

Northeast Arizona Technological Institute of Vocational Education

18-Month Followup of Performance Audit Report 24-201

The January 2024 Northeast Arizona Technological Institute of Vocational Education performance audit found that the 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. We made **8** recommendations to the District.

District's status in implementing 8 recommendations

Implementation status	Number of recommendations
 In process	4 recommendations
 Not implemented	4 recommendations

We will conduct a 30-month followup with the District on the status of the recommendations that have not yet been implemented.

Recommendations to the District

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

1. The District should 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.

► Status: **Implementation in process.**

Since our previous initial followup, the District has revised its policies and procedures for considering new CTE programs to include more details regarding assessing teacher availability, facilities and equipment, student interest, and budget availability. The revised procedures also include an instrument for assessing the viability of any proposed CTE program expansion. However, the procedures continue to lack details about how the District will determine eligible student populations or attract and retain qualified CTE program instructors. Additionally, the revised procedures lack details for assessing its current central programs and, since the audit, the District has discontinued 1 of its 3 central programs.¹ We will assess the District's efforts to implement this recommendation at the 30-month followup.

2. 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 programs and facilities.

► Status: **Not implemented.**

The District has not made any changes or updates to the strategic plan we reviewed during our previous initial followup. As we reported in the previous initial followup, the plan is incomplete and lacks specific information about how the District plans to achieve its strategic goals. For example, the District's plan states that it will maintain quality CTE programming and includes a strategy of using data to make decisions about programs, facilities, equipment, and student opportunities. However, the strategic plan does not explain what this data is or how the District will obtain or use it. Additionally, the District's plan does not include strategies or goals related to assessing whether it is practical and beneficial to expand its central campus programs and facilities. We will assess the District's efforts to implement this recommendation at the 30-month followup.

¹ The District discontinued its Home Health Aide program in fiscal year 2025 because of its inability to attract and retain qualified instructors for the program.

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

3. The District should develop and implement consistent data collections 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.

► Status: **Implementation in process.**

Since our previous initial followup, the District has further developed its procedures for collecting outcome data for its CTE programs. The District's updated procedures include the timeline for data collection and submission, the data to be collected, and how the District will validate the data collected. We reviewed all the certification-attainment and postgraduation job-placement data the District collected during fiscal year 2025, which consisted of 1 student certification earned and 21 postgraduation job placements for students in its 2 central programs, and determined the District followed its updated procedures.

However, at the time of our review, the District had continued to not collect any outcome data directly from its member districts' satellite programs and had not distributed its recently developed data-collection procedures to member districts to ensure they consistently collected, reported, and validated CTE program outcome data for the District's satellite programs. We will assess the District's data-collection and validation efforts at the 30-month followup.

4. 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 jobs in high-needs occupations.

► Status: **Not implemented.**

As discussed in recommendation 3, although the District further developed its procedures for collecting CTE program outcome data for all CTE programs, it only collected program outcome data for its 2 central programs, which accounted for 382 of 5,944, or approximately 6%, of its total fiscal year 2025 enrollments. Without complete and accurate outcome data, including postgraduation job-placement and certification-attainment data, the District is unable to evaluate its programs' effectiveness in preparing students for high-need occupations or identify programs that may require changes or improvements. Further, the District had not used the outcome data it collected for its 2 central programs to evaluate the programs' effectiveness. We will assess the District's efforts to implement this recommendation at the 30-month followup.

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

5. The District should 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.

► Status: **Implementation in process.**

As reported in our previous initial followup, the District had developed a capital carryover funds plan that identified monies in its Unrestricted Capital Outlay Fund that have been committed for various purposes and monies held in reserve for unexpected capital expenses. Since our previous initial followup, the District has also developed a formal fund balance policy that includes a maximum and minimum percentage of annual operating expenditures to be maintained in its general fund. However, contrary to GFOA recommended practices, the District's new fund balance policy does not address how the District will use any unrestricted general fund balance in excess of the policy's maximum fund balance amount. We will assess the District's efforts to implement this recommendation at the 30-month followup.

6. The District should develop and implement a plan to spend on its CTE programs an 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.

► Status: **Not implemented.**

As discussed in recommendation 5, the District's formal fund balance policy does not address how the District will use any unrestricted general fund balance in excess of the policy's maximum fund balance amount. Further, although the District's capital carryover funds plan continued to allocate up to approximately \$400,000 for potential satellite campus capital purchases, the District did not have any specific planned capital purchases using these monies at the time of our review. We will assess the District's efforts to implement this recommendation at the 30-month followup.

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

7. The District should protect its sensitive computerized data by limiting user's 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.

► Status: **Not implemented.**

Our August 2025 review of the District's 13 accounting system users' access levels found that 6 users continued to have more access than needed to perform their job

duties, which is the same number of users we identified with excessive system access in our previous initial followup. Four of these users were from the county that hosts the District's accounting system, 1 user was a District consultant, and 1 user was a District employee. However, the District had not verified that each user's access level was necessary for them to perform their job duties. Additionally, the District has continued to improperly grant administrator-level access to 5 users, including 4 county users and 1 District employee, as reported in our previous initial followup. This level of access gave these users full control over accounting system settings and increases the risk of fraud, unauthorized access to sensitive District data, and data loss. We will assess the District's efforts to implement this recommendation at the 30-month followup.

8. The District should 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.

► Status: **Implementation in process.**

Since our previous initial followup, the District has established written policies and procedures detailing how it plans to assign and periodically review accounting system access for all users, including restricting access to only those functions needed to perform their job duties and performing semiannual reviews of user access. The District's Governing Board approved these policies and procedures in August 2025, and District officials plan to complete the first semiannual review of user access in January 2026. Additionally, the policies and procedures require 1 District employee to maintain their current administrator-level access but do not specify any potential compensating controls to mitigate the risks of having an employee with full control over accounting system settings. We will assess the District's efforts to implement this recommendation at the 30-month followup.