

## REPORT HIGHLIGHTS PERFORMANCE AUDIT

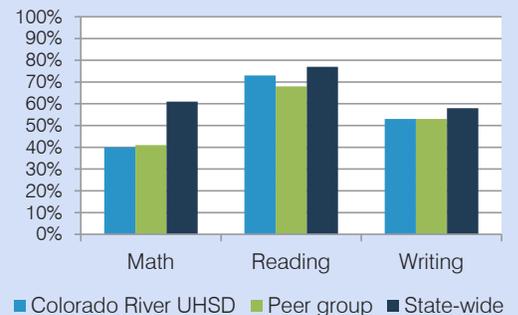
## Similar student achievement and efficient operations overall

### Our Conclusion

In fiscal year 2011, Colorado River Union High School District's student AIMS scores were similar to the peer districts' averages, and it operated efficiently overall with similar or lower costs in most operational areas. The District's administrative costs were lower than peer districts'. However, it needs to strengthen some controls over its computer systems and cash handling. The District's plant operations costs per square foot were similar to peer districts', and its food service costs were much lower. The District's transportation costs were mixed with a higher cost per rider, but lower cost per mile; however, the District needs to improve its controls over fuel purchases. Further, the District did not maintain complete Proposition 301 pay records, and some of the District's performance pay plan goals were so easily met that they did not promote improved job performance.

**Student achievement similar to peer districts'**—In fiscal year 2011, Colorado River UHSD's student AIMS scores were similar to the peer districts' averages. Additionally, under the Arizona Department of Education's A-F Accountability Letter Grade System, the District received an overall letter grade of D, as did the only peer district that was also graded. Further, Colorado River UHSD's 71-percent graduation rate was similar to the peer districts' 74-percent average but lower than the State's 78-percent average.

Percentage of students who met or exceeded state standards (AIMS)  
Fiscal year 2011



**Most operational costs similar to or lower than peer districts'**—In fiscal year 2011, Colorado River UHSD operated efficiently overall with most of its nonclassroom costs similar to, or lower than, its peer districts' averages. The District's administration and food service programs operated efficiently, with much lower costs and despite a slightly higher plant operations cost per pupil, the District's cost per square foot was similar to the peer district average. The District's transportation costs were mixed with a higher cost per rider, but lower cost per mile.

Comparison of per-pupil expenditures by operational area  
Fiscal year 2011

| Per pupil        | Colorado River UHSD | Peer group average |
|------------------|---------------------|--------------------|
| Administration   | \$579               | \$736              |
| Plant operations | 980                 | 917                |
| Food service     | 197                 | 351                |
| Transportation   | 360                 | 360                |

## District needs to strengthen controls over computer systems, fuel purchases, and cash handling

Colorado River UHSD's poor controls over its computer network, student information system, and accounting system expose the District to an increased risk of errors and fraud. Additionally, the District needs to improve controls over its fuel purchases and bookstore cash-handling procedures.

**Increased risk of unauthorized access to critical systems**—Four district employees have more access to the accounting system than is needed to perform their job duties. Although no improper transactions were detected in the items we tested, access beyond that which is necessary to perform job functions exposes the District to an increased risk of fraud and errors. Additionally, the District does not have procedures in place to ensure that only current employees have access to critical applications. We found that five user accounts on the network and one user account in the student information system were linked to employees who no longer worked for the District.



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Further, the District needs to strengthen password requirements for its network, student information system, and accounting system.

**District needs to strengthen controls over fuel purchases**—Because Colorado River UHSD does not own its own fuel tank, it obtains fuel from a local vendor's site. However, the District was unable to determine from the vendor's billing statements whether all fuel purchases were made by district employees for district vehicles and were appropriate based on transaction details. Although the vendor statements identified the vehicle number, date, time, and type and amount of fuel purchased, they did not identify the employee fueling or the vehicle odometer reading, and no fuel card was required to pump fuel. Instead, individuals only had to enter an easily determined number to operate the fuel pumps. District drivers use fuel cards to purchase fuel from other vendors while transporting students on field trips and athletic trips. However, the District did not ensure that all fuel purchase receipts were submitted. We found that receipts for 57 of 247 fuel purchases, totaling about \$2,400, from one vendor were missing. Without receipts, the District cannot ensure that all purchases are appropriate and that the District is being billed properly.

**District should improve cash-handling procedures for bookstore operations**—In fiscal year 2011, Colorado River UHSD received approximately \$730,000 at its school bookstores for various purposes, including student activities, student course fees, and tax credit donations. However, the District did not have proper procedures in place to ensure that money received was accounted for properly. For example, the bookstore at one school used three different methods to record sales, but none of these methods were used consistently. Further, the District lacked a sufficient process of reconciling daily sales to cash collected. As a result, the District could not be sure that all sales had been recorded, leaving these monies more susceptible to loss, theft, or misuse.

### Recommendations

The District should:

- Limit employees' access to only those accounting system functions needed to perform their work.
- Implement and enforce stronger password requirements.
- Establish a process to promptly delete access to the system when an employee terminates employment.
- Work with its local fuel vendor to ensure billing statements include a means of identifying individuals purchasing fuel and the odometer readings of the vehicles fueled.
- Ensure fuel card receipts are submitted and properly reconciled for all purchases.
- Strengthen bookstore cash collections procedures.

## Proposition 301 pay records incomplete and some performance pay goals did not promote improved performance

In fiscal year 2011, all of the District's eligible employees received the full amount of performance pay. However, the District did not maintain documentation to show that each of these employees had actually met their goals to receive such amounts. Additionally, the District awarded performance pay for some goals that were easily met. For example, teachers were awarded performance pay for administering a test of academic progress, but they did not have to show that students met any expected or desired results on the test.

### Recommendations

The District should:

- Retain supporting documentation to show that performance pay goals were met.
- Establish meaningful and measureable performance goals.