ARIZONA
Auditor General
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Yucca Elementary School District

Initial Followup of Performance Audit Report 25-206

The July 2025 Yucca Elementary School District performance audit found that the District did not comply with key requirements in financial and operational controls, including accounts payable, cash handling, payroll, procurement, travel reimbursements, and information technology security. These deficiencies increased the risk of errors, fraud, and improper payments and weakened the District's ability to safeguard public resources. The audit also found that inadequate fiscal recordkeeping limited the scope of the review, increasing the risk of undetected fraud, waste, and misuse. The consulting firm Sjoberg Evashenk Consulting, who conducted the performance audit under contract with the Arizona Auditor General, made **31** recommendations to the District.

District's status in implementing 31 recommendations

Implementation status	Number of recommendations
Implemented	1 recommendation
Implemented in a different manner	2 recommendations
In process	16 recommendations
Not implemented	**12 recommendations**

We will conduct a 24-month followup with the District on the status of the recommendations that have not yet been implemented and the 1 additional recommendation we made to the District in this followup (see additional deficiency identified at the initial followup, page 15).

We identified an additional deficiency during this followup related to student transportation and the District remains in USFR noncompliance

During this followup, we identified and reviewed an additional deficiency related to student transportation (see additional deficiency identified in the followup section on page 15). Specifically, the District uses an 11- to 15-passenger van to transport students to and from school-related activities, but these types of vans are prone to safety issues. We made 1 additional recommendation to the District regarding this deficiency and will review the District's efforts to implement the additional recommendation as part of our 24-month followup.

Additionally, as a result of the many deficiencies identified during the performance audit, we reported in October 2025 that the District was in noncompliance with the *Uniform System of Financial Records for Arizona School Districts* (USFR).[1] The District submitted a required corrective action plan in January 2026, but we found that the District had not made sufficient progress addressing the deficiencies to warrant reconsideration of its noncompliant status. Similarly, this followup review determined that most of the deficiencies identified during the July 2025 performance audit remain uncorrected. Further, as of this followup report's release, we are conducting a separate financial investigation into potentially improper payroll activities we identified during our followup work.

Recommendations to the District

Audit Scope Limitation: District failed to maintain sufficient fiscal records, limiting the scope of our review of petty cash, cash receipts, and accounts payable documentation and procedures, and increasing its risk of undetected fraud, waste, and misuse

1. The District should develop and implement policies and procedures to ensure that fiscal records are maintained in accordance with USFR requirements, and that all fiscal transactions are recorded in the District's financial system.

- Status: **Implementation in process.**

  The District has taken some steps to address this recommendation, but additional work is needed to ensure required financial records are maintained in accordance with USFR requirements and recorded in the District's financial system.

  For example:

  - In February 2026, the Board voted to close its petty cash account, and the District deposited all remaining petty cash with the Mohave County Treasurer.

[1] The Arizona Auditor General and the Arizona Department of Education 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.

- The District developed new accounts payable procedures for purchase orders and requisition approvals, but we found the procedures do not identify what Board members must review prior to approving purchases, do not address the receipt of goods and services, and do not require District staff to verify that charges are appropriate prior to issuing payment to vendors.
- The District developed new cash-handling procedures that call for the District to maintain financial records in accordance with USFR requirements, but the new procedures do not include processes specific to auxiliary cash transactions. We reviewed March 2026 auxiliary cash receipts and found the District failed to track all 3 receipts for inclusion in its required annual financial reports, potentially affecting their accuracy. The District subsequently closed its auxiliary bank account at the end of fiscal year 2026.

Although the District has developed new accounts payable and cash-handling procedures, some of the procedures are incomplete and have not yet been implemented, which should include training responsible staff on these new procedures. Additionally, the District has not resolved critical recordkeeping and documentation issues that are further described in recommendation 6. We will assess the District's efforts to implement this recommendation at the 24-month followup.

2. The District should require that all revenue and expenditure transactions from all bank accounts be recorded in the District's accounting system to ensure transparency and accountability.

- Status: **Not implemented.**

As discussed in recommendation 1, in fiscal year 2026, the District continued to maintain an auxiliary bank account separate from its other accounts, and it lacked support to demonstrate it had recorded all auxiliary transactions in its accounting system. We will assess the District's efforts to implement this recommendation at the 24-month followup.

