

Cobre Valley Institute of Technology

District spent \$1.4 million on career and technical education (CTE) programs in fiscal year 2021 but lacked key outcome data showing these programs effectively prepared students for high-need occupations

Performance Audit

December 2023

Report 23-207

A Report to the Arizona Legislature

Lindsey A. Perry
Auditor General





The Arizona Auditor General’s mission is to provide independent and impartial information and specific recommendations to improve the operations of State and local government entities. To this end, the Office provides financial audits and accounting services to the State and political subdivisions, investigates possible misuse of public monies, and conducts performance audits and special reviews of school districts, State agencies, and the programs they administer.

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December 21, 2023

Members of the Arizona Legislature

The Honorable Katie Hobbs, Governor

Governing Board
Cobre Valley Institute of Technology

Mr. Mike O'Neal, Superintendent
Cobre Valley Institute of Technology

Transmitted herewith is a report of the Auditor General, *A Performance Audit of Cobre Valley Institute of Technology*, conducted pursuant to Arizona Revised Statutes §§15-393.01 and 41-1279.03. I am also transmitting within this report a copy of the Report Highlights 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. I express my appreciation to Superintendent O'Neal and District staff for their cooperation and assistance throughout the audit.

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

Cobre Valley Institute of Technology

District spent \$1.4 million on career and technical education (CTE) programs in fiscal year 2021 but lacked key outcome data showing these programs effectively prepared students for high-need occupations

Audit purpose

To determine if the District was meeting its statutory purpose to prepare students for high-need occupations, spending State monies appropriately, and following best practices.

Key findings

- In fiscal year 2021, the District partnered with Eastern Arizona College through intergovernmental agreements to offer its central CTE programs and paid over \$130,000 in tuition and other fees for its students to attend these programs. It also spent approximately \$46,000 primarily for classroom supplies and student tutoring.
- In fiscal year 2021, the District allocated over \$575,000 in satellite funding to its member districts and spent approximately \$120,000 primarily on grants passed to member districts and equipment purchases.
- In fiscal year 2021, the District's administration spending of approximately \$356,000 was primarily to pay salaries and benefits for the District's superintendent and business manager, administrative supplies and equipment, audit services, and advertising. It also spent almost \$173,000 on support services primarily for the salaries and benefits of staff who performed program director duties, attendance software and services, insurance costs, school safety supplies and equipment, and cell phone services.
- District did not collect, validate, and use complete data to help assess whether its programs successfully prepared students for high-need occupations and led them to earn industry certifications; absent this data, District could not demonstrate the \$1.4 million it spent on programs in fiscal year 2021 was effectively used.

Key recommendations

The District should:

- Develop and implement consistent data collection protocols for all CTE programs to demonstrate compliance with statutory and ADE requirements and recommended practices. This includes collecting and validating complete data, such as data related to student certifications earned and post-graduate jobs obtained, as well as developing a process to track all outcome data.
- Analyze all CTE program outcome data to evaluate the effectiveness of its CTE programs in preparing students for high-need occupations and to support the investment of any public monies, and use the results of its evaluations to make changes to its programs to ensure they are meeting their statutory purpose of preparing students for high-need occupations.



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District overview

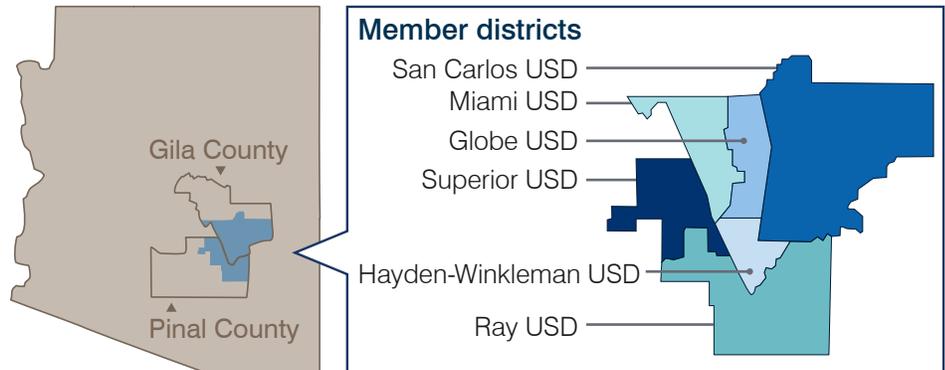
Cobre Valley Institute of Technology (District) is a career and technical education district (CTED) that offers career and technical education (CTE) courses to high school students living within its boundaries. For more information about CTEDs and how they operate, see the Auditor General's [November 2020](#) and [October 2017](#) CTED special reports.¹

Key CTED terms

Member districts—Arizona public school districts that form or join a CTED.

