



A REPORT
TO THE
ARIZONA LEGISLATURE

Division of School Audits

Performance Audit

Santa Cruz Valley Unified School District

September • 2015
Report No. 15-210



Debra K. Davenport
Auditor General

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DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

September 11, 2015

Members of the Arizona Legislature

The Honorable Doug Ducey, Governor

Governing Board
Santa Cruz Valley Unified School District

Mr. David Verdugo, Superintendent
Santa Cruz Valley Unified School District

Transmitted herewith is a report of the Auditor General, *A Performance Audit of the Santa Cruz Valley Unified School District*, conducted pursuant to A.R.S. §41-1279.03. I am also transmitting within this report a copy of the Report Highlights for this audit to provide a quick summary for your convenience.

As outlined in its response, the District agrees with all of the findings and recommendations.

My staff and I will be pleased to discuss or clarify items in the report.

Sincerely,

Debbie Davenport
Auditor General



REPORT HIGHLIGHTS PERFORMANCE AUDIT

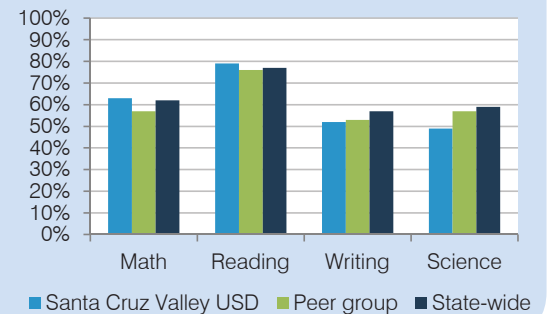
Similar student achievement and reasonably efficient operations

Our Conclusion

In fiscal year 2012, Santa Cruz Valley Unified School District's student achievement was similar to peer districts', and its operations were reasonably efficient overall. The District's per pupil administrative costs were much lower than peer districts', on average. However, the District lacked adequate controls over its computer network and systems. The District's per pupil plant operations costs were also lower than peer districts', in part because the District operated less square footage than the peer districts averaged, but also because the District has been proactively managing its plant operations to keep costs down by closing or leasing out unused facilities and improving its energy efficiency. Further, despite higher per pupil costs in food service and transportation, the District operated in a reasonably efficient manner in these programs as well, with a similar cost per meal as peer districts', on average, and efficient bus routes overall.

Student achievement similar to peer districts'—In fiscal year 2012, Santa Cruz Valley USD's student AIMS scores were slightly higher than peer districts' averages in math, similar in reading and writing, and slightly lower in science. Further, under the Arizona Department of Education's A-F Letter Grade Accountability System, Santa Cruz Valley USD received an overall letter grade of A for fiscal year 2012. Ten of the peer districts received B letter grades, six received Cs, and two received Ds. The District's 80 percent graduation rate was similar to the peer districts' 83 percent average and the State's 77 percent average.

Percentage of students who met or exceeded state standards (AIMS)
Fiscal year 2012



District's operations reasonably efficient—In fiscal year 2012, Santa Cruz Valley USD's operations were reasonably efficient. Specifically, the District's per pupil administrative costs were much lower than peer districts', on average, because it did not employ certain administrative positions and paid lower salaries for some other administrative positions. The District's per pupil plant operations costs were also lower than peer districts', in part because the District operated less square footage than the peer districts averaged, but also because the District has been proactively managing its plant operations to keep costs down by closing or leasing out unused facilities and improving its energy efficiency. Despite higher per pupil costs in food service and transportation, the District operated in a reasonably efficient manner in these programs as well, with a similar cost per meal as peer districts', on average, and efficient bus routes overall.

Comparison of per pupil expenditures by operational area
Fiscal year 2012

	Santa Cruz Valley USD	Peer group average
Administration	\$628	\$748
Plant operations	800	933
Food service	464	354
Transportation	513	369

Inadequate computer controls increased risk of errors and fraud

Increased risk of unauthorized access to critical systems—In fiscal year 2012, Santa Cruz Valley USD lacked adequate password requirements for access to its accounting and student information systems. The District also allowed one employee too much access to its accounting system by giving this employee full system access. Additionally, the District maintained 24 active generic user accounts. Generic accounts are not assigned to specific individuals and create additional risk because it is difficult



2015

or impossible to hold anyone accountable if inappropriate activity is conducted using these accounts. The District also had inadequate procedures for ensuring that only current employees had access to its computer network. Auditors reviewed the District's network access list and found accounts for 36 users who no longer worked for the District. Additionally, the District did not have procedures to identify possible security breaches to its systems or to respond to incidents if they occurred.

