

The May 2021 Mayer Unified School District performance audit found that the 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. We made 10 recommendations to the District, and its status in implementing the recommendations is as follows:

Status of 10 recommendations

| | |
|-----------------------------------|----------|
| Implemented | 2 |
| Implemented in a different manner | 1 |
| Partially implemented | 1 |
| In process | 5 |
| Not implemented | 1 |

We will conduct a 42-month followup with the District on the status of the recommendations that have not yet been implemented.

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

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.
Implemented at 24 months—Although the District stopped accepting external food service program donations in January 2023, it developed procedures to separate the responsibilities for collecting, depositing, and recording internal food service program donations from students who donated unneeded personal meal account balances. The District used monies it previously collected to pay off negative student account balances until its food service program donations account was fully depleted and closed in January 2024.
 - 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.
Implemented in a different manner at 30 months—As noted in recommendation 1a, the District closed its food service program donations account in January 2024.
 - c. Reconciling school cash collections to prenumbered receipts.
Implementation in process—According to the District’s cash collection procedures, all cash transmitted to the District Office from the school sites must be accompanied by a cash collection form that is verified and signed by 2 school-level employees and prenumbered receipts. However, once the cash is transmitted to the District Office, 1 employee is inappropriately responsible for most steps in the process, including handling the cash, reconciling the cash collected to the cash collection forms and receipts, recording the

deposit amounts, and making the deposits. After cash is deposited, a different employee reviews bank statements. However, the review does not include using the prenumbered receipts to ensure that all cash collected by the District was deposited. Further, the District's procedures require business office staff to reconcile receipt books to ensure all receipts, including voided receipts, were submitted to the business office. However, District staff complete this review once per semester, and the review is inappropriately completed by the same employee responsible for handling the cash, reconciling the cash collected to the cash collection forms and receipts, recording the deposit amounts, and making the deposits. As a result, the District continues to increase its risk for errors and fraud.

- d. Reviewing all voided receipts for appropriateness.

Implementation in process—The District has developed a process that requires all voided receipts to include written explanations for the void as well as signatures from 2 employees who work at the District Office or school site where the void occurred. Further, copies of the voided receipts are required to be submitted to the District Office along with any school-level deposits to ensure all prenumbered receipts are accounted for and reconciled. The District reported that in fiscal year 2023 its process required business office staff to annually reconcile receipt books to ensure all receipts, including voided receipts, were submitted to the business office. However, since the District's reported process required this review to occur only annually, our review found that 2 voided receipts from November 2022 were not reviewed and documented in accordance with the District's procedures until May 2023. In June 2023, the District updated its process for reconciling receipt books to at least once per semester. However, the District's updated process is still inadequate because it is not completed frequently enough to timely identify and reconcile voided receipts. District officials stated that the District will finalize a process to check for and review voided receipts with every deposit and update its procedures to improve the timeliness of its review by June 2024.

- e. Providing training on USFR requirements to food service and District Office staff involved in cash collections at least annually.

Implementation in process—Since the audit, the District's business office has started providing annual cash-handling training to all District staff involved in cash collections. The District most recently provided this training in October 2023 to food service and business office staff involved in cash collections. However, 1 food service employee with cash-handling responsibilities did not participate in this training. Additionally, while the District provided documentation supporting that most USFR cash-handling requirements were covered by the District's training, the District's training materials did not include the USFR requirement for timely verification that all cash deposits received at the business office were complete.

- 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.

Implementation in process—Our November 2023 review of the District's network password policies found that the District reviewed the current password standards published by the National Institute of Standards and Technology (NIST) and had updated its network password requirements to be consistent with these standards. Additionally, District officials updated the District's IT policies in March 2024 to require an annual review of credible industry standards for passwords. However, the District had not implemented multifactor authentication, which is an authentication control recommended by credible industry standards to be used in addition to strong password requirements. District officials reported that the District will require multifactor authentication for all network users by April 2024.

- 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.

Implementation in process—Our February 2024 review of the District's accounting system users' access found that the District transferred administrator-level access to someone outside of the business office. However, our February 2024 review continued to find that 1 business office employee has broad access that

allows the employee to change pay rates and deductions, including their own, without review and approval from another District employee. According to District officials, in March 2024, the District began developing a process to review pay rate and deduction changes in the accounting system to ensure that all changes to employee payrates and deductions are appropriate.

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

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.

Implemented at 30 months—To help ensure student safety, State law requires school districts to comply with safety rules adopted by the Arizona Department of Public Safety (DPS) when using motor vehicles designed to carry at least 11 and up to 15 passengers to transport students to or from home or school on a regularly scheduled basis.¹ District officials stated that the District no longer uses 11- to 15-passenger vans to transport students for any purpose and uses its 3 white 14-passenger buses to transport students for activities like athletic events and field trips. Our November 2023 review of fiscal year 2023 mileage logs and trip requests found that the District used its 3 white 14-passenger buses only for athletic events and field trips.

- 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.

Not implemented—In June 2022, the District's Governing Board approved a formal written school bus preventative maintenance policy. The policy specifies what preventative maintenance work will be completed at minimum time and mileage intervals, and according to District officials, the policy also applies to the District's 3 white 14-passenger buses. Additionally, District officials reported the District has implemented monitoring procedures to ensure mechanics perform and document school bus preventative maintenance in accordance with the District's formal written policy and the State's current *Minimum Standards for School Buses and School Bus Drivers* (Minimum Standards). However, our review of preventative maintenance services performed in fiscal year 2023 on 6 of the District's 11 school buses and 1 of the District's 3 14-passenger buses found that for 2 of the school buses, the District did not follow its policy for when the preventative maintenance would be performed. Additionally, the District did not properly document 6 of 20 school bus preventative maintenance services we reviewed because the service documentation was incomplete or missed key components such as the mechanic's signature. District officials reported that the District will monitor, 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 by June 2024.

- 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.

Partially implemented at 24 months—The District has developed a process to track when school bus driver certifications are due to be updated and reported to DPS. Additionally, in calendar year 2023, the District began conducting random alcohol testing in accordance with Minimum Standards. Our review of driver files for 3 of 7 bus drivers employed by the District in fiscal year 2023 found that all bus driver certification requirements were current and appropriately documented in accordance with the State's

¹ Arizona Revised Statutes §15-925.

Minimum Standards. Additionally, the District implemented procedures to randomly select drivers for drug and alcohol testing and appropriately maintained documentation of the tests results for calendar year 2023. The District reported it has also developed a policy for all 14-passenger bus drivers to receive fingerprint clearance cards, annual drug tests, CPR training, and First Aid training. However, our review of files for 3 of 31 District staff who drove the 14-passenger vehicles in fiscal year 2023 found that the District did not follow its own policy because the District could not provide documentation that 1 driver had completed an annual drug test, CPR training, or First Aid training, as required.