

PRESCOTT UNIFIED SCHOOL DISTRICT NO. 1

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Prescott Unified
School District

The Smart Choice

May 25, 2012

Debra Davenport
Auditor General State of Arizona
2910 North 44th Street, Suite 410
Phoenix, AZ 85018

RE: Response to Prescott Unified School District's Performance Audit

Dear Ms. Davenport,

Prescott Unified School District respectfully submits its response to the Performance Audit of fiscal year 2010-11. The Performance Audit listed two main findings and three less significant areas of concern.

Attached is the response to each of the findings and recommendations, and the District's plan to implement the recommendations.

The Prescott Unified School District is committed to operating efficiently, effective stewardship of taxpayer funds and strives to direct dollars to the classroom. The District appreciated the professionalism of the audit team. We value the data and findings presented in the final report.

If you have any questions regarding any of the responses contained in the attachment, please do not hesitate to contact us.

Sincerely,

Dave Smucker

Superintendent

Finding 1: Transportation program helps provide students school choice but better controls and oversight over rider counts and fuel cards needed.

The District agrees with this finding and will implement the recommendations.

Recommendation 1- The District should evaluate and implement methods for determining accurate student rider counts for state funding purposes and also to help evaluate the efficiency of its transportation program.

Response: The District has developed a process to determine the number of student riders. To implement this process, a seating chart for all student riders on each bus will be prepared. We will count the first students getting on the bus. At each transfer school after that, we will ask if this is the first bus they have been on today. On the seating chart, we will mark students that are the original students. All transfer students will be marked as a transfer for that particular bus.

Recommendation 2 – The District should better secure the fuel cards and change PIN numbers when a fuel card user terminates employment.

Response: All fuel cards will be stored in a locked cabinet. Every driver will be required to sign for the fuel card. We will be working with the fuel vendor on changing PIN numbers. We would like to put a cap on the mileage for each bus. This would ensure that if the mileage is not correct the card will not be able to be used. When we complete this review with the vendor we will contact the Arizona Auditor General with our new procedures.

Recommendation 3 – The District should strengthen its controls and oversight over fuel card purchases, including ensuring receipts are submitted for all purchases, reconciling fuel receipts to the billing statements, investigating unusual purchases as soon as possible, and reviewing purchases for reasonableness.

Response: The District will ensure that all receipts are submitted and reconcile those receipts with the monthly statements. We will also investigate all unusual purchases and review them for reasonableness.

Recommendation 4 – The District should work with its fuel vendor to ensure the vendor’s billing statements identify each district vehicle fueled.

Response: The District is working with their fuel vendor to have individual PIN numbers for each bus and use the odometer readings to identify each bus.

Finding 2: District lacks sufficient computer controls to adequately protect sensitive information.

The District agrees with this finding and will implement the recommendations.

Recommendation 1 – The District should limit employees’ access to only those accounting system functions needed to perform their work.

Response: The District has further restricted the access to our accounting system. We have scheduled quarterly reviews of the accounting system access with the Information Technology Department and the Chief Financial Officer.

Recommendation 2 – The District should review and reduce the number of users with administrator-level access to its network.

Response: The District has reduced the number of employees with Administrator Level Access. We have scheduled a quarterly review of the Administrators and are working to further define the level of access. Our goal is to limit the access, and level thereof, to only those users required to have access based on their job function.

Recommendation 3 – The District should implement and enforce password requirements related to password length, complexity and expiration.

Response: The District is changing many Information Technology procedures. We will be requiring more secure passwords and passwords to be changed on a regular basis. This will be rolled out in the early school year of 2012-13 with other Information Technology initiatives.

Recommendation 4 – The District should secure wireless access to its network and require a username and password for login.

Response: All unsecured wireless network devices have been secured. The District is researching a different wireless solution that will allow for much better control of security, including authentication to Active Directory, before allowing a connection.

Recommendation 5 – The District should implement and enforce policies to ensure that terminated employees have their IT system access promptly removed.

The District is evaluating software to automate the creation and deletion of all necessary Information Technology related accounts upon hiring and termination. This automation will be a part of new Information Technology procedures to be established to ensure network integrity and security.

Recommendation 6 – The District should create a formal disaster recovery plan and test it periodically to identify and remedy deficiencies.

The District will be working on restructuring our back up plan and disaster recovery procedures over the summer of 2012. We are working towards a redundant plan that includes offsite backups and quick disaster recovery.

Other Finding 1: District did not accurately report its costs

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

Response: The District concurs with the finding and will properly classify expenditures according to the Uniform Chart of Accounts for school districts.

Other finding 2: Inadequate recordkeeping of some special purpose funds.

Recommendation: The District should maintain detailed accounting records of revenues and expenditures for special purpose funds and classify expenditures in accordance with the USFR Chart of Accounts.

Response: The District concurs with the finding and has implemented the proper software accounting system to classify expenditures in accordance with the USFR Chart of Accounts.

Other finding 3: Classroom Site Funds not paid in accordance with District's performance pay plan.

Recommendation: The District should ensure that performance pay is awarded in accordance with its approved plan.

Response: The District concurs with the finding and will ensure that goals are approved and verified by the principal. Also the District will ensure that part-time employees will not be paid as full time employees in regards to performance pay.