

## Performance Audit

# Pima County Joint Technical Education District

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District paid 2 employees more than \$104,000 for overtime work without ensuring the charges were reasonable and potentially wasted other monies on food and beverages, excess vehicles, and car wash passes. It also lacked processes to consistently collect and validate key outcome data used to assess career and technical education (CTE) program effectiveness, and had other deficiencies that limited public transparency and increased its risk for errors, fraud, and unauthorized data access.



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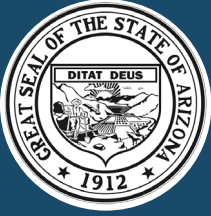
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**ARIZONA  
AUDITOR  
GENERAL**

**Lindsey A. Perry**, Auditor General

April 21, 2026

Members of the Arizona State Legislature

The Honorable Katie Hobbs, Governor

Governing Board  
Pima County Joint Technical Education District

Kathy Prather, Superintendent  
Pima County Joint Technical Education District

Transmitted herewith is a report of the Auditor General, *A Performance Audit of Pima County Joint Technical Education District*, conducted pursuant to Arizona Revised Statutes §§41-1279.03 and 15-393.01. I am also transmitting within this report a copy of the Report Highlights to provide a quick summary for your convenience.

This school district performance audit assessed the District's efficiency and effectiveness in preparing students for high-need occupations and made recommendations to the District to maximize resources available for instruction or other District priorities. As outlined in its response, the District agrees with some of the findings and plans to implement or implement in a different manner all the recommendations. We also identified 1 additional finding pertaining to the District's school safety practices that we omitted from the public audit report due to its sensitive nature. We directly communicated this finding to the District's Governing Board and management. The District agreed with the confidential finding and agreed to implement all 7 confidential 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 Prather 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

## Pima County Joint Technical Education District

### Performance Audit

District paid 2 employees more than \$104,000 for overtime work without ensuring the charges were reasonable and potentially wasted other monies on food and beverages, excess vehicles, and car wash passes. It also lacked processes to consistently collect and validate key outcome data used to assess career and technical education (CTE) program effectiveness, and had other deficiencies that limited public transparency and increased its risk for errors, fraud, and unauthorized data access.

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### Audit purpose

To determine whether the District met its statutory purpose to prepare students for high-need occupations, spent State monies appropriately, complied with its policies and State laws, and followed best practices.

### Key findings

- ▶ District paid 2 employees more than \$104,000 for overtime work associated with performing their regular job duties without ensuring the hours charged were reasonable and allowable and staffing was appropriate.
- ▶ District spent at least \$36,000 on food and beverages for District events without required Board approval, potentially violating the State's gift clause and wasting monies that could have been used for other District priorities.
- ▶ District likely wasted public monies by unnecessarily leasing vehicles and purchasing an excessive number of car wash passes.
- ▶ District wasted public monies on credit card late fees and finance charges, and did not publicly accept donations and document the reason for fee waivers, decreasing public transparency and increasing the risk of theft.
- ▶ District did not comply with some conflict-of-interest requirements, increasing the risk that employees and Governing Board members did not disclose substantial interests that might influence or could affect their official conduct.
- ▶ District lacked processes to consistently collect and validate key outcome data used to assess program effectiveness, resulting in reporting errors and potentially inaccurate information about CTE programs' success in preparing students for high-need occupations.

- ▶ District permitted excessive access to its sensitive computerized data and had other IT deficiencies that increased the risk of data loss, errors, and fraud and the potential that students could be exposed to harmful internet materials.

## Key recommendations to the District

- ▶ Develop and implement written procedures to ensure overtime hours are approved in advance and develop a thorough supervisory payroll review process.
- ▶ Obtain advance Board approval for all food and beverage purchases associated with District events and document the public purpose and benefit of any such purchases to ensure compliance with State law and the State Constitution's gift clause.
- ▶ Analyze the number of vehicles and car washes that are necessary for District operations and vehicle maintenance and use this analysis to adjust the number of vehicles in its white fleet and to limit spending on car washes.
- ▶ **Establish procedures to ensure:**
  - Credit card payments are made timely and employees follow credit card purchasing requirements.
  - Donations to the District are acknowledged and accepted during public meetings.
  - All waived fees for services are documented and reviewed for appropriateness.
- ▶ Require Governing Board members and employees to annually submit conflict-of-interest disclosure forms, establish procedures to ensure disclosure forms are reviewed for accuracy and completeness, and provide periodic training on the requirements for complying with conflict-of-interest laws.
- ▶ Develop and implement consistent data-collection protocols for all CTE programs in accordance with statutory and ADE requirements and recommended practices, and analyze CTE program outcome data to evaluate whether its programs effectively prepare students for high-need occupations.
- ▶ **Protect IT systems and students by taking steps to:**
  - Limit access to IT systems to only what is needed for users to perform their job duties.
  - Enforce strong authentication controls and provide annual IT security awareness training.
  - Establish a comprehensive IT contingency plan.
  - Maintain and update equipment.
  - Restrict student access to potentially harmful internet sites and materials in accordance with District policy.

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- ▶ Issue 1: District wasted more than \$4,000 of public monies on credit card late payment fees and finance charges
- ▶ Issue 2: Contrary to State law and District policy, District’s Board did not formally accept nearly \$6.5 million in cash donations during public meetings, limiting public transparency into the District’s activities
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**District lacked processes to consistently collect and validate key outcome data used to assess CTE program effectiveness, resulting in reporting errors and potentially inaccurate information about programs’ success in preparing 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

- ▶ Member districts inconsistently collected postgraduation placement and certification data, and District lacked processes for validating this data, limiting the District’s ability to demonstrate its programs effectively prepared students for high-need occupations
- ▶ District reported it did not validate student job placement and industry certification data because it believed the data it collected was accurate

**Recommendations to the District**

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**District’s excessive access to its sensitive computerized data and other IT deficiencies increased the risk of unauthorized access to sensitive information, data loss, errors, and fraud**

- ▶ District has not complied with some important IT security requirements and recommended practices
- ▶ Deficiency 1: District did not regularly review and limit user access to its accounting system and network, increasing its risk of fraud, misuse, unauthorized access, and data loss
- ▶ Deficiency 2: District’s authentication controls did not meet USFR requirements and credible industry standards, increasing the risk of unauthorized access and disruptions to District operations
- ▶ Deficiency 3: District could not demonstrate that it conducted security awareness training for staff, increasing employees’ vulnerability to cyberattacks
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## DISTRICT RESPONSE

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## Pima County Joint Technical Educational District Fiscal years 2024 and 2025

### District information

The Pima County Joint Technical Educational District (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.<sup>1</sup>

In fiscal year 2024, the District had 26 central programs with 4,849 enrollments and 47 satellite programs with 56,287 enrollments.<sup>2</sup> See Appendix A, page a-1, for enrollment and spending information for central and satellite and programs.

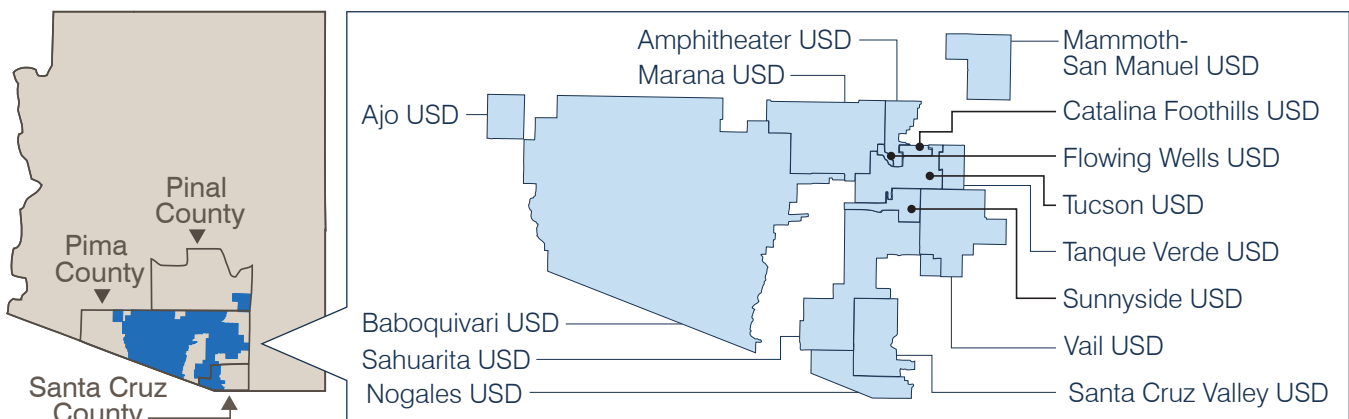
### Key CTED terms

**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.

### Location of CTED and member districts



### Fiscal year 2024 total spending—\$53.1 million (\$869 per enrollment)



<sup>1</sup> See Arizona Auditor General reports 20-209 *Career and Technical Education Districts (CTEDs)* and 17-212 *Joint Technical Education Districts*.  
<sup>2</sup> 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).

# Audit results summary

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## Central programs

### **District spent approximately \$10.1 million on its central CTE programs including in high-need programs**

In fiscal year 2024, the District had 4,849 student enrollments in its central CTE programs. These CTED programs included high-needs programs such as Nursing Services, Engineering, and Construction Technologies (see Appendix A, pages a-1 through a-9, for more information about District's spending by central campus CTE program).

### **District did not comply with State open meeting laws related to accepting donations in public meetings and wasted more than \$4,000 on late fees and finance charges**

The District received more than \$7.1 million in cash donations in fiscal years 2024 and 2025 in support of its CTE programs. However, the District's Governing Board (Board) may have violated State open meeting laws by not voting in public meetings to accept nearly \$6.5 million of these cash donations we reviewed. The District also wasted more than \$4,000 of public monies on credit card late charges and did not document reasons for waiving fees, increasing the risk of theft (see Finding 4, page 13).

## Satellite programs

### **District provided professional development opportunities and distributed approximately \$19.5 million to support satellite CTE programs in fiscal year 2024**

In fiscal year 2024, the District provided approximately \$19.5 million to satellite CTE programs, as well as other support such as curriculum support and professional development for CTE instructors. In addition to these passthrough payments, the District transferred ownership of some District buildings to member districts between fiscal years 2019 and 2024 to support satellite programs and to consolidate its central program campuses. For example, the District most recently transferred ownership of a building to Sunnyside Unified School District. Sunnyside Unified School District officials reported using the space to operate their Marketing program in fiscal year 2025 with 105 enrollments.

### **District did not consistently collect and validate key outcome data needed to demonstrate whether its CTE programs prepared students for high-need occupations**

The District lacked processes to consistently collect and validate key outcome data for all central and satellite students, which resulted in reporting errors and potentially inaccurate information about CTE programs' success in preparing students for high-need occupations (see Finding 6, page 21).

## Administration, support services, and central campus expansion

### **District provided CTE curriculum support to teachers across the State and spent approximately \$23.5 million on administration, support services, and central campus maintenance and expansion efforts in fiscal year 2024**

In fiscal year 2024, the District spent approximately \$4.5 million for administrative salaries and benefits and insurance payments and more than \$4.3 million for student and instructional support services, plant operations salaries and benefits, and central campus maintenance costs. As part of this spending, the District operated the Arizona CTE Curriculum Consortium (Consortium), providing CTE curriculum resources to teachers at CTEDs, unified and union high school districts, and charter schools across the State.<sup>3</sup> Additionally, the District spent over \$14.7 million primarily to expand its central campus known as The Bridges.

### **District had numerous financial management and IT deficiencies, resulting in increased risk of errors, fraud, unauthorized access to sensitive District information, and data loss**

In addition to the other findings noted in this overview, our review of the District's statutory and administrative responsibilities identified several issues.

Specifically, the District:

- ▶ Paid 2 employees more than \$104,000 in overtime pay without documenting Board approval, reducing monies available for other District priorities (see Finding 1, page 4).
- ▶ Spent at least \$36,000 on food and beverages for District events without required Board approval, contrary to State law and District policy, potentially wasting monies that could have been used for other District priorities (see Finding 2, page 7).
- ▶ Likely wasted public monies by leasing white fleet vehicles it may not have needed and purchasing an excessive number of car wash passes (see Finding 3, page 10).
- ▶ Did not comply with some conflict-of-interest requirements, increasing the risk that employees and Board members did not disclose substantial interests that might influence or could affect their official conduct (see Finding 5, page 16).
- ▶ Allowed excessive access to its sensitive computerized data and had other IT deficiencies that increased the risk of unauthorized access to sensitive information, data loss, errors, and fraud (see Finding 7, page 26).

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<sup>3</sup> According to the Consortium's website, it supports over 50 programs and over 2,000 teachers. The District charged Consortium members fees to participate and used grant monies to run the Consortium in fiscal year 2024.

## **District paid 2 employees more than \$104,000 for overtime work associated with performing their regular job duties without ensuring the hours charged were reasonable and allowable and staffing was appropriate**

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The District paid 2 full-time business office employees more than \$104,000 for reportedly working 2,178 additional hours throughout fiscal year 2025 to accomplish routine tasks associated with their regular duties.

