



A REPORT
TO THE
ARIZONA LEGISLATURE

Financial Audit Division

Management Letter

**Pinal County
Community College
District**

(Central Arizona College)

Year Ended June 30, 2003



Debra K. Davenport
Auditor General

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**STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL**

DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

September 8, 2004

Governing Board
Pinal County Community College District
8470 North Overfield Road
Coolidge, AZ 85228

Members of the Board:

In planning and conducting our single audit of Pinal County Community College District for the year ended June 30, 2003, we performed the following as required by *Government Auditing Standards* (GAS) and Office of Management and Budget (OMB) Circular A-133:

- Considered the District's internal controls over financial reporting,
- Tested its internal controls over major federal programs, and
- Tested its compliance with laws and regulations that could have a direct and material effect on its financial statements and major federal programs.

All audit findings that are required to be reported by GAS and OMB Circular A-133 have been included in the District's Single Audit Reporting Package for the year ended June 30, 2003. In addition, our audit disclosed an internal control weakness that did not meet the reporting criteria. Management should correct this deficiency to ensure that it fulfills its responsibility to establish and maintain adequate internal controls. Our recommendation is described below.

The District should develop, implement,
and test a disaster recovery plan

The District records critical financial and student information on its computer system. Consequently, the District should ensure that it can continue to operate in the event of a system or equipment failure by developing, implementing, and testing a disaster recovery plan. Such a plan will help ensure that proper procedures are in place to provide for the continuity of operations and that electronic data files are not lost in the event of a disaster or other interruption. In addition, written policies and procedures that provide instructions to employees for processing daily transactions in the event of a disaster are also necessary. However, the District did not have a disaster recovery plan.

To help ensure that the District can provide for the continuity of its operations and to help prevent loss of data in the event of a system or equipment failure or from a service interruption, the District should develop and implement a disaster recovery plan and test it annually. In addition, the District should ensure the plan includes the following:

Governing Board
Pinal County Community College District
September 8, 2004
Page Two

- A listing of employees assigned to disaster teams, including telephone numbers.
- Employee assignments and responsibilities.
- A risk analysis identifying critical transaction cycles.
- A designated alternative computer facility.
- Details of off-site storage locations.
- A list of procedures for processing critical transactions, including forms or other documents to use.

This recommendation was previously provided in our Management Letter to the District dated December 22, 2003.

This letter is intended solely for the information of the Pinal County Community College District Governing Board and is not intended to be and should not be used by anyone other than the specified party. However, this letter is a matter of public record, and its distribution is not limited.

Should you have any questions concerning its contents, please let us know.

Sincerely,

Dennis L. Mattheisen, CPA
Financial Audit Director



CENTRAL ARIZONA COLLEGE

August 30, 2004

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

Dear Ms. Davenport:

The accompanying Response to the Management Letter has been prepared by the District. Specifically, we have provided our response to the item within the Management Letter that includes providing an action plan for improvement.

Sincerely,

Dennis A. Jenkins
Vice President for Finance and
Community Development

◆ *District Offices* ◆

8470 North Overfield Road ◆ Coolidge, Arizona 85228 ◆ 520/426-4444 ◆ FAX 520/426-4234

◆ *Campuses* ◆

Aravaipa Campus ◆ 80440 East Aravaipa Road ◆ Winkelman, Arizona 85292 ◆ 520/357-7864 or 866/869-6507 ◆ FAX 520/357-2019

Signal Peak Campus ◆ 8470 North Overfield Road ◆ Coolidge, Arizona 85228 ◆ 520/426-4444 ◆ FAX 520/426-4234

Superstition Mountain Campus ◆ 273 Old West Highway ◆ Apache Junction, Arizona 85219 ◆ 480/288-4000 ◆ FAX 480/288-4058

Florence Center ◆ 800 East Butte, Building 100 ◆ Florence, Arizona 85232 ◆ 520/868-1449 ◆ FAX 520/868-1588

Casa Grande Education Center ◆ 1015 East Florence Boulevard ◆ Casa Grande, Arizona 85222 ◆ 520/421-4980 ◆ FAX 520/426-3512 ◆ SBDC 520/426-4341

PINAL COUNTY COMMUNITY COLLEGE DISTRICT
RESPONSE TO MANAGEMENT LETTER
FISCAL YEAR ENDED JUNE 30, 2003

MANAGEMENT LETTER

ITEM - The District should develop, implement, and test a disaster recovery plan.

RESPONSE - The District has developed a written electronic files disaster recovery plan and data recovery procedures. This disaster recovery plan has been fully implemented.