Finding 1: The District lacks sufficient internal controls in most business and financial operational areas, putting public monies at an increased risk of errors, improper payments, and fraud, and limiting the transparency of its activities

3. The District should separate incompatible duties for payroll or develop and implement compensating controls in accordance with the USFR, such as additional management reviews by the head teacher, Board members, or another employee with no finance-related responsibilities.

- Status: **Implemented at 6 months.**

The District employs too few administrative staff to separate incompatible duties in its payroll process, but since the audit, it has implemented compensating controls within its payroll process in accordance with the USFR. The District's compensating controls include requiring the head teacher or a staff member with no finance-related responsibilities to review the District's payroll. The review includes verifying payroll totals and payroll changes, and that data entries in the District's timekeeping system match employee-approved timecards. We reviewed the payroll data for all 6 hourly District employees for 1 pay period in fiscal year 2026 and found evidence that the District had performed the payroll review that it established as a compensating control.

4. The District should develop and implement written payroll processing procedures and a management oversight process to ensure timecards and any subsequent adjustments are authorized by employees and approved by a supervisor, such as the head teacher or a Board member, and payments to employees are accurate and supported.

▶ Status: **Implementation in process.**

Although the District has implemented payroll review procedures that address concerns relating to separation of incompatible payroll duties, we found that the District continues to lack procedures to ensure payments are appropriately supported. For example, our review of 2026 payroll records identified 1 hourly food service employee who had 6 hours of work time added to multiple weekly time cards. According to the District, the additional hours were for weekly shopping the employee performed on the District's behalf. However, the District lacked any documentation supporting the activities performed, the amount of time worked, and whether what appeared to be a standard and routinely applied time card adjustment was reasonable.

Additionally, we found that the District provided stipends and/or extra-duty payments to 4 employees without ensuring the pay was properly documented in accordance with USFR requirements. As such, we were unable to verify that the payments associated with the time card adjustments, stipends, and additional duties were accurate and appropriate. To meet USFR requirements and facilitate a thorough payroll review, the District should develop additional procedures to ensure payments are approved in advance and specified in employment documentation, and that adjustments to hourly employees' time cards are supported and reasonable. We will assess the District's efforts to implement this recommendation at the 24-month followup.

5. The District should ensure employees responsible for classifying expenditures review the USFR's Uniform Chart of Accounts for school districts for changes at least annually and implement its guidance to accurately account for and report the District's spending.

▶ Status: **Implementation in process.**

District administrators created an office desktop manual that includes a current copy of USFR Chart of Accounts for its business manager, who assumed the position in April 2026, to use as a reference. Because the District has experienced staff turnover and the recommendation calls for employees to review the USFR annually for changes and to accurately account for the District's spending, we will assess the District's efforts to implement this recommendation at the 24-month followup.

6. The District should develop and implement written procedures to ensure that purchase orders or requisitions are obtained and approved in advance of purchases being made, including those made with credit cards, and any purchase order overages beyond the initial approved amount receive secondary approval.

- Status: **Implementation in process.**

  Since the audit, the District has developed, but has not implemented, written procedures to require purchase orders or requisitions to be initiated and approved before purchases are made, including purchases made with credit cards. The new procedures also require a secondary approval of any purchase order overages beyond the initial approved amount.

  Based on our review of available purchasing documentation, the District will be unable to fully implement this recommendation without addressing numerous record-keeping and documentation issues. For instance, we found that the District had purchase orders that lacked key information, such as approved purchase totals and approval dates. Additionally, some purchase orders we reviewed listed multiple vendor names and/or appeared to have been improperly modified after they were initially approved. The District also lacked evidence that items purchased were received and invoices were reviewed for accuracy prior to issuing payment to vendors. Without accurate and complete purchasing documentation, the District continues to be at risk of paying for goods and services that were either not received or were of lesser quality than required. The District is also at increased risk of paying inaccurate or fraudulent invoices. We will assess the District's efforts to implement this recommendation at the 24-month followup.

7. The District should develop and implement written procedures and a thorough secondary review process to ensure travel expenditures are approved in advance and reimbursements are supported by completed travel claim forms and documentation in accordance with the USFR and District requirements.

