Joint Legislative Audit Committee
November 3, 2009—2:00 p.m.
Senate Hearing Room 1
ARIZONA STATE LEGISLATURE

INTERIM MEETING NOTICE
OPEN TO THE PUBLIC

JOINT LEGISLATIVE AUDIT COMMITTEE

Date: November 3, 2009
Time: 2:00 p.m.
Place: Senate Hearing Room 1

AGENDA

– Call to Order – Opening Remarks

– Approval of Minutes of October 23, 2008, meeting

1. Assignment of Sunrise Reports to Committees of Reference
2. Consideration and Approval of Revised 2010-2011 Performance Audit and Sunset Review Schedule
3. Consideration and Approval of Committees of Reference Assignments for the 2010-2011 Performance Audit and Sunset Review Schedule
4. Presentation of Revised DES Child Protective Services Audit Schedule for 2009-2010
5. Presentation of Financial Audit Schedule and Consideration of Cost Reimbursement Audits for 2010
6. Presentation and Status Update of School-wide Audit Team Schedule for 2009-2010
7. Executive Session for the Discussion of Auditor General Reappointment pursuant to A.R.S. §38-431.03(A)(1)
8. Reconvene for Consideration and Vote on Auditor General Reappointment
9. Public Testimony
10. Adjourn

Members:
Senator Thayer Verschoor, Chair  Representative Judy Burges, Vice-Chair
Senator Pamela Gorman  Representative Tom Boone
Senator John Huppenthal  Representative Cloves Campbell, Jr.
Senator Richard Miranda  Representative Rich Crandall
Senator Rebecca Rios  Representative Kyrsten Sinema
President Kirk Adams, Ex-Officio  Speaker Bob Burns, Ex-Officio

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Senate Secretary’s Office: (602) 926-4231 (voice). Requests should be made as early as possible to allow time to arrange the accommodation.
DATE: November 3, 2009

TO: Senator Thayer Verschoor, Chair
    Members, Joint Legislative Audit Committee

THROUGH: Debbie Davenport, Auditor General

FROM: Kim Hildebrand, Manager, Performance Audit Division

SUBJECT: Assignment of Sunrise Reports to Committees of Reference

Background

Laws 1985, Chapter 352, established the sunrise review process. This law provides a mechanism for health professions to request that the State regulate a currently unregulated profession or to request a regulated profession’s expansion of the scope of practice.

To initiate the process, an applicant group must submit a written report to JLAC by September 1, responding to the statutorily prescribed sunrise factors in A.R.S. §§32-3105 or 32-3106. JLAC then assigns the report to a Committee of Reference (COR) for review. The COR is required to study the sunrise report and deliver its recommendations to JLAC, the Governor, the President of the Senate, the Speaker of the House of Representatives, and the applicant group by December 1 of the same year the sunrise request is submitted to JLAC.

Action Required

Two sunrise reports have been received. Per A.R.S. §32-3104, JLAC needs to assign each of these to a COR:

1. Arizona Athletic Trainers’ Association—Expands the scope of athletic trainers’ professional practice in three areas: (1) establishes a uniform scope of athletic training practice across all settings, (2) clarifies that licensees may treat persons whether or not there is a competitive aspect to their athletic activities, and (3) authorizes licensees to treat athletic illnesses.
2. Arizona Optometric Association—Expands the scope of optometrists' professional practice to prescribe drugs in two areas: (1) Revises the statutory definition of a specific classification of drugs to a more general classification of drugs, and (2) authorizes licensees to prescribe oral drugs in addition to topical drugs.

The President of the Senate recommended that these be assigned to the Healthcare and Medical Liability Reform COR, and the Speaker of the House recommended that these be assigned to the Health and Human Services COR.
DATE: November 3, 2009

TO: Senator Thayer Verschoor, Chair
Members, Joint Legislative Audit Committee

THROUGH: Debbie Davenport, Auditor General

FROM: Kim Hildebrand, Manager, Performance Audit Division

SUBJECT: Consideration and Approval of Revised 2010-2011 Performance Audit and Sunset Review Schedule

Background

Laws 1978, Chapter 210, established the sunset review process that requires most state agencies to receive a systematic evaluation at least once every 10 years to determine whether they should be continued or terminated. A.R.S. §41-2953(B) directs the Auditor General to provide JLAC a list of agencies scheduled for termination in the next sunset schedule. The Office of the Auditor General (Office) does not have sufficient resources to conduct all sunset reviews; therefore, JLAC determines which agencies the Office will review and which the Committees of Reference (CORs) will review.

