



Ganado Unified School District No. 20

Post Office Box 1757 - Ganado, Arizona 86505

Telephone: 928.755.1000 ▪ Fax: 928.755.1012

District Website: www.ganado.k12.az.us

October 2, 2023

Lindsey Perry
Auditor General
2910 N. 44th St., 410
Phoenix, AZ 85018


Ms. Lindsey Perry,

Ganado Unified School District #20 has received and reviewed the Fiscal Year 2021 Performance Audit Report. The District would like to share our appreciation to the audit team and the professionalism while conducting the audit. After review and reflection, the District agrees with the findings and recommendations.

The District has or is implementing the recommendations and will work diligently to improve the processes and procedures as provided in the findings and look forward to working with and learning from the team in the follow-up period.

Please find attached the District's response to each finding and recommendation.

Respectfully,


Dr. Leandra Thomas,
GUSD Superintendent

Audit Scope Limitation: District failed to maintain required accounting records, limiting the scope of our review of payroll, purchasing, and cash-handling documentation and procedures, and increasing the risk of undetected fraud, waste, and misuse.

Recommendation 1: The District should comply and cooperate with the Auditor General's Office, including providing timely and complete information requested for audit followups, special studies and reviews, and status reviews on USFR compliance.

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

Response explanation: The District is implementing the requirement of additional documentation to support transactions. Safeguarding of accounting records is being implemented.

Recommendation 2: The District should submit its annual financial statement audit and compliance questionnaires to the Auditor General's Office by March 31 each year, as required.

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

Response explanation: The District is working with the Auditors to complete the current audit process in a timely manner so the reports are submitted by March 31.

Recommendation 3: The District should update its CAP to ensure it adequately addresses the significant deficiencies identified, including what actions have been taken to correct the deficiencies, the date the process was implemented, and the results of the District's review of transactions processed under the newly implemented process. Additionally, the District should ensure it timely submits its completed CAP to the Auditor General's Office as required.

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

Response explanation: The District is assuring that the leadership team involved are aware of their role in correcting the deficiencies.

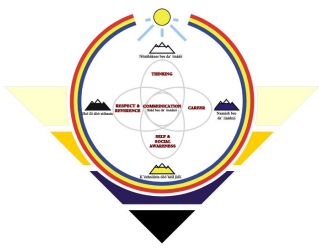
Recommendation 4: The District should comply with USFR requirements and increase its accountability and transparency by maintaining adequate supporting documentation for its payroll, purchasing, and cash-handling procedures and transactions.

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

Response explanation: The District will conduct an annual USFR training for all staff involved in cash collection, deposit, and review.

Finding 1: District held Governing Board meetings out of town, limiting public access and wasting more than \$48,000 of public monies on unnecessary travel expenses.

Recommendation 5: The District should consult with legal counsel and the Arizona Attorney General's Office to ensure that any District actions taken contrary to open meeting laws are appropriately addressed to be made valid.



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

Response explanation: The District will monitor and implement keeping meetings within the school district campus.

Recommendation 6: The District should discontinue holding Board meetings outside the District's boundaries, which is contrary to open meeting law and an unnecessary expense to the District.

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

Response explanation: The District will plan to keep all Board meetings within the school grounds to keep all meetings available to the public.

Recommendation 7: The District should develop and implement Board meeting policies and procedures, including the locations selected outside the District's boundaries for conducting public meetings and the content of public meeting agendas, in consultation with legal counsel, to ensure all Board meetings comply with open meeting law and are accessible to the public.

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

Response explanation: The District will work with legal to ensure options to comply with open meeting law in making meetings accessible to the public.

Recommendation 8: The District should implement procedures to ensure that all travel expenditures and reimbursements are planned using the most reasonable and economic means and do not exceed ADOA-established maximum rates in accordance with District policy, and follow USFR requirements.

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

Response explanation: The District will implement all travel procedures to ensure compliance with the ADOA established rates.

Finding 2: District operated its schools far below capacity, using at least an estimated \$353,000 annually that may have been effectively used for other priorities such as improving student achievement.

