

Coconino Association for Vocations, Industry and Technology

24-Month Followup of Performance Audit Report 23-202

The June 2023 Coconino Association for Vocations, Industry and Technology performance audit found that the District did not take timely disciplinary action for repeated credit card misuse, lacked key outcome data demonstrating how the \$1.9 million it spent in fiscal year 2021 effectively prepared students for high-need occupations, and put sensitive information at risk by not complying with important IT requirements and standards. We made **9** recommendations to the District.

District's status in implementing 9 recommendations

| Implementation status | | Number of recommendations |
|---|-------------|---------------------------|
|  | Implemented | 4 recommendations |
|  | In process | 5 recommendations |

We will conduct a 36-month followup with the District on the status of the recommendations that have not yet been implemented.

Recommendations to the District

Finding 1: During a nearly 4-year period, former coordinator and their family member used District credit card for numerous personal purchases while superintendent did not take timely disciplinary actions

1. The District should ensure its employees comply with District policies and USFR requirements by enforcing existing District policies and cardholder agreements for District card usage. Actions the District should take include disallowing personal purchases, and taking timely, appropriate disciplinary action for noncompliance with card policies, such as recovering public monies; revoking card privileges; and termination.

► Status: **Implementation in process.**

In May 2024, the District's Governing Board (Board) reviewed and approved updated credit card procedures that disallow personal purchases and include disciplinary actions for employees for noncompliance. However, the District has not ensured that its employees consistently complied with District policies and USFR requirements for using credit cards. Specifically, we reviewed all 11 credit card purchases made in April and May 2025 using District credit cards and found that 1 employee did not prepare a requisition or receive approval for 1 purchase as required by the District's credit card policies and procedures. Additionally, we found that the District did not review this same credit card purchase for appropriateness.

District officials reported that it is difficult to separate the responsibilities of requesting and making purchases from reviewing purchases for appropriateness due to its limited staff. The USFR requires districts to implement compensating controls when separating responsibilities is not possible, and the District has taken some steps to do so. For instance, our review of the April and May 2025 monthly expense reports provided to the Board for approval in a public meeting showed that the District provided its Board with some information on the credit card purchases made that month. However, it did not provide enough information, such as the purchase requisitions, to allow the Board to review each purchase's appropriateness. Our review did not identify any transactions that appeared to be improper or for personal purposes; however, implementing additional review procedures, such as providing additional information for the Board's review, could help ensure the District's purchases are authorized and appropriate. We will review the District's efforts to implement this recommendation at the 36-month followup.

2. The District should ensure its employees comply with District policies and USFR requirements by continuing to implement and adhere to the credit card procedures the Board reviewed and approved in December 2022.

► Status: **Implementation in process.**

As stated in recommendation 1, the District has taken steps to improve its use and oversight of credit cards, but District staff have not consistently followed the District's updated and Board-approved credit card procedures. However, the District has taken steps to ensure employee compliance with District policies and USFR requirements by updating its credit card procedures, providing training, and by following its procedures for most of the purchases we reviewed. We will review the District's efforts to implement this recommendation at the 36-month followup.

3. The District should ensure its employees comply with District policies and USFR requirements by developing and providing periodic training to its employees on District card policies and procedures, USFR requirements, and the appropriate disciplinary actions to be taken when improper use is identified.

► Status: **Implementation in process.**

In June 2024 and June 2025, the District provided training to its employees on District credit card policies and procedures, including the disciplinary actions the District may take when it identifies improper card use. However, as previously discussed, our review of all 11 credit card purchases made in April and May 2025 found that District cardholders, including the District superintendent, did not consistently follow the District's Board-approved policies and procedures, despite having been trained in proper credit card usage. This indicates that the District's training has not been fully effective or may need to be updated. We will review the District's efforts to implement this recommendation at the 36-month followup.

Finding 2: District's lack of key outcome data prevents it from demonstrating how the \$1.9 million it spent on programs in fiscal year 2021 effectively prepared students for high-need occupations

4. The District should develop and implement consistent data collection protocols for all central and satellite career and technical education (CTE) programs. This includes collecting and validating complete data, such as data related to student certifications earned and job placements, as well as developing a process to track all outcome data as required by A.R.S. §§15-781, 15-391, 15-393(L)(10)(b), and the *Quality and Compliance Monitoring Document*.

