



**DEBRA K. DAVENPORT, CPA**  
AUDITOR GENERAL

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

**MELANIE M. CHESNEY**  
DEPUTY AUDITOR GENERAL

March 2, 2016

The Honorable John Allen, Chair  
Joint Legislative Audit Committee

The Honorable Judy Burges, Vice Chair  
Joint Legislative Audit Committee

Dear Representative Allen and Senator Burges:

Our Office has recently completed a 24-month followup of the Double Adobe Elementary School District's implementation status for the 12 audit recommendations presented in the performance audit report released in December 2013. As the enclosed grid indicates:

- 11 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 December 2013 performance audit.

Sincerely,

Ross Ehrick, CPA  
Director, Division of School Audits

RE:bh  
Enclosure

cc: Ms. Tammi Wilson, Administrator  
Governing Board  
Double Adobe Elementary School District

# DOUBLE ADOBE ELEMENTARY SCHOOL DISTRICT

## Auditor General Performance Audit Report Issued December 2013

### 24-Month Follow-Up Report

Recommendation	Status/Additional Explanation
<b>FINDING 1: District had much lower administrative costs, but inadequate accounting and computer controls increase risk of errors and fraud</b>	
1. The District should implement proper controls over its payroll processing to ensure adequate separation of duties or alternatively establish an appropriate review process as a compensating control, such as having the head teacher, who works part-time in the business office, verify individual employee pay amounts and payroll total amounts on at least a sample basis and initial and date payroll documents as evidence of these reviews.	<b>Implemented at 12 months</b>
2. The District should ensure that it requires an independent review and approval for all of its purchases prior to the purchases being made.	<b>Implemented at 24 months</b>
3. The District should implement proper controls over student activities cash receipts received at the district office by preparing and issuing duplicate, prenumbered, and numerically controlled cash receipt forms, and having a second employee reconcile, or review the reconciliations of, issued receipt amounts to actual deposits.	<b>Implemented at 24 months</b>
4. The District should implement and enforce stronger password controls by requiring its employees to use more complex passwords and to periodically change them.	<b>Implemented at 6 months</b>
5. The District should establish a written agreement with the Cochise County School Superintendent's Office that outlines each party's responsibilities for the District's accounting system.	<b>Implemented at 6 months</b>
6. The District should ensure that its computer server is stored in a room that is properly cooled and ensure that a fire extinguisher is available nearby.	<b>Implemented at 6 months</b>
7. The District should classify all transactions in accordance with the Uniform Chart of Accounts for school districts.	<b>Implemented at 24 months</b>

Recommendation	Status/Additional Explanation
----------------	-------------------------------

8. The District should ensure expenditure descriptions within the accounting system adequately describe each transaction.	<b>Implemented at 24 months</b>
---	---------------------------------

---

**FINDING 2: District needs to improve transportation recordkeeping and fuel inventory controls**

1. The District should accurately calculate and report miles driven and students transported for student transportation funding purposes.	<b>Implemented at 24 months</b>
---	---------------------------------

2. The District should continue to work with ADE regarding needed corrections to its transportation funding reports and corresponding adjustments to its expenditure budgets until all funding errors caused by the misreported mileage are fully corrected.	<b>Implemented at 6 months</b>
--	--------------------------------

3. The District should implement proper controls over its fuel inventory, such as requiring a district employee to be present during vendor deliveries, requiring employees to document vehicle mileage and gallons pumped when fueling, and reconciling fuel usage to miles traveled and vendor billings for reasonableness.	<b>Implemented at 24 months</b>
---	---------------------------------

---

**OTHER FINDINGS: District may be able to improve efficiency and lower costs through the use of cooperative agreements**

1. The District should look for ways to improve efficiency and lower costs, including the possibility of cooperatively providing services with other school districts or the County School Superintendent's Office.	<p><b>Not Implemented</b></p> <p>The District has not established an agreement to operate any substantial services cooperatively with another district or the County School Superintendent's Office.</p>
---	--