- Status: **Implementation in process.**

  As of January 2026, the District developed new travel-related procedures that require advance approval for travel, employees to submit travel-related supporting documentation prior to receiving reimbursement, and a secondary review of travel reimbursement claims. However, the procedures do not specify time frames for submitting travel claims to ensure they are reviewed timely and paid within the correct fiscal year in accordance with USFR requirements. Between July 2025 and April 2026, the District did not process any travel reimbursement claims, so we were unable to determine whether the District had followed its updated procedures. We will assess the District's efforts to implement this recommendation at the 24-month followup.

8. The District should develop and require annual training for responsible employees about the District's purchasing and accounts payable policies, procedures, and processes and related USFR requirements.

- Status: **Not implemented.**

  Since the audit, the District established a requirement that employees with purchasing and/or accounts payable responsibilities must complete annual training on the District's purchasing and/or accounts payable processes. However, District administrators indicated that they have not developed training content and did not provide training on the District's purchasing and accounts payable processes in fiscal year 2026. We will assess the District's efforts to implement this recommendation at the 24-month followup.

9. The District should establish procedures to ensure that all credit card users complete an annual user agreement and receive training on the District's credit card policies and procedures prior to using District credit cards, and maintain copies of the agreements and document the training provided.

- Status: **Implementation in process.**

  Since the audit, the District established a requirement for each credit card user to complete an annual user agreement and receive training on the District's credit card policies and procedures prior to using District credit cards. We reviewed the District's fiscal year 2026 credit card user agreements and found that all credit card users had completed a user agreement in fiscal year 2026. The District also reported that employees received credit card training in July 2025, but it did not maintain training materials to support the training provided included relevant District policies and procedures. We will assess the District's efforts to implement this recommendation at the 24-month followup.

10. The District should require District employees responsible for maintaining physical security of credit cards to maintain complete and accurate credit card logs that include enough information to track when the cards were used and by whom and the associated purchase order.

- Status: **Implementation in process.**

  Since the audit, the District has implemented credit card logs to track use of the District's credit cards, but the logs do not include all necessary information. Our review of the District's fiscal year 2026 credit card purchases found the District's logs showed when purchases were made and by whom but did not include any purchase order information to help ensure purchases were approved and for valid District purposes. Additionally, we found that the District continued to incur wasteful credit card late fees and interest charges totaling more than $300 during fiscal year 2026. We will assess the District's efforts to implement this recommendation at the 24-month followup.

11. The District should develop procedures to ensure procurement processes comply with State procurement requirements and maintain procurement-related documentation for District and cooperative agency contracts, such as purchase orders, contracts, cooperative agreements, requests for proposals, due diligence forms, and any other relevant documentation to ensure compliance with the USFR, Arizona Administrative Code and Board-approved policies.

- Status: **Implementation in process.**

As of January 2026, the District has established procurement policies and procedures that address most State procurement requirements, but some additional steps are needed. Specifically, the District's procedures do not specify that when making purchases through cooperative contracts, the District should obtain and retain all associated signed procurement disclosure statements. Additionally, at the time of our review, the District had not initiated any purchases governed by its new procurement policies and procedures, and therefore, we were unable to assess whether the District consistently followed its new procedures. We will assess the District's efforts to implement this recommendation at the 24-month followup.

Finding 2: Despite past instances of theft, the District has not separated cash-handling responsibilities and lacks other important cash controls, which continues to put public monies at risk and reduces the District's accountability to the public

12. The District should develop and implement procedures to ensure compliance with USFR requirements and District policies related to cash handling and petty cash, and train District employees with cash-handling and petty cash responsibilities on these procedures.

- Status: **Implementation in process.**

As previously discussed in recommendation 1, the District closed its petty cash account and developed written cash-handling procedures, but additional work is still needed to fully address this recommendation and ensure compliance with USFR requirements. Specifically, the District's procedures do not separate cash-handling and record keeping duties among employees or require a compensating control in all instances. Our review of 8 fiscal year 2026 cash receipts, found that 1 cash receipt had been collected and deposited by the same employee without a secondary review by another employee.

