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AUDITOR GENERAL

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

**MELANIE M. CHESNEY**  
DEPUTY AUDITOR GENERAL

June 4, 2018

The Honorable Anthony Kern, Chair  
Joint Legislative Audit Committee

The Honorable Bob Worsley, Vice Chair  
Joint Legislative Audit Committee

Dear Representative Kern and Senator Worsley:

Our Office has recently completed a 24-month followup of the Peoria Unified School District's implementation status for the 10 audit recommendations presented in the performance audit report released in May 2016. As the enclosed grid indicates, all 10 recommendations have 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 2016 performance audit.

Sincerely,

Vicki Hanson  
Director, Division of School Audits

VH:bh  
Enclosure

cc: Ms. Linda Palles Thompson, Interim Superintendent  
Governing Board  
Peoria Unified School District

# PEORIA UNIFIED SCHOOL DISTRICT

## Auditor General Performance Audit Report Issued May 2016

### 24-Month Follow-Up Report

Recommendation	Status/Additional Explanation
<b>FINDING 1: Inadequate controls over cash handling, computer network and systems, and payroll increase risk of errors and fraud</b>	
1. The District should strengthen its controls over cash handling, including separating cash-handling duties, preparing and retaining receipts for each payment received, reconciling cash collected to receipts issued, and ensuring 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.	<b>Implemented at 24 months</b>
2. The District should implement stronger password requirements related to password length, complexity, and expiration.	<b>Implemented at 6 months</b>
3. The District should develop and implement a formal process to ensure that terminated employees have their IT network and system access promptly removed.	<b>Implemented at 6 months</b>
4. The District should review and eliminate unnecessary network user accounts, and establish better controls over service accounts, such as disabling them when not receiving vendor support.	<b>Implemented at 6 months</b>
5. The District should create a comprehensive disaster recovery plan and test it periodically to identify and remedy any deficiencies.	<b>Implemented at 18 months</b>
6. To help prevent and detect unauthorized, inappropriate, and unintended changes to IT systems, the District should develop and implement written policies and procedures for change management.	<b>Implemented at 6 months</b>
7. The District should ensure that duties and related payments are addressed in employment contracts or personnel/payroll action forms, approved in advance of the work being performed, and maintained in employee personnel files.	<b>Implemented at 6 months</b>

**Recommendation****Status/Additional Explanation****FINDING 2: District should improve controls over transportation program**

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|---|---------------------------------|
| 1. The District should accurately calculate and report to ADE the actual miles driven and students transported for student transportation funding purposes.   | <b>Implemented at 6 months</b>  |
| 2. The District should work with ADE regarding needed corrections to its transportation funding reports and corresponding adjustments to its expenditure budgets until all funding errors the misreported mileage caused are fully corrected. | <b>Implemented at 12 months</b> |
| 3. The District should ensure that school bus preventative maintenance is conducted in a systematic and timely manner in accordance with district policy and the State's <i>Minimum Standards</i> .   | <b>Implemented at 24 months</b> |
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