Before giving JLAC a proposed audit schedule, the Office obtains background information on the agencies, as well as information from legislators and other interested parties, to identify and recommend which agencies the Office should perform the sunset review. Since the Office does not have the resources to perform the sunset reviews of every agency on the cycle, the Office uses the information obtained from legislators and others to prioritize those agencies for which our Office should perform the sunset reviews and recommends that the CORs perform the sunset reviews of the remaining agencies. However, JLAC ultimately determines whether the Auditor General’s Office or CORs will perform the sunset reviews.1

1 The essential difference between a sunset review the Office performs and a review the CORs conduct is the depth and scope of the work performed. When our Office performs the sunset review of an agency, it conducts a performance audit of the agency to identify ways the agency can operate more efficiently and effectively.
On October 23, 2008, JLAC approved the performance audit and sunset review schedule for 2010-2011 and assigned the sunset reviews on that schedule to either the Office or to the CORs. However, reductions to the Office’s budget require adjustments to the 2010-2011 performance audit and sunset review schedule. The proposed revised 2010-2011 performance audit and sunset review schedule (see page 3) shows which agencies for which we propose our Office conduct the sunset reviews and which agencies the CORs should review. The schedule also identifies four audits that the Office is mandated by statute to conduct.

If the Office’s fiscal year 2010 budget remains at its current level, and Office resources allow, we will review the audit schedule and determine if we can reincorporate agencies back into the audit schedule. If this is possible, we will make appropriate recommendations to JLAC.

**Action Required**

Per statute, JLAC is required to review the sunset termination schedule the Office prepared and determine which agencies the Office will review and which agencies the CORs will review.
2010-2011 PROPOSED PERFORMANCE AUDIT
AND SUNSET REVIEW SCHEDULE
(Revised October 2009)

### Statutorily Mandated Audits

1. Office of Pest Management (Laws 2008, Ch. 309, §23)
2. Maricopa County Regional Transportation Plan Audit (A.R.S. §28-6313)
3. Arizona Game and Fish Commission Heritage Fund (A.R.S. §17-298.01)
4. Pinal County Transportation Excise Tax (A.R.S. §41-1279.03)

### Recommend Auditor General Conduct These Sunset Reviews

1. Department of Housing - in process
2. Department of Agriculture - in process
3. Department of Corrections - in process
4. Department of Public Safety - in process
5. Arizona State Lottery - in process
6. Board of Chiropractic Examiners - in process
7. Department of Veterans’ Services; Veterans’ Services Advisory Commission
8. Board of Regents
9. Department of Fire, Building, and Life Safety
10. Arizona Medical Board
11. Board of Nursing
12. Followups at 6 and 18 months

### Recommend JLAC Reassign These Sunset Reviews from Auditor General to COR

1. Office of Tourism
2. State Capitol Postconviction Public Defender Office
3. Department of Game and Fish and Game and Fish Commission
4. Real Estate Department

### Recommend Committees of Reference Conduct These Sunset Reviews

1. Board of Medical Student Loans
2. Arizona Aerospace and Defense Commission
3. Arizona Commission of Indian Affairs
4. Interagency Council on Long-Term Care
5. Arizona State Boxing Commission
6. Developmental Disabilities Advisory Council
7. Board of Examiners of Nursing Care Institution Administrators & Assisted Living Facilities Managers
8. Developmental Disabilities Oversight Committee
9. Board of Dispensing Opticians
10. Arizona Geological Survey
11. Water Quality Appeals Board
12. Commission on the Arts
13. Unexplained Infant Death Advisory Council
14. Automobile Theft Authority
15. Agricultural Best Management Practices Advisory Committee
16. Arizona Navigable Stream Adjudication Commission
DATE: November 3, 2009

