



Show Low Unified School District #10

Shad Housley
Superintendent
928-537-6001 ext 1001
Fax 928-537-6004

Greg Schubert
Business Manager
928-537-6011 ext 1008
Fax 928-537-6009

November 7, 2016

Ms. Debra Davenport
Auditor General
2910 N. 44th Street, Suite 410
Phoenix, AZ 8018

RE: Fiscal Year 2015 Performance Audit

Dear Ms. Davenport,

The Show Low Unified School District respectfully submits its response to the Performance Audit conducted by the Auditor General's Office for fiscal year 2015. The Performance Audit reflected one finding and accompanying recommendations as well as one other finding with which the District concurs. The District has attached its responses accordingly.

While the report provided welcome recommendations to enhance and improve district procedures, it also provided validation of the District's efforts in providing a quality education to its students, support for its staff, and reflecting its commitment to fiscal responsibility as effective stewards of taxpayer funds.

The Show Low Unified School District would like to thank you for the insight, positive interaction, professionalism, and courtesy of the audit team and your office throughout the process. Our staff would like to express our appreciation for the chance to engage in meaningful collaboration with the Auditor General's Office.

Please do not hesitate to contact us with any questions or comments regarding our response.

Sincerely,

Shad Housley
Superintendent

Finding 1: District should strengthen computer and accounting controls

District Response: The district concurs with this finding and has taken corrective action steps to strengthen computer and accounting controls.

Recommendation 1: The District should implement and enforce stronger password requirements.

District Response: The district agrees with the recommendation and has changed the criteria used for creating computer access passwords. These requirements meet common guidelines for strong passwords.

Recommendation 2: The District should limit employees' access to its computerized accounting system to only those accounting system functions needed to perform their job duties, including transferring the business office employees' administrator-level access to someone outside of the business office.

District Response: The district agrees with the recommendation and will define access levels as defined by job positions and appropriate security access will be implemented. The IT Systems Administrator will be trained on managing access controls for the accounting system by the software vendor.

Recommendation 3: The District should improve procedures to ensure that terminated employees have their computer network and systems access promptly removed.

District Response: The district concurs with the recommendation and will be working with the IT department and HR department to develop procedures for communicating and removing terminated employees

Recommendation 4: The District should eliminate unnecessary generic user accounts in its network and properly control any remaining generic accounts.

District Response: The district concurs with the recommendation and will work with the IT department to evaluate current generic accounts and eliminate those that are no longer valid. We will put into place procedures for eliminating these accounts once they are no longer viable.

Recommendation 5: The District should ensure that its network-connected servers and computers have currently supported operating systems installed or reduce the risk of computer-related attack by limiting their use and/or remove the network access to these servers and computers.

District Response: The district concurs with this recommendation and will work with the IT department to create a district technology plan that includes a timeline for upgrading old operating systems.

Recommendation 6: The District should review its formal IT contingency plan to ensure it is complete and test it periodically to identify and remedy any deficiencies.

District Response: The district concurs with this recommendation and will review our current contingency plan to ensure it is thorough and currently meets the needs of the district. We will also build in ways to test the plan for effectiveness.

Recommendation 7: The District should classify all transactions in accordance with the Uniform Chart of Accounts for school districts.

District Response: The district concurs with the recommendation. For the errors that were noted by the Auditor General's office, corrective action has been put in to place.

Other Findings: District incorrectly reported eligible riders, rather than actual riders, for student transportation funding

District Response: The district agrees with this finding and implemented strategies to meet this recommendation shortly after the auditors visit.

Recommendation: The District should accurately calculate and report to the Arizona Department of Education the actual number of riders transported for state funding purposes.

District Response: The district agrees with the recommendation and has implemented a new process for counting ridership.