

Valley Union High School
In the Heart of the Sulphur Springs Valley
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VALLEY UNION HIGH SCHOOL DISTRICT

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March 28, 2025,

Lisa S. Parke, CPA
Audit & Assurance Partner
Walker & Armstrong
1850 N. Central Avenue, Suite 400
Phoenix, AZ 85004

Dear Ms. Parke:

Please accept Valley Union High School District's response to the performance audit that has recently been completed. The administration and governing board accept the findings, have already implemented some recommendations, and will continue to diligently work to implement the remaining recommendations.

The District would like to share our appreciation to the audit team for their professionalism and patience while conducting the audit. Thank you for working with us in such a positive way that helped us grow through this process.

Sincerely,



Edgar Garcia
Superintendent

Audit scope limitation: District failed to maintain required accounting and transportation records, limiting the scope of our review, and increasing its risk of undetected student safety concerns, fraud, waste, and misuse.

District Response: The finding is agreed to.

Recommendation 1: Develop and implement internal controls to ensure that all financial and operational activities are adequately documented, including implementing supervisory review processes, providing comprehensive training to staff on the importance of maintaining proper records and the procedures for documenting transactions and activities, and monitoring compliance with documentation requirements.

District Response: The audit recommendation will be implemented.

Recommendation 2: Develop and implement policies and procedures to ensure that school buses are maintained in accordance with Minimum Standards, including establishing preventative maintenance requirements and maintaining records documenting activities such as required preventative maintenance and pre-trip safety inspections.

District Response: The audit recommendation will be implemented.

Recommendation 3: Develop and implement policies and procedures for managing its fleet vehicles in accordance with the USFR, including requiring vehicles to be used only by authorized personnel for authorized purposes and requiring vehicle usage and the purpose of travel be documented and monitored.

District Response: The audit recommendation will be implemented.

Finding 1: District's errors on annual transportation reports resulted in it not receiving nearly \$20,000 in State funding it was entitled to receive.

District Response: The finding is agreed to.

Recommendation 4: Annually submit accurate and complete required transportation reports to ADE for State funding purposes by developing and implementing procedures to ensure transportation information, including the number of eligible students transported and miles driven, is accurately reported. The procedures should include a secondary review process before submitting transportation reporting to ADE.

District Response: The audit recommendation will be implemented.

Recommendation 5: Develop and implement procedures to review transportation funding amounts received and compare the amounts to budgeted amounts.

District Response: The audit recommendation will be implemented.

Finding 2: District lacked important internal controls in various areas, potentially compromising student safety and increasing the risk for payment errors and unauthorized purchases.

District Response: The finding is agreed to.

Recommendation 6: Immediately review all employee files to ensure that all required personnel have valid fingerprint clearance cards on file.

District Response: The audit recommendation will be implemented.

Recommendation 7: Develop and implement a process to ensure that all required personnel have a valid fingerprint clearance card, including monitoring and regularly reviewing and confirming the validity of employees' fingerprint clearance cards.

District Response: The audit recommendation will be implemented.

Recommendation 8: Develop and implement written policies and procedures for payroll that include a thorough review to verify that employee pay is processed in accordance with statute.

District Response: The audit recommendation will be implemented.

Finding 3: District did not ensure its intergovernmental agreements (IGAs) were in its best interest and did not monitor agreements and contracts, increasing its risk of waste, fraud, and abuse.

District Response: The finding is agreed to.

Recommendation 9: Develop and implement a process for verifying the number of meals served to Elfrida students to ensure the District is correctly paid for all meals served under its contract.

District Response: The audit recommendation will be implemented.

Recommendation 10: Work with Elfrida ESD to revise its IGAs to specify each district's responsibilities, including outlining staff job duties for each district, determining how shared district staff members should allocate and track their time under the agreement, establishing a process for requesting and receiving payment for IGA services, and ensuring that the districts are fairly compensated for the resources required to be provided.

District Response: The audit recommendation will be implemented.

Recommendation 11: Seek payment of the \$60,000 from Elfrida ESD required by the administrative services, transportation, and facilities IGA for fiscal year 2023.

District Response: The audit recommendation will be implemented.

