

**REPORT
 HIGHLIGHTS**
 PERFORMANCE AUDIT

Our Conclusion

In fiscal year 2009, Antelope Union High School District's student achievement was much higher than the peer districts' averages, and despite some higher operational costs per pupil, it operated efficiently overall. The District's administration and plant operations costs were much lower than peer averages, and its transportation program operated efficiently with efficient routes and lower costs per mile and per rider than peer districts'. The District's food service costs were slightly higher per meal than peer districts' but the District has already taken steps to address these costs. However, the District needs to address inadequate IT controls.

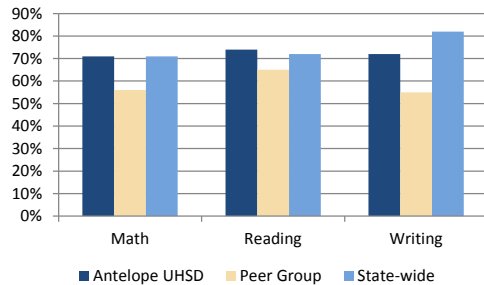


2011

Higher student achievement and efficient operations

Student achievement exceeds that of peer districts—In fiscal year 2009, Antelope UHSD students' AIMS scores were higher than peer districts', and similar to or higher than the state averages for math and reading. Additionally, the District's 2009 high school graduation rate of 77 percent was slightly higher than peer group and state averages.

Percentage of Students Who Met or Exceeded State Standards (AIMS) Fiscal Year 2009



District operates efficiently overall—Although the District's fiscal year 2009 per-pupil spending was higher in some areas and lower in other areas when compared to peer districts', the District operated efficiently overall. The District had significantly lower per-pupil spending in administration and plant operations, and its transportation program operated efficiently with effective routes and lower costs per mile and per rider than peer districts'. The District's food service costs were slightly higher per meal than peer districts', but the District has taken steps to address these costs.

Expenditures by Function Fiscal Year 2009

| Per Pupil | Antelope UHSD | Peer Group Average |
|-------------------|---------------|--------------------|
| Classroom dollars | \$5,017 | \$5,216 |
| Administration | 943 | 1,466 |
| Plant operations | 1,220 | 1,458 |
| Food service | 524 | 467 |
| Transportation | 690 | 472 |

District's efficient operations due to lower staffing levels

Fewer administrative staff lowers costs—Antelope UHSD's \$943-per-student administrative costs were 36 percent lower than the peer districts' average of \$1,466, primarily because the District employed fewer administrative staff. The District was able to operate with lower staffing levels because some administrative employees perform duties for what would typically be multiple positions. For example, in addition to typical superintendent duties, the District superintendent also oversees and provides professional development training and performs many business service activities.

Lower plant costs—Antelope UHSD's \$1,220-per-pupil plant operations costs were 16 percent lower than the peer districts' average costs, and its \$3.70-per-square-foot costs were 35 percent lower primarily because it employed fewer plant staff. In addition, its energy costs per square foot were 21 percent lower than peer districts' in part because of its location. According to our *Arizona Public School Districts' Dollars Spent in the Classroom, Fiscal Year 2005* report, districts located at lower elevation levels and with higher average temperatures, such as Antelope UHSD, typically have lower energy costs.

Lower student transportation costs—Antelope UHSD's \$1.43 cost per mile was 44 percent lower and its \$681 cost per rider was 19 percent lower than peer districts'. The District achieved lower costs primarily because it employed 29 percent fewer transportation employees than the peer districts. The

District was able to do this because some employees from maintenance, food service, and even the classroom also drove bus routes before and after performing their other duties. Further, the District operated efficient routes, filling most buses to more than 80 percent of seat capacity.

IT controls are inadequate to protect sensitive information

The District's computer network, accounting system, and student information system are managed and supported by a vendor. In addition, the Yuma County School Superintendent hosts the District's accounting system.

Although no improper transactions were detected, auditors identified several poor IT controls that exposed the District to increased risk of fraud and errors. Specifically, we observed the following:

Weak password requirements—The District does not require users to periodically change their passwords to the network and accounting system, and the passwords can be very simple and short. Common practice requires passwords to be at least eight characters, with a combination of alphabetic and numeric characters, and should be changed every 90 days.

Inadequate procedures for removing access to critical systems—Antelope UHSD does not ensure that only current employees have access to the network and critical systems. In our review, we found that of six employees no longer working for the District, one still had access to the network and three had access to the student information system.

Better vendor oversight needed—Although the District receives services from a vendor and the Yuma County School Superintendent, the District has no written agreement with either of these groups that would establish specific responsibilities, such as maintaining user access; ensuring data

security, and data backup, storage, and recovery; and removing terminated employees' access.

Disaster recovery plan lacking—Finally, the District does not have a disaster recovery plan. A properly designed disaster recovery plan would help ensure continued operations in the event of system failure or interruption. Although the District has backup tapes, they are not stored off-site in a secure location. In addition, the plan should be tested periodically to ensure its effectiveness.

Other IT issues—The District does not review and monitor audit files that log all user activity to determine whether any unauthorized activity or changes to critical applications or systems has occurred. Further, the District does not disable unused network connection outlets, which could allow unauthorized users to connect to the District's network and other critical systems.

Recommendations—The District should:

- Implement stronger password controls.
- Establish policies to delete access to the system when an employee terminates employment.
- Have written agreements with IT service providers.
- Create and implement a formal disaster recovery plan.
- Review and monitor user activity.
- Disable unused network connection outlets.