

Mayer Unified School District

District's noncompliance with important requirements and standards put public monies and sensitive information at increased risk of errors and fraud and also put student safety at risk by using unallowable vehicles, not systematically performing bus maintenance, and not ensuring that drivers met all certification requirements

Performance Audit

May 2021
Report 21-204

A Report to the Arizona Legislature

Lindsey A. Perry
Auditor General





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May 18, 2021

Members of the Arizona Legislature

The Honorable Doug Ducey, Governor

Governing Board
Mayer Unified School District

Mr. Dean Slaga, Superintendent
Mayer Unified School District

Transmitted herewith is a report of the Auditor General, *A Performance Audit of Mayer Unified School District*, conducted pursuant to Arizona Revised Statutes §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 the findings and recommendations and plans to implement all the recommendations.

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

Sincerely,

Lindsey A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

Mayer Unified School District

District's noncompliance with important requirements and standards put public monies and sensitive information at increased risk of errors and fraud and also put student safety at risk by using unallowable vehicles, not systematically performing bus maintenance, and not ensuring that drivers met all certification requirements

Audit purpose

To assess the District's spending on administration, plant operations and maintenance, food service, and transportation and its compliance with certain State requirements.

Key findings

- District did not properly separate food service program cash donation collection duties to ensure all cash collected was deposited.
- District did not reconcile other cash collected at its schools.
- District did not align network passwords with credible industry standards, putting sensitive information at risk.
- District assigned some employees too much access to its accounting system.
- District transported students in unallowable vehicles with fewer safety features than regular school buses.
- District did not systematically perform school bus preventative maintenance nor keep bus maintenance records.
- District could not demonstrate that its bus drivers met all certification requirements.

Key recommendations

The District should:

- Ensure all cash collected is deposited and used for its intended purpose by separating cash-handling responsibilities; requiring and monitoring that the food service employee issues prenumbered receipts for donations and that a different employee reconciles receipts to amounts deposited and applied to unpaid student meal accounts; reconciling school cash collections to prenumbered receipts; reviewing all voided receipts; and providing training on *Uniform System of Financial Records for Arizona School Districts* requirements.
- Protect its sensitive computerized data by reviewing industry standards at least annually and implementing and enforcing strong network password requirements consistent with credible industry standards and limiting users' access in the accounting system to only those system functions needed to perform their job duties.
- Discontinue using unallowable vehicles to transport students and explore other appropriate options.
- Establish and implement a formal written policy regarding bus preventative maintenance and document this maintenance systematically and on schedule.
- Develop and implement procedures to ensure that bus driver certification requirements are met and documented.



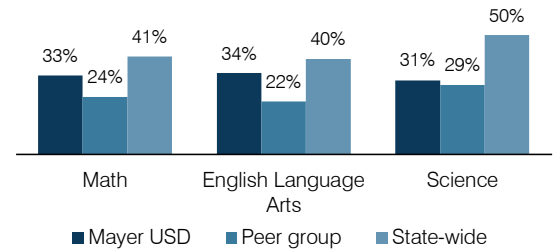
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Rural district in Yavapai County
Grades: Kindergarten through 12th
Students attending: 487
Number of schools: 2
School letter grades: 1 B, 1 C
Graduation rate: 89%

Students who passed State assessments



Total operational spending—\$5.8 million (\$11,936 per pupil)

Instructional—51.1% (\$6,098 per pupil)

Noninstructional—48.9% (\$5,838 per pupil)