Lack of disaster recovery plan—In fiscal year 2012, the District did not have a written, up-to-date, and tested disaster recovery plan, even though it maintained critical student and accounting information on its network and systems. A written and properly designed disaster recovery plan would help ensure continued operations in the case of a system or equipment failure or interruption.

Recommendations

The District should:

- Implement and enforce stronger password requirements.
- Limit employees' access to only those accounting system functions needed to perform their job responsibilities.
- Eliminate or minimize generic user accounts for its network and systems and properly control any generic accounts that are considered necessary by disabling them when not in use.
- Remove employee computer network access promptly upon termination of employment.
- Develop a method to ensure that security incidents are detected in a timely fashion.
- Create a formal IT disaster recovery plan and test it periodically.

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Fiscal year 2012
(Unaudited)

1

DISTRICT OVERVIEW

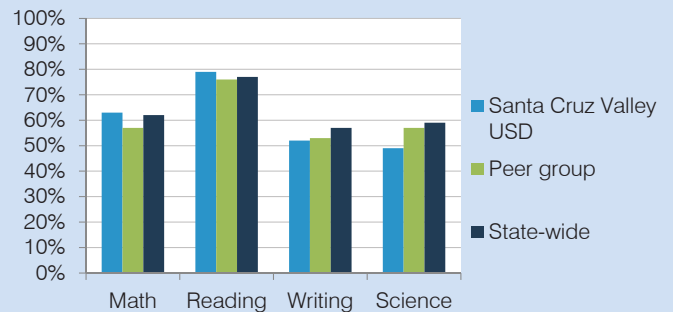
Santa Cruz Valley Unified School District is located about 50 miles south of Tucson in Santa Cruz County. In fiscal year 2012, the District served 3,272 students in kindergarten through 12th grade at its six schools.

In fiscal year 2012, Santa Cruz Valley USD's student achievement was similar to peer districts', and its operations were reasonably efficient overall despite having some higher costs than peer districts', on average.¹ However, the District needs to improve its computer controls, pay its credit cards in full to avoid interest charges, and accurately report its costs.

Student achievement similar to peer districts'

In fiscal year 2012, 63 percent of the District's students met or exceeded state standards in math, 79 percent in reading, 52 percent in writing, and 49 percent in science. As shown in Figure 1, the District's math scores were slightly higher than the peer districts' average, its reading and writing scores were similar, and its science scores were slightly lower. Under the Arizona Department of Education's A-F Letter Grade Accountability System, the District received an overall letter grade of A for fiscal year 2012. Ten of the peer districts received B letter grades, six received a C, and two received a D. The District's 80 percent graduation rate was similar to the peer districts' 83 percent average and the State's 77 percent average.

Figure 1: Percentage of students who met or exceeded state standards (AIMS) Fiscal year 2012 (Unaudited)



Source: Auditor General staff analysis of fiscal year 2012 test results on Arizona's Instrument to Measure Standards (AIMS).

District's operations reasonably efficient

As shown in Table 1 on page 2 and based on auditors' review of various performance measures, in fiscal year 2012, Santa Cruz Valley USD's operations were reasonably efficient. Specifically, the District's per pupil administrative costs were much lower than peer districts', on average, and its per pupil plant operations costs were also lower. Further, despite much higher per pupil costs in food service and transportation, the District operated in a reasonably efficient manner in these areas as well.

¹ Auditors developed three peer groups for comparative purposes. See page a-1 of this report's Appendix for further explanations of the peer groups.

Much lower administrative costs but some improvements needed—At \$628 per pupil, Santa Cruz Valley USD’s administrative costs were 16 percent lower than the peer districts’ \$748 average. Santa Cruz Valley USD spent less on administration primarily because it did not employ an assistant superintendent or full-time grant coordinator and paid lower salaries for some administrative positions. However, the District needs to improve its computer controls, pay its credit card balances in full when due to avoid interest charges, and more accurately report its costs (see Finding 1, page 3, and Other Findings, page 5).

Lower plant operations costs—Santa Cruz Valley USD spent 14 percent less per pupil on its plant operations than peer districts, on average, despite having a similar cost per square foot—\$5.38 compared to the peer districts’ \$5.53 average. The District’s per pupil costs were lower primarily because it operated 14 percent less square footage per pupil than the peer districts averaged. The District has been proactively managing its plant operations to keep costs down by closing unused space and leasing out unused facilities. The District also made energy efficiency upgrades to its facilities, such as updating HVAC units and lighting, which has resulted in an 18 percent reduction in electricity costs per square foot.

