

Arizona State Auditor

SUMMARY OF WORK DONE DURING THE PAST YEAR  
AND A HALF IN THE AUDITING AND  
INVESTIGATING OF THE STATE  
DEPARTMENTS AND STATE BOARDS...  
January 20, 1939.

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ANA FROMMILLER  
Department of  
THE STATE AUDITOR  
Phoenix, Arizona

January 20, 1939

The Honorable  
The President of the Senate  
Fourteenth Legislature  
State of Arizona  
Phoenix, Arizona

The Honorable  
The Speaker of the House of Representatives  
Fourteenth Legislature  
State of Arizona  
Phoenix, Arizona

My dear Sirs:

It is my pleasure to report, in summary form, the work done during the past year and a half in the auditing and investigating of state departments and state boards. In this summary I have shown the departments audited and the period of time covered by the audits. To gain a comprehensive picture of the administrative policies and methods of operation, together with the financial condition of the various departments, to enable constructive criticism, considerable time was necessarily spent in this first audit, but I feel it was time well spent and results will be shown during the next year and the years to follow.

Two reports and audits of the State Prison have already been submitted and the other audits as listed are ready for presentation at your call.

My office is now ready to begin the audit of the State Highway Department.

Audits Made

1. State Teachers College at Flagstaff  
Audit No. 1  
Started August 3, 1937  
Completed September 1, 1937  
Period covered July 1, 1932 to August 26, 1937 5 years  
  
Audit No. 2  
Completed October 17, 1938  
Period covered August 26, 1937 to August 31, 1938 1 year
2. State Teachers College at Tempe  
Audit No. 1  
Started June 1, 1938  
Completed July 20, 1938  
Period covered July 1, 1937 to June 30, 1938 1 year
3. Superintendent of Public Instruction  
Audit No. 1 - Sale of Textbooks and Fines  
Started June 1, 1937  
Completed July 20, 1937  
Period covered June 1, 1930 to June 30, 1937 7 years  
  
Audit No. 2 - Child Colony  
Started July 3, 1937  
Completed July 6, 1937  
Period Covered March 19, 1929 to June 13, 1937 8 years

Audit No. 3 - Vocational Education Stamps		
Started	June 21, 1937	
Completed	July 15, 1937	
Period covered	June 30, 1934 to June 30, 1937	3 years

Note: On March 22, 1938 an attempt was made to audit Textbook Depository. A letter from the Superintendent of Public Instruction, dated March 22, 1938, stated the Textbook Depository was private enterprise and accounts would not be made available.

On December 2, 1938 the matter was referred to the State Board of Education. On December 24, 1938, the Board held the same opinion as the Superintendent of Public Instruction.

Audit No. 4 - Cash Receipts and Expenditures - Vocational Education		
Completed	January 9, 1939	
Period covered	January 1, 1934 to December 31, 1938	5 years

4. State School for Deaf and Blind

Audit No. 1		
Started	November 12, 1938	
Completed	December 23, 1938	
Period Covered	July 1, 1933 to June 30, 1938	5 years

5. Industrial School for Boys

Audit No. 1		
Started	November 24, 1938	
Completed	December 31, 1938	
Period covered	July 1, 1933 to June 30, 1938	5 years

6. Pioneers' Home

Audit No. 1		
Started	August 24, 1937	
Completed	September 28, 1937	
Period Covered	July 1, 1932 to June 30, 1937	6 years

Audit No. 2		
Started	August 17, 1938	
Completed	September 12, 1938	
Period covered	June 30, 1937 to June 30, 1938	1 year

7. State Hospital for Insane

Audit No. 1		
Started	October 16, 1937	
Completed	December 10, 1937	
Period covered	January 1, 1932 to October 15, 1937	4 years 9½ months

Audit No. 2		
Started	April 1, 1938	
Completed	April 26, 1938	
Period covered	October 16, 1937 to April 1, 1938	5½ months

Audit No. 3 - Children Confined in State Hospital		
Completed	April 26, 1938	
	Special Report	

8. State Prison			
Audit No. 1			
Started	January 10, 1938		
Completed	March 5, 1938		
Period Covered	July 1, 1936 to December 31, 1937		1½ years
Audit No. 2			
Completed	December 27, 1938		
Period Covered	January 1, 1936 to October 1, 1938		1 year 9 months
9. State Board of Health			
Audit No. 1			
Started	June 2, 1937		
Completed	June 12, 1937		
Period covered	April 3, 1933 to June 1, 1937		4 years 2 months
Audit No. 2			
Completed	April 26, 1938		
Period covered	July 1, 1937 to March 26, 1938		9 months
Audit No. 3 - Travel, State Board of Health			
Completed	October 10, 1937		
Period covered	April 13, 1933 to April 18, 1937		4 years
10. State Dairy Commission			
Audit No. 1			
Completed	December 8, 1938		
Period covered	February 16, 1936 to November 25, 1938		2 years 9 months
11. Inspector of Weights & Measures			
Audit No. 1			
Completed	December 8, 1938		
Period covered	July 17, 1936 to November 16, 1938		2 years 4 months
12. Live Stock Sanitary Board			
Audit No. 1			
Started	July 1, 1937		
Completed	August 17, 1937		
Period covered	July 1, 1932 to June 30, 1937		5 years
Audit No. 2 - Special audit - Live Stock Inspector			
Completed	December 10, 1937		
13. Corporation Commission			
Audit No. 1			
Started	March 7, 1938		
Completed	November 1, 1938		
Period covered	July 1, 1933 to March 31, 1938		4 years 9 months
14. State Tax Commission			
Audit No. 1			
<u>Liquor Division</u>			
Started	August 22, 1937		
Completed	September 29, 1937		
<u>Luxury Tax Division</u>			
Started	September 30, 1937		
Completed	October 30, 1937		
<u>Sales Tax Division</u>			
Started	October 31, 1937		
Completed	January 4, 1938		

