

REPORT HIGHLIGHTS PERFORMANCE AUDIT

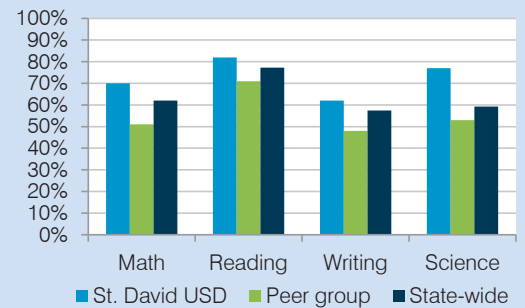
Much higher student achievement and reasonably efficient operations

Our Conclusion

In fiscal year 2012, St. David Unified School District's student achievement was much higher than peer districts', on average, and the District was reasonably efficient in most operational areas. The District's administrative costs were much lower than peer districts', but the District lacked sufficient accounting and computer controls. The District's plant operations and transportation program were reasonably efficient overall. However, the District needs to accurately determine and report to the Arizona Department of Education its bus ridership information to help ensure the District is properly funded and to allow it the ability to calculate and monitor rider-based transportation performance measures. The District's food service program was inefficient, with a cost per meal that was much higher than the peer districts' average primarily because of overstaffing and inefficient purchasing practices. As a result, the District spent \$44,110 of its Maintenance and Operation Fund monies to subsidize the program.

Student achievement much higher than peer districts'—In fiscal year 2012, St. David USD's student AIMS scores were higher than peer district averages in the four tested areas. Additionally, under the Arizona Department of Education's A-F Letter Grade Accountability System, the District received an overall letter grade of B, while most of its peer districts received Cs. Further, the District's 100 percent graduation rate was much higher than the peer districts' 81 percent average and the State's 77 percent average.

Percentage of students who met or exceeded state standards (AIMS)
Fiscal year 2012



District's operations were reasonably efficient in most areas—In fiscal year 2012, St. David USD's operations were reasonably efficient in most areas. The District's administrative and plant operations costs per pupil were much lower than peer districts', on average, because it employed fewer administrative positions and maintained substantially less building space per student. Additionally, although the District's transportation cost per mile was much higher than the peer districts' average, the program was reasonably efficient for its size. However, the District's food service program operated inefficiently, with a much higher cost per meal because of higher staffing levels and inefficient purchasing practices.

Comparison of per pupil expenditures by operational area
Fiscal year 2012

	St. David USD	Peer group average
Administration	\$1,171	\$1,487
Plant operations	967	1,438
Food service	365	454
Transportation	346	510

District lacked sufficient accounting and computer controls

Poor controls over payroll processing and cash collections—The District had an increased risk of errors and fraud because it lacked adequate controls over payroll processing and cash collections. For example, the District did not always properly review and approve employee timesheets, did not always have documentation supporting extra duty pay for employees, and did not always have documentation such as cash receipt forms or cash collection reports to help ensure all monies received were properly accounted for.

Inadequate computer controls—The District lacked adequate controls over user access to its computer network and systems. More specifically, three of the District's



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four accounting system users had more access to the accounting system than they needed to perform their job duties. Additionally, the District allowed network, accounting system, and student information system passwords to be short and did not require passwords to contain numbers or symbols. The District also did not require network and student information system users to periodically change their passwords. Lastly, the District's main server room was located in an area that was accessible to custodial and other noninformation technology staff, which increased the risk of network interruption due to intentional or accidental equipment damage.

Recommendations

The District should:

- Implement proper controls over payroll processing and cash collections.
- Modify employee access to its accounting system to ensure that an employee cannot initiate and complete a transaction without independent review and approval.
- Implement and enforce stronger password controls.
- Limit physical access to its computer server room.

Improvements needed to lower District's food service costs

In fiscal year 2012, St. David USD's \$4.22 cost per meal was 32 percent higher than peer districts', on average, primarily because the District had higher staffing levels and inefficient purchasing practices. As a result, the District had to subsidize the program's costs with \$44,110 that otherwise potentially could have been spent in the classroom. In fiscal year 2014, the District began taking steps to help reduce its food service costs through better purchasing practices and better monitoring, which helped lower the District's cost per meal to \$3.71. However, this amount was still much higher than the peer districts' \$3.19 average cost per meal in fiscal year 2012.

Recommendations

The District should:

- Review food service staffing levels to determine if changes can be made to produce cost savings.
- Continue to identify and implement additional cost savings measures.

District misreported number of riders for transportation funding

St. David USD incorrectly reported its fiscal year 2012 ridership to the Arizona Department of Education by reporting the number of students eligible for transportation rather than the number of students actually transported as required by Arizona Revised Statutes §15-922. Although the District's inaccurate rider counts did not affect its transportation funding, the District should ensure it is meeting state reporting requirements by reporting the actual number of students transported. This would also give the District the ability to calculate and use rider-based performance measures, such as cost per rider and bus capacity utilization, to evaluate its routes and program efficiency.

Recommendation

The District should determine and report the actual number of students transported as required by statute for funding purposes.