

East Valley Institute of Technology Report 1 of 2

District spent \$85.9 million on career and technical education (CTE) programs in fiscal year 2022 but did not follow requirements, recommended practices, or its policies in various areas, increasing its risk for errors, fraud, and data loss; 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 if the District was meeting its statutory purposes to prepare students for high-need occupations, spending State monies appropriately, and following best practices.

Key findings

- District did not comply with important cash-handling requirements, resulting in potential loss of CTE program monies and increased risk of fraud.
- During fiscal year 2022, the District spent nearly \$14,500 to provide food and beverages at District events without Board approval, limiting public transparency into the District's activities.
- District's IGAs with member districts did not always provide member districts sufficient time to plan satellite programs, resulting in a member district spending monies to set up a program subsequently disapproved by the Board.
- District did not follow recommended practices for collecting, validating, and using key outcome data; calculating adult education fees to cover expenses, including not addressing a deficit of more than \$1.6 million in fiscal years 2021 through 2022; establishing a fund balance policy for its \$71 million in balances; and safeguarding sensitive computerized data.

Key recommendations

The District should:

- Establish and maintain effective policies and procedures to safeguard cash, prevent its loss or misuse, provide prompt and intact depositing, and ensure its accurate recording.
- Stop providing food and beverages for any purposes without prior Board approval, and for each allowable District event for which it provides food and beverages, the District should document its statutory authority and the public purpose and benefit of providing food and beverages at the event, ensure the event and all purchases are in accordance with its policies, and maintain documentation supporting all purchases.
- Update its IGAs with member districts to provide sufficient time for member districts to plan for approved satellite programs.
- Calculate the full cost of providing each adult education program, and use this information to set tuition and fees for these programs to ensure they cover program expenses.
- Develop and implement consistent data collection protocols for all CTE programs to demonstrate compliance with statutory and ADE requirements and recommended practices, and analyze all CTE program outcome data to evaluate the effectiveness of the CTE programs in preparing students for high-need occupations and to support the investment of any public monies.