Operational overview	Measure	Mayer USD	Peer average
<p>Administration—lower spending than peers’ but public monies and sensitive information at risk</p> <p>The District spent less per pupil on administration than its peer districts, on average, primarily because it served more students, and therefore, its administrative costs were spread across more students. However, the District’s noncompliance with important cash-handling and information technology requirements and standards put public monies and sensitive information at risk (see Finding 1, page 2).</p>	Spending per pupil	\$1,494	\$1,750
<p>Plant operations—spending measures mixed compared to peers’ and no reported findings</p> <p>The District’s cost per square foot was higher than the peer districts’ average, while its cost per pupil was lower, primarily because the District operated and maintained 23 percent fewer square feet per student than the peer districts, on average. Districts that operate substantially fewer square feet per student tend to have higher costs per square foot due to higher usage. We did not report any findings in this area.</p>	Spending per square foot	\$5.71	\$5.35
	Spending per pupil	\$1,386	\$1,697
<p>Food service—lower/similar spending and no reported findings</p> <p>The District spent less per meal and a similar amount per pupil on its food service program compared to its peer districts’ averages. We did not report any findings in this area.</p>	Spending per meal	\$3.48	\$3.77
	Spending per pupil	\$551	\$545
<p>Transportation—spending measures mixed compared to peers’, but student safety at risk</p> <p>The District’s spending per mile was higher than its peer districts’ average, and its spending per rider was lower. However, the District used unallowable vehicles to transport students, did not systematically perform school bus maintenance, and did not ensure its bus drivers met all certification requirements, putting student safety at risk (See Finding 2, page 5).</p>	Spending per mile	\$2.48	\$2.20
	Spending per rider	\$1,532	\$1,962



District's noncompliance with important requirements and standards put public monies and sensitive information at an increased risk of errors and fraud

The District did not comply with important requirements and standards in 2 areas. Specifically, (1) the District did not comply with cash-handling requirements, putting public monies at risk of errors and fraud, and (2) the District did not comply with information technology (IT) standards, putting sensitive computerized information at risk of unauthorized access, errors, fraud, and data loss.

Issue 1: District's noncompliance with cash-handling requirements put public monies at risk of errors and fraud

District did not properly separate food service program cash donation collection duties to ensure that all cash collected was deposited

In fiscal years 2019 and 2020, the District's food service department solicited cash donations to pay off overdue student meal accounts, but it did not properly separate cash collection duties to ensure that all cash collected was deposited. The *Uniform System of Financial Records for Arizona School Districts* (USFR) requires districts to establish procedures to ensure all cash received is accurately reported and supported by appropriate documentation. These procedures should include steps to keep the cash-handling and recordkeeping functions separated and ensure receipts are prepared for all cash received. However, 1 employee in the District's food service department was responsible for collecting and depositing the donations, as well as applying the monies to student accounts, and District Office or other staff were not involved in or monitoring the process. Having 1 employee solely responsible for collecting and depositing cash increases the risk that collected cash would not be deposited, and the issue could go undetected. Additionally, the food service employee did not issue prenumbered receipts for the donations collected and did not submit documentation to the District Office showing which student meal accounts received donations. Without this supporting documentation, it is impossible for District Office staff to verify that all cash collected was deposited and used for its intended purpose, exposing the District to an increased risk of errors and fraud. Based on cash reports prepared by the employee responsible for collecting and depositing the donations, these donations totaled \$50 in fiscal year 2019 and \$860 in fiscal year 2020.¹ However, because the District did not issue receipts for the donations, we were unable to verify that all the donation monies collected were deposited and applied to student meal accounts.

¹ The District began actively soliciting cash donations at the end of fiscal year 2019. The District employee documented receiving 3 donations totaling \$50 for the fiscal year.

District Office did not reconcile other cash collected at its schools

In fiscal years 2019 and 2020, school staff collected cash for various purposes, including student fees for class and club activities and preschool tuition, which they then brought to the District Office for deposit. As previously stated, the USFR requires districts to establish procedures to ensure all cash received is accurately reported and supported by appropriate documentation. These procedures should include steps to ensure receipts are prepared for all cash received and a review of the receipts for completeness and accuracy, as well as their reconciliation to the accompanying cash received. However, although school staff issued receipts for cash from prenumbered receipt books and provided copies of these receipts with the cash to the District Office, the District Office did not reconcile all receipts to the cash to ensure that all cash collected at the schools was deposited at the District Office. District Office staff said they were not aware that a reconciliation should have been completed.