TO: Representative Thayer Verschoor, Chair
    Members, Joint Legislative Audit Committee

THROUGH: Debbie Davenport, Auditor General

FROM: Kim Hildebrand, Manager, Performance Audit Division

SUBJECT: Committees of Reference Assignments for 2010-2011 Performance Audit and Sunset Review Schedule

Background

JLAC is statutorily required to assign agencies subject to a sunset review to Committees of Reference (CORs), regardless of whether the Auditor General's Office or the CORs will conduct the sunset review. JLAC is also responsible for assigning all other performance audits to CORs. Agencies are generally assigned to the CORs whose standing committees would most likely be responsible for hearing any legislation affecting that particular agency and that has knowledge or expertise in that particular subject area.

Attached are the President’s and Speaker’s recommendations for the 2010 and 2011 sunset reviews and performance audits. Attachment A details the 2010 COR recommendations (those reviews due October 1, 2010, for agencies terminating July 1, 2011) and Attachment B details the 2011 COR recommendations (those reviews due October 1, 2011, for agencies terminating July 1, 2012). The CORs are responsible for holding at least one public hearing to discuss the audit and receive testimony from agency officials and the public. These hearings should be held by December 1, 2010 and December 1, 2011, respectively.

Action Required

JLAC may either approve the CORs as recommended by the President of the Senate and the Speaker of the House or assign new CORs.
## 2010 PERFORMANCE AUDITS AND SUNSET REVIEWS

### PRESIDENT AND SPEAKER RECOMMENDATIONS FOR COMMITTEES OF REFERENCE (CORs) ASSIGNMENTS

<table>
<thead>
<tr>
<th>Statutory Reference</th>
<th>Agency and Programs Selected for Review</th>
<th>President</th>
<th>Speaker</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.R.S. §41-3011.01</td>
<td>Department of Agriculture</td>
<td>Natural Resources, Infrastructure and Public Debt</td>
<td>Natural Resources and Rural Affairs</td>
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<tr>
<td>A.R.S. §41-3011.02</td>
<td>Department of Housing</td>
<td>Commerce and Economic Development</td>
<td>Commerce</td>
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<tr>
<td>A.R.S. §41-3011.03</td>
<td>Board of Medical Student Loans</td>
<td>Healthcare and Medical Liability Reform</td>
<td>Health and Human Services</td>
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<tr>
<td>A.R.S. §41-3011.04</td>
<td>Arizona Aerospace and Defense Commission</td>
<td>Government Institutions</td>
<td>Military Affairs and Public Safety</td>
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<tr>
<td>A.R.S. §41-3011.05</td>
<td>Arizona Commission of Indian Affairs</td>
<td>Government Institutions</td>
<td>Natural Resources and Rural Affairs</td>
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<tr>
<td>A.R.S. §41-3011.06</td>
<td>Interagency Council on Long-term Care</td>
<td>Public Safety and Human Services</td>
<td>Health and Human Services</td>
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<tr>
<td>A.R.S. §41-3011.07</td>
<td>Arizona State Boxing Commission</td>
<td>Judiciary</td>
<td>Commerce</td>
</tr>
<tr>
<td>A.R.S. §41-3011.08</td>
<td>Developmental Disabilities Advisory Council</td>
<td>Public Safety and Human Services</td>
<td>Health and Human Services</td>
</tr>
</tbody>
</table>

