

DUNCAN UNIFIED SCHOOLS

July 29, 2014

Debbie Davenport
Auditor General
2910 North 44th Street, Suite 410
Phoenix, AZ 85018

Dear Ms. Davenport:

The Duncan Unified School District has received your letter and draft and respectfully submits its response to the performance audit of FY 2012.

The District has attached its response to each finding and recommendation, as required by A.R.S. 41-1279.03. The District concurs with each finding that the audit team reported.

The District would like to thank the Auditor General staff, for evaluating the performance areas that need improvement. We appreciate the time and effort that this took, and are committed to continual improvements in all areas of our District.

Sincerely,

Eldon Merrell
Superintendent

**POST OFFICE BOX 710
DUNCAN, ARIZONA 85534
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Finding 1: Inadequate purchasing and computer controls increased risk of errors and fraud.

The District agrees with the finding.

Recommendation 1

The District should ensure that it requires an independent review and approval for all of its purchases prior to the purchases being made.

The District agrees with the recommendation and will train staff on the required Uniform System of Financial Records process for expenditures.

Recommendation 2

The District should review employee access to the accounting system and modify access to ensure that an employee cannot initiate and complete a transaction without independent review and that employees have only the access necessary to meet their job responsibilities.

The District agrees with the recommendation and is in the review process of how this can be accomplished within our small district. The level of access in the accounting system is being evaluated to determine each employee's need to have access based on the particular job duties.

Recommendation 3

The District should implement and enforce password requirements related to password length, complexity, and expiration.

The District agrees with the recommendation. There is a need for increased password security. The District will implement a procedure to ensure that all passwords are strong in length, complexity and are changed with regular frequency.

Recommendation 4

The District should limit physical access to its IT server rooms so that only appropriate personnel have access.

The District agrees with the recommendation, and is studying the feasibility of relocating the server rooms so that only IT personnel would have access. If this is not possible, the District will consider enclosing the areas to make sure that it is not accessible by anyone other than the appropriate IT staff.

Recommendation 5

The District should create a formal disaster recovery plan and test it periodically to identify and remedy deficiencies.

The District agrees with the recommendation. There has been much review by the District, to discover the best and most efficient process for disaster recovery, to include testing restoration of data from backups.

Other Findings: District reported eligible riders, not actual, for student transportation funding.

Recommendation

Report the actual number of students transported, as statute requires.

The District agrees with the recommendation. The District made progress on this in FY 14, by requiring the drivers to record actual students transported, and will continue to fine tune this process to make it easier and more efficient for the drivers.

District should ensure that it meets all statutory requirements for inmate worker documentation.

Recommendation

The District needs to identify inmate workers as persons eligible for exemption from the fingerprint clearance card requirements and prepare a written determination of such an exemption.

The District agrees with the recommendation, and will prepare and have the Governing Board approve the determination that the inmate workers are a group of persons that are eligible for exemption from the fingerprint clearance requirements. This will be completed within the next several months.