

Palominas Elementary School District

CONCLUSION: In fiscal year 2015, Palominas Elementary School District's student achievement was slightly higher than the peer districts', and the District operated efficiently overall with similar or lower costs in most operational areas when compared to peer districts' averages. Specifically, the District's administrative costs per pupil were similar to the peer districts', on average. However, the District needs to strengthen its computer and building access controls. The District's plant operations costs per pupil and per square foot were similar to the peer districts' averages, and the District's food service program operated efficiently with a lower cost per meal than peer districts', on average, because it negotiated favorable terms with its food service vendor. Lastly, although the District's transportation program costs per mile and per rider were similar to the peer districts' averages, the District's fuel inventory controls need strengthening, and the District did not always conduct timely bus preventative maintenance.

Slightly higher student achievement and efficient operations

Student achievement slightly higher than the peer districts'—

In fiscal year 2015, Palominas ESD's student scores were similar to the peer districts' averages for English language arts, slightly higher for math, and higher for science.

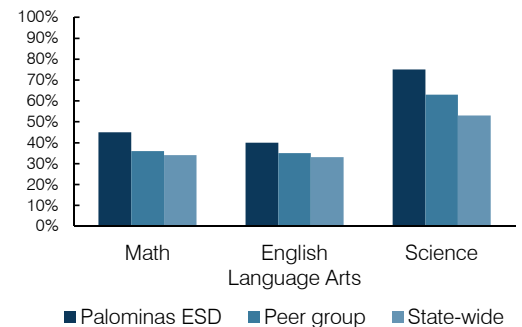
Efficient operations overall—In fiscal year 2015, Palominas ESD operated efficiently overall. Specifically, the District's administrative costs per pupil were similar to the peer districts', on average. The District's plant operations cost per pupil and per square foot were also similar to the peer districts' averages, and the District had installed energy management systems at its three schools during fiscal year 2014, which resulted in a considerable decrease in energy consumption in fiscal year 2015. The District's food service program operated efficiently with a lower cost per meal than peer districts', on average, because the District negotiated favorable terms with its food service vendor, including lower per meal rates compared to peer districts with similar contracts. Lastly, the District's transportation program had similar costs per mile and per rider to the peer districts' averages. However, the District needs to strengthen its fuel inventory controls and conduct timely bus preventative maintenance.

District lacked adequate computer and building access controls

In fiscal year 2016, Palominas ESD lacked adequate computer and building access controls. Although no improper transactions were detected in the items we reviewed, these poor controls exposed the District to an increased risk of errors, fraud, unauthorized access to sensitive information, and loss. More specifically:

- **Weak password requirements—**The District did not have strong password requirements for access to its computer network. Specifically, common guidelines for strong passwords recommend that passwords be changed periodically. However, the District did not have a policy requiring that computer network passwords be changed periodically.

Percentage of students who met or exceeded state standards Fiscal year 2015



Comparison of per pupil expenditures by operational area Fiscal year 2015

	Palominas ESD	Peer group average
Administration	\$1,066	\$1,036
Plant operations	887	919
Food service	357	586
Transportation	842	505

- **Broad access to accounting system**—We found that in fiscal year 2016, the District granted five of its six accounting system users more access to the accounting system than they needed to perform their job duties.
- **Inadequate procedures for removing access to the network and student information system**—We reviewed fiscal year 2016 user access reports and found 16 network user accounts and one student information system user account that were linked to employees who no longer worked for the District, including at least one employee who had not worked for the District for more than 2 years.
- **Inadequate building access controls**—The District had poor controls over physical access to its buildings because its log showing keys made and distributed did not show the areas or buildings that could be accessed by 27 of the 470 distributed keys. Further, the District did not follow its own policy for the assignment of keys because it allowed personnel beyond those specified in the policy to have keys that provided unlimited access.

Recommendations

The District should:

- Implement and enforce a password policy related to password expiration.
- Limit employees' access to only those accounting system functions needed to perform their job duties.
- Ensure terminated employees have their system access promptly removed.
- Implement controls over its process for distributing and tracking keys, and review and limit employees' access to its buildings based on district policy.

District should improve controls over transportation program

Despite similar per mile and per rider costs in fiscal year 2015 when compared to its peers, Palominas ESD needs to strengthen some of its transportation program controls. More specifically:

Poor controls over fuel inventory—Palominas ESD should strengthen controls over its fuel inventory, which consists of an 8,000 gallon above-ground diesel fuel tank and an 8,000 gallon below-ground unleaded fuel tank. Although the fuel pumps' physical security appeared sufficient, the District did not ensure that fuel usage was appropriate and only for district vehicles because it tracked and reconciled only unleaded fuel usage but not diesel fuel usage. In addition, we compared the unleaded fuel logs to the fuel purchase invoices for three months in fiscal year 2016 and found over 100 gallons of unleaded fuel that was missing from the fuel logs. The District had also identified this discrepancy, but it did not investigate the reason for the discrepancy.

Bus preventative maintenance not always performed timely—Palominas ESD did not always conduct bus preventative maintenance activities according to the State's *Minimum Standards for School Buses and School Bus Drivers*. We reviewed bus maintenance files for 10 of the District's 31 buses and found that none of the 10 buses reviewed had preventative maintenance performed in accordance with the District's 3,000-mile preventative maintenance schedule for unleaded fuel buses and 10,000-mile preventative maintenance schedule for diesel fuel buses. The buses exceeded the required preventative maintenance schedule by amounts ranging from 100 miles to over 10,000 miles.

Recommendations

The District should:

- Evaluate and implement additional controls over its fuel inventory.
- Ensure that it conducts bus preventative maintenance in a systematic and timely manner in accordance with its policy.