




Western Arizona Vocational Education District 30-Month Followup of Report 22-201

The February 2022 Western Arizona Vocational Education District performance audit found that the District did not adequately assess whether it prepared students for high-need occupations and did so in an efficient manner; had no policy for its large fund balance; and allowed accounting system users too much access, increasing the risk of errors and fraud. We made **8** recommendations to the District.

District’s status in implementing 8 recommendations

Implementation status	Number of recommendations
 Implemented	6 recommendations
 Implemented in a different manner	1 recommendation
 No longer applicable	1 recommendation

Unless otherwise directed by the Joint Legislative Audit Committee, this report concludes our followup work on the District’s efforts to implement the recommendations from the February 2022 report.

Recommendations to the District

Finding 1: District did not collect and analyze certain key student outcome data in fiscal year 2018 to help assess whether its CTE programs prepared students for high-need occupations

1. The District should collect job and industry certification data, such as the job titles, for the specific jobs obtained by former students who completed a CTE program to assess whether the job is in a high-need occupation.

▶ Status: **Implemented at 30 months.**

The District collected placement and certification data as required by ADE, including determining whether placement survey respondents were placed in high-need occupations related to their CTE programs. We reviewed the District's placement surveys for 62 District students who graduated from CTE programs in 2023 and found that the placement survey data for all 9 students placed in a high-need occupation related to their CTE program contained information regarding their employers, job titles, or duties to support the District's determination that these graduates had been placed in high-need occupations using CTE program skills.

2. The District should analyze postgraduation job data and industry certification data it collects to evaluate the effectiveness of its CTE programs in preparing students for high-need occupations.

▶ Status: **Implemented at 30 months.**

District officials indicated that the District continues to analyze several data sources to evaluate the effectiveness of its CTE programs in preparing students for high-need occupations and to determine where improvements can be made. For example, District officials reported hiring a support services coordinator during the 2022-2023 school year to examine data gathered from job placement surveys, industry certifications, graduation rates, and CTE Technical Skills Assessments and to work with administrators to determine what changes should be made to their programs based on this data. For example, the District indicated that based on its analysis, it decided to provide a stipend to teachers to compensate them for time outside of class necessary to improve program quality. Additionally, in the 2023-2024 school year, the District hired 4 CTE counselors to assist students with credential attainment and college preparation. Finally, as discussed in recommendation 1, the placement data the District used for some of its analysis now includes key pieces of information such as job titles or job duties, which are critical for evaluating whether the student's post-graduation job placement was in a high-need occupation related to their CTE program.

3. The District should accurately report to ADE postgraduation employment and industry certification data for all its CTE students as required by ADE starting with the 2021-2022 school year.

▶ Status: **Implemented at 30 months.**

We reviewed the District's postgraduation employment and industry certification data for students who graduated during the 2022-2023 school year and found that the District accurately reported this data to ADE. As discussed in recommendation 1, we reviewed the District's data for 2023 graduates and found that it contained the information necessary to determine whether the student's placement was in a high-need occupation related to their CTE program and support its reporting to ADE.

Finding 2: District did not determine if a more expensive central program resulted in better key student outcomes and therefore was efficient use of public monies

4. The District should collect and analyze key outcome data, like those recommended in Finding 1, to determine whether its higher spending on its Lake Havasu Culinary Arts central program produces more benefits or better outcomes than its other less expensive culinary arts programs, which would justify its higher spending.

