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April 23, 2020

The Honorable Anthony T. Kern, Chair
Joint Legislative Audit Committee

The Honorable Rick Gray, Vice Chair
Joint Legislative Audit Committee

Dear Representative Kern and Senator Gray:

We recently completed an 18-month followup of Paloma Elementary School District's implementation status for the 6 audit recommendations presented in the performance audit report released in June 2018. As the attached grid indicates, all 6 recommendations have 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 June 2018 performance audit.

Sincerely,
Vicki Hanson, Director
Division of School Audits

cc: Governing Board
Ms. Kristin Turner, Superintendent
Paloma Elementary School District

PALOMA ELEMENTARY SCHOOL DISTRICT

Auditor General Performance Audit Report Issued June 2018

18-Month Follow-Up Report

Recommendation	Status/Additional Explanation
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FINDING 1: District needs to strengthen purchasing and computer controls

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| 1. The District should ensure that it requires an independent review and approval for all its purchases prior to the purchases being made. | Implemented at 6 months |
| 2. The District should limit employees' access in the accounting system to only those accounting system functions needed to perform their job duties, including transferring administrator-level access to someone outside of the business office. | Implemented at 18 months |
| 3. The District should create and implement a formal information technology (IT) contingency plan and test it periodically to identify and remedy any deficiencies. | Implemented at 18 months |

FINDING 2: District needs to improve transportation program oversight

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| 1. The District should develop and implement procedures to ensure that bus driver certification requirements are met and documented in accordance with the State's Minimum Standards. | Implemented at 6 months |
| 2. The District should ensure that bus preventative maintenance is conducted in a systematic and timely manner and documented in accordance with district policy and the State's Minimum Standards. | Implemented at 18 months |
| 3. The District should accurately calculate and report to the Arizona Department of Education the actual number of riders transported for state funding purposes. | Implemented at 18 months |