

RESULTS

Sjoberg Evashenk Consulting, Inc. was engaged by the Arizona Auditor General to conduct a performance audit of Globe Unified School District (District) pursuant to Arizona Revised Statutes §41-1279.03(A)(9) and determine 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. We found that some of the District’s important internal controls were insufficient, and it did not comply with requirements in multiple areas, putting public monies, sensitive data, and student safety at risk.

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.

BACKGROUND

In fiscal year 2022, Globe Unified School District was classified as a rural school district located in Gila County responsible for the education of over 1,500 students. The District has 3 schools providing education services for students in kindergarten through 12th grade.

KEY FINDINGS

- District did not comply with bus driver random drug and alcohol testing and record retention requirements and inaccurately reported its bus mileage and ridership amounts for State funding purposes.
- District did not properly oversee its purchasing and accounts payable functions, resulting in expenditures exceeding authorized amounts, expenditures lacking documentation to support that they were for valid District purposes, and coding errors in the District’s accounting system.
- District did not properly monitor purchase card usage and had an excessive number of cards and users, increasing the risk for errors and fraud.
- District’s inadequate cash-handling internal controls and lack of separation of duties increased the risk potential for fraud, waste, or abuse to occur and go undetected.
- District allowed users too much accounting system access and did not timely disable network access, and access authentication and password controls were not sufficient, increasing its risk of errors, fraud, and data loss.

KEY RECOMMENDATIONS

The District should:

- Develop and implement procedures to ensure that it conducts random alcohol and controlled substance tests for the required number of school bus drivers and that it documents and maintains all testing results in accordance with Department of Public Safety’s *Minimum Standards for School Buses and School Bus Drivers* and State/federal requirements.
- Establish written policies and procedures that provide effective internal controls over credit cards, purchasing, accounts payable, cash-handling, and bank accounts to ensure compliance with the applicable State laws and *Uniform System of Financial Records for Arizona School Districts* requirements.
- Separate cash-handling duties from employees with recordkeeping responsibilities, such as for its food service program, and require a separate employee to prepare either deposits or reconciliations, but not both.
- Review and reduce the number of users with excessive access to its accounting system to only functions necessary to perform their job duties.