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1 This listing is for those audits that are conducted under authority of the sunset law, specific legislation, or JLAC direction and are due in 2010. JLAC procedures require all audits to have a hearing. JLAC approves which COR (or its successor committee) will receive the assignment in order to conduct the hearing or may assign audits to JLAC for a hearing.
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<tbody>
<tr>
<td>A.R.S. §41-3011.10</td>
<td>Office of Tourism</td>
<td>Commerce and Economic Development</td>
<td>Commerce</td>
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<tr>
<td>A.R.S. §41-3011.11</td>
<td>Board of Examiners of Nursing Care Institution Administrators and Assisted Living Facility Managers</td>
<td>Healthcare and Medical Liability Reform</td>
<td>Health and Human Services</td>
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<tr>
<td>A.R.S. §41-3011.12</td>
<td>Developmental Disabilities Oversight Committee</td>
<td>Public Safety and Human Services</td>
<td>Health and Human Services</td>
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<tr>
<td>A.R.S. §41-3011.13</td>
<td>State Capital Postconviction Public Defender Office</td>
<td>Judiciary</td>
<td>Judiciary</td>
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<tr>
<td>A.R.S. §41-1279.03</td>
<td>School District Audits</td>
<td>Education Accountability and Reform</td>
<td>K-12</td>
</tr>
<tr>
<td>A.R.S. §41-1966</td>
<td>DES Child Protective Services</td>
<td>Public Safety and Human Services</td>
<td>Health and Human Services</td>
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<tr>
<td>A.R.S. §28-6313</td>
<td>Regional Transportation Plan Audit</td>
<td>Natural Resources, Infrastructure and Public Debt</td>
<td>Transportation and Infrastructure</td>
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<tr>
<td>Laws 2008 Ch. 309, §23</td>
<td>Office of Pest Management</td>
<td>Natural Resources, Infrastructure and Public Debt</td>
<td>Commerce</td>
</tr>
</tbody>
</table>
### 2011 Performance Audits and Sunset Reviews

**President and Speaker Recommendations for Committee of Reference (COR) Assignments**

<table>
<thead>
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<tr>
<td>A.R.S. §41-3012.01</td>
<td>Department of Veterans' Services; Veterans' Services Advisory Commission</td>
<td>Veterans and Military Affairs</td>
<td>Military Affairs and Public Safety</td>
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<tr>
<td>A.R.S. §41-3012.02</td>
<td>Department of Game and Fish, and Game and Fish Commission</td>
<td>Natural Resources, Infrastructure and Public Debt</td>
<td>Natural Resources and Rural Affairs</td>
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<tr>
<td>A.R.S. §41-3012.03</td>
<td>Board of Chiropractic Examiners</td>
<td>Healthcare and Medical Liability Reform</td>
<td>Health and Human Services</td>
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<tr>
<td>A.R.S. §41-3012.04</td>
<td>Board of Nursing</td>
<td>Healthcare and Medical Liability Reform</td>
<td>Health and Human Services</td>
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<tr>
<td>A.R.S. §41-3012.05</td>
<td>Real Estate Department</td>
<td>Commerce and Economic Development</td>
<td>Commerce</td>
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<tr>
<td>A.R.S. §41-3012.06</td>
<td>Board of Dispensing Opticians</td>
<td>Healthcare and Medical Liability Reform</td>
<td>Health and Human Services</td>
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<tr>
<td>A.R.S. §41-3012.07</td>
<td>Arizona Geological Survey</td>
<td>Natural Resources, Infrastructure and Public Debt</td>
<td>Natural Resources and Rural Affairs</td>
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<td>A.R.S. §41-3012.08</td>
<td>Water Quality Appeals Board</td>
<td>Natural Resources, Infrastructure and Public Debt</td>
<td>Water and Energy</td>
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<tr>
<td>A.R.S. §41-3012.09</td>
<td>Arizona Medical Board</td>
<td>Healthcare and Medical Liability Reform</td>
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<td>A.R.S. §41-3012.10</td>
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<td>Commerce and Economic Development</td>
<td>Commerce</td>
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<td>A.R.S. §41-3012.11</td>
<td>Department of Public Safety</td>
<td>Public Safety and Human Services</td>
<td>Military Affairs and Public Safety</td>
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<td>A.R.S. §41-3012.12</td>
<td>Board of Regents</td>
<td>Education Accountability and Reform</td>
<td>Education</td>
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<td>A.R.S. §41-3012.13</td>
<td>Unexplained Infant Death Advisory Council</td>
<td>Healthcare and Medical Liability Reform</td>
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<td>A.R.S. §41-3012.14</td>
<td>Department of Fire, Building, and Life Safety</td>
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<td>Government</td>
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<td>A.R.S. §41-3012.15</td>
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<td>A.R.S. §41-3012.16</td>
<td>Arizona State Lottery</td>
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<td>A.R.S. §41-3012.17</td>
<td>Automobile Theft Authority</td>
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<td>A.R.S. §41-3012.18</td>
<td>Agricultural Best Management Practices Advisory Committee</td>
<td>Natural Resources, Infrastructure and Public Debt</td>
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<td>Agency and Programs Selected for Review</td>
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<td>School District Audits</td>
<td>Education Accountability and Reform</td>
<td>Education</td>
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<td>A.R.S. §41-1966</td>
<td>DES Child Protective Services</td>
<td>Public Safety and Human Services</td>
<td>Health and Human Services</td>
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<td>A.R.S. §17-298.01</td>
<td>Game and Fish Commission Heritage Fund</td>
<td>Natural Resources, Infrastructure and Public Debt</td>
<td>Natural Resources and Rural Affairs</td>
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<tr>
<td>A.R.S. §41-1279.03</td>
<td>Pinal County Transportation Excise Tax</td>
<td>Finance</td>
<td>Transportation and Infrastructure</td>
</tr>
</tbody>
</table>
DATE: November 3, 2009  
TO: Senator Thayer Verschoor, Chair  
    Members, Joint Legislative Audit Committee  
THROUGH: Debbie Davenport, Auditor General  
FROM: Melanie M. Chesney, Director, Performance Audit Division  
SUBJECT: 2009-2010 Child Protective Services Audit Schedule  