Further, our review of documentation for 182 cash collections at one of the schools totaling \$26,369 from fiscal years 2019 and 2020 identified 19 voided receipts totaling \$1,222. However, the District Office did not obtain documentation verifying the appropriateness of the voided receipts.² By not reconciling receipts to cash collections and following up on any voided receipts to ensure their appropriateness, the District failed to verify that all cash collected by school staff was deposited, exposing the District to an increased risk of errors and fraud.

Recommendation

1. The District should ensure that all cash collected is deposited and used for its intended purpose by:
 - a. Separating responsibilities of collecting, depositing, and recording food service program donations among more than 1 employee.
 - b. Requiring and monitoring that the food service employee issues prenumbered receipts for all food service program donations and that a different employee reconciles receipts to amounts deposited and applied to unpaid student meal accounts.
 - c. Reconciling school cash collections to prenumbered receipts.
 - d. Reviewing all voided receipts for appropriateness.
 - e. Providing training on USFR requirements to food service and District Office staff involved in cash collections at least annually.

District response: As outlined in its [response](#), the District agrees with the finding and recommendation and will implement the recommendation.

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

District did not align network passwords with credible industry standards, putting sensitive information at risk

The District's network password requirements and settings as of April 2020 were not aligned with credible industry standards, such as those developed by the National Institute of Standards and Technology (NIST). As a result, the District increased its risk that unauthorized individuals could access sensitive District information, such as District accounting data. District officials indicated that they were unaware that their password requirements did not meet industry standards.

² During the audit, at our request, District Office staff obtained documentation from school employees that supported the appropriateness of the voided receipts.

District assigned some employees too much access to its accounting system

Our April 2020 review of accounting system access levels for the District's 3 business office users found that 2 users' access allowed them to be able to initiate and complete payroll and purchasing transactions without another employee reviewing and approving the transactions. In addition, the District granted administrator-level access to its accounting system to these same 2 business office employees, which gave them full control over accounting system settings, such as the ability to add new users and modify the level of access users have in the accounting system, including granting themselves full access to view and edit all data in the accounting system. According to credible industry standards developed by NIST, users should be assigned only the access necessary to accomplish assigned tasks. Further, the USFR requires that districts limit users' access to information and restrict the types of access to only what is necessary for them to carry out their assigned duties. According to District officials, the District granted additional accounting system access to these employees because of a change in their assigned job duties. However, users with broad or administrator-level access could process false invoices; change employee pay rates, including their own; or add and pay nonexistent vendors or employees without detection. Although we did not identify any improper transactions, the District did not have a process to ensure that additional access granted to business office employees due to a change in assigned job duties was appropriate.

Recommendation

2. The District should protect its sensitive computerized data by:
 - a. 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.
 - b. 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: As outlined in its [response](#), the District agrees with the finding and recommendation and will implement the recommendation.



District used unallowable vehicles for student transportation, did not systematically perform school bus maintenance, and did not ensure bus drivers met all certification requirements, putting student safety at risk

District transported students in unallowable vehicles with fewer safety features than regular school buses

In fiscal years 2019 and 2020, the District transported students to and from school and on athletic and field trips in 3 white, 15-passenger buses similar to a typical school bus. However, to help ensure student safety, the *Minimum Standards for School Buses and School Bus Drivers* (Minimum Standards) require school buses used to transport students to and from school to have certain safety features, including traffic control signals and certain safety lamps, and require buses to be painted “National School Bus Yellow.” Once a bus is painted white, it no longer meets the Minimum Standards’ requirements for a school bus. Even though these buses are similar to typical school buses, the differences pose an increased risk to student safety. District officials indicated that due to a driver shortage, employees not certified as bus drivers were used to transport students in the white buses because drivers operating white buses do not have to meet certification requirements such as drug and alcohol testing or physical examinations.

