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AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

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December 7, 2011

The Honorable Rick Murphy, Chair
Joint Legislative Audit Committee

The Honorable Carl Seel, Vice Chair
Joint Legislative Audit Committee

Dear Senator Murphy and Representative Seel:

Our Office has recently completed a 12-month followup of the Palo Verde Elementary School District's implementation status for the 2 audit recommendations presented in the performance audit report released in October 2010. As the enclosed grid indicates, all recommendations have 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 October 2010 performance audit.

Sincerely,

Ross Ehrick, CPA
Director, Division of School Audits

RE:bl
Enclosure

cc: Ms. Robin Berry, Superintendent
Governing Board
Palo Verde Elementary School District

PALO VERDE ELEMENTARY SCHOOL DISTRICT
Auditor General Performance Audit Report Issued October 2010
12-Month Follow-Up Report

Recommendation	Status/Additional Explanation
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FINDING 1: Slightly higher administrative costs due to administrative staffing differences

1. The District should review its administrative costs to determine if savings can be achieved and if some of these monies can be redirected to the classroom.	Implemented at 12 months The District has reduced its per-pupil administrative costs by about 10 percent primarily by not replacing a part-time administrative employee who left the district and not increasing administrative staffing levels in response to student enrollment increases since the audit year.
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FINDING 2: Efficient plant operations

No recommendations

FINDING 3: District has higher student achievement than peers and draws many students from outside its boundaries

No recommendations

OTHER FINDINGS: Inadequate controls over accounting system

1. The District should limit employees' access to only those accounting system functions needed to perform their job responsibilities.	Implemented at 6 months
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