

Performance Audit

Central Arizona Valley Institute of Technology

District took steps to consistently collect, validate, and accurately report student outcome data and used this data to evaluate its CTE programs' effectiveness; but it lacked some controls related to payroll, purchasing, and IT systems, and did not include some required financial information in its member district agreements



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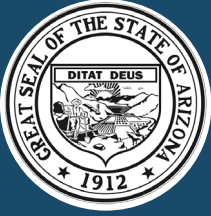
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ARIZONA AUDITOR GENERAL

Lindsey A. Perry, Auditor General

June 5, 2026

Members of the Arizona State Legislature

The Honorable Katie Hobbs, Governor

Governing Board
Central Arizona Valley Institute of Technology

Mike Glover, Superintendent
Central Arizona Valley Institute of Technology

Transmitted herewith is a report of the Auditor General, *A Performance Audit of Central Arizona Valley Institute of Technology*, 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 all findings and plans to implement all 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 8 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 Glover 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

Central Arizona Valley Institute of Technology

Performance Audit

District took steps to consistently collect, validate, and accurately report student outcome data and used this data to evaluate its CTE programs' effectiveness; but it lacked some controls related to payroll, purchasing, and IT systems, and did not include some required financial information in its member district agreements

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 spent approximately \$2.4 million to operate its central CTE programs and consistently collected, validated, and reported program outcome data and used the information it collected to evaluate program effectiveness. However, it experienced some challenges accurately reporting postgraduation placement data.
- ▶ District lacked controls over some payroll and purchasing activities, resulting in overpayments to some employees and purchases made without required prior approval.
- ▶ District's intergovernmental agreements (IGAs) with member districts did not specify the amount of financial support the District would provide, as required by statute, nor did the District make this information readily available, limiting member districts' abilities to ensure the program support they receive is accurate.
- ▶ District did not limit access to its accounting system to only those functions employees needed to complete their job duties, increasing the risk of errors and fraud, and did not ensure that all staff completed required security awareness training.

Key recommendations to the District

- ▶ Identify and correct erroneous payments made to employees for performing extra duties and ensure expenditures are properly approved in accordance with USFR requirements.
- ▶ Evaluate central and satellite CTE program needs and costs, with member districts' input, to establish financial support levels for satellite CTE programs and update its member-district IGAs to include statutorily required financial support information.
- ▶ Protect IT systems by periodically reviewing accounting system user accounts and limiting access to only those functions users need to perform their job duties and by ensuring all employees complete IT security awareness training at least annually.

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District consistently collected, validated, and reported student outcome data and used this information to evaluate its CTE programs' effectiveness, but it found validating and accurately reporting postgraduation placement data was challenging

- ▶ CTEDs were established to prepare students for high-need occupations that do not require advanced degrees, and they must collect and report key outcome data to demonstrate program effectiveness
- ▶ District has taken steps to ensure that the outcome data it collects and reports to the State is valid and accurate, and it has used this data to evaluate CTE programs' effectiveness and support CTE students
- ▶ District identified and has attempted to address issues that affect its ability to validate and accurately report post-graduation employment data to ADE

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Central Arizona Valley Institute of Technology—FY 2025

District information

The Central Arizona Valley Institute of Technology (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.¹

The District had 16 central programs with 1,456 enrollments and 26 satellite programs with 11,315 enrollments in fiscal year 2025.² See Appendix A, page a-1, for enrollment and spending information for central and satellite programs.

