

Northeast Arizona Technological Institute of Vocational Education

District spent nearly \$3 million on career and technical education (CTE) programs in fiscal year 2021 but lacked a comprehensive plan for its central CTE programs, lacked key outcome data showing its programs effectively prepared students for high-need occupations, accumulated over \$4 million in fund balances by the end of fiscal year 2021 but did not have a policy directing the amount or purpose of monies to be maintained in its general fund, and assigned some accounting system users too much access

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A Report to the Arizona Legislature

Lindsey A. Perry
Auditor General





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January 26, 2024

Members of the Arizona Legislature

The Honorable Katie Hobbs, Governor

Governing Board

Northeast Arizona Technological Institute of Vocational Education

Mr. Ron Tsosie, Superintendent

Northeast Arizona Technological Institute of Vocational Education

Transmitted herewith is a report of the Auditor General, *A Performance Audit of Northeast Arizona Technological Institute of Vocational Education*, 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 Tsosie 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

Northeast Arizona Technological Institute of Vocational Education

District spent nearly \$3 million on career and technical education (CTE) programs in fiscal year 2021 but lacked a comprehensive plan for its central CTE programs, lacked key outcome data showing its programs effectively prepared students for high-need occupations, accumulated over \$4 million in fund balances by the end of fiscal year 2021 but did not have a policy directing the amount or purpose of monies to be maintained in its general fund, and assigned some accounting system users too much access

Audit purpose

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

Key findings

- District lacked a comprehensive plan for its central campus, resulting in unused facilities and increased risk of wasteful spending on unsustainable current and future programs.
- District did not collect, validate, and use key student outcome data to help assess whether its CTE programs prepared students for high-need occupations; absent this data, District could not demonstrate the nearly \$3 million it spent on programs in fiscal year 2021 was effectively used.
- District accumulated a \$3.7 million general fund balance by end of fiscal year 2021, or 1.2 times its fiscal year 2021 general fund expenditures, but did not have policy regarding amount or purpose of monies to be maintained in its general fund.
- District assigned some users too much access to its accounting system, increasing its risk of errors and fraud.

Key recommendations

The District should:

- Develop and follow a comprehensive strategic plan in accordance with recommended practices that includes the District's goals for the operation of its central campus, including assessing whether it is practical to expand its central campus CTE programs and facilities.
- Develop and implement consistent data collection protocols for all CTE programs. This includes collecting and validating complete data and developing a process to track all outcome data.
- Analyze all CTE program outcome data to evaluate its CTE programs' effectiveness in preparing students for high-need occupations and to support the investment of any public monies.
- Develop and implement a formal fund balance policy consistent with best practices for its general fund regarding the level and purpose of these monies.
- Establish and implement written policies and procedures to assign and periodically review employees' accounting system access to ensure they have access to only those accounting system functions needed to perform their job duties.



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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

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

District reported it did not collect, validate, and use certain student employment and industry certification data because it was not specifically required to do so

Recommendations

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To help ensure public transparency and accountability, best practices recommend District establish a fund balance policy for unspent monies in its general fund

District did not have policy to direct amount and purpose of its \$3.7 million unspent general fund monies at end of fiscal year 2021

District had another \$277,000 in unspent restricted monies and should consider any restricted monies available for general fund purposes when setting general fund balance policy

District's unspent general fund monies could be used to meet member districts' CTE program equipment and facility needs

Recommendations



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District overview

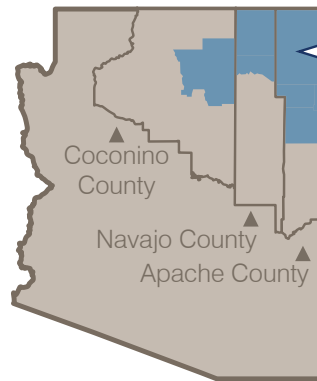
Northeast Arizona Technological Institute of Vocational Education (District) is a career and technical education district (CTED) that offers career and technical education (CTE) courses to high school students living within its boundaries. For more information about CTEDs and how they operate, see the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

Key CTED terms

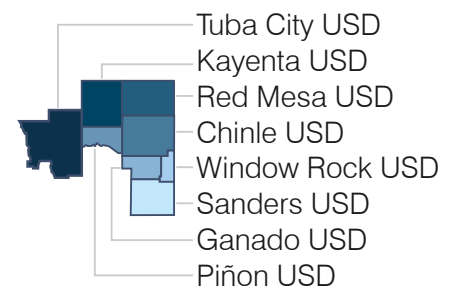
Member districts—Arizona public school districts that form or join a CTED.

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.



Member districts



The District had 3 central programs with 250 enrollments and 20 satellite programs with 5,003 enrollments in fiscal year 2021.¹ See Appendix A, page a-1, for enrollment and spending information for central and satellite and programs.

FY 2021 total spending—\$3 million (\$569 per enrollment)

Central programs—8%

Satellite programs—65%

Administration and support services—27%

Audit results summary

Key areas reviewed

Central programs—spent approximately \$220,000 on central CTE programs and lacked a comprehensive plan to sustain current and future central programs

In fiscal year 2021, the District offered 3 CTE programs at its central campus, with 250 enrollments, or approximately 5 percent of its total fiscal year 2021 enrollments. The District primarily spent these monies on salaries and benefits for teachers, classroom supplies, recording equipment for virtual learning, and software licenses. However, the District had not developed a comprehensive plan for the operation of its central campus, resulting in unused facilities and increasing the risk of future wasteful spending on CTE programs not aligned with student interests and workforce needs (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 Enrollments may include a single student multiple times if that student was enrolled in multiple CTE courses during the year (e.g., Automotive Technologies and Welding Technologies).

