

WILLIAMS UNIFIED SCHOOL DISTRICT #2

SUPERINTENDENT
Eric Evans

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BOARD OF EDUCATION
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June 1, 2026

Lisa Parke
Walker & Armstrong
1850 N. Central Ave., Suite 400
Phoenix, AZ 85004

Dear Ms. Parke,

The Williams Unified School District No. 2 has received and carefully reviewed the FY 2024 Performance Audit Report prepared by Walker & Armstrong. The district accepts the findings and recommendations outlined in the report. Several of the recommendations have already been implemented, others have been resolved, and the district is actively working to complete the remaining items.

The district remains committed to providing the highest quality education to our students within a safe and secure learning environment, while also maintaining an efficient, supportive, and accountable workplace for our employees. We continue to prioritize responsible stewardship of public resources and are committed to addressing and implementing the audit recommendations in a timely and effective manner.

We appreciate the thoroughness, professionalism, and support provided by Walker & Armstrong throughout this process.

Sincerely,



Mr. Eric J. Evans, M.Ed
Superintendent
Williams Unified School District # 2
636 S. 7th St. Williams, AZ 86046
928-635-4473

Finding 1: District did not maintain required accounting and other records and administrators failed to effectively oversee District operations, resulting in increased risks to public monies and student safety.

District Response: The finding is agreed to.

Recommendation 1: Conduct and document an evaluation of District operational deficiencies and oversight to determine what changes to District supervisory responsibilities, staffing, and/or processes are necessary to ensure that District functions, including business operations, grants management, transportation, and food service, are operating in accordance with District policies and State, federal, and county requirements; implement the changes identified.

District Response: The audit recommendation will be implemented.

Recommendation 2: Separate staff responsibilities for financial transactions and accounting functions, including cash receipts and purchasing, as required by the USFR to ensure that no single employee can initiate and fully complete a financial transaction without the involvement of another employee.

District Response: The audit recommendation will be implemented.

Response explanation: Separation of duties has been implemented. Checks and balances have also been put in place for all financial duties at all campuses.

Finding 2: District's failure to comply with requirements for its business operations resulted in unsupported and wasteful expenditures, incomplete and inaccurate accounting records, and an increased risk of fraud.

District Response: The finding is agreed to.

Recommendation 3: Develop and implement formal written procedures to obtain, review, and retain supporting documentation for all travel expenditures, such as approved purchase requisitions, purchase orders, detailed invoices and/or receipts, to demonstrate whether the travel is for a District purpose and complies with applicable State travel requirements, including expense limits.

District Response: The audit recommendation will be implemented.

Response explanation: The recommendation has been implemented.

Recommendation 4: Develop and implement formal written procedures to ensure credit card billing statements are paid timely to avoid penalties and finance charges.

District Response: The audit recommendation will be implemented.

Recommendation 5: Develop and implement formal written procedures to timely obtain and review supporting documentation for all credit card purchases; reconcile supporting documentation to applicable credit card billing statements and the accounting information system at least monthly; and retain documentation to facilitate management oversight.

District Response: The audit recommendation will be implemented.

Response explanation: Changes have been made. Written procedures still need to be completed.

Recommendation 6: Develop and implement formal written procedures to ensure compliance with its policy to obtain signed cardholder agreements for all credit card users, including verifying whether all required card holder agreements have been completed and obtaining any that are missing.

District Response: The audit recommendation will be implemented.

Response explanation: The district has already taken measures to implement this recommendation.

Recommendation 7: Develop and implement formal written procedures to ensure the superintendent's credit card and travel expenditures are approved in advance by the Board and completed purchases are separately identified and submitted to the Board for review and approval.

District Response: The audit recommendation will be implemented.

Recommendation 8: Develop and implement formal written procedures to ensure compliance with the USFR requirements to separate conflicting accounting and financial responsibilities.

District Response: The audit recommendation will be implemented.