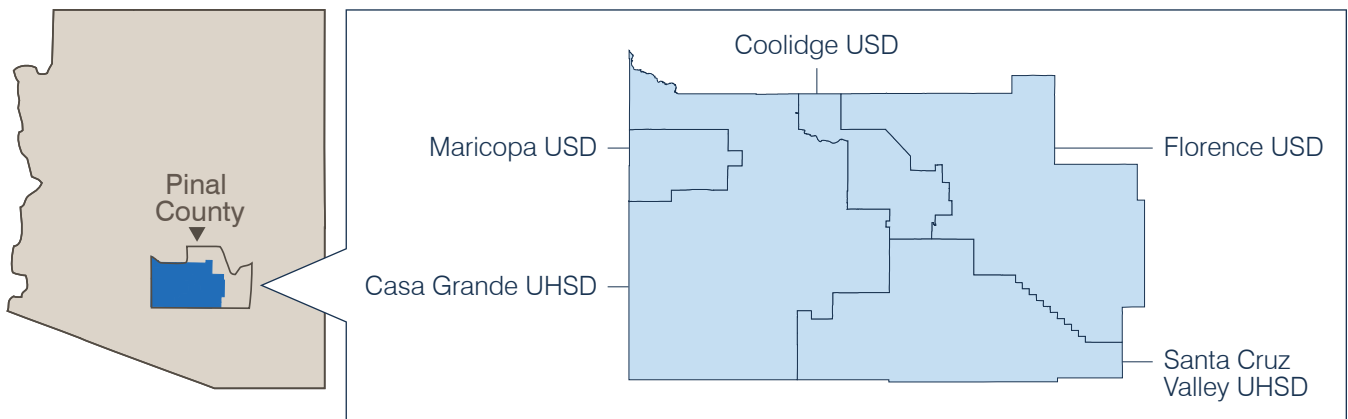
Key CTED terms

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 2025 total spending—\$10 million (\$781 per enrollment)



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

² 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

Central programs

District spent approximately \$2.4 million on its central CTE programs including in high-need programs and effectively monitored programs using validated student outcomes data

In fiscal year 2025, the District had 1,456 student enrollments in its central CTE programs. These CTED programs included high-need programs such as Welding Technologies and Construction Technologies (see Appendix A, pages a-1 through a-6, for more information about District's spending by central campus CTE program). Additionally, the District evaluated the quality of its CTE programs by collecting, validating, and accurately reporting student outcomes data, such as certifications and placements earned by its CTE program students, and using this data to make decisions about its programs (see Other Pertinent Information, page 9).

Satellite programs

District distributed approximately \$2.4 million to support satellite CTE programs in fiscal year 2025 and had processes to monitor satellite program quality

In fiscal year 2025, the District provided approximately \$2.4 million to satellite CTE programs. The District had also developed and implemented processes to monitor satellite CTE program quality by providing its member districts with data-collection guidance and using the collected data to evaluate its satellite CTE programs' effectiveness (see Other Pertinent Information, page 9).

District passed through a relatively small percentage of funding generated by satellite CTE program enrollments to member districts and did not ensure its IGAs with member districts contained all statutorily required components

The District's Governing Board (Board) adopted a policy specifying that the District would pass through 40% of the funding generated by satellite CTE program enrollments to its member districts in fiscal year 2025, which was far lower than the State-wide CTED average of 75%. Additionally, the District did not ensure that its IGAs with member districts contained all statutorily required components, including the amount the District will contribute to member district courses and the amount of support member districts require (see Finding 2, page 6).

Administration and support services and central campus construction

District spent \$3.1 million, or about 31% of its total fiscal year 2025 spending, to expand its central campus and programs

In fiscal year 2025, the District spent \$3.1 million on its central campus maintenance and expansion efforts. The District's expansion efforts focused on increasing the capacity of its welding and construction programs and adding new programs such as medical assisting. When its expansion efforts are complete, the District expects to have capacity for an additional 180 welding and construction students each year.

District had numerous financial management and IT deficiencies, resulting in increased risk of errors and fraud

The District spent about \$1.2 million on administrative and support services, primarily for salary and benefits costs. 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:

- ▶ Did not follow Board-approved pay rates when paying some employees for additional duties, resulting in overpayments totaling approximately \$4,600 (see Finding 1, page 4).
- ▶ Lacked required prior approval for some purchases, increasing the risk of improper or fraudulent purchases (see Finding 1, page 4).
- ▶ Allowed excessive access to its sensitive computerized data and did not ensure that all employees completed required security awareness training, increasing the risk of errors and fraud (see Finding 3, page 7).

District lacked key internal controls in various areas, including payroll and purchasing, increasing risk of errors and improper payments

As part of our review, we identified 2 deficiencies in the District's internal controls that hindered its ability to ensure payments were properly approved and supported. See the details below.

Deficiency 1: District did not follow Board-approved pay rates when paying some employees for additional duties, resulting in overpayments totaling approximately \$4,600

We reviewed payroll documentation from fiscal years 2025 and 2026 for 19 District employees and found that the District paid 10 of these employees for additional duties at hourly and/or daily rates that were higher than the rates approved by the Board. Specifically, although the District's Board-approved salary schedule established hourly rates of \$20, \$25, and \$30 for specific additional duties, the District usually paid the highest hourly rate of \$30 or a higher daily rate instead of the specified hourly rate for these duties. As a result of paying for additional duties at rates higher than approved by the Board, the District overpaid these employees by approximately \$4,600 in total.

