Round Valley Unified School District No. 10

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Every Learner Knows Success

August 6, 2026

Lisa Parke
Walker & Armstrong
1850 N. Central AVE., Ste 400
Phoenix, AZ 85004

Ms. Parke,

Round Valley Unified School District No. 10 has received and thoroughly reviewed the FY 2024 Performance Audit Report prepared by Walker & Armstrong. The District acknowledges the findings and recommendations presented in the report and is committed to addressing each item.

Since receiving the report, the District has already completed implementation of several recommendations, resolved others, and continues to make progress toward fully implementing the remaining corrective actions. We are dedicated to ensuring these improvements strengthen our operations and enhance our internal controls.

Round Valley Unified School District remains committed to providing a safe, secure, and high-quality educational environment for our students while fostering an efficient, accountable, and supportive workplace for our employees. We recognize the importance of responsible stewardship of public funds and will continue to implement the audit recommendations in a timely, thoughtful, and effective manner.

On behalf of the District, I would like to express our appreciation for the professionalism, diligence, and guidance provided by Walker & Armstrong throughout the audit process. We value the constructive feedback and the opportunity to further strengthen our policies, procedures, and overall operations.

Sincerely,

Slade Morgan
Superintendent
Round Valley Unified School District No. 10

Finding 1: District's domed athletic facility adds to its plant operations costs and may pose a financial burden, and District has not used its capital planning tools to prioritize and estimate project costs.

District Response: The finding is agreed to.

Response explanation: While we agree with this finding, we believe it is important to recognize that the Dome is much more than a revenue-generating facility. It is an iconic part of our community that is used by students, families, and community organizations throughout the year. We will continue to explore opportunities to increase revenue, improve operational efficiencies, and make meaningful strides toward reducing the facility's financial impact while preserving this important community asset.

Recommendation 1: Evaluate its rental fees for the Dome and determine whether adjustments are needed to ensure third party rental fees are sufficient to cover the Dome's operating cost for the rental period; and, develop and implement a process to document relevant considerations and rationale supporting decisions to charge reduced rates for certain events, such as nonprofit-hosted events that support the District's educational function.

District Response: The audit recommendation will be implemented.

Response explanation: A review of the Dome's rental fee structure was completed in 2025 and 2026, and the District will continue to evaluate and adjust rental fees on a regular basis to ensure they remain appropriate and competitive while balancing community accessibility.

Recommendation 2: Develop and implement a process to routinely review facility fees using information such as maintenance, utility, salaries, and other operating costs, to determine the appropriateness of its fees and make any identified fee adjustments.

District Response: The audit recommendation will be implemented.

Response explanation: A review of the Dome's rental fee structure was completed in 2025 and 2026, and the District will continue to evaluate and adjust rental fees on a regular basis to ensure they remain appropriate and competitive while balancing community accessibility.

Recommendation 3: Update its existing capital plan to include cost estimates and funding strategies, and use its plan and any facility inspection results to prioritize capital spending.

District Response: The audit recommendation will be implemented.

Response explanation: The District will update its Capital Plan to include the required components and maintain supporting documentation as evidence of compliance.

Finding 2: District wasted monies, misclassified transactions, and failed to comply with other requirements, increasing the risk that District monies could be misused.

District Response: The finding is agreed to.

Response explanation: The District is committed to complying with the Uniform System of Financial Records (USFR) and continuously works to strengthen its procedures, promptly addressing any inadvertent errors when they occur.

Recommendation 4: Make payments timely to avoid unnecessary fees and penalties.

District Response: The audit recommendation will be implemented.

Response explanation: The timely receipt of supporting documentation has improved significantly during FY2025 and FY2026, resulting in more timely payment processing. The District will continue to strengthen its processes to further improve efficiency and ensure timely payments.

Recommendation 5: Train staff responsible for classifying revenues and expenditures on the USFR Chart of Accounts.

District Response: The audit recommendation will be implemented.

Response explanation: Training on the USFR will be conducted during monthly meetings with required staff members to reinforce compliance and promote consistent financial practices.

Recommendation 6: Develop and implement a secondary review process to ensure revenues and expenditures are properly coded in accordance with the USFR Chart of Accounts.

District Response: The audit recommendation will be implemented.