Efficient food service program—The District’s food service program operated efficiently with a \$2.62 cost per meal that was similar to the \$2.56 peer district average. The District spent 31 percent more per pupil for food service because it served 28 percent more meals per pupil than peer districts, on average. The District negotiated a favorable contract with its food service management company, monitored the company’s performance, and closely reviewed the accuracy of all billings. As a result, the District was able to cover all of its program costs while having enough monies remaining to help pay for some indirect program costs, such as electricity.

Reasonably efficient transportation program—In fiscal year 2012, the District’s transportation program was reasonably efficient with a \$757 cost per rider that was similar to the peer districts’ \$726 average and a \$3.06 cost per mile that was slightly higher than the peer districts’ \$2.87 average. The District’s routes were efficient overall, filling buses to 77 percent of capacity, on average. Further, the District employed proper controls over its fuel inventory and had proper procedures in place to help ensure that bus maintenance was performed in a timely manner and that bus driver certification requirements were met.

**Table 1: Comparison of per pupil expenditures by operational area
Fiscal year 2012
(Unaudited)**

Spending	Santa Cruz Valley USD	Peer group average	State average
Total per pupil	\$7,470	\$7,007	\$7,475
Classroom dollars	3,834	3,682	4,053
Nonclassroom dollars			
Administration	628	748	736
Plant operations	800	933	928
Food service	464	354	382
Transportation	513	369	362
Student support	590	540	578
Instruction support	641	381	436

Source: Auditor General staff analysis of fiscal year 2012 Arizona Department of Education student membership data and district-reported accounting data.

FINDING 1

Inadequate computer controls increased risk of errors and fraud

In fiscal year 2012, Santa Cruz Valley USD lacked adequate controls over its computer network and systems. Although no improper transactions were detected in the items auditors reviewed, these poor controls exposed the District to an increased risk of errors, fraud, and unauthorized access to sensitive information. Additionally, the lack of a written, up-to-date, and tested disaster recovery plan could result in interrupted operations or data loss.

Increased risk of unauthorized access to critical systems

Weak controls over user access to the District's computer network and systems increased the risk of errors and fraud.

Weak password requirements—The District lacked adequate password requirements for access to its accounting and student information systems. The District had not established length and complexity requirements—that is, passwords did not need to be a minimum length or contain numbers or symbols—for its accounting or student information systems. Further, the District did not require users to periodically change passwords for these two systems. Common practice requires passwords to be at least eight characters, contain a combination of alphabetic and numeric characters, and be changed every 90 days. These practices would decrease the risk of unauthorized persons gaining access to the District's computer network and systems.

Broad access to accounting system—Auditors reviewed the District's user access report for 16 of the 42 users with access to the accounting system and found that one district employee had more access to the accounting system than she needed to perform her job duties. More specifically, this employee had full system access, giving her the ability to perform all accounting system functions. Additionally, the District maintained ten active generic user accounts. Generic accounts are not assigned to specific individuals and create additional risk because it is difficult or impossible to hold anyone accountable if inappropriate activity is conducted using these accounts. Although no improper transactions were detected in the samples auditors reviewed, granting employees system access beyond what is required for their job responsibilities, especially full system access, exposes the District to a greater risk of errors, misuse of sensitive information, and fraud, such as processing false invoices or adding nonexistent vendors or employees.

Inadequate procedures for removing access to computer network—The District did not have sufficient procedures in place to ensure that only current employees had access to its network. Auditors reviewed the District's network access list and found accounts for 36 users who no longer worked for the District. These former district employees still had active network accounts despite not having worked for the District for a period of 15 to 26 months. The District

also had 14 active generic user accounts on its network. Active accounts linked to terminated employees and generic accounts increase the District's risk of unauthorized access to sensitive information.

No incident response procedures—The District did not have procedures to identify possible security breaches to its systems or to respond to incidents if they occurred. Without regular review, the District's network could be compromised without the District's knowledge. Therefore, the District should develop a method to ensure that security incidents are detected in a timely fashion.