The District lacked a thorough secondary review process to ensure additional duty payments were paid at the correct rate, which likely contributed to the errors we identified. When we brought the inaccurate payments to the District's attention, the District updated and its Board approved a revised salary schedule in December 2025. The revised salary schedule removed the tiered hourly rates for various additional duties and instead established flat hourly and daily rates for any approved extra-duty assignments. Although the District's updated salary schedule should decrease payment calculation errors in the future, without a thorough secondary review process, the District increases the risk that payments for employees' additional duties will not be paid in accordance with Board-approved rates, as was the case with the fiscal years 2025 and 2026 payments we identified.

Deficiency 2: Some District purchases lacked required prior approval, increasing the risk for improper or fraudulent purchases

The District made some purchases without prior approval, contrary to *Uniform System of Financial Records for Arizona School Districts* (USFR) requirements.¹ Specifically, we selected and reviewed 45 of 3,322 purchases the District made during fiscal years 2025 and 2026-to-date totaling over \$480,000 and found that the District made 4 purchases totaling approximately \$10,800 without

¹ 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.

prior approval.² The purchases we identified that lacked required prior approval were for items such as materials and servicing for District copiers and custodial services. District officials indicated that the District's small number of business office personnel and the absence of 1 of these employees for a portion of the period we reviewed resulted in the District inconsistently following its purchasing procedures. However, by not following its policy and USFR requirements for purchases to be approved prior to being made, the District increased the risk that purchases may be improper or fraudulent.

Recommendations to the District

1. Review all extra duty payments made to employees in fiscal years 2025 and 2026 to identify and correct any erroneous payments. For any overpayments identified, determine and document what action(s) will be taken to correct them.
2. Develop and implement a thorough secondary review process to ensure that additional duty payments to employees are calculated and paid in accordance with Board-approved rates.
3. Follow its written procedures to require approval prior to purchasing goods and services.

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

² We judgmentally selected 20 purchases for review based on risk factors such as purchase amount or vendor. We randomly selected an additional 25 purchases as part of our review.

District's IGAs with member districts lacked some statutorily required financial support information, limiting transparency and affecting member districts' abilities to ensure the program support they receive is accurate

Statute requires CTEDs to specify the amount they will contribute to member district courses and the amount of support required by member districts in their IGAs, but the District's IGAs do not include this information.¹ As such, member district officials may not be aware of how much funding the District should provide for each of its satellite CTE programs.

District officials indicated that they did not include the statutorily required financial support details in IGAs with member districts because the IGAs are typically approved for several years at a time and provide less flexibility than an annual policy approved by its Board. For fiscal year 2025, the District's Board approved a pass-through policy specifying that the District would pass through to member districts 40% of the funding generated by their satellite CTE program enrollments of students in grades 10 through 12.

However, the District did not specify the pass-through percentage it adopted in the Board minutes nor make it readily available to the public, such as by publishing it on its website, to inform member districts of the funding they could expect to receive to enable them to plan for programs. Additionally, the District's Board-approved pass-through rate of 40% was substantially lower than the State-wide average CTED pass-through rate of 75%. Although member district officials did not report any unmet satellite CTE program needs nor did we identify any satellite CTE programs with clearly deficient supplies or equipment, member district officials we spoke with were not aware of how little pass-through monies the District provided their satellite CTE programs compared to other CTEDs in the State. Lower funding increases the risk that satellite program quality could be negatively impacted or could lead to member districts limiting their satellite CTE program offerings.

Recommendations to the District

4. Evaluate central and satellite CTE program needs and costs, with member districts' input, to determine whether it should change the amount of financial support it provides to support satellite CTE programs; document its determination; and inform member districts of its evaluation and determination.
5. Update its IGAs with member districts to include the amount that the CTED will contribute to a course and the amount of support required by the school district, as required by statute, to improve public transparency and ensure member districts are aware of the amount of funding they should expect to receive.

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

¹ A.R.S. §15-393(L)(7).

District's excessive access to its sensitive computerized data and lack of security awareness training increased the risk of errors and fraud

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.¹ However, our review of the District's IT security practices identified 2 deficiencies, including noncompliance with USFR requirements and practices inconsistent with credible industry standards that increased its risk for errors and fraud. See the details below.