Recommendation 9: The District should evaluate how it utilizes building space at its schools and determine and implement ways to reduce it, including considering whether to consolidate school

*"Our Mission is to Ensure All Students a Quality Education and Strengthen Diné Cultural Values for Life-long Learning"
"Our Vision is to be a Professional Learning Community that Focuses on All Students Exceeding Educational Expectations"*

operations in order to increase its operating capacity to a more efficient level and focus more of its resources on other district priorities like improving its student achievement.

District Response: The finding of the Auditor General is agreed to, and the audit recommendation will not be implemented this year.

Response explanation: Further discussions will need to happen with stakeholders within the community.

Finding 3: District did not systematically perform school bus preventative maintenance, putting student safety at risk.

Recommendation 10: The District should develop and implement a formal, written school bus preventative maintenance policy in accordance with DPS' Minimum Standards that outlines what specific preventative maintenance activities will be completed in addition to oil changes and states at what mileage and time frame preventative maintenance will be completed.

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

Response explanation: The District has implemented this recommendation and continues to monitor the process. Fuel logs, oil maintenance log, parts inventory reports have been implemented. The District has implemented a daily checklist for all bus drivers to follow.

Recommendation 11: The District should maintain sufficient documentation to demonstrate that it is following its formal, written school bus preventative maintenance policy in accordance with DPS' Minimum Standards.

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

Response explanation: The District will implement a process for sufficient documentation of following the school bus preventative maintenance policy.

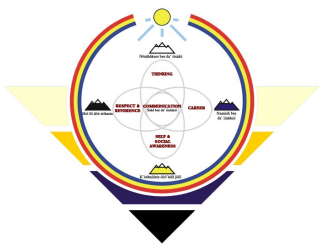
Finding 4: District's excessive access to its sensitive computerized data and other IT deficiencies increased risk of unauthorized access to sensitive information, errors, fraud, and data loss.

Recommendation 12: The District should implement and enforce strong password requirements that align with credible industry standards to decrease the risk of unauthorized persons gaining access to sensitive District information and disrupting operations.

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

Response explanation: The District has implemented this recommendation and continues to monitor the process.

Recommendation 13: The District should develop and implement policy and procedures to review the District's password standards against industry password standards at least annually.



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

Response explanation: The District has implemented a preventative maintenance plan. IT has a plan for all IT personal new and returning Standard Operating Procedures.

Recommendation 14: The District should review and reduce the number of users with administrator-level access to its critical systems to only those individuals with a business need for administrator-level access.

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

Response explanation: The District is reviewing and will reduce the number of users with administrator-level access.

Recommendation 15: The District should develop and implement a formal process to regularly perform, at least annually, detailed reviews of administrative and user accounts and assessing their access level and need for network and critical systems access to ensure that access level was appropriate and access was promptly disabled when it was no longer needed, including for terminated employees.

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

Response explanation: The District is reviewing it's user access procedures to include regular reviews of access to network and critical systems.

Recommendation 16: The District should upgrade its IT equipment to supported versions to decrease the risk of vulnerabilities and unauthorized access to the District's network and systems.

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

Response explanation: The District has implemented this recommendation and continues to monitor the process. New software to assist detection and greater protection to vulnerabilities will be upgraded as new detections occur.

Recommendation 17: The District should develop and implement policies and procedures to ensure their computer and network infrastructure are properly maintained and up to date.

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

Response explanation: The District has implemented this recommendation and continues to monitor the process.

Recommendation 18: The District should establish and implement procedures for collecting and monitoring logs of critical IT system activities to be able to track events on IT systems and to detect malicious activity in a timely manner.

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

Response explanation: The District has implemented this recommendation and continues to monitor the process. IT department has weekly and monthly reports as needed through the system to track and detect malicious activity.

Recommendation 19: The District should establish and implement a District policy to conduct mandatory employee security awareness training at least annually.

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

Response explanation: The District will establish and implement a policy to conduct mandatory employee security awareness training annually.

Recommendation 20: The District should develop and implement an IT contingency plan that meets USFR requirements and credible industry standards and perform documented tests against the plan, at least annually, to identify and remedy any deficiencies.

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

Response explanation: The District is looking at developing and implementing an IT contingency plan that meets USFR requirements and other credible industry standards.