

Mountain Institute Career and Technical Education District

District spent \$3 million on career and technical education (CTE) programs in fiscal year 2022 but had not established critical accounting and IT controls to prevent errors, fraud, and data loss; lacked policies governing \$2.4 million in accumulated fund balances; and did not collect, validate, and use key CTE program outcome data to demonstrate how it effectively prepared students for high-need occupations

Audit purpose

To determine whether the District was meeting its statutory purpose to prepare students for high-need occupations, spending State monies appropriately, and following best practices.

Key findings

- District did not separate employee responsibilities relating to cash handling and credit cards, increasing its risk of errors and fraud, and it overpaid 3 employees by a total of \$3,619.
- District did not collect, validate, and use complete data to assess whether the \$3 million it spent on CTE programs prepared students for high-need occupations and led them to earn industry certifications.
- Contrary to recommended practices, the District lacked a formal policy governing the \$2.4 million it had accumulated in fund balances, including \$1.6 million in unrestricted general fund monies.
- District did not ensure that its member districts used District-provided monies to supplement rather than supplant their CTE spending, which could negatively impact the quality of CTE programs provided.
- District's information systems and operations are at risk for unauthorized access to sensitive information, data loss, and cyberattacks because it intentionally left accounts belonging to terminated employees active, did not require multi-factor authentication (MFA), and did not require security awareness training for staff.

Key recommendations

The District should:

- Develop and implement written policies and procedures to separate employee responsibilities relating to cash handling and credit cards.
- Regularly reconcile payroll distributions to employee contracts, correct overpayments made to employees, and ensure problems with its payroll system that contributed to the overpayments are corrected.
- Develop and implement consistent protocols for collecting and validating outcome data and analyze program data to evaluate the effectiveness of CTE programs and identify needed changes.
- Develop and implement a formal fund balance policy consistent with recommended practices.
- Ensure that CTE monies are being used to supplement rather than supplant member district CTE spending.
- Develop and implement written policies and procedures to ensure only current employees can access its IT systems, require strong authentication controls, and train employees about IT security annually.