

## Page Unified School District

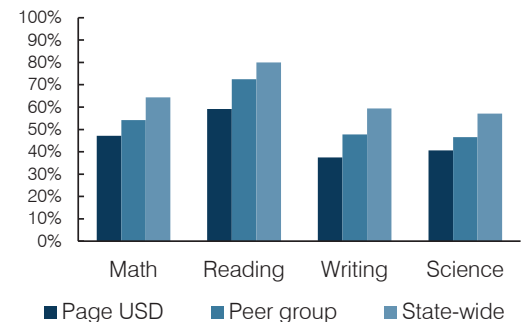
**CONCLUSION:** In fiscal year 2014, Page Unified School District's student achievement was slightly lower than peer districts', on average, and its operational efficiency varied by area. The District operated with higher per pupil costs in all noninstructional areas. Some of the higher costs were reasonable; however, improvements are needed in some areas. The District's per pupil administrative costs were higher than peer districts' primarily because it incurred several one-time leave payouts to employees leaving the District to pay for their accrued vacation and sick balances and because it incurred more travel costs likely because of its remote location and travel for several new employees' training. However, the District needs to strengthen some of its computer controls. The District's plant operations costs were much higher per pupil because it maintained some atypical building space, and its food service program operated with a higher cost per meal that may have been a result of it not sufficiently overseeing its food service program, which was operated by a vendor. The District's transportation program operated with slightly higher costs primarily because of a long-term highway closure, but the District did not accurately report its riders, needs to strengthen controls over fuel inventory and purchases, and should consider safety concerns associated with vans used for student transportation.

### Student achievement slightly lower and operational efficiency varied by area

**Student achievement slightly lower than peer districts'**—In fiscal year 2014, Page USD's student AIMS scores were slightly lower than peer districts' averages in the four tested areas. Further, under the Arizona Department of Education's A-F Letter Grade Accountability System, the District received an overall letter grade of C. Eight of the peer districts also received a letter grade of C, while one received an A, seven received Bs, and two received Ds. The District's 73 percent graduation rate was similar to the State's 76 percent average, but lower than the peer districts' 80 percent average.

**Operational efficiency varied by area**—In fiscal year 2014, Page USD's administrative costs per pupil were higher than the peer districts' primarily because it incurred several one-time leave payouts to employees leaving the District to pay for their accrued vacation and sick balances and because it incurred more travel costs likely because of its remote location and travel for several new employees' training. In addition, its plant operations costs were much higher per pupil because the District maintained some atypical building space. The District's food service program operated with a higher cost per meal, which may have been a result of the District not sufficiently overseeing its food service program, which was operated by a vendor. The District's transportation program operated with slightly higher costs primarily because of a long-term highway closure.

### Percentage of students who met or exceeded state standards (AIMS) Fiscal year 2014



### Comparison of per pupil expenditures by operational area Fiscal year 2014

	Page USD	Peer group average
Administration	\$ 876	\$ 789
Plant operations	1,389	1,009
Food service	416	386
Transportation	566	406

### District needs to strengthen controls over computer network and systems

**Inadequate computer controls**—Page USD lacked adequate controls over its computer network and its student information and accounting systems. More specifically, we reviewed the District's fiscal year 2015 user access report for 12 of the 48 accounting system users and found that three employees had more access to the accounting system than

they needed to perform their job duties. We also identified 13 unnecessary administrator accounts in the District's student information system, which allows the users full control over system settings. Additionally, the District did not have strong password requirements for its computer network and accounting and student information systems. Further, the District did not have sufficient procedures to ensure that only current employees had access to its student information system.

**Lack of a contingency plan**—The District lacked a written, up-to-date, and tested contingency plan for its network and critical financial and student information systems. Having a written and properly designed contingency plan would help ensure continued operations in the event of a system or equipment failure or interruption.

### Recommendations

The District should:

- Limit employees' access to only those accounting system functions needed to perform their job responsibilities.
- Review and eliminate unnecessary accounts with administrator-level access.
- Implement stronger password requirements.
- Ensure that terminated employees have their system access promptly removed.
- Create a formal IT contingency plan and test it periodically.

## Insufficient district oversight of vendor may have led to high food service costs

Page USD's fiscal year 2014 cost per meal was 14 percent higher than the peer districts' average. These high costs may have been a result of the District not sufficiently overseeing its food service program, which was operated by a vendor in fiscal year 2014. We identified inefficiencies in vendor operations, which likely contributed to these high costs. More specifically, the District's salary and benefit costs were 35 percent higher than the peer districts' average. Additionally, we identified overproduction of some meal options, which increased the District's food and labor costs and highlights the need for the District to better oversee the program. The District should also consider rebidding its food service contract to obtain more favorable terms.

### Recommendations

The District should:

- Monitor food service operations and costs to help ensure operations are efficient.
- Consider rebidding its food service contract to obtain more favorable terms.

## District should improve controls over its transportation program

In fiscal year 2014, Page USD did not accurately report riders for state funding purposes and did not maintain records supporting the number of riders transported. The District also lacked sufficient controls over its fuel inventory. For example, the District has an electronic fueling system that logs information such as the number of gallons pumped and the vehicle odometer reading at each fueling, and employees also completed manual fuel logs; however, the District did not investigate inconsistencies between the logs. We reviewed the logs for 1 month and found that although the District identified 40 inconsistencies between the electronic and manual logs—primarily differences in the number of gallons pumped—these inconsistencies were not investigated. Additionally, we identified a large fluctuation in miles per gallon for one bus that may be due to poor recordkeeping or possible inappropriate fuel use. Further, the District uses fuel purchase cards for filling vehicles while on trips, and our review of the billings identified some unusual purchases such as unleaded fuel purchased using the fuel card for a bus that operates on diesel fuel and purchases occurring on Friday evenings and weekends. Lastly, the District should consider safety concerns associated with vans used for student transportation.

### Recommendations

The District should:

- Accurately calculate and report riders transported for state funding purposes and maintain supporting records.
- Implement proper controls over its fuel inventory and fuel cards.
- Evaluate the continued use of its 15-passenger vans for student transportation.