Deficiency 1: District did not limit user access to its accounting system, increasing its risk of errors and fraud

Contrary to the USFR, the District did not limit user access to its accounting system because it provided some employees with more system access than necessary to perform their assigned job duties. Our review of accounting system access levels for the District's 12 active user accounts in December 2025 found that 2 users had the ability to initiate and complete payroll and/or purchasing functions without another employee reviewing and approving the transactions. When we asked District officials why these employees required this level of access within the District's accounting system, District officials indicated that they were not aware the 2 users' system access was inappropriate and intend to adjust the 2 users' system access levels to appropriately limit their access. Limiting these users' access is important because broad system access increases the District's risk of errors, unauthorized activities, and fraud.

Deficiency 2: District could not demonstrate that it conducted security awareness training for all 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 provided evidence that some staff had completed security awareness training but lacked documentation to support that all employees completed this training. Additionally, the District lacked a formal policy requiring security training for staff upon hire and annually thereafter, as required by the USFR and recommended by credible industry standards.

¹ National Institute of Standards and Technology (NIST). (2020). *NIST Special Publication 800-53(R5): Security and privacy controls for information systems and organizations*. Retrieved 12/05/25 from <https://nvlpubs.nist.gov/nistpubs/SpecialPublications/NIST.SP800-53r5.pdf>

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.

Recommendations to the District

6. Limit users' access in the accounting system to only those functions needed to perform their job duties.
7. Develop and implement written procedures to periodically review accounting system accounts, including administrator-level accounts, to ensure access levels align with job duties and change or remove access, as necessary.
8. Develop and implement policies and procedures to conduct mandatory security awareness training that meets USFR and credible industry standards for all District employees upon hire and at least annually thereafter, and document employee participation and the training provided.

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

District consistently collected, validated, and reported student outcome data and used this information to evaluate its CTE programs' effectiveness, but it found validating and accurately reporting postgraduation placement data was challenging

Each CTED performance audit we conduct includes an assessment of a district's efforts to comply with statutory requirements to demonstrate the effectiveness of its central and satellite CTE programs. During this performance audit, we found that the District had established procedures to help ensure that it consistently collected, validated, and reported student outcome data, such as industry certifications earned and postgraduation jobs obtained. However, based on the issues we have identified through our performance audits of 12 of the State's 14 CTEDs and 2 State-wide CTED special studies, these activities have proved challenging for most CTEDs.¹

This report section provides information that may be instructive to other CTEDs and stakeholders, including the steps the District has taken to collect, validate, and use outcome data to support and evaluate its CTE programs' effectiveness. See the details below.

CTEDs were established to prepare students for high-need occupations that do not require advanced degrees, and they must collect and report key outcome data to demonstrate program effectiveness

Arizona CTEDs were established to provide high school CTE programs that, according to State statute, 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.^{2,3} Additionally, statute requires Arizona CTEDs to contractually agree to provide ongoing evaluation and support of their member districts' satellite campus programs to ensure quality and compliance.⁴

Key term

High-need occupations: Occupations that the Arizona Office of Economic Opportunity and the Arizona Department of Education (ADE) have identified as being high-skill, high-wage, or in-demand occupations within the State.

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

² A.R.S. §§15-781 and 15-391.

³ 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."

⁴ A.R.S. §15-393(L)(10)(b).

Further, to assess CTE programs' effectiveness, federal and State programs have established accountability measures related to key outcomes of CTE program students. Two outcome measures that are common across federal and State accountability measures are CTE program completers' postgraduation employment and industry certifications earned. While these 2 measures are not the only measures related to CTE programs' success, they provide important information about whether students who completed a CTE program acquired a job in their CTE field of study and learned the skills necessary to earn an industry certification. CTEDs may also choose to collect other program outcome data they consider important measures of CTE programs' success, such as student and parent satisfaction surveys or students' involvement in competitions or professional associations.

Regardless of the outcome data a CTED chooses to collect, State and federal requirements and recommended practices emphasize the importance of valid and complete outcome data to ensure the data accurately reflects CTE program outcomes. For instance, ADE directs Arizona CTEDs to validate postgraduation placement and industry certification data prior to reporting it to ADE. Diligent and robust data-collection and validation processes provide CTEDs and their member districts with information necessary to identify high-performing or underperforming CTE programs, which can help ensure CTED monies and other resources are most effectively allocated.