► Status: **Implementation in process.**

As reported in our previous followup, the District has continued to host biannual meetings with member-district staff to share techniques and best practices for outcome data collection and reporting. Additionally, the District reported that it continues to meet with each member district to evaluate progress in tracking relevant or required career and technical education district program outcome data, such as post-graduation job

placement and certification attainment data. Since the initial followup, the District has also required its member districts to provide written confirmation that the outcome data each member district reported to the District is complete and accurate. Although the District has taken steps to ensure member districts collect and report outcome data, the District has not yet developed consistent data collection protocols for its member districts to follow. Instead, the District reported that it allows its member districts to determine their own methods for collecting certification and job placement data for its satellite programs and that it relies on its member districts to ensure the outcome data they collect and report is complete and accurate.

Additionally, the District reported it has not yet developed formal data-validation protocols and validates a sample of data collected from its central and satellite programs. However, according to District officials, it does not maintain documentation to support how the District annually selects and completes its data-validation process. At the time of our followup review in July 2025, we reviewed the District's most recent validated outcome data for fiscal year 2023, as reported by District officials. Our review identified instances where the District's data appeared to be unreliable. For example, we requested supporting documentation for 26 certifications that the District reported its students earned in fiscal year 2023 and found the District lacked supporting documentation for 7 of 26 certifications. Further, although the District reported 44 students placed in jobs related to their CTE programs, we found that 17 reported job placements did not adequately support that the students were using program skills in their positions. By relying on self-reported information and lacking an adequate process to validate the credential attainment and job placement data it collects, the District increases the risk that it reports inaccurate information to the Arizona Department of Education and is unable to demonstrate that its programs are effective in meeting their statutory purpose of preparing students for high-need occupations. We will assess the District's efforts to implement this recommendation at the 36-month followup.

5. The District should analyze central and satellite 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.

► Status: **Implementation in process.**

As stated in recommendation 4, the District and its member districts have collected some data related to student certifications and post-graduation jobs obtained, but the District continued to lack an adequate process for validating the data to ensure that it is complete and accurate. District officials reported they evaluate each CTE program's effectiveness by assessing the most current data available such as technical skills assessment scores, certifications earned, and job placement data. During Board meetings held in April and June 2025, District officials discussed their review of specific member districts' CTE program outcome data, including student placement, certifications, and technical skills assessments. Officials reported that, based on their review, these CTE programs were effectively preparing students for employment and post-secondary opportunities. However, as explained in recommendation 4, we found that the District's outcome data had some inaccuracies and lacked underlying support.

By lacking processes for consistently collecting and validating program outcome data, the District's approach for evaluating its programs may result in inaccurate or incomplete information about its CTE programs' effectiveness. We will assess the District's efforts to implement this recommendation at the 36-month followup.

Finding 3: District emailed unencrypted, sensitive information, and employees improperly shared login credentials, which were then stored in an unprotected document, increasing the risk of security breaches and fraud

6. The District should determine what type of information being shared with its accounting and business operations vendor is sensitive, personally identifiable information and should ensure that it only shares this information through secure means, such as through encrypted emails.

► Status: **Implemented at 6 months.**

In November 2023, the District's Board reviewed and approved data policies and procedures that identified what type of information being shared with its accounting and business operations vendor was sensitive, personally identifiable information. Additionally, according to the District's policy, sensitive information can no longer be shared through email and must be shared through secure means. Based on our review of the District's processes for data sharing, the District has implemented systems to securely share sensitive, personally identifiable information.

7. The District should continue developing and implementing written policies and procedures for securing sensitive, personally identifiable information to be shared with its accounting and business operations vendor to reduce the risk of unauthorized access to sensitive information or a security breach.

► Status: **Implemented at 6 months.**

As stated in recommendation 6, the District's Board reviewed and approved data policies and procedures in November 2023 that identified sensitive, personally identifiable information and required District staff to share sensitive, personally identifiable information with its accounting and business operations vendor only through secure means.

8. The District should identify District accounts with access to sensitive information, immediately reset passwords for the accounts, and keep the password credentials confidential.

► Status: **Implemented at 6 months.**

The District identified District accounts with access to sensitive information and required the associated account users to reset their passwords. Additionally, District officials reported that the District has kept the password credentials confidential by deleting

the unprotected password computer document in November 2022 and by prohibiting password sharing, as stated in the District's Board-approved data policies and procedures.

9. The District should discontinue its practices of requiring employees to share passwords with the business office and storing passwords in an unprotected computer document, and should instead use more secure alternatives, such as creating administrator accounts, which could be used to reset terminated employee passwords when needed.

▶ Status: **Implemented at 6 months.**

As discussed in recommendation 8, the District discontinued its practices of requiring employees to share passwords with the business office and deleted the unprotected password computer document in November 2022. Additionally, the District created system administrator accounts to enable designated staff to perform administrative duties within the District's systems. Based on our review of the District's system administrators, the District assigned administrator-level access consistent with credible industry standards.