Valentine Elementary School District

District did not comply with important requirements and standards, putting public monies and sensitive information at increased risk of errors and fraud and potentially risking student safety

A Report to the Arizona Legislature

Lindsey A. Perry
Auditor General

ARIZONA
AuditorGeneral

Making a Positive Difference

The Joint Legislative Audit Committee

Audit Staff

Contact Information

December 2, 2021

Members of the Arizona Legislature

The Honorable Doug Ducey, Governor

Governing Board
Valentine Elementary School District

Mr. Cliff Angle, Superintendent
Valentine Elementary School District

Transmitted herewith is a report of the Auditor General, *A Performance Audit of Valentine Elementary 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 Office will follow up with the District in 6 months to assess its progress in implementing 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

Valentine Elementary School District

District did not comply with important requirements and standards, putting public monies and sensitive information at increased risk of errors and fraud and potentially risking student safety

Audit purpose

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

Key findings

- District did not document evidence that it properly separated purchasing responsibilities, increasing its risk of errors or fraud occurring.

- District employees made purchases without evidence of prior approval and paid for some purchases without documenting that the District had received them.

- Terminated employees had access to the District's student information system, increasing risk that unauthorized individuals could access this sensitive data.

- District allowed users too much access to its accounting system, increasing risk of errors and fraud.

- District could not demonstrate that its bus drivers met all certification requirements, potentially risking student safety and increasing liability.

- District did not perform systematic preventative maintenance on its buses, potentially risking student safety and reducing buses' useful life.

Key recommendations

The District should:

- Improve controls over its purchasing process by implementing additional procedures, including requiring an independent review and approval before purchases are made and documenting that purchases were received before paying for them.

- Improve controls over access to student information by developing and implementing procedures to remove terminated employees in a timely manner.

- Review all accounting system users' access levels and limit access to only those functions needed to perform job duties.

- Develop and implement a procedure to track and document that its bus drivers meet all certification requirements.

- Develop and implement procedures to track school buses' mileage and to perform and document maintenance in accordance with service schedules.
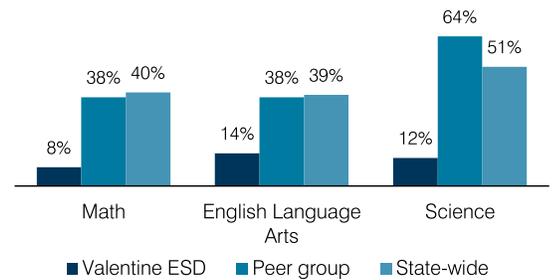
Valentine Elementary School District
Performance Audit—Fiscal Year 2018
December 2021

Valentine ESD

Rural district in Mohave County

Grades: Kindergarten through 8th

Students attending: 91

Number of schools: 1

School letter grade: C

Students who passed State assessments

	Math			English Language Arts			Science		
Valentine ESD	8%			14%			12%		
Peer group		38%			38%			64%	
State-wide			40%			39%			51%

■ Valentine ESD ■ Peer group ■ State-wide

Total operational spending—$855,190 ($9,360 per pupil)

Instructional—57.3% ($5,367 per pupil)	Noninstructional—42.7% ($3,993 per pupil)

Operational overview	Measure	Valentine ESD	Peer average
Administration—lower spending than peers', but compliance issues put public monies and sensitive information at risk The District's per pupil administrative spending was 32 percent lower than its peer districts' partly because it employed fewer administrative employees and spent less on professional and technical services. However, the District did not comply with important business requirements and information technology standards, putting public monies and sensitive information at an increased risk of errors and fraud (see Finding 1, page 2).	Spending per pupil	$2,014	$2,954
Plant operations—lower spending than peers' The District spent 41 percent less per square foot and 71 percent less per pupil than its peers, on average. This was due to the District operating and maintaining 51 percent fewer square feet per pupil than the peer group average and employing fewer plant operations employees.	Spending per square foot	$6.49	$11.09
	Spending per pupil	$954	$3,282
Transportation—lower spending than peers' but improvements needed The District spent 6 percent less per mile and 62 percent less per rider than its peers, primarily because it traveled 69 percent fewer miles per rider. As a result, the District covered all its transportation spending with monies received from the State for its transportation program. However, the District could not demonstrate that its bus drivers met all certification requirements and did not perform systematic preventative maintenance on its buses, potentially risking student safety and increasing liability (see Finding 2, page 6).	Spending per mile	$1.83	$1.94
	Spending per rider	$608	$1,614

Food service—District did not operate a food service program

In fiscal year 2018, the District did not operate a food service program.