Satellite programs—CTE programs that receive support and oversight from the CTED and are operated by a member district at a regular high school campus.

Central programs—CTE programs operated by a CTED at a central campus location for students from its member districts or living within its boundaries.



The District had 7 central programs with 116 enrollments and 17 satellite programs with 1,021 enrollments in fiscal year 2021.² See Appendix A, page a-1, for a listing of enrollments and spending for satellite and central programs.

Total spending—\$1.4 million (\$1,241 per student enrolled)

Central programs—13%

Satellite programs—49%

Administration and support services—38%

Audit results summary

Key areas reviewed

Central programs—spent approximately \$186,000 on central CTE programs but lacked key outcome data to demonstrate that programs effectively prepared students for high-need occupations

In fiscal year 2021, the District partnered with Eastern Arizona College through intergovernmental agreements (IGAs) to offer its central CTE programs. The District paid over \$130,000 in tuition and other fees for its students to attend programs through its community college partner in accordance with its IGAs. It also spent approximately \$46,000 primarily for classroom supplies and student tutoring. However, despite spending over \$1.4 million on CTE programs in fiscal year 2021, the District lacked key outcome data to demonstrate that these programs effectively prepared students for high-need occupations (See Finding 1, page 3). See Appendix A, Table 2, on page a-2 for information on the District's central program spending by CTE program.

¹ See Arizona Auditor General reports 17-212, *Joint Technical Education Districts*, and 20-209, *Career and Technical Education Districts (CTEDs)*.

² Enrollments may include a single student multiple times if that student was enrolled in multiple CTE courses during the year (e.g., Welding Technologies and Precision Machining).

Key areas reviewed (continued)

Satellite programs—spent almost \$700,000 on satellite CTE programs, and no reported findings

In fiscal year 2021, the District allocated over \$575,000 in satellite funding to its member districts in accordance with their IGAs and provided required professional development for satellite program teachers and evaluation and support for satellite programs. The District also spent approximately \$120,000 primarily on grants passed to member districts and equipment purchases. We did not report any findings in this area. See Appendix A, Table 1, on page a-1 for information on the District's satellite program spending by member district.

Administration and support services—spent almost \$530,000 on administration and support services, and no reported findings

In fiscal year 2021, the District's administration spending of approximately \$356,000 was primarily to pay the salaries and benefits for the District's superintendent and business manager, administrative supplies and equipment, audit services, and advertising. The District also spent almost \$173,000 on support services primarily for the salaries and benefits of staff who performed program director duties, attendance software and services, insurance costs, school safety supplies and equipment, and cell phone services. See Appendix A, Table 3, on page a-3 for information on the District's administration and support services spending by category.



District's lack of key outcome data prevents it from demonstrating how the \$1.4 million it spent on programs in fiscal 2021 effectively prepared students for high-need occupations

District is responsible for preparing students for high-need occupations and has been directed to collect, validate, and use key student outcome data to help assess program effectiveness

According to State statute, Arizona's high school CTE programs should prepare students for high-need occupations (see textbox) that normally do not require a baccalaureate or advanced degree, lead to a certification or licensure if available, and provide students with sufficient skills for entry into an occupation.³ Additionally, statute requires CTEDs to provide ongoing evaluation and support of their member districts' satellite campus programs to ensure quality and compliance.⁴ Therefore, it is

important that CTEDs determine whether their programs are preparing students for high-need occupations and then use that information to evaluate and support their member districts' satellite campus programs to ensure quality and compliance. Further, federal and State programs have established accountability measures for CTE programs related to key student outcomes, including the number of students obtaining jobs related to their CTE program after graduation and number of students earning industry certifications. Additionally, recent reports from national research organizations like Advance CTE have also identified these student outcome measures as important for evaluating CTE programs' effectiveness.⁵ These measures provide important information about whether students who completed a CTE program acquired a job related to their CTE program and learned the skills necessary to earn an industry certification.

