Report Highlights

Walker & Armstrong
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

Red Rock Elementary School District

District provided its superintendent with unauthorized and/or potentially excessive vehicle-related benefits, likely resulting in gifts of public monies and waste, and failed to establish statutorily required performance-based pay. It also did not follow some cash-handling, travel, and critical IT requirements, putting public monies and sensitive computerized data at risk

Audit purpose

To assess the District's efficiency and effectiveness in 4 operational areas—administration, plant operations and maintenance, food service, and transportation—and its compliance with certain State requirements.

Key findings

- District allowed its superintendent to use the District's vehicle and fuel card for personal purposes without Board approval, which may have resulted in a gift of public monies. After eliminating this benefit in fiscal year 2024, the Board approved paying the superintendent an annual $18,000 vehicle stipend, which appears to be excessive compared to other similar districts.
- Contrary to statute, the District did not require its superintendent to meet any performance goals to earn a portion of his compensation.
- District did not comply with requirements relating to cash-handling, advance approval for travel, and travel reimbursements, potentially putting public monies at risk; and it could not support that it had performed some required employee background checks, potentially increasing risks to student safety.
- District failed to implement critical information technology (IT) security requirements, such as limiting user access to its accounting system, developing a compete IT contingency plan, and ensuring staff receive cybersecurity training to reduce the risk of unauthorized access, data loss, errors, and fraud.

Key recommendations

The Board should:

- Determine the value of the superintendent's personal use of the District's vehicle and fuel and the actions it will take to address issues such as potential tax liabilities and gifts of public monies; and determine whether it will continue to provide the superintendent a vehicle stipend.
- Comply with State statute by ensuring that the superintendent's contract designates a percentage of annual salary as performance pay based on specified goals.

The District should:

- Ensure staff comply with cash-handling and travel approval and reimbursement requirements by developing and implementing necessary policies and procedures and providing staff training.
- Review employee files to ensure all required background checks have been completed and documented.
- Develop and implement IT security policies and procedures and a comprehensive contingency plan, limit user access to the accounting system, and provide cybersecurity training to all staff.