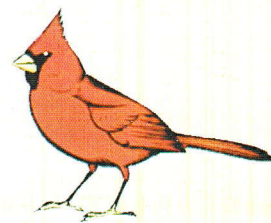
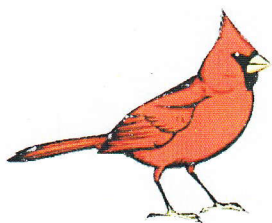


**Naco Elementary School District No. 23**

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March 25, 2019

Ms. Lindsey Perry  
Auditor General Office  
Division of School Audits  
2910 N. 44<sup>th</sup> Street  
Phoenix, AZ 85018

Dear Ms. Perry,

The Naco Elementary School District has received and reviewed the Performance Audit Report conducted for fiscal year 2017. The Naco School District agrees with all of the findings and all of the recommendations as set forth in the report. Naco School District will implement all of the recommendations.

Naco School District would like to thank Auditor General's staff for their professionalism and their patience throughout the process.

The information provided has given the district with an opportunity to make improvements toward continued efficiency, compliance and transparency. The District will continue toward compliance in all areas and will comply with the recommendations as noted in the District's response.

Please find attached the District's response to each finding and recommendation.

Sincerely,

Abel Morado, Ed.D.  
Interim Superintendent

Cc: Donna Horton, Business Manager

**Finding 1:** District needs to strengthen its computer controls

District Response: The District agrees with the change in the security measures. Naco Elementary School District will assure that stronger password requirements will be set forth to enforce passwords for employees.

**Recommendation 1:** The District should implement and enforce stronger password requirements for its computer network and critical systems and require employees to change assigned passwords at first login so that passwords are known only to the employees who create them.

District Response: The District concurs with the recommendation. The District will be putting into place a procedure where as stronger passwords requirements will be in place.

**Recommendation 2:** The District should limit the business office employee's access in the accounting system to only those accounting system functions necessary to perform his/her job duties and transfer and remove the business office employee's administrator-level access to someone outside the business office.

District Response: The District concurs with the recommendation. The District will ensure that the employees' access to the accounting system is limited to only those accounting system functions necessary to perform their job duties. The District will transfer administrator-level access to an employee outside of the business office.

**Finding 2:** District needs to take steps to lower food service program costs

District Response: The District agrees with the recommendation. The District is currently using the Commodities program through ADE for purchasing food products that will keep the cost down from purchasing items from the Mohave contract.

**Recommendation 3:** The District should review its food service staffing positions and duties to identify and implement ways to reduce food service program costs.

District Response: The District agrees. The District has employees that have been here for several years which means higher costs of employees. A revisit of the hours established for all employees will be reviewed.

**Recommendation 4:** The District should identify and implement ways to maximize its usage of USDA food commodities to lower its food costs.

District Response: The District agrees with recommendation.