Key areas reviewed (continued)

Satellite programs—Spent nearly \$2 million on satellite CTE programs but lacked key outcome data to demonstrate that programs effectively prepared students for high-need occupations

In fiscal year 2021, the District allocated \$1.95 million in satellite program funding to its member districts and provided professional development for satellite program teachers and evaluation and support for satellite programs. However, despite spending nearly \$3 million on CTE programs in fiscal year 2021, with nearly \$2 million of these monies going directly to satellite programs, the District lacked key outcome data to demonstrate that these programs met their statutory purposes to effectively prepare students for high-need occupations (see Finding 2, page 8). 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 over \$800,000 on administration and support services, did not have a policy regarding its fund balances, and assigned some users too much access to its accounting system

In fiscal year 2021, the District's administration spending of \$540,648 was primarily to pay for administrative salaries and benefits, as well as insurance and audit services. The District also spent approximately \$272,000 on support services, primarily for internet, software, and electricity. Additionally, the District accumulated over \$4 million in fund balances by the end of fiscal year 2021 but did not have a policy regarding the amount or purpose of monies to be maintained in its general fund (See Finding 3, page 12). Finally, the District allowed some accounting system users too much access, increasing its risk of errors or fraud (see Finding 4, page 16).



District lacked a comprehensive plan for its central campus, resulting in unused facilities and an increased risk of wasteful spending on unsustainable programs

Recommended practices outline key components of comprehensive planning necessary for an entity's continuous improvement

The Governor's Office of Strategic Planning and Budgeting's (OSPB) *Strategic Planning for Continuous Improvement* outlines strategic planning recommended practices to help ensure an entity meets its goals and statutory purposes.² According to these recommended practices, a successful strategic planning process should identify customers and stakeholders and their expectations, and establish realistic goals and performance metrics for evaluating progress to ensure the entity is positioned for long-term success. As part of strategic planning efforts, entities should develop an action plan that includes a detailed description of tasks required and information about how resources will be allocated, and should ensure planning decisions are grounded in fiscal reality. In evaluating and allocating resources as part of strategic planning, entities should determine whether necessary resources are available and if not, determine how the resources will be obtained; evaluate the short- and long-term fiscal impact of the course of action to be taken; and determine whether additional funding will be needed and if so, whether it will be 1-time or ongoing. Successful strategic planning helps ensure that entities allocate resources effectively to meet goals and achieve meaningful results over time.

Lack of comprehensive planning may have contributed to the District not using specialized facilities and equipment it built for 3 central campus programs for its intended purpose

According to District officials, when the District began construction for its central campus operations, it intended to offer 3 central campus CTE programs: Hospitality, Power Transmission, and Film and TV, and began constructing facilities to offer these programs in 2010.³ We toured the District's central campus in March 2022 and observed specialized facilities and equipment developed for each of these programs that the District was not using because it never operated or no longer operated its 3 planned central campus programs. Specifically:

- **District built 7 buildings for its Hospitality program that it no longer uses**—In 2013, the District built 7 small cabin-like structures that it intended to operate and rent out as part of its central campus Hospitality program. However, the District stopped operating its Hospitality program in fiscal year 2018 due to lack of enrollment. As such, the District only occasionally uses these buildings when member district representatives travel to the central campus.

² Arizona Governor's Office of Strategic Planning and Budgeting. (2023). *Strategic planning for continuous improvement: State agency handbook*. Retrieved 10/30/2023 from https://www.azospb.gov/documents/pdf/Strategic_Planning_for_Continuous_Improvement_Jan2023.pdf.

³ The District could not provide information detailing the initial cost to construct the facilities or the cost to annually maintain the structures that are still used.

- District installed wind turbines, solar panels, and other infrastructure for its Power Transmission program that it never operated**—As previously discussed, in 2010 the District began constructing infrastructure on its central campus for a Power Transmission program that it planned to offer. However, due to lack of enrollment and the District’s inability to find a qualified teacher, the District never operated its Power Transmission program, despite having built the infrastructure necessary to offer it. According to the District, only some of the infrastructure, such as the wind turbines, are currently used, while other portions such as the solar panels, are not used.
- District installed a production studio and green screen for its Film and TV Production program that it never operated**—Similar to its Power Transmission program, in 2012, the District installed infrastructure necessary for it to offer a Film and TV Production program, including a production studio with a green screen wall. However, due to lack of enrollment and the District’s inability to find a qualified teacher, the District never operated its Film and TV Production program. It currently uses the production studio as a classroom for its Graphic Design program, but it does not use the production equipment or green screen for its intended purpose (see Photo 1).

Photo 1
Unused central campus Hospitality, Power Transmission, and Film and TV equipment and facilities

Wind turbine and unused solar panels and cabin-like structures.



Unused cabin-like structures intended for District’s Hospitality program.



Unused production studio intended for Film and TV Production program.



Unused green screen wall intended for Film and TV Production program.