Response explanation: The district has already taken measures to implement this recommendation.

Recommendation 9: Restrict credit card use to the named cardholder or develop and implement a formal process in accordance with USFR requirements to track and document the specific individual responsible for each purchase made on District credit cards.

District Response: The audit recommendation will be implemented.

Response explanation: The district has already taken measures to implement this recommendation.

Recommendation 10: Update its credit card user agreement to specify all requirements card users are expected to comply with, including timeframes for returning credit cards and submitting required supporting documentation; set penalties for noncompliance, including for repeat offenses; and establish a process to enforce the agreements.

District Response: The audit recommendation will be implemented.

Recommendation 11: Identify all unsupported credit card expenditures since the beginning of fiscal year 2024 and determine whether they were for authorized District purposes. If any transactions are identified that do not have a valid District purpose, determine what actions to take to address those transactions in consultation with legal counsel, as needed.

District Response: The audit recommendation will be implemented.

Recommendation 12: Ensure District staff document the receipt of goods and services prior to paying invoices.

District Response: The audit recommendation will be implemented.

Response explanation: The district has already taken measures to implement this recommendation.

Recommendation 13: Develop and implement procedures to train employees responsible for classifying expenditures and revenues in the District's accounting system on the USFR's Uniform Chart of Accounts for school districts at least annually.

District Response: The audit recommendation will be implemented.

Recommendation 14: Develop and implement effective management oversight procedures that include periodic reviews of travel expenditures, credit card billing statement reconciliations, purchasing approvals and receiving reports, and accounting classifications for District expenditures and revenues.

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

Response explanation: The district has already taken measures to implement this recommendation.

Finding 3: District failed to manage gift cards purchased with federal grant monies in accordance with federal, State, and District requirements, increasing the risk of loss, theft, and misuse of public monies.

District Response: The finding is agreed to.

Recommendation 15: Train staff on State open meeting laws and District policy requirements for accepting and documenting donations to the District or its schools; document the training provided.

District Response: The audit recommendation will be implemented.

Response explanation: The district has already taken measures to implement this recommendation.

Recommendation 16: Ensure that the District 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 already taken measures to implement this recommendation.

Recommendation 17: In consultation with legal counsel, as needed, identify and take any actions needed to address the District's failure to publicly accept gift card donations as required by the State's open meeting laws.

District Response: The audit recommendation will be implemented.

Recommendation 18: Conduct a reconciliation from the start of the District's participation in the McKinney-Vento grant program through fiscal year 2025 to determine whether any donated or federally funded gift cards are missing and then make a determination whether additional steps are necessary to address any findings from the reconciliation; document the determination and any actions taken.

District Response: The audit recommendation will be implemented.

Response explanation: The district has already taken measures to implement this recommendation.

Recommendation 19: Determine, in consultation with legal counsel, as needed, whether the District complied with federal requirements for managing federal funds and, if necessary, report any instances of noncompliance and/or questioned costs to all relevant oversight agencies, including the District's financial auditors responsible for reviewing its federal program expenditures.

District Response: The audit recommendation will be implemented.

Recommendation 20: Implement written policies and procedures for handling gift cards to ensure compliance with federal regulations and USFR requirements, including steps to separate gift card purchasing, disbursement, and reconciliation responsibilities; account for all purchased and donated gift cards; and disburse cards only to qualified recipients.

District Response: The audit recommendation will be implemented.

Finding 4: District incorrectly reported transportation data, resulting in overfunding, and did not maintain records for fleet vehicle use, increasing the risk of misuse of District resources.

District Response: The finding is agreed to.

Recommendation 21: Develop and implement procedures, including a secondary review process, to ensure transportation data submitted to ADE annually is accurate and complete for funding purposes.

District Response: The audit recommendation will be implemented.

Response explanation: The district has already taken measures to implement this recommendation.

Recommendation 22: Develop and implement procedures to review transportation funding amounts received and compare the amounts to its budget.