Lack of disaster recovery plan could result in interrupted operations or data loss

In fiscal year 2012, the District did not have a written, up-to-date, and tested disaster recovery plan, even though it maintained critical student and accounting information on its network and systems. A written and properly designed disaster recovery plan would help ensure continued operations in the case of a system or equipment failure or interruption. The plan should include detailed information on how to restore systems in such an event. As part of a disaster recovery plan, the District should also perform documented tests of its ability to restore electronic data files from data backups, which are important to ensure continuous accessibility to sensitive and critical data.

Recommendations

1. The District should implement and enforce stronger password requirements related to length, complexity, and expiration.
2. The District should limit employees' access to only those accounting system functions needed to perform their work to ensure that no single employee can complete transactions without an independent review.
3. The District should eliminate or minimize generic user accounts for its network and critical systems and properly control any generic accounts that are considered necessary by disabling them when not in use.
4. The District should promptly remove employee computer network access upon termination of employment.
5. The District should develop a method to ensure that security incidents are detected in a timely fashion.
6. The District should create a formal IT disaster recovery plan and test it periodically to identify and remedy deficiencies.

OTHER FINDINGS

In addition to the main finding presented in this report, auditors identified two other less significant areas of concern that require district action. These additional findings and their related recommendations are as follows:

1. Interest charges incurred because of partial payments

Auditors determined that the District paid almost \$1,700 in interest charges for one of its credit cards in fiscal year 2012 because it did not pay its credit card balances in full each month. The District required supporting documentation for all purchases before it paid the invoices, even if the supporting documentation was not received until after the corresponding charges came due. The Uniform System of Financial Records for Arizona School District (USFR) requires that all receipts be reconciled and reviewed at least monthly and, if possible, prior to payment of the monthly bill. Because statute does not authorize installment purchases, credit card balances should be paid in full each billing cycle to avoid interest charges.

Recommendation

The District should ensure that it pays credit card balances in full each billing cycle to avoid interest charges.

2. District did not accurately report its costs

Santa Cruz Valley USD did not consistently classify its fiscal year 2012 expenditures in accordance with the Uniform Chart of Accounts for school districts. As a result, its Annual Financial Report did not accurately reflect its costs, including both classroom and nonclassroom expenditures. Auditors identified errors totaling approximately \$708,500 of the District's total \$24.4 million in operational spending.¹ When corrected, these changes decreased the District's reported instructional expenditures by about \$543,000, or 2.2 percentage points. The dollar amounts shown in the tables and used for analysis in this report reflect the necessary adjustments.

Recommendation

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

¹ Operational spending includes costs incurred for the District's day-to-day operations. For further explanation, see Appendix, page a-1.

APPENDIX

Objectives, Scope, and Methodology

The Office of the Auditor General has conducted a performance audit of the Santa Cruz Valley Unified School District pursuant to Arizona Revised Statutes §41-1279.03(A)(9). Based in part on their effect on classroom dollars, as previously reported in the Office of the Auditor General's annual report, *Arizona School District Spending (Classroom Dollars report)*, this audit focused on the District's efficiency and effectiveness in four operational areas: administration, plant operations and maintenance, food service, and student transportation. To evaluate costs in each of these areas, only operational spending, primarily for fiscal year 2012, was considered.¹ Further, because of the underlying law initiating these performance audits, auditors also reviewed the District's use of Proposition 301 sales tax monies and how it accounted for dollars spent in the classroom.

In conducting this audit, auditors used a variety of methods, including examining various records, such as available fiscal year 2012 summary accounting data for all districts and Santa Cruz Valley USD's fiscal year 2012 detailed accounting data, contracts, and other district documents; reviewing district policies, procedures, and related internal controls; reviewing applicable statutes; and interviewing district administrators and staff.

To compare districts' academic indicators, auditors developed a student achievement peer group using poverty as the primary factor because poverty has been shown to be associated with student achievement. Auditors also used secondary factors such as district type and location to further refine these groups. Santa Cruz Valley USD's student achievement peer group includes Santa Cruz Valley USD and the 19 other unified school districts that also served student populations with poverty rates between 18 and 27 percent in towns or rural areas. Auditors compared Santa Cruz Valley USD's student AIMS scores to those of its peer group averages. The same grade levels were included to make the AIMS score comparisons between Santa Cruz Valley USD and its peer group. AIMS scores were calculated using test results of the grade levels primarily tested, including grade levels 3 through 8 and 10 for math, reading, and writing, and grade levels 3 through 12 for science. Generally, auditors considered Santa Cruz Valley USD's student AIMS scores to be similar if they were within 5 percentage points of peer averages, slightly higher/lower if they were within 6 to 10 percentage points of peer averages, higher/lower if they were within 11 to 15 percentage points of peer averages, and much higher/lower if they were more than 15 percentage points higher/lower than peer averages. In determining the District's overall student achievement level, auditors considered the differences in AIMS scores between Santa Cruz Valley USD and its peers, as well as the District's graduation rate and Arizona Department of Education-assigned letter grade.²