Key term

High-need occupations—Occupations that the Arizona Office of Economic Opportunity and the Arizona Department of Education (ADE) have identified as being high-skill, high-wage, or in-demand occupations within the state.

³ Arizona Revised Statutes (A.R.S.) §§15-781, 15-391.

⁴ A.R.S. §15-393(L)(10)(b).

⁵ Advance CTE is a national nonprofit that represents state CTE directors and leaders and seeks to advance high-quality CTE policies and best practices. New Skills for Youth, Advance CTE, Council of Chief State School Officers, Education Strategy Group, Data Quality Campaign, and Workforce Data Quality Campaign. (2019). *The State of Career Technical Education: Improving Data Quality and Effectiveness*; Retrieved 11/29/23 from https://cte.careertech.org/sites/default/files/files/resources/State_CTE_Data_2019.pdf; New Skills for Youth, Council of Chief State School Officers, Advance CTE, Education Strategy Group, and Achieve. (2019). *Making career readiness count 3.0*. Retrieved 11/29/23 from https://cte.careertech.org/sites/default/files/files/resources/Making_Career_Readiness_Count_2019.pdf; and Results for America and MDRC. (2019). *What works in career and technical education: Evidence underlying programs and policies that work*. Retrieved 11/29/23 from <https://www.mdrc.org/sites/default/files/What-Works-in-Career-and-Technical-Education.pdf>.

Consistent with these national research organization reports, the District and other CTEDs have been directed to collect and report data related to student postgraduation employment and industry certifications earned to assess their CTE programs' effectiveness in preparing students for high-need occupations as follows:

- To implement accountability measures for Arizona CTE programs and to help insure CTE programs equip students with the tools needed to enter the workforce after high school in jobs that demand highly skilled employees, statute requires ADE to include each CTED in its annual achievement profiles and include student postgraduation employment rate as 1 component of CTEDs' annual achievement profiles.⁶ Further, in our October 2017 and November 2020 Arizona CTED special studies, we recommended that CTEDs, member districts, and ADE work together to develop and implement ways to consistently collect data for all students in participating in CTE programs, including industry certification data, and use this data to help evaluate the effectiveness of their CTE programs in preparing students for jobs related to their CTE program.⁷
- To determine CTE programs' quality and compliance with statutory requirements, CTEDs, member districts, and ADE collaborated to create the *Quality and Compliance Monitoring Document* (Monitoring Document) which ADE began using to review CTED programs in fiscal year 2021. The Monitoring Document identifies the collecting, reporting, and use of data for continuous evaluation and program improvement as an element of a quality CTE program. Specifically, the Monitoring Document indicates that CTEDs should collect valid and reliable outcome data, including student job placement and industry certification information, to determine whether CTE programs meet State-determined performance levels.⁸ The Monitoring Document also specifies that CTEDs should implement a formal process for the systematic and continued use of data for program improvement, which should include a professional development plan to teach CTE staff and teachers how to use and analyze data for program improvement.
- To comply with federal Perkins Act accountability requirements, districts that received federal Perkins Act funding were directed to track and report student job placement data and industry certifications students earned to ADE.⁹
- To receive Arizona Industry Credentials Incentive Program (Incentive Program) monies, districts that voluntarily participated in the Incentive Program were required to track and report student industry certification data to ADE.¹⁰

⁶ Laws 2016, Ch. 4, §§4, 8, enacted A.R.S. §15-393.01, and included legislative intent language that stated that CTEDs "are an important component of a well-rounded education system by providing access to Career and Technical Education programs that offer training to students to equip them with the tools needed to enter the workforce after high school in jobs that demand highly-skilled employees. Restoring funding to CTEDs and implementing accountability measures to the programs was an important priority of members of the Arizona House of Representatives."

⁷ See Arizona Auditor General reports 17-212, *Joint Technical Education Districts*, and 20-209, *Career and Technical Education Districts* (CTEDs). In May 2023, we issued a follow-up report on the implementation status of the recommendations from our November 2020 special study. Of the 10 recommendations made in our report, we found that 8 were in the process of being implemented, and 2 had not been implemented.

⁸ The State-determined levels of performance for each measure are included in the State's *Perkins V State Plan* that ADE submits to the U.S. Department of Education for review and approval.