District did not comply with important requirements and standards, putting 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 establish adequate controls over some business processes, increasing its risk of errors or fraud occurring, and (2) the District did not implement certain business and information technology (IT) standards, which increased its risk of unauthorized access, errors, and fraud.

Issue 1: District risked errors and fraud because it did not establish adequate controls over some business processes

District documented no evidence that it properly separated purchasing responsibilities, increasing its risk of errors or fraud occurring

The *Uniform System of Financial Records for Arizona School Districts* (USFR) requires districts to separate purchasing responsibilities among more than 1 employee so that 1 employee cannot initiate and complete a purchase without another employee's review and approval. Although the District's purchasing procedures were designed to separate responsibilities among 2 employees, our review of 30 sampled fiscal year 2018 purchases found that the employees involved in purchasing did not maintain any evidence that such separation of purchasing duties occurred. Specifically, although required by their own District procedures, District employees did not sign any documents, such as purchase requisitions or purchase orders, to show who initiated the purchase and that a separate employee properly reviewed and approved the purchase. According to the District's superintendent, employees failed to follow the District's purchasing procedures and supervisors failed to review whether employees were following proper procedures. Without any signatures showing review and approval on any of these documents, the District could not demonstrate that it properly separated purchasing responsibilities.

District employees made purchases without evidence of prior approval and paid for some purchases without documenting that the District had received them

Both the USFR and the District's purchasing procedures required employees to obtain supervisory approval before making purchases. Additionally, the USFR requires employees to obtain evidence that the District has received its purchases as well as verified that billings are accurate before paying vendors. However, our review of the 30 sampled fiscal year 2018 purchases found that there was no evidence of prior supervisory approval for any of the purchases. Additionally, for all 30 purchases, District employees failed to document that the District had received its purchases and that billings were accurate before paying vendors.

Similarly, our review of all fiscal year 2018 credit card transactions for the District's 2 credit cards found that there was no evidence of prior supervisory approval for any of the purchases. Additionally, 154 of 192 credit card

transactions, totaling over $23,000, lacked supporting receipts. Finally, all fiscal year 2018 credit card statements lacked evidence of supervisory review. According to the District's superintendent, employees failed to follow the District's purchasing procedures, and supervisors failed to review whether employees were following proper procedures.

Because District employees did not consistently follow proper purchasing procedures, we identified 3 errors that occurred as a result. Specifically,

- An employee made, and the District paid for, a $481 purchase for a media service that the superintendent indicated the District did not need.

- An employee was improperly reimbursed $83 for personal purchases made on the same receipts as valid, District-related purchases. After we discovered the overpayment and brought it to the District's attention, it sought reimbursement from the employee, who repaid the District in May 2020.

- An employee was overpaid $25 for a travel reimbursement, which the employee also repaid to the District in May 2020.

District misclassified over 11 percent of its operational expenditures, causing it to misreport its spending by operational category

In fiscal year 2018, the District misclassified almost $97,000, or 11 percent, of its $855,000 in operational spending because a former business office employee did not adequately adhere to expenditure classification guidance included in the Uniform Chart of Accounts for school districts. Specifically, the District did not accurately classify its expenditures in the correct operational categories, such as instruction, administration, plant operations, and transportation. As a result, the District's *Annual Financial Report* and supporting accounting data did not accurately present the District's spending in these operational categories to the public and decision-makers who may rely on the report and data to know how the District spent its public monies in these areas. When we corrected these classification errors, the District's instructional spending as a percentage of total spending increased from 54.3 to 57.3 percent. The dollar amounts used for analysis and presented in this report reflect the necessary adjustments.

