



Sonoita Elementary School District
Elgin School
23 Elgin Rd
Elgin, AZ 85611
(520) 455-5514 Fax (520) 455-5516
Daniel R. Erickson, Superintendent

August 18, 2025

Lisa S. Parke
Walker & Armstrong
1850 N. Central Ave., Suite 400
Phoenix, AZ. 85004

Dear Ms. Parke,

Sonoita Elementary School District #25 has received and carefully reviewed the Fiscal Year 2023 Performance Audit Report prepared by Walker & Armstrong. We accept the findings and recommendations outlined in the report. Of the 15 recommendations provided, several have already been implemented, and we are actively working to complete the remaining items.

Our District remains committed to delivering the highest quality education to our students in a safe and secure environment, maintaining an efficient and supportive workplace for our employees, and serving our constituents and community as responsible stewards of public funds. We will continue to work diligently to implement the audit recommendations and to remain current with compliance updates and future requirements.

We extend our sincere appreciation to Walker & Armstrong and their audit team for their thorough work and professional guidance throughout this process. Your team's expertise and support have been instrumental in strengthening the District's operations.

Sincerely,

Daniel R. Erickson
Superintendent/Principal
Sonoita Elementary School District #25
23 Elgin Rd., Elgin, AZ. 85611
520-455-5514

Finding 1: District lacked important internal controls over cash and some purchases and did not follow requirements in other areas, increasing the risk for errors, misuse, and fraud.

District Response: The finding is agreed to.

Recommendation 1: Develop and implement policies and procedures for cash receipts and disbursements that include: limiting access to the accounting system or implementing a review process to detect improper transactions or errors; reconciling deposits to cash receipts; requiring 2 individuals to open mail and prepare/sign a log of cash receipts; separating duties related to accounting system access, check signing, and bank reconciliations; and requiring dual authorization for bank transfers.

District Response: The audit recommendation will be implemented.

Response explanation: Upon being made aware of the deficiency, the District modified its policies and procedures to allow further separation of duties in business operations, cash reconciliations and mail receipt and handling.

Recommendation 2: Develop and implement policies and procedures to ensure that transactions made by its superintendent, including travel requests, are approved in advance, and ensure that the superintendent's credit card and travel expenses are specifically identified for final Board approval.

District Response: The audit recommendation will be implemented.

Response explanation: The District has implemented this recommendation after being notified of the deficiency.

Recommendation 3: Immediately terminate the employment of any Board member to comply with State law.

District Response: The audit recommendation will be implemented.

Response explanation: The District no longer employs Board members.

Recommendation 4: Provide additional training to Board members and staff on statutory conflict-of-interest requirements, including employment, disclosure, and recusal obligations, and document the training provided.

District Response: The audit recommendation will be implemented.

Response explanation: Subsequent to the audit the District implemented a policy and performed an in depth annual Board training on the recommended subject content.

Finding 2: District's excessive access to its sensitive computerized data and other IT deficiencies increased the risk of unauthorized access to its critical systems and sensitive information, errors, fraud, and data loss.

District Response: The finding is agreed to.

Recommendation 5: Require access controls restricting the ability of users to share, copy, or download documents, and to track and monitor cloud-based storage activity, and investigate any unusual activities that are identified.

District Response: The audit recommendation will be implemented.

Response explanation: Upon being notified of the data share, the District worked with our IT department, all access to external data sharing has been blocked. The District worked with the employee, IT department and the Superintendent to address the incident. The District reviewed data sharing policy/procedure with all staff at all staff meeting in Oct. 2024.

Recommendation 6: Assign and periodically review user access to the District's cloud-based storage, accounting information, and student information systems to ensure users have access to only those functions needed to perform their assigned duties. If separation of duties is not feasible due to limited staffing, the District should implement other controls such as a process for a supervisor to regularly review information such as transaction details, system logs, and activity reports, as required by the USFR.

District Response: The audit recommendation will be implemented.

Recommendation 7: Centrally manage user access and enforce security policies across all devices, including strong password requirements that align with credible industry standards.

District Response: The audit recommendation will be implemented.

Recommendation 8: Develop and provide training to users on IT security topics, such as password management, session timeouts, login attempt restrictions, and requirements to store all sensitive data on the District's approved cloud-based storage system; and document the training provided.

District Response: The audit recommendation will be implemented.

Recommendation 9: Immediately disable or remove all unnecessary user accounts in its cloud-based storage and student information systems and implement a review process to ensure access to all systems is removed immediately when an employee or vendor service is terminated.

District Response: The audit recommendation will be implemented.

Response explanation: Upon being notified of the deficiency, the District removes all access to systems upon termination.

Recommendation 10: Protect sensitive computerized systems and data by evaluating and implementing appropriate security measures for its wireless and internal network.

District Response: The audit recommendation will be implemented.

Recommendation 11: 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 deficiencies and document the test results.

District Response: The audit recommendation will be implemented.

Finding 3: District did not oversee its outsourced transportation services, increasing the risk of student safety concerns, reporting errors, and fraud.

District Response: The finding is agreed to.

Recommendation 12: Develop and implement policies and procedures to oversee and routinely evaluate compliance with transportation laws and regulations for services provided through its transportation IGA, including verifying bus driver credentials, ensuring required drug testing is conducted, and confirming that buses and vehicles used to transport students meet Minimum Standards.

District Response: The audit recommendation will be implemented.

Recommendation 13: Develop and implement a process for routinely verifying the accuracy of student transportation counts and route mileage data provided by Patagonia UHSD before submitting reports to ADE to ensure accurate funding calculations.

District Response: The audit recommendation will be implemented.

Recommendation 14: Evaluate its transportation IGA to determine whether it fully addresses issues such as access to records for compliance reviews and whether changes are warranted to the amount the District pays for transportation services.

District Response: The audit recommendation will be implemented.

Recommendation 15: Develop and provide annual training to responsible District staff on transportation program requirements and oversight responsibilities.

District Response: The audit recommendation will be implemented.

