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March 27, 2019

The Honorable Rick Gray, Chair
Joint Legislative Audit Committee

The Honorable Anthony T. Kern, Vice Chair
Joint Legislative Audit Committee

Dear Senator Gray and Representative Kern:

We have recently completed a 24-month followup of the Show Low Unified School District's implementation status for the 8 audit recommendations presented in the performance audit report released in November 2016. As the attached grid indicates:

- 6 recommendations have been implemented.
- 2 recommendations are in the process of being 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 November 2016 performance audit.

Sincerely,

Vicki Hanson, Director
Division of School Audits

cc: Governing Board
Mr. Shad Housley, Superintendent
Show Low Unified School District

SHOW LOW UNIFIED SCHOOL DISTRICT

Auditor General Performance Audit Report Issued November 2016 24-Month Follow-Up Report

Recommendation	Status/Additional Explanation
FINDING 1: District should strengthen computer and accounting controls	
1. The District should implement and enforce stronger password requirements.	Implemented at 6 months
2. The District should limit employees' access to its computerized accounting system to only those accounting system functions needed to perform their job duties, including transferring the business office employees' administrator-level access to someone outside of the business office.	Implemented at 18 months
3. The District should improve procedures to ensure that terminated employees have their computer network and systems access promptly removed.	Implemented at 12 months
4. The District should eliminate unnecessary generic user accounts in its network and properly control any remaining generic accounts.	Implemented at 12 months
5. The District should ensure that its network-connected servers and computers have currently supported operating systems installed or reduce the risk of computer-related attack by limiting their use and/or remove the network access to these servers and computers.	Implemented at 18 months
6. The District should review its formal information technology (IT) contingency plan to ensure it is complete and test it periodically to identify and remedy any deficiencies.	Implementation in process The District has continued to test and revise its IT contingency procedures and expects to finalize its contingency plan later this year.
7. The District should classify all transactions in accordance with the Uniform Chart of Accounts for school districts.	Implemented at 12 months

Recommendation

Status/Additional Explanation

OTHER FINDING: District incorrectly reported eligible riders, rather than actual riders, for student transportation funding

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1. The District should accurately calculate and report to the Arizona Department of Education the actual number of riders transported for state funding purposes.

Implementation in process

The District is now reporting the number of students actually transported rather than the number of students eligible for transportation. However, due to a calculation error, the number of riders the District reported to the Arizona Department of Education for fiscal year 2019 was not supported by its detailed driver logs. District officials stated that they would correct the error and revise the fiscal year 2019 reported rider counts and accurately report riders in the future.