Recommendations

The District should:

1. Improve controls over its purchasing process by implementing additional procedures, including requiring:

   a. An independent review of all purchase requisitions and purchase orders to ensure all have been signed by the individual requesting the purchase and by a second individual responsible for reviewing and approving the purchase before the purchase is made to demonstrate proper separation of responsibilities and prior approval.

   b. Staff review and document approval of each invoice before paying a vendor, ensuring that the purchase has been received and billings are accurate.

2. Ensure staff responsible for classifying expenditures review the Uniform Chart of Accounts for school districts at least annually and any time there are revisions and updates made to it, and implement its guidance to accurately account for and report the District's spending.

District response: As outlined in its response, the District agrees with the finding and recommendations and will implement the recommendations.

Issue 2: District did not implement certain business and IT standards, which increased risk of unauthorized access to sensitive information, errors, and fraud

Terminated District employees had access to the District's student information system (SIS), increasing the District's risk of unauthorized access to its sensitive student information

According to credible industry standards, such as those developed by the National Institute of Standards and Technology (NIST), terminated employees' access to IT assets, including systems and hardware, should be disabled immediately upon termination. Our September 2019 review of all District SIS user accounts found that 6 SIS user accounts were linked to terminated employees. Because terminated employees still had access to the District's SIS, the District increased its risk of unauthorized individuals accessing its sensitive student information such as students' sensitive school, health, home, or other data. According to District officials, the District did not have procedures in place to remove terminated employees' access to its SIS.

District was unaware of how many users had administrator-level access to its SIS and had not determined whether they needed that level of access, increasing its risk for errors and inappropriate access to or use of sensitive data

According to NIST, users should have the least amount of access in an IT system necessary to complete their job responsibilities. There were 12 users with administrator-level rights in the District's SIS, including 11 employees of the vendor that hosted the District's SIS. However, District officials indicated to us in April 2020 that they had not reviewed the access levels its vendor had granted its employees in the District's SIS and had not made any determinations of whether all 11 of the vendor's employees with administrator-level access required that access level. Moreover, because it did not know how many employees had administrator-level access, it could not determine whether it was willing to accept the risk of 11 vendor employees having that access level. Employees with administrator-level access have full control over all system settings and can add new users and modify existing users' access levels. They can also grant themselves full access to view and edit all system information, which increases a district's risk for errors and fraud. By not determining whether its administrator-level users needed that level of access, the District increased its risk for errors, such as inaccurate data being entered or data being deleted, as well as its risk that an employee could inappropriately access or use students' sensitive school, health, home, or other data. Additionally, the District increased its risk of security breaches because hackers typically target administrator accounts for their greater access privileges. A compromised administrator account could result in unauthorized access to and loss of sensitive data or disruption of some District operations.

District allowed users too much access to its accounting system, increasing its risk of errors and fraud

As previously mentioned, the principle of least privilege states that users should have the least amount of access in an IT system necessary to complete their job responsibilities. However, our September 2019 review of access levels for the users in the District's accounting system found that:

- **District users had too much access**—The District's 1 accounting system user account, which was being improperly shared by 2 employees at the time of our audit, had too much access to the accounting system, allowing its users to initiate and complete payroll and purchasing transactions without any independent

review.[1] As a result, the District increased its risk that these users could commit errors and fraud without being detected. For example, these users could process false invoices; change employee pay rates, including their own; add and pay nonexistent vendors or employees without detection; or make unauthorized purchases, like the $481 purchase for the unnecessary media service mentioned earlier. According to District officials, the county school superintendent's office (the County), which hosts the District's accounting system on its servers, assigned the access levels to all system users. A District official stated that he had not reviewed the access levels assigned by the County and therefore was not aware of the risk the access levels created for the shared user account.

- **County users may have had too much access**—Because the County hosts the District's accounting system on its hardware and assists the District in completing payroll and purchasing transactions, it granted 4 of its employees administrator-level access to the District's accounting system. The District did not know whether it was necessary for the 4 County employees to have administrator-level access to its accounting system based on the principle of least privilege. As discussed in the previous section about SIS access, users with administrator-level access have full control over all system settings and can grant themselves full access to view and edit all system information, which increased risk for errors and fraud. Additionally, the District increased its risk of security breaches because hackers typically target administrator accounts for their greater access privileges, which could result in unauthorized access to and loss of sensitive data or disruption of some District operations. Although a District official stated he was aware of the County employee accounts, he had not discussed with the County whether these 4 accounts required administrator-level access.