Safety risks associated with 3 unallowable white buses District used to transport students



Photo courtesy of Mayer USD.

- They are not required to have certain safety features, such as traffic control signals and required safety lamps, school buses are required to have.
- They are not painted “National School Bus Yellow”—a color that helps ensure student safety by increasing bus visibility.
- Drivers operating white buses do not have to meet any certification requirements, such as drug and alcohol testing or physical examinations.
- They do not receive annual inspections from the Arizona Department of Public Safety.

Additionally, the District sometimes transported students on athletic and field trips in a van designed for 11 passengers, which is not allowed for student transportation because of safety risks associated with it. The National Highway Traffic Safety Administration and the Arizona Department of Public Safety (DPS) have cautioned school districts against using such vans for student transportation because of safety issues. These vans are more prone to rollover accidents and rarely have certain safety features, such as emergency exits and traffic control signals, which school buses are required to have. Further, under federal law, school districts are prohibited from purchasing such vans new for student transportation unless they meet motor vehicle standards prescribed for school buses.³ The District's van does not meet these standards, and similar to drivers operating white buses, van drivers do not have to meet any certification requirements as previously discussed.

District did not systematically perform school bus preventative maintenance nor keep bus maintenance records

Schools districts are required by Minimum Standards to systematically perform and maintain records of school bus preventative maintenance, such as brake and tire inspections, safety feature inspections, and oil changes to ensure school bus passengers' safety and welfare, as well as extend the useful life of buses. District officials indicated that District mechanics perform preventative maintenance on each bus every 10,000 miles or at least once a year. However, our review of the District's fiscal years 2018, 2019, and 2020 bus preventative maintenance records for 8 of the District's 11 school buses found that the District could not demonstrate that it systematically and on schedule performed maintenance on 6 of the 8 buses reviewed (see Table 1). Additionally, for the maintenance that was documented, the mechanics did not record what items they looked at and what work they performed on each bus. The District did not have a bus preventative maintenance policy or monitoring procedures in place to ensure maintenance occurred. By not ensuring it systematically performs and documents required school bus preventative maintenance on schedule, the District is not doing all it can to ensure that its buses are safe for transporting its students and that its buses last.

Table 1

District did not systematically perform preventative maintenance for 6 of 8 sampled buses during fiscal years 2018 through 2020

School bus preventative maintenance status		
Performed	Performed at 11,200 to 22,800 mile intervals	Not performed
2 buses	4 buses	2 buses

Source: Auditor General staff analysis of fiscal years 2018 through 2020 District bus maintenance and repair records for 8 of the District's 11 buses.

District could not demonstrate that its bus drivers met all certification requirements

To further help ensure student safety, the State's Minimum Standards also require school districts to ensure that bus drivers are properly certified and receive random drug and alcohol tests, annual drug tests, physical examinations, physical performance tests, refresher trainings, and CPR and first aid certification. Additionally, the Minimum Standards require that districts maintain documentation to demonstrate that bus drivers met all certification requirements for 2 years from the date of certification. However, the District did not have documentation to demonstrate that 2 of its 7 drivers met the Minimum Standards. Specifically:

- 1 driver's file was missing evidence of refresher training for fiscal year 2018.
- 1 driver's file was missing evidence of a refresher training and a physical performance test for fiscal year 2019.

³ 49 U.S. Code §30112.

Additionally, the District failed to conduct random alcohol tests as required by the Minimum Standards. District officials stated they were unaware that the vendor they used for drug tests did not include alcohol tests as part of its testing process.

According to District officials, previously the District used a process to track when driver certifications were due to report updated certifications to DPS. However, the District reported that it stopped using that process in fiscal year 2019 due to a lack of time. The District not maintaining driver certification documentation could place student safety at risk and increase District liability if an incident compromising student safety occurred.

