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AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

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DEPUTY AUDITOR GENERAL

August 29, 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 6-month followup of the Whiteriver Unified School District's implementation status for the 8 audit recommendations presented in the performance audit report released in December 2015. As the enclosed grid indicates:

- 3 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. Rea Goklish, Superintendent
Governing Board
Whiteriver Unified School District

WHITERIVER UNIFIED SCHOOL DISTRICT

Auditor General Performance Audit Report Issued December 2015 6-Month Follow-Up Report

Recommendation	Status/Additional Explanation
FINDING 1: District had high administrative costs and inadequate computer controls	
1. The District should review its administrative positions and related duties and determine and implement ways to reduce administrative costs.	<p>Implementation in process Since fiscal year 2014 (the audit year), the District has reduced its administrative staffing by nearly three full-time equivalent positions. Auditors will determine the impact of these changes at the next followup after final fiscal year 2016 records are available. However, because the District's administrative costs were so much higher than the peer districts' average, the District should continue to review its administrative positions and related duties to identify ways to further reduce costs. Auditors will review this recommendation again at the 12-month followup.</p>
2. The District should review employees' access to the accounting system and modify access to ensure that an employee cannot initiate and complete a transaction without independent review and approval and that employees have only the access necessary to meet their job responsibilities.	<p>Implementation in process Auditors reviewed accounting system access for the five employees identified during the audit as having too much access to the system and found that the District reduced four employees' access to an appropriate level. However, one employee continues to have more access to the accounting system than is necessary for them to meet their job responsibilities. Auditors will review this recommendation again at the 12-month followup.</p>
3. The District should develop and implement a formal process to ensure that terminated employees have their IT systems and network access promptly removed.	<p>Implemented at 6 months</p>
4. The District should eliminate unnecessary generic accounts in its network and properly control any remaining generic accounts.	<p>Implemented at 6 months</p>
5. The District should limit physical access to its IT server rooms so that only appropriate personnel have access.	<p>Implementation in process Although the District has reduced the number of employees with access to its IT server rooms, it is still in the process of reviewing and limiting access to these rooms. Auditors will review this recommendation again at the 12-month followup.</p>

Recommendation	Status/Additional Explanation
6. The District should create a formal disaster recovery plan and test it periodically to identify and remedy deficiencies.	<p>Implementation in process Although the District has created a formal disaster recovery plan, it is in the process of reviewing and making changes to its plan and testing procedures. Auditors will review this recommendation again at the 12-month followup to ensure that the District's plan is complete and that the plan is tested periodically.</p>

FINDING 2: District spent more on plant operations primarily for excess building space

1. The District should continue to review the use of space at each of its schools and determine and implement ways to reduce identified excess space.	<p>Implementation in process According to district officials, the District is reviewing its use of space at each school to determine and implement ways to reduce identified excess space. In addition, the District is working with the School Facilities Board to ensure that reported usable space is accurate. Auditors will review this recommendation again at the 12-month followup.</p>
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OTHER FINDINGS: Some extra duty pay was not properly approved

1. The District should ensure that additional duties and related payments are addressed in employment contracts or personnel/payroll action forms, approved in advance of the work being performed, and maintained in employee personnel files.	Implemented at 6 months
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