



A REPORT
TO THE
ARIZONA LEGISLATURE

Joint Legislative Audit Committee

October 6, 2011—11:00 a.m.

Senate Hearing Room 109



Debra K. Davenport
Auditor General

ARIZONA STATE LEGISLATURE

INTERIM MEETING NOTICE OPEN TO THE PUBLIC

JOINT LEGISLATIVE AUDIT COMMITTEE

Date: Thursday, October 6, 2011

Time: 11:00 A.M.

Place: SHR 109

AGENDA

1. Call to Order-Opening Remarks
2. Assignment of Sunrise Reports to Committees of Reference
3. Assignment of Mandated Health Coverage Report to Committees of Reference
4. Consideration and Approval of Four Sunset Reviews
5. Consideration and Approval of Committees of Reference Assignments for the 2011, 2012, and 2013 Performance Audit and Sunset Review Schedules
6. Presentation of Financial Audit Schedule and Consideration of Cost Reimbursement Audits for Fiscal Year 2012
7. Presentation and Status Update of School-wide Audit Team Schedule for 2011-2012
8. Public Testimony
9. Adjourn

Members:

Senator Rick Murphy, Chair 2011
Senator Andy Biggs
Senator Olivia Cajero Bedford
Senator Rich Crandall
Senator Kyrsten Sinema
President Russell Pearce, Ex-officio

Representative Carl Seel, Vice-Chair
Representative Eric Meyer
Representative Justin Olson
Representative Bob Robson
Representative Anna Tovar
Speaker Andrew Tobin, Ex-officio

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STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

DATE: October 6, 2011

TO: Senator Rick Murphy, 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

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

1. Arizona Association of Chiropractic—Expands the scope of chiropractic physicians' professional practice to allow for the use of nutraceutical injectables and non-narcotic pharmaceuticals.
2. Arizona State Dental Hygienists' Association—Expands the scope of dental hygienists professional practice to allow for general supervision when administering local anesthesia.

3. Arizona Association of Nurse Anesthetists—Requests statutory authority for the Arizona State Board of Nursing to certify Certified Registered Nurse Anesthetists and to implement a statutory definition of Certified Registered Nurse Anesthetists
4. Arizona Psychological Association and a Coalition of Community Behavioral Health Centers—Expands the scope of psychologists practice to permit certain qualified psychologists to prescribe medications.

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.



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DATE: October 6, 2011

TO: Senator Rick Murphy, Chair
Members, Joint Legislative Audit Committee

THROUGH: Debbie Davenport, Auditor General

FROM: Kim Hildebrand, Manager, Performance Audit Division

SUBJECT: Assignment of Mandated Health Coverage Report to Committees of Reference

Background

Laws 1985, Chapter 231, established the process for advocating a proposal to mandate health coverage or to offer health coverage. To initiate the process, a person or a legislator must submit a written report to JLAC by September 1, responding to the statutorily prescribed social and financial factors for assessing impact in A.R.S. §20-182. JLAC then assigns the report to a Committee of Reference (COR) for review. The COR is required to hold at least one hearing and take public testimony after receiving the report, study the written report, and deliver its recommendations to JLAC, the Governor, the President of the Senate, the Speaker of the House of Representatives, and the director of the Department of Insurance by December 1 of the same year the written request is submitted to JLAC.

Action Required

One written report regarding the fiscal and social impacts of mandated health coverage for smoking cessation has been submitted by The American Lung Association of the Southwest. Per A.R.S. §20-182, JLAC needs to assign this report to a COR. The President of the Senate recommended that this be assigned to the Banking and Insurance COR, and the Speaker of the House recommended that this be assigned to the Banking and Insurance COR.



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DATE: October 6, 2011

TO: Senator Rick Murphy, Chair
Members, Joint Legislative Audit Committee

THROUGH: Debbie Davenport, Auditor General

FROM: Kim Hildebrand, Manager, Performance Audit Division

SUBJECT: Assignment of four sunset reviews

Background

JLAC determines which agencies are subject to sunset review by the Auditor General and which agencies are subject to sunset review by the Committees of Reference (COR). JLAC previously approved the audit schedules for 2011, 2012, and 2013 and assigned the audits on those schedules to either the Auditor General's Office or to a COR.¹

Additions to 2011 Sunset Review Cycle

The Department of Juvenile Corrections and the Department of Housing sunset reviews require JLAC assignment to either the Auditor General or the COR. The Legislature gave these agencies only a 1-year extension during the 2011 legislative session, thereby adding these agencies to the 2011 sunset cycle. Our Office conducted 3 sunset audits of the Department of Juvenile Corrections in 2009 and 1 sunset audit of the Department of Housing in 2010. The Office proposes these agencies be assigned to a COR for three reasons: 1) the Office recently reviewed both of these agencies; 2) the one-year extension did not allow enough time for the Office to incorporate these sunset reviews into their 2011 audit schedule; and 3) the Office did not have the resources to absorb these audits into its 2011 workload without JLAC removing other audits from its schedule.