The concerns we identified with these payments and the District's management and oversight are discussed below.

▶ **The number of overtime hours 2 business office employees reported working appeared excessive**

Each of the 2 business office employees were employed full time and contracted to work a typical 40-hours per week, or 2,080 hours per year, but both reported working significantly more than that during fiscal year 2025. For instance, 1 employee recorded working a stretch of 57 days in a row, including weekends, and received payment for 220 overtime hours during that period. In total, this employee recorded working 1,094 overtime hours during the fiscal year, and the second employee recorded a total of 1,084 overtime hours. Overtime payments for these 2 employees totaled \$104,380, which represented a 73% increase over their combined contracted salaries of approximately \$142,150.<sup>1</sup>

According to the District, the overtime hours were necessary because the District hired additional employees between fiscal years 2024 and 2025 which required additional administrative work. During this time period, the District added 28 new employees to its workforce, which was about a 10% increase. The District also reported that some of its business office processes require several manual steps, and it likely requires more staff time to complete than if these processes were more automated.

▶ **District's failure to follow its overtime policy resulted in limited oversight and increased the risk of paying unnecessary overtime costs**

Contrary to District policy, the overtime hours for these 2 business office employees were not approved in advance, increasing the risk that the District paid for unnecessary overtime hours. Except for emergencies, District policy requires supervisors to approve overtime hours prior to the work being done and provides for staff to receive compensatory time off for the excess hours worked unless the superintendent decides to

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<sup>1</sup> The term "overtime" used throughout this report indicates hours worked that were recorded in addition to employees' normally scheduled 40-hour work week. The District paid the employees 1.5 times their normal hourly rates for 1,717 of the 2,178 overtime hours and paid the employees their normal hourly rates for the remaining 461 overtime hours, most often for hours associated with weeks with paid holidays.

allow overtime payments instead. Although District officials indicated during the audit that the overtime hours had been approved in advance of the employees recording them, it lacked documentation to support this assertion. Specifically, we reviewed documentation including payroll action forms, District emails, Board meeting materials, and employee contracts and time sheets, and did not find evidence that any of the 2,178 additional hours these 2 employees reportedly worked in fiscal year 2025 were approved in advance. Instead, the documentation the District provided showed that the employees' supervisor approved the overtime hours after the employees had recorded them. Additionally, the District did not document any formal determination for issuing overtime payments rather than awarding compensatory time in accordance with District policy.

To further evaluate the District's practices relating to overtime for its business office employees, we also reviewed the prior fiscal year's overtime and related payments. For the pay periods we reviewed, we found that the District approved overtime hours associated with these 2 positions in advance, and although business office staffing levels were similar to fiscal year 2025, the number of excess work hours reported was much lower, totaling 500 hours and equating to overtime pay of approximately \$25,000.

▶ **District's time sheet documentation and supervisory review was insufficient to reduce the risk of improper payments**

The 2 business office employees recorded working a total of approximately 66 overtime hours during times that coincided with their regular salaried work schedules, giving the appearance that they may have been paid twice for the same work. The District was eventually able to provide support for the additional hours the 2 employees reported working, such as documentation showing that an employee arrived early to open a building. However, this information was not readily available to supervisors when the time sheets with the overtime hours were reviewed and approved for payment. After we brought this issue to the District's attention, District officials reported they began requiring employees to record the times when hours are actually worked to reduce the risk of double payments for the same hours.

Additionally, the supervisory review of the employees' time sheets often appeared cursory. For example, we found several instances of the superintendent approving time sheet approval requests within 2 minutes of the requests being submitted. We also found that the superintendent had approved time sheets prior to work being performed for 2 of 26 pay periods we reviewed. Additionally, we identified 7 instances where the 2 business office employees did not indicate on their approved time sheets that they had taken paid vacation leave on days when they also recorded overtime hours. The superintendent initially reported to us that this practice was not allowed yet did not identify the issue when reviewing and approving the time sheets. Without a process for preapproving overtime requests and a thorough review process for time sheets that include overtime hours, the District increases the risk of making unallowable payments to District employees.

▶ **District’s reported practice of seeking open-ended Board approval for excess work hours is not a substitute for advance approval for overtime hours and puts the District at risk of incurring excessive costs**

District officials reported that they did not approve fiscal year 2025 overtime in advance because their practice is to request the Board to approve open-ended blanket agreements to compensate employees whom they anticipate will work a substantial number of additional hours during the fiscal year. There was no such agreement on file for these 2 employees for fiscal year 2025, but even if there had been, it would not have been a substitute for advance supervisory approval for overtime hours as required by District policy. Moreover, requesting the Board to approve an open-ended agreement for an unknown number of additional hours and an unanticipated total cost inhibits the Board from adequately performing its oversight responsibilities. The Board is responsible for providing fiscal and budgetary oversight, and such open-ended agreements could result in substantial and unanticipated costs to the District, as in this case where the costs for excess hours exceeded \$100,000 in fiscal year 2025.

▶ **District did not ensure staffing needs were addressed timely to reduce the need for business office overtime hours**

We also found that although overtime hours for business office activities had been reported since at least July 2023 and officials indicated that they were aware that staff were unable to complete their duties within their regular work hours, the District was slow to hire new staff. By the time the District hired a staff person to assist with business office activities in May 2025, the 2 business office employees had charged a total of 2,344 overtime hours for fiscal years 2024 and 2025. According to officials, the employees hired to assist did not stay with the District, and the replacement staff person hired in May 2025 had not been fully trained at the time of our review. Thus, according to the District, existing staff were required to continue performing necessary business office operations, even if that required them to work additional hours.

## Recommendations to the District

1. Ensure it consistently follows its overtime policies by developing and implementing written procedures to ensure that all overtime hours are approved in advance and document any determinations to provide overtime pay rather than awarding compensatory time in accordance with District policy.
2. Develop a thorough supervisory payroll review process to ensure that requested overtime payments are in accordance with District policy and properly documented, including preapprovals.

**District response:** As outlined in its [response](#), the District does not agree with the finding, but will implement the recommendations.

### **District spent at least \$36,000 on food and beverages for District events without required Board approval, potentially wasting monies that could have been used for other District priorities, and did not ensure these purchases complied with the State’s gift clause**

#### **Contrary to statute, the District did not obtain Board approval in advance for food and/or beverages provided at District events**

We reviewed over \$36,000 in fiscal year 2024 and 2025 District spending on food and beverages at various events and found the purchases lacked required Board approval and that the District did not ensure that the purchases complied with statutory restrictions.<sup>1,2</sup> Statute authorizes school district governing boards to provide food and beverages at district events, including trainings and other official school functions, subject to certain restrictions, including the Arizona Constitution’s gift clause and laws pertaining to travel and subsistence.<sup>3,4</sup> Governing boards are responsible for directly approving such expenditures unless they establish policies that delegate this authority and specify board-approved spending parameters. The District has a food and beverage purchasing policy that mirrors statutory language, but the policy does not authorize District staff to approve such purchases, specify the events or activities where food and beverages may be provided, require a determination of whether the purchases are for a public purpose, nor set expenditure limits, such as per person costs.

Although District policy does not allow food and beverage purchases without specific Board approval for each event, we found that the District failed to obtain the Board’s advance approval for all of the 27 food and beverage purchases that we judgmentally selected for review. The purchases we reviewed totaled more than \$36,000 in spending on food and beverages for events including staff trainings and meetings and Board meetings, and were among the 110 food and beverage purchases the District made totaling more than \$61,300 in fiscal years 2024 and 2025.

District officials indicated they believed the Board had approved the food and beverage purchases by approving a food and beverage provision within employees’ contracts specifying that the District may provide food and beverages to employees at certain events as a *de minimus*, or insignificant fringe benefit. However, such a provision does not specifically authorize

<sup>1</sup> We identified 110 food and beverage purchases totaling over \$61,300 in fiscal years 2024 and 2025 that appeared to be for District staff and Board members. From these 110 purchases, we judgmentally selected and reviewed 27 purchases totaling approximately \$36,000 based on risk factors such as the recipients, event type, and/or expenditure amount.

<sup>2</sup> Of the 27 fiscal years 2024 and 2025 food and beverage purchases we reviewed, the District used Enterprise Fund monies for 19 purchases totaling nearly \$24,500, Maintenance and Operations Fund monies for 6 purchases totaling approximately \$7,000, and Gifts and Donations Fund monies for 2 purchases totaling nearly \$4,900. The District’s Enterprise Fund monies primarily consist of fees it collected from other CTEDs that subscribe to the Arizona CTE Curriculum Consortium.

<sup>3</sup> A.R.S. §15-342(39).

<sup>4</sup> Arizona Constitution, Art. IX, §7, commonly referred to as “Arizona’s gift clause,” requires that a governmental entity only use public monies for a public purpose and that the value to be received by the public is not to be far exceeded by the consideration being paid by the public.

administrators to make such purchases nor set any limits to ensure that food and beverage purchases comply with the various restrictions set forth in statute. Therefore, the provision is inadequate to demonstrate Board approval for specific food and beverage purchases we reviewed.

District officials further reported that the Board ultimately approved the food and beverage purchases because it approved the corresponding payment vouchers. However, this approval came after the District had already spent the monies and the food and beverages had been consumed, leaving little recourse if the Board were to question or deny any such purchase.

For example, the District spent approximately \$4,600 for a staff luncheon in July 2024, but the Board was not provided information about this food and beverage spending until September 2024, or 2 months later, when

District spent more than \$4,600 for lunch for all staff without prior Board approval.

it voted to approve paying vendors, including the luncheon vendor. If the District had instead sought the Board's approval prior to the food and beverage purchase being made, the Board would have been able to set spending limits or take other steps to ensure the food and beverage purchase complied with the relevant constitutional and statutory restrictions. By spending public monies on food and beverages without obtaining prior Board approval for each purchase, the District limited public transparency into its spending and potentially wasted District monies that could have been directed to other District priorities such as validating student outcome data, as discussed in Finding 6, pages 21 through 25.

### **Contrary to the State's gift clause and other requirements, District did not determine the public purpose and benefit of food and/or beverages it provided to staff and others, and did not document that the funding sources it used allowed such purchases**

In addition to lacking required Board approval, we also found that the District did not take steps to ensure its food and beverage purchases were in accordance with the Arizona Constitution's gift clause and other restrictions. The gift clause states that the payment of public monies must be for a public purpose, and the cost paid by the public must not far exceed the value to be received by the public.<sup>5</sup> None of the 27 food and beverage purchases we reviewed had evidence to demonstrate the District's compliance with these requirements, such as a statement of the public purpose for providing food and beverages at each event and the costs of doing so relative to the benefits the District received. Without such information, the District lacks support that its food and beverage purchases, including the more than \$61,300 it expended in fiscal years 2024 and 2025, served a valid District purpose and the benefits it received were not far exceeded by the costs it paid.

Additionally, various funding sources have restrictions on how they may be spent, and the District did not document that the funding sources it used to pay for food purchases allowed such expenditures. By not doing so, the District increased its risk of using public monies for an

<sup>5</sup> See also *Wistuber v. Paradise Valley Unified School Dist.*, 141 Ariz. 346, 687 P.2d 354 (1984); *Turken v. Gordon*, 223 Ariz. 342, 224 P.3d 158 (2010); and *Schires v. Carlat*, 250 Ariz. 371, 480 P.3d 639 (2021).

unauthorized purpose. When we brought these issues to the District's attention, officials began presenting proposed food and beverage purchases to the Board for advance approval, including information about the events where food and beverages would be provided, the funding source to be used, an estimated number of attendees, and an estimated per person cost for each event.

## Recommendations to the District

If the District determines that it is appropriate to purchase food and beverages using public monies, it must:

3. Obtain advance Board approval for all food and beverage purchases associated with District events.
4. Ensure compliance with State laws, the gift clause, and other requirements for any Board-approved food or beverage purchases, which includes determining and documenting that funding sources used are appropriate and how each purchase benefits the District and serves a public purpose.

**District response:** As outlined in its [response](#), the District does not agree with the finding, but will implement the recommendations.

### **District likely wasted public monies by unnecessarily leasing white fleet vehicles and purchasing an excessive number of car wash passes**

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The District operates a white fleet consisting of 25 vehicles, of which 18 are primarily for staff use. The District's white fleet includes 12 recently leased model-years 2024 and 2025 sports utility vehicles (SUVs). We identified issues relating to these leases, which will cost the District approximately \$250,000 over their 3-year contract terms, and the expense associated with \$12,000 worth of car wash passes the District purchased for its white fleet vehicles. See the details below.

