

## REPORT HIGHLIGHTS PERFORMANCE AUDIT

## Student achievement and operational efficiency

### Our Conclusion

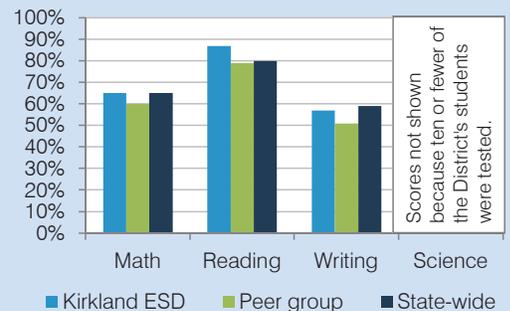
In fiscal year 2013, Kirkland Elementary School District's student AIMS scores were slightly higher than or similar to peer districts' averages, and the District operated efficiently overall. Specifically, the District's administrative cost per pupil was 11 percent lower than peer districts', on average, because it operated with lower administrative staffing levels. However, the District needs to strengthen some of its purchasing and computer controls. The District's plant operations costs per pupil were lower than peer districts' because it operated and maintained substantially less building space per pupil, and its food service program operated efficiently with a lower cost per meal and per pupil than peer districts', on average. The District's transportation program had slightly higher costs per mile, but did not appear to be inefficient. However, the District lacked documentation to demonstrate that its buses were regularly maintained, misreported its transportation ridership numbers to the Arizona Department of Education, and did not ensure that all driver certification requirements were met.



2016

**Student achievement**—For very small districts such as Kirkland ESD, year-to-year changes in student populations can greatly impact year-to-year student AIMS scores. In fiscal year 2013, Kirkland ESD's math scores were similar to peer districts' averages, and its reading and writing scores were slightly higher. Scores for science were not reported because ten or fewer of the District's students were tested. Under the Arizona Department of Education's A-F Letter Grade Accountability System, the District received an overall letter grade of B for fiscal year 2013. Of the ten districts in the peer group receiving letter grades, five districts also received Bs, one received an A, three received Cs, and one received a D.

