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AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

March 6, 2012

The Honorable Carl Seel, Chair
Joint Legislative Audit Committee

The Honorable Rick Murphy, Vice Chair
Joint Legislative Audit Committee

Dear Representative Seel and Senator Murphy:

Our Office has recently completed a 12-month followup of the Cottonwood-Oak Creek Elementary School District's implementation status for the six audit recommendations presented in the performance audit report released in October 2010. As the attached grid indicates, the District has implemented all of the applicable recommendations.

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 October 2010 performance audit.

Sincerely,

Ross Ehrick, CPA
Director, Division of School Audits

RE:bl
Enclosure

cc: Ms. Barbara U'Ren, Superintendent
Governing Board
Cottonwood-Oak Creek Elementary School District

COTTONWOOD-OAK CREEK ELEMENTARY SCHOOL DISTRICT

Auditor General Performance Audit Report Issued October 2010 12-Month Follow-Up Report

Recommendation	Status/Additional Explanation
FINDING 1: Inadequate accounting and IT controls increased risk of errors and fraud	
1. The District should limit employees' access to only those accounting system functions needed to perform their work and should remove all generic user accounts.	Implemented at 12 months
2. The District should develop and implement a system of formal written policies to ensure that terminated employees have their IT network access promptly removed.	Implemented at 12 months
3. The District should require user-defined passwords for IT network access and ensure that users periodically change these passwords.	Implemented at 12 months
FINDING 2: Food service program operates efficiently	
No recommendations	
FINDING 3: District considering unification to increase efficiency and instructional spending	
1. As part of its unification planning, the District should continue to consider all opportunities for cost savings, such as streamlining staffing levels and eliminating duplicate positions.	No longer applicable According to district officials, the District has ceased further discussions concerning unification with the high school district.
2. If the District unifies with the union high school district, it should follow through on proposed reductions in noninstructional staffing levels in order to realize unification's cost-savings benefits.	No longer applicable According to district officials, the District has ceased further discussions concerning unification with the high school district.
OTHER FINDINGS: District did not accurately report its costs	
1. The District should classify all transactions in accordance with the Uniform Chart of Accounts for school districts.	Implemented at 12 months