- **Vendor user accounts had too much access**—7 of the 11 user accounts in the District's accounting system with administrator-level access were accounts used by the system vendor. The District did not know whether it was necessary for 7 vendor accounts to have administrator-level access to its accounting system based on the principle of least privilege. The District has not discussed with the County or the vendor whether the vendor needs 7 accounts with administrator-level access.

Recommendations

The District should:

3. Improve controls over access to its SIS by:

    a. Immediately removing the 6 SIS user accounts linked to terminated employees.

    b. Developing and implementing procedures that include informing its SIS vendor in a timely manner when employees have separated from the District and verifying that the vendor has removed the terminated employees' access to reduce the risk of unauthorized access to sensitive information.

    c. Periodically reviewing the user accounts in its SIS to determine whether all users have appropriate access levels based on their job responsibilities and, if they do not, having its vendor limit employees' access only to what the District determines is necessary to complete their job responsibilities.

    d. Determining whether the number of vendor employees who have administrator-level access to its SIS is necessary and within the level of risk it is willing to accept and, if it is not, having its vendor reduce the number of employees with that access to its SIS or choosing another SIS vendor to reduce the risk of too many users with access to its sensitive student information.

4. Review all accounting system users' access levels and work with the County to limit accounting system users' access to only those functions needed to perform their job duties.

District response: As outlined in its response, the District agrees with the finding and recommendations and will implement the recommendations.

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[1] After we discussed with District officials the risks of having employees share accounting system accounts, the District added a second accounting system account, and now both District employees with access to the District's accounting system have their own individual user accounts.

District could not demonstrate that bus drivers met all certification requirements and did not perform systematic school bus maintenance, putting student safety at risk and increasing its risk of liability

District could not demonstrate that its bus drivers met all certification requirements, potentially risking student safety and increasing liability

To help ensure student safety, the State's Department of Public Safety (DPS) has adopted *Minimum Standards for School Buses and School Bus Drivers* (Minimum Standards). These standards require school districts to ensure that bus drivers are properly certified. Bus driver certification requirements include obtaining a valid fingerprint clearance card; passing random drug and alcohol tests, annual drug tests, physical examinations, and physical performance tests; completing refresher trainings; and obtaining a CPR and first aid certification. However, the District did not have any documentation to demonstrate that its 2 bus drivers met the State's Minimum Standards in fiscal year 2018 because it did not track these requirements. Instead, according to a District official, the District relied on DPS to notify the District when its drivers no longer met bus driving requirements. However, at that point, the District's bus drivers would have been out of compliance with important safety requirements. Specifically, if its bus drivers are not meeting driver certification requirements, the District places student safety at risk and increases its liability if an incident compromising student safety occurred. Therefore, the District should develop and implement its own procedure for tracking its bus drivers' certifications requirements rather than relying on another agency to ensure its bus drivers are current on all requirements.

District did not perform systematic preventative maintenance on its buses, potentially risking student safety and reducing buses' useful life

According to the State's Minimum Standards, school districts must also be able to demonstrate that their school buses receive systematic preventative maintenance and inspections. Preventative maintenance includes items such as periodic oil changes, tire and brake inspections, and inspections of safety signals and emergency exits. These standards are designed to help ensure school bus passengers' safety and welfare, as well as extend the useful life of buses. According to a District official, the District had an informal policy in fiscal year 2018 of performing bus preventative maintenance every 7,500 miles for its 1 diesel bus and every 5,000 miles for its 1 gasoline bus. However, our June 2019 review of bus maintenance records for the District's 2 buses that operated during fiscal year 2018 found that both buses exceeded their preventative maintenance schedules—1 bus traveled 1,201 miles beyond its mileage schedule and the other traveled 5,960 miles beyond its mileage schedule. The District's failure to timely and systematically perform maintenance on its buses occurred because it did not have adequate procedures to track the buses' mileage and to perform and document maintenance performed on its buses. By not performing systematic maintenance on its buses, the District is not doing all it can to ensure they are safe for student transportation. Additionally, the District also increases the risk that its buses may have shorter useful lifespans due to inadequate maintenance.