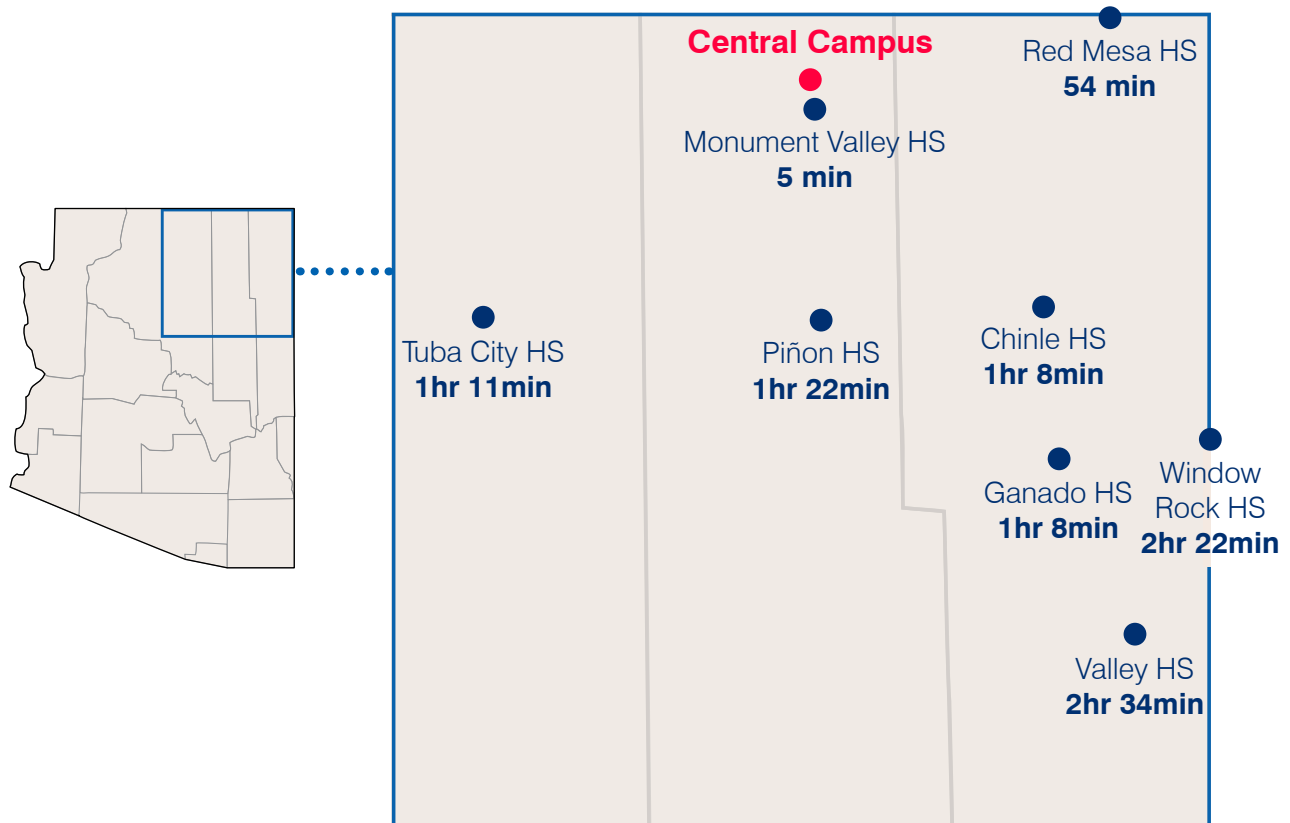


Source: NATIVE central campus photos taken by Auditor General staff in March 2022.

District officials reported that the 3 initially planned central campus programs were researched and recommended to the District’s governing board by its former superintendent. However, the District could not provide evidence of a comprehensive plan directing its central campus operations, which likely contributed to the District spending monies on CTE programs that it never operated or later discontinued due to lack of student interest and enrollment. If the District had developed a plan consistent with recommended practices for its central campus, including assessing the availability of resources, assessing student interests and needs, and setting realistic goals, it may have identified various factors impacting its ability to sustain central programs, including:

- Most students cannot attend central campus programs because central campus is geographically isolated from most member district high schools**—The District’s central campus is located near only 1 of its 8 member district high schools. As shown in Figure 1, while the central campus is located close to Monument Valley High School, the remaining 7 member district high schools are all located between 57 and 151 miles, or between a 1- and 2.5-hour drive, each way from the central campus. This distance likely makes it difficult for students from these 7 member districts to attend classes at the central campus. Specifically, some member district officials stated that they were unable to send students to the central campus because of its distance from their high schools. Further, the District’s superintendent confirmed that the District did not expect member districts to send students to the geographically isolated location.

Figure 1
Central campus is geographically isolated from most member district high schools, and most drive times range from about 1 to 2.5 hours



Source: Auditor General staff analysis of drive times to 8 member district high schools retrieved from Google Maps in October 2022. Drive times estimated using the most direct route available between central campus and respective member district high schools.

- **Students within reasonable distance of central campus already attend CTE programs, primarily at their high school**—In fiscal year 2021, nearly 80 percent, or 508 out of 645 students attending the member district high school near the central campus, participated in CTE programs at their high school or at the central campus. However, District officials indicated that most of those students attended CTE programs at the high school and not at the central campus due to more student interest in the member district’s programs. District officials also indicated that many of the students who were not participating in CTE programs were unable to do so due to other activities or for academic reasons. As a result, along with the geographic isolation previously discussed, this further limits the number of new students the District is likely to enroll in its central campus programs.
- **District’s central programs are not aligned with student interests**—As previously discussed, the District discontinued its Hospitality program in fiscal year 2018 due to lack of enrollment and has not operated it since because it reportedly did not have enough student interest. Additionally, as previously discussed, the District used public monies to build its central campus, which included wind turbines and solar panels for a Power Transmission program and a studio with a ceiling-mounted camera track, green screen wall, and control room for a Film and TV program. However, the District reported that it was unable to hire teachers or generate student interest necessary to start these programs. Further, although the District reported that these programs were researched by the former superintendent, it could not provide support that the research included student surveys or other methods of gauging student interest, which may have contributed to its inability to enroll enough students to operate these programs.
- **District offers central campus programs for which it cannot find qualified teachers**—As of October 2023, District officials stated that beginning in fiscal year 2022, the District has offered only 2 of their 3 central campus programs—Culinary Arts and Graphic Design. District officials stated that they have not offered their central campus Home Health Aide program since fiscal year 2022 because they have been unable to find a qualified teacher for the program.

