

Bagdad Unified School District

District did not comply with State laws or USFR requirements, putting public monies and sensitive information at risk, and risked student safety by not complying with school bus driver random drug and alcohol testing requirements and not performing systematic bus preventative maintenance

Audit purpose

To assess the District's efficiency and effectiveness in 4 operational areas—administration, plant operations and maintenance, food service, and transportation—and its compliance with certain State requirements.

Key findings

- District did not follow open meeting laws when it failed to accept almost \$3.6 million in contributions during Governing Board meetings that were open to the public.
- District superintendent improperly participated in drafting and revising service proposals with nearby school district despite an apparent conflict of interest, and the District failed to use statutorily required intergovernmental agreements (IGAs) for these services.
- District did not safeguard donations valued at \$2,825 and could not provide evidence they were distributed to intended graduating students, increasing its risk of loss or misuse.
- District allowed users too much accounting system and network access and did not implement an IT contingency plan, increasing its risk of errors, fraud, and data loss.
- District did not comply with school bus driver random drug and alcohol testing requirements and did not perform systematic bus maintenance nor keep bus maintenance records, putting student safety at risk.

Key recommendations

The District should:

- Strengthen existing policies and develop and implement written policies and procedures to ensure it complies with State laws governing open meetings, conflicts of interest, and IGAs.
- Develop and provide periodic employee training regarding open meeting, conflict-of-interest, and IGA requirements to ensure employees are aware of these requirements and how to comply with them.
- Follow the *Uniform System of Financial Records for Arizona School Districts* (USFR) separation of duties requirements to ensure no one employee can receive and record donated items without an independent review.
- Review and limit accounting system users' access levels, remove unnecessary user accounts from its network, and develop and implement an IT contingency plan that meets USFR requirements.
- Develop and implement a school bus driver random drug and alcohol testing policy in accordance with the State's *Minimum Standards for School Buses and School Bus Drivers*, and develop and implement bus preventative maintenance policies and ensure mechanics perform and document services on schedule.