Double Adobe Elementary School District
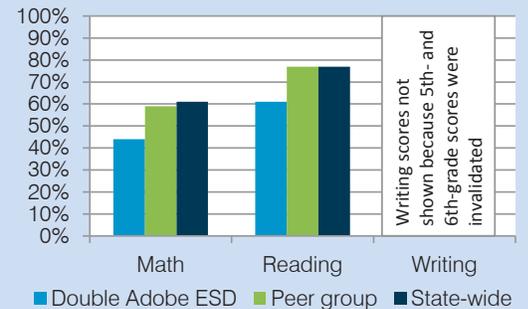
Our Conclusion

In fiscal year 2011, Double Adobe Elementary School District's student AIMS scores for math and reading were lower than the peer districts' averages and no writing scores were reported. These scores do not include 5th and 6th grade students' scores, which were invalidated because a teacher violated test security requirements. The District operated relatively efficiently overall. Double Adobe ESD's administration, plant operations, and transportation program operated with lower per pupil costs and other costs, such as cost per square foot and cost per mile, than peer district averages. The District did not have any food-service-related costs because it has not operated a food service program for at least the past 30 years. Although relatively efficient, the District needs to strengthen its accounting and computer controls as well as controls over its fuel inventory. Further, the District misreported its transportation route mileage and was overfunded by a combined $263,705 for fiscal years 2011 and 2012.

2013

Student achievement and operational efficiency

Student achievement—In fiscal year 2011, Double Adobe ESD's student AIMS scores for math and reading were lower than the peer districts' averages. However, for very small districts such as Double Adobe ESD, year-to-year changes in student populations can greatly impact year-to-year student AIMS scores. Further, these scores do not include the District's 5th- and 6th-grade students' scores, which were invalidated because a teacher violated test security requirements. The District's school met "Adequate Yearly Progress" for the federal No Child Left Behind Act.

District was reasonably efficient overall—In fiscal year 2011, Double Adobe ESD spent $1,346 less per pupil than its peer districts, on average, partly because the District did not operate a food service program, but also because it was reasonably efficient overall. The District had lower costs per pupil in administration, plant operations, and transportation.

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

Writing scores not shown because 5th- and 6th-grade scores were invalidated

■ Double Adobe ESD   ■ Peer group   ■ State-wide

Comparison of per pupil expenditures by operational area
Fiscal year 2011

Per pupil	Double Adobe ESD	Peer group average
Administration	$1,398	$2,505
Plant operations	1,349	1,681
Food service	0	764
Transportation	396	743

District had inadequate accounting and computer controls

Payroll process lacked proper separation of responsibilities—In fiscal year 2011, Double Adobe ESD lacked adequate controls over its payroll process. More specifically, the District allowed one employee to perform all payroll and personnel functions with little or no supervisory review. Allowing an individual the ability to initiate and complete a transaction without an independent supervisory review could allow the processing of false payments.

Some purchases lacked proper approval—The District had an increased risk of errors and fraud because it did not always require proper approval prior to purchases being made. We reviewed 30 fiscal year 2011 accounts payable transactions and found that 26 transactions were for purchases made without prior approval. No inappropriate transactions were detected in the items reviewed. However, preparing purchase orders and having an authorized employee approve them prior to making a purchase would help the District ensure that it has adequate budget capacity and that expenditures are appropriate and properly supported.

Additional cash controls needed—The District needs to improve procedures over cash collections. We reviewed 7 fiscal year 2011 cash deposits totaling almost $3,800 and found that the District had not issued receipts for any of the cash collected. In addition, cash was received and deposited by one district employee with no independent review.

Inadequate computer controls—The District lacks adequate controls over user access to its computer network. More specifically, the District allows network passwords to be short, does not require passwords to contain numbers or symbols, and does not prompt employees to periodically change their passwords. In addition, the District's computer server is stored in a small room along with the District's water heater, placing the server at risk for heat damage. The server room also lacks fire-suppression equipment.

Recommendations

The District should:
- Implement proper controls over its payroll processing and ensure all purchases have proper approval.
- Improve controls over cash receipts received at the district office.
- Implement and enforce stronger password controls.
- Ensure that its computer server is stored in a room that is properly cooled and has a fire extinguisher nearby.

District's transportation program overfunded by $263,705

Double Adobe ESD over-reported its fiscal year 2010 route miles by more than 62,000 miles and its fiscal year 2011 route miles by nearly 41,000 miles. Since transportation funding is based on miles reported in the prior fiscal year and does not decrease for year-to-year decreases in mileage, the errors in reported mileage resulted in the District being overfunded by a combined $263,705 in fiscal years 2011 and 2012. After we informed district officials of the errors, they began working with the Arizona Department of Education (ADE) to correct them. At the time of this report's issuance, the fiscal year 2012 overfunding of $105,711 had been corrected. However, the District should continue to work with ADE to correct all funding errors associated with the misreported mileage.

Recommendations

The District should:
- Accurately calculate and report miles driven for student transportation funding purposes.
- Continue working with ADE to correct its transportation funding and expenditure budgets.

Poor controls over fuel inventory increased risk of theft

The District lacks sufficient controls over its fuel inventory. Specifically, the District maintains a 500-gallon above-ground fuel tank for its bus and van at a residential property near its school. Although secured with a padlock, the District issued keys to the tank to two district employees and its fuel vendor. According to district officials, the vendor adds fuel to the tank once a month but does not schedule this with the District, and no district employees are typically present when this occurs. Further, the District does not take readings of the fuel inventory before and after the tank is filled and does not track fuel usage for its bus.

Recommendations

The District should:
- Require a district employee to be present during vendor fuel deliveries.
- Require employees to document vehicle mileage and gallons pumped when fueling.