#### **Issue 1: District likely wasted public monies on unnecessary lease agreements and finance charges for vehicles that it did not appear to need for its operations**

As of October 2025, the District had signed 3-year lease agreements totaling approximately \$250,000 for 12 model-years 2024 and 2025 SUVs but, based on the mileage records we reviewed to evaluate the District's use of these vehicles, some of the leases are likely unnecessary and appear to be a waste of public monies. According to the lease agreements, the District is permitted to drive each of the leased vehicles up to 12,000 miles per year without incurring additional charges at the end of the lease term. However, we calculated that the leased vehicles, which were intended for nonmaintenance staff, such as for administrators and teachers to use for transportation to conferences and student transportation to offsite activities, were driven an average of only 4,500 miles per year, indicating that some of the vehicles may not be necessary for the District's operations. Additionally, we found that the District has more vehicles dedicated for administrators' and teachers' use than other similarly sized CTE districts provide for this purpose. Specifically, the District makes 18 vehicles, including those that it recently leased, available for nonmaintenance staff use.<sup>1</sup> In comparison, we found that 2 peer CTE districts each maintained 12 and 8 vehicles, respectively, that are likely available for administrative and instructional staff's use.

#### **Issue 2: District spent more than \$12,000 on unlimited car wash membership passes for its vehicles without considering whether the passes provided the best value to the District**

In fiscal years 2024 and 2025, the District purchased more than \$12,000 worth of car wash membership passes for its vehicles but did not appear to consider whether the passes provided the best value to the District. The membership passes, which are vehicle specific and prepaid for a full year, cost the District approximately \$5,300 in fiscal year 2024 and more than \$6,700 in fiscal year 2025 when it purchased passes for 17 of its 25 vehicles.<sup>2</sup> However, the District lacked

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<sup>1</sup> According to District officials, the District assigns 1 vehicle for the superintendent's use and assigns the other 17 vehicles to District administrators and teachers on an as needed basis.

<sup>2</sup> The District sought a prorated refund from the vendor for at least 1 membership pass because the vehicle could not go through the car wash without scratching the rails.

documentation to support that it had fully considered the cost of the passes as compared to other alternatives, such as buying car washes on an as-needed basis. For instance, over the course of the 2 fiscal years, the amount the District paid for car wash passes equated to more than 550 ultimate washes or 1,100 basic car washes from the same vendor, meaning that for the same cost it paid, the District could have washed each of its 17 vehicles between 32 and 65 times per year, depending on the car wash purchased. If the District had purchased car washes as needed, it could have washed any vehicle in its fleet and likely would have saved public monies by purchasing only what was needed.

District spent over \$12,000 over a 2-year period on car wash passes that could have been used to purchase between 32 and 65 car washes per year, per vehicle, which appears to be more than necessary.

### **District officials indicated that Board members had expressed a desire for the District’s vehicles to appear clean and up to date**

When we brought these issues to the District’s attention during the audit, District officials indicated that the Board had expressed a desire for the District’s vehicles, which feature the District’s branding, to appear clean and up to date. Additionally, District officials indicated they prefer leasing new vehicles for the latest technology and safety features and to minimize maintenance costs. Regarding the number of vehicles, District officials indicated that in past years, vehicles were unavailable to staff, and the District maintains more vehicles so that staff have access to District-provided transportation. Thus, the District preferred to lease new vehicles and purchased car wash passes for most of its white fleet in accordance with Board preferences.

However, as previously described, the District drove each of its leased vehicles only 4,500 miles per year, on average, and we found that prior to initiating its most recent vehicle leases, the District had not evaluated how often staff vehicles are driven nor the number of vehicles needed to support the District’s operations. Instead, the District provided an after-the-fact analysis it prepared in response to our questions during the audit. However, the analysis the District provided also did not indicate the District had considered whether the vehicles were necessary nor whether the lease agreements, which total approximately \$250,000 and include more than \$76,000 in finance charges and fees, were a prudent use of public monies.

### **Recommendations to the District**

5. Complete and document an analysis to determine how many vehicles the District needs for its operations that accounts for factors such as miles driven, staff and student transportation needs, and costs of leasing versus owning the vehicles.
6. After determining the number of vehicles needed for its operations, adjust the number of vehicles in its white fleet, as necessary, to maintain a white fleet supported by its analysis.
7. Complete and document an analysis of the District’s car wash needs and limit car wash purchases based on its analysis.

**District response:** As outlined in its [response](#), the District does not agree with the finding, but will implement the recommendations.

### **District wasted public monies on credit card late fees and finance charges, and did not publicly accept donations and document the reason for fee waivers, decreasing public transparency and increasing the risk of theft**

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We identified issues involving the District's failure to pay its credit card balances timely and in full, and with its procedures for accepting donations and waiving fees for cosmetology services performed by students. See the details below.

#### **Issue 1: District wasted more than \$4,000 of public monies on credit card late payment fees and finance charges**

Contrary to the *Uniform System of Financial Records for Arizona School Districts* (USFR) and District policy, the District did not pay its credit card balances in full and/or on time for each billing cycle and incurred more than \$4,000 in financing charges and late fees during fiscal years 2024 and 2025.<sup>1</sup> According to the District, its practice is to delay credit card payments until employees have submitted all required supporting documentation. However, the District failed to enforce its credit card policy that requires users to promptly submit purchasing documentation, such as receipts, to facilitate timely credit card payments. Additionally, it did not impose the penalties outlined in its policy for repeated noncompliance. As a result, the District made late payments and/or did not pay balances in full and wasted more than \$4,000 of public monies that could have been used to support its CTE programs.

#### **Issue 2: Contrary to State law and District policy, District's Board did not formally accept nearly \$6.5 million in cash donations during public meetings, limiting public transparency into the District's activities**

The District's Board did not consistently take action in accordance with State law and District policy to formally accept donations to the District.<sup>2</sup> The District receives substantial support from donors for its CTE programs, with gifts and donations to the District totaling more than \$7.1 million in fiscal years 2024 and 2025. Consistent with the State's open meeting laws, District policy requires staff to report all donations to the Board for its review and action, including acknowledging the receipt and value of the gifts.<sup>3</sup> We reviewed all 15 cash donations of \$50,000 or more—nearly \$6.9 million in total—from fiscal years 2024 and 2025. We found that staff had

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<sup>1</sup> The Arizona Auditor General and the Arizona Department of Education (ADE) jointly developed the USFR pursuant to Arizona Revised Statutes (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.

<sup>2</sup> In assessing whether the acceptance of a gift by a school board is school business, Op. Ariz. Att'y Gen. I80-156 (August 13, 1980) determined that a school district governing board can accept a gift only through action at an open meeting. A.R.S. §15-321(E) requires school district governing boards' business to be conducted at regular or special meetings, which superseded A.R.S. §15-432(D).

<sup>3</sup> A.R.S. §38-431.01(A) requires that board meetings be open to the public and that the public is permitted to attend and listen to board meeting deliberations and proceedings.

inconsistently complied with the policy to present the donations to the Board, and the Board had discussed some of them. However, the Board did not formally vote in an open public meeting to accept 14 of 15 donations we reviewed, totaling \$6.5 million, as required by the State's open meeting laws. The Board's failure to take formal action limited public transparency since key details about the donations, such as the purpose, value, donor's intent, and how the District planned to use them, were not consistently presented.

We found that the District lacked written procedures to help ensure the Board accepted donations properly in public meetings. Additionally, District officials indicated that they were unaware that some donations, specifically those received through the District's foundation, required formal acceptance by the Board in a public meeting. However, the foundation is a separate legal entity, and the Board is required to accept its donations to the District like any other donation.

After we brought this issue to the District's attention, the District added the acceptance of cash donations as a separate Board action item for its August 2025 Board meeting and indicated that accepting cash donations would be a standing agenda item at future Board meetings. However, we reviewed the District's August 2025 Board meeting agenda and minutes and found that the Board formally voted to accept only a portion of the \$125,000 in donations listed on its agenda. Thus, continued efforts are needed to ensure compliance with State law and provide for public transparency.

### **Issue 3: District did not review waived fees for cosmetology services to ensure they were appropriate and to reduce the risk of theft**

The District did not consistently document the reasons it did not collect payment for cosmetology services provided at 2 of its campuses, increasing the risk that fees reported as waived could instead be taken. As part of their training, students in the District's cosmetology CTE programs provide services to the public such as haircuts, manicures, and hair coloring for a fee. According to District officials, program instructors occasionally waive fees for student services if client expectations are not met, or the District may issue coupons for free services to bring in sufficient clientele for training purposes.

However, according to District officials, when cosmetology instructors do not collect payment for services, the District does not require them to document the reasons for not doing so. We reviewed 1 month of fiscal year 2025 cash receipts for the District's 2 cosmetology programs. We found that the programs had provided at least \$170 worth of services for which payment was not collected, with \$122 of this amount lacking any explanations or documentation supporting that the fee waivers were authorized and appropriate.

After we brought this issue to the District's attention, it reviewed the fee waivers we identified and determined they were appropriate. Additionally, in August 2025 the District developed written procedures for waiving fees, which indicate that coupons are to be collected at the time of service. However, the District's updated procedures do not require instructors to document other reasons for not collecting payment, such as when services do not meet a client's expectations. By not ensuring that all waived fees are authorized, appropriate, and supported, the District limits its ability to reconcile its cash collections and increases the risk of theft because waived transactions can be used to conceal missing monies.<sup>4</sup>

## Recommendations to the District

8. Develop and implement a process to ensure that credit card payments are made in a timely manner to avoid unnecessary late fees and finance charges.
9. Implement additional procedures to help ensure employees follow required credit card purchasing procedures, including additional training or penalties for repeat offenses, among other options.
10. Ensure it acknowledges the receipt, purpose, and value of donations and that the Governing Board accepts all donations during meetings open to the public.
11. In consultation with legal counsel, as necessary, strengthen existing policies and develop and implement written procedures governing open meetings. These policies and procedures should specifically require the Governing Board to accept all donations in public meetings and require the District to acknowledge the contribution's receipt, purpose, and value during public meetings.
12. Consult with legal counsel, as necessary, to ensure that any District actions taken contrary to open meeting laws are appropriately addressed to be made valid.
13. Develop and implement a fee waiver policy that includes requirements for documenting all fee waivers and a secondary review of all waived fees for appropriateness, and update existing procedures for fee waivers to ensure compliance with the policy.

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

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<sup>4</sup> Internal controls for cash are important because of the risk of theft. For example, see prior Arizona Auditor General report 19-402 *Pima County Joint Technical Education—Theft and Misuse of Public Monies*. Our investigation revealed that from March through August 2016, a former District account services manager failed to deposit in District accounts \$12,321 of cash he received that was collected from District students, parents, and other individuals. The former employee also manipulated District records and may have forged a District deposit form to conceal his actions.

## District did not comply with some conflict-of-interest requirements, increasing the risk that employees and Board members did not disclose substantial interests that might influence or could affect their official conduct

### Statute addresses conflicts of interest for school district employees and Board members

State conflict-of-interest laws, the USFR, and District policy require District public officers and employees to avoid conflicts of interest that might influence or affect their official conduct. To determine whether a conflict of interest exists, employees/public officers must first evaluate whether they or a relative has a “substantial interest” in (1) any contract, sale, purchase, or service to the district or (2) any decision of the district (see textbox for key terms).<sup>1</sup> Additionally, according to the USFR, districts should establish procedures to ensure that all employees and Board members comply with conflict-of-interest laws.

If an employee/public officer or a relative has a substantial interest, statute and District policy require the employee/public officer to fully disclose the interest and refrain from voting upon or otherwise participating in the matter in any way as an employee/public officer.<sup>2,3</sup> The interest must be disclosed in the district’s official records, either through a signed document or the Board’s official minutes.

#### Key terms

**Substantial interest:** Any direct or indirect monetary or ownership interest that is not hypothetical and is not defined in statute as a “remote interest.”

**Remote interest:** Any of several specific categories of interest defined in statute that are exempt from the conflict-of-interest requirements. For example, an employee or public officer who is reimbursed for actual and necessary expenses incurred while performing official duties.

Source: Auditor General staff review of A.R.S. §38-502 and the *Arizona Agency Handbook*. Arizona Office of the Attorney General (AAG). (2018). *Arizona agency handbook*. Retrieved 9/24/2025 from <https://www.azag.gov/office/publications/agency-handbook>.

<sup>1</sup> A.R.S. §38-503(C) allows a school district governing board to purchase supplies, materials, and equipment from a school board member if the transaction complies with A.R.S. §§15-213 and 15-323(B). Specifically, a purchase from a board member must not exceed \$300 per transaction, and the total purchases from any board member must not exceed \$1,000 in a 12-month period. Additionally, the board must have adopted a policy authorizing the purchases within the preceding 12-month period. For governing boards of school districts with fewer than 3,000 students, A.R.S. §15-323(C) allows governing boards to make purchases from a board member in any amount, subject to provisions in A.R.S. §§15-213 and 15-323(C), including a requirement that the governing board approve any such purchase and the purchase amount or purchase contract be included in the meeting minutes for the meeting in which the board approved the purchase.

<sup>2</sup> A.R.S. §§38-502 and 38-503(A) and (B).

