

**REPORT HIGHLIGHTS**  
**PERFORMANCE AUDIT**

**Our Conclusion**

In fiscal year 2010, Superior Unified School District's student achievement results and operational efficiencies were mixed. Student AIMS scores were lower than peer districts' in math and writing but higher in reading. The District's per-pupil administrative costs and per-meal food service costs were lower than peer districts', but its transportation and plant operations costs were higher. Transportation costs were high primarily because of overstaffing and some inefficient routes, and plant operations costs were high because of overstaffing. Further, inadequate accounting and computer controls put the District at higher risk for errors or fraud, and some employees received performance pay despite the goal not being met.

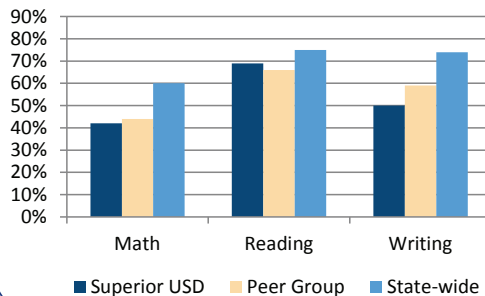


2011

**Student achievement and operational efficiencies mixed**

**Student achievement mixed**—In fiscal year 2010, Superior USD's student AIMS scores were below the peer districts' averages for two of the three areas tested and below state averages. However, the District's two schools met "Adequate Yearly Progress" for the federal No Child Left Behind Act and its fiscal year 2009 high school graduation rate of 80 percent was higher than the state average.

**Percentage of Students Who Met or Exceeded State Standards (AIMS) Fiscal Year 2010**



**District's operational efficiency mixed**—Superior USD spent 22 percent less per pupil on administration than peer districts, and although its food service cost per pupil was higher than peers', its cost per meal was lower. However, the District's transportation costs per mile and per rider were much higher than peer districts' primarily because of overstaffing and some inefficient bus routes. Further, the District's plant operations costs per square foot were 17 percent higher than its peers, primarily because it had more staff.

**Expenditures by Function Fiscal Year 2010**

Per Pupil	Superior USD	Peer Group Average
Administration	\$1,125	\$1,446
Plant operations	1,433	1,473
Food service	505	428
Transportation	376	468

**Inadequate accounting and computer controls**

**Separation of duties lacking**—One district employee, with little or no supervisory review, is responsible for adding new employees to the payroll system, modifying employee information, entering/editing time sheets, recording payroll expenses, and distributing paychecks. Although no improper transactions were detected in the sample tested, this lack of separation of duties could permit false payments or the creation of nonexistent employees.

**Broad access to accounting system**—Three district employees have more access to the accounting system than is needed to perform their job duties. Two of these employees can perform all accounting system functions. Although no improper transactions were detected in the sample

tested, such broad access increases the risk of errors, fraud, or misuse of information, such as processing false invoices or adding nonexistent vendors.

**Weak password requirements**—The District does not require complex passwords with letters and numbers. Requiring that passwords contain a combination of alphabetic and numeric characters would decrease the risk of unauthorized persons gaining access to the District's systems.

**Recommendations**—The District should:

- Implement proper controls over payroll processing.
- Limit computer access to each employee's assigned functions.
- Increase complexity of passwords.

## Improvements needed to lower high transportation costs

**Higher staffing costs**—Superior USD's \$894 cost per rider was 12 percent higher than the peer districts' average, and its \$3.71 cost per mile was 47 percent higher. Although the District has a similar number of transportation employees, it transports students significantly fewer miles than the peer districts. Further, Superior USD is 1 of only 6 districts in a 17-district peer group that has a full-time mechanic, and the 5 other districts with a full-time mechanic had 30 percent more buses to maintain.

**Some inefficient routes**—Although four of the District's six bus routes were fairly efficient, two routes, which accounted for 70 percent of total mileage, transported only eight riders. The District should consider other ways of handling these routes, such as using minivans or contracting with parents to pay them to transport their own students to school or to district bus stops closer to the schools.

**Not all state standards met**—State standards require districts to demonstrate that their school buses receive systematic preventative maintenance and inspections. Although the District's records indicate that regular maintenance was done, the District did not maintain documentation, such as a checklist, to show what was inspected and/or repaired. In addition, the District is required to conduct annual drug tests as well as random drug and alcohol tests of bus drivers, but the District conducted only annual drug tests.

**Recommendations**—The District should:

- Review staffing levels to see if savings are possible.
- Review bus routes for efficiency.
- Develop a checklist to document preventative maintenance.
- Ensure that random drug and alcohol tests are done.

## Plant operations overstaffed

The District's \$6.34 cost per square foot for plant operations was 79 cents, or 14 percent, higher than the peer districts' average. This higher cost can be attributed to more plant employees maintaining fewer square feet than the peer districts' average. Although Superior custodians each maintained about 20,000 square feet, the national average is about 32,100 square feet per custodian.

**Recommendation**—The District should review plant operations staffing levels to see if it can reduce costs.

## Some employees received performance pay despite goal not being met

Part of the District's goal for performance pay required that 75 percent of high school students show improvement in math test scores. However, only 54 percent of students showed improvement. Therefore, the oversight committee responsible for the performance pay plan changed the goal criteria, without board approval, so that performance pay could be awarded.

**Recommendation**—The District should pay employees for only those performance goals met, as allowed by the plan.