¹ JLAC approved the 2011 audit schedule at their October 23, 2008 meeting. JLAC approved the 2012 and 2013 audit schedule at their October 26, 2010, meeting.

Additions to 2013 Sunset Review Cycle

The Military Affairs Commission and the Public Safety Communications Advisory Commission sunset reviews require JLAC assignment to either the Auditor General or the COR. These agencies were inadvertently omitted from the 2012-2013 audit schedule that was presented to JLAC at their October 26, 2010, meeting. The Office proposes these agencies be assigned to a COR for review because the Office does not have sufficient resources to conduct these reviews.

Action Required

Per statute, JLAC is required to determine whether these agencies will be reviewed by the Office or by a COR.



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MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

DATE: October 6, 2011

TO: Senator Rick Murphy, Chair
Members, Joint Legislative Audit Committee

THROUGH: Debbie Davenport, Auditor General

FROM: Kim Hildebrand, Manager, Performance Audit Division

SUBJECT: Committees of Reference Assignments for 2011, 2012, and 2013
Performance Audit and Sunset Review Schedules

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 or other pertinent committees to ensure that each audit receives a public hearing by a legislative committee. 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 2011, 2012, and 2013 sunset reviews and performance audits. 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 of the year the sunset review is due.

Attachment A details the 2011 COR recommendations (those reviews due October 1, 2011, for agencies terminating July 1, 2012). JLAC previously approved the 2011 CORs at their November 3, 2009, meeting. However, the names of many of the house and senate committees have changed since 2009. Thus, JLAC needs to reassign the CORs for the 2011 audit schedule.

Attachment B details the 2012 COR recommendations (those reviews due October 1, 2012, for agencies terminating July 1, 2013). JLAC previously approved the 2012 CORs at their October 26, 2010, meeting. However, as previously noted,

many of the committee names have changed. Thus, JLAC needs to reassign the CORs for the 2012 audit schedule.

Attachment C details the 2013 COR recommendations (those reviews due October 1, 2013, for agencies terminating July 1, 2014). The CORs have not been previously assigned for these agencies.

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.

Attachment A

2011 PERFORMANCE AUDITS¹
PRESIDENT AND SPEAKER RECOMMENDATIONS
FOR COMMITTEE OF REFERENCE (COR) ASSIGNMENTS
 Revised October 2011

Statutory Reference	Agency and Programs Selected for Review	COR Recommendations
A.R.S. §41-3012.01	Department of Veterans' Services; Arizona Veterans' Service Advisory Commission	Senate: VMA House: MAPS
A.R.S. §41-3012.02	Department of Game and Fish and Game and Fish Commission	Senate: NRT House: ENR
A.R.S. §41-3012.03	Board of Chiropractic Examiners	Senate: HMLR House: HHS
A.R.S. §41-3012.04	Board of Nursing	Senate: HMLR House: HHS
A.R.S. §41-3012.05	Real Estate Department	Senate: CE House: COM
A.R.S. §41-3012.06	Board of Dispensing Opticians	Senate: HMLR House: HHS
A.R.S. §41-3012.07	Arizona Geological Survey	Senate: NRT House: ENR

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 2011. JLAC procedures require all audits to have a hearing. JLAC approves which CORs (or successor committees) will receive the assignment in order to conduct the hearing or may assign audits to JLAC for a hearing.

