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AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

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DEPUTY AUDITOR GENERAL

December 4, 2017

The Honorable Bob Worsley, Chair
Joint Legislative Audit Committee

The Honorable Anthony Kern, Vice Chair
Joint Legislative Audit Committee

Dear Senator Worsley and Representative Kern:

Our Office has recently completed a 24-month followup of the Tolleson Elementary School District's implementation status for the 13 audit recommendations presented in the performance audit report released in August 2015. As the enclosed grid indicates:

- 12 recommendations have been implemented, and
- 1 recommendation is 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 August 2015 performance audit.

Sincerely,

Vicki Hanson
Director, Division of School Audits

VH:bh
Enclosure

cc: Dr. Lupita Hightower, Superintendent
Governing Board
Tolleson Elementary School District

TOLLESON ELEMENTARY SCHOOL DISTRICT

Auditor General Performance Audit Report Issued August 2015

24-Month Follow-Up Report

Recommendation	Status/Additional Explanation
FINDING 1: District had higher administrative costs and lacked adequate controls to protect it from errors and fraud	
1. The District should review its administrative positions and related duties and salaries to determine how it can reduce administrative costs.	Implemented at 6 months
2. The District should implement proper controls over its payroll process to ensure proper separation of responsibilities.	Implemented at 12 months
3. The District should ensure that it requires independent review and approval for all of its purchases prior to the purchases being made.	Implemented at 12 months
4. The District should implement and enforce stronger password requirements.	Implemented at 6 months
5. The District should limit employees' access to its computerized accounting system to only those accounting system functions needed to perform their work.	Implemented at 12 months
6. The District should develop and implement a formal process to ensure that terminated employees have their network and system access promptly removed.	Implemented at 24 months
7. The District should eliminate or disable unnecessary generic user accounts in its network and systems.	Implemented at 24 months
8. The District should review its formal disaster recovery plan to ensure it is complete and test it periodically to identify and remedy deficiencies.	Implemented at 24 months

Recommendation	Status/Additional Explanation
<p>9. The District should implement controls over its process for producing, distributing, and tracking building keys, including maintaining a complete and up-to-date distribution log, establishing a process for determining the access level given to employees, and implementing a user agreement outlining the rules and policies an employee must follow regarding the use of district keys.</p>	<p>Implementation in process Since the audit, the District implemented new procedures for determining the access level given to employees and for distributing building keys. Additionally, the District now requires employees to sign an agreement acknowledging the receipt of keys. However, the District is still in the process of implementing the software it will use to maintain a complete and up-to-date key distribution log.</p>
<p>10. The District should establish a written agreement with the service provider who is leasing space at a district school that outlines each party's responsibilities.</p>	<p>Implemented at 6 months</p>
<p>FINDING 2: District may be able to lower transportation costs by improving bus route efficiency</p>	
<p>1. The District should closely review its regular education bus routes to determine how it can improve route efficiency and adjust its bus routes accordingly.</p>	<p>Implemented at 24 months Since fiscal year 2012, the audit year, the District implemented routing software and has used it to reduce its number of regular education routes from six routes to four routes as well as reduce the length and ride times of the routes. In addition, the District now tracks the number of riders for each bus route and uses this information to monitor bus capacity utilization.</p>
<p>2. The District should develop and monitor performance measures such as cost per mile, cost per rider, and bus capacity usage to help evaluate and improve the efficiency of its transportation program.</p>	<p>Implemented at 12 months</p>
<p>3. The District should accurately calculate and report to the Arizona Department of Education the riders transported for state funding purposes.</p>	<p>Implemented at 6 months</p>