<sup>3</sup> A.R.S. §38-502(8) defines “public officer” as all elected or appointed officers of a public agency established by charter, ordinance, resolution, State constitution, or statute. A.R.S. §38-502(6) defines “public agency” to include political subdivisions, and A.R.S. §38-502(5) defines “political subdivision” to include school districts. According to the *Arizona Agency Handbook*, public officers may or may not be paid. AAG, 2018.

Further, conflict-of-interest recommended practices indicate that employees should attest that they do not have any of these potential conflicts, if applicable, also known as an “affirmative no” on their disclosure form. Statute requires school districts to maintain a special file of all documents necessary to memorialize all disclosures of substantial interest, including disclosure forms and Board meeting minutes, and to make this file available for public inspection.<sup>4</sup>

In response to conflict-of-interest noncompliance and violations investigated in the course of our work, such as employees/public officers failing to disclose substantial interests and participating in matters related to these interests, we have recommended several practices and actions to various school districts, State agencies, and other public entities.<sup>5</sup> Our recommendations are based on recommended practices for managing conflicts of interest in government and are designed to help ensure compliance with State conflict-of-interest requirements by reminding employees/public officers of the importance of complying with the State’s conflict-of-interest laws.<sup>6</sup> Specifically, conflict-of-interest recommended practices indicate that all public employees and public officers complete or be reminded to update a disclosure form annually. Recommended practices also indicate that the form include a field for the individual to provide an “affirmative no,” if applicable. These recommended practices also indicate that school districts develop a formal remediation process and provide periodic training to ensure that identified conflicts are appropriately addressed and help ensure conflict-of-interest requirements are met.

## **District’s conflict-of-interest practices were not aligned with State requirements, District policy, and recommended practices**

We identified issues relating to the District’s compliance with conflict-of-interest requirements, District policy, and recommended practices that could increase the risk that employees or Board members may not disclose substantial interests that may influence or could affect their official conduct and may limit public transparency into the District’s operations.

Specifically:

- ▶ **District did not require employees and Board members to annually complete conflict-of-interest disclosure forms, contrary to District policy and recommended practices**

The District did not follow its policy requiring employees to annually complete conflict-of-interest disclosure forms. Specifically, the District lacked completed disclosure forms for 138 of 279 employees in fiscal year 2024, including 13 of 42 employees with administrative duties, and 165 of 307 employees in fiscal year 2025, including 12 of 49 employees with administrative duties. Among the employees with administrative duties who lacked

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<sup>4</sup> A.R.S. §§38-509 and 38-502.

<sup>5</sup> See, for example, Auditor General reports: 24-211 *Concho Elementary School District*, 21-404 *Wickenburg Unified School District—Criminal indictment—Conflict of interest, fraudulent schemes, and forgery*, 19-105 *Arizona School Facilities Board—Building Renewal Grant fund*, and 17-405 *Pine-Strawberry Water Improvement District—Theft and misuse of public monies*.

<sup>6</sup> Recommended practices we reviewed included: The World Bank, Organization for Economic Cooperation and Development, & United Nations Office on Drugs and Crime. (2020). Preventing and managing conflicts of interest in the public sector: Good practices guide. Retrieved 9/24/25 from <https://www.unodc.org/documents/corruption/Publications/2020/Preventing-and-Managing-Conflicts-of-Interest-in-the-Public-Sector-Good-Practices-Guide.pdf> and New York State Authorities Budget Office (NYS ABO). (n.d.). Conflict of interest policy for public authorities. Retrieved 9/24/25 from <https://abo.ny.gov/system/files/documents/2025/05/conflictinterestpolicy.pdf>.

required disclosure forms, some were full-time administrators with decision-making responsibility, such as the District's chief financial officer (CFO), who lacked a completed form for fiscal year 2025. Similarly, although not required by its policy, the District's Board members did not complete annual conflict-of-interest disclosure forms, contrary to recommended practices. The District was unable to provide documentation showing that any Board member had completed a disclosure form in fiscal year 2024, although all Board members completed a form in fiscal year 2025. By not enforcing its policy for employees and not aligning its policy with recommended practices for annual Board member disclosures, the District increased the risk that employees and Board members may not disclose interests that could influence or affect their official conduct.

▶ **District did not maintain a special file of disclosed substantial interests as required by statute**

The District did not maintain a special file of disclosures of substantial interests, as required by law. Instead, District officials indicated that members of the public would need to submit a public records request to view District employee and Board member disclosure forms. The District indicated it was unaware of the statutory requirement to have a file of substantial interest disclosures available for public inspection. However, by not maintaining a special file of substantial interest disclosures for public inspection, the District limited transparency into its operations and limited its ability to timely identify and remedy employees' and Board members' disclosed substantial interests and provide that information to the public.

▶ **Contrary to recommended practices, the District did not review disclosure forms to ensure they were complete and accurate and did not provide its CFO with information needed to remediate Board member conflicts**

As previously discussed, the District did not ensure all Board members and employees completed annual conflict-of-interest disclosure forms, and our review of available forms from fiscal years 2024 and 2025 found that some forms were incomplete or contained errors. Specifically, some employees who reported a substantial interest did not provide details necessary to determine what actions may be needed to remediate the conflict, such as descriptions of the substantial interest. Other forms erroneously indicated that the employee both had and did not have substantial interests to disclose. The District lacked formal procedures to help ensure all disclosure forms are submitted and reviewed for completeness and accuracy, which may have helped it to identify these deficiencies.

Additionally, the District indicated that the CFO is responsible for managing and remediating any conflicts of interest disclosed by employees and Board members. However, District employees responsible for collecting Board members' disclosure forms indicated that they do not provide the completed forms to the CFO. Without the forms, the CFO lacks the information necessary to ensure that Board agendas or other documents include sufficient information to enable Board members to refrain from participating in matters that involve their substantial interests.

► **The District did not provide training to employees and Board members to help ensure conflict-of-interest requirements were met**

Recommended practices indicate that routine conflict-of-interest training can help ensure employees' and Board members' compliance with conflict-of-interest requirements, but the District did not provide conflict-of-interest training to employees or Board members in fiscal years 2024 or 2025. According to the District, employees are required to affirm their understanding of the District's conflict-of-interest policy prior to completing their disclosure forms, but as previously noted, approximately half of the District's employees did not complete the forms in both years we reviewed. District officials also reported that Board members receive a copy of the District's conflict-of-interest policy when completing their disclosure forms. However, recommended practices indicate that Board members and employees should receive periodic conflict-of-interest training, which may provide more detailed guidance than the policy. Training can also address matters such as the importance of complying with the State's conflict-of-interest laws, how to identify and report any substantial interests, and steps to take when recusing themselves from participating in any District matters involving their disclosed interests.

Developing and providing routine conflict-of-interest training for Board members and employees could help improve the District's compliance with State requirements and better ensure the District's financial decisions are transparent and made in the public's best interest. Additionally, by establishing formal procedures to ensure all conflict-of-interest disclosure forms are completed and reviewed and potential conflicts are remediated, the District could reduce the risk of employees and/or Board members participating in matters relating to their substantial interests.

## **Recommendations to the District**

- 14.** Update and enforce its existing conflict-of-interest policies for Board members and employees by requiring Board members and employees to annually submit conflict-of-interest disclosure forms describing any substantial interests they or their relatives may have in any contract, sale, purchase, or service to the District or District decisions, or attesting that no conflicts exist, if applicable.
- 15.** Maintain all substantial interest disclosures in a special file available for public inspection, including disclosure forms and Board meeting minutes where a disclosure is documented.
- 16.** Establish and implement written procedures to ensure disclosure forms are reviewed for accuracy and completeness and any potential conflicts are fully described, and to identify and remediate any disclosed substantial interests.
- 17.** Develop and provide periodic training to Board members and employees on the requirements for complying with conflict-of-interest laws, including the need to describe their substantial interests on disclosure forms and to refrain from participating in any decision, contract, sale, purchase, or service for which they or a relative have a substantial interest, and document the training provided.

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

## District lacked processes to consistently collect and validate key outcome data used to assess CTE program effectiveness, resulting in reporting errors and potentially inaccurate information about programs’ success in preparing 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.<sup>1</sup> Additionally, statute requires CTEDs to contractually agree to provide ongoing evaluation and support of their member districts’ satellite campus programs to ensure quality and compliance.<sup>2</sup> 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 number of students obtaining postgraduation employment related to their CTE program 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.<sup>3</sup> 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 ADE have identified as being high-skill, high-wage, or in-demand occupations within the State.

<sup>1</sup> A.R.S. §§15-781, 15-391.

<sup>2</sup> A.R.S. §15-393(L)(10)(b).

<sup>3</sup> Advance CTE is a national nonprofit that represents state CTE directors and leaders and seeks to advance high-quality CTE policies and best practices. New Skills for Youth, Advance CTE, Council of Chief State School Officers, Education Strategy Group, Data Quality Campaign, and Workforce Data Quality Campaign. (2019). *The state of career technical education: Improving data quality and effectiveness*. Retrieved 11/3/25 from [https://careertech.org/wp-content/uploads/2023/01/State\\_CTE\\_Data\\_2019.pdf](https://careertech.org/wp-content/uploads/2023/01/State_CTE_Data_2019.pdf); New Skills for Youth, Council of Chief State School Officers, Advance CTE, Education Strategy Group, and Achieve. (2019). *Making career readiness count 3.0*. Retrieved 11/3/25 from [https://careertech.org/wp-content/uploads/sites/default/files/files/resources/Making\\_Career\\_Readiness\\_Count\\_2019.pdf](https://careertech.org/wp-content/uploads/sites/default/files/files/resources/Making_Career_Readiness_Count_2019.pdf); and Results for America and MDRC. (2019). *What works in career and technical education: Evidence underlying programs and policies that work*. Retrieved 11/3/25 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 postgraduation employment and industry certifications earned to assess their CTE programs' effectiveness in preparing students for high-need occupations as follows:

- ▶ To implement accountability measures for Arizona CTE programs and to help 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.<sup>4</sup> 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 CTE programs' effectiveness in preparing students for jobs related to their CTE program.<sup>5</sup>
- ▶ 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 postgraduation employment and industry certification information, to determine whether CTE programs meet State-determined performance levels.<sup>6</sup> The Monitoring Document also specifies that CTEDs should implement a formal process for the systematic and continued use of data for program improvement, which should include a professional development plan to teach CTE staff and teachers how to use and analyze data for program improvement.
- ▶ To comply with federal Perkins Act accountability requirements, districts that received federal Perkins Act funding were directed to track and report student postgraduation employment data and industry certifications students earned to ADE.<sup>7</sup>

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

<sup>5</sup> See Arizona Auditor General reports 17-212, *Joint Technical Education Districts*, and 20-209, *Career and Technical Education Districts* (CTEDs). In February 2025, we issued a followup 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 1 had been implemented, 3 had been partially implemented, 5 had not been implemented, and 1 was not yet applicable.

<sup>6</sup> 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.

<sup>7</sup> The Perkins Act requires each state receiving Perkins Act funding to report certain outcome measures, such as positive student placements, meaning that students are employed, attending postsecondary school, or serving in the military or on a religious mission. Beginning in fiscal year 2020, states were also required to report industry certifications earned by students. The District's member districts receive federal Perkins funding, but the District's central programs do not apply for and receive federal Perkins funding.

## **Member districts inconsistently collected postgraduation placement and certification data, and District lacked processes for validating this data, limiting the District's ability to demonstrate its programs effectively prepared students for high-need occupations**

In fiscal year 2024, the District spent \$53.1 million on its central and satellite CTE programs. The District and its member districts collected and reported to ADE some postgraduation placement and certification data for former students who had completed a CTE program, but they did not collect all the data necessary to demonstrate whether their CTE programs were successful in helping students earn industry certifications and obtain jobs in high-need occupations. Although the District collected some student certification attainment and post-graduation job placement data for central campus students, it did not do so for all students, such as students enrolled in central programs at the community college district. For example, the District reported that no students from its Network Security program, which is operated by the community college, had post-graduation employment nor earned a credential in fiscal year 2024. According to District officials, because the Network Security program was operated by the community college and the course instructors were not District staff, the District did not make efforts to collect and/or report this data to ADE. However, these students were enrolled in a District central program, and thus, the District was responsible for ensuring it collected, validated, and reported relevant program outcome data to ADE.

Additionally, each of the District's member districts was responsible for collecting its own data, but the District had not provided member districts with consistent data-collection guidance, and member districts had varying priorities and strategies for collecting postgraduation placement and certification data. Member districts' data-collection strategies included emailed surveys, telephone calls, contacting students using social media and/or reviewing National Student Clearinghouse data to determine whether students were enrolled in postsecondary education. These varying priorities and strategies resulted in substantial variations in data accuracy and completeness among member districts. For example, 1 member district collected postgraduation placement data for 216 of 218, or 99%, of its CTE program graduates in fiscal year 2024. Another member district reported that it collected postgraduation placement data for only 39 of 94, or 41%, of its CTE program graduates in the same fiscal year.

