



STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

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AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

November 14, 2016

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 Tolleson Elementary School District's implementation status for the 13 audit recommendations presented in the performance audit report released in August 2015. As the enclosed grid indicates:

- 8 recommendations have been implemented, and
- 5 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. Lupita Hightower, Superintendent
Governing Board
Tolleson Elementary School District

TOLLESON ELEMENTARY SCHOOL DISTRICT

Auditor General Performance Audit Report Issued August 2015

12-Month Follow-Up Report

Recommendation	Status/Additional Explanation
FINDING 1: District had higher administrative costs and lacked adequate controls to protect it from errors and fraud	
1. The District should review its administrative positions and related duties and salaries to determine how it can reduce administrative costs.	Implemented at 6 months
2. The District should implement proper controls over its payroll process to ensure proper separation of responsibilities.	Implemented at 12 months
3. The District should ensure that it requires independent review and approval for all of its purchases prior to the purchases being made.	Implemented at 12 months
4. The District should implement and enforce stronger password requirements.	Implemented at 6 months
5. The District should limit employees' access to its computerized accounting system to only those accounting system functions needed to perform their work.	Implemented at 12 months
6. The District should develop and implement a formal process to ensure that terminated employees have their network and system access promptly removed.	<p>Implementation in process</p> <p>The District implemented a new process to promptly remove terminated employees' computer network and system access. However, auditors reviewed network and system access for a sample of terminated employees and found that many accounts had not been removed. Auditors will review this recommendation again at the 18-month followup.</p>
7. The District should eliminate or disable unnecessary generic user accounts in its network and systems.	<p>Implementation in process</p> <p>The District continues to maintain more generic accounts on its network than are necessary. District officials indicated that they will continue to review opportunities to eliminate and minimize generic user accounts. Auditors will review this recommendation again at the 18-month followup.</p>

Recommendation	Status/Additional Explanation
8. The District should review its formal disaster recovery plan to ensure it is complete and test it periodically to identify and remedy deficiencies.	<p>Implementation in process The District is still in the process of reviewing and making changes to its formal disaster recovery plan. Auditors will review this recommendation again at the 18-month followup.</p>
9. The District should implement controls over its process for producing, distributing, and tracking building keys, including maintaining a complete and up-to-date distribution log, establishing a process for determining the access level given to employees, and implementing a user agreement outlining the rules and policies an employee must follow regarding the use of district keys.	<p>Implementation in process The District has implemented new procedures for determining the access level given to employees and distributing keys, including having employees sign an agreement acknowledging the receipt of keys. However, the District is still in the process of implementing additional controls, such as developing and maintaining a complete and up-to-date distribution log. Auditors will review this recommendation again at the 18-month followup.</p>
10. The District should establish a written agreement with the service provider who is leasing space at a district school that outlines each party's responsibilities.	<p>Implemented at 6 months</p>

FINDING 2: District may be able to lower transportation costs by improving bus route efficiency

1. The District should closely review its regular education bus routes to determine how it can improve route efficiency and adjust its bus routes accordingly.	<p>Implementation in process The District has combined some of its bus routes and eliminated other routes. Auditors will review this recommendation again at a future followup when the impact the route changes have made on the District's transportation costs can be reviewed.</p>
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.	<p>Implemented at 12 months</p>
3. The District should accurately calculate and report to the Arizona Department of Education the riders transported for state funding purposes.	<p>Implemented at 6 months</p>