⁹ The Perkins Act requires each state receiving Perkins Act funding to report certain outcome measures, such as positive student placements, meaning that students are employed, attending postsecondary school, or serving in the military or on a religious mission. Beginning in fiscal year 2020, states were also required to report industry certifications earned by students. The District's member districts receive federal Perkins funding, but the District's central programs do not apply for and receive federal Perkins funding.

¹⁰ A.R.S. §15-249.15. The Incentive Program provided an incentive award of \$1,000 to school districts, charter schools, and CTEDs for high school graduates who complete a CTE program and obtain a qualifying certification, credential, or license. The District and its member districts were eligible to participate in the Incentive Program in fiscal year 2021. The Incentive Program has not received additional funding since fiscal year 2022, and ADE retained unexpended monies from previous fiscal year appropriations. For fiscal year 2023, ADE distributed incentive awards based on the CTE programs for high-need sectors, and each graduate generated no more than \$361.27. In fiscal year 2023, the District received almost \$10,500 in incentive award payments.

District did not collect, validate, and use complete data to help assess whether its programs successfully prepared students for high-need occupations and led them to earn industry certifications

District did not collect, validate, and use complete student employment data to help assess program effectiveness in preparing students for high-need occupations—

Although in fiscal year 2021 the District and its member districts collected and reported to ADE job placement data for former students who had completed a CTE program, it did not collect all the data necessary to demonstrate whether students obtained jobs in high-need occupations. The District surveyed students who completed a central CTE program to determine if they were employed, enrolled in postsecondary education, or enlisted in the military, and were using skills and knowledge acquired in their CTE programs. However, although the District's member districts collected this information for satellite students and reported summary-level information to ADE and the District, the District's member districts did not have consistent processes in place to collect student job placement data. For example, 1 member district maintained students' access to school email accounts for up to 2 years after they graduated to remain in communication with the students as part of its efforts to collect postgraduation placement information. Additionally, this member district gathered information through in-person communication, such as when its staff saw students around the community. However, another member district reported that it did not have a process in place to collect student contact information and therefore was unable to contact over half of the students who completed a CTE program in fiscal year 2021 to try to obtain postgraduate placement information. Additionally, the District did not have a process for validating job placement data for either central or satellite program students to ensure that it was complete and accurate, despite ADE's Monitoring Document specifying the importance of valid and reliable outcome data. Lastly, although the District used the information it collected to report summary information about postgraduation placements, it did not use the placement data it collected to assess program effectiveness in preparing students for high-need occupations.

District did not validate and use member districts' student certification data to help assess program effectiveness in preparing students for high-need occupations—

In fiscal year 2021, the District collected and validated data regarding the certifications earned by students who attended its central campus programs. However, the District did not validate certification data collected and reported by member districts. Specifically, the District obtained copies of the certifications that central program students earned, while member districts obtained certification data through student-reported information and did not collect copies of the certification earned by member district students. The District used the certification data it collected for central program students to identify students who had attempted to become certified but had not passed the certification exam to provide additional tutoring to these students. However, the District did not use member district certification data to assess program effectiveness in preparing students for high-need occupations or help the students to prepare to retest for the certification.

District could not demonstrate that its CTE programs were successful in preparing students for high-need jobs and leading to certification—

Without collecting, validating, and using complete and reliable key outcome data about jobs obtained and certifications earned by its students, the District could not demonstrate to students, parents, the public, and State policymakers that its programs were effective in achieving its statutory purpose of preparing students for entry into high-need occupations. Although the District may have been able to show on a limited basis that a student in 1 program obtained a job after graduation related to their CTE program or another student in a different program obtained a certification, absent complete and reliable key outcome data, the District could not demonstrate overall whether the \$1.4 million it spent in fiscal year 2021 enabled its programs to meet the statutory purpose. Further, the District could not provide students and parents necessary information to know whether attending the District's programs would likely result in the student obtaining a high-need industry job. Finally, by not collecting, validating, or monitoring complete key student outcome data, the District was unable to know whether public monies used on its specific programs may have been better spent on other more effective programs and whether significantly higher or lower spending per enrollment for the same program at different satellite districts was justified and appropriate.