District has taken steps to ensure that the outcome data it collects and reports to the State is valid and accurate, and it has used this data to evaluate CTE programs' effectiveness and support CTE students

Our review of the District's processes in fiscal year 2025 found that the District collected, validated, and accurately reported student certification and postgraduation placement data and used this data to evaluate its central and satellite CTE programs and identify ways to improve effectiveness and better support students.

Specifically:

- ▶ **District consistently collected relevant student outcome data for its central program students and provided guidance to member districts to ensure they did the same**

We found that the District collected student certification and postgraduation placement data for its central program students and provided its member districts with data-collection guidance to ensure they consistently collected the same outcome measures data. For its central program students, the District collected and retained copies of earned student certifications and program graduate placement surveys. The District recorded and tracked this information on a spreadsheet that, based on our review, accurately represented the data it collected. To ensure that its member districts consistently collected relevant outcome data, such as the number of students who earned industry certifications, the District developed a program-monitoring rubric that specifies the outcome data member districts must collect and retain. Specifically, the District's program-monitoring rubric requires member district officials to document the number of students who acquired relevant industry credentials and provide the District with copies of earned certifications to support the data it reports.

▶ **District validated the outcome data it and its member districts collected prior to reporting the data to ADE**

We found that the District validated the certification data it collected and took steps to validate postgraduation placement data prior to reporting this information to ADE. Specifically, for the 2 central CTE programs we judgmentally selected for review, we found that the District retained a copy of all 16 student-earned certifications that the District reported to ADE. Further, we found that for the 4 member-district CTE programs we judgmentally selected for review, the District retained a copy of all 39 earned student certifications it reported to ADE.

As further described on page 12, the District experienced challenges validating postgraduation placement data. However, we found that although the District has not been able to validate 100% of its postgraduation placements, it has taken critical steps to help ensure overall data quality and completeness. For instance, the District implemented an internal validation process to review student job placement surveys to help ensure the self-reported information was consistent and reasonable.

The District's internal validation process included:

- Reviewing student survey responses to determine if the responses appeared reasonable. For example, staff considered whether the student-described job duties appeared related to the technical skills taught in their CTE programs.
- Documenting staff reviews of student survey responses and retaining copies of reviewed survey responses for reporting purposes.
- Comparing reviewed student survey responses to compiled placement data to ensure the information the District is required to report to ADE is accurate.

Additionally, the District also utilized a third-party service to help determine whether program graduates enrolled in colleges.

▶ **District used its validated outcome data to evaluate its CTE programs**

Through its program monitoring rubric, the District used certification data along with other measures, such as CTE curricula and work-based learning opportunities, to evaluate its central and satellite CTE programs' effectiveness. For example, the District determined that its central cosmetology program students were earning relevant industry certifications at a lower rate than expected. To help more students acquire relevant industry credentials, the District restructured its cosmetology program's curricular schedule and provided student transportation to testing sites. Additionally, the District introduced summer CTE sessions to provide students with additional opportunities to acquire the training hours necessary to successfully meet certification requirements.

District identified and has attempted to address issues that affect its ability to validate and accurately report post-graduation employment data to ADE

As previously discussed, the District developed and implemented internal processes to ensure the quality of the student-reported postgraduation data it collects and reports, but District officials indicated that externally validating this data was challenging. Validating postgraduation data can be difficult since students may not respond to outreach efforts after leaving a CTE program, and districts may lack secondary sources to validate self-reported placement information. District officials reported that the District had attempted to validate job-placement data by calling employers. However, these efforts were largely unsuccessful since many employers were unwilling to disclose employee information. District officials also reported that they had considered subscribing to employment-tracking services that would enable the District to validate students' postgraduation employment data, but these services were cost prohibitive.

Additionally, District officials reported that limitations within ADE's reporting portal affected its ability to update postgraduation placement data, which can result in inaccurate or outdated information appearing on the District's annual CTED achievement profile. For instance, we found that some of the postgraduation placement data the District reported to ADE appeared potentially inaccurate for 9 of the 34 central student placements we judgmentally selected for review. However, the District reviewed these discrepancies and had explanations for the potential issues we identified. Specifically, District officials stated that once a student's placement data has been recorded in ADE's reporting portal, the portal does not permit changes to the entry. For instance, if a member district reported to ADE that a student was not employed 2 months after graduation, the District lacks the ability to later update the student's status even if it subsequently received information showing that the student had become employed. This issue affected the 9 students we reviewed for whom placement data appeared to be inaccurate, as the District had been unable to update their reported placement status.

