

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

In process:	8
Not implemented:	2

We will conduct an 18-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.

Implementation in process—The District has identified process improvements to help separate the responsibilities of collecting, depositing, and recording food service program donations among more than 1 employee. However, in response to the COVID-19 pandemic, an extension of the U.S. Department of Agriculture (USDA) Summer Food Service Program (SFSP) was established, making all student meals free throughout the 2021-2022 school year. This resulted in the District's food service program not receiving donations. This SFSP extension was recently approved to continue until September 30, 2022, after which the District anticipates returning to normal food service operations. We will review this recommendation again at a future followup after the District returns to normal food service operations and has implemented its process improvements.

- 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.

Implementation in process—As discussed in Recommendation 1a, the District has identified process improvements to help separate the responsibilities of collecting, depositing, and recording food service program donations among more than 1 employee. These process improvements will also require prenumbered receipts to be issued for all food service program donations and a different employee to reconcile the receipts to the amounts deposited and applied to unpaid student meal accounts. However, as was also discussed in Recommendation 1a, in response to the COVID-19 pandemic, an extension to the USDA SFSP was established, making all student meals free throughout the 2021-2022 school year. As a result, the District did not have any food service program donations or unpaid student meal accounts in fiscal year 2022. This SFSP extension was recently approved to continue until September 30, 2022, after which the District anticipates returning to normal food service operations. We will review this recommendation again at a future followup after the District returns to normal food service operations and has implemented its process improvements.

- c. Reconciling school cash collections to prenumbered receipts.

Implementation in process—The District has developed a new reconciliation process for school level receipt books that requires District business office employees to reconcile all prenumbered receipts to the cash collected to ensure that all cash collected at the schools was provided to the District Office for deposit. Additionally, 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. However, the District's reconciliation process related to reviewing receipt books is only required to be done annually. Further, we reviewed April and May 2022 District cash collection records and found receipts for incorrect amounts, some supporting documentation was missing, and secondary signatures were not included on cash collection forms. District officials stated that in August 2022, the District will finalize additional procedures to reconcile school cash collections to prenumbered receipts and ensure that all cash collected is deposited.

- d. Reviewing all voided receipts for appropriateness.

Implementation in process—The District has implemented a new process for voided receipts that requires explanations for the voided receipts to be written on them along with signatures from 2 employees who work at the District Office or school site where the void occurred. Further, copies of the voided receipts are to be turned in to the District Office along with any school-level deposits so there are no missing receipt numbers in the sequence for reconciliation purposes. District officials stated that while reconciling school-level receipt books in June 2022, they identified \$210 in voided school-level receipts from January 2022 that had not been immediately submitted to the District Office. As discussed in Recommendation 1c, the District's process requires business office staff to only reconcile receipt books annually, which resulted in the business office staff not reviewing voided receipts for several months, and would have made it more difficult for the District to identify errors or fraud and take necessary actions in a timely manner. District officials stated that in August 2022, the District will finalize a process to check for and review voided receipts with every deposit to improve the timeliness of its review.

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

Implementation in process—Since our audit, the District's business office has begun administering an updated annual cash-handling training to food service and District Office staff involved in cash collections at the beginning of each school year. However, our review of the training found that some of the applicable USFR components for cash handling were missing, including items such as reviewing cash collection sheets for accuracy and maintaining support documentation for bank deposits. District officials stated that they plan to review and update the training in August 2022.

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.

Not implemented—Our June 2022 review of the District's network passwords found that passwords were inconsistent with credible industry standards, such as those developed by the National Institute of Standards and Technology. District officials stated that they will review and update the District's network password requirements by January 2023.

- 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.

Not implemented—District officials stated that the District had limited users' access in the accounting system to only those accounting system functions needed to perform their job duties. However, the District did not provide the necessary documentation needed to review the access levels for all accounting system users, including users with administrator-level access. Also, according to District officials in June 2022, at least 1 business office employee had administrative-level access. District officials stated that they will continue to review users' access levels in the accounting system and will adjust users' access by January 2023.

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.

Implementation in process—District officials stated that the District no longer uses 11-passenger vans to transport students and occasionally uses its 3 white 15-passenger buses to transport students for regular and special education route miles, field trips, athletic trips, and other purposes when no other option is available. Our June 2022 review of mileage and rider logs from March to May 2022 found that the District used its 3 white 15-passenger buses for the stated purposes.

In June 2022, Laws 2022, Chapter 290, passed allowing Arizona school districts, in part, to use motor vehicles designed to carry 11 to 15 passengers to transport students to or from home or school on a regularly scheduled basis in accordance with minimum standards established by the Arizona Department of Public Safety (DPS). Although DPS has not yet established these standards, State law allows DPS to establish safety rules for 11- to 15-passenger motor vehicle design, equipment, periodic inspection and maintenance, and procedures for motor vehicle operation. Therefore, we will assess the District's use of its 3 white 15-passenger buses in accordance with DPS' minimum standards in a future followup after DPS establishes these minimum standards for 11- to 15-passenger motor vehicles.

- 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.

Implementation in process—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. Additionally, 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). We will review this recommendation again at a future followup to determine whether the District's formal school bus preventative maintenance policy is in accordance with any changes to Minimum Standards related to school buses and whether the District is following its formal school bus preventative maintenance policy and monitoring procedures.

Additionally, District officials stated that the formal written school bus preventative maintenance policy also applies to its 3 white 15-passenger buses. As discussed in Recommendation 3a, DPS has not yet adopted minimum standards for 11- to 15-passenger motor vehicles. Therefore, we will assess the District's use of its 3 white 15-passenger buses in accordance with its own policies and DPS' minimum standards, including motor vehicle periodic inspection and maintenance, in a future followup after DPS establishes these 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.

Implementation in process—The District has developed a process to track when school bus driver certifications are due to report updated certifications to DPS. Additionally, the District has begun conducting random alcohol testing in accordance with Minimum Standards. However, our review of school bus driver certification files for 2 of the 7 fiscal year 2022 school bus drivers found that 1 school bus driver's file was missing evidence of a physical performance test and refresher training. Additionally, the District has not yet conducted the minimum number of random drug tests for calendar year 2022, which it will need to complete by the end of December 2022.

Additionally, District officials stated that drivers of the 3 white 15-passenger buses receive fingerprint clearance cards and annual drug tests. As discussed in Recommendation 3a, DPS has not yet adopted minimum standards for 11- to 15-passenger motor vehicles. Therefore, we will assess the District's use of its 3 white 15-passenger buses in accordance with DPS' minimum standards, including driver operation, license, and certification, in a future followup after DPS establishes these minimum standards.