The District also lacked a process to validate the postgraduation job placement and certification data it and its member districts collected. District officials shared that central program teachers were responsible for asking students if they were placed after graduation or had passed a certification exam and maintaining this information in a spreadsheet to submit to the District. If teachers were unable to collect placement data, District officials shared that they would have nonteaching staff reach out to students and families to try to collect the data. District staff reported the information teachers and staff collected to ADE without any effort to validate it, such as by attempting to verify employment, collecting reports from certification-testing vendors, or retaining copies of certifications students earned.

We judgmentally selected 4 central programs and reviewed all 128 students the District reported earned a certification in fiscal year 2024 and found the District lacked any supporting documentation related to these 128 students' earned certifications. In response to our questions during the audit, the District gathered and provided to us some documentation to support the certifications earned for these 128 students. The District provided copies of at least 1 certification

earned for 101 of 128, or 79% of the students we reviewed. However, because the District did not take steps to validate the certification data prior to reporting it to ADE, such as by collecting copies of the certifications, it lacked key information to support that its reporting was accurate.

Similarly, member district teachers were generally responsible for collecting postgraduation job placement and certification data for satellite program students, but the District had not provided guidance to member districts about validating the data they collected prior to reporting it to ADE. Therefore, the District lacked documentation to support the accuracy of the job placement and certification data its member districts reported. ADE’s Monitoring Document indicates that valid and reliable outcome data is an important component of outcome data collection and analysis. By not validating the outcome data it collects, the District increases the risk that teachers may report inaccurate student outcome data, including the certifications it previously reported to ADE to receive incentive program monies in prior fiscal years. Additionally, although CTE directors at some of the District’s member districts shared that their processes included validating the program outcome data teachers collect, the District did not review these validation efforts or ensure that these processes were consistent across member districts.

We reviewed the outcome data the District reported to ADE and identified at least 30 instances where the District reported that CTE program graduates were placed in jobs related to their CTE programs when their reported job instead appeared to be unrelated to their CTE program—errors that likely would have been identified by the District through a data validation process (see Table 1). By not taking steps to validate its postgraduation employment data, such as correcting errors like those we identified during our review, the District may not be accurately reporting its program outcomes to ADE, which could impact member districts’ federal Perkins Act funding and ADE’s ability to effectively evaluate the District’s CTE programs.

**Table 1**  
**Examples of errors in the District’s job placement data it reported to ADE**

District program title	Postgraduation employment	Job duties	District reported to ADE
Emergency Medical Services	Food service	Cooking and cleaning	Using program skills despite unrelated job duties
Culinary Arts	Community center	Lifeguard	Using program skills despite unrelated job duties
Medical Assisting Services	Self employed	Eyelash services	Using program skills despite unrelated job duties
Fire Service	Barbershop	Hair cutting	Using program skills despite unrelated job duties

Source: Auditor General staff analysis of District’s fiscal year 2024 placement data reported to ADE.

## District reported it did not validate student job placement and industry certification data because it believed the data it collected was accurate

District officials reported that the District had not developed processes to validate data because they believed that teachers, parents, or students had no incentive to provide false placement and certification information and therefore assumed the self-reported data was accurate. Accordingly, the District did not collect copies of certifications in fiscal year 2024 until we requested them for review during the audit. However, District officials indicated that they made it standard practice to collect copies of certifications earned by central program students starting with certifications earned beginning in fiscal year 2025, which should allow the District to develop a process to validate this data going forward. Further, District officials indicated that this updated process allowed the District to provide this outcome measure data to ADE during its fiscal year 2025 quality and compliance monitoring review.

We also found that the District had not taken steps to ensure that member districts consistently collected and validated job placement and certification data, such as providing detailed guidance on the member districts' data-collection efforts or steps the member districts could take to validate the data teachers collected. Instead, the District relied on the member districts to collect job placement and certification data and report to ADE on their own, which likely contributed to the substantial differences in the completeness of member districts' data previously described.

### Recommendations to the District

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

**District response:** As outlined in its [response](#), the District does not agree with the finding and will implement the recommendations in a different manner.

### **District's excessive access to its sensitive computerized data and other IT deficiencies increased the risk of unauthorized access to sensitive information, data loss, errors, and fraud**

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#### **District has not complied with some important IT security requirements and recommended practices**

The USFR and credible industry standards, such as those developed by the National Institute of Standards and Technology (NIST), set forth important IT security requirements and recommended standards that help districts safeguard sensitive information and prevent data loss, errors, and fraud. However, our review of the District's IT security practices identified several deficiencies, including noncompliance with USFR requirements and practices inconsistent with credible industry standards, that increased its risk for unauthorized access to sensitive information, data loss, errors, and fraud. See the details below.

#### **Deficiency 1: District did not regularly review and limit user access to its accounting system and network, increasing its risk of fraud, misuse, unauthorized access, and data loss**

The District did not limit user access to its accounting system and network as required by the USFR. Specifically:

- ▶ **Contrary to the USFR, some employees had more access than necessary to perform their assigned job duties**

Our review of user accounts on the District's accounting system, network, and student information system conducted between August 2024 and September 2025 identified 2 accounting system users with excessive access to payroll and/or accounts payable functions. This broad system access is contrary to the USFR requirement to limit users' system access to only what is necessary for employees to carry out their job duties. The 2 users we identified had the ability to initiate and complete payroll and/or purchasing transactions without another employee reviewing and approving the transactions, increasing the risk of errors and fraud.

We also found that the District granted unnecessary administrator-level access to 2 business office employees as shown in Table 2, page 27. Administrator-level access provides full control over system settings, such as the ability to view and edit data, add new users, and modify the level of access that users have to various functions. By granting unnecessary and powerful administrator-level access, the District increased the risks of fraud, unauthorized access to sensitive information, and data loss.

► **The District did not promptly remove unneeded or unused accounts from its IT systems**

We also identified 17 network accounts associated with terminated employees, 1 network account associated with an individual who declined an offer of employment from the District, and 7 service and/or shared accounts that were no longer needed, contrary to the USFR requirement to immediately disable system access when it is no longer needed. We did not identify any accounts that appeared to have been accessed after the employees no longer worked for the District or any improper system activities resulting from these unnecessary accounts. However, the District’s failure to limit access to its systems and regularly review and remove unnecessary accounts increases the risk of unauthorized access to sensitive information and data loss.

**Table 2**

**District did not meet USFR requirements to restrict user access to its network and accounting system**

Requirements	Accounting system	Network	Summary
Limit the number of users with administrator-level access	✗	✓	We identified 2 accounting system administrator accounts that did not require this level of access.
Disable/remove accounts that no longer need access	✓	✗	We identified at least 7 network accounts that were no longer needed.
Adequately remove terminated employees’ access	✓	✗	We identified at least 18 network accounts that were associated with 17 terminated employees and 1 individual never employed by the District.

Source: Auditor General staff analysis of August 2024 District network and accounting system accounts and September 2025 accounting system access levels.

## **Deficiency 2: District’s authentication controls did not meet USFR requirements and credible industry standards, increasing the risk of unauthorized access and disruptions to District operations**

Our review of the District’s password requirements and practices as of August 2024 found that they were not aligned with credible industry standards, such as those developed by NIST and required by the USFR. Additionally, the USFR states that school districts should require comprehensive authentication of user accessing critical IT systems. By not having password requirements and other authentication controls that meet USFR requirements and credible industry standards, the District increases the risk of unauthorized access to its critical systems and disruptions to District operations.

## **Deficiency 3: District could not demonstrate that it conducted security awareness training for staff, increasing employees’ vulnerability to cyberattacks**

According to the USFR and credible industry standards, school districts should provide annual security awareness training to employees that includes information about preventing and detecting technology-related threats. The District indicated that staff had completed security awareness training but lacked attendance records for this training. Additionally, the District lacked a formal policy requiring security training for staff upon hire and annually thereafter, as recommended by credible industry standards. Providing annual security training to District employees could help ensure that they are aware of the need to protect District systems and comply with District policies, their responsibilities for information security, and the risks associated with various security threats.

## **Deficiency 4: District’s IT contingency plan lacked all key components, increasing its risk of interrupted operations and data loss**

Our review of the District’s IT contingency plan in August 2024 found that it did not include all the key elements required by the USFR and recommended by credible industry standards to help ensure continued operations in the event of a system outage. Specifically, the District’s plan did not identify critical IT systems, specify the order in which critical systems should be restored, clearly outline who is responsible for which activities during a system outage or attack, contain contingencies for continued business operations during a system outage, or include detailed restoration steps and indicate it had been reviewed and updated on an annual basis. Additionally, the District lacked written procedures to review and test its plan, which may help the District to identify and address deficiencies. District officials stated that they believed that undocumented tests of the plan and backup systems were sufficient. However, by prioritizing the development of a comprehensive contingency plan aligned with the USFR and credible industry standards, regularly testing it, and documenting the results of those tests, the District could better ensure that staff members understand their roles and responsibilities during system outages and reduce the risk of extended system disruptions and data loss.

## **Deficiency 5: District did not properly maintain and update some IT equipment, increasing the risk of security vulnerabilities and unauthorized access**

The USFR requires that districts ensure key components of their networks and systems are kept up to date and secure. In addition, it requires that districts develop and implement policies and procedures to ensure their computer and network infrastructure (e.g., computers, servers, routers, switches, etc.) are properly maintained and that changes to key equipment and settings are consistent with these policies. However, our August 2024 review of the District's IT equipment and controls found that the District used some outdated IT equipment to secure its network and had unsupported system software. According to credible industry standards, by using unsupported software and applications and outdated IT equipment, the District increases opportunities for attackers to exploit software vulnerabilities to gain unauthorized access to its network and system. District officials reported that they were unaware these devices were on their network and that the District had inadvertently failed to remove these old, unused devices.

## **Deficiency 6: District did not follow its internet safety policy to fully restrict student web filtering settings, increasing the risk of exposing students to potentially harmful materials**

The Children's Internet Protection Act (CIPA) imposes certain requirements on schools that receive discounts for internet access or internal connections through the School and Libraries (E-rate) program, which makes certain communications services and products more affordable for eligible schools. CIPA requires schools to certify they have an internet safety policy that includes technology protection measures to block or filter internet access to pictures that are obscene, pornographic, or harmful to minors. Although the District's internet safety policy appeared to align with the required CIPA measures, our August 2024 review of the District's web filtering settings found that the District did not fully restrict students' internet access consistent with its policy, increasing the risk that students may be exposed to harmful materials. Additionally, by not enforcing its internet safety policy, the District risks potentially losing its E-rate discounts.

## **District lacked complete written IT policies and procedures to help safeguard IT systems**

The District lacked complete written IT policies and procedures to guide staff and ensure compliance with USFR requirements and credible industry standards. Further, although District officials reported that the District had informal IT procedures, staff did not consistently follow them. For example, the District reported that it had informal processes to identify and remove inactive user accounts from its IT systems, but we found that these processes were ineffective, as previously discussed. By developing and implementing formal IT policies and procedures to ensure system access is up to date and appropriate, the District could limit the potential for unauthorized system access and/or data loss and reduce the fraud risk associated with excessive system access.

## Recommendations to the District

20. Limit users' access in the accounting system to only those functions needed to perform their job duties.
21. Review and reduce the number of users with administrator-level access to its accounting system to only those individuals with a business need for administrator-level access.
22. Immediately disable or remove all accounting system and network accounts that are no longer needed, including those associated with terminated employees.
23. Develop and implement written procedures to address IT system access relative to job duties; promptly remove access when no longer needed; and establish a formal process to periodically review accounting system and network access, including making necessary updates if the reviews identify accounts with more access than necessary.
24. Implement and enforce strong authentication controls that align with USFR requirements and credible industry standards to decrease the risk of unauthorized persons gaining access to sensitive District information and disrupting operations.
25. Develop and implement a formal process to review the District's authentication controls against credible industry standards at least annually.
26. Develop and implement policies and procedures to conduct mandatory security awareness training that meets USFR and credible industry standards for District employees upon hire and at least annually thereafter, and document employee participation and the training provided.
27. Develop and implement a Board-approved IT contingency plan that meets USFR requirements and credible industry standards; perform documented tests against the plan, at least annually, to identify and remedy any deficiencies; and update the plan based on the test results.
28. Develop and implement policies and procedures to ensure computer and network infrastructure are properly maintained and up to date, including upgrading to vendor-supported software and applications.
29. Comply with CIPA requirements by implementing its policies and procedures for student web filtering settings to ensure students are protected.

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

# SUMMARY OF RECOMMENDATIONS

## The Arizona Auditor General makes 29 recommendations to the District

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Click on a finding, recommendation, or its page number to the right to go directly to that finding or recommendation in the report.