District Response: The audit recommendation will be implemented.

Recommendation 23: Work with ADE to fully correct fiscal years 2024 and 2025 transportation reporting and funding errors.

District Response: The audit recommendation will be implemented.

Response explanation: In progress, partially completed. The district has requested corrections for FY 24 and FY 25 for transportation reporting errors. FY 24 has already been resolved. FY 25 has already been submitted to ADE.

Recommendation 24: Develop and implement procedures to document the use of District vehicles, including the name of the driver; trip purpose, date, and time; and beginning and ending vehicle odometer readings.

District Response: The audit recommendation will be implemented.

Response explanation: A district transportation log sheet has been created and implemented. This has been corrected within the district already.

Recommendation 25: Develop and implement procedures to periodically monitor and review usage logs for all District vehicles to ensure vehicle use is reasonable and for District-authorized purposes.

District Response: The audit recommendation will be implemented.

Response explanation: The district has already taken measures to implement this recommendation.

Finding 5: Board members and employees did not comply with conflict-of-interest disclosure requirements, increasing the risk that undisclosed substantial interests could influence their official conduct.

District Response: The finding is agreed to.

Recommendation 26: Develop and implement procedures to ensure District employees and Governing Board members complete conflict-of-interest disclosure forms upon hire or at the beginning of their terms, and annually thereafter in accordance with District policy, and maintain a file of such documents available for public inspection.

District Response: The audit recommendation will be implemented.

Response explanation: The district has already taken measures to implement this recommendation.

Finding 6: Unsecured cleaning supplies and food safety issues potentially put students' health and safety at risk.

District Response: The finding is agreed to.

Recommendation 27: Develop and implement policies and procedures to require all areas where chemicals, cleaning agents, or maintenance equipment are stored to remain locked and inaccessible to students when unattended.

District Response: The audit recommendation will be implemented.

Recommendation 28: Develop and implement procedures to ensure all foods requiring temperature control for safety are properly date-marked in accordance with local health and food safety requirements and discarded at their expiration date.

District Response: The audit recommendation will be implemented.

Finding 7: Numerous IT deficiencies, including excessive access to computerized data and limited security controls, increased cybersecurity risks to District IT systems.

District Response: The finding is agreed to.

Recommendation 29: Immediately disable or remove all unnecessary network user accounts and develop and implement procedures to terminate vendor and employee access to the District's network when access is no longer required.

District Response: The audit recommendation will be implemented.

Response explanation: We will be creating a workflow form in Adobe Sign for offboarding users.

Recommendation 30: Limit users' access to its network, accounting, and student information systems to only those functions needed to perform their job duties, including limiting administrator-level access to only those individuals with a District need for this level of access.

District Response: The audit recommendation will be implemented.

Response explanation: The district has already taken measures to implement this recommendation.

Recommendation 31: Develop and implement written policies and procedures to assign and periodically review user access to the District's network, accounting information, and student information systems to ensure users have access to only those functions needed to perform their assigned duties. If separation of duties is not feasible due to limited staffing, implement compensating controls such as additional supervisory reviews as required by the USFR.

District Response: The audit recommendation will be implemented.

Response explanation: The district has already taken measures to implement this recommendation.

Recommendation 32: Protect sensitive computerized systems and data by evaluating and implementing appropriate security measures for its wireless and internal networks.

District Response: The audit recommendation will be implemented.

Response explanation: In progress

Recommendation 33: Develop and enforce password requirements that align with credible industry standards to decrease the risk of unauthorized persons gaining access to sensitive District information.

District Response: The audit recommendation will be implemented.

Response explanation: In progress.

Recommendation 34: Develop and implement policies and procedures to require all District employees to complete annual security awareness training and establish and enforce accountability mechanisms to ensure completion.

District Response: The audit recommendation will be implemented.

Response explanation: In progress. Plan being developed.