District reported it did not collect, validate, and use complete student employment and industry certification data because it did not have a reason to distrust self-reported data

According to District officials, the District did not collect, validate, or use complete data on postgraduation jobs and industry certifications earned because they do not have a reason to distrust the self-reported information from its students and member districts. However, research indicates that relying on self-reported information leaves significant room for errors and misreporting by respondents, negatively impacting the quality of the data.¹¹ Therefore, as we reported in our November 2020 Arizona CTED special study, research recommends implementing processes to validate self-reported information to ensure it is accurate.¹² Additionally, the District reported that it does not have the resources to ensure the member districts collect and report student employment and industry certification data accurately. However, as stated previously, the District is responsible for determining if central and member district programs are preparing students for high-need occupations, and the District cannot do so without receiving complete and valid outcome data, such as student job placement and industry certification data for its central and satellite campus students.

Recommendations

The District should:

1. Develop and implement consistent data collection protocols for all CTE programs to demonstrate compliance with statutory and ADE requirements and recommended practices. This includes collecting and validating complete data, such as data related to student certifications earned and post-graduate jobs obtained, as well as developing a process to track all outcome data.
2. Analyze all CTE program outcome data to evaluate the effectiveness of its CTE programs in preparing students for high-need occupations and to support the investment of any public monies, and use the results of its evaluations to make changes to its programs to ensure they are meeting their statutory purpose of preparing students for high-need occupations.

District response: As outlined in its [response](#), the District agrees with the finding and recommendations and will implement the recommendations.

¹¹ New Skills for Youth, Advance CTE, Council of Chief State School Officers, Education Strategy Group, Data Quality Campaign, and Workforce Data Quality Campaign. (2019). *The state of career technical education: Improving data quality and effectiveness*. Retrieved 11/29/2023 from https://careertech.org/wp-content/uploads/2023/01/State_CTE_Data_2019.pdf.

¹² See Arizona Auditor General report 20-209, *Career and Technical Education Districts (CTEDs)*.



SUMMARY OF RECOMMENDATIONS

Auditor General makes 2 recommendations to the District

The District should:

1. Develop and implement consistent data collection protocols for all CTE programs to demonstrate compliance with statutory and ADE requirements and recommended practices. This includes collecting and validating complete data, such as data related to student certifications earned and post-graduate jobs obtained, as well as developing a process to track all outcome data.
2. Analyze all CTE program outcome data to evaluate the effectiveness of its CTE programs in preparing students for high-need occupations and to support the investment of any public monies, and use the results of its evaluations to make changes to its programs to ensure they are meeting their statutory purpose of preparing students for high-need occupations.



District's fiscal year 2021 spending

Tables 1, 2, and 3 detail the District's 2021 spending. Table 1 shows the District's spending for satellite programs shown by member district, the number of students enrolled in satellite programs at each member district, and the District's spending per student enrollment at each member district.¹³ Most of the District's spending for satellite programs was in the form of allocation payments to its member districts in accordance with the IGAs the District established with its member districts. In fiscal year 2021, the District received over \$920,000 in revenues generated from student enrollments in satellite programs and spent over \$575,000 on allocation payments to its member districts. In addition to the District's spending for satellite programs shown in Table 1, member districts spent over \$1.4 million in fiscal year 2021 on their satellite programs from other funding sources, primarily maintenance and operations monies. This spending is not included in the amounts shown in Table 1. A.R.S. §15-393 requires member districts to use the monies generated from student enrollments in satellite programs to supplement, not supplant, monies from other sources that were spent on CTE prior to joining a CTED.

Table 1
District spending for satellite programs by member district
Fiscal year 2021

Member district	District spending amount	Student enrollments	District spending per student enrollment
Globe Unified School District	\$224,323	269	\$834
Miami Unified School District	177,640	342	519
San Carlos Unified School District	171,064	207	826
Superior Unified School District	50,696	104	487
Hayden-Winkelman Unified School District	41,448	69	601
Ray Unified School District	30,276	30	1,009
Total	\$695,447	1,021	\$681

Source: Auditor General staff analysis of fiscal year 2021 District-reported accounting and enrollment data.

¹³ Enrollments may include a single student multiple times if that student was enrolled in multiple CTE courses during the year (e.g., Welding Technologies and Precision Machining).