### Recommendations to the District

#### **FINDING 1** **4**

1. Ensure it consistently follows its overtime policies by developing and implementing written procedures to ensure that all overtime hours are approved in advance and document any determinations to provide overtime pay rather than awarding compensatory time in accordance with District policy. **6**
2. Develop a thorough supervisory payroll review process to ensure that requested overtime payments are in accordance with District policy and properly documented, including preapprovals. **6**

#### **FINDING 2** **7**

If the District determines that it is appropriate to purchase food and beverages using public monies, it must:

3. Obtain advance Board approval for all food and beverage purchases associated with District events. **9**
4. Ensure compliance with State laws, the gift clause, and other requirements for any Board-approved food or beverage purchases, which includes determining and documenting that funding sources used are appropriate and how each purchase benefits the District and serves a public purpose. **9**

#### **FINDING 3** **10**

5. Complete and document an analysis to determine how many vehicles the District needs for its operations that accounts for factors such as miles driven, staff and student transportation needs, and costs of leasing versus owning the vehicles. **11**

- 6. After determining the number of vehicles needed for its operations, adjust the number of vehicles in its white fleet, as necessary, to maintain a white fleet supported by its analysis. 11
- 7. Complete and document an analysis of the District's car wash needs and limit car wash purchases based on its analysis. 11

**FINDING 4** 13

- 8. Develop and implement a process to ensure that credit card payments are made in a timely manner to avoid unnecessary late fees and finance charges. 15
- 9. Implement additional procedures to help ensure employees follow required credit card purchasing procedures, including additional training or penalties for repeat offenses, among other options. 15
- 10. Ensure it acknowledges the receipt, purpose, and value of donations and that the Governing Board accepts all donations during meetings open to the public. 15
- 11. In consultation with legal counsel, as necessary, strengthen existing policies and develop and implement written procedures governing open meetings. These policies and procedures should specifically require the Governing Board to accept all donations in public meetings and require the District to acknowledge the contribution's receipt, purpose, and value during public meetings. 15
- 12. Consult with legal counsel, as necessary, to ensure that any District actions taken contrary to open meeting laws are appropriately addressed to be made valid. 15
- 13. Develop and implement a fee waiver policy that includes requirements for documenting all fee waivers and a secondary review of all waived fees for appropriateness, and update existing procedures for fee waivers to ensure compliance with the policy. 15

**FINDING 5** 16

- 14. Update and enforce its existing conflict-of-interest policies for Board members and employees by requiring Board members and employees to annually submit conflict-of-interest disclosure forms describing any substantial interests they or their relatives may have in any contract, sale, purchase, or service to the District or District decisions, or attesting that no conflicts exist, if applicable. 19
- 15. Maintain all substantial interest disclosures in a special file available for public inspection, including disclosure forms and Board meeting minutes where a disclosure is documented. 19

- 16. Establish and implement written procedures to ensure disclosure forms are reviewed for accuracy and completeness and any potential conflicts are fully described, and to identify and remediate any disclosed substantial interests. 19
- 17. Develop and provide periodic training to Board members and employees on the requirements for complying with conflict-of-interest laws, including the need to describe their substantial interests on disclosure forms and to refrain from participating in any decision, contract, sale, purchase, or service for which they or a relative have a substantial interest, and document the training provided. 19

**FINDING 6** 21

- 18. Develop and implement consistent data-collection protocols for all CTE programs to demonstrate compliance with statutory and ADE requirements and recommended practices. This includes collecting and validating complete data, such as data related to student certifications earned and post-graduate jobs obtained, as well as developing a process to track all outcome data. 25
- 19. 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 and use the results of its evaluations to make changes to its programs to ensure they are meeting their statutory purpose of preparing students for high-need occupations. 25

**FINDING 7** 26

- 20. Limit users' access in the accounting system to only those functions needed to perform their job duties. 30
- 21. Review and reduce the number of users with administrator-level access to its accounting system to only those individuals with a business need for administrator-level access. 30
- 22. Immediately disable or remove all accounting system and network accounts that are no longer needed, including those associated with terminated employees. 30
- 23. Develop and implement written procedures to address IT system access relative to job duties; promptly remove access when no longer needed; and establish a formal process to periodically review accounting system and network access, including making necessary updates if the reviews identify accounts with more access than necessary. 30
- 24. Implement and enforce strong authentication controls that align with USFR requirements and credible industry standards to decrease the risk of unauthorized persons gaining access to sensitive District information and disrupting operations. 30

- 25.** Develop and implement a formal process to review the District’s authentication controls against credible industry standards at least annually. **30**
  
- 26.** Develop and implement policies and procedures to conduct mandatory security awareness training that meets USFR and credible industry standards for District employees upon hire and at least annually thereafter, and document employee participation and the training provided. **30**
  
- 27.** Develop and implement a Board-approved IT contingency plan that meets USFR requirements and credible industry standards; perform documented tests against the plan, at least annually, to identify and remedy any deficiencies; and update the plan based on the test results. **30**
  
- 28.** Develop and implement policies and procedures to ensure computer and network infrastructure are properly maintained and up to date, including upgrading to vendor-supported software and applications. **30**
  
- 29.** Comply with CIPA requirements by implementing its policies and procedures for student web filtering settings to ensure students are protected. **30**

In addition to the 7 findings in this public report, we identified 1 additional finding pertaining to the District’s school safety practices. We omitted this additional finding from the public report because of the sensitive nature of the information within it and the potential for harm that could result from its public release. Accordingly, we communicated this additional confidential finding and associated recommendations directly to the District’s Governing Board and management. The District agreed with the confidential finding and agreed to implement all 7 recommendations. We will follow up on the status of these 7 confidential recommendations when we conduct our followup work.

## District's fiscal year 2024 spending

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Tables 3, 4, and 5 detail the District's fiscal year 2024 spending. Table 3, page a-2, shows the District's spending for satellite CTE 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.<sup>1</sup> Most of the District's spending for satellite programs was in the form of allocation payments to its member districts based on the funding those programs generated for the District. In fiscal year 2024, the District received nearly \$29.9 million in revenues generated from student enrollments in satellite programs and spent approximately \$19.5 million on allocation payments to its member districts.<sup>2</sup> In addition to the District's spending for satellite programs shown in Table 3, member districts spent nearly \$17.3 million in fiscal year 2024 on their satellite programs from other funding sources, primarily maintenance and operations and vocational education grant monies. This spending is not included in the amounts shown in Table 3.

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<sup>1</sup> 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).

<sup>2</sup> The monies the District passed through to its satellite CTE programs in fiscal year 2024 equated to approximately 65% of the ADM-based funding generated by satellite CTE program enrollments—in line with the 65% average pass-through rate across the State's 14 CTEDs for the fiscal year.

**Table 3****District spending for satellite programs by member district**

Fiscal year 2024

<b>Member district</b>	<b>District spending amount</b>	<b>Student enrollments</b>	<b>District spending per enrollment</b>
Tucson Unified School District	\$4,255,313	13,096	\$325
Sunnyside Unified School District	3,891,013	7,481	520
Vail Unified School District	2,252,505	6,986	322
Amphitheater Unified School District	1,572,250	7,800	202
Marana Unified School District	1,561,118	5,491	284
Sahuarita Unified School District	1,421,688	3,195	445
Catalina Foothills Unified School District	1,229,871	2,791	441
Nogales Unified School District	1,120,647	2,440	459
Santa Cruz Valley Unified School District	877,893	2,467	356
Flowing Wells Unified School District	580,981	2,408	241
Tanque Verde Unified School District	315,199	743	424
Baboquivari Unified School District	158,651	614	258
Mammoth-San Manuel Unified School District	133,107	464	287
Ajo Unified School District	91,651	311	295
<b>Total</b>	<b>\$19,461,887</b>	<b>56,287</b>	<b>\$346</b>

Source: Auditor General staff analysis of fiscal year 2024 member district-reported enrollment data and District accounting data.

Table 4 below shows the District’s spending for central programs shown by CTE program, the number of student enrollments in each central CTE program, and the District’s spending per enrollment for each central CTE program. The District’s central program spending also includes salaries and benefits for the District’s teachers, classroom supplies, textbooks, and student certification testing fees. Additionally, the District spent approximately \$1.4 million on instructional spending that was not associated with a specific CTE program for substitute teachers who taught classes for multiple programs and for purchases such as technology and equipment purchases that were for multiple central CTE programs. Table 4 also does not include approximately \$430,000 the District spent in fiscal year 2024 for special education programs.<sup>3</sup>

**Table 4**  
**District spending for central programs by CTE program**

Fiscal year 2024

CTE program name	CTE program description	Spending	Student enrollments	District spending per enrollment
Nursing Services	Provide routine nursing-related care of patients in hospitals or long-term facilities.	\$1,462,641	701	\$2,087
Cosmetology and Related Services	Help others care for their hair, skin, and nails.	965,624	297	3,251
Engineering	Prepare students to apply basic engineering principles and technical skills in support of engineers.	914,612	270	3,387
Culinary Arts	Apply technical knowledge and skills for food production and service in commercial food service establishments.	744,721	891	836

<sup>3</sup> This \$430,000 in spending was for Project SEARCH, a vocational program for individuals who have developmental disabilities that helps students transition from school to independent work.

**Table 4 continued**

<b>CTE program name</b>	<b>CTE program description</b>	<b>Spending</b>	<b>Student enrollments</b>	<b>District spending per enrollment</b>
Veterinary Assisting	Prepare students to provide veterinary patient management, care, and clinical procedures assistance.	527,976	252	2,095
Early Childhood Education	Learn about child growth and development to provide appropriate learning activities and care for preschool-aged children.	490,190	154	3,183
Medical Assisting Services	Provide medical office administrative services and perform clinical duties such as patient intake and care.	353,785	135	2,621
Construction Technologies	Prepare students to apply technical knowledge and skills to residential and commercial building construction and remodeling.	353,157	152	2,323
Automation and Robotics	Prepares students to become an automation technician who can apply basic engineering principles and technical skills to production systems.	291,891	144	2,027
Emergency Medical Services	Prepare students to recognize, assess, and manage medical emergencies in a prehospital environment.	263,933	89	2,966

**Table 4 continued**

<b>CTE program name</b>	<b>CTE program description</b>	<b>Spending</b>	<b>Student enrollments</b>	<b>District spending per enrollment</b>
Graphic Design	Design and create visual concepts for commercial and promotional needs.	200,562	263	763
Heavy Equipment Operations	Prepares individuals to apply technical knowledge and skills to operate and maintain a variety of heavy equipment.	192,571	77	2,501
Law and Public Safety	Apply management and criminal justice practices to law enforcement administration and operations.	179,060	90	1,990
Air Transportation	Prepares individuals to apply technical knowledge and skills to flying and/or navigating fixed wing aircraft.	178,806	180	993
Automotive Technologies	Repair, service, and maintain all types of automobiles.	162,412	123	1,320
Digital Animation	Prepare students to use computer applications to create animations and other visual effects.	155,665	155	1,004
Physical Therapy Assistant	Prepares students to implement physical therapy treatment care plans, train patients, conduct treatment interventions, use equipment, and observe and record patient progress.	141,769	80	1,772

**Table 4 continued**

<b>CTE program name</b>	<b>CTE program description</b>	<b>Spending</b>	<b>Student enrollments</b>	<b>District spending per enrollment</b>
Fire Service	Apply principles, theory, and practices of fire operations and firefighting services.	137,338	92	1,493
Mental and Social Health Technician	Introduction to social and mental health case work, which involves patient and family counseling and testing and evaluation procedures.	131,634	180	731
Business Management	Prepares students to plan, organize, direct, and control the functions and processes of a firm or organization.	114,203	166	688
Network Security	Assess security needs and manage implementation of security devices, systems, and procedures.	104,302	116	899
Aircraft Mechanics	Prepares students to apply technical knowledge and skills to repair, service, and maintain all aircraft components.	97,216	120	810
Pharmacy Support Services	Develop a foundation of knowledge, skill sets, and resources for understanding the pharmacist's role in health promotion and disease prevention.	83,147	33	2,520

**Table 4 continued**

CTE program name	CTE program description	Spending	Student enrollments	District spending per enrollment
Welding Technologies	Develop a working knowledge of blueprint reading and welding processes using thermal cutting equipment.	53,889	58	929
Architectural Drafting	Program prepares individuals to apply technical knowledge and skills to develop working drawings and electronic simulations for architectural and related construction projects.	15,710	17	924
Community Healthcare Worker <sup>1</sup>	Prepares public health specialists to plan and manage health services in local community settings, including the coordination of related support services, government agencies, and private resources.	4,686	14	335
Precision Machining <sup>2</sup>	Develop technical skills to properly use precision measuring tools.	2,131	—	—
Automotive Collision Repair <sup>2</sup>	Repair, reconstruct, and finish automobile bodies and external features.	1,596	—	—
Bioscience <sup>2</sup>	Prepares student to apply scientific principles and technical skills in support of biologists and biotechnologists in research, industrial, and government settings.	980	—	—

**Table 4 continued**

CTE program name	CTE program description	Spending	Student enrollments	District spending per enrollment
Non program specific central spending for CTE programs	District instructional spending for CTE programs that was not coded to a specific CTE program. This spending included costs for substitute teachers and technology, furniture, and equipment purchases that were for multiple central CTE programs.	1,436,715	4,849	296
<b>Total</b>		<b>\$9,762,921</b>	<b>4,849</b>	<b>\$2,013</b>

<sup>1</sup> The District discontinued its Community Healthcare Worker program in fiscal year 2024 and coded most of its spending on those students to other health-related CTE programs, including the instructor salary expense.