District intends to expand its central campus despite challenges to its current programs and the absence of a comprehensive plan for doing so, continuing its risk of wasteful spending on programs and related infrastructure

As reported in Finding 3 on page 12, the District indicated that it intends to use its accumulated fund balance to expand its central campus facilities to offer additional programs. District officials indicated that they previously discussed plans to expand the District’s central campus facilities, but these plans had not been evaluated or updated since June 2011. At that time, the District obtained a quote to begin construction on an expansion of its central campus at an estimated cost of approximately \$2.7 million. Although the District indicated during the audit that it still intends on expanding its central campus, it had not obtained updated construction quotes, documented plans, or formal Governing Board approval to do so. Additionally, the District had not conducted additional planning to account for changes in student enrollment, available resources, and infrastructure requirements that may have occurred since it developed its plans to expand its central campus more than 12 years ago.

In addition to expanding its central campus facilities, District officials further stated that the District plans to expand the programs offered at its central campus by adding an updated hospitality or tourism-focused program based on discussions about the District’s potential local industry needs during a meeting of a commission developed by ADE in October 2023.⁴ However, District officials have relied on the commission’s discussion without conducting an independent analysis of its unique circumstances, including formal planning, such as student interest surveys, to evaluate whether there are enough students interested and

⁴ ADE developed the Arizona Education Economic Commission, which it describes as a public-private partnership led by the private sector and is intended to be a collaboration between education and industry to encourage the development of workforce and economic opportunities for Arizona’s students.

participate in any new program offerings. The District further indicated that it had not assessed its ability to hire an instructor for the new program, as it has also struggled to hire and retain instructors for its existing programs. As previously discussed, the District stated that these challenges have caused it to discontinue some of its existing programs and not offer some programs that it had previously anticipated offering, despite spending monies to set up the programs. By not developing a comprehensive plan consistent with recommended practices that includes a current analysis of the entity's internal and external environment to ensure its planned central campus programs are feasible, the District increases the risk that it will continue wasting public monies on central campus programs that it may be unable to sustainably operate. Moreover, the obstacles identified as impacting the District's central campus expansion plans impact the District's ability to operate certain current central campus programs, such as its Home Health Aide program. By not considering these obstacles in determining what central programs it offers and because it lacks key outcome data for its current central programs, as discussed in Finding 2 on page 8, the District cannot demonstrate that the public monies it spends on central campus programs are being effectively used for their intended purpose of preparing students for jobs in high-need occupations.

Recommendations

The District should:

1. Develop strategic planning policies and procedures, including guidelines and instruments for assessing current central programs and expansion viability such as evaluating student interest, determining eligible student populations, and attracting and retaining qualified CTE program instructors.
2. Develop and follow a comprehensive strategic plan in accordance with recommended practices that includes the District's goals for the operation of its central campus, including assessing whether it is practical to expand its central campus programs and facilities.

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



District's lack of key outcome data prevents it from demonstrating how the nearly \$3 million it spent on programs in fiscal year 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.⁵ Additionally, statute requires CTEDs to provide ongoing evaluation and support of their member districts' satellite campus programs to ensure quality and compliance.⁶ 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.⁷ 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.

⁵ Arizona Revised Statutes (A.R.S.) §§15-781, 15-391.

⁶ A.R.S. §15-393(L)(10)(b).

⁷ 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 8/8/23 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 8/8/23 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 8/8/23 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 and ADE have been directed to collect and report data related to student job placement 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 ensure 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.⁸ 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 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.⁹
- 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 data, to determine whether CTE programs meet State-determined performance levels.¹⁰ The Monitoring Document also specifies that CTEDs should implement a formal process for the systematic and continuous 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.¹¹
- 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.¹²

⁸ Laws 2016, Ch. 4, §1, 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."

⁹ 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.

¹⁰ 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.

¹¹ 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 are 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.

¹² 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, NATIVE's member districts that participated in the program received approximately \$20,600 in total.

District did not consistently collect, validate, and use 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 job placement data to help assess program effectiveness in preparing students for high-need occupations—

In fiscal year 2021, the District did not collect any student job placement data for its CTE programs despite ADE's Monitoring Document identifying it as an important outcome measure that CTEDs should monitor to assess the quality of their CTE programs. Instead, the District relied on its member districts to collect job placement data for students who completed either a satellite or central CTE program. Member districts reported collecting job placement data using various strategies, such as by calling CTE program graduates or their parents, contacting graduates on social media, or gathering information from graduates or their parents in person. However, our review of available fiscal year 2021 job placement data collected by member districts found that the data was incomplete because it lacked information for some CTE program graduates.¹³ For example, 2 member districts that reported using multiple data collection strategies obtained postgraduation placement data for 43 of 72 and 75 of 113 respective fiscal year 2021 CTE program graduates. Another member district reported that it struggled to successfully contact most graduates and reported postgraduation placement data for 24 of its 52 fiscal year 2021 CTE program graduates. Additionally, the District did not provide support or guidance to member districts for collecting job placement data or work with its member districts to ensure the job placement data they collected was valid and reliable despite ADE's Monitoring Document identifying this as an important component of outcome data collection and analysis.

