

Morristown Elementary School District

District used informal, deficient processes in some areas after it stopped outsourcing certain responsibilities and did not follow some important requirements and recommended practices, increasing risk to District assets, student safety, and sensitive computerized data

Audit purpose

To assess the District's efficiency and effectiveness in 4 operational areas—administration, plant operations and maintenance, food service, and transportation—and its compliance with certain State requirements.

Key findings

- District stopped outsourcing various responsibilities in July 2023 and relied on informal payroll and cash-handling processes that did not appropriately separate duties, increasing risk to District assets.
- District lacked a documented process to ensure systematic preventative maintenance of its school buses, increasing risk to student safety.
- District did not comply with legal requirements in various areas, resulting in it spending unauthorized monies to operate a community preschool, paying unnecessary penalties and fees, and limiting transparency into District activities.
- District did not provide required information about its termination incentive program to the Arizona State Retirement System (ASRS), potentially creating unfunded liabilities for the District and improperly inflating employee retirement benefits.
- District transported a student using a vehicle that lacked required safety features and did not remedy a potentially structurally unsound building, increasing risks to student safety.
- District's excessive access to its sensitive computerized data and other IT deficiencies increased risk of unauthorized access to sensitive information, errors, fraud, and data loss.

Key recommendations

The District should:

- Perform its payroll and cash-handling responsibilities in conformance with the USFR and its school bus preventative maintenance in conformance with DPS' Minimum Standards.
- Consult with legal counsel and the Arizona Attorney General's Office to ensure that any District actions taken contrary to open meeting laws are appropriately addressed to be made valid.
- Work with the ASRS to identify and resolve any unfunded liabilities created by its termination incentive program and identify and correct any excess contributions.
- Ensure it transports all students using vehicles that meet all applicable safety guidelines.
- Take action to remedy the potentially structurally unsound building on its campus.
- Develop and implement policies and procedures to assign and periodically review employee access; implement and enforce strong authentication controls; and update and annually test its IT contingency plan.