Additionally, the District's administrator indicated that the District's procedure is to deposit cash receipts biweekly. According to the District's administrator, the District has few cash transactions, and given the District's rural location, it has chosen to combine trips for cash deposits with the biweekly trips it makes to the County Treasurer's Office to complete payroll activities. However, the USFR requires school districts to deposit cash, even small amounts, at least weekly, unless the school district's governing board establishes an alternative regular deposit schedule that requires deposits no less than monthly and clearly describes why the alternative schedule is necessary. According to the USFR, the governing board should also establish a threshold for what would be considered a significant amount of cash that must be deposited daily. The USFR requirements related to establishing an alternative deposit schedule and setting a threshold for a significant amount of cash became effective in July 2026. As such, the District should work with its Board to formally establish its alternative deposit schedule and significant cash threshold in accordance with USFR requirements.

Finally, although the District reported that employees received cash-handling training in fiscal year 2026, it did not maintain supporting documentation, such as training materials and/or rosters, to document the training provided. We will assess the District's efforts to implement this recommendation at the 24-month followup.

13. The District should prepare and maintain evidence of receipt for all cash received, such as sequential, prenumbered receipts, and reconcile deposits to cash collection documentation to ensure all cash received was appropriately deposited.

- Status: **Implementation in process.**

The District developed a process for issuing receipts for all cash received and for reconciling deposits to cash-collection documentation, but it did not consistently follow its reconciliation process. We reviewed all cash transactions across 6 deposits the District made in September 2025, January 2026, and March 2026 and found the District issued receipts for all the cash transactions we reviewed. However, for 1 of the 6 deposits, the District lacked evidence that it reconciled the deposit to the cash-collection documentation. We will assess the District's efforts to implement this recommendation at the 24-month followup.

14. The District should ensure cash is deposited at least weekly, and daily when amounts are significant.

- Status: **Implementation in process.**

As discussed in recommendation 12, although the District's new cash-handling procedure requires cash to be deposited weekly, the District's administrator reported that the District's process is to deposit cash biweekly. As also discussed in recommendation 12, the USFR allows governing boards to establish an alternative deposit schedule, subject to certain conditions, and the District should take steps to formalize its alternative deposit schedule to ensure it complies with the USFR. We will assess the District's efforts to implement this recommendation at the 24-month followup.

15. The District should separate cash-handling duties from employees with recordkeeping responsibilities and require a separate employee to prepare either deposits or reconciliations, but not both. If separating duties is not possible due to limited staff size, develop and implement compensating controls, such as additional management reviews by the head teacher or Board members, or by assigning these additional duties to an employee with no cash handling or recordkeeping responsibilities.

- Status: **Implementation in process.**

  During our followup, the District was training a new business manager and was using this employee and the now-former business manager to ensure separation of duties, as required by the USFR. However, the now-former business manager resigned from District employment in April 2026. Now that the District again has only 1 business office employee, it has not addressed how it will ensure that cash-handling and recordkeeping duties are properly separated and/or what compensating controls it will implement to mitigate the risks associated with 1 employee having incompatible cash-handling responsibilities. We will assess the District's efforts to implement this recommendation at the 24-month followup.

16. The District should develop and implement procedures to ensure compliance with USFR petty cash requirements, including designating a petty cash account custodian, maintaining a ledger of cash disbursements and receipts, and requiring disbursements to be pre-approved by someone other than the custodian, such as the head teacher, Board members, or an employee with no cash handling or recordkeeping responsibilities.

- Status: **Implemented in a different manner at 6 months.**

  The District's Board voted to close the District's petty cash account at its February 2026 meeting. We reviewed supporting documentation and confirmed that the District closed the petty cash account in accordance with the Board's directive and deposited the remaining balance with the Mohave County Treasurer.

17. The District should require monthly independent reconciliations and random audits of its petty cash account by someone other than the custodian, such as the head teacher, Board members, or an employee with no cash handling or recordkeeping responsibilities; and implement a process to close out the account at fiscal year-end, in accordance with the USFR.

- Status: **Implemented in a different manner at 6 months.**

  As discussed in recommendation 16, the District closed its petty cash account.

