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**STATE OF ARIZONA**  
OFFICE OF THE  
**AUDITOR GENERAL**

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November 10, 2015

The Honorable Judy Burges, Chair  
Joint Legislative Audit Committee

The Honorable John Allen, Vice Chair  
Joint Legislative Audit Committee

Dear Senator Burges and Representative Allen:

Our Office has recently completed a 24-month followup of the Colorado River Union High School District's implementation status for the 9 audit recommendations presented in the performance audit report released in August 2013. As the enclosed grid indicates:

- 8 recommendations have been implemented, and
- 1 recommendation has not 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 August 2013 performance audit.

Sincerely,

Ross Ehrick, CPA  
Director, Division of School Audits

RE:bh  
Enclosure

cc: Mr. Riley Frei, Superintendent  
Governing Board  
Colorado River Union High School District

# Colorado River Union High School District

## Auditor General Performance Audit Report Issued August 2013

### 24-Month Follow-Up Report

Recommendation	Status/Additional Explanation
<b>FINDING 1: District needs to strengthen controls over computer systems, fuel purchases, and cash handling</b>	
1. The District should limit employees' access to only those accounting system functions needed to perform their work.	<b>Implemented at 12 months</b>
2. The District should implement and enforce password requirements related to password length, complexity, and expiration, and only the user should know passwords.	<b>Implemented at 12 months</b>
3. The District should develop and implement a formal process to ensure that terminated employees have their IT system access promptly removed.	<b>Implemented at 6 months</b>
4. The District should ensure that its written agreement with its IT service provider outlines each party's responsibilities for the District's student information system.	<b>Implemented at 12 months</b>
5. The District should work with its local fuel vendor to ensure the vendor's billing statements include a means of identifying individuals purchasing fuel and the odometer readings of the vehicles at the time of the fuel purchases.	<b>Implemented at 6 months</b>
6. The District should ensure that all fuel card receipts are collected and properly reconciled to credit card statements to ensure purchases are appropriate and billings are accurate prior to payment.	<b>Implemented at 18 months</b>

Recommendation	Status/Additional Explanation
7. The District should strengthen its procedures for recording cash collections and reconciling daily bookstore sales to cash collections.	<p><b>Not Implemented</b></p> <p>Although the District has made many improvements to its cash-handling procedures at one of its two bookstores, the procedures at its second bookstore continue to be inadequate to properly safeguard cash, leaving the District more susceptible to loss and theft. This second bookstore continued to use three separate methods to record its sales, making it difficult for the District to determine whether all sales had been properly recorded. Additionally, this second bookstore lacked a sufficient process of reconciling daily sales to the cash collected to help ensure that all cash was properly accounted for. Further, although the District has improved its oversight of bookstore operations and has implemented additional reconciliation procedures, auditors found that the District did not always investigate when records that supported the amount of monies collected by the second bookstore were missing.</p>

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**FINDING 2: District’s Proposition 301 pay records incomplete and some performance pay goals did not promote improved performance**

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1. The District should ensure that it retains supporting documentation in accordance with state records retention schedules to demonstrate that performance pay goals were met.	<b>Implemented at 24 months</b>
2. To promote improved performance, the District should establish meaningful and measureable performance goals that are beyond what is already expected or required of employees.	<b>Implemented at 12 months</b>

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