

**REPORT
 HIGHLIGHTS**
 PERFORMANCE AUDIT

Our Conclusion

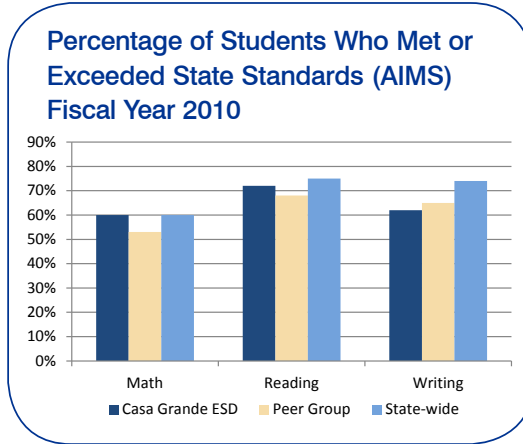
In fiscal year 2010, Casa Grande Elementary School District's student achievement was slightly higher than peer districts', and it operated efficiently overall with most costs lower than peer districts'. The District significantly reduced its energy costs through equipment upgrades and improved oversight, and its plant operations costs were slightly lower than peer districts'. However, the District may be able to further reduce its plant costs by also reviewing its higher plant staffing levels. The District has also implemented many effective techniques and practices to help its food service program remain efficient and self-supporting. However, the District needs to improve controls over its computer network and systems.



2011

Slightly higher student achievement and efficient operations

Student achievement slightly higher than peer districts'—In fiscal year 2010, Casa Grande ESD's student AIMS scores were lower in writing than peer districts' but higher in math and reading. Further, 11 of the District's 12 schools met "Adequate Yearly Progress" for the federal No Child Left Behind Act.



District operated efficiently overall—Casa Grande ESD operated its nonclassroom programs efficiently overall.

Its administration, plant operations, and food service costs were lower than peers', and its transportation costs were higher per pupil but lower per mile due to the District's large geographic size.

Despite operating efficiently, Casa Grande ESD spent \$484 less per pupil in the classroom and \$877 less per pupil overall than peer districts because it received less funding. The District received less federal monies as a result of its lower poverty level and received less additional funding through voter-approved budget overrides to increase its budget.

Expenditures by Function Fiscal Year 2010

Per Pupil	Casa Grande ESD	Peer Group Average
Administration	\$685	\$872
Plant operations	825	873
Food service	389	501
Transportation	448	260

District greatly improved energy efficiency, but plant staffing levels should be reviewed

District significantly reduced energy costs through equipment upgrades and improved oversight—In fiscal year 2009, Casa Grande ESD began making significant efforts to conserve energy. In fiscal year 2008, its energy costs were 28 percent higher per square foot than peer districts'. The District's buildings were generally heated or cooled regardless of occupancy, and the District had not established cost-effective energy policies. The District had little incentive to reduce costs because it received additional funding for utility costs in excess of a base year amount. However, statutes were changed and the additional funding was

eliminated in fiscal year 2010. Since fiscal year 2008, the District has reduced its electricity costs by 22 percent per square foot by regulating room temperatures, upgrading air conditioners and lighting, monitoring energy usage, and educating staff on energy conservation.

District employed more plant personnel—Although the District has been successful at substantially reducing its energy cost, it may be able to do more to control other aspects of plant operations costs. The District's salary costs in plant operations were higher than peer districts' primarily because of higher

staffing levels. The District employed an additional plant director and more plant operations employees than peer districts.

Recommendation

The District should review its plant staffing levels to determine if it can achieve additional savings.

District oversight helps control food service costs

In fiscal year 2010, Casa Grande ESD's food service program operated efficiently and was self-sufficient. Its \$2.31 cost per meal was similar to the peer districts' \$2.32 average and lower than the \$2.41 state average. In order to control costs and maintain a self-sufficient program, the District has implemented many effective techniques and practices. For example:

- **Monitoring performance measures**—The District calculates and monitors performance measures such as cost per meal and meals per labor hour.

- **Effective purchasing practices**—The District participates in a cooperative purchasing group to help purchase food at lower costs.
- **Monitoring meal demand to limit waste**—The District monitors the number of meals produced and served and uses this information to determine the appropriate amount of food items to order and meals to prepare the next time specific meals are served.
- **Fully using commodities**—The District maximizes its cost savings by planning its menus around available United States Department of Agriculture food commodities.

Lack of computer controls to adequately protect sensitive information

Casa Grande ESD lacked adequate controls over its computer network and systems. Two district employees had complete access to the entire accounting system. Although no improper transactions were detected in the sample auditors reviewed, access beyond that which is necessary to perform job functions exposed the District to increased risk of errors and fraud. In addition, the District did not have procedures in place to ensure that only current employees had access to student information. We found that 55 user accounts were linked to employees who no longer worked for the District and 9 of the 55 accounts were still active. Further, one-third of the District's servers and nearly 10 percent of its computers were using outdated and unsupported operating system software.

Recommendations—The District should:

- Ensure that no one employee can initiate and complete a transaction without independent review.
- Implement a formal process to eliminate terminated employees' network access.
- Ensure that servers and computers use currently supported operating system software.