

Valley Union High School District

District failed to maintain required records, limiting the scope of our review; erroneously reported transportation data, which led to reduced funding; lacked internal controls in critical areas; failed to manage intergovernmental agreements; and did not comply with requirements for conflicts-of-interest and IT security, putting student safety, public monies, and sensitive computerized data 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.

Key findings

- District failed to maintain required documentation in some areas, limiting the scope of our review and increasing the risk of undetected fraud, misuse, and student safety issues.
- District did not receive nearly \$20,000 in State funding because it erroneously reported a school bus as retired from service when the school bus was still actively being used to transport students.
- District lacked key internal controls over payroll and purchasing processes, resulting in payment errors, and did not complete fingerprint verifications, potentially increasing risks to student safety.
- District did not ensure its intergovernmental agreements (IGAs) and contracted janitorial services were in the District's best interest, resulting in more than \$60,000 in uncollected revenues and potentially wasteful spending.
- District failed to enforce information technology (IT) and conflict-of-interest policies, increasing risks of data breaches and undisclosed personal interests that could affect employees' or Board members' official conduct.

Key recommendations

The District should:

- Implement internal controls and training to ensure its financial and operational activities are in accordance with USFR requirements, and appropriately supervised and documented.
- Establish procedures to ensure accurate transportation reporting and reconciliation of funding received.
- Strengthen payroll and human resource processes, including conducting fingerprint verifications and secondary payroll reviews.
- Monitor and revise its IGAs to define responsibilities and ensure that the District receives reasonable compensation, and evaluate whether its contracted janitorial services are cost-effective and meet the District's needs.
- Enforce IT security protocols, limit user access, secure equipment, test contingency plans, and ensure conflict-of-interest compliance and training.