



SUPERINTENDENT

*H DUANE HOWARD*

GOVERNING BOARD

*RON CAMPBELL*

*KELLY BAKER*

*BRANDON SEXTON*

August 18, 2011

Debbie Davenport  
Auditor General  
2910 N. 44<sup>th</sup> Street, Suite 410  
Phoenix, AZ 85018

RE: Response to Morenci Unified School District #18 Performance Audit

Dear Ms. Davenport:

Morenci Unified School District #18 respectfully submits this written response to the Performance Audit conducted by the Auditor General for FY09.

We appreciate the acknowledgment of Finding 1: **Uncommon circumstances led to exceptionally low spending.** Our District is a very unique district. We are fortunate to have a community and a tax base that appreciate the value of public education.

As stated in Finding 2: **District had higher student achievement than peers and drew many students from outside its boundaries.** Morenci's long tradition of excellence is supported with the evidence that our students score above the peer, state and national norms. Finding 2 is also supported by the fact that nearly half of our student body attends under open enrollment.

The Performance Audit revealed other areas that need to be addressed:

Finding 3: **Inadequate accounting and IT controls increased District's risk of errors and fraud**

Response: The District agrees with and has already implemented the recommendations by:

- Properly reviewing and approving all purchases electronically
- Ensuring adequate supporting documentation is prepared for all credit card purchases
- Updating the security in the accounting system
- Reviewing password requirements
- Establishing a disaster recovery plan and securing backup tapes

**Finding 4: Improvements needed for transportation program reporting, record keeping, and preventive maintenance**

Response: The District agrees with and has already implemented the recommendation by:

- Establishing procedures that will accurately calculate and report miles driven and students transported
- Contacting the Arizona Department of Education to review the possibility of correcting the transportation funding report
- Implementing scheduled maintenance of vehicles according to mileage rather than calendar

**Other Finding: District did not accurately report its costs**

Response: The District agrees with and has already implemented the recommendation by:

- Classifying all transactions in accordance with the Uniform Chart of Accounts

This concludes our official written response to each of the audit recommendations. We sincerely appreciate the professionalism, courtesy and efforts of the audit staff and look forward to working with them again.

Sincerely,

H. Duane Howard  
Superintendent

Erika Aguallo  
Business Manager