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

In fiscal year 2021, the District collected industry certification testing results directly from certification providers for 2 certifications that its students earned.¹⁴ However, these certifications were applicable to only 6 of the District's 20 CTE programs, and the District did not collect any certification testing results for the other 14 CTE programs. Additionally, although some of the District's member districts collected copies of industry certifications or maintained detailed spreadsheets with student certification assessment results for some satellite program students in fiscal year 2021, the District did not collect and compile this data from its member districts in a consistent manner. Therefore, the District could not validate the reliability of the results despite ADE's Monitoring Document identifying this as an important component of outcome data collection and analysis.

District did not demonstrate that its CTE programs were successful in filling jobs in high-need occupations and leading to certification—

Without collecting, validating, and using complete and reliable key outcome data about jobs obtained and industry certifications earned by its students, the District could not demonstrate that its programs were effective in achieving its statutory purpose of preparing students for entry into high-need occupations. Although the District may be 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 related to their CTE program, absent complete and reliable key outcome data, the District could not demonstrate overall whether the nearly \$3 million in public monies it spent in fiscal year 2021 enabled its programs to meet the statutory purpose. Additionally, 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. 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-needs industry job.

¹³ The District's member districts were required to collect and report to ADE postgraduation employment and industry certification data for students who completed a CTE program because they received federal Perkins funding in fiscal year 2021. The District did not apply for and receive federal Perkins funding, so ADE excluded the District's central programs from the federal accountability reporting requirements.

¹⁴ The 2 certifications tracked were the National Restaurant Association's ServSafe certification and the Occupational Safety and Health Administration (OSHA) 10 certification.

District reported it did not collect, validate, and use certain student employment and industry certification data because it was not specifically required to do so

District officials reported that they did not collect, validate, and use student job placement and industry certification data for all students enrolled in the District's central or satellite CTE programs because ADE had not required it to do so. Despite the 2016 law requiring ADE to include CTEDs in its annual achievement profiles and include student job placement rates as a performance indicator, ADE had not yet implemented this requirement for fiscal year 2021.¹⁵ In our November 2020 CTED special study, we identified similar data issues and causes at other CTEDs and recommended that ADE implement the 2016 statutory requirement to include each CTED in its annual achievement profiles and work with CTEDs and member districts to ensure accurate, complete, and comparable data is available to assess CTE program effectiveness, including job placement and industry certification data. In response to our recommendations, starting in fiscal year 2022, ADE began requiring all CTEDs to collect and report to ADE job placement and industry certification data for central CTE students.¹⁶ According to District officials, they began collecting this data and reported it to ADE as required for the first time in June 2023, despite our November 2020 CTED special study recommendations and other previously issued CTED performance audit reports discussing the importance of collecting and using outcome data to assess CTE programs' quality. Additionally, District officials stated they have hired an additional employee to help ensure data collection and reporting is complete and accurate. We will review the District's efforts and updated processes as part of our followup to this report.

Recommendations

The District should:

3. Develop and implement consistent data collection protocols for all CTE programs. 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.
4. 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 jobs in high-needs occupations.

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

¹⁵ Laws 2016, Ch. 4, §1, enacted A.R.S. §15-393.01.

¹⁶ Arizona Auditor General report 20-209 *Career and Technical Education Districts (CTEDs)*.



District accumulated over \$4 million in fund balances by end of fiscal year 2021 but did not have policy regarding amount to be maintained in its general fund or its intended purpose

To help ensure public transparency and accountability, best practices recommend District establish a fund balance policy for unspent monies in its general fund

The Government Finance Officers Association (GFOA), an association of over 20,000 public finance officials whose mission is to advance excellence in public finance, recommends that governments, including school districts, establish a formal policy for general fund balances. Specifically, the policy should include how much should be maintained in reserve as well as the intended purpose for those balances.¹⁷ The unrestricted fund balance in the District's general fund consists of monies it is able to spend on any allowable purpose. The fund balance policy should be adopted by appropriate policy bodies. According to the GFOA, a government should consider its own unique circumstances and risks, including the predictability of its revenues and the volatility of its expenditures, when establishing this policy. Further, the GFOA recommends a government include in its formal policy the identified risks and other factors that were considered when adopting its fund balance policy to help explain to stakeholders the rationale for a seemingly higher than normal level of fund balance. Finally, although there are no general Arizona school district-specific requirements regarding how much they can or should maintain in their general fund or for what purpose, the GFOA recommends that governments, including school districts, maintain a fund balance of at least 2 months of operating expenditures or revenues but notes that this can vary significantly based on each government's unique circumstances.

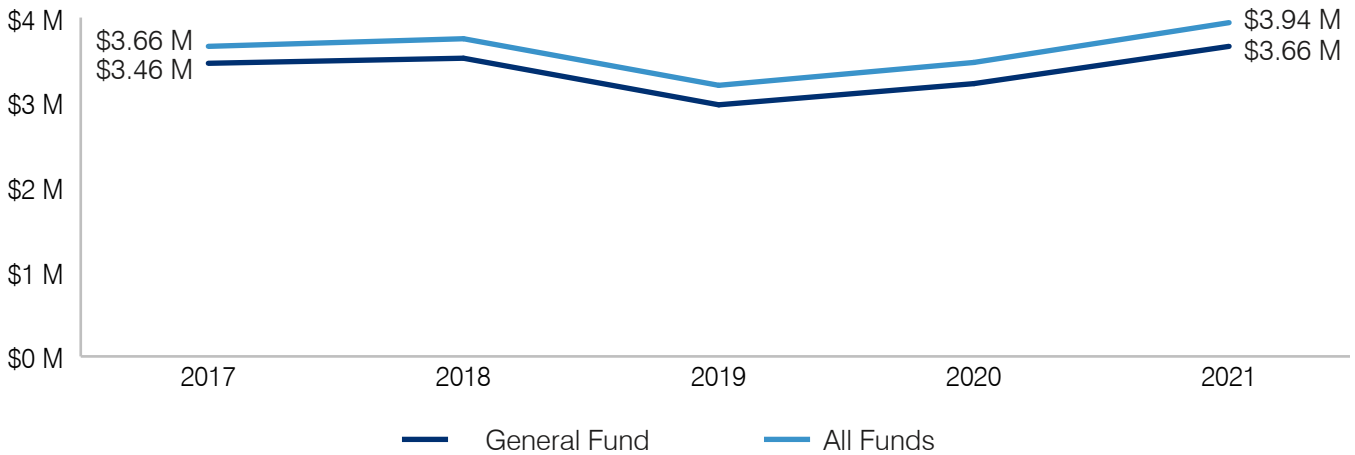
District did not have policy to direct amount and purpose of its \$3.7 million unspent general fund monies at end of fiscal year 2021