Table 2 below shows the District's spending for central programs shown by CTE program, the number of student enrollments in each CTE program, and the District's spending per student enrollment for each CTE program. The District partners with Eastern Arizona College through IGAs to offer its central CTE programs. In fiscal year 2021, the District paid over \$130,000 in tuition and other fees for its students to attend programs at its community college partner in accordance with its IGA. The District's central program spending also includes costs for classroom supplies and student tutoring.

Table 2
District spending for central programs shown by CTE program
Fiscal year 2021

CTE program name	CTE program description	District spending amount	Student enrollments	District spending per student enrollment
Medical Assistant	Provide medical office administrative services and perform clinical duties such as patient intake and care	\$65,899	39	\$1,690
Dental Assistant	Perform technical services involved with and relating to dental assisting health-care services in both front office and clinical responsibilities	36,509	21	1,739
Welding Technology	Develop a working knowledge of blueprint reading and welding processes using thermal cutting equipment	29,453	29	1,016
Nursing	Provide basic care for patients in hospitals and residents of long-term care facilities, such as nursing homes	25,688	11	2,335
Cosmetology	Help others care for their hair, skin, and nails	22,679	8	2,835
Fire Science	Protect the public by responding to fires and other emergencies	4,078	5	816
Precision Machining	Perform basic product design and fabricate small products	2,022	3	674
Total		\$186,328	116	\$1,606

Source: Auditor General staff analysis of ADE's CTE program descriptions and fiscal year 2021 District-reported accounting and enrollment data.

Table 3 below shows the District’s spending for administration and support services by spending category, including a brief description of the primary expenditures in each category, and the spending per student enrollment for each category. Spending per student enrollment in Table 3 is calculated using the District’s fiscal year 2021 total satellite and central program enrollment of 1,137. In fiscal year 2021, 1 District administrator had a Governing Board-approved employment contract that included a provision stating that the administrator was “...authorized to spend up to \$500 per month for reasonable civic responsibility expenses.” The District administrator and a Board member indicated that they believed the purchase of food was a reasonable civic responsibility expense. Further, in June 2021, the Governing Board approved an addendum to the administrator’s contract as well as to another District employee’s contract that stated “...to the extent appropriate for the occasion, the District may provide incidental food and beverages at Board meetings, meetings for satellite district personnel including in-services and staff development district related functions as a *de minimus* fringe benefit in order to foster good working relations and encourage and reward participation.” In fiscal year 2021, the District spent approximately \$850 on food and beverages for District employees, Board members, and prospective students for meetings and recruiting events during the fiscal year.¹⁴

Table 3
District spending for administration and support services
Fiscal year 2021

Spending category	Spending description	District spending amount	District spending per student enrollment
Administration	Primarily includes salaries and benefits for the superintendent and business manager; administrative supplies and equipment; audit services; advertising; and other administrative services.	\$355,819	\$313
Instruction support and student support services	Primarily includes salaries and benefits for program director duties and attendance software and services.	144,163	127
Other support services	Primarily includes insurance costs, school safety supplies and equipment, and cell phone services.	28,797	25
Total		\$528,779	\$465

Source: Auditor General staff analysis of fiscal year 2021 District-reported accounting and enrollment data.

¹⁴ The District’s food expenditures were accounted for in various spending categories including Administration and Student Support Services.



Objectives, scope, and methodology

We have conducted this performance audit of the District pursuant to A.R.S. §§15-393.01 and 41-1279.03(A) (9). This audit focused on the District's efficiency and effectiveness primarily in fiscal year 2021 in preparing students for high-need occupations.

We used various methods to review the specific objectives and issues in this performance audit. These methods included reviewing CTE statutes, rules, and policies and procedures; interviewing District staff; and reviewing District documentation and information from ADE's website. We also used the following specific methods to meet the audit objective:

