

Aguila Elementary School District

District lacked internal controls and did not comply with requirements in multiple areas, putting public monies, student safety, and sensitive computerized data at risk

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 did not always prepare receipts or separate cash-handling responsibilities, increasing the risk of errors and fraud.
- District incorrectly calculated hours worked for some hourly employees and processed payroll without supervisory review, leading to improper payments.
- District increased risks to student safety by not completing required daily operations checks and recommended preventative maintenance on its school buses, and could not account for all District keys that access school buildings, gates, and equipment.
- District's excessive access to its sensitive computerized data and lack of security awareness training increased risk of unauthorized access, errors, fraud, and data loss.

Key recommendations

The District should:

- Develop and implement written cash-handling policies and procedures for cash collection, deposit, and review.
- Require a supervisory review during its payroll process or develop and implement other compensatory controls to ensure that all hourly employees are paid accurately based on actual hours worked.
- Develop and implement written policies and procedures for school bus operations checks and preventative maintenance to ensure school passengers' safety and extend the useful life of its school buses.
- Develop and implement a written policy for distributing, tracking, and collecting keys that requires employees to sign user agreements outlining their responsibilities as a key holder and that would allow the District to account for all distributed and collected keys.
- Conduct a physical key inventory to determine how many District facility keys exist, including how many are distributed and to whom.
- Establish and implement written policies and procedures to assign and periodically review accounting system access for employee accounts in the accounting system to ensure they have access to only those accounting system functions needed to perform their job duties.
- Establish and implement written policies and procedures to annually conduct the necessary security awareness training and document training completion.