▶ Status: **Implemented at 18 months.**

The District conducted an analysis of its Lake Havasu Culinary Arts program and determined that the higher per student spending for this program is justified by the program's outcomes. This analysis primarily focused on student skills assessment scores, industry certifications, and the Lake Havasu program students' participation in the Careers Through Culinary Arts Program, which allows Lake Havasu students to earn scholarships for future education. The District's analysis showed students who attended the Lake Havasu Culinary Arts program had higher pass rates on skills assessments and earned more industry certifications than students at the less expensive culinary arts programs. For example, we reviewed fiscal year 2023 data provided by the District for culinary students and found that 39 of 45 Lake Havasu culinary students tested, or 87 percent, passed ADE's technical skills assessment, while the member districts reported 18 of 37 (49 percent) and 6 of 21 (29 percent) students tested, respectively, passed the technical skills assessment. Additionally, our review of District-provided reports found that for fiscal year 2023, 82 percent of student concentrators in the Lake Havasu Culinary Arts program who graduated high school earned a recognized industry credential, while only 1 of the less expensive Culinary Arts programs had students who also earned industry credentials. The 1 member district reported that 15 percent of student concentrators in its culinary arts program who graduated high school earned a recognized industry credential.

5. The District should, if it determines that its higher spending on its Lake Havasu Culinary Arts central program does not produce more benefits or better outcomes, identify and implement options to improve the efficiency of a culinary arts program in Lake Havasu. These options may include offering additional classes to increase its enrollment and take advantage of economies of scale or selling its Lake Havasu Culinary Arts building and partnering with

Lake Havasu High School or Mohave Community College (MCC) to offer a culinary arts program on 1 of its campuses.

▶ Status: **No longer applicable.**

As discussed in recommendation 4, the District conducted an analysis and determined that its Lake Havasu Culinary Arts program produced more benefits and/or better outcomes compared to programs that spent less per student enrollment. Therefore, the District reported it does not intend to take further action to identify and implement options to improve the efficiency of its Lake Havasu Culinary Arts program.

Finding 3: District accumulated \$7 million in unspent fund balance by end of fiscal year 2020—more than 2 years of operating reserves—but did not have policy regarding purpose or amount to maintain

6. The District should follow best practices guidance by developing and implementing a formal policy for the level of fund balance that it will maintain and for what purpose it will maintain the balance.

▶ Status: **Implemented at 18 months.**

In November 2023, the Governing Board (Board) voted to approve a fund balance policy. The policy approved by the Board set the District's fund balance level at a minimum of 12 months of operating expenditures up to a maximum of \$12 million. According to the District's policy, its general fund balance will be maintained for the purpose of covering unanticipated expenditures, as well as to allow the District to accumulate money for large projects rather than issuing bonds to finance projects. The policy states that if the fund balance falls below the minimum level or goes above the maximum level, the Board and superintendent will review expenditures and work with member districts to develop a plan for how to proceed. According to the District's policy, the Board will review the fund balance at least annually to determine short- and long-term projects for both District and member district expenditures.

7. The District should develop and implement a plan that its governing board approves for how it will spend any money it has in excess of its approved fund balance policy on its CTE programs at its central and satellite campuses.

▶ Status: **Implemented at 30 months.**

In the previous 18-month followup, we reported that the District's ending fiscal year 2023 fund balance was approximately \$13.3 million, which exceeded the allowable maximum set in the District's policy. Since then, the District worked to identify expenditures to support its programs, such as purchasing various capital items for its member districts, in accordance with its fund balance policy. As of the end of fiscal year 2024, the District reported on its *Annual Financial Report* that its fund balance was approximately \$10.9 million, which is below the maximum amount in the District's policy.

Finding 4: District allowed accounting system users too much access increasing its risk that these users could commit errors or fraud without being detected

8. The District should work with the County to limit the access of accounting system users, including District and County employees, to only those functions needed to perform their job duties and ensure that no one person can initiate and complete a transaction without an independent review and approval.

▶ Status: **Implemented in a different manner at 12 months.**

We reviewed the District's accounting system users as of February 2023 and found that the District had reduced the number of system users with too much access from 6 to 2. According to the District, to address the 2 remaining users, who are District employees, it has implemented additional County employee reviews and approvals prior to processing transactions as compensating controls. Our review of the District's user access levels for the accounting system found that District officials are unable to generate final payment for payroll or purchases and that County staff are responsible for this function.