Recommendations

The District should:

5. Develop and implement a procedure to track and document that its bus drivers meet all certification requirements in accordance with the State's Minimum Standards.

6. Develop and implement procedures to track its school buses' mileage and to perform and document maintenance performance in accordance with its preventative maintenance service schedules.

District response: As outlined in its **response**, the District agrees with the finding and recommendations and will implement the recommendations.

Auditor General makes 6 recommendations to the District

The District should:

1. Improve controls over its purchasing process by implementing additional procedures, including requiring:

    a. An independent review of all purchase requisitions and purchase orders to ensure all have been signed by the individual requesting the purchase and by a second individual responsible for reviewing and approving the purchase before the purchase is made to demonstrate proper separation of responsibilities and prior approval.

    b. Staff review and document approval of each invoice prior to paying a vendor, ensuring that the purchase has been received and billings are accurate (see Finding 1, pages 2 through 3, for more information).

2. Ensure staff responsible for classifying expenditures review the Uniform Chart of Accounts for school districts at least annually and any time there are revisions and updates made to it, and implement its guidance to accurately account for and report the District's spending (see Finding 1, pages 2 through 3, for more information).

3. Improve controls over access to its SIS by:

    a. Immediately removing the 6 SIS user accounts linked to terminated employees.

    b. Developing and implementing procedures that include informing its SIS vendor in a timely manner when employees have separated from the District and verifying that the vendor has removed the terminated employees' access to reduce the risk of unauthorized access to sensitive information.

    c. Periodically reviewing the user accounts in its SIS to determine whether all users have appropriate access levels based on their job responsibilities and, if they do not, having its vendor limit employees' access only to what the District determines is necessary to complete their job responsibilities.

    d. Determining whether the number of vendor employees who have administrator-level access to its SIS is necessary and is within the level of risk it is willing to accept and, if it is not, having its vendor reduce the number of employees with that access to its SIS or choosing another SIS vendor to reduce the risk of too many users with access to its sensitive student information (see Finding 1, pages 4 through 5, for more information).

4. Review all accounting system users' access levels and work with the County to limit accounting system users' access to only those functions needed to perform their job duties (see Finding 1, pages 4 through 5, for more information).

5. Develop and implement a procedure to track and document that its bus drivers meet all certification requirements in accordance with the State's Minimum Standards (see Finding 2, pages 6 through 7, for more information).

6. Develop and implement procedures to track its school buses' mileage and to perform and document maintenance performance in accordance with its preventative maintenance service schedules (see Finding 2, pages 6 through 7, for more information).

Objectives, scope, and methodology

We have conducted a performance audit of Valentine Elementary 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 2018 in the 3 operational areas bulleted below because of their effect on instructional spending, as previously reported in our annual report, *Arizona School District Spending*.[2] 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:

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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.

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- **Administration—**Salaries and benefits for superintendents, business managers, and clerical and other staff who perform accounting, payroll, purchasing, 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, and groundskeeping; and spending for heating, cooling, lighting, and property insurance.

- **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 2018 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 all 20 individuals who received payments in fiscal year 2018 through the District's payroll system and reviewed supporting documentation for 30 of the 520 fiscal year 2018 accounts payable transactions. After adjusting transactions for proper account classification, we reviewed fiscal year 2018 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 applicable internal controls in Findings 1 and 2 (see pages 2 through 7).

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[2] Noninstructional spending on food service operations is typically reviewed in our school district performance audits, but in fiscal year 2018, the District did not operate a food service program.

Peer groups—We developed 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 these groups. Valentine ESD's peer group included Valentine and 16 other elementary school districts located in towns and rural areas and with poverty rates between 16 and 22 percent. We used this peer group to compare the District's fiscal year 2018 student passage rates on State assessments as reported by the Arizona Department of Education (ADE). However, for very small districts such as Valentine ESD, year-to-year changes in student population can greatly impact year-to-year student test scores. We also reported the District's fiscal year 2018 ADE-assigned school letter grade. To compare the District's operational efficiency in administration and plant operations and maintenance, we developed peer groups consisting of districts that shared the most similar characteristics as Valentine ESD, such as student enrollment and square footage maintained. To compare the District's operational efficiency in transportation, we developed a peer group consisting of Valentine ESD and 46 other districts who had fewer than 200 students.