Finding 3: Board members and employees did not comply with some conflict-of-interest requirements and recommended practices, and 1 employee may have improperly participated in District employment decisions and payments to close relatives

18. The District should ensure compliance with State laws governing conflicts of interest by requiring Board members and employees to complete conflict-of-interest disclosure forms annually and when new potential conflicts of interest arise and refrain from participating in any District decision, contract, sale, purchase, or service for which they have a substantial interest.

- Status: **Implementation in process.**

The District has made some progress implementing this recommendation, but additional efforts are needed. We reviewed fiscal year 2026 conflict-of-interest forms for all 9 District employees and all 3 Board members and found that all District employees and Board members completed a conflict-of-interest disclosure form for fiscal year 2026. However, 4 of 9 employees did not complete the disclosure forms correctly. Specifically, 2 employees indicated on their disclosure forms that they both had and did not have a substantial interest to disclose. Additionally, 2 employees disclosed potential substantial interests but did not describe their substantial interests on their respective forms, as required.

Further, we found that the now-former business manager, who had previously improperly participated in overseeing work by close relatives and processing payments made to their relative, may have continued to do so in fiscal year 2026. Although the now-former business manager disclosed the name of her relative and described her substantial interest on her conflict-of-interest disclosure form, the District did not take steps to remediate the disclosed conflict, which it should have done upon reviewing the disclosure form. Additionally, we found that a second administrator disclosed the name of her relative but did not describe the nature of her substantial interest and may have participated in decisions benefiting that relative by approving the purchase order for payments to her sister-in-law for janitorial services provided to the District. We will assess the District's efforts to implement this recommendation at the 24-month followup.

19. The District should develop and implement a process to review conflict-of-interest forms to identify disclosed interests and take necessary action to remediate them, such as notifying the Board when conflicts relating to agenda items exist to ensure affected Board members and employees refrain from participating in any matter in which they or a relative has a substantial interest.

- Status: **Not implemented.**

District administrators indicated that they did not review conflict-of-interest forms in fiscal year 2026 but plan to implement a review process in fiscal year 2027. The District's failure to identify potential conflicts of interest and take action to remediate them likely contributed to the 2 administrators potentially participating in matters involving their substantial interests as discussed in recommendation 18. We will assess the District's efforts to implement this recommendation at the 24-month followup.

20. The District should establish procedures to prevent employees from supervising close relatives and ensure that activities, such as approving purchase orders, signing off on completed work, or processing payments, are assigned to or closely overseen by someone without a conflict, such as the head teacher, Board members, or other employees who are assigned these additional duties.

- Status: **Not implemented.**

  As discussed in recommendation 18, the District has not taken steps to prevent employees from participating in matters that involve their substantial interests. District administrators indicated that they plan to take steps to address this recommendation in fiscal year 2027. We will assess the District's efforts to implement this recommendation at the 24-month followup.

21. The District should develop and provide periodic training to employees and Board members on the requirements for complying with conflict-of-interest laws, including the need to describe their substantial interests on disclosure forms and to refrain from participating in any decision, contract, sale, purchase, or service for which they or a relative have a substantial interest.

- Status: **Not implemented.**

  The District did not conduct formal conflict-of-interest training in fiscal year 2026. District officials indicated that they plan to develop and require conflict-of-interest training starting in fiscal year 2027. We will assess the District's efforts to implement this recommendation at the 24-month followup.

Finding 4: The District did not always ensure employees using personal vehicles for District business, including transporting students, were properly insured and licensed, increasing the risk to students, and did not correctly reimburse some travel expenses and ensure tax requirements were met

22. The District should strengthen policies and develop and implement procedures to ensure that the District collects and retains up-to-date documentation to demonstrate that employees who use their personal vehicles for District business, including transporting students, are properly licensed and insured.

- Status: **Implementation in process.**

  The District began requiring employees who use their personal vehicles for District business to provide their driver license and insurance information. Additionally, the District's administrator stated that the District retains copies of employee driver licenses, vehicle registrations, and automobile insurance at the District's business office. We reviewed the District's driver documentation and all 12 fiscal year 2026 entries on the District's driver log and found 1 instance where an employee transported students using their personal vehicle without evidence of valid insurance on file for the vehicle that was used. The employee responsible for reviewing and maintaining the District's driver log is the same employee who did not provide the required evidence of valid insurance for this trip. Although the employee indicated on the driver log that they had valid insurance, the insurance information the employee provided did not cover the vehicle they used to transport students. When we brought this issue to the District's attention, the District's administrator was able to provide evidence of valid insurance for the vehicle for the time when the trip occurred. However, the District's new process is insufficient to ensure that employees who use their personal vehicles for District business are properly licensed and insured because the new process did not identify the error we found during our review. We will assess the District's efforts to implement this recommendation at the 24-month followup.

