We Make a Positive Difference

We help State agencies, universities, community college districts, counties, school districts, and other governmental entities work better by analyzing their operations and recommending improvements, so they spend and account for public monies appropriately, efficiently, and effectively. In fiscal year 2021, we issued 171 audits, reviews, investigations, and followups with 624 recommendations.

Performance audits and sunset reviews 23 reports | 286 recommendations

These audits and reviews assess how various State governmental entities, such as State agencies and school districts are performing—that is, how well they are fulfilling their statutory mandates and serving Arizona’s citizens. Sunset reviews help the Legislature decide whether to continue or terminate ("sunset") an agency. We include recommendations to guide these entities so they can better serve the public.

Followups 32 followups

After issuing our performance audits and sunset reviews, we follow up with the State governmental entities at regular intervals to assess the status of our recommendations and issue follow-up reports showing implementation progress.

Agency/school district recommendations implemented: 80%

Financial investigations and alerts 3 reports | 7 recommendations

These financial investigations occur when we receive allegations that public officials or employees within Arizona governments have potentially committed criminal violations, such as theft, fraud, misuse of public monies, and conflict of interest. We look into these allegations, and if we uncover potential criminal violations, we submit our findings to prosecutors for independent reviews, and after the prosecutor files a criminal indictment or complaint, issue reports with this information to the public. We also help protect public monies by issuing timely fraud prevention alerts designed to help Arizona governments deter and detect fraud.

Financial and federal compliance audits 46 reports | 312 recommendations

These annual audits help ensure State agencies, universities, community college districts, and counties properly spend, account for, and report public monies. Federal compliance audits also help ensure federal monies are being used for intended purposes in accordance with federal requirements, including federal monies allocated to the State for COVID-19 response and relief efforts. Our annual financial and federal compliance audits allow us to provide ongoing assistance that helps ensure these entities implement our recommendations.

Accountability reviews 60 reports | 7 recommendations

These reviews, such as school district compliance reviews and county and community college district expenditure limitation reports, check to help ensure public monies are protected and accounted for and that government entities are following certain State laws and regulations.

Special audits/reviews 7 reports | 12 recommendations

We conduct these reviews when specific laws require them, or when the Joint Legislative Audit Committee directs us to perform them. In 2021, these reviews included a study to determine the effectiveness of career and technical education districts (CTEDs) in preparing students for jobs in high-demand technical fields. We found that CTEDs and CTED member districts spent $67 million in fiscal year 2019 on their programs but do not have accurate and complete data to show whether they are effective. We recommended that the Legislature consider revising statute to clarify and enhance reporting requirements for CTEDs and member districts. We also recommended CTEDs, member districts, and the Arizona Department of Education (ADE) fully implement a previous audit recommendation to consistently collect accurate, complete, and comparable data to help evaluate the effectiveness of their programs in preparing students for jobs. Further, we recommended that ADE implement the annual CTED achievement profiles it had been statutorily required to do since 2016 and partner with organizations and State agencies to collect data in easier and more reliable ways to improve its accuracy and completeness.
We Add Value by...

Lowering Costs

In our school district performance audits, we recommended that districts reduce costs by reviewing high salaries, staffing levels, and excess school building space. For example, in our performance audits of Bowie Unified and Hackberry Elementary School Districts, we identified about $377,000 and $145,000, respectively, that the districts could save annually by addressing higher staffing and pay, excess building space, and inefficiencies in their food service and transportation programs. Additionally, we reported that Quartzsite Elementary School District continued to operate 1 of its schools even though it did not need the space, costing the District an estimated $115,000 annually and posing significant safety concerns to students and staff.

Uncovering Fraud

We investigated an allegation of financial misconduct at Joseph City Unified School District that revealed the former high school attendance secretary may have embezzled $40,436 of District monies by taking cash and falsifying District records to conceal her actions. This former employee was indicted on 3 felony counts related to theft, misuse of public monies, and fraudulent schemes. We also investigated an allegation involving a former Coconino County employee who allegedly used his County purchasing card to make personal purchases totaling $82,550. He was later hired at Navajo County, where he allegedly continued this unlawful practice. He was indicted on 16 felony counts related to theft, misuse of public monies, and fraudulent schemes.

Helping Government Work Better

Our performance audit of the Arizona Department of Juvenile Corrections (ADJC) found that it did not always follow its policy for sending delinquent youth in its care to temporary stabilization units (TSUs), which are intended to isolate and stabilize youth who are in imminent danger of inflicting substantial injury to themselves or others. This noncompliance may increase youths’ exposure to a range of negative consequences associated with isolation, including psychological, physical, and developmental harm, potentially undermining ADJC’s mission to rehabilitate delinquent youth. During our audit, ADJC implemented new procedures that it reported have resulted in fewer TSU referrals.

We also completed a financial risk analysis of Arizona’s school districts, issued in an interactive, user-friendly, web-based format, that identified the districts at the highest risk based on current and potential future financial difficulties. We analyzed 10 financial risk measures related to districts’ risk levels of continuing operations within its available cash resources and budget constraints. As of December 2020, 13 Arizona school districts were at a higher financial risk. We communicated with those districts to help their decision makers recognize their financial risks and encouraged them to take actions necessary to improve their financial position.

Informing Stakeholders

Considering the COVID-19 pandemic and the increased amounts of federal monies allocated to the State of Arizona and its local governments, businesses, and individuals for response and relief efforts, we prepared a Special COVID-19 Funding Report. This report provides in-depth information to help inform stakeholders on the intended federal allocation purposes and the results of our audit of the allocated monies Arizona State government directly spent and distributed during fiscal year 2020.

We also completed our annual State-wide analysis of school district spending that looks at State- and district-level spending. In our most recent report, we found that the State’s per pupil spending and instructional spending percentage continued an upward trend, and the State’s average teacher salary increased to $54,814—a 13.3 percent increase over 2017’s average, but short of the 15 percent cumulative budgeted goal.

We Provide High-Impact Training

Our staff provide free trainings, webinars, technical assistance, and other outreach to Arizona governments to help them improve their services to the State’s residents. We train other government employees from different State agencies, counties, school districts, community colleges, cities, and towns.

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<tr>
<th>Training statistics</th>
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<tr>
<td>38 trainings</td>
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<td>3,330 attendees</td>
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Key training topics:
- IT security controls
- Accounting controls
- School district accounting practices