Response explanation: Before final approval, the Business Manager will review transactions with another designated individual to verify that coding is accurate and complies with applicable requirements.

Recommendation 7: Follow its policy to comply with SAAM requirements, including adhering to maximum lodging rates.

District Response: The audit recommendation will be implemented.

Response explanation: The District will continue to strive to adhere to the SAAM requirements. The District will continue to make every effort to comply with SAAM requirements while planning travel as far in advance as practicable.

Recommendation 8: Obtain, review, and retain supporting documentation, such as odometer readings, invoices, and/or receipts for all travel expenditures and reimbursement requests, to ensure travel expenditures are accurate, appropriate, and serve a District purpose.

District Response: The audit recommendation will be implemented.

Response explanation: Reimbursement requests will undergo a more thorough review and be verified by two individuals before processing to help ensure accuracy and compliance.

Recommendation 9: Restrict access to the superintendent's signature stamp to prevent check preparers and other check signers from having access to it.

District Response: The audit recommendation will be implemented.

Response explanation: Beginning in 2026, access to the District's checks and signature stamps has been assigned to the Human Resources Director, who has no financial processing responsibilities, to strengthen internal controls and improve segregation of duties.

Recommendation 10: Separate responsibilities for vendor management and accounts payable functions or implement an independent, periodic review of the vendor master file to verify vendors are properly approved, supported by appropriate documentation, and free of duplicate, inactive, or unusual activity.

District Response: The audit recommendation will be implemented.

Response explanation: The District will implement an independent, periodic review of the vendor master file to verify that vendors are properly approved, supported by appropriate documentation, and free of duplicate, inactive, or unusual entries.

Recommendation 11: Ensure that all goods and services are verified and documented as received before related invoices are paid.

District Response: The audit recommendation will be implemented.

Response explanation: The District currently follows established procedures for the procurement of goods and services. We will review and update our written procedures as needed to ensure they remain current and effective, and we will continue to strengthen our processes to minimize errors and maintain compliance.

Recommendation 12: Develop and implement written procedures to ensure all payments to, and purchases by, the superintendent are approved in advance and separately identified for Board approval and that any such approvals are documented.

District Response: The audit recommendation will be implemented.

Response explanation: The District will develop and implement written procedures for purchases made by the Superintendent to ensure consistency, transparency, and compliance with District policies and applicable regulations.

Finding 3: District's conflict-of-interest procedures were not aligned with recommended practices, increasing the risk that undisclosed substantial interests could influence employees' and Board members' official conduct.

District Response: The finding is agreed to.

Response explanation: The District followed its conflict-of-interest procedures and requirements. We will review and refine our processes to further strengthen consistency, documentation, and overall compliance with recommended practices.

Recommendation 13: Update its conflict-of-interest disclosure form to require an affirmative no for instances where Board members or employees do not have a conflict to disclose.

District Response: The audit recommendation will be implemented.

Response explanation: Adjustments to the conflict-of-interest form were completed in July 2026 to improve clarity, consistency, and compliance with District procedures.

Recommendation 14: Update its policy and procedures to require and document periodic conflict-of-interest training, including a process to ensure that all Board members and employees complete the training.

District Response: The audit recommendation will be implemented.

Response explanation: The District has implemented documentation to verify that employees have completed the required training videos and will annually confirm participation to ensure ongoing compliance with training requirements.

Recommendation 15: Develop and implement written procedures to verify all Board members and employees submit annual conflict-of-interest disclosure forms and to maintain any conflicts disclosed in a special file to memorialize all disclosures of substantial interest, as necessary.

District Response: The audit recommendation will be implemented.

Response explanation: The District has established a dedicated file to maintain conflict of interest disclosures for individuals required to submit them, ensuring documentation is organized, accessible, and maintained in accordance with District procedures. The process was done in FY 2025 and FY 2026. We are adjusting them to make them more sufficient.

Finding 4: District's lack of school bus maintenance and fleet vehicle records increased the risk of student safety issues and the potential for District resources to be misused.

District Response: The finding is agreed to.

Response explanation: We will gather maintenance schedule specifics and create a policy entailing following those recommendations regarding time frames and mileage intervals.

Recommendation 16: Develop and implement school bus maintenance policies and procedures to maintain school buses that include mileage and time intervals for routine maintenance such as fluid and filter changes, tire rotation, alignments and other routine maintenance items, and implement a process to verify all routine maintenance is performed, such as comparing maintenance schedules to maintenance records.