Attachment A

Statutory Reverence	Agency and Programs Selected For Review	COR Recommendations
A.R.S. §41-3012.08	Water Quality Appeals Board	Senate: NRT House: ENV
A.R.S. §41-3012.09	Arizona Medical Board	Senate: HMLR House: HHS
A.R.S. §41-3012.10	Commission on the Arts	Senate: CE House: COM
A.R.S. §41-3012.11	Department of Public Safety	Senate: PSHS House: MAPS
A.R.S. §41-3012.12	Board of Regents	Senate: ED House: HEIR
A.R.S. §41-3012.13	Unexplained Infant Death Advisory Council	Senate: HMLR House: HHS
A.R.S. §41-3012.14	Department of Fire, Building, and Life Safety	Senate: PSHS House: MAPS
A.R.S. §41-3012.15	Department of Corrections	Senate: PSHS House: JUD
A.R.S. §41-3012.16	Arizona State Lottery Commission	Senate: CE House: COM
A.R.S. §41-3012.17	Automobile Theft Authority	Senate: PSHS House: MAPS
A.R.S. §41-3012.18	Agricultural Best Management Practices Advisory Committee	Senate: NRT House: AW

Attachment A

Statutory Reverence	Agency and Programs Selected For Review	COR Recommendations
A.R.S. §41-3012.19	State Compensation Fund	Senate: CE House: BI
A.R.S. §41-3012.20	Department of Housing	Senate: CE House: COM
A.R.S. §41-3012.21	Department of Juvenile Corrections	Senate: PSHS House: MAPS
A.R.S. §37-1121	Arizona Navigable Stream Adjudication Commission	Senate: WLRD House: AW
A.R.S. §41-1279.03	School District Audits	Senate: ED House: ED
A.R.S. §41-1966	DES Child Protective Services	Senate: PSHS House: HHS
A.R.S. §17-298.01	Game and Fish Commission Heritage Fund	Senate: NRT House: ENR
A.R.S. §41-1279.03	Pinal County Transportation Excise Tax	Senate: FIN House: TRANS

Attachment B

2012 PERFORMANCE AUDITS¹
PRESIDENT AND SPEAKER RECOMMENDATIONS
FOR COMMITTEE OF REFERENCE (COR) ASSIGNMENTS
 Revised October 2011

Statutory Reference	Agency and Programs Selected for Review	COR Recommendations
A.R.S. §41-3013.01	Arizona Health Care Cost Containment System	Senate: HMLR House: HHS
A.R.S. §41-3013.02	Department of Weights and Measures	Senate: NRT House: WM
A.R.S. §41-3013.03	Arizona State Schools for the Deaf and the Blind	Senate: ED House: ED
A.R.S. §41-3013.04	Arizona Grain Research and Promotion Council	Senate: NRT House: AW
A.R.S. §41-3013.05	Agricultural Employment Relations Board	Senate: CE House: AW
A.R.S. §41-3013.06	Arizona State Parks Board	Senate: NRT House: ENR
A.R.S. §41-3013.07	Office of Sonora	Senate: CE House: COM
A.R.S. §41-3013.08	Optometry Board	Senate: HMLR House: HHS

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 2012. JLAC procedures require all audits to have a hearing. JLAC approves which CORs (or successor committee) will receive the assignment in order to conduct the hearing or may assign audits to JLAC for a hearing.

Attachment B

Statutory Reference	Agency and Programs Selected for Review	COR Recommendations
A.R.S. §41-3013.09	Psychiatric Security Review Board	Senate: JUD House: ERA
A.R.S. §41-3013.10	Board of Massage Therapy	Senate: HMLR House: ERA
A.R.S. §41-3011.11	Board of Behavioral Health Examiners	Senate: HMLR House: ERA
A.R.S. §41-3011.12	Board of Fingerprinting	Senate: PSHS House: MAPS
A.R.S. §41-504	State Parks Heritage Fund	Senate: NRT House: ENR
A.R.S. §41-1279.03	School District Audits	Senate: ED House: ED

Attachment C

2013 PERFORMANCE AUDITS¹ PRESIDENT AND SPEAKER RECOMMENDATIONS FOR COMMITTEE OF REFERENCE (COR) ASSIGNMENTS

Statutory Reference	Agency and Programs Selected for Review	COR Recommendations
A.R.S. §41-3014.01	Arizona Historical Society	Senate: GOV House: GOV
A.R.S. §41-3014.02	Board of Pharmacy	Senate: HMLR House: ERA
A.R.S. §41-3014.03	Arizona State Hospital Advisory Board	Senate: HMLR House: HHS
A.R.S. §41-3014.04	Physical Therapy Board	Senate: HMLR House: ERA
A.R.S. §41-3014.05	Archaeology Advisory Commission	Senate: GOV House: GOV
A.R.S. §41-3014.06	Water Infrastructure Finance Authority	Senate: WLRD House: AW
A.R.S. §41-3014.07	Cotton Research and Protection Council	Senate: WLRD House: AW
A.R.S. §41-3014.08	Registrar of Contractors	Senate: CE House: COM
A.R.S. §41-3014.09	Board of Barbers	Senate: CE House: COM

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 2013. JLAC procedures require all audits to have a hearing. JLAC approves which CORs (or successor committee) will receive the assignment in order to conduct the hearing or may assign audits to JLAC for a hearing.