<sup>2</sup> The District coded expenses to Precision Machining, Bioscience, and Automotive Collision Repair programs but did not operate those programs in fiscal year 2024. Although the District did not report any enrollments in these CTE programs for fiscal year 2024, according to District officials, Pima Community College offered these programs and the District provided support for these programs during the fiscal year.

Source: Auditor General staff analysis of ADE’s CTE program descriptions and fiscal year 2024 enrollment data, the District’s course catalog, and fiscal year 2024 District-reported accounting data.

Table 5 below shows the District’s spending for construction, 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 5 is calculated using the District’s fiscal year 2024 total satellite and central program enrollment of 61,136 students.

**Table 5**  
**District spending for administration, support services, and construction**  
 Fiscal year 2024

Spending category	Spending description	District spending amount	District spending per enrollment
Construction and lease-purchase payments	Primarily includes spending for costs associated with construction of a new central campus building and paying off leases or other real estate financial obligations.	\$14,735,380	\$241
Administration	Primarily includes salaries and benefits for administrative staff and spending for insurance payments.	4,477,017	73
Instruction support and student support services	Primarily includes salaries and benefits for support staff and snack program costs.	2,218,086	36
Other support services	Primarily includes salaries and benefits for plant operations staff and maintenance of central campuses.	2,088,402	34
<b>Total</b>		<b>\$23,518,885</b>	<b>\$385</b>

Source: Auditor General staff analysis of fiscal year 2024 District-reported accounting and enrollment data.

## Objectives, scope, and methodology

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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 2024 in preparing students for high-need occupations, and its compliance with certain State laws and requirements.

### Efficiency and effectiveness

We used various methods to meet this performance audit's objectives. These methods included reviewing relevant statutes, rules, policies and procedures, and other District-provided documentation; interviewing District and member district staff; touring District facilities and member district satellite programs; and reviewing information from ADE's website.

We also used the following specific methods to meet the audit objectives:

- ▶ To determine whether the District paid its employees in accordance with its Board-approved employment contracts, personnel action requests (PARs), and USFR requirements, we judgmentally selected 11 of 307 fiscal year 2025 employees and reviewed supporting documentation for some payments the District made to these employees during the fiscal year. We selected the 11 employees based on various risk factors including job position, such as administrators and business office employees, and employees who received certain payment types, such as extra-duty payments and leave payouts. Additionally, we reviewed fiscal year 2025 time sheets for 2 salaried employees who reported working and were paid for overtime hours to assess the additional hours they reported working and whether the District had paid these overtime hours in accordance with State laws, the USFR, and District policy.
- ▶ To assess the District's spending on food and beverage purchases, we reviewed accounts payable vouchers, accounting data, credit card transaction data, and associated supporting documentation, including attendee lists and agendas for food and beverage purchases the District made during fiscal years 2024 and 2025. We also judgmentally selected and reviewed 6 employee contracts and 11 detailed voucher reports the District provided to the Board for its approval. To assess whether the District followed State laws for providing food and beverages at District events, we judgmentally selected and reviewed 27 food and beverage purchases totaling approximately \$36,300 out of 110 of these purchases totaling approximately \$61,300 that we identified during fiscal years 2024 and 2025.
- ▶ To assess the District's spending on its leased vehicles, we reviewed the white fleet needs analysis District staff prepared during the audit, as well as the District's contracted spending on vehicle leases and the average miles driven based on review of leases and vehicle odometer readings as of October 2025. We also reviewed 2 urban peer CTE districts' white fleets to compare to the District's, which we judgmentally selected based

on student enrollments. To evaluate the District's spending on car wash passes, we reviewed supporting documentation for fiscal years 2024 and 2025 payments the District made to its car wash vendor and information on the vendor's public website related to car wash pass costs and benefits.

- ▶ To determine whether the District followed the State's open meeting laws and District policies related to gifts and donations, we reviewed fiscal year 2024 and 2025 accounting data and fiscal years 2024 through 2026-to-date Board meeting minutes and agendas as of August 2025.
- ▶ To determine whether the District met USFR requirements for timely paying credit card balances, we reviewed fiscal year 2024 and 2025 statements for the District's 5 credit card vendors.
- ▶ To determine whether the District's cash-handling procedures met USFR requirements, we reviewed documentation associated with the District's cosmetology program cash-receipting system, cash-collections reports, and bank deposit records for February 2025 totaling \$1,186. We also reviewed the District's Cosmetology program promotional coupon usage guidelines created by the District in August 2025.
- ▶ To determine whether the District's conflict-of-interest policies and procedures complied with State conflict-of-interest requirements and recommended practices, we reviewed available District conflict-of-interest disclosure documentation for all Board members and staff in fiscal years 2024 and 2025 and conflict-of-interest requirements and recommended practices.
- ▶ To determine whether the District collected, validated, and used outcome measure data to assess the effectiveness of its CTE programs in accordance with requirements and recommended practices, we reviewed CTE performance measure reports and available District documentation of CTE program outcome data, including postgraduation placements and industry credentials earned by students. We also reviewed all 213 postgraduation job placements the District reported to ADE in fiscal year 2024 to assess whether the placements appeared to be related to the technical skills learned in the students' CTE programs. We were unable to review the validity of the District's reported industry certification data because the District lacked evidence such as copies of certifications or reports from testing vendors of the credentials it reported students had earned.

## **Financial accounting data and internal controls**

We completed work to assess internal controls, including controls over payroll, purchasing, credit cards, travel reimbursements, and appropriate expenditure classification. Our work consisted of reviewing the District's policies and procedures; interviewing District staff; and, where applicable, testing the District's compliance with its policies and procedures, the USFR and related guidance, and IT industry frameworks. Specifically, we reviewed the District's fiscal year 2024 payroll and accounts payable transactions for proper account classification and reasonableness. We also reviewed detailed payroll and personnel records for 10 of 279 individuals who received payments

through the District's payroll system in fiscal year 2024. Additionally, we reviewed supporting documentation for 12 of 6,030 fiscal year 2024 accounts payable transactions to ensure the payments were authorized and in accordance with USFR requirements. We also evaluated other internal controls that we considered significant to the audit objectives and reported our conclusions on applicable internal controls in Finding 4 (see pages 13 through 15).

We also reviewed controls over the District's relevant computer systems and reported our conclusions on applicable controls over the District computer systems in Finding 7 (see pages 26 through 30).

Specifically:

- ▶ To determine whether the District appropriately limited system access to only those functions needed for employees to perform their job duties, we reviewed all active users' accounting information system access and compared their access levels with their job responsibilities. We also reviewed all accounts with administrator-level access to determine whether the District had appropriately granted administrator-level access.
- ▶ To determine whether the District had appropriately terminated user access to its network, SIS, and accounting information system, we compared the District's Active Directory, SIS, and accounting information system user listings with a list of terminated District employees whose District employment ended between July 2021 and June 2024 to identify accounts potentially associated with terminated employees. From these identified accounts, we randomly selected and reviewed 30 of 49 network accounts, all 16 SIS accounts, and all 18 accounting information system accounts to determine whether the accounts were associated with terminated employees. Additionally, to identify Active Directory user accounts not associated with a current or terminated District employee, we compared the District's Active Directory user listing to a list of current employees as of August 2024 and the previously mentioned terminated employee list to identify accounts not associated with users on either list.
- ▶ To determine whether the District's authentication controls for critical IT systems were consistent with USFR requirements and credible industry standards, we reviewed the District's password policies and procedures and current authentication controls for critical IT systems and compared them to the authentication controls required by the USFR and recommended by credible industry standards.
- ▶ To determine whether the District conducted annual security awareness training, we reviewed the District's IT policies and requested any available documentation supporting that the District had provided such training.
- ▶ To determine whether the District's IT contingency plan included key components required by the USFR and recommended by credible industry standards, we reviewed the District's IT contingency plan and the District's efforts to test its plan.

- ▶ To determine whether the District properly maintained and updated its IT equipment in accordance with USFR requirements, we reviewed the District's IT equipment and software to determine if the District ensured that key components of their networks and systems were kept up to date and secure.
- ▶ To determine whether the District's web filtering controls were consistent with federal requirements, we reviewed web filtering settings for the District's network security service.

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. Additionally, we omitted 1 finding from the public report because of its sensitive nature. Accordingly, we communicated this finding and associated recommendations directly to the District's Governing Board and management.

We express our appreciation to the District's Board members, superintendent, and staff for their cooperation and assistance throughout the audit.

## District's response necessitates clarifications

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A.R.S. §41-1279.03(A)(9) requires school districts to provide a written response indicating whether they agree with our findings and plan to implement the recommendations. Consistent with this requirement, the District has provided its response to the audit report, which is presented on the following pages. However, the District has included certain statements in its response that necessitate the following clarifications.

### **District mischaracterizes Finding 6, which found it lacked processes to consistently collect and validate key outcome data, and it does not specify how it will implement the recommendations in a different manner**

In its response, the District disagrees with Finding 6, and it mischaracterizes the finding as being a difference of opinion about the definition of outcome data rather than the need to ensure that the data it uses to demonstrate its central and satellite CTE programs' effectiveness in preparing students for high-need occupations is accurate, valid, and complete.

The District's response states:

"The district collects and validates key outcome data used to assess CTE program effectiveness but uses a different, more inclusive, definition of outcome data than the definition used in this finding. Other items collected include ADE Technical Skills Assessment scores, certifications earned, annual program evaluation results, and student and parent climate surveys. However, data collection was not always consistently collected, validated, and documented."

Additionally, the District indicates that it will implement the finding's 2 recommendations, but in a different manner from how they are written.

### **Auditor General's comments**

The District's assertion that it uses a more inclusive definition of outcome data than was used in the audit is misleading. As reported in Finding 6, our work focuses on industry certifications and job placements because State and federal agencies and recommended practices have emphasized the importance of these metrics for assessing CTE programs' effectiveness. However, we also asked the District multiple times throughout the audit to provide documentation supporting other program outcome data it collected to assess its CTE programs' effectiveness and the District did not do so.

Additionally, despite the District's disagreement with Finding 6, its explanation acknowledges that it did not consistently collect, validate, and document outcome data, which is consistent with what we found and reported in the audit finding. As reported in Finding 6, we identified numerous deficiencies in the District's processes for collecting, validating, and reporting program outcome data that resulted in the District's inability to demonstrate whether and/or to what extent its central

and satellite CTE programs were successful in preparing students for high-need occupations. Accordingly, we accurately reported that the District lacked processes to consistently collect and validate key outcome data used to assess its CTE programs' effectiveness.

Finally, the District's responses to recommendations 18 and 19 indicate it plans to implement these recommendations in a different manner. However, the District's explanations do not clearly indicate how its plans differ from the recommendations. The District is required to collect certain program outcome data, including postgraduation jobs obtained and industry certifications earned, in accordance with the State and federal requirements cited in the audit report. Regardless of what other outcome measures it deems important for measuring CTE programs' success, the District is responsible for implementing processes to consistently collect, validate, use, and report outcome data on its CTE programs' effectiveness in meeting their statutory purpose.

## DISTRICT RESPONSE

**The subsequent pages were written by the District to provide a response to each of the findings and to indicate its intention regarding implementation of each of the recommendations resulting from the audit conducted by the Arizona Auditor General.**

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March 31, 2026

Lindsey A. Perry, CPA, CFE  
Arizona Auditor General  
2910 N. 44<sup>th</sup> Street, Suite 410  
Phoenix, AZ. 85018

Dear Ms. Perry,

Pima County Joint Technical Education District (Pima JTED) is the premier career and technical education district in Southern Arizona for grades 9-12, serving high school youth living within our 12,000 square mile boundary. Pima JTED's successful public-private partnerships have led to the District's phenomenal 77% growth rate over the last five years. The rapid growth rate has not been without its challenges, some of which are outlined in the recently released Auditor General's Performance Audit.

The almost two-year process related to the Performance Audit has presented multiple challenges for District staff, especially during this time of rapid growth. These audits are extremely stressful for staff, and the District is extremely proud of how staff handled the extra demand placed on them throughout this process.

Even though Pima JTED does not agree with all of the findings contained in the audit report, the District is committed to improving its processes and procedures to make District operations more effective and efficient.

Pima JTED prides itself on providing the best opportunities for all who take our career and technical courses. Improving upon an already successful model will only help us in achieving the goal of providing quality programs that benefit our youth as well as our community.

Sincerely,

A handwritten signature in black ink, appearing to read "Kathy Prather".