District Response: The audit recommendation will be implemented.

Response explanation: First step will be to access and download maintenance schedules from our bus companies, Blue Bird, Thomas and International, we will then lay out our policy of following those scheduled recommendations, and create a tracking record to coincide with the schedules.

Recommendation 17: Update its procedures to require users of all District vehicles 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: We will write up district policy and procedure regarding mileage logs being necessary in all district vehicles. We will order mileage log books, to be assigned and in each district vehicle, used primarily in town. Then we will request the departments that utilize them - have their driver's enter mileage and dates each day they are used,

Recommendation 18: Develop and implement procedures to periodically monitor and review usage logs for all District vehicles to ensure compliance with its procedures and that vehicle use is reasonable and for District-authorized purposes.

District Response: The audit recommendation will be implemented.

Response explanation: We will follow up with periodic review of the log books.

Finding 5: Food safety issues potentially put students' health and safety at risk.

District Response: The finding is agreed to.

Response explanation: All staff will have a refresher on food safety so that we are complying, and the dangers that surround food every day and those that we serve.

Recommendation 19: Develop and implement procedures to ensure all foods are properly date marked and discarded at their expiration date.

District Response: The audit recommendation will be implemented.

Response explanation: Ensuring that this will be completed each day, we will have certain food safety Logs that will be filled out by staff at each school site.

Finding 6: 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 20: Develop and implement written policies and procedures to assign and periodically review user access, including accounts with administrator-level access, to the District's network, accounting, 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 will develop and implement written policies and procedures to assign and periodically review user access for its network, accounting, and student information systems, ensuring employees have access only to the functions necessary to perform their assigned duties. When separation of duties is not feasible due to limited staffing, the District will implement appropriate compensating controls, including additional supervisory reviews, in accordance with the USFR.

Recommendation 21: Immediately disable or remove all unnecessary network, AIS, and SIS user accounts and develop and implement procedures to ensure user access to the District's network and other IT systems is terminated when access is no longer required.

District Response: The audit recommendation will be implemented.

Response explanation: The District has completed this corrective action. All unnecessary network, accounting information system (AIS), and student information system (SIS) user accounts have been disabled or removed. The District has reviewed the circumstances, corrected the oversight, and implemented procedures to ensure user access is terminated promptly whenever access is no longer required.

Recommendation 22: Develop and implement policies and procedures to limit users' abilities to share, copy, or download sensitive or confidential information outside of the District's network, and to track and monitor cloud-based storage activity, and investigate any unusual activities that are identified.

District Response: The audit recommendation will be implemented.

Response explanation: The District is working to develop and implement policies and procedures.

Recommendation 23: Develop and implement policies and procedures to maintain configurations for all major IT assets and infrastructure; manage configuration changes; and monitor the system for unauthorized or unintended configuration changes.

District Response: The audit recommendation will be implemented.

Response explanation: The District has completed this corrective action by developing and implementing policies and procedures to maintain standardized configurations for all major IT assets and infrastructure. Procedures have been established to manage and document configuration changes, and the District monitors its systems for unauthorized or unintended configuration changes. These measures help ensure system integrity, enhance security, and provide consistent management of the District's information technology environment.

Recommendation 24: 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: The District is working to complete this corrective action by evaluating and implementing appropriate security measures to protect sensitive computerized systems and data across its wireless and internal networks. Security controls are being reviewed and enhanced as needed to strengthen network protection, reduce security risks, and help safeguard District information from unauthorized access.

Recommendation 25: 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: The District is working to complete this corrective action.

Recommendation 26: Develop and implement a process to ensure all District employees complete annual security awareness training, including verifying all District employees complete the training.

District Response: The audit recommendation will be implemented.

Response explanation: The District has developed the necessary policies, procedures, and processes to address this finding. Implementation will begin at the start of Fiscal Year 2027, with the District monitoring compliance and making any necessary adjustments to ensure the procedures are consistently followed and maintained.

Recommendation 27: Develop and implement an IT contingency plan that meets USFR requirements and credible industry standards and test the plan at least annually to identify and remedy deficiencies and document the test results.

District Response: The audit recommendation will be implemented.

Response explanation: The District is working to complete this corrective action.