Attachment C

Statutory Reference	Agency and Programs Selected for Review	COR Recommendations
A.R.S. §41-3014.10	State Department of Financial Institutions	Senate: BI House: BI
A.R.S. §41-3014.11	Board of Funeral Directors and Embalmers	Senate: CE House: COM
A.R.S. §41-3014.12	Board of Cosmetology	Senate: CE House: COM
A.R.S. §41-3014.13	State Board of Equalization	Senate: FIN House: WM
A.R.S. §41-3014.14	Military Affairs Commission	Senate: VMA House: MAPS
A.R.S. §41-3014.15	State Board for Charter Schools	Senate: ED House: ED
A.R.S. §41-3014.16	Public Safety Communications Advisory Commission	Senate: PSHS House: MAPS
A.R.S. §41-3014.18	Department of Environmental Quality	Senate: NRT House: ENR
A.R.S. §41-1279.03	School District Audits	Senate: ED House: ED
A.R.S. §32-3604.J	Board of Appraisal	Senate: CE House: COM



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MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

DATE: October 6, 2011

TO: Senator Rick Murphy, 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 financial audits, reviews, and investigations at the Legislature's request.

Attachment A titled "Fiscal Year 2012 Audit Schedule" provides a complete list of the Financial Audit Division's audit schedule. This schedule has been included as a courtesy and does not require any action to be taken.

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 Fiscal Year 2012 audits that include federally mandated work are listed on **Attachment B** 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.

Action Required

JLAC needs to consider and approve 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).

Attachment A

OFFICE OF THE AUDITOR GENERAL FINANCIAL AUDIT DIVISION Fiscal Year 2012 Audit Schedule

The Financial Audit Division's fiscal year 2012 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 state-wide 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:

Department of Economic Security—ALTCS
Office of the State Treasurer (Agency Funds only)

Arizona State University
Northern Arizona University
University of Arizona

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
Santa Cruz 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

Attachment B

**OFFICE OF THE AUDITOR GENERAL
FINANCIAL AUDIT DIVISION
Audits Including a Portion of Services To Be
Performed on a Cost Reimbursement Basis
Fiscal Year 2012**

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
Santa Cruz County Community College District
Yavapai County Community College District
Yuma/La Paz Counties Community College District



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DATE: October 6, 2011

TO: Senator Rick Murphy, Chair
Members, Joint Legislative Audit Committee

THROUGH: Debbie Davenport, Auditor General

FROM: Ross Ehrick, Division of School Audits Director

SUBJECT: 2013 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.

School District Performance Audits

Attachment A lists the school districts randomly selected for the 2013 performance audit schedule and the current status of the 2011 and 2012 audit schedules.

These school district performance audits review the efficiency and effectiveness of district non-instructional operations, such as administration, student transportation, food service, 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 and expenditures of sales taxes received under Proposition 301. If applicable, these audits may 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 highlight documents.

Recommendation Implementation Rate

Attachment B shows the rate at which school district performance audit recommendations have been implemented, including specific school district implementation rates for reports issued since January 2009 for which at least one subsequent follow-up review has been conducted.

Other School District Audits and Reports

The Office of the Auditor General is also required to monitor the percentage of every dollar spent in the classroom.¹ The next annual *Arizona School District Spending* report will be issued in March 2012. This study determines the percentage spent in the classroom and other functional areas for the State and for each district. It also reports on each district's operational efficiency, student achievement, and uses of Proposition 301 monies.

Action Required

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

¹A.R.S. §41-1279.03(9)

Attachment A

2011 School District Performance Audit Schedule

School District	Size¹	Release Date
J.O. Combs Unified	Medium-Large	August 2010
Cottonwood-Oak Creek Elementary	Medium-Large	October 2010
Florence Unified	Medium-Large	October 2010
Pendergast Elementary	Large	October 2010
Beaver Creek Elementary	Small	November 2010
Cartwright Elementary	Large	December 2010
Clarkdale-Jerome Elementary	Small	December 2010
Pima Unified	Medium	February 2011
Balsz Elementary	Medium-Large	March 2011
Coolidge Unified	Medium-Large	May 2011
Ajo Unified	Small	June 2011
Antelope Union High	Small	June 2011
Thatcher Unified	Medium	June 2011
Gila Bend Unified	Small	August 2011
Morenci Unified	Medium	August 2011
Oracle Elementary	Small	September 2011
Picacho Elementary	Small	September 2011
Casa Grande Elementary	Medium-Large	October 2011