Recommendation

3. To help ensure student safety, the District should:
 - a. Discontinue using unallowable vehicles to transport students to and from school and on athletic and field trips, and explore other appropriate options for transporting its students, such as requiring all drivers to become certified school bus drivers so they can operate the District's regular school buses.
 - b. Establish and implement a formal written policy that states what school bus preventative maintenance work will be completed at what mileage and time frame and implement monitoring procedures to ensure mechanics perform and document bus preventative maintenance systematically and on schedule in accordance with the District's formal written policy and the State's Minimum Standards.
 - c. Develop and implement procedures to ensure that bus driver certification requirements are met and appropriately documented in accordance with the State's Minimum Standards.

District response: As outlined in its [response](#), the District agrees with the finding and recommendation and will implement the recommendation.



SUMMARY OF RECOMMENDATIONS

Auditor General makes 3 recommendations to the District

1. The District should ensure that all cash collected is deposited and used for its intended purpose by:
 - a. Separating responsibilities of collecting, depositing, and recording food service program donations among more than 1 employee.
 - b. Requiring and monitoring that the food service employee issues prenumbered receipts for all food service program donations and that a different employee reconciles receipts to amounts deposited and applied to unpaid student meal accounts.
 - c. Reconciling school cash collections to prenumbered receipts.
 - d. Reviewing all voided receipts for appropriateness.
 - e. Providing training on USFR requirements to food service and District Office staff involved in cash collections at least annually (see Finding 1, pages 2 through 3, for more information).
2. The District should protect its sensitive computerized data by:
 - a. 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.
 - b. 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 (see Finding 1, pages 3 through 4, for more information).
3. To help ensure student safety, the District should:
 - a. Discontinue using unallowable vehicles to transport students to and from school and on athletic and field trips, and explore other appropriate options for transporting its students, such as requiring all drivers to become certified school bus drivers so they can operate the District's regular school buses.
 - b. Establish and implement a formal written policy that states what school bus preventative maintenance work will be completed at what mileage and time frame and implement monitoring procedures to ensure mechanics perform and document bus preventative maintenance systematically and on schedule in accordance with the District's formal written policy and the State's Minimum Standards.
 - c. Develop and implement procedures to ensure that bus driver certification requirements are met and appropriately documented in accordance with the State's Minimum Standards (see Finding 2, pages 5 through 7, for more information).



Objectives, scope, and methodology

We have conducted a performance audit of Mayer Unified School District pursuant to Arizona Revised Statutes §41-1279.03(A)(9). This audit focused on the District's efficiency and effectiveness primarily in fiscal year 2019 in the 4 operational areas bulleted below because of their effect on instructional spending, as previously reported in our annual report, *Arizona School District Spending*. This audit was limited to reviewing instructional and noninstructional operational spending (see textbox). Instructional spending includes salaries and benefits for teachers, teachers' aides, and substitute teachers; instructional supplies and aids such as paper, pencils, textbooks, workbooks, and instructional software; instructional activities such as field trips, athletics, and co-curricular activities, such as choir or band; and tuition paid to out-of-State and private institutions. Noninstructional spending reviewed for this audit includes the following operational categories:

Operational spending

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

- **Administration**—Salaries and benefits for superintendents, principals, business managers, and clerical and other staff who perform accounting, payroll, purchasing, warehousing, printing, human resource activities, and administrative technology services; and other spending related to these services and the governing board.
- **Plant operations and maintenance**—Salaries, benefits, and other spending related to equipment repair, building maintenance, custodial services, groundskeeping, and security; and spending for heating, cooling, lighting, and property insurance.
- **Food service**—Salaries, benefits, food supplies, and other spending related to preparing, transporting, and serving meals and snacks.
- **Transportation**—Salaries, benefits, and other spending related to maintaining buses and transporting students to and from school and school activities.