Background  
A.R.S. §41-1966, enacted during the 2003 Second Special Session, requires the Auditor General to establish a Child Protective Services (CPS) audit team to provide ongoing performance reviews and analyses of CPS. The statute requires the Auditor General to adopt an audit plan, subject to review by JLAC. As outlined in statute, this plan may include work to determine the validity and accuracy of information reported by CPS, other reviews and analyses of CPS, and reviews of specified functions or CPS-related processes as requested by JLAC. Effective July 1, 2004, the Legislature granted funding to the Auditor General’s Office for a three-person CPS audit team.  

Audit Schedule  
In October 2008, our Office presented to JLAC the CPS audit team’s 2009-2010 audit schedule. Due to our Office’s budget reductions, the CPS audit team’s schedule needs to be reduced.  

The revised 2009-2010 CPS audit schedule is as follows:  

Audits—The CPS audit team plans to audit the following two areas. The audits will address larger and/or more complex issues, and recommendations will be included in the reports.  
- In-home Services Program  
- Investigations
Other Reviews—In addition, the team plans to publish the following information brief and questions-and-answers documents. Information briefs center on a narrowly focused issue, while questions-and-answers documents provide short answers to multiple questions on a specific topic. Both types of documents are informational and do not include recommendations.

- Information brief:
  - Joint Investigations

- Question-and-answer documents:
  - Adoption Program
  - Central Registry

Finally, the team will conduct follow-up reviews of previously issued audit reports at 6 and 18 months to assess the status of the agency’s implementation of the audit recommendations.

Action Required

None. This schedule is presented for JLAC information only.
DATE: November 3, 2009

TO: Senator Thayer Verschoor, Chair
    Members, Joint Legislative Audit Committee

THROUGH: Debbie Davenport, Auditor General

FROM: Jay Zsorey, Financial Audit Division Director

SUBJECT: Cost Reimbursement Audits and Financial Audit Schedule

Background

The Financial Audit Division (Division) conducts annual financial and compliance audits of all state agencies, counties, community college districts, and universities to meet the requirements of the federal Single Audit Act. In addition, the Division conducts special research projects, special financial audits, reviews, and investigations at the Legislature’s request.

Under the provisions of A.R.S. §41-1279.03(C), the Division can charge a fee to the auditee for performing federally mandated work with JLAC’s approval. The auditee will ultimately recover the costs of the federal audit work performed from the federal grantor(s). The audits that include federally mandated work are listed on Attachment A of the Financial Audit Division schedule titled, “Audits Including a Portion of Services to be Performed on a Cost Reimbursement Basis.” See action required below.

For a complete list of the Financial Audit Division’s audit schedule, see Attachment B titled “Fiscal Year 2010 Audit Schedule.” This schedule has been included as a courtesy and does not require any action to be taken.