2012 School District Performance Audit Schedule

School District	Size¹	Expected Release Date
Superior Unified	Small	October 2011
Flowing Wells Unified	Medium-Large	November 2011
Higley Unified	Large	November 2011
Prescott Unified	Medium-Large	November 2011
Santa Cruz Valley Union High	Small	November 2011
Marana Unified	Large	December 2011
Queen Creek Unified	Medium-Large	December 2011
Fountain Hills Unified	Medium-Large	January 2012
Ft. Thomas Unified	Small	January 2012
Humboldt Unified	Medium-Large	January 2012
Ray Unified	Small	February 2012
Hayden-Winkleman Unified	Small	March 2012
Vail Unified	Large	March 2012
Bicentennial Union High	Very Small	April 2012
Cave Creek Unified	Medium-Large	April 2012
Chino Valley Unified	Medium	April 2012
Clifton Unified	Very Small	May 2012
Colorado River Union High	Medium	May 2012
Kingman Unified	Medium	June 2012
Patagonia Union High	Very Small	June 2012

Attachment A

2013 School District Performance Audit Schedule

School District	Size¹
Paradise Valley Unified	Very Large
Scottsdale Unified	Very Large
Chinle Unified	Medium
Fowler Elementary	Medium
Isaac Elementary	Medium
Kayenta Unified	Medium
Laveen Elementary	Medium
Osborn Elementary	Medium
Page Unified	Medium
Payson Unified	Medium
Window Rock Unified	Medium
Winslow Unified	Medium
Duncan Unified	Small
St. David Unified	Small
Ash Creek Elementary	Very Small
Double Adobe Elementary	Very Small
Elfrida Elementary	Very Small
McNeal Elementary	Very Small
Pearce Elementary	Very Small
Pomerene Elementary	Very Small

¹ Size is based on ADM using the following categories:

Very Large – 20,000 or more students

Large – 8,000 to 19,999

Medium-Large – 2,000 to 7,999

Medium – 600 to 1,999

Small – 200 to 599

Very Small – less than 200

Attachment B

School District Performance Audit Recommendations

Total Recommendations in Reports Issued March 2003 (first school district audit issued)—December 2010	Number of Recommendations Not Implemented	Recommendation Implementation Rate
679	14	98%

Recommendations January 2009—December 2010	Number of Recommendations	Number Not Implemented	Description of Recommendations Not Implemented
Alhambra ESD	4	0	
Apache Junction USD	16	0	
Ash Fork Joint USD	15	0	
Beaver Creek ESD	5	0	
Cartwright ESD	10	0	
Casa Grande UHSD	21	0	
Clarkdale-Jerome ESD	4	0	
Cottonwood-Oak Creek ESD	6	0	
Creighton ESD	23	0	
Florence USD	7	0	
Glendale ESD	10	0	
J.O. Combs USD	7	0	
Madison ESD	12	0	
Nadaburg USD	16	0	
Palo Verde ESD	2	0	
Pendergast ESD	1	1	<ul style="list-style-type: none"> • Ensure CSF monies are used to supplement rather than supplant
Phoenix UHSD	28	5	<ul style="list-style-type: none"> • Ensure discounts are received on P-card purchases and employees obtain items from district warehouse at cheaper price when possible • Determine if frequently purchased P-card items should be purchased in bulk and maintained in the warehouse • Collect racial composition data to determine whether desegregation magnet programs are necessary to achieve court ordered racial enrollment percentages • Spend desegregation dollars only on costs that directly support goals of desegregation program • Legislative recommendation—see next page
Tempe UHSD	15	0	
Wickenburg USD	18	0	
Willcox USD	14	0	

Attachment B

School District Performance Audit Recommendations

Total Legislative Recommendations March 2003 (first school district audit issued)— December 2010	Recommendation	Status
St. Johns USD	The Legislature should consider establishing a separate district reimbursement rate for parent-contracted mileage.	Implemented Although none became Law, bills were introduced addressing parent-contracted mileage reimbursement.
Phoenix UHSD	The Legislature should consider modifying the transportation funding formula to limit the impact from one-time increases in reported mileage and prior reporting errors.	Not implemented