



San Fernando School #35

*P.O. Box 80
Sasabe, AZ 85633*

July 19, 2018

*State of Arizona
Office of the Auditor General
2910 North 44th Street, Suite 410
Phoenix, AZ 85018*

*Attn: Lindsey Perry, Auditor General
Mr. John Ward, Audit Manager*

RE: San Fernando ESD#35 Performance Audit

Dear Auditors,

San Fernando ESD#35 has received and reviewed the Preliminary Draft Performance Audit conducted for fiscal year 2017. Our District would like to extend our appreciation to your organization for its willingness to take the time necessary to clarify the items that required discussion. We concur with the findings presented.

The audit has provided San Fernando ESD#35 staff with the opportunity to make improvements were needed. Our District will implement the recommendations as outlined in this preliminary report. Our goal is to be in compliance with all legal requirements for this District as well as implement best practices for this organization. This audit will help us improve in the areas you outlined.

San Fernando ESD#35 would like to thank your audit team for the professionalism and courtesy shown throughout this process.

Sincerely,

*Veronica Jacquez,
Governing Board Member*

Finding 1: District needs to strengthen management, accounting, and computer controls

District Response: District agrees with your findings. The District has hired full-time IT Specialist, that has computer controls that have been updated and password protected.

Recommendation 1: The District should establish a written agreement with the PCSSO that outlines each entity's responsibilities for managing district operations.

District Response: District agrees. Working with County School Superintendent's Office to implement an agreement that outlines responsibilities for managing District operations.

Recommendation 2: The District should develop and implement procedures to help ensure that terminated employees have their access to the District's information technology systems promptly removed.

District Response: District agrees with findings. District has now implemented a formal process to ensure that terminated employees have their computer network and systems access immediately removed.

Recommendation 3: The District should back up its financial information in its accounting system to a secure location.

District Response: District agrees. District will work with County Superintendent's Office.

Recommendation 4: The District should ensure that it requires an independent review and approval for all its purchases prior to the purchases being made and document that all goods and services have been received and billings are accurate prior to payment.

District Response: District agrees. District will implement a review of items to be purchased before hand. With Board Members and staff.

Recommendation 5: The District should classify all transactions in accordance with the Uniform Chart of Accounts for school districts.

District Response: District agrees. District will work with County School Superintendent's Office to be accordance with the Uniform Chart of Accounts for District.

Recommendation 6: The District should implement stronger password requirements for its student information system related to password length, complexity, and expiration.

District Response: District agrees. This has been done and all passwords have been updated with the requirements.

Recommendation 7: The District should limit users' access in its accounting system to only those accounting system functions necessary to perform their job duties, including transferring the business office employees' administrator level access to someone outside of the business office.

District Response:District agrees. Working closely with Pima County School Superintendent's Office in regards to District's accounting functions.

Other Findings:District lacked procedures to ensure bus drivers met certification requirements

District Response:District agrees. We will implement procedures to make sure bus drivers have all the requirement documents.

Recommendation:The District should develop and implement procedures to ensure that bus drivers meet certification requirements and maintain documentation indicating those requirements have been met in accordance with the State's Minimum Standards.

District Response:District agrees. We are now developing procedures to ensure that bus drivers meet all the necessary qualifications and maintain the required documentation indicating that we are in accordance with the State's Minimum Standards.