Action Required

JLAC consideration and approval for the Division to perform federally mandated work on a cost-reimbursement basis for certain political subdivisions of the State, under the provisions of A.R.S. §41-1279.03(C).
The Financial Audit Division will conduct single audits of the State of Arizona and the following political subdivisions. The federal compliance work performed during these engagements is required by the Single Audit Act, and the related audit costs can be charged to the federal programs.

Apache County
Cochise County
Coconino County
Gila County
Graham County
Greenlee County
La Paz County
Maricopa County
Mohave County
Navajo County
Pima County
Pinal County
Santa Cruz County
Yavapai County
Yuma County

Cochise County Community College District
Coconino County Community College District
Gila County Community College District
Graham County Community College District
Maricopa County Community College District
Mohave County Community College District
Navajo County Community College District
Pinal County Community College District
Yavapai County Community College District
Yuma/La Paz Counties Community College District
The Financial Audit Division’s fiscal year 2010 audit schedule is presented below. All counties, community colleges, and state agencies, including the three state universities, will be audited in accordance with the Single Audit Act, as amended.

**Arizona Statewide Audit**

Detailed testing of records is performed at the larger state agencies on an annual basis. Limited testing of procedures is performed at the remaining agencies on a rotating basis.

In addition to the annual statewide financial statements issued by the Arizona Department of Administration, separate financial reports are issued by the following state agencies and audited by the Financial Audit Division on an annual basis.

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<thead>
<tr>
<th>Department of Economic Security – ALTCS</th>
<th>Arizona State University</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office of the State Treasurer (Agency Funds only)</td>
<td>Northern Arizona University</td>
</tr>
<tr>
<td>University of Arizona</td>
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</tr>
</tbody>
</table>

**County Financial and Compliance Audits**

- Apache County
- Cochise County
- Coconino County
- Gila County
- Graham County
- Greenlee County
- La Paz County
- Maricopa County
- Mohave County
- Navajo County
- Pima County
- Pinal County
- Santa Cruz County
- Yavapai County
- Yuma County

**College Financial and Compliance Audits**

- Cochise County Community College District
- Coconino County Community College District
- Gila County Community College District
- Graham County Community College District
- Maricopa County Community College District
- Mohave County Community College District
- Navajo County Community College District
- Pima County Community College District
- Pinal County Community College District
- Yavapai County Community College District
- Yuma/La Paz Counties Community College District

**Other Audits/Special Reviews**

- Arizona County Community College Districts and Colleges of Qualifying Indian Tribes (Full-Time Equivalent Student Enrollment Report)
- Arizona University System (Full-Time Equivalent Student Enrollment Report)
- Department of Health Services—BHS Attestation
- State Procurement Office—Compliance Review
- Federal Land Payments
- Attorney General – Colorado River Revolving Fund
- Diné College – Funding Compact
DATE: November 3, 2009

TO: Senator Thayer Verschoor, Chair
    Members, Joint Legislative Audit Committee

THROUGH: Debbie Davenport, Auditor General

FROM: Ross Ehrick, Division of School Audits Director

SUBJECT: 2009-2010 School District Audit Schedule

Background

A.R.S. §41-1279.03 requires the Office of the Auditor General to conduct performance audits of randomly selected school districts and to monitor school districts to determine the percentage of every dollar spent in the classroom.

The statute requires the Auditor General to determine, through random selection, the districts to be audited each year, subject to review by the Joint Legislative Audit Committee. Attachment A lists the school districts randomly selected for the 2010 performance audit schedule and the current status of the 2009 audit schedule.

These school district performance audits review the efficiency and effectiveness of district noninstructional operations, such as administration, student transportation, and plant operations, and make recommendations for improvement and/or identify best practices. These audits also review compliance with certain requirements, such as the proper coding of accounting transactions, expenditures of sales taxes received under Proposition 301, and English Language Learner (ELL) programs. If applicable, these audits also provide information on the district’s desegregation program. To gain evidence to support information and conclusions in the reports, auditors interview district personnel; review district policies, procedures, and internal controls; examine district accounting records and other district documents; compare district costs to similar districts’; and determine compliance with certain statutory requirements. The audits result in publicly released audit reports and highlights documents.
ELL-Related Audit Schedule

To comply with the statutory requirement to conduct a financial audit of the districts monitored by the Arizona Department of Education (ADE) for ELL compliance, the 2010 audit schedule also includes six of the ADE-monitored districts that are required to provide instruction for English language learners for the majority of their grade levels. Attachment B lists the six districts to be audited for the 2010 schedule and the current status of the 2009 audit schedule.