23. The District should develop and regularly provide training to staff responsible for processing travel expense claims, which should include information about travel-related District policies and guidance documents and USFR and SAAM requirements, and document the training provided.

- Status: **Not implemented.**

The District did not develop nor conduct training relating to travel expense claims in fiscal year 2026. The District indicated that it plans to develop this training and begin providing it to staff responsible for these duties in fiscal year 2027. We will assess the District's efforts to implement this recommendation at the 24-month followup.

24. The District should review travel mileage reimbursements paid to District employees from January 8, 2024 through June 30, 2024, to determine whether the correct mileage reimbursement rate was used. Where appropriate, remit payment to the District employees who were underpaid for mileage reimbursements.

- Status: **Not implemented.**

The District was unable to provide documentation to support that it reviewed and corrected travel mileage reimbursements paid to employees between January 8, 2024 and June 30, 2024. We will assess the District's efforts to implement this recommendation at the 24-month followup.

25. The District should determine whether District employees' travel within District boundaries meets the requirement for official travel status and how to correctly account for mileage reimbursed for travel within District boundaries, and formally document the District's determinations. In making these determinations, the District should consult with legal counsel as necessary.

- Status: **Not implemented.**

As of May 2026, the District has not determined whether District employees' travel within District boundaries meets the requirement for official travel status, nor has it determined how to correctly account for mileage reimbursed for travel within District boundaries. District administrators indicated that they do not currently have a plan to address this recommendation. We will assess the District's efforts to implement this recommendation at the 24-month followup.

Finding 5: The District's excessive access to its sensitive computerized data and other IT deficiencies increased risk of unauthorized access to sensitive information, errors, fraud, and data loss

26. To comply with USFR requirements and credible industry standards for IT security, the District should review and revise, as needed, the District's processes for ensuring access to the District's IT network is immediately terminated when employees and contractors no longer work for the District.

- Status: **Implementation in process.**

  The District developed a procedure for immediately notifying its critical IT system administrators, including the Mohave County School Superintendent's Office (County) and Northern Arizona University (NAU), of user accounts that should be terminated. However, the District did not follow its new procedure in the 1 instance involving an employee termination since the District adopted its new procedure. Although the District reported that it had immediately notified IT system administrators of the employee's termination, we found that the District waited 3 days to notify the County and 6 days to notify NAU. Accordingly, the District increased the risk that the former employee could have accessed District systems and performed unauthorized or malicious system activities. We will assess the District's efforts to implement this recommendation at the 24-month followup.

27. To comply with USFR requirements and credible industry standards for IT security, the District should develop and implement a policy and process to regularly perform and document, at least annually, a detailed review of users' accounts that includes assessing the need for network and accounting system access to ensure that access level is appropriate.

- Status: **Not implemented.**

  The District has not developed a policy nor process to annually perform and document a detailed review of users' accounts to ensure system access levels are appropriate. Our April 2026 review identified 3 accounting system users who continued to have excessive access to payroll functions. Additionally, as of May 2026, administrators indicated that they do not have a plan to address this recommendation. By failing to do so, the District continues to be at increased risk for unauthorized access to sensitive District data, errors, and fraud. We will assess the District's efforts to implement this recommendation at the 24-month followup.

28. To comply with USFR requirements and credible industry standards for IT security, the District should implement comprehensive authentication controls for users accessing critical IT systems.

- Status: **Not implemented.**

As of May 2026, the District had not implemented comprehensive authentication controls for its critical IT systems. District administrators reported that they would need to reach out to the County to address this recommendation because they do not have the ability to add system controls. However, they had not done so because they reported being focused on other priorities.

