



Baboquivari Unified School District

STATUS REVIEW REPORT

Our Conclusion

Baboquivari Unified School District is responsible for complying with the *Uniform System of Financial Records (USFR)*. Our Office is responsible for determining whether the District has complied with the USFR. Based on our review of the fiscal years 2010 through 2014 financial audit reports and USFR Compliance Questionnaires, the District was not in compliance for those 5 years.

We subsequently performed a status review to determine whether the District made improvements to comply with the USFR. Based on this review, we determined that, as of January 28, 2016, the District substantially complied with the policies and procedures described in the USFR. However, we found weaknesses that the District should address to improve its financial accountability. The most significant findings, which are related to property control and student attendance reporting, are summarized in this report.



2016

District in substantial compliance with the USFR

We performed a status review of Baboquivari Unified School District to determine if the District had made improvements to comply with the USFR and found that it was in substantial compliance as of January 28, 2016.

Baboquivari Unified School District is responsible for complying with the USFR. Our Office is responsible for determining whether the District has complied with the USFR. Previously, we notified the District that it had not complied with the USFR based on our review of its fiscal year 2010 financial audit reports and the USFR Compliance Questionnaire prepared by an independent certified public accounting firm. We subsequently reviewed the District's fiscal years 2011 through 2014 financial audit reports and USFR Compliance Questionnaires and determined the District was still in noncompliance with the USFR.

We performed a status review as of January 28, 2016, to determine if the District had made improvements to substantially comply with the USFR. Based on our review of the District's records and procedures, and interviews with district personnel, we determined that the District substantially complied with the policies and procedures described in the USFR.

The *Uniform System of Financial Records (USFR)* prescribes the minimum internal control policies and procedures for Arizona school districts. The policies and procedures in the USFR are designed to help school districts maintain adequate financial accountability and compliance with state and federal laws and regulations.

District should improve controls over property and student attendance reporting

Although the District substantially complied with the USFR as of January 28, 2016, we found some weaknesses in its internal controls. The most significant findings and recommendations are summarized below.

Property Control

Although the District invests substantial resources in acquiring and maintaining district property, including buildings and equipment, the District did not establish and maintain a complete property control system to protect all district property. Maintaining complete and accurate lists of district property is an essential part of protecting it against theft and misuse, in addition to providing for accurate financial information. Specifically, the District has not performed a complete inventory of equipment items within the last 3 years to accurately update its property control lists. As a result, the District was not able to determine that all equipment that had been acquired, transferred, or disposed of since the last inventory had been updated on the lists. In addition, the District did not always include accurate asset identification numbers and locations on its property control lists to allow for appropriate tracking.

Recommendation

The District should develop and implement a plan to improve its property control system, including performing an inventory of all assets and updating the property control lists to ensure all equipment items are properly identified, protected, and accounted for in the District's records.

Student Count Reporting

Because the State of Arizona relies on student membership information reported by school districts to provide funding, districts must maintain accurate student records. However, the District did not ensure that it maintained and reported accurate student information to ensure that it received the appropriate amount of state funding. Specifically, the District did not reconcile student information between its computerized attendance system and the information it uploaded and the Arizona Department of Education (ADE) reported. In addition, the District did not always maintain supporting information for the data recorded in its computerized attendance system.

Recommendation

The District should follow ADE's student membership and attendance guidelines to ensure that it accurately records and reports student information to ADE.