The District ended fiscal year 2021 with approximately \$3.7 million in unrestricted and unspent monies in its general fund but did not have a formal policy specifying the amount to be maintained in its general fund or purpose for those monies as recommended by best practices. District officials stated that they were not aware of GFOA's recommendations and did not know that having such a policy was a recommended practice. In April 2023, the District adopted a formal policy in its fund-balance-reporting handbook that delegates authority to the District's superintendent to assign fund balances for specific purposes. However, the policy does not address some areas GFOA indicates should be addressed, such as how much should be maintained in the fund balances and the allowable purposes for which the fund balances may be used. The District's large fund balance in its general fund was the result of its annual revenues, which are primarily generated by the District's central and satellite programs, consistently exceeding its expenditures. The GFOA recommends a general fund balance of (at least) 2 months of operating expenditures or revenues. The District's unrestricted fund balance

¹⁷ Government Finance Officers Association (GFOA) (2015). Fund Balance Guidelines for the General Fund. Retrieved 12/22/2023 from <https://www.gfoa.org/materials/fund-balance-guidelines-for-the-general-fund>.

of \$3.7 million in its general fund at the end of fiscal year 2021 was approximately 15 months of operating expenditures, or 1.2 times its fiscal year 2021 general fund expenditures of \$3 million. In terms of revenues, the District's general fund balance was nearly 13 months of general fund revenues. These amounts well exceeded the GFOA-recommended fund balance amount in the general fund, and absent a formal fund balance policy for its general fund, the District was unable to demonstrate to the public the purpose of its \$3.7 million unrestricted fund balance in its general fund.

Figure 2
District maintained high fund balances over last 4 years
Fiscal years 2017 through 2021



Source: Auditor General staff analysis of District's audited financial statements' ending fund balance data for fiscal years 2017 through 2021.

District had another \$277,000 in unspent restricted monies and should consider any restricted monies available for general fund purposes when setting general fund balance policy

The GFOA's guidance states that financial resources available in other funds should also be considered when assessing the adequacy of the unrestricted fund balance in the general fund. Some balances in restricted funds may include resources available to pay for items that typically would require the use of the unrestricted fund balance monies and, in those cases, should also be considered when establishing a fund balance policy for the general fund. Accordingly, the District should assess whether monies in its restricted funds are available for general fund purposes when developing a fund balance policy for its general fund. For example, the District ended fiscal year 2021 with nearly \$200,000 in unspent Classroom Site Fund (CSF) monies, which were primarily restricted to be spent on teacher compensation and had to be spent to supplement and not supplant spending from other sources. However, because the District employed few teaching staff at its central campus and had not used these monies for other allowable purposes, it had not spent much of its CSF monies. Our October 2017 special audit on Joint Technological Education Districts (now referred to as CTEDs) addressed this issue of unspent CSF monies.¹⁸ We recommended that CTEDs work with ADE and their legal counsel to determine potential options for spending these monies. Further, effective in fiscal year 2022, the allowable uses of CSF monies changed, allowing districts with fewer teachers more options when spending CSF monies, including on student support services.¹⁹ However, as of October 2023 the District reported it had not evaluated how these revisions impacted its ability to spend its accumulated CSF monies.

¹⁸ See Arizona Auditor General report 17-212 *Joint Technical Education Districts*.

¹⁹ Laws 2021, Ch. 67, §§1, 4.

District's unspent general fund monies could be used to meet member districts' CTE program equipment and facility needs

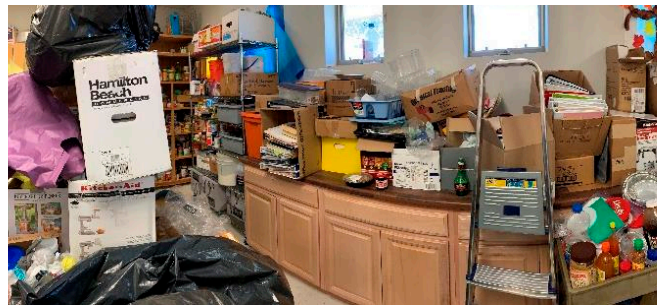
As previously discussed, the District did not have a formal fund balance policy to address the unspent balances that it had accumulated. According to District officials, the District had plans to use the District's unspent monies in its general fund to support future expansion of its central campus facilities. However, as reported in Finding 1 (see pages 3 through 7), the District lacked a comprehensive plan aligned with recommended practices for expanding its central campus facilities and programs, increasing the risk that resources the District spends on expanding its central campus facilities or programs may not be effective in helping the District to meet its statutory purpose of preparing students for high-need occupations. Further, our review found that some existing satellite programs with higher enrollment than the District's central programs had equipment and facility needs at the end of fiscal year 2021 that the District could have met with its unspent general fund monies. For example, we visited 3 member district Culinary Arts program facilities and observed that 1 member district's kitchen facility and equipment appeared to not conform with ADE standards for a commercial-style kitchen (see photo 2), while the other 2 member districts' kitchen facilities and equipment appeared to conform with ADE standards and resembled commercial kitchens. Additionally, 2 other member districts reported that their Welding Technologies program facilities did not have the electrical infrastructure necessary to use equipment required in program standards.²⁰ District officials indicated that they were aware of some of the member districts' needs. However, the District had not worked with its member districts to determine if and when it could use its unspent general fund monies to help purchase needed equipment and update facilities for satellite programs. As a result, these satellite programs may be of lower quality than other member district programs and less effective in preparing students for high-need occupations.