To analyze Santa Cruz Valley USD's operational efficiency in administration, plant operations, and food service, auditors selected a group of peer districts based on their similarities in district size,

¹ Operational spending includes costs incurred for the District's day-to-day operations. It excludes costs associated with repaying debt, capital outlay (such as purchasing land, buildings, and equipment), and programs such as adult education and community service that are outside the scope of preschool through grade 12 education.

² The Arizona Department of Education's A-F Letter Grade Accountability System assigns letter grades based primarily on academic growth and the number of students passing AIMS.

type, and location. This operational peer group includes Santa Cruz Valley USD and 18 other unified and union high school districts that also served between 2,000 and 7,999 students and were located in towns or rural areas. To analyze Santa Cruz Valley USD's operational efficiency in transportation, auditors selected a group of peer districts based on their similarities in miles per rider and location. This transportation peer group includes Santa Cruz Valley USD and 12 other districts that also traveled between 231 and 280 miles per rider and were located in towns or rural areas. Auditors compared Santa Cruz Valley USD's costs to its peer group averages. Generally, auditors considered Santa Cruz Valley USD's costs to be similar if they were within 5 percent of peer averages, slightly higher/lower if they were within 6 to 10 percent of peer averages, higher/lower if they were within 11 to 15 percent of peer averages, and much higher/lower if they were more than 15 percent higher/lower than peer averages. However, in determining the overall efficiency of Santa Cruz Valley USD's nonclassroom operational areas, auditors also considered other factors that affect costs and operational efficiency such as years of service by staff, square footage per student, meal participation rates, and bus capacity utilization, as well as auditor observations and any unique or unusual challenges the District had. Additionally:

- To assess the District's computer information systems and network, auditors evaluated certain controls over its logical and physical security, including user access to sensitive data and critical systems, and the security of servers that house the data and systems. Auditors also evaluated certain district policies over the system such as data sensitivity, backup, and recovery.
- To assess whether the District's administration effectively and efficiently managed district operations, auditors evaluated administrative procedures and controls at the district and school level, including reviewing personnel files and other pertinent documents and interviewing district and school administrators about their duties. Auditors also reviewed and evaluated fiscal year 2012 administration costs and compared these to the peer districts' average costs and surveyed the peer districts to further evaluate staffing levels.
- To assess the District's financial accounting data, auditors evaluated the District's internal controls related to expenditure processing and scanned all fiscal year 2012 payroll and accounts payable transactions for proper account classification and reasonableness. Additionally, auditors reviewed detailed payroll and personnel records for 30 of the 545 individuals who received payments in fiscal year 2012 through the District's payroll system and reviewed supporting documentation for 30 of the 9,603 fiscal year 2012 accounts payable transactions. No improper transactions were identified. After adjusting transactions for proper account classification, auditors reviewed fiscal year 2012 spending and prior years' spending trends across operational areas. Auditors also evaluated other internal controls that were considered significant to the audit objectives.
- To assess whether the District managed its plant operations and maintenance function appropriately and whether it functioned efficiently, auditors reviewed and evaluated fiscal year 2012 plant operations and maintenance costs and district building space, and compared these costs and capacities to peer districts'. Auditors also observed and evaluated the condition and uses of district building space.
- To assess whether the District managed its food service program appropriately and whether it functioned efficiently, auditors reviewed fiscal year 2012 food service revenues and expenditures, including labor and food costs; compared costs to peer districts'; reviewed

the Arizona Department of Education's food service-monitoring reports; reviewed the District's fiscal year 2012 food service management contract and point-of-sale system reports; and observed food service operations.

- To assess whether the District managed its transportation program appropriately and whether it functioned efficiently, auditors reviewed and evaluated required transportation reports, driver files, bus maintenance and safety records, bus routing, and bus capacity usage. Auditors also reviewed fiscal year 2012 transportation costs and compared them to peer districts'.
- To assess whether the District was in compliance with Proposition 301's Classroom Site Fund requirements, auditors reviewed fiscal year 2012 expenditures to determine whether they were appropriate and if the District properly accounted for them. No issues of noncompliance were identified.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The Auditor General and her staff express their appreciation to the Santa Cruz Valley Unified School District's board members, superintendent, and staff for their cooperation and assistance throughout the audit.