Financial accounting data and internal controls—We evaluated the District's internal controls related to expenditure processing and scanned all fiscal year 2019 payroll and accounts payable transactions in the District's detailed accounting data for proper account classification and reasonableness. Additionally, we reviewed detailed payroll and personnel records for 18 of the 124 individuals who received payments in fiscal year 2019 through the District's payroll system and reviewed supporting documentation for 34 of the 1,473 fiscal year 2019 accounts payable transactions. We did not identify any improper transactions. After adjusting transactions for proper account classification, we reviewed fiscal year 2019 spending and prior years' spending trends across operational categories to assess data validity and identify substantial changes in spending patterns. We also evaluated other internal controls that we considered significant to the audit objectives. This work included reviewing the District's policies and procedures and, where applicable, testing compliance with these policies and procedures; reviewing controls over the District's relevant computer systems; and reviewing controls over reporting various information used for this audit. We reported our conclusions on any significant deficiencies in applicable internal controls and the District's needed efforts to improve them in our report findings.

Peer groups—We developed 3 peer groups for comparative purposes. To compare the District’s student achievement, we developed a peer group using district poverty rates as the primary factor because poverty rate has been shown to be associated with student achievement. District type and location were secondary factors used to refine this group. We used this peer group to compare the District’s fiscal year 2019 student passage rates on State assessments as reported by the Arizona Department of Education (ADE). We also reported the District’s fiscal year 2019 ADE-assigned school letter grades and graduation rate. To compare the District’s operational efficiency in administration, plant operations and maintenance, and food service, we developed a peer group using district size, type, and location. To compare the District’s transportation efficiency, we developed a peer group using a 5-year historical average of miles per rider and location. We used these factors because they are associated with districts’ cost measures in these areas.

Comparison areas	Factors	Group characteristics	Number of districts in peer group
Student achievement	Poverty rate District type Location	Greater than 33% Unified school districts Towns and rural areas	19
Administration, plant operations and maintenance, and food service	District size District type Location	Between 200 and 599 students Unified and union high school districts Towns and rural areas	19
Transportation	Miles per rider Location	More than 600 Towns and rural areas	17

Source: Auditor General staff analysis of district poverty rates from the U.S. Census Bureau; location data from the National Center for Education Statistics; and district type, number of students, miles, and riders from the Arizona Department of Education.

Efficiency and effectiveness—In addition to the considerations previously discussed, we also considered other information that impacts spending and operational efficiency and effectiveness as described below:

- **Interviews**—We interviewed various District employees in the scoped operational areas about their duties. This included District and school administrators, department supervisors, and other support staff who were involved in activities we considered significant to the audit objectives.
- **Report reviews**—We reviewed various summary reports of District-reported data including its *Annual Financial Report*, District-wide building reports provided by the School Facilities Board, transportation route reports provided by ADE, transportation safety reports provided by the Department of Public Safety, and reports required for the federal school lunch program. Additionally, we reviewed food-service-monitoring reports from ADE and District-submitted Compliance Questionnaire results that its contracted external audit firm completed.
- **Documentation reviews**—We reviewed various sets of District cash collection and deposit documentation for all student activities and auxiliary operations receipts issued at one of the District’s schools in fiscal years 2019 and 2020, including support for 19 voided receipts, food service donation documentation for November and December 2019, bus driver files for the District’s 7 drivers, and bus maintenance and repair records for 8 of the District’s 11 buses.
- **Analysis**—We reviewed and evaluated fiscal year 2019 spending on administration, plant operations and maintenance, food service, and transportation and compared it to peer districts’. We also compared the District’s square footage per student to peer districts’. Additionally, we reviewed the District’s revenues and expenditures associated with its food service program to determine whether the District was covering all its spending.

We selected our audit samples to provide sufficient evidence to support our findings, conclusions, and recommendations. Unless otherwise noted, the results of our testing using these samples were not intended to be projected to the entire population.

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.

We express our appreciation to the District's board members, superintendent, and staff for their cooperation and assistance throughout the audit.

