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AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

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DEPUTY AUDITOR GENERAL

January 13, 2017

The Honorable Bob Worsley, Chair
Joint Legislative Audit Committee

The Honorable Anthony Kern, Vice Chair
Joint Legislative Audit Committee

Dear Senator Worsley and Representative Kern:

Our Office has recently completed an 18-month followup of the Scottsdale Unified School District's implementation status for the 9 audit recommendations presented in the performance audit report released in May 2015. As the enclosed grid indicates:

- 5 recommendations have been implemented, and
- 4 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,

Vicki Hanson
Director, Division of School Audits

VH:bh
Enclosure

cc: Dr. Denise Birdwell, Superintendent
Governing Board
Scottsdale Unified School District

SCOTTSDALE UNIFIED SCHOOL DISTRICT
Auditor General Performance Audit Report Issued May 2015
18-Month Follow-Up Report

Recommendation	Status/Additional Explanation
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FINDING 1: District had higher administrative costs, inaccurately reported its costs, and needs to strengthen computer controls

1. The District should evaluate its administrative positions and the related duties and salaries to determine how it can reduce administrative costs.	Implementation in process The District has reviewed its administrative staffing and eliminated some positions, resulting in fiscal year 2016 administrative costs that were about \$650,000 lower than its costs in the audit year. However, because the District's enrollment decreased by about 1,900 students, or 7.8 percent, during this time period, its fiscal year 2016 per pupil administrative costs were similar to its per pupil costs in the audit year. Therefore, the District should continue to review its administrative staffing and costs.
2. The District should classify all transactions in accordance with the Uniform Chart of Accounts for school districts.	Implemented at 18 months
3. The District should eliminate or disable generic user accounts in its accounting and student information systems.	Implemented at 6 months
4. The District should ensure that it promptly removes terminated employees' IT systems access.	Implemented at 6 months
5. The District should create a formal disaster recovery plan and test it periodically to identify and remedy deficiencies.	Implemented at 12 months

FINDING 2: District should continue to review options to address its excess building capacity

1. The District should continue to review its building capacity usage to evaluate how it can reduce its excess building space.	Implementation in process Although the District has not yet made changes that have substantially impacted its building capacity usage, district officials reported that they are continuing to review building space and utilization. Auditors will review this recommendation again during the 24-month followup.
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Recommendation**Status/Additional Explanation****FINDING 3: High transportation costs and some records could be improved**

1. The District should closely review its bus routes to determine how it can improve its route efficiency.	Implementation in process The District reported reducing its number of bus routes in fiscal year 2016, and it reported fewer miles driven and fewer students transported. However, the District's total costs to operate its transportation program were similar to the prior year, and the District's cost per mile and cost per rider remained higher than peer districts' averages in fiscal year 2016. District officials reported that they are continuing to review and improve the bus routes.
2. The District should develop and monitor performance measures such as cost per mile, cost per rider, and bus capacity usage to help evaluate and improve the efficiency of its transportation program.	Implementation in process District officials stated that they are in the process of purchasing a new bus routing system to help better track routes, miles, and route times and provide information to calculate performance measures. The District is expecting to implement the new system in fall 2017.
3. The District should improve its records summarizing the number of transportation miles and riders reported.	Implemented at 12 months
