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AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

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DEPUTY AUDITOR GENERAL

November 4, 2014

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 12-month followup of the Kingman Unified School District's implementation status for the 6 audit recommendations presented in the performance audit report released in September 2013. As the enclosed grid indicates:

- 3 recommendations have been implemented, and
- 3 recommendations are in the process of being implemented.

Our Office will continue to follow up at 6-month intervals with the District on the status of those recommendations that have not yet been fully implemented.

Sincerely,

Ross Ehrick, CPA
Director, Division of School Audits

RE:bh
Enclosure

cc: Mr. Roger Jacks, Superintendent
Governing Board
Kingman Unified School District

KINGMAN UNIFIED SCHOOL DISTRICT

Auditor General Performance Audit Report Issued September 2013 12-Month Follow-Up Report

Recommendation	Status/Additional Explanation
FINDING 1: District had lower administrative costs but inadequate accounting and computer controls increase risk of errors and fraud	
1. The District should strengthen its controls over cash handling for its bookstore operations, including separating cash-handling duties, preparing and retaining daily cash receipt summaries to reconcile cash collected to receipts issued, and incorporating supervisory review of this process. Additionally, the District should better safeguard monies received by securing them in a safe, locked box, or locked cabinet and depositing them at least weekly.	Implemented at 12 months
2. The District should implement proper controls over the catering program to ensure that duties are separated and all payments are made directly to the District.	Implemented at 12 months
3. The District should review employee access to the accounting system and modify access to ensure that an employee cannot initiate and complete a transaction without independent review and that employees have only the access necessary to meet their job responsibilities.	Implementation in process Auditors reviewed the District's user access report for the 20 users with access to the accounting system and found that 14 district employees have more access than needed to perform their work. The District has several new business office and information technology employees who have indicated they will work to address this issue and implement the recommendation. Auditors will review this recommendation again at the 18-month followup.
4. The District should review and reduce the number of users with administrator-level access to its network.	Implementation in process The District is in the process of reviewing and evaluating ways to reduce the number of users with administrator-level access. Auditors will review this recommendation again at the 18-month followup.
5. The District should establish and implement policies and procedures for logging and monitoring users' activities on critical systems and applications.	Implementation in process The District is working on developing policies and procedures for logging and monitoring users' activities. Auditors will review this recommendation again at the 18-month followup.

Recommendation	Status/Additional Explanation
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6. The District should develop and implement a formal process to ensure that terminated employees have their IT network and system access promptly removed.	Implemented at 12 months
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FINDING 2: Efficient practices keep food service program costs low

No recommendations
