



Office of the Superintendent

June 17, 2013

Debra K. Davenport, C.P.A.
Auditor General
State of Arizona Office of the Auditor General
2910 North 44th Street, Suite 410
Phoenix, AZ 85018

Dear Ms. Davenport,

The District has received your letter and draft preliminary report of the Chino Valley Unified School District performance audit dated June 11, 2013.

We want to thank your staff for their professionalism and interest in making Chino Valley USD a better and more efficient entity. Your office has helped the District work towards its continued goal of being good stewards of the public funds entrusted to the District.

Attached is the District's response to the findings and recommendations as outlined in the preliminary report. You will find that the District concurs with the findings of the audit team. In addition, the District has already implemented some of the recommendations and is working on implementing the remainder.

If you should have any questions regarding the responses provided by the District, please do not hesitate to contact us.

Sincerely,

H. Duane Howard
Superintendent

Cc: Governing Board

FINDING 1

The District had slightly higher administrative costs and lacks sufficient computer controls to adequately protect sensitive information.

Response

The District concurs with this finding and will implement the recommendations as outlined below.

Recommendation 1

The District should review its administrative staffing levels and determine if they can be modified to produce cost savings.

Response

The District has and will continue to implement this recommendation as stated. Since fiscal year 2011 the District has reduced its district office level administrative staff by three FTE's. In addition, since fiscal year 2011 two site based administrative positions have been reclassified to lower positions.

Recommendation 2

The District should review employee access to the accounting system and modify access to ensure that an employee cannot initiate and complete a transaction without independent review and that each employee has only the access necessary to meet their job responsibilities.

Response

The District will implement this recommendation as stated by reviewing the responsibilities of each employee that has access to the accounting system and modify the user roles within the accounting system to match those responsibilities.

Recommendation 3

The District should review and reduce the number of users with administrator-level access to its network and student information system.

Response

The District will implement this recommendation as stated by reviewing the responsibilities of each employee that has access to the network and student information system and modify the user roles to match those responsibilities.

Recommendation 4

When granting employees the ability to access its computer network and systems remotely, the District should ensure that each employee uses a unique username and password. In addition, the District should maintain documentation of all employees who can access the District's computer network and systems remotely.

Response

The District will implement this recommendation as stated.

Recommendation 5

The District should establish and implement policies and procedures for monitoring and reviewing users' activities on critical systems.

Response

The District will implement this recommendation as stated.

Recommendation 6

In addition to its recent implementation of password requirements related to length and complexity, the District should ensure that passwords are known only to the employees who create them by requiring employees to change their passwords immediately after they are initially assigned. Further, employees should be required to change their passwords every 90 days.

Response

The District will implement this recommendation with a modification. The District already requires employees to change their passwords upon initial logon to the network and other critical systems. The District has implemented a procedure to require employees to change their passwords every 180 days.

Recommendation 7

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

Response

The District will implement this recommendation as stated.

FINDING 2

District needs to strengthen controls over fuel cards.

Response

The District concurs with this finding and has implemented the recommendations as outlined below.

Recommendation 1

The District should better track fuel card assignments by maintaining accurate, up-to-date logs.

Response

The District has implemented this recommendation as stated.

Recommendation 2

The District should ensure that each employee assigned a fuel card has a confidential PIN and that PINs are no longer written on the fuel card holder envelopes.

Response

The District has implemented this recommendation as stated.

Recommendation 3

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

Response

The District has implemented this recommendation as stated.

Recommendation 4

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

Response

The District has implemented this recommendation as stated.

OTHER FINDINGS

District did not accurately report costs.

Recommendation

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

Response

The District has implemented this recommendation as stated.