



# MINGUS UNION HIGH SCHOOL DISTRICT NO. 4

1801 East Fir Street  
Cottonwood, AZ 86326  
928-634-7531  
[www.mingusunion.com](http://www.mingusunion.com)



October 21, 2020

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

Dear Ms. Perry,

Mingus Union High School District No. 4 has received and reviewed the FY19 Performance Audit Report. The Mingus District appreciates the thoroughness, patience, and diligence of the entire audit team and values the opportunity to improve the operations of our district by complying with the audit recommendations.

We agree with all the findings and recommendations in the audit and will act to implement all of the recommendations provided.

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

Sincerely,

Mike Westcott, M. Ed., M. A. T.  
Superintendent  
Mingus Union High School District No. 4

---

#### Governing Board

Ms. Carol Anne Teague, President  
Mrs. Lori Drake, Vice President  
Mr. Anthony Lozano  
Mr. Stephen Currie  
Mr. Greg Roeller

**Superintendent**  
Mr. Mike Westcott  
928-634-8640

**Finance Director**  
Ms. Lynn Leonard  
928-634-2941

**Finding 1:** District did not have support for waiving some student fees and its review did not verify they were approved, thereby not ensuring all monies that should have been collected were collected and deposited, increasing risk of errors and fraud

District Response: The District agrees with the finding.

The District did have a practice of waiving fees without a specific procedure and that has been corrected as outlined below.

**Recommendation 1:** The District should ensure that all monies that should be collected through its bookstore are in fact collected and deposited by:

**Recommendation 1a:** Developing and obtaining governing board approval for policies and procedures that provide specific criteria for waiving or reducing student fees for economic hardships in accordance with A.R.S. §15-342, paragraph 2, and require documented approval of student fee waivers by appropriate District staff.

District Response: The District agrees with the recommendation and will implement the recommendation.

On June 18, 2020 the Governing Board approved policy JQ-EC to allow the Principal to authorize student fee waivers. Any future requests will require the "Fee Hardship Waiver Application" be completed and submitted before fees are waived. This form requires the Principal and Business Manager approval.

**Recommendation 1b:** Requiring a second employee to review detailed daily bookstore purchase and fee payment transaction reports, including all printed receipts, cash collection forms, and documented explanations and approvals of any \$0 transactions and reconcile deposits to these reports to verify that all monies that should be collected through the bookstore have been collected and deposited.

District Response: The District agrees with the recommendation and will implement the recommendation.

Although the performance audit did not discover any fraud in the Bookstore and the finding relates to less than 0.09% of the bookstore transactions for a total amount of \$503, the Business Manager will review any \$0 transactions on a monthly basis.

**Finding 2:** District did not adequately protect its sensitive computerized data, which increased risk of unauthorized access to sensitive information, errors, fraud, and data loss

District Response: The District agrees with the finding.

The District is reviewing and implementing strategies which will ensure the protection of sensitive computerized data, including off-site storage and backup of sensitive data and stringent password requirements.

**Recommendation 2:** The District should protect its sensitive computerized data by:

**Recommendation 2a:** Reviewing industry password standards at least annually and implementing and enforcing strong network password requirements consistent with

credible industry standards to decrease the risk of unauthorized persons gaining access to sensitive District information.

District Response: The District agrees with the recommendation and will implement the recommendation.

Password standards will be reviewed on an ongoing basis and industry standards will be implemented.

**Recommendation 2b:** Reviewing and reducing the number of users with administrator-level access to its accounting system to reduce the risk of unauthorized access.

District Response: The District agrees with the recommendation and will implement the recommendation.

The District now conducts a regular review of administrative-level users.

**Recommendation 2c:** Limiting users' access in the accounting system to only those accounting system functions needed to perform their job duties, including transferring administrator-level access to someone outside of the business office.

District Response: The District agrees with the recommendation and will implement the recommendation.

The District has reviewed employee roles in relation to their responsibilities and user access in the accounting system. Additionally, the District will transfer the administrator-level access to the IT Manager.

**Recommendation 2d:** Reviewing its IT contingency plan to ensure it is complete, testing it at least annually to identify and remedy any deficiencies, and documenting the results of the test.

District Response: The District agrees with the recommendation and will implement the recommendation.

The IT contingency plan is reviewed annually and will continue to get Governing Board approval after the annual review. The District will ensure that the plan is complete by updating it with all missing key components before the next annual review. Tests of the plan will be made at least annually and deficiencies will be corrected in a timely manner.

**Finding 3:** District produced more meals than it served, costing it an estimated \$32,400 in fiscal year 2019

District Response: The District agrees with the finding.

The introduction of Power Hour in Fiscal Year 2019 had an unforeseen negative impact on lunch participation in the cafeteria. The District has made many changes to their lunch

program to minimize the reduction in participation. This multi-step process resulted in a significant increase in revenues prior to the closure of the school due to COVID-19.

**Recommendation 3:** The District should reduce meal overproduction by:

**Recommendation 3a:** Regularly reviewing meal production records and making menu changes based on participation levels and popularity of items.

District Response: The District agrees with the recommendation and will implement the recommendation.

The District regularly reviews the menus and popularity of the items. A student survey was planned prior to the school closure and once normal meal service resumes, we will survey students on likes and dislikes in the cafeteria.

**Recommendation 3b:** Collecting lunch order counts each morning in classrooms and basing meal production on these counts.

District Response: The District agrees with the recommendation and will implement the recommendation.

The District has recently implemented the procedure of collecting lunch order counts each morning in classrooms and will base meal production on these counts.

**Recommendation 4:** The District should research practices of other high school food service programs in Arizona and other states and determine and implement practices that would work well with the District's food service program and student population and result in increased meal participation and reduced meal overproduction.

District Response: The District agrees with the recommendation and will implement the recommendation.

The District contacted other high school food service programs in December 2019. Based on those conversations, the District increased its a la carte offerings. This was highly successful prior to in-person school closing for the COVID-19 pandemic. The high schools the District contacted all had closed campuses. Having an open campus for Juniors and Seniors presents obstacles to lunch participation. In addition, the impact of Power Hour allowing students a full hour for lunch has been addressed. Beginning in October 2020, the bell schedule has been modified, and although it still allows the students an hour, there are two distinct lunch periods and required intervention to minimize off-campus availability.