According to District officials, the District reported this issue to ADE, and ADE indicated that it was aware of the issue but was unable to correct it in the portal. District officials reported that the District met with its member districts during the audit to ensure that member district officials understood when placement data should be reported to ADE, which the District indicated should help to limit the creation of potentially erroneous student entries and improve the District's ability to report accurate data.

SUMMARY OF RECOMMENDATIONS

The Arizona Auditor General makes 8 recommendations to the District

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. Review all extra duty payments made to employees in fiscal years 2025 and 2026 to identify and correct any erroneous payments. For any overpayments identified, determine and document what action(s) will be taken to correct them.	5
2. Develop and implement a thorough secondary review process to ensure that additional duty payments to employees are calculated and paid in accordance with Board-approved rates.	5
3. Follow its written procedures to require approval prior to purchasing goods and services.	5
FINDING 2	6
4. Evaluate central and satellite CTE program needs and costs, with member districts' input, to determine whether it should change the amount of financial support it provides to support satellite CTE programs; document its determination; and inform member districts of its evaluation and determination.	6
5. Update its IGAs with member districts to include the amount that the CTED will contribute to a course and the amount of support required by the school district, as required by statute, to improve public transparency and ensure member districts are aware of the amount of funding they should expect to receive.	6
FINDING 3	7
6. Limit users' access in the accounting system to only those functions needed to perform their job duties.	8
7. Develop and implement written procedures to periodically review accounting system accounts, including administrator-level accounts, to ensure access levels align with job duties and change or remove access, as necessary.	8

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

8

In addition to the 3 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 8 recommendations. We will follow up on the status of these 8 confidential recommendations when we conduct our followup work.

District’s fiscal year 2025 spending

Tables 1, 2, and 3 detail the District’s fiscal year 2025 spending. Table 1, page a-1, 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.¹ 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 2025, the District received nearly \$9.3 million in revenues generated from student enrollments in satellite programs and spent approximately \$2.4 million on allocation payments to its member districts. In addition to the District’s spending for satellite programs shown in Table 1, member districts spent over \$5.3 million in fiscal year 2025 on their satellite programs from other funding sources, primarily maintenance and operations. This spending is not included in the amounts shown in Table 1.

Table 1
District spending for satellite programs by member district

Fiscal year 2025

Member district	District spending amount	Student enrollments	District spending per enrollment
Maricopa Unified School District	\$941,282	5,073	\$186
Casa Grande Union High School District	786,797	3,014	261
Florence Unified School District	324,939	943	345
Coolidge Unified District	295,534	2,124	139
Santa Cruz Valley Union High School District	57,082	161	355
Total	\$2,405,634	11,315	\$213

Source: Auditor General staff analysis of fiscal year 2025 member district-reported enrollment data and District accounting data.

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

Table 2 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 \$300,000 on instructional spending that was not associated with a specific central CTE program primarily for substitute teachers who taught classes for multiple programs, and on purchases such as technology and equipment that were for multiple CTE programs. Table 2 also does not include approximately \$3.1 million the District spent in fiscal year 2025 on construction projects.

Table 2
District spending for central programs by CTE program

Fiscal year 2025

CTE program name	CTE program description	Spending	Student enrollments	District spending per enrollment
Cosmetology and Related Services	Prepares students to help others care for their hair, skin, and nails.	\$328,412	151	\$2,175
Veterinary Assisting	Prepares students to provide veterinary patient management, care, and clinical procedures assistance.	254,806	201	1,268
Welding Technologies	Prepares students to develop a working knowledge of blueprint reading and welding processes using thermal cutting equipment.	201,465	112	1,179
Construction Technologies	Prepares students to apply technical knowledge and skills to residential and commercial building construction and remodeling.	144,256	62	2,327

