

REPORT HIGHLIGHTS PERFORMANCE AUDIT

Similar student achievement and mixed operational efficiencies

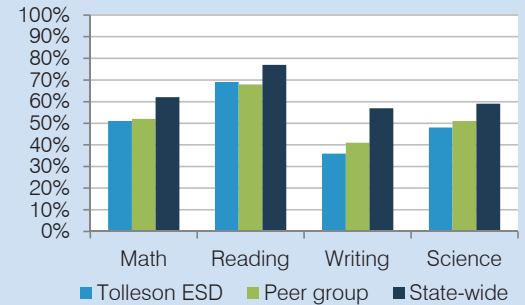
Our Conclusion

In fiscal year 2012, Tolleson ESD's student achievement was similar to peer districts', and its operational efficiencies were mixed, with some costs higher and some costs lower than peer districts', on average. The District's plant operations and food service program operated efficiently, but its administration and transportation program operated less efficiently with higher costs than peer districts' averages. Administrative costs were higher primarily because the District paid some higher administrative salaries than peer districts, on average. Additionally, the District lacked adequate controls over user access to its computer network and systems. The District's transportation costs were higher than the peer districts', on average, partly because it operated a smaller program and transported more special needs and homeless riders. However, the District should look to improve the efficiency of its regular education routes and establish and monitor performance measures to help lower its transportation costs.

Student achievement similar to peer districts'—In fiscal year 2012, Tolleson ESD's student AIMS scores were similar to the peer districts' 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 C. Three of the five peer districts also received Cs, and two peer districts received Bs.

Operational efficiencies were mixed—In fiscal year 2012, Tolleson ESD's operational efficiencies were mixed, with some costs higher and some costs lower than peer districts' averages. The District's plant operations and food service program operated efficiently with lower costs per square foot and per meal, respectively, than the peer districts averaged. However, the District's administration was less than efficient with higher costs than peer districts', on average, primarily because of higher administrative salaries. In addition, the District's high transportation costs per mile and per rider could potentially be lowered by improving bus route efficiency.

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



Comparison of per pupil expenditures by operational area
Fiscal year 2012

	Tolleson ESD	Peer group average
Administration	\$939	\$796
Plant operations	749	811
Food service	539	523
Transportation	127	271

Much higher administrative costs

In fiscal year 2012, Tolleson ESD's per pupil administrative costs were 18 percent higher than peer districts', on average, primarily because it paid some of its positions higher average salaries than the average salaries for the peer districts. For example, the average salary for Tolleson ESD business services staff was 22 percent higher than the peer districts' average salary for business services staff.

Recommendation

The District should review its administrative positions and pay and determine how it can reduce its administrative costs.



2015

District needs to strengthen its accounting and computer controls

Inadequate payroll and purchasing controls—The District had an increased risk of errors and fraud because it did not sufficiently separate its payroll and personnel functions. One employee was responsible for performing all payroll-processing duties and also had the ability to change employee pay rates and add or delete employees within the District's payroll system, which are typically personnel functions. In addition, we reviewed 30 fiscal year 2012 accounts payable transactions and found that 3 transactions were for purchases made without prior approval.

Inadequate computer controls—The District lacked adequate controls over user access to its computer network and systems. More specifically, the District allowed network and student information system passwords to be short and did not require passwords to contain numbers or symbols. Additionally, five of the District's ten business office accounting system users had more access to the accounting system than they needed to perform their job duties. Further, the District's network and student information system had user accounts that were linked to employees who no longer worked for the District as well as some unnecessary generic accounts not assigned to specific users, making it difficult or impossible to hold anyone accountable if inappropriate activity occurred while using these accounts. Finally, the District had a disaster recovery plan, but it was missing some key components. Having a complete and up-to-date 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:

- Implement proper payroll and purchasing controls.
- Implement proper controls over its computer network and systems.
- Ensure that its disaster recovery plan is complete.

District's transportation costs could potentially be lowered by improving bus route efficiency

Compared to peer districts', Tolleson ESD's fiscal year 2012 transportation costs were 12 percent higher per mile and 40 percent higher per rider. Factors, such as operating a smaller program than peer districts', meant the District's more fixed-type transportation costs, such as its transportation director's salary, increased the District's transportation costs per mile and per rider because they were spread over fewer miles and riders when calculating these measures. However, our review of bus route records showed that some regular education bus routes were inefficient, filling buses to only an average of 58 percent of capacity. Improving the efficiency of its routes and monitoring performance measures, such as bus capacity usage, may help the District lower its transportation program costs.

Recommendations

The District should:

- Review its bus routes and adjust them as necessary to improve their efficiency.
- Monitor performance measures to help improve program efficiency.