Income Tax Division

Started January 5, 1938  
Completed March 5, 1938

Period covered by audit - July 1, 1933 to December 31, 1937 4 years  
6 months

15. State Water Commission

Audit No. 1

Completed July 12, 1937  
Period Covered July 1, 1925 to March 16, 1935 9 years  
8 $\frac{1}{2}$  months

Audit No. 2

Completed July 12, 1937  
Period covered March 16, 1935 to June 18, 1937 2 years  
3 months

16. Social Security and Welfare

Audit No. 1

Pima County Welfare Office

Started May 11, 1938  
Completed May 23, 1938  
Period covered January 1, 1937 to May 20, 1938 1 year  
5 months

Audit No. 2

Maricopa County Welfare Office

Started October 17, 1938  
Completed October 28, 1938  
Period covered December 1938 to August 1938 1 year  
8 months

Audit No. 3

Statement and Analysis of all Social Security and Welfare Funds

Period covered July 1, 1937 to December 31, 1938 1 year  
6 months

Time spent - Continuous audit

Divisions

- a. Aid to Blind
  - b. Aid to Dependent Children
  - c. Child Welfare Service
  - d. Chrippled Children Service
  - e. Governor's Works Projects
  - f. Medical Care for Indigents
  - g. Old Age Assistance
  - h. State Public Welfare
- Complete break-down on expenditures  
and Administrative costs.

17. Game and Fish Commission

Audit No. 1

Completed September 30, 1938  
Period covered January 1, 1935 to June 30, 1938 3 $\frac{1}{2}$  years

18. Board of Barber Examiners

Audit No. 1

Completed January 15, 1938  
Period covered June 20, 1935 to December 31, 1937 2 $\frac{1}{2}$  years

19. State Board of Beauty Culturists Examiners  
 Audit No. 1  
 Completed February 24, 1938  
 Period covered June 20, 1935 to December 31, 1937 2½ years
20. Board of Naturopathic Examiners  
 Audit No. 1  
 Completed August 10, 1938  
 Period covered July 1, 1935 to July 1, 1938 3 years
21. State Board of Pharmacy  
 Audit No. 1  
 Completed December 10, 1937  
 Period covered July 1, 1936 to June 30, 1937 1 year
- Audit No. 2  
 Completed December 10, 1937  
 Period covered June 30, 1937 to June 30, 1938 1 year
22. Registrar of Contractors  
 Audit No. 1  
 Completed June 4, 1938  
 Period covered January 1, 1933 to January 1, 1937 4 years
23. Farm Loans  
 Audit No. 1  
 Started November 1, 1938  
 Completed January 13, 1938  
 Period covered August 12, 1916 to December 20, 1938 22 years  
 4 months
24. State Bonded Indebtedness  
 Audit No. 1  
 Started September, 1937  
 Completed September, 1938  
 Period covered July 15, 1892 to June 30, 1937 45 years
25. Interest on State Bonded Indebtedness  
 Audit No. 1  
 Started September, 1937  
 Completed September, 1938  
 Period covered July 15, 1892 to June 30, 1937 45 years
26. Analysis of expenditures of all state departments in the General Appropriation for 1937 - 1938  
 Audit No. 1  
 Started October, 1938  
 Completed January, 1939  
 Period covered Fiscal year 1937 - 1938
27. Established Program of Financial Control  
 a. Designed an accounting system to currently reflect the financial condition of the State and provide departmental control accounts for systematic internal check, which will facilitate the program of post-audits by this department.
- b. Provided and set-up detail appropriation accounts in the office of the State Treasurer. Furnished State Treasurer groupings of funds to correspond to State Auditor's groupings and set-up control cash book. Program to facilitate monthly reconciliation of accounts and funds, and verification of bank balances.

- c. Made inventory of bond investments of the Permanent Funds in custody of the State Treasurer.
- d. Obtained verification and details of remittances to the State Treasurer from counties by each tax levy for the fiscal year 1937-1938.
- e. Obtained details of the portions of the delinquent taxes belonging to the General Fund of the State, and established Tax Receivables Control Accounts.
- f. Set-up forms to be used by counties in making remittances of state's portion of property tax to State Treasurer, which also provided a means of reporting additions and cancellations of taxes.

28. Report of Inventory Department

Completed	January 18, 1938
Period	End of Fiscal Year, June 30, 1938

Respectfully submitted,

*Wm. J. ...*  
(State Auditor)