Pine Strawberry Elementary School District

District employed more noninstructional staff than peer districts and did not ensure all cash was deposited, and a District Board member did not comply with conflict-of-interest law

Audit purpose
To assess the District’s spending on administration, plant operations and maintenance, food service, and transportation and its compliance with certain State requirements.

Key findings
- District employed 4 more administrative, custodial/maintenance, and food service employees than peer districts at a cost of about $258,100 in fiscal year 2020—monies that it could have spent on instruction or other District priorities. For example, the District could have increased its average teacher pay by $14,342 per teacher if it had spent these monies on teacher salaries instead.
- District Governing Board member failed to fully disclose and improperly participated in over $12,000 in payments to business for which he had substantial interest, and the District lacks written procedures for helping to ensure Board members comply with conflict-of-interest law.
- District did not ensure all cash collected was deposited and allowed users too much accounting system access, increasing its risk of errors and fraud.
- District misclassified nearly 12 percent of its operational expenditures, causing it to misreport its spending by operational category.

Key recommendations
The District should:
- Reduce its noninstructional spending by assessing staffing levels and reducing to levels similar to peer districts’ averages.
- Help ensure its Board members follow State conflict-of-interest law by developing and implementing written procedures, including implementing a secondary review, to identify conflicts of interest and enhancing its Board member conflict-of-interest training.
- Follow the Uniform System of Financial Records for Arizona School Districts cash-handling requirements to ensure all cash collected is deposited.
- Review and limit accounting system users’ access levels.
- Ensure staff responsible for classifying expenditures review the Uniform Chart of Accounts for school districts at least annually and when there are changes and implement its guidance.