DISTRICT RESPONSE

MAYER UNIFIED SCHOOL DISTRICT NO. 43

PO Box 1059 - Mayer, Arizona 86333
(928) 642-1000 - FAX (928) 632-4005



*High School (928) 642-1200
Elementary (928) 642-1100*

*Dean Slaga, Superintendent
Christina Symington, Human Resource Director
Lynn Drye, Finance Director
Jane Fielding, Accounting Specialist
Donna Bagron, Coordinator of Support Services*

May 7, 2021

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

Dear Ms. Perry,

Mayer Unified School District No. 43 has received and reviewed the FY19 Performance Audit Report. The District would like to acknowledge the professionalism and diligence it took to conduct this audit remotely during the COVID-19 pandemic. The District agrees with the findings and recommendations in the areas of sensitive information security, public monies, and transportation requirements.

The District will work diligently to implement the recommendations provided in the findings.

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

Sincerely,

Dean Slaga
Superintendent
Mayer Unified School District

Finding 1: District's noncompliance with important requirements and standards put public monies and sensitive information at an increased risk of errors and fraud

District Response: The District agrees with the finding.

Recommendation 1: The District should ensure that all cash collected is deposited and used for its intended purpose by:

- a. Separating responsibilities of collecting, depositing, and recording food service program donations among more than 1 employee.
- b. Requiring and monitoring that the food service employee issues prenumbered receipts for all food service program donations and that a different employee reconciles receipts to amounts deposited and applied to unpaid student meal accounts.
- c. Reconciling school cash collections to prenumbered receipts.
- d. Reviewing all voided receipts for appropriateness.
- e. Providing training on USFR requirements to food service and District Office staff involved in cash collections at least annually.

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

- a. The responsibilities of collecting, depositing, and recording food service donations will be conducted by two employees. Employees will reconcile all cash deposits to computer postings on a weekly basis.
- b. The District is already issuing prenumbered receipts for food service donations. A second employee will reconcile receipts to account postings.
- c. A second school office staff member will review prenumbered receipts and reconcile to school cash collections.
- d. When a receipt is voided an explanation will be added to the record. All voided receipt copies will be collected and maintained with the appropriate receipt book.
- e. During yearly inservice meetings all employees will be required to go through a detailed cash handling and receipt book training process.

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

- a. 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.
- b. 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.

- a. Password standards have been reviewed and the Informational Technology Department has implemented procedures with all existing and new employees to ensure strong network password requirements are being met.
- b. This function will be assigned to the Superintendent for periodic review and removed from the Business Director to ensure appropriate access is granted.

Finding 2: District used unallowable vehicles for student transportation, did not systematically perform school bus maintenance, and did not ensure bus drivers met all certification requirements, putting student safety at risk

District Response: The District agrees with the finding.

Recommendation 3: To help ensure student safety, the District should:

- a. Discontinue using unallowable vehicles to transport students to and from school and on athletic and field trips, and explore other appropriate options for transporting its students, such as requiring all drivers to become certified school bus drivers so they can operate the District's regular school buses.
- b. Establish and implement a formal written policy that states what school bus preventative maintenance work will be completed at what mileage and time frame and implement monitoring procedures to ensure mechanics perform and document bus preventative maintenance systematically and on schedule in accordance with the District's formal written policy and the State's Minimum Standards.
- c. Develop and implement procedures to ensure that bus driver certification requirements are met and appropriately documented in accordance with the State's Minimum Standards.

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

- a. The District has shifted all daily school bus routes to appropriate yellow buses over the past few months. This will continue into the 2021-2022 school year. Athletic trips have also been shifted to yellow buses during the Spring sports season and will continue into next year. In addition appropriate vehicle purchases are being reviewed for student transport when yellow buses and drivers are unavailable. The process for training additional employees to earn CDL certifications is under review.
- b. The District will implement a log and written policy process to ensure preventative maintenance work is conducted and documented properly.
- c. The District will implement a log and written policy process to ensure bus driver certification requirements are met and documented properly.