DISTRICT RESPONSE

DISTRICT RESPONSE



August 25, 2015

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

Attn: Ms. Debra Davenport, Auditor General
Ms. Vicki Hanson –Manager School Audits

Re: SCVUSD No. 35 Performance Audit – FY12

Dear Ms. Davenport and Ms. Hanson,

Santa Cruz Valley Unified School District No. 35 respectfully submits our response to the Performance Audit conducted by the Auditor General for fiscal year 2012. First, I would like to recognize and commend Ms. Hanson and her staff for their professionalism and cooperation as we worked together to complete this Performance Audit. We appreciate their guidance and recommendations to improve our performance.

We also appreciate the recognition that our student achievement was on par with our peers as the District received an "A" from the Arizona Department of Education Accountability System. We also believe that it was significant that our District's per pupil administrative costs were much lower than peer Districts'. We believe that this verifies Santa Cruz Valley Unified School District No. 35's commitment to fiscal responsibility and student achievement.

We also understand that despite our overall positive findings, it is important for us to continue to review our practices and improve. Santa Cruz Valley Unified School District No. 35 is committed to being excellent stewards of public funds. We intend to implement all recommendations of the Performance Auditors to ensure we are performing in the most effective and efficient manner.

Sincerely,

David Y. Verdugo
Superintendent

David Y. Verdugo
Superintendent

Stephen Schadler
Assistant Superintendent

Finding 1: Inadequate computer controls increased risk of errors and fraud

District Response: The District recognizes the importance of having in place adequate computer controls to limit errors and fraud. The District agrees with the recommendations as presented.

Recommendation 1: The District should implement and enforce stronger password requirements related to length, complexity, and expiration.

District Response: The District agrees with finding and accepts recommendation. Policy was strengthened to include the following parameters: Enforce password history, maximum password age, minimum password age, minimum password length, and password must meet certain complexity requirements

Recommendation 2: The District should limit employees' access to only those accounting system functions needed to perform their work to ensure that no single employee can complete transactions without an independent review.

District Response: The District agrees with finding and accepts recommendation. To ensure segregation of duties and to strengthen internal controls the District will transition the administration of the accounting system functions to another department within the District Office.

Recommendation 3: The District should eliminate or minimize generic user accounts for its network and critical systems and properly control any generic accounts that are considered necessary by disabling them when not in use.

District Response: The District agrees with finding and accepts recommendation. Generic accounts have been eliminated. All students and staff are given unique accounts to access the local network. Accounts assigned to vendors who service the District are disabled when not being used on an active open ticket with the vendor.

Recommendation 4: The District should promptly remove employee computer network access upon termination of employment.

District Response: The District agrees with finding and accepts recommendation. A direct line of communication was established by Human Resources to notify IT of employees that no longer are employed ensuring that these accounts are disabled or deleted.

Recommendation 5: The District should develop a method to ensure that security incidents are detected in a timely fashion.

District Response: The District agrees with finding and accepts recommendation. The District's IT personnel is now performing periodic monitoring of systems for security breaches and are instructed to document and catalog security incidents. District is now actively promoting security awareness within the District to help prevent incidents from occurring. IT personnel performs periodic support system and network auditing. IT personnel continuously research and learn about new vulnerabilities and attack strategies employed by attackers and research new software patches. District employs

a WSUS server to deploy the latest security patches. The District now employs a CISCO call manager that alerts district management in the event of a 911 call placed within the District. CISCO equipment is configured to notify the IT manager in the event of an interruption or outage of the call number.

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

District Response: The District agrees finding and accepts recommendation. The District implemented a formal IT disaster recovery plan which includes periodic tests of backup data.

Other Findings 1: Interest charges incurred because of partial payments

District Response: In the event the District does not receive supporting documentation from employees in a timely manner, the District will process payment on time to prevent any interest charges. The District will follow up with employees to collect any necessary supporting documentation.

Recommendation: The District should ensure that it pays credit card balances in full each billing cycle to avoid interest charges.

District Response: District agrees with finding and will follow recommendation.

Other Findings 2: District did not accurately report its costs

District Response: The District will conduct internal coding reviews on a regular basis to ensure coding is in accordance with the Uniform Chart of Accounts.

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

District Response: District agrees with finding and will follow recommendation.