Addressing this recommendation is critical for ensuring accounting system activities are authorized and appropriate, and that the District can track specific user activity. For instance, during this followup, we found 2 instances of 2 different employees completing work within the accounting system under a single user account. By permitting shared account use, the District increases its risk for fraud, and if fraud were to occur, the risk that it could not identify which user was responsible. We will assess the District's efforts to implement this recommendation and to eliminate shared account access at the 24-month followup.

29. To comply with USFR requirements and credible industry standards for IT security, the District should establish comprehensive IT policies and procedures that assign responsibility for overseeing and monitoring IT operations and system access, require regular review of user accounts, and include processes to detect and respond to unauthorized or suspicious activity in compliance with the USFR.

- Status: **Not implemented.**

The District has not established policies nor procedures that assign responsibility for overseeing and monitoring IT operations and system access, require regular review of user accounts, and include processes to detect and respond to unauthorized or suspicious activity in compliance with the USFR. As of May 2026, administrators indicated that while important, they consider this matter a lower priority compared to other priorities they must address. We will assess the District's efforts to implement this recommendation at the 24-month followup.

30. To comply with USFR requirements and credible industry standards for IT security, the District should provide cyber-security awareness training to employees at least annually and document their participation.

- Status: **Implementation in process.**

The District required employees to complete cybersecurity awareness training by December 31, 2025. However, 1 of 9 District employees did not complete the required training. Additionally, we were unable to determine whether the training the District provided was aligned with the USFR and credible industry standards because administrators did not provide training materials upon our request for review. We will assess the District's efforts to implement this recommendation at the 24-month followup.

31. To comply with USFR requirements and credible industry standards for IT security, the District should 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 any deficiencies and document the test results.

- Status: **Not implemented.**

  The District has not yet developed an IT contingency plan. As of May 2026, administrators indicated that they do not have a timeline for developing or implementing a contingency plan, as they consider this matter a lower priority compared to other priorities they must address. However, by lacking an IT contingency plan, the District increases the risk for prolonged disruptions to its operations in the event of a system outage. We will assess the District's efforts to implement this recommendation at the 24-month followup.

Additional deficiency identified at the initial followup: In fiscal year 2026, the District transported students to and from activities in an 11- to 15-passenger van, potentially putting student safety at risk

District increased risk to student safety by transporting students in an 11- to 15-passenger van with fewer safety features than school buses

As discussed in recommendation 22, District staff occasionally use their personal vehicles to transport students to and from school-related activities, such as field trips. Our review of the District's fiscal year 2026 transportation log during this followup found that 1 employee was using a privately owned 11- to 15-passenger van to transport students. Although statute authorizes school districts to use these vans for student transportation in certain circumstances, both the Arizona Department of Public Safety (DPS) and the National Highway Traffic Safety Administration have cautioned school districts against using such vans for student transportation because of safety concerns. Effective April 8, 2026, DPS updated the *Minimum Standards for 11 to 15 Student Transportation Passenger Vehicles*.[2] The updates address safety concerns, such as crash-protection standards, set requirements related to paint colors and lighting, and specify that drivers must complete a minimum of 14 hours of classroom training.

District officials indicated during the followup that the District had intended to purchase the van for school use, but its insurance provider would not provide insurance coverage for a vehicle with more than 9 seats. Based on that information, the Board did not approve the District to purchase the van. After the Board denied the purchase, the van was purchased by a District administrator's son, and the District administrator began using the van to transport students. District officials indicated the van was used to transport students to and from field trips in September 2025 and

[2] Arizona Administrative Code R13-13-301 *et seq*.

March 2026. Although privately owned vehicles are not subject to DPS Minimum Standards requirements, as previously described, 11- to 15-passenger vans are associated with increased safety risks. Accordingly, DPS has determined that vehicle-specific safety equipment and driver training for 11- to 15-passenger vans is necessary to reduce the safety risks to students. As such, the District should ensure that it does not permit students to be transported in any 11- to 15-passenger van without ensuring the van meets DPS' specific vehicle safety standards and any driver has met DPS' driver training standards.

Recommendation to address additional deficiency identified in followup

32. The District should immediately stop using the 11- to 15-passenger van to transport students or ensure that the vehicle and driver meet DPS Minimum Standards specific to 11- to 15-passenger vans.