

REPORT HIGHLIGHTS PERFORMANCE AUDIT

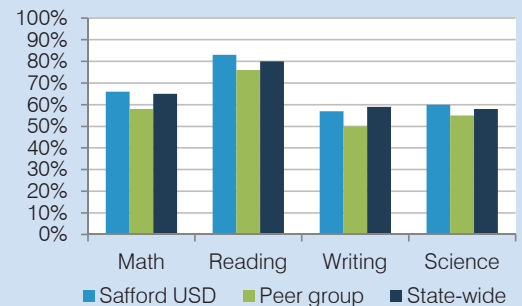
Similar student achievement and efficient operations overall

Our Conclusion

In fiscal year 2013, Safford USD's student achievement was similar to peer districts', and the District operated efficiently overall with costs that were lower than or similar to peer district averages. Safford USD's administrative cost per pupil was similar to the peer districts' average, but the District needs to strengthen controls over its computer systems and network. The District's plant operations costs were much lower than peer districts', primarily because the District employed fewer plant staff, used energy- and water-saving practices, and made efficient use of building space. In addition, the District's food service program was self-sufficient, operating with a cost per meal that was similar to the peer district average, and its transportation program was reasonably efficient, with routes filling buses to 76 percent of capacity and drivers performing other duties, such as maintenance, when not driving.

Student achievement similar to peer districts'—In fiscal year 2013, Safford USD's student AIMS scores in math, reading, and writing were slightly higher than the peer districts' averages, and its science scores were similar. Under the Arizona Department of Education's A-F Letter Grade Accountability System, the District received an overall letter grade of B. Twelve of the 22 peer districts also received Bs, 2 peer districts received As, 5 peer districts received Cs, and 3 peer districts received Ds. Additionally, the District's 67 percent graduation rate was lower than the peer districts' 81 percent average and the State's 75 percent average.

Percentage of students who met or exceeded state standards (AIMS)
Fiscal year 2013



Efficient operations overall—In fiscal year 2013, Safford USD operated efficiently overall, with costs that were lower than, or similar to, peer district averages. Operating efficiently allowed the District to spend 11 percent, or \$398, more per pupil in the classroom than peer districts, on average, despite spending less per pupil overall. The District's administrative cost per pupil was similar to the peer districts' average, and its plant operations costs were much lower primarily because the District employed fewer plant operations staff, used energy- and water-saving practices, and made efficient use of building space. In addition, the District's food service program was self-sufficient, operating with a cost per meal that was similar to the peer district average, and its transportation program was reasonably efficient, with routes filling buses to 76 percent of capacity and drivers performing other duties, such as maintenance, when not driving.

Comparison of per pupil expenditures by operational area
Fiscal year 2013

	Safford USD	Peer group average
Administration	\$779	\$764
Plant operations	589	921
Food service	328	364
Transportation	226	394

District needs to strengthen its computer controls

In fiscal year 2013, Safford USD lacked adequate controls over its computer systems and network. Although no improper transactions were detected in the items auditors reviewed, these poor controls exposed the District to an increased risk of errors, fraud, unauthorized access to sensitive information, and loss of data. More specifically:

- **Broad access to accounting system**—Twenty-five of the District's 36 accounting system users had more access to the system than they needed to perform their job duties, including 24 employees who had the ability to perform all accounting system



2015

functions. Granting employees system access beyond what is required for their job duties, especially full system access, exposes the District to a greater risk of errors, misuse of sensitive information, and fraud, such as processing false invoices or adding and paying nonexistent vendors or employees.

- **Generic accounts**—We found that 18 network accounts, 4 accounting system accounts, and 1 student information system account were unnecessary, active generic accounts not assigned to specific users, making it difficult or impossible to hold anyone accountable if inappropriate activity occurred while using these accounts.
- **Inappropriate server room access**—The District's servers were stored in a room next to its IT department offices, which was secured by lock and key. However, the server room was accessible to custodial and other non-IT staff who were assigned master keys to the District's facilities, which increased the risk of network interruption due to intentional or accidental equipment damage.
- **Lack of a disaster recovery plan**—The District lacked a written, up-to-date, and tested disaster recovery plan for its network and critical financial and student information systems. Having a written and properly designed disaster recovery plan would help ensure continuous accessibility to sensitive and critical data in the event of a system or equipment failure or interruption.

Recommendations

The District should:

- Modify employee access to its accounting system to ensure that an employee cannot initiate and complete a transaction without independent review and approval.
- Eliminate unnecessary generic user accounts in its network and systems and properly control any remaining generic accounts.
- Limit physical access to its computer server room.
- Create and test a formal disaster recovery plan.