Photo 2

Differences between Culinary Arts program kitchens at 3 member districts

Member district 1

Culinary Arts program facilities lacked commercial-style kitchen.



Member districts 2 and 3

Culinary Arts program facilities with commercial-style kitchens.



Source: Member district photos taken by Auditor General staff in March 2022.

²⁰ ADE technical standards for the Culinary Arts and Welding Technologies programs state that students must be taught how to use small and large commercial grade equipment and welding and auxiliary equipment and tools, respectively.

Recommendations

The District should:

5. Implement GFOA's best practices recommendations and develop and implement a formal fund balance policy for its general fund regarding the level and purpose of these monies, including considering the financial resources available in other funds when assessing the adequacy of the unrestricted fund balance in the general fund.
6. Develop and implement a plan to spend on its CTE programs any unrestricted fund balance in its general fund that is greater than the level it has adopted in its formal fund balance policy, which may include working with its member districts to help purchase needed equipment and update facilities for member districts' satellite programs.

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

District assigned some users too much access to its accounting system, increasing its risk of errors and fraud

The *Uniform System of Financial Records for Arizona School Districts* (USFR) requires that districts limit users' access to information and restrict the types of access to only what is necessary for users to carry out their assigned duties.²¹ However, our April 2022 review of accounting system access levels for the 6 District employee accounts and 2 consultant accounts found that 4 users had too much access, including both consultants, allowing them the ability to initiate and complete purchasing and/or payroll transactions without any independent review. As a result, the District increased its risk for errors and fraud because these users could have completed payroll transactions or changes without a second employee to verify the payroll transactions or changes were accurate and appropriate. Additionally, the District granted administrator-level access to 2 users, one of whom was a consultant, which gave them full control over accounting system settings, such as the ability to grant themselves full access to view and edit all system information, further increasing the risk for errors and fraud. For example, users with administrator-level access could process false invoices; change employee pay rates, including their own; or add and pay nonexistent vendors or employees without detection. Additionally, the District increased its risk of security breaches because hackers typically target administrator accounts for their greater access privileges, which could result in unauthorized access to and loss of sensitive data or disruption of some District operations. According to District officials, they had not conducted any prior reviews of user access levels in the accounting system and did not have a process in place to determine the appropriateness of accounting system user access, including reviewing administrator-level access. After we brought these accounts to the District's attention, it worked with the County, who hosts its accounting system, to evaluate and update user access. However, we reviewed the District's October 2023 accounting system access levels and identified similar issues as our initial review. Although we did not identify any improper transactions due to these deficiencies within the accounting system, allowing such broad access increased the District's risk of errors and fraud.

Recommendations

The District should:

7. Protect its sensitive computerized data by limiting users' access in the accounting system to only those accounting system functions needed to perform their job duties, including removing administrator-level access of day-to-day users.
8. Establish and implement written policies and procedures to assign and periodically review 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.

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

²¹ The Arizona Auditor General and ADE developed the USFR pursuant to A.R.S. §15-271. The USFR and related guidance prescribes the minimum internal control policies and procedures to be used by Arizona school districts for accounting, financial reporting, budgeting, attendance reporting, and various other compliance requirements.



SUMMARY OF RECOMMENDATIONS

Auditor General makes 8 recommendations to the District

The District should:

1. Develop strategic planning policies and procedures, including guidelines and instruments for assessing current central programs and expansion viability such as evaluating student interest, determining eligible student populations, and attracting and retaining qualified CTE program instructors (see Finding 1, pages 3 through 7, for more information).
2. Develop and follow a comprehensive strategic plan in accordance with recommended practices that includes the District's goals for the operation of its central campus, including assessing whether it is practical to expand its central campus programs and facilities (see Finding 1, pages 3 through 7, for more information).
3. Develop and implement consistent data collection protocols for all CTE programs. 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 (see Finding 2, pages 8 through 11, for more information).
4. 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 jobs in high-needs occupations (see Finding 2, pages 8 through 11, for more information).
5. Implement GFOA's best practices recommendations and develop and implement a formal fund balance policy for its general fund regarding the level and purpose of these monies, including considering the financial resources available in other funds when assessing the adequacy of the unrestricted fund balance in the general fund (see Finding 3, pages 12 through 15, for more information).
6. Develop and implement a plan to spend on its CTE programs any unrestricted fund balance in its general fund that is greater than the level it has adopted in its formal fund balance policy, which may include working with its member districts to help purchase needed equipment and update facilities for member districts' satellite programs (see Finding 3, pages 12 through 15, for more information).
7. Protect its sensitive computerized data by limiting users' access in the accounting system to only those accounting system functions needed to perform their job duties, including removing administrator-level access of day-to-day users (see Finding 4, page 16, for more information).
8. Establish and implement written policies and procedures to assign and periodically review 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 (see Finding 4, page 16, for more information).



