STATE OF ARIZONA

DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

OFFICE OF THE

AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

May 24, 2016

The Honorable John Allen, Chair
Joint Legislative Audit Committee

The Honorable Judy Burges, Vice Chair
Joint Legislative Audit Committee

Dear Representative Allen and Senator Burges:

Our Office has recently completed a 30-month followup of the Kingman Unified School District's implementation status for the 6 audit recommendations presented in the performance audit report released in September 2013. As the enclosed grid indicates:

■ 5 recommendations have been 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 September 2013 performance audit.

Sincerely,

Vicki Hanson
Director, Division of School Audits

VH:lc
Enclosure

cc: Mr. Roger Jacks, Superintendent
       Governing Board
          Kingman Unified School District

KINGMAN UNIFIED SCHOOL DISTRICT
Auditor General Performance Audit Report Issued September 2013
30-Month Follow-Up Report

Recommendation	Status/Additional Explanation
FINDING 1: District had lower administrative costs but inadequate accounting and computer controls increase risk of errors and fraud	
1. The District should strengthen its controls over cash handling for its bookstore operations, including separating cash-handling duties, preparing and retaining daily cash receipt summaries to reconcile cash collected to receipts issued, and incorporating supervisory review of this process. Additionally, the District should better safeguard monies received by securing them in a safe, locked box, or locked cabinet and depositing them at least weekly.	**Implemented at 12 months**
2. The District should implement proper controls over the catering program to ensure that duties are separated and all payments are made directly to the District.	**Implemented at 12 months**
3. The District should review employee access to the accounting system and modify access to ensure that an employee cannot initiate and complete a transaction without independent review and that employees have only the access necessary to meet their job responsibilities.	**Not implemented** The District has reviewed and modified employee access to its accounting system. However, auditors reviewed accounting system access for 14 employees and found that 7 employees continue to have full access to the system or more access than is necessary to meet their job responsibilities.
4. The District should review and reduce the number of users with administrator-level access to its network.	**Implemented at 30 months** The District has reduced the number of users with administrator-level access to its student information system and implemented additional controls, including reviewing and monitoring activity logs, over network user accounts with administrator-level access.
5. The District should establish and implement policies and procedures for logging and monitoring users' activities on critical systems and applications.	**Implemented at 30 months**
6. The District should develop and implement a formal process to ensure that terminated employees have their IT network and system access promptly removed.	**Implemented at 12 months**

Recommendation	Status/Additional Explanation

FINDING 2: Efficient practices keep food service program costs low

No recommendations