



# YOUNG SCHOOL DISTRICT#5

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Patrick O'Donnell, Superintendent

## Young Elementary District #5 PERFORMANCE AUDIT RESPONSE

Lindsey Perry  
Office of the Auditor General  
2910 N. 44th Street, Suite 410  
Phoenix, AZ 85018

Dear Ms. Perry, Young Elementary District #5 has received and reviewed the Fiscal Year 2020 Performance Audit Report. The District appreciates the professionalism (and understanding concerning our personnel changes) while conducting this audit. After review and reflection, the District agrees with the findings and recommendations. The District has implemented the recommendations and will work diligently to improve the processes and procedures as provided in the findings and look forward to working with the team in the follow-up period. Please find attached the District's response to each finding and recommendations.

Sincerely,

Patrick O'Donnell  
Superintendent

**Finding 1:** District spent \$264,000 more on administration than peer districts in fiscal year 2020 and \$21,600 of unauthorized monies on its community preschool program in fiscal year 2021 that it instead could have spent on instruction or other District priorities.

**Recommendation 1:** The District should monitor its administrative spending and identify and implement ways to reduce it, including by specifically assessing its administrative staffing and salary levels.

District Response: The finding of the Auditor General is agreed to, and the audit recommendation will be implemented.

Response explanation: N/A

**Recommendation 2:** The District should determine whether it should continue offering its community preschool program and, if it does, charge fees or student tuition rates and/or obtain grants or donations that cover the costs of operating the program consistent with statute and Arizona Attorney General opinion No. 182-136.

District Response: The finding of the Auditor General is agreed to, and the audit recommendation will be implemented.

Response explanation: N/A

**Finding 2:** District did not always use prenumbered receipts or ensure all cash collected was deposited in a timely manner, possibly resulting in lost cash and increasing risk of errors and fraud

**Recommendation 3:** The District should help ensure its staff members comply with USFR requirements to safeguard cash by:

- a. Developing and implementing written cash-handling policies and procedures over cash collection, deposit, and review.

District Response: The finding of the Auditor General is agreed to, and the recommendation will be implemented.

Response explanation: N/A

- b. Using and preparing sequential prenumbered receipts for all cash received.

District Response: The finding of the Auditor General is agreed to, and the audit recommendation will be implemented.

Response explanation: N/A

- c. Maintaining evidence for all cash deposits.

District Response: The finding of the Auditor General is agreed to, and the audit recommendation will be implemented.

Response explanation: N/A

- d. Reconciling cash receipts to cash deposits.

District Response: The finding of the Auditor General is agreed to, and the audit recommendation will be implemented.

Response explanation: N/A

- e. Establishing a process for depositing cash at least weekly. If the District cannot always timely deposit cash, it should establish a process for documenting exceptions to the requirement with guidelines and required secondary approvals.

District Response: The finding of the Auditor General is agreed to, and a different method of dealing with the finding will be implemented.

Response explanation: The District will strive to deposit cash and checks in a timely manner, at least weekly, but it may be challenging due to our remoteness from a bank.

- f. Providing training on USFR cash-handling requirements and its District cash-handling policies and procedures to all employees involved in cash collection, deposit, and review.

District Response: The finding of the Auditor General is agreed to, and the audit recommendation will be implemented.

Response explanation: N/A

**Finding 3:** District's excessive access to its sensitive computerized data and other IT deficiencies increased risk of unauthorized access, errors, fraud, and data loss

**Recommendation 4:** The District should limit users' access in the accounting system to only those accounting system functions needed to perform their job duties, including transferring administrator-level access to someone outside of the business office.

District Response: The finding of the Auditor General is agreed to, and the audit recommendation will be implemented.

Response explanation: N/A

**Recommendation 5:** The District should develop and implement a process to assign new users appropriate access in the accounting system, a process to change employees' access if their assigned duties change, and a process to periodically review users' access to help ensure employees' have only the access necessary to accomplish their job duties.

District Response: The finding of the Auditor General is agreed to, and the audit recommendation will be implemented.

Response explanation: N/A

**Recommendation 6:** The District should immediately remove all network accounts associated with terminated employees and develop and implement a process to ensure that terminated employees have their access promptly removed.

District Response: The finding of the Auditor General is agreed to, and the audit recommendation will be implemented.

Response explanation: N/A

**Recommendation 7:** The District should develop and implement an IT contingency plan that meets USFR requirements and credible industry standards and test the plan at least annually to identify and remedy any deficiencies and document the test results.

District Response: The finding of the Auditor General is agreed to, and the audit recommendation will be implemented.

Response explanation: N/A