- To determine if the District spent CTED monies consistent with requirements and to enhance its central programs, we reviewed its detailed accounting records, IGAs between the District and its community college partner, and statutory requirements, and interviewed District staff. We also evaluated the District's fund balances in its general fund and restricted funds and interviewed District staff regarding the purpose of its accumulated fund balances, researched best practices for fund balance policy, and interviewed District staff about whether the District had a policy pertaining to the amount and purpose of accumulated fund balances. We did not report any findings in this area.
- To determine whether the District spent CTED monies consistent with requirements and to enhance its satellite programs, we reviewed District *Annual Financial Reports* and audited financial statements, funding the District received for its central and member districts' satellite programs, allocation payments it made to its member districts, and its unspent fund balances; and reviewed IGAs between the District and its member districts. We also toured some of the District's central and member districts' satellite programs and interviewed member district staff about their satellite program needs. We did not report any findings in this area.
- To determine which outcome measure data the District collected and reviewed and whether it used that information to assess its programs' effectiveness in preparing students to earn certifications or licenses and for jobs in high-need occupations, as required by statute, we reviewed CTE performance measure reports, District-maintained certification and license records, and post-graduation placement data; and conducted interviews with District and member district staff.
- To assess the District's program spending and evaluate differences in per enrollment spending by program, we reviewed the District's and member districts' operating and equipment spending by program, calculated the District's and member districts' spending per enrollment by program, and compared member districts' spending using weighted average spending per enrollment by program. We also conducted interviews with District officials to assess whether the District monitored and investigated differences in program spending between member districts to ensure the differences in spending were necessary and justified and that programs were operating efficiently. We did not report any findings in this area.
- Our work on assessing internal controls, including information system controls, included reviewing the District's policies and procedures; interviewing District staff; and, where applicable, testing the District's compliance with its policies and procedures, the *Uniform System of Financial Records for Arizona School Districts* and related guidance, and credible IT industry standards. We also evaluated the District's internal controls related to expenditure processing and scanned all fiscal year 2021 payroll and accounts payable transactions in the District's detailed accounting data for proper account classification and reasonableness.

Additionally, we reviewed detailed payroll records for all 3 individuals who received payments in fiscal year 2021 through the District's payroll system, personnel records for the District's superintendent and business manager, and 18 of 656 fiscal year 2021 accounts payable transactions. Further, we reviewed 9 fiscal year 2021 credit card expenditures for food purchases totaling \$857. We evaluated these food expenditures by reviewing itemized receipts, District documentation of the public purpose and funding sources used, and District administrator employment contract provisions. We also evaluated other internal controls that we considered significant to the audit objectives, including controls over cash handling, credit card purchases, and any potential conflicts of interest.

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 governing board members, superintendent, and staff, as well as member districts' staff, for their cooperation and assistance throughout the audit.

DISTRICT RESPONSE



Cobre Valley Institute of Technology

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Administration

Mike O'Neal, Superintendent
Donna Roach, Business Manager

Governing Board

Maria Munoz, Board Chairperson
Franceen Gregovich, Vice Chair
Mike Fane, Member
Anna Flores, Member
Louie Rabago, Member

Date: December 18, 2023

To: Lindsey A. Perry, CPA, CFE
Arizona Auditor

Re: CVIT Performance Audit

District agrees with the Auditor General's Performance Audit Findings.

Finding 1: District's lack of key outcome data prevents it from demonstrating how the \$1.4 million it spent on programs in fiscal year 2021 effectively prepared students for high-needs occupations

Recommendation 1: The District should develop and implement consistent data collection protocols for all CTE programs to demonstrate compliance with statutory and ADE requirements and recommended practices. This includes collecting and validating complete data, such as data related to student certifications earned and post-graduate jobs obtained, as well as developing a process to track all outcome data.

District Response: The finding of the Auditor General is agreed to, and the audit recommendation will be implemented.

Response explanation: The District will work with all member districts in developing and implementing consistent verifiable data reporting procedures as it relates to student certifications earned and post-graduate jobs obtained used to track all outcome data.

Recommendation 2: The District should analyze all CTE program outcome data to evaluate the effectiveness of its CTE programs in preparing students for high-need occupations and to support the investment of any public monies, and use the results of its evaluations to

make changes to its programs to ensure they are meeting their statutory purpose of preparing students for high-need occupations.

District Response: The finding of the Auditor General is agreed to, and the audit recommendation will be implemented.

Response explanation: The District will annually review and analyze both central and satellite CTE program outcome data with all member district administrators to implement any needed changes to ensure the statutory purposes of preparing students for high-need occupations.

Should you have any further questions, please feel free to contact us.

A handwritten signature in blue ink, appearing to read "Mike O'Neal".

Mike O'Neal
CVIT Superintendent

