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September 17, 2012

Ms. Debra K. Davenport
Office of the Auditor General
Performance Audit Division
2910 North 44th Street, Suite 410
Phoenix, AZ 85018

Dear Ms. Davenport:

The Arizona State Schools for the Deaf and the Blind respectfully submit the following response to the performance audit and sunset review conducted by the Office of the Auditor General in accordance with A.R.S. 41-2951.

The Arizona State Schools for the Deaf and the Blind would like to thank the Auditor General's staff and the leadership of Mr. Dale Chapman, Performance Audit Director, Shan Hays, Performance Audit Manager, and Kori Minckler, Performance Auditor, for their knowledge, direction and professionalism with regard to this audit and review, and agree with the findings and recommendations.

**Finding 1: The Arizona State Schools for the Deaf and the Blind can do more to promote student success.**

The Arizona State Schools appreciate the Auditors Generals' acknowledgement that achievement data on students who are Deaf or Hard of Hearing and students who are blind or visually-impaired are limited and not readily available. This fact makes performance comparison difficult at best. The Arizona State Schools for the Deaf and the Blind is always seeking and implementing scientific supported techniques to improve students' academic outcomes. To assist in the measurement and the development of the most appropriate individualized educational program available the Arizona State Schools for the Deaf and the Blind utilize multiple points of assessment to establish a baseline to begin an instructional foundation. The scaffolding that is placed upon that foundation for support is a strong commitment to communication competence. Literacy is the fundamental tool used to architect future successful academic and life outcomes. To that end, the Arizona State Schools stands as a leader in promoting competence in written and spoken English, American Sign Language, and Braille.

The Agency is proud of the accomplishments made to date and acknowledges that there is always more that can be done to promote student success.

**The Finding of the Auditor General is agreed to and the audit recommendation will be implemented.**

1.1     To help ensure that children with sensory impairments receive needed services, ASDB should improve its early intervention program by continuing to take the following steps:

    a. Coordinating with other state agencies that are part of the AzEIP program to establish contract early intervention services throughout the state;

    b. Working with the Arizona Department of Education and the Department of Economic Security to establish guidelines for the use of services provided to children when they transition out of the AzEIP program and into schools;

    c. Providing staff training to ensure that all staff use a consistent curriculum for early intervention services and that all staff accurately reflect delays in starting services in ASDB's database;

    d. Ensuring that its early intervention program staff have Standards of Practice certifications as required by the AzEIP program;

    e. Revising the early intervention staff job descriptions to ensure they accurately reflect the services ASDB provides to children and their families;

    f. Providing more detailed information to the public about resources available through the AzEIP program, as well as descriptions of all the programs provided by ASDB, including early intervention, preschool, and school-age programs though its newly developed website;

    g. Using other outreach mechanisms, including social networking sites such as Facebook, YouTube, and Twitter, to reach more families that might benefit from its services;

    h. Working with the Arizona Department of Health Services' Early Hearing Detection and Intervention program to develop a new system that will allow ASDB staff access to infant screening records so they can help ensure any child who fails a screening receives appropriate assessments and other services in a timely manner; and

    i. Addressing areas identified in the Department of Economic Security's review of ASDB's compliance with state-wide AzEIP requirements. Specifically, ASDB should:

- Provide accurate and timely monthly service data to the Department of Economic Security;
- Improve staff data entry practices and establish procedures that will help ensure the accuracy of data in ASDB's database and the monthly service reports that are generated from the database;
- Ensure that Individualized Family Service Plans contain appropriate and measurable goals as required by the AzEIP program; and
- Encourage families to complete and return early intervention surveys.

**The Arizona State Schools for the Deaf and the Blind have a strong partnership with all AzEIP agencies. The Agency is committed to continue to work with and improve services to families and their children who are Deaf or Hard of Hearing and/or who are blind or visually impaired.**

**The Finding of the Auditor General is agreed to and the audit recommendation will be implemented.**

1.2     ASDB should continue to seek opportunities, such as alternative delivery classes, to increase its students' access to highly qualified teachers.

**The Arizona State Schools for the Deaf and the Blind will continue to seek opportunities to ensure that Arizona students will continue to have access to highly qualified teachers in an appropriate educational environment.**

**The Finding of the Auditor General is agreed to and the audit recommendation will be implemented.**

1.3     ASDB should establish a process for compiling, analyzing, and using information obtained from surveys about its students after graduation to measure student progress, and to identify and implement enhancements to its students' educational programs.

**The Finding of the Auditor General is agreed to and the audit recommendation will be implemented.**

1.4     To narrow the achievement gaps and increase the AIMS passing rate among its students, ASDB should:
   a.  Determine the reasons for variations in test scores and identify potential ways to improve test results at the campuses and the regional cooperatives, and
   b.  Establish expectations that each campus and regional cooperative will implement best practices to improve test performance.

**The Finding of the Auditor General is agreed to and the audit recommendation will be implemented.**

**Finding 2:   The Arizona State Schools for the Deaf and the Blind should examine regional cooperative program service fees and strengthen program operations.**

The Arizona State Schools partners with school districts across the state of Arizona in providing essential services at a shared cost that assist in providing appropriate services in the most efficient and effective manner. The Arizona State Schools for the Deaf and the Blind will continue to partner with cooperative districts to ensure the program service fees are appropriate and beneficial to the Agency and to the local districts.