District’s fiscal year 2021 spending

Tables 1, 2, and 3 detail the District’s fiscal year 2021 spending. Table 1 shows the District’s spending for satellite programs shown by member district, the number of student enrollments in satellite programs at each member district, and the District’s spending per enrollment at each member district.¹ Most of the District’s spending for satellite programs was in the form of allocation payments to its member districts in accordance with the intergovernmental agreements (IGAs) the District established with its member districts. In fiscal year 2021, the District received \$2.3 million in revenues generated from student enrollments in satellite programs and spent approximately \$2 million 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 \$5.1 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 enrollment
Chinle Unified School District	\$645,229	1,072	\$602
Ganado Unified School District	278,553	602	463
Window Rock Unified School District	235,437	520	453
Kayenta Unified School District	213,737	766	279
Tuba City Unified School District	207,719	389	534
Piñon Unified School District	179,090	782	229
Red Mesa Unified School District	96,731	522	185
Sanders Unified School District	93,524	350	267
Total	\$1,950,020	5,003	\$390

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

¹ Enrollments may include a single student multiple times if that student was enrolled in multiple CTE courses during the year (e.g., Automotive Technologies and Welding Technologies).

Table 2 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 enrollment for each CTE program. The District's central program spending also includes salaries and benefits for the District's teachers, classroom supplies, recording equipment for virtual learning, and software licenses.

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

CTE program name	CTE program description	District spending amount	Students enrollments	District spending per enrollment
Graphic Design	Design and create visual concepts for commercial and promotional needs	\$106,776	58	\$1,841
Culinary Arts	Apply technical knowledge and skills for food production and service occupations in commercial food service establishments	84,417	120	703
Home Health Aide	Provide routine care and support services for homebound disabled, recovering, and elderly people	29,680	72	412
Total		\$220,873	250	\$883

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

Table 3 shows the District's spending for administration and support services shown by spending category, including a brief description of the primary expenditures in each category, and the spending per enrollment for each category. Spending per enrollment in Table 3 is calculated using the District's total satellite and central program enrollment of 5,253.

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

Spending category	Spending description	District spending amount	District spending per enrollment
Administration	Primarily includes salaries and benefits for superintendent and business manager; and spending for accounting system and audit services.	\$540,648	\$103
Instruction support and student support services	Primarily includes spending for internet and software; attendance reporting services; and spending to support career and technical student organizations.	159,665	31
Other support services	Primarily includes spending for plant operations and maintenance of central administrative building, including property insurance, maintenance, custodial services, and utilities.	112,913	21
Total		\$813,226	\$155

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



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 the ADE 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, reviewed 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.
- 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, allocations it made to its member districts, and its unspent fund balances; and reviewed intergovernmental agreements between the District and its member districts. We also toured some of the District's central programs and member districts' satellite programs and interviewed member district staff about their satellite program needs.
- To determine which outcome measures 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 and conducted interviews with District and member 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 this spending to member districts' 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 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 and personnel records for all 9 individuals who received payments in fiscal year 2021 through the District's payroll system and reviewed supporting documentation

for 13 of 739 fiscal year 2021 accounts payable transactions. 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 reported our conclusions on applicable internal controls in Finding 4 (see page 16).

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



Northeast Arizona Technological Institute of Vocational Education
P.O. Box 710
Kayenta, AZ 86033
928-466-8668

Date: 1/16/2024

To: Division of School Audits

Alexa Tavasci, CPA, Audit Manager

Justin Haidet, Senior Auditor

Re: N.A.T.I.V.E. Performance Audit

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

Finding 1: District lacked a comprehensive plan for its central campus, resulting in unused facilities and an increased risk of wasteful spending on unsustainable programs

Recommendation 1: Develop strategic planning policies and procedures, including guidelines and instruments for assessing current central programs and expansion viability such as evaluating student interest, determining eligible student populations, and attracting and retaining qualified CTE program instructors.

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

Recommendation 2: Develop and follow a comprehensive strategic plan in accordance with recommended practices that includes the District's goals for the operation of its central campus, including assessing whether it is practical to expand its central campus programs and facilities.

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

Finding 2: District's lack of key outcome data prevents it from demonstrating how the nearly \$3 million it spent on programs in fiscal year 2021 effectively prepared students for high-need occupations

Recommendation 3: Develop and implement consistent data collection protocols for all CTE programs. 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.

Recommendation 4: 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 jobs in high-needs occupations.

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

Finding 3: District accumulated over \$4 million in fund balances by end of fiscal year 2021 but did not have policy regarding amount to be maintained in its general fund or its intended purpose

Recommendation 5: Implement GFOA's best practices recommendations and develop and implement a formal fund balance policy for its general fund regarding the level and purpose of these monies, including considering the financial resources available in other funds when assessing the adequacy of the unrestricted fund balance in the general fund.

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

Recommendation 6: Develop and implement a plan to spend on its CTE programs any unrestricted fund balance in its general fund that is greater than the level it has adopted in its formal fund balance policy, which may include working with its member districts to help purchase needed equipment and update facilities for member districts' satellite programs.

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

Finding 4: District assigned some users too much access to its accounting system, increasing its risk of errors and fraud

Recommendation 7: Protect its sensitive computerized data by limiting users' access in the accounting system to only those accounting system functions needed to perform their job duties, including removing administrator-level access of day-to-day users.

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

Recommendation 8: Establish and implement written policies and procedures to assign and periodically review 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.

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

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

Ron Tsosie 

Ron Tsosie
N.A.T.I.V.E.
Superintendent