To comply with the statutory requirement to biennially audit the overall effectiveness of the ELL program, this year’s audit schedule also includes audit work for the first biennial ELL audit report to be issued in December 2010.1

Other School District Audits and Reports

By statute, the Office of the Auditor General is also required to monitor the percentage of every dollar spent in the classroom.2 The annual Dollars Spent in the Classroom report will be issued in March 2010. This study determines the percentage spent in the classroom and other functional areas for the State and for each district. It also reports on districts’ uses of Proposition 301 monies.

Action Required

None. Per statute, JLAC is to review the school districts randomly selected for performance audits, but is not required to approve them. The 2010 schedule and the additional information on other scheduled reports are presented for JLAC information only.

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1 A.R.S. §15-756.12.

2 A.R.S. §41-1279.03(9).
## 2009 School District Performance Audit Schedule

<table>
<thead>
<tr>
<th>School District</th>
<th>Size¹</th>
<th>Release Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gilbert Unified</td>
<td>Very Large</td>
<td>December 2008</td>
</tr>
<tr>
<td>Glendale Elementary</td>
<td>Large</td>
<td>August 2009</td>
</tr>
<tr>
<td>Phoenix Union High</td>
<td>Very Large</td>
<td>September 2009</td>
</tr>
<tr>
<td>Tempe Union High</td>
<td>Large</td>
<td>September 2009</td>
</tr>
<tr>
<td>Casa Grande Union High</td>
<td>Medium</td>
<td>November 2009</td>
</tr>
<tr>
<td>Nadaburg Elementary</td>
<td>Medium</td>
<td>November 2009</td>
</tr>
</tbody>
</table>

¹ Size is based on ADM using the following categories:

- **Very Large** – 20,000 or more students
- **Large** – 5,000 to 19,999
- **Medium** – 600 to 4,999
- **Small** – Fewer than 600

## 2010 School District Performance Audit Schedule

<table>
<thead>
<tr>
<th>School District</th>
<th>Size¹</th>
<th>Release Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creighton Elementary</td>
<td>Large</td>
<td>December 2009</td>
</tr>
<tr>
<td>Madison Elementary</td>
<td>Large</td>
<td>January 2010</td>
</tr>
<tr>
<td>Wickenburg Unified</td>
<td>Medium</td>
<td>February 2010</td>
</tr>
<tr>
<td>Willcox Unified</td>
<td>Medium</td>
<td>April 2010</td>
</tr>
<tr>
<td>Alhambra Elementary</td>
<td>Large</td>
<td>May 2010</td>
</tr>
<tr>
<td>Palo Verde Elementary</td>
<td>Small</td>
<td>July 2010</td>
</tr>
</tbody>
</table>
ELL Financial Audits*

* Auditor General’s responsibility under A.R.S. §15-756.12 is to conduct financial audits of school districts that ADE has selected for monitoring under A.R.S. §15-756.08. These audits are to include a review of the Structured English Immersion and Compensatory Instruction budgets.

2009 Audit Schedule

<table>
<thead>
<tr>
<th>Chandler Unified</th>
<th>In process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higley Unified</td>
<td>In process</td>
</tr>
<tr>
<td>Stanfield Elementary</td>
<td>In process</td>
</tr>
<tr>
<td>Williams Unified</td>
<td>In process</td>
</tr>
</tbody>
</table>

2010 Audit Schedule

<table>
<thead>
<tr>
<th>Pendergast Elementary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balsz Elementary</td>
</tr>
<tr>
<td>Buckeye Elementary</td>
</tr>
<tr>
<td>Coolidge Unified</td>
</tr>
<tr>
<td>Colorado River Union High</td>
</tr>
<tr>
<td>Catalina Foothills Unified</td>
</tr>
</tbody>
</table>