**The Finding of the Auditor General is agreed to and the audit recommendation will be implemented.**

2.1     To ensure its fees more fully reflect its costs, ASDB should develop a structured approach to evaluate current fees and implement new fees that would cover all costs related to the services provided by the regional cooperatives that are not covered by legislative appropriations, and ensure that specific fees are appropriate for the services.  In developing this approach, ASDB should do the following:

a.  Assess the efficiency of its operations to ensure costs are as low as possible and document the results of its assessment.  As ASDB assesses the efficiency of its operations, it should continue seeking to minimize costs where possible;

b.  Determine whether to consider costs independently for each regional cooperative or in combination on a state-wide basis, and develop and implement a method for tracking and allocating relevant ASDB costs;

c.  Identify the actual costs for specific fees, including membership fees, fee-for-service costs, and additional supplemental service costs to help ensure fees are appropriate and equitable. In addition, fees should take into account factors that affect the cost of the specific service; and

d.  Develop and implement policies and procedures for using the method to develop appropriate fees.

**The Finding of the Auditor General is agreed to and the audit recommendation will be implemented.**

2.2    ASDB should develop a systematic way to determine whether and how much to pay school districts for services the districts provide to students for whom ASDB receives Arizona Department of Education voucher monies.

**The Finding of the Auditor General is agreed to and the audit recommendation will be implemented.**

2.3    ASDB should provide more oversight to ensure that advisory councils play an appropriate role in the regional cooperative program by:

a.  Modifying its policy to remove the provision that advisory councils will recommend a fee structure;

b.  Determining and implementing the appropriate structure for the advisory councils, such as a single state-wide advisory council composed of participating school district representatives and parents and representatives of local private service organizations, or regional advisory councils that include parents and local private service organization representatives; and,

c.  Ensuring that its councils adhere to the advisory role and responsibilities outlined in ASDB policy.

**The Finding of the Auditor General is agreed to and the audit recommendation will be implemented.**

2.4    ASDB should establish a single, consistent system for managing and tracking regional cooperative resources by:

a.  Expanding the use of ASDB's in-house computer program for tracking and managing birth-to-three program educational services, once the program has been developed and tested, to track and manage educational services provided to students in the regional cooperatives; and

b.  Using ASDB's inventory system for on-campus assets to track and manage the inventory of equipment provided to students in the regional cooperatives.

**The Finding of the Auditor General is agreed to and the audit recommendation will be implemented.**

**Finding 3: The Arizona State School for the Deaf and the Blind needs to improve its information technology practices.**

The Arizona State Schools for the Deaf and the Blind is keenly aware of the need to improve the Agency's information technology practices. The Agency began making improvements and updating practices and systems that were in many cases more than a decade behind, approximately 3 years ago. All of the recommendations made by the Auditor General's office were identified as areas of concern by the Agency's new information technology staff. Working in concert with Agency personnel an action plan was developed and timelines established. To date, many of the recommendations have already been satisfied with an expectation that all recommendations will be addressed within the next 18 months.

**The Finding of the Auditor General is agreed to and the audit recommendation will be implemented.**

3.1    To Strengthen IT security controls, ASDB should;
   a. Identify and implement controls to adequately protect its network and to maintain the security of the systems, applications, and data residing on the network;
   b. Develop and implement a documented risk assessment process that:
      • Requires regular assessments;
      • Consists of a structured methodology for assessing risks;
      • Documents results and potential impact of risks;
      • Uses results to make changes to the security program; and
      • Reports results to information and system owners and management.
   c. Develop and implement log management policies and procedures.  These procedures should ensure that all-important system, application, and security-related events be defined and recorded in logs, stored centrally, protected against unauthorized changed, and analyzed on a regular basis; and,
   d. Develop and implement a systematic, accountable, and documented process for managing exposure to vulnerabilities through the timely deployment of hardware and software patches and updates.

**The Finding of the Auditor General is agreed to and the audit recommendation will be implemented.**

3.2    To address disaster recovery planning deficiencies, ASDB should:
   a. Develop and implement a comprehensive disaster recovery plan, which encompasses all system and infrastructure components for which it is responsible, and addresses important elements such as  regulatory and contractual requirements, the agency's overall business continuity needs, IT resource management requirements and independencies, an analysis of business impacts, risk assessments, emergency procedures, testing, and ongoing maintenance of its disaster recovery efforts; and

b. Develop and implement formal policies and procedures that support the disaster recovery plan and that;

- Clearly define specific roles and responsibilities, identify and rank systems based on criticality, and define the order in which systems should be recovered;
- Require that the plan be readily accessible and also located off-site, in both physical and digital form, so disaster recovery team members are able to access the plan when needed; and
- Require that the plan be tested on a regular basis using realistic scenarios, as defined in the plan, and document and make modifications when necessary to correct any problems identified though testing.

**The Finding of the Auditor General is agreed to and the audit recommendation will be implemented.**

3.3 To improve data backup, ASDB should:

a. Develop a formal, consolidated, and comprehensive backup strategy, process, and set of procedures. Its policies and procedures should include information on:

- The extent, timing, and frequency with which data will be backed up, as determined by the agency, based on the criticality of the data to its business processes;
- Periodically testing its backup data for successful recover. Any deficiencies identified by the test should be documented and mitigated;
- Determining its data security and encryption requirements for backed up data and deploying the appropriate security or encryption methods to it; and
- Storing a copy of its backed up data off-site and rotating or updating this data on a periodic basis. Access to this data should be limited to only authorized users.

**The Finding of the Auditor General is agreed to and the audit recommendation will be implemented.**

3.4 ASDB should develop a formal data classification policy and process in line with IT standards and best practices. Specifically, it should ensure this process be based on risks and requirements, such as confidentiality and sensitivity of the information; consist of an inventory of information classification details that includes assigned classification, identity of the information owner, and a brief description of information classified; and that it is communicated to all affected parties, and reviewed and updated regularly.

**The Finding of the Auditor General is agreed to and the audit recommendation will be implemented.**

Sincerely,


Robert E. Hill, Ed.S.
Superintendent