# FLORENCE UNIFIED SCHOOL DISTRICT

## Auditor General Performance Audit Report Issued October 2010

### Fourth Follow-Up Report

Recommendation	Status/Additional Explanation
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**FINDING 1: Inadequate payroll procedures increased risk of errors**

- |   |                                |
|---|--------------------------------|
| 1. As recommended by the <i>Uniform System of Financial Records for Arizona School Districts</i> , the District should prepare and retain in employee personnel files a personnel/payroll action form or contract for each employee to document employment terms. | <b>Implemented at 6 months</b> |
| 2. The District should require supervisors to thoroughly review time sheets and have payroll clerks verify the accuracy of a sample of time sheets to ensure that employees are correctly paid for the correct number of hours worked.                            | <b>Implemented at 6 months</b> |

**FINDING 2: District spent Classroom Site Fund monies incorrectly**

- |   |                                 |
|---|---------------------------------|
| 1. The District should ensure that Classroom Site Fund monies are spent in accordance with statute.   | <b>Implemented at 6 months</b>  |
| 2. The District should reimburse the Classroom Site Fund for monies spent for unallowable purposes in fiscal year 2009 and work with the Arizona Department of Education to make the necessary corresponding adjustments to its expenditure budget. | <b>Implemented at 24 months</b> |

**OTHER FINDING 1: District incorrectly reported number of riders for state transportation funding**

- |   |   |
|---|---|
| 1. The District should track and report the actual number of students transported as required by statute, retain these numbers, and use them to calculate performance measures to evaluate its transportation program's efficiency. | <p><b>Not Implemented</b></p> <p>The District is now tracking riders and maintaining supporting documentation, which allowed the District to report the actual number of students transported in fiscal year 2013. However, the District is not using this information to calculate performance measures to evaluate its transportation program's efficiency.</p> |
|---|---|

**Recommendation**

**Status/Additional Explanation**

**OTHER FINDING 2: District should strengthen its controls over access to IT resources and data**

1. The District should limit employees' accounting and 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 data center.

**Implementation in process**

The District had previously limited access to its student information system and physical access to its data center. Auditors reviewed access to the accounting system for the seven employees identified during the audit and found that five employees now have appropriate access. However, two employees still had more access to the accounting system than they needed to perform their job duties. Upon notification, the District corrected access for the two remaining employees. Additionally, auditors reviewed access to the District's computer system for ten terminated employees and found that one employee still had access. Again, upon notification, the District removed access for the terminated employee. The District should continue to refine its process for granting access to its accounting system and removing access to its computer system when employees leave the District's employment to ensure proper access.

**OTHER FINDING 3: District did not accurately report its costs**

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

**Implemented at 6 months**