



DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

March 12, 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 12-month followup of the Skull Valley Elementary School District's implementation status for the 4 audit recommendations presented in the performance audit report released in November 2016. As the enclosed grid indicates:

- 3 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 November 2016 performance audit.

Sincerely,

Vicki Hanson
Director, Division of School Audits

VH:bh
Enclosure

cc: Ms. Vicki Hilliker, Principal
Governing Board
Skull Valley Elementary School District

SKULL VALLEY ELEMENTARY SCHOOL DISTRICT

Auditor General Performance Audit Report Issued November 2016

12-Month Follow-Up Report

Recommendation	Status/Additional Explanation
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FINDING 1: Some accounting and computer controls need strengthening

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|---|--|
| <p>1. The District should ensure that it requires an independent review and approval for all of its purchases prior to the purchases being made.</p> | <p>Implemented at 6 months</p> |
| <p>2. The District should implement proper controls over its cash receipts by preparing and issuing prenumbered cash receipts for all monies collected, properly safeguarding cash prior to deposit, and having a second employee reconcile or review the reconciliations of issued receipt amounts to actual deposits.</p> | <p>Implemented at 12 months</p> |
| <p>3. The District should implement and enforce password requirements related to password length, complexity, and expiration, and only the user should know his/her password.</p> | <p>Not implemented
Although the District has strengthened some of its computer network and student information system password requirements, it has chosen not to implement all common guidelines for strong passwords.</p> |

FINDING 2: Multiple districts claimed same route mileage for transportation funding after law change prohibited practice

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| <p>1. To ensure that no more than one school district reports the same transportation miles for funding purposes, the District should no longer report miles for funding purposes that other school districts drove to transport Skull Valley ESD middle and high school students.</p> | <p>Implemented at 6 months</p> |
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