



# NEWS RELEASE

Arizona House of Representatives

Representative Matt Gress (R-4)

Representative Beverly Pingerelli (R-28)

1700 West Washington • Phoenix, Arizona • 85007

---

Wednesday, April 12, 2023

FOR IMMEDIATE RELEASE

## House Audit and Education Chairs Question Yuma Area School District's Audit Failures

**STATE CAPITOL, PHOENIX** – Arizona State House Chairman of the Joint Legislative Audit Committee, Representative Matt Gress, and the House Education Chairwoman Representative Beverly Pingerelli have questions for Gadsden Elementary School District in San Luis after a troubling [30-month follow-up report](#) issued in March regarding a 2020 performance audit.

According to the Auditor General, the May 2020 performance audit found the Gadsden District “paid employees for time not worked, limited public access to some Governing Board (Board) meetings and wasted \$65,000 on unnecessary travel, and lacked oversight of its transportation program.”

30 months after the performance audit, the Gadsden School District has yet to fix seven of thirteen findings. The follow-up report shows the school district has yet to correct several glaring accountability features which directly led to previous fraud in the district. In July 2021, the Arizona Auditor General reported fraud in the business office because employees had “broad access” to initiate and complete payroll transactions without another employee reviewing and approving transactions. This basic lack of financial accountability led to an employee being caught stealing roughly \$8,000. The employee was sentenced to three years’ probation.

**“Allowing this practice to continue some 30 months after they were caught is troubling,”** said Representatives Gress and Pingerelli. **“The audits from the Arizona Auditor General are consequential reviews and are not to be mocked with inaction. These audits are one of the few independent tools the Legislature has to measure efficiency, effectiveness, and legal compliance in the state’s largest annual investment, K-12 education. The Legislature, and the public, are due answers from Gadsden Elementary.”**

A copy of the Representatives’ letter is attached.

*Matt Gress is a Republican member of the Arizona House of Representatives serving Legislative District 4 in Phoenix. He also serves as Chairman of the House Appropriations Subcommittee on Budgetary Funding Formulas. Follow him on Twitter at @MatthewGress.*

*Beverly Pingerelli is a Republican member of the Arizona House of Representatives serving Legislative District 28 in Peoria, Sun City, Sun City West, and Phoenix, and is Chair of the House Committee on Education. Follow her on Twitter at @BevPingerelli.*

###

MATT GRESS  
1700 WEST WASHINGTON, SUITE H  
PHOENIX, ARIZONA 85007-2844  
CAPITOL PHONE: (602) 926-4105  
TOLL FREE: 1-800-352-8404  
mgress@azleg.gov

DISTRICT 4

COMMITTEES:  
APPROPRIATIONS  
SUBCOMMITTEE ON Budgetary  
Funding  
Formulas, Chairman  
COMMERCE  
HEALTH & HUMAN SERVICES

JOINT LEGISLATIVE AUDIT  
COMMITTEE  
Chairman 2024  
JOINT LEGISLATIVE BUDGET  
COMMITTEE  
JOINT COMMITTEE ON CAPITAL  
REVIEW

April 12, 2023

Luis Marquez, Board President  
Lizeth Esparza, Superintendent  
Gadsden Elementary School District  
1350 E. Cesar Chavez Blvd  
San Luis, AZ 85349

President Marquez and Superintendent Esparza,

The Arizona State Legislature recently received the 30-Month Follow-Up report on the 2020 Gadsden Elementary School District Performance Audit.

The Legislature finds school district Performance Audits and the follow-up process to be of upmost importance. It is one of the few independent tools the Legislature has to measure efficiency, effectiveness, and legal compliance in the State's largest annual investment, K-12 education. The 30-Month Follow-Up report suggests a lower level of interest in the Performance Audit process on behalf of the district. We hope that can be clarified.

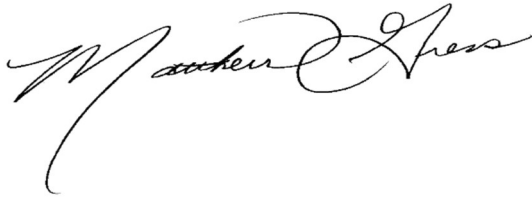
Of the seven findings that remain 'Not implemented', most of them are tasks related to adopting and implementing policies and procedures related to accountability of financial and physical assets. Of particular concern is Finding #4, that the district has yet to implement separate roles responsibilities for entering and updating employee pay and benefit information, a deficit that contributed to documented fraud in the recent past.

If the district disagrees with the practice of segregating financial responsibilities to ensure multiple employees validate expenses, we wish to hear what practice is preferred. If the district believes state law does not mandate or encourage this practice, we would be interested to look into the manner from a state policy perspective.

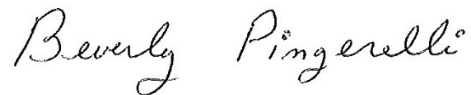
The Joint Legislative Audit Committee publicly reviews audits of importance at quarterly meetings at the Legislature. The next meeting is not yet scheduled but likely will meet in late May. We look forward to your response well in advance of the public meeting.

Thank you for your time and consideration

Regards,

A handwritten signature in black ink, appearing to read "Matt Gress". The signature is fluid and cursive, with a large initial "M" and a long, sweeping underline.

Representative Matt Gress  
Legislative District 4  
Arizona House of Representatives  
Chairman 2024 | Joint Legislative Audit Committee

A handwritten signature in black ink, appearing to read "Beverly Pingerelli". The signature is cursive and elegant, with a large initial "B" and a long, sweeping underline.

Representative Beverly Pingerelli  
Legislative District 28  
Arizona House of Representatives  
Chairwoman | Education Committee