Table 2 continued

CTE program name	CTE program description	Spending	Student enrollments	District spending per enrollment
Medical Assisting Services	Prepares students to provide medical office administrative services and perform clinical duties such as patient intake and care.	139,777	277	505
Fire Service	Prepares students to apply principles, theory, and practices of fire operations and firefighting services.	136,808	79	1,732
Dental Assisting	Prepares students to provide patient care, prepare patients and equipment for dental procedures, and discharge office administrative functions under the supervision of dentists and dental hygienists.	127,415	115	1,108
Law and Public Safety	Prepares students to apply management and criminal justice practices to law enforcement administration and operations.	122,093	80	1,526
Pharmacy Support Services	Prepares students to develop a foundation of knowledge, skill sets, and resources for understanding the pharmacist's role in health promotion and disease prevention.	111,358	67	1,662

Table 2 continued

CTE program name	CTE program description	Spending	Student enrollments	District spending per enrollment
sUAS Drones	Prepares students to build, program, and fly small unmanned aircraft systems (sUAS) to perform various missions.	102,180	32	3,193
Home Health Aide	Prepares students to provide routine care and support services for homebound disabled, recovering, or elderly people.	95,624	41	2,332
Mental and Social Health Technician	Prepares students to conduct social and mental health case work, which involves patient and family counseling and testing and evaluation procedures.	95,624	97	986
Automation and Robotics	Prepares students to become an automation technician who can apply basic engineering principles and technical skills to production systems.	67,810	10	6,781
Therapeutic Massage	Prepares students to provide relief and improved health and well-being to clients through the application of manual techniques for manipulating skin, muscles, and connective tissues.	57,182	14	4,084

Table 2 continued

CTE program name	CTE program description	Spending	Student enrollments	District spending per enrollment
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.	57,182	55	1,040
Electric Vehicle Technologies	Prepares students to apply technical knowledge and skills to the maintenance of alternative fuel vehicles.	51,354	63	815
Nonprogram specific central spending for CTE programs	District instructional spending for central CTE programs that was not coded to a specific CTE program, including spending for substitute teachers who taught classes for multiple programs and for purchases such as technology and equipment that were for multiple CTE programs.	291,842	1,456	200
Total		\$2,385,186	1,456	\$1,638

Source: Auditor General staff analysis of ADE’s CTE program descriptions and fiscal year 2025 enrollment data, the District’s course catalog, and fiscal year 2025 District-reported accounting data.

Table 3 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 3 is calculated using the District’s fiscal year 2025 total satellite and central program enrollment of 12,771 students.

Table 3
District spending for administration, support services, and construction
 Fiscal year 2025

Spending category	Spending description	District spending amount	District spending per enrollment
Construction	Primarily includes spending for costs associated with construction of a new central campus building.	\$3,117,473	\$244
Administration	Primarily includes salaries and benefits for administrative staff and spending for insurance payments.	1,009,205	79
Other support services	Primarily includes salaries and benefits for plant operations staff and maintenance of central campuses.	649,009	51
Instruction support and student support services	Primarily includes salaries and benefits for support staff.	401,757	32
Total		\$5,177,444	\$405

Source: Auditor General staff analysis of fiscal year 2025 District-reported accounting and enrollment data.

Objectives, scope, and methodology

We have conducted this performance audit of the District pursuant to A.R.S. §§15-393.01 and 41-1279.03(A)(9). This audit focused on the District's efficiency and effectiveness primarily in fiscal year 2025 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, 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 9 of 33 fiscal year 2025 employees and reviewed supporting documentation for payments the District made to these employees during the fiscal year. We selected the 9 employees based on various risk factors including job position, such as administrators and business office employees, and employees who received certain types of payments, such as extra-duty payments. Additionally, we reviewed documentation related to extra-duty payments that the District made to 12 of its 36 fiscal year 2026 employees to determine if the District made these payments in accordance with the Board-approved salary schedule.
- ▶ To determine how the District allocated funding it received for its central and member districts' satellite CTE programs, we reviewed allocation payments it made to its member districts in fiscal year 2025 and compared these payments to the payments the 13 other CTEDs in the State made to their respective member districts in fiscal year 2025. We also reviewed the District's IGAs with its member districts to determine if the IGAs contained all statutorily required components.
- ▶ 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 District-provided CTE program outcome data and supporting documentation, including postgraduation placements and industry credentials earned by students. We also reviewed documentation related to the District's oversight of its and member districts' CTE programs to determine if the District used the outcome data it and its member districts collected to evaluate its programs' effectiveness in preparing students for high-need occupations.