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 administrators and other support staff who were involved in activities we considered significant to the audit objectives.

- **Observations**—To further evaluate District operations, we observed various day-to-day activities in the scoped areas. This included facility tours and transportation services.

- **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, and transportation safety reports provided by the Department of Public Safety.

- **Documentation reviews**—We reviewed various sets of District documentation including fiscal year 2018 credit card statements, bus driver files for the District's 2 bus drivers, and bus maintenance and repair records for the District's 2 buses.

- **Analysis**—We reviewed and evaluated fiscal year 2018 spending on administration, plant operations and maintenance, and transportation and compared it to the districts in its peer group that shared the most similar characteristics as the District, such as student enrollment and square footage maintained. We also reviewed and compared the District's administrative and plant operations and maintenance staffing to its peers'.

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

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December 1, 2021

Lindsey Perry
Arizona Auditor General
2910 N. 44th Street, Suite 410
Phoenix, AZ 85018

Ms. Perry:

Valentine Elementary School District has received and reviewed the Performance Audit report of fiscal year 2018. We agree with and appreciate the opportunity to learn from the findings and have already begun implementing the recommendations contained therein.

We would like to thank your audit team for their patience, professionalism, and courtesy throughout the audit process and look forward to collaborating with them during the follow-up period.

If you have any questions, please feel free to contact me or my Office Manager, Ms. Paula Blount, at the school, 928-769-2310.

Sincerely,
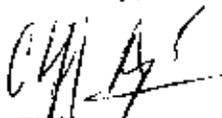
Cliff Angle
Superintendent

Finding 1: District did not comply with important requirements and standards, putting 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 improve controls over its purchasing process by implementing additional procedures, including requiring:

Recommendation 1a: An independent review of all purchase requisitions and purchase orders to ensure all have been signed by the individual requesting the purchase and by a second individual responsible for reviewing and approving the purchase before the purchase is made to demonstrate proper separation of responsibilities and prior approval.

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

Recommendation 1b: Staff review and document approval of each invoice before paying a vendor, ensuring that the purchase has been received and billings are accurate.

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

Recommendation 2: The District should ensure staff responsible for classifying expenditures review the Uniform Chart of Accounts for school districts at least annually and any time there are revisions and updates made to it, and implement its guidance to accurately account for and report the District's spending.

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

Recommendation 3: The District should improve controls over access to its SIS by:

Recommendation 3a: Immediately removing the 6 SIS user accounts linked to terminated employees.

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

Recommendation 3b: Developing and implementing procedures that include informing its SIS vendor in a timely manner when employees have separated from the District and verifying that the vendor has removed the terminated employees' access to reduce the risk of unauthorized access to sensitive information.

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

Recommendation 3c: Periodically reviewing the user accounts in its SIS to determine whether all users have appropriate access levels based on their job responsibilities and, if they do not, having its vendor limit employees' access only to what the District determines is necessary to complete their job responsibilities.

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

Recommendation 3d: Determining whether the number of vendor employees who have administrator-level access to its SIS is necessary and within the level of risk it is willing to accept and, if it is not, having its vendor reduce the number of employees with that access to its SIS or choosing another SIS vendor to reduce the risk of too many users with access to its sensitive student information.

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

Recommendation 4: The District should review all accounting system users' access levels and work with the County to limit accounting system users' access to only those functions needed to perform their job duties.

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

Finding 2: District could not demonstrate that bus drivers met all certification requirements and did not perform systematic school bus maintenance, putting student safety at risk and increasing its risk of liability

District Response: The District agrees with the finding.

Recommendation 5: The District should develop and implement a procedure to track and document that its bus drivers meet all certification requirements in accordance with the State's Minimum Standards.

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

Recommendation 6: The District should develop and implement procedures to track its school buses' mileage and to perform and document maintenance performance in accordance with its preventative maintenance service schedules.

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