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

**MELANIE M. CHESNEY**  
DEPUTY AUDITOR GENERAL

February 27, 2018

The Honorable Anthony Kern, Chair  
Joint Legislative Audit Committee

The Honorable Bob Worsley, Vice Chair  
Joint Legislative Audit Committee

Dear Representative Kern and Senator Worsley:

Our Office has recently completed a 24-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:

- 7 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 December 2015 performance audit.

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 24-Month Follow-Up Report

Recommendation	Status/Additional Explanation
<b>FINDING 1: District had high administrative costs and inadequate computer controls</b>	
1. The District should review its administrative positions and related duties and determine and implement ways to reduce administrative costs.	<p><b>Implementation in process</b>            District officials reported that between fiscal years 2014 (the audit year) and 2017, the District reduced its administrative staffing by two full-time equivalent positions. As a result, the District's total administrative costs decreased by about \$183,000, or 7 percent, during this time, and its per pupil administrative costs decreased by \$100, or 9 percent. However, even after these reductions, the District's fiscal year 2017 per pupil administrative costs remain much higher than the peer districts' average.</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.	<b>Implemented at 18 months</b>
3. The District should develop and implement a formal process to ensure that terminated employees have their IT systems and network access promptly removed.	<b>Implemented at 6 months</b>
4. The District should eliminate unnecessary generic accounts in its network and properly control any remaining generic accounts.	<b>Implemented at 6 months</b>
5. The District should limit physical access to its IT server rooms so that only appropriate personnel have access.	<b>Implemented at 12 months</b>

<b>Recommendation</b>	<b>Status/Additional Explanation</b>
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6. The District should create a formal disaster recovery plan and test it periodically to identify and remedy deficiencies.	<b>Implemented at 18 months</b>
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**FINDING 2: District spent more on plant operations primarily for excess building space**

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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.	<b>Not implemented</b> District officials reported that they continue to monitor capacity usage and that they are working with the School Facilities Board to ensure that reported usable space is accurate. However, even after multiple requests, they did not supply auditors with documentation to show that the District has made any efforts to reduce the amount of excess space it operates and maintains. Further, the District does not appear to have reduced its excess space because its fiscal year 2017 overall capacity utilization rate of 54 percent was similar to its fiscal year 2014 rate of 57 percent.
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**OTHER FINDINGS: Some extra duty pay was not properly approved**

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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.	<b>Implemented at 6 months</b>
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