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 credible IT industry standards. Specifically, we reviewed the District's fiscal year 2025 payroll and accounts payable transactions for proper account classification and reasonableness. We also reviewed supporting documentation for 10 of 2,027 fiscal year 2025 accounts payable transactions and 35 of 1,295 fiscal year 2026-to-date accounts payable transactions to ensure the payments were authorized and in accordance with USFR requirements. We reported our conclusions on applicable internal controls in Finding 1 (see pages 4 through 5).

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 3 (see pages 7 through 8).

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 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.

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 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 the recommendations resulting from the audit conducted by the Arizona Auditor General.



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May 28, 2026

Lindsey Perry
Arizona Auditor General
2910 N 44th St, Ste. 410
Phoenix, AZ 85018

Dear Ms. Perry,

Please accept Central Arizona Valley Institute of Technology's response to the performance audit recently completed. Throughout the audit process, CAVIT diligently responded to the findings and addressed all recommendations with comprehensive data ensuring compliance and dedication to continuous improvement.

The district administration and governing board agrees to the findings, initiated activity on a majority of the recommendations, and will continue to work on the remaining recommendations.

Attached is the District's response to the findings and recommendations below.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Glover", is written over the typed name. The signature is fluid and cursive in style.

Mike Glover, Superintendent

Finding 1: District lacked key internal controls in various areas, including payroll and purchasing, increasing risk of errors and improper payments.

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

Recommendation 1: Review all extra duty payments made to employees in fiscal years 2025 and 2026 to identify and correct any erroneous payments. For any overpayments identified, determine and document what action(s) will be taken to correct them.

District Response: The audit recommendation will be implemented.

Response explanation: The district will review extra duty payments pulled during the audit process and correct any erroneous payments.

Recommendation 2: Develop and implement a thorough secondary review process to ensure that additional duty payments to employees are calculated and paid in accordance with Board-approved rates.

District Response: The audit recommendation will be implemented.

Response explanation: The district will establish stronger controls to ensure additional duty payments are calculated and paid in accordance with Board-approved rates. The Board reviewed the extra duty hourly rates and recently amended the certified salary schedule to reflect that information.

Recommendation 3: Follow its written procedures to require approval prior to purchasing goods and services.

District Response: The audit recommendation will be implemented.

Response explanation: The district will follow existing board approved procedures to ensure approval is secured prior to purchasing goods and services.

Finding 2: District’s IGAs with member districts lacked some statutorily required financial support information, limiting transparency and affecting member districts’ abilities to ensure the program support they receive is accurate.

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

Recommendation 4: Evaluate central and satellite CTE program needs and costs, with member districts’ input, to determine whether it should change the amount of financial support it provides to support satellite CTE programs; document its determination; and inform member districts of its evaluation and determination.

District Response: The audit recommendation will be implemented.

Response explanation: CAVIT administration is committed to developing a comprehensive funding plan that incorporates its pass-through amount. In FY27, CAVIT will increase its financial distribution to member districts pending board approval. This increase will reflect CAVIT’s continued commitment to equitable and strategic resource allocation in support of high-quality instruction throughout its member districts.

Recommendation 5: Update its IGAs with member districts to include the amount that the CTED will contribute to a course and the amount of support required by the school district, as required by statute, to improve public transparency and ensure member districts are aware of the amount of funding they should expect to receive.

District Response: The audit recommendation will be implemented.

Response explanation: CAVIT acknowledges the statutory framework governing CTEDs including funding based on average daily membership (ADM) and the requirement to support member districts through IGAs. We recognize our responsibility to provide an appropriate level of support for approved satellite CTE programs in our member districts and to ensure transparency in these partnerships. CAVIT will ensure every FY28 IGA includes the pass-through amount that the CTED will provide. Although state law does not establish a minimum pass-through amount, CAVIT is committed to equitable, transparent, and strategic resource allocation through its IGAs.

Finding 3 – District’s excessive access to its sensitive computerized data and lack of security awareness training increased the risk of errors and fraud.

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

Recommendation 6: 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 has removed unnecessary administrative-level users from the accounting and student information system. The district will continuously monitor access to the accounting system and modify as necessary.

Recommendation 7: Develop and implement written procedures to periodically review accounting system accounts, including administrator-level accounts, to ensure access levels align with job duties and change or remove access, as necessary.

District Response: The audit recommendation will be implemented.

Response explanation: The district will review its board approved written procedures and make recommendations as necessary.

Recommendation 8: Develop and implement policies and procedures to conduct mandatory security awareness training that meets USFR and credible industry standards for all 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.