Recommendation 12: Review payments in prior years and for fiscal year 2024 to ensure Elfrida ESD paid for services provided under IGAs and if not, seek payment.

District Response: The audit recommendation will be implemented.

Recommendation 13: When reviewing its contract for cleaning services, determine the most cost effective method for obtaining cleaning services and initiate the appropriate process for obtaining these services.

District Response: The audit recommendation will be implemented.

Recommendation 14: If it continues to contract for cleaning services, require its cleaning contractor to provide detailed invoices with explanations of charges for the hours and services provided, and ensure the charges are reasonable and in accordance with the terms of the contract prior to paying the invoices.

District Response: The audit recommendation will be implemented.

Response explanation: The District will no longer contract for cleaning services. Instead, we are transitioning to hiring a cleaning person as a district employee. This change will provide greater oversight, accountability, and cost control. As a result, the concerns regarding invoicing, service verification, and contract compliance will be resolved through direct supervision of in-house staff.

Finding 4: Board members and employees did not comply with conflict-of-interest requirements, increasing the risk that undisclosed substantial interests could influence Board members' and employees' official conduct.

District Response: The finding is agreed to.

Recommendation 15: Develop and implement procedures to ensure District employees and Governing Board members complete conflict-of-interest disclosure forms upon hire or at the beginning of their terms and annually thereafter in accordance with District policy, and maintain a file of such documents available for public inspection.

District Response: The audit recommendation will be implemented.

Recommendation 16: Develop and implement a process to timely review completed conflict-of-interest disclosure forms to identify and remediate disclosed conflicts-of-interest to comply with District policies and State conflict-of-interest laws.

District Response: The audit recommendation will be implemented.

Recommendation 17: Regularly provide training to Board members and employees about conflict-of-interest laws and requirements and the importance of compliance.

District Response: The audit recommendation will be implemented.

Finding 5: District's excessive access to its sensitive computerized data and other IT deficiencies increased the risk of unauthorized access to its network and sensitive information, errors, fraud, and data loss.

District Response: The finding is agreed to.

Recommendation 18: Protect its sensitive computerized data by limiting users' access to its accounting and student information systems to only those functions needed to perform their job duties, including removing employees' full access and limiting administrator-level access.

District Response: The audit recommendation will be implemented.

Recommendation 19: Develop and implement written policies and procedures to assign and periodically review accounting and student information systems access for employee accounts to ensure they have access to only those accounting system functions needed to perform their job duties.

District Response: The audit recommendation will be implemented.

Recommendation 20: Immediately disable or remove all unnecessary user accounts in its accounting and student information systems and implement a review process to ensure access to all systems is removed immediately when an employee is terminated.

District Response: The audit recommendation will be implemented.

Recommendation 21: Implement and enforce strong password requirements that align with credible industry standards to decrease the risk of unauthorized persons gaining access to sensitive District information and disrupting operations.

District Response: The audit recommendation will be implemented.

Recommendation 22: Develop and implement policies and procedures to regularly review the District's password standards against credible industry password standards at least annually.

District Response: The audit recommendation will be implemented.

Recommendation 23: Develop and implement policies and procedures to regularly review the District's password standards against credible industry password standards at least annually.

District Response: The audit recommendation will be implemented.

Recommendation 24: Develop and implement written policies and procedures to limit physical access to sensitive IT equipment to only appropriate personnel, including procedures for distributing, tracking, and collecting keys, and requiring employees to sign agreements outlining their responsibilities for securing IT areas.

District Response: The audit recommendation will be implemented.

Recommendation 25: Ensure that critical IT hardware and equipment, such as servers, are securely maintained in a climate-controlled environment with fire detection and suppression systems and that hazards such as tangled wires are eliminated.

District Response: The audit recommendation will be implemented.

Recommendation 26: Develop and implement an IT contingency plan that meets USFR requirements and credible industry standards and test the plan at least annually to identify and remedy deficiencies and document the test results.

District Response: The audit recommendation will be implemented.

Recommendation 27: Develop and implement policies and procedures to provide District staff security awareness training at least annually.

District Response: The audit recommendation will be implemented.