Kathy Prather, Superintendent

*We deliver premier Career and Technical Education in partnership with  
business, industry, and community stakeholders.*

**Finding 1:** District paid 2 employees more than \$104,000 for overtime work associated with performing their regular job duties without ensuring the hours charged were reasonable and allowable and staffing was appropriate

District Response: The Auditor General's finding is not agreed to.

Response explanation: The district has updated the staffing model for the business office and has aggressively attempted to bring in new staff to address deficiencies. In addition, the district is implementing a new overtime approval process as well as an electronic time keeping system.

**Recommendation 1:** Ensure it consistently follows its overtime policies by developing and implementing written procedures to ensure that all overtime hours are approved in advance and document any determinations to provide overtime pay rather than awarding compensatory time in accordance with District policy.

District Response: The audit recommendation will be implemented.

Response explanation: The district has written procedures and overtime was pre-approved. However, documented evidence of the pre-approvals was not retained for audit purposes. The district will established stronger controls to ensure prior approvals are well documented.

**Recommendation 2:** Develop a thorough supervisory payroll review process to ensure that requested overtime payments are in accordance with District policy and properly documented, including preapprovals.

District Response: The audit recommendation will be implemented.

Response explanation: The district is implementing an electronic time keeping system that will document all hours worked, including overtime, down to the minute. All timesheets will be approved electronically by supervisors.

**Finding 2:** District spent at least \$36,000 on food and beverages for District events without required Board approval, potentially wasting monies that could have been used for other District priorities, and did not ensure these purchases complied with the State's gift clause

District Response: The Auditor General's finding is not agreed to.

Response explanation: The District disagrees with this finding because clear and concise guidance has not been forthcoming from the Arizona Department of Education. However, the District has language in all employee contracts and notices of employment that states "To the extent

appropriate for the occasion, the District may provide incidental food and beverages at mandatory staff meetings, including in-services and staff development activities/trainings, as a de minimus fringe benefit in order to foster good working relations and encourage and reward staff participation” and felt this was sufficient to document prior board approval. The district has implemented a new process to include an item on each board agenda to approve all upcoming events that will include food purchased by the district. .

**Recommendation 3:** If the District determines that it is appropriate to purchase food and beverages using public monies, it must obtain advance Board approval for all food and beverage purchases associated with District events.

District Response: The audit recommendation will be implemented.

Response explanation: The district has implemented a new process to include an item on each board agenda to approve all upcoming events that will include food purchased by the district.

**Recommendation 4:** If the District determines that it is appropriate to purchase food and beverages using public monies, it must ensure compliance with State laws, the gift clause, and other requirements for any Board-approved food or beverage purchases, which includes determining and documenting that funding sources used are appropriate and how each purchase benefits the District and serves a public purpose.

District Response: The audit recommendation will be implemented.

Response explanation: The district has implemented a new process to include an item on each board agenda to approve all upcoming events that will include food purchased by the district.

**Finding 3:** District likely wasted public monies by unnecessarily leasing white fleet vehicles and purchasing an excessive number of car wash passes

District Response: The Auditor General’s finding is not agreed to.

Response explanation: District vehicles are wrapped for advertising which is a high impact form of out of home marketing turning them into mobile billboards. The Board and administration feel the greatest impact of this effort is achieved when the vehicles are clean and that it is a cost effective form of advertising while also providing vehicles for use when needed by staff to travel on district business or between the many campuses of the District throughout the 12,000 miles of the District.

**Recommendation 5:** Complete and document an analysis to determine how many vehicles the District needs for its operations that accounts for factors such as miles driven, staff and student transportation needs, and costs of leasing versus owning the vehicles.

District Response: The audit recommendation will be implemented.

Response explanation: The district performs an analysis to determine how many vehicles the district needs for its operations on a regular basis, usually when the lease terms are completed. However, the district will improve this process to make it clearer to the reader which factors are utilized for the analysis and how the number of vehicles required is determined.

**Recommendation 6:** After determining the number of vehicles needed for its operations, adjust the number of vehicles in its white fleet, as necessary, to maintain a white fleet supported by its analysis.

District Response: The audit recommendation will be implemented.

Response explanation: The district adjusts the number in its white fleet each time the lease terms are completed but will develop a process to better document that determination and the factors that were involved in that decision.

**Recommendation 7:** Complete and document an analysis of the District's car wash needs and limit car wash purchases based on its analysis.

District Response: The audit recommendation will be implemented.

Response explanation: The district will develop a process to better document the analysis done when determining the car wash needs of the district.

**Finding 4:** District wasted public monies on credit card late fees and finance charges, and did not publicly accept donations and document the reason for fee waivers, decreasing public transparency and increasing the risk of theft

District Response: The Auditor General's finding is agreed to.

Response explanation: The district paid credit card late fees while waiting for receipts from staff that documented all purchases on district credit cards were appropriate district purchases. The district notified the Governing Board of donations but the notifications were not always on the study action portion of the agenda. The fee waivers followed district policy but needed better documentation as to the reason for the waiver.

**Recommendation 8:** Develop and implement a process to ensure that credit card payments are made in a timely manner to avoid unnecessary late fees and finance charges.

District Response: The audit recommendation will be implemented.

Response explanation: All staff have been notified that their credit card purchase rights will be terminated if receipts are not turned into the business office in a timely manner so the credit cards can be paid on time each month.

**Recommendation 9:** Implement additional procedures to help ensure employees follow required credit card purchasing procedures, including additional training or penalties for repeat offenses, among other options.

District Response: The audit recommendation will be implemented.

Response explanation: The district will include credit card training in the annual all staff in service and will revoke credit card purchase authorization from repeat offenders.

**Recommendation 10:** Ensure it acknowledges the receipt, purpose, and value of donations and that the Governing Board accepts all donations during meetings open to the public.

District Response: The audit recommendation will be implemented.

Response explanation: The district has added an agenda item to each board meeting to approve all known donations including the receipt, purpose, and value of the donations.

**Recommendation 11:** In consultation with legal counsel, as necessary, strengthen existing policies and develop and implement written procedures governing open meetings. These policies and procedures should specifically require the Governing Board to accept all donations in public meetings and require the District to acknowledge the contribution's receipt, purpose, and value during public meetings.

District Response: The audit recommendation will be implemented.

Response explanation: The district uses ASBA for policy services and will implement any policies involving donations that are appropriate for the district.

**Recommendation 12:** Consult with legal counsel, as necessary, to ensure that any District actions taken contrary to open meeting laws are appropriately addressed to be made valid.

District Response: The audit recommendation will be implemented

Response explanation: The district will take a list of donations that do not appear to be approved to the Governing Board for approval

**Recommendation 13:** Develop and implement a fee waiver policy that includes requirements for documenting all fee waivers and a secondary review of all waived fees for appropriateness, and update existing procedures for fee waivers to ensure compliance with the policy.

District Response: The audit recommendation will be implemented.

Response explanation: The district will develop and implement procedures that document the reason for the waiver and for the appropriateness of the waiver.

**Finding 5:** District did not comply with some conflict-of-interest requirements, increasing the risk that employees and Board members did not disclose substantial interests that might influence or could affect their official conduct

District Response: The Auditor General's finding is agreed to.

Response explanation: The district has a system in place to document all conflict of interest responses for employees but it did not collect them from all employees and Governing Board members. The district has improved the process to ensure conflict of interest forms are obtained for all employees and Governing Board members.

**Recommendation 14:** Update and enforce its existing conflict-of-interest policies for Board members and employees by requiring Board members and employees to annually submit conflict-of-interest disclosure forms describing any substantial interests they or their relatives may have in any contract, sale, purchase, or service to the District or District decisions, or attesting that no conflicts exist, if applicable.

District Response: The audit recommendation will be implemented.

Response explanation: The district will enforce its existing policy and will ensure that all employees and Governing Board members submit annual disclosure forms

**Recommendation 15:** Maintain all substantial interest disclosures in a special file available for public inspection, including disclosure forms and Board meeting minutes where a disclosure is documented.

District Response: The audit recommendation will be implemented.

Response explanation: The district will implement the recommendation

**Recommendation 16:** Establish and implement written procedures to ensure disclosure forms are reviewed for accuracy and completeness and any potential conflicts are fully described, and to identify and remediate any disclosed substantial interests.

District Response: The audit recommendation will be implemented.

Response explanation: The district will implement the recommendation

**Recommendation 17:** Develop and provide periodic training to Board members and employees on the requirements for complying with conflict-of-interest laws, including the need to describe their substantial interests on disclosure forms and to refrain from participating in any decision, contract, sale, purchase, or service for which they or a relative have a substantial interest; and document the training provided.

District Response: The audit recommendation will be implemented.

Response explanation: The district includes these trainings in the annual all staff inservice but will better document the training, the staff who participated and how the training occurred for those not in attendance.

**Finding 6:** District lacked processes to consistently collect and validate key outcome data used to assess CTE program effectiveness, resulting in reporting

errors and potentially inaccurate information about programs' success in preparing students for high-need occupations

District Response: The Auditor General's finding is not agreed to.

Response explanation: The district collects and validates key outcome data used to assess CTE program effectiveness but uses a different, more inclusive, definition of outcome data than the definition used in this finding. Other items collected include ADE Technical Skills Assessment scores, certifications earned, annual program evaluation results, and student and parent climate surveys. However, data collection was not always consistently collected, validated, and documented. The district will improve the process to consistently collect, validate, and document data used to assess program outcomes.

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**Recommendation 18:** Develop and implement consistent data-collection protocols for all CTE programs to demonstrate compliance with statutory and ADE requirements and recommended practices. This includes collecting and validating complete data, such as data related to student certifications earned and post-graduate jobs obtained, as well as developing a process to track all outcome data.

District Response: The audit recommendation will be implemented in a different manner.

Response explanation: The district is constantly working to improve data collection for all CTE programs

**Recommendation 19:** 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 and use the results of its evaluations to make changes to its programs to ensure they are meeting their statutory purpose of preparing students for high-need occupations.

District Response: The audit recommendation will be implemented in a different manner.

Response explanation: The district will analyze all CTE program outcome data using the definition and quality metrics that is more inclusive in measuring student success

**Finding 7:** District's excessive access to its sensitive computerized data and other IT deficiencies increased the risk of unauthorized access to sensitive information, data loss, errors, and fraud

District Response: The Auditor General's finding is agreed to.

Response explanation: The district had turnover in key Information Technology positions during the period of the audit and has since removed the accounts and will continue to improve deficiencies and vulnerabilities.

**Recommendation 20:** Limit users' access in the accounting system to only those functions needed to perform their job duties.

District Response: The audit recommendation will be implemented.

Response explanation: The district will continuously monitor access to the accounting system and modify as necessary

**Recommendation 21:** Review and reduce the number of users with administrator-level access to its accounting system to only those individuals with a business need for administrator-level access.

District Response: The audit recommendation will be implemented in a different manner.

Response explanation: The district is relatively small and has limited staff available making it necessary for administrators to perform multiple functions but the district will work to minimize access to the extent possible while maintaining the ability to perform the duties necessary on behalf of the district

**Recommendation 22:** Immediately disable or remove all accounting system and network accounts that are no longer needed, including those associated with terminated employees.

District Response: The audit recommendation will be implemented.

Response explanation: The district will improve the process for account termination when an employee leaves the district

**Recommendation 23:** Develop and implement written procedures to address IT system access relative to job duties; promptly remove access when no longer needed; and establish a formal process to periodically review accounting system and network access, including making necessary updates if the reviews identify accounts with more access than necessary.

District Response: The audit recommendation will be implemented.

Response explanation: The district will implement the recommendation

**Recommendation 24:** Implement and enforce strong authentication controls that align with USFR requirements and credible industry standards to decrease the risk of unauthorized persons gaining access to sensitive District information and disrupting operations.

District Response: The audit recommendation will be implemented.

Response explanation: The district will implement the recommendation

**Recommendation 25:** Develop and implement a formal process to review the District's authentication controls against credible industry standards at least annually.

District Response: The audit recommendation will be implemented.

Response explanation: The district will implement the recommendation

**Recommendation 26:** Develop and implement policies and procedures to conduct mandatory security awareness training that meets USFR and credible industry standards for District employees upon hire and at least annually thereafter, and document employee participation and the training provided.

District Response: The audit recommendation will be implemented.

Response explanation: The district will implement the recommendation

**Recommendation 27:** Develop and implement a Board-approved IT contingency plan that meets USFR requirements and credible industry standards; perform documented tests against the plan, at least annually, to identify and remedy any deficiencies; and update the plan based on the test results.

District Response: The audit recommendation will be implemented.

Response explanation: The district will implement the recommendation

**Recommendation 28:** Develop and implement policies and procedures to ensure computer and network infrastructure are properly maintained and up to date, including upgrading to vendor-supported software and applications.

District Response: The audit recommendation will be implemented.

Response explanation: The district will implement the recommendation

**Recommendation 29:** Comply with CIPA requirements by implementing its policies and procedures for student web filtering settings to ensure students are protected.

District Response: The audit recommendation will be implemented.

Response explanation: The district will implement the recommendation