

Valley Academy for Career and Technology Education

Performance Audit

District did not provide constant student supervision nor consistently control visitor access at its central campuses, potentially putting student safety at risk. It also did not ensure cash collections and certain payments were handled in accordance with USFR requirements and applicable State laws; consistently collect, validate, and accurately report outcome measures data; fund member districts in accordance with IGAs; and protect IT systems.

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 potentially put student safety at risk by failing to provide constant student supervision in accordance with State law and District policy, and by not consistently controlling campus visitor access and formally assessing campus security to help identify and address safety risks at its leased facilities.
- ▶ District did not resolve discrepancies between cash collected and receipted by its cosmetology program, and it lacked effective procedures to ensure that all cash collections and deposits were reconciled to supporting documentation or records.
- ▶ Supervisory review of extra-duty payments to salaried employees was insufficient to identify potentially duplicative hours and payroll calculation errors.
- ▶ District did not ensure central and satellite CTE program outcome data was consistently collected and validated, resulting in inaccuracies in the certification and postgraduation placement data it reported to ADE.
- ▶ District accumulated nearly \$3.1 million in fund balances by end of fiscal year 2025 but did not have a policy regarding the amount to be maintained or its intended purpose, and it underfunded its satellite CTE programs by providing less money than required under its member district IGAs.
- ▶ District did not ensure the Board approved all reimbursements paid to the superintendent prior to paying them, and it spent at least \$1,100 on food and beverages without Board approval, limiting public transparency and increasing the risk of improper transactions.

- ▶ District did not regularly review and limit user access to its accounting system and network, and its authentication controls did not meet USFR requirements and credible industry standards, increasing its risk of fraud and unauthorized access to sensitive District information. Additionally, the District's IT contingency plan lacked some key components, increasing its risk of interrupted operations and data loss.

Key recommendations to the District

- ▶ For its central campuses, develop and implement procedures to ensure students are constantly supervised and control visitor access, and complete formal safety assessments to identify, evaluate, and address potential campus safety concerns.
- ▶ Develop and implement written procedures for collecting, depositing, and reconciling cash collected through its cosmetology program to ensure compliance with USFR requirements and District policy, and provide training to District employees responsible for handling cosmetology program cash.
- ▶ Review extra-duty payments made in fiscal year 2025 to identify and correct any over- or underpayments and develop and implement a thorough supervisory payroll review process.
- ▶ Develop and implement consistent protocols for collecting, retaining, and verifying the accuracy of outcome measures data, such as industry certifications, that is reported for all CTE programs; and use outcome data collected to evaluate CTE programs' effectiveness and make needed changes.
- ▶ Develop and implement a formal fund balance policy for its general fund; and, with member district input, evaluate central and satellite CTE program needs and costs and determine the funding amount it will provide to member districts.
- ▶ In consultation with legal counsel, as necessary, determine whether to provide additional monies to member districts to ensure they are funded in accordance with prior years' IGA specifications, and based on this determination, take corrective action if appropriate.
- ▶ Obtain advance Board approval for all reimbursements the superintendent requests and ensure all food and beverage purchases associated with District events comply with State laws, the gift clause, and other requirements.
- ▶ Improve controls over IT systems and functions by immediately disabling or removing unnecessary accounts; periodically reviewing user accounts to ensure network and accounting system access, including administrator-level access, is appropriate; and ensuring authentication controls meet credible industry standards.
- ▶ Update its IT contingency plan to ensure it meets USFR requirements and credible industry standards, and perform annual contingency plan reviews and updates in accordance with District policy.