



# MOHAVE VALLEY SCHOOL DISTRICT #16

*Creating school communities in which all students can learn, no exceptions!*  
SMALL. SAFE. Neighborhood Schools!

April 7, 2021

Lindsey Perry  
Arizona Auditor General  
2910 N. 44th Street, Suite 410  
Phoenix, AZ. 85018

Ms. Perry:

Mohave Valley Elementary School District has received and reviewed the Performance Audit report conducted during the 2020-2021 school year. The recommendations made will assist our efforts to enhance and improve our internal operating procedures. After the opportunity to reflect and engage in the findings, Mohave Valley Elementary School District agrees with the findings and recommendations resulting from the audit and plans to expedite and implement the said recommendations. We continually strive to perform at the highest levels of academic and fiscal management.

Mohave Valley Elementary School District would like to thank the audit team for their insight, professionalism, and courtesy throughout the audit process, along with the opportunity to engage in discussions and collaboration.

If you have any questions, please feel free to contact me or Mrs. Jenette King, Business Manager.

Sincerely,

Cole Young  
MVESD Superintendent

**Finding 1:** District subsidized its food service program in fiscal years 2017 through 2019 with over \$167,000 that it could have spent on instruction

District Response: The District agrees with the finding.

**Recommendation 1:** The District should analyze whether participation in the standard National School Lunch Program or one of its other special provisions rather than participating in the Community Eligibility Program would be more financially beneficial to the District, and take action accordingly to help ensure that its food service program revenues cover the costs of the program.

District Response: The District agrees with the recommendation and has begun to have conversations with the Board to implement the recommendation.

The MVESD Governing Board highly values the opportunity to provide both a free breakfast and lunch to ALL of our students. The transitioning to CEP was a strategy to do this very thing. The Governing Board is aware that we have had to subsidize Food and Nutrition over the past several years as we have not been able to break even under CEP.

Currently, the District is in discussions with the Board concerning the pros and cons of the Community Eligibility Program (CEP). Financial data will be presented with an administrative recommendation to shift from CEP to Provision II once the appropriate data is collected. The goal, depending on the Board's approval, will shift the District to Provision II for the 2021-2022 school year.

**Finding 2:** District overpaid some employees, did not ensure all cash collected was deposited, and misclassified expenditures

District Response: The District agrees with the finding.

**Recommendation 2:** The District should pay its employees the accurate amount each pay period based on their pay rate and hours worked.

District Response: The District agrees with the recommendation and will implement the recommendation.

The District has implemented procedures to be sure internal controls are in place.

**Recommendation 3:** The District should strengthen its payroll process by having a second person review payroll information, such as pay rates and salary amounts entered into the payroll system, and review all payroll amounts and supporting documentation each pay period to ensure that all employees are paid accurately.

District Response: The District agrees with the recommendation and will implement the recommendation of a second-person review process.

**Recommendation 4:** The District should provide training on USFR cash-handling requirements to all employees involved in cash collection, deposit, and review.

District Response: The District agrees with the recommendation and will implement the training identified in the recommendation.



# MOHAVE VALLEY SCHOOL DISTRICT #16

*Creating school communities in which all students can learn, no exceptions!*

**SMALL. SAFE. Neighborhood Schools!**

**Recommendation 5:** The District should have an employee(s) review supporting documentation for all cash collected to ensure that pre-numbered receipts are issued; all documents, such as detailed cash collection reports and validated bank deposit receipts, are retained; and the District collected and deposited all monies it should have.

District Response: The District agrees with the recommendation and will implement the recommendation.

**Recommendation 6:** The District should implement procedures to ensure that all cash is deposited at least weekly as required by the USFR.

District Response: The District agrees with the recommendation and will implement the recommendation.

**Recommendation 7:** The District should ensure staff responsible for classifying expenditures review the Uniform Chart of Accounts for school districts at least annually and upon notification of changes, and implement its guidance to accurately account for and present the District's spending.

District Response: The District agrees with the recommendation and will implement the recommendation.

In the fiscal year 2019-2020 the District had been reviewing and correcting account codes to match that of the USFR guidance.

**Finding 3:** District did not adequately protect its computerized data, which increased the risk of unauthorized access to sensitive information, errors, fraud, and data loss

District Response: The District agrees with the finding.

District immediately has made changes to adequately protect its computerized data.

**Recommendation 8:** The District should better protect its sensitive computerized data from unauthorized access, errors, fraud, and data loss by:

**Recommendation 8a:** Reviewing industry password standards at least annually and implementing and enforcing strong network password requirements consistent with credible industry standards.

District Response: The District agrees with the recommendation and will implement the recommendation.

District intends to add a password filter into the Active Directory environment. The goal is to implement this safeguard no later than the end of the 20-21 school year.

**Recommendation 8b:** Reviewing and reducing the number of users with administrator-level access to its network.

District Response: The District agrees with the recommendation and will implement the recommendation.

The district has resolved this issue based on the information provided during the preliminary audit finding's discussion.

**Recommendation 8c:** Limiting users' access in the accounting system to only those accounting system functions needed to perform their job duties, including transferring administrator-level access to someone outside of the business office.

District Response: The District agrees with the recommendation and will implement the recommendation.

The District has resolved this issue based on the information provided during the preliminary audit finding's discussion.

**Recommendation 8d:** Immediately removing all unnecessary user accounts currently in its network and implementing additional procedures to regularly review users' network access and disable it when it is no longer needed and regularly review accounts to identify those that are no longer needed and promptly remove them.

District Response: The District agrees with the recommendation and will implement the recommendation.

The District has resolved this issue based on the information provided during the preliminary audit finding's discussion.

The District now reviews user accounts at the beginning of every month to ensure all accounts that needed to be removed/disabled are double-checked to ensure accuracy and timeliness.

**Recommendation 8e:** Reviewing its IT contingency plan to ensure it is complete, testing it at least annually to identify and remedy any deficiencies, and documenting the results of the tests.

District Response: The District agrees with the recommendation and will implement the recommendation.

During fiscal year 2021 the district was in the middle of implementing a backup plan and test restoration of random backup every three months.

The District is currently documenting the process of the contingency plan and looks to finalize the document prior to the start of the 21-22 school year.