

REPORT HIGHLIGHTS PERFORMANCE AUDIT

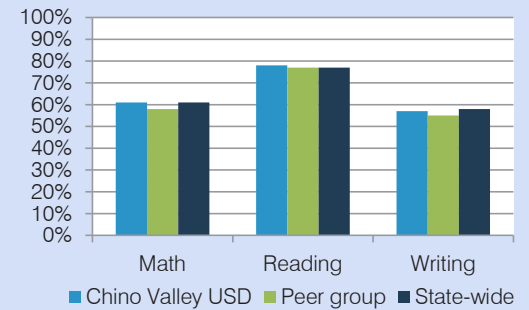
Our Conclusion

In fiscal year 2011, Chino Valley Unified School District's student achievement was similar to peer district and state averages, and its operational efficiencies were mixed with some costs higher and some costs lower than peer districts' averages. The District's per-pupil administrative costs were slightly higher than peer districts' because the District employed more administrative positions per pupil. The District's plant operations, food service, and transportation programs operated reasonably efficiently, with cost measures such as cost per square foot, cost per meal, and cost per mile that were similar to or lower than peer districts' averages. However, the District needs to improve controls over access to critical information systems and strengthen controls over its fuel purchase cards.

Similar student achievement and mixed operational efficiencies

Student achievement similar to peer districts'—In fiscal year 2011, Chino Valley USD's student AIMS scores were similar to both peer district and state averages. Additionally, under the Arizona Department of Education's A-F Accountability Letter Grade System, the District received an overall letter grade of C. Further, the District's 78-percent high school graduation rate was slightly lower than the peer districts' 84-percent average and equal to the 78-percent state average.

Percentage of students who met or exceeded state standards (AIMS)
Fiscal year 2011



Operational efficiencies were mixed—In fiscal year 2011, Chino Valley USD's per-pupil administrative costs were slightly higher than peer districts', on average, because the District employed more administrative positions per pupil. However, the District's plant operations, food service, and transportation programs operated in a reasonably efficient manner. Plant operations costs per square foot and food service costs per meal were similar to peer districts' averages, and the District's transportation costs per mile and per rider were lower than peer districts' averages. However, the District needs to improve controls over its computer network and systems and over its fuel cards.

Comparison of per-pupil expenditures by operational area
Fiscal year 2011

Per pupil	Chino Valley USD	Peer group average
Administration	\$803	\$736
Plant operations	830	917
Food service	411	351
Transportation	434	360

District's administrative costs were slightly higher than peer districts'

At \$803, Chino Valley USD's fiscal year 2011 per-pupil administrative costs were 9 percent higher than peer districts', on average, primarily because it employed more administrative positions per pupil. Specifically, the District employed one administrative full-time equivalent (FTE) position for every 84 students while the peer districts employed an average of one administrative FTE for every 96 students. Staffing levels were higher primarily at the district office level where the District employed more administrative support and noninstructional technology positions per student than the peer districts, on average.

Recommendation

The District should review its administrative staffing levels and determine if they can be modified to produce cost savings.



2013

District lacks sufficient computer controls to protect sensitive information

The District has weak controls over user access to its network and accounting and student information systems. For example, some employees have more access to the accounting system than they need to perform their job duties. In addition, 5 district employees have administrator-level access to the District's network and systems, allowing them to make changes to computer network settings. Typically only one or two information technology employees have this type of access. Additionally, 12 employees have administrator-level access to the District's student information system, which houses critical and sensitive student data. Despite having numerous employees with broad access to its network and systems, the District does not review and monitor logs of user activity to determine whether any unauthorized activity or changes to critical systems or applications occurred.

Recommendations

The District should:

- Review and reduce the number of employees with overly broad access to its network and systems, including reducing the number of employees with administrator-level access.
- Monitor and review users' activities on critical systems.

Controls over fuel cards should be strengthened

Because Chino Valley USD does not own its own fuel tank, it provides fuel cards to bus drivers and maintenance workers to obtain fuel from a local vendor's site. In fiscal year 2011, district employees charged a total of \$144,500 using the fuel cards. We noted several issues with fuel card use. Specifically:

- **Vehicles fueled not identified**—The vendor billing statements did not identify the vehicle that was fueled, making monitoring of fuel purchases more difficult. For instance, the District was unable to calculate miles per gallon for each vehicle as a reasonableness test of the fuel purchases.
- **No up-to-date and complete fuel card logs**—In fiscal year 2011, the District had a total of 79 fuel cards, but could not account for 24 cards because fuel card logs showing card assignments were not up-to-date or complete.
- **Personal identification numbers (PIN) not kept confidential**—PINs were required to purchase fuel. However, these PINs were pre-assigned to each card and were written on the envelope holding each card, potentially allowing PINs to be used by unauthorized users. Further, because each user did not create his/her own confidential PIN, the District could not be sure if the fuel cards were being used only by the assigned user.

We reviewed vendor billing statements for fiscal years 2011 and 2012 and identified some unusual fuel purchases, such as purchases that occurred on holidays or school breaks, and fuel cards that were used more than one time per day. In addition, we found some potentially inappropriate fuel purchases. Specifically, a district employee who was not a bus driver made fuel purchases totaling over \$4,700 after normal work hours, on holidays, and during school breaks. Further, we reviewed 2 weeks of the vendor's security system video footage and identified a plant operations worker using a district fuel card to fuel a nondistrict vehicle. Both individuals no longer work for the District, and district officials stated they have since strengthened fuel card controls.

Recommendations

The District should:

- Work with its fuel vendor to ensure billing statements identify the vehicle fueled.
- Maintain accurate and up-to-date fuel card logs and ensure PINs are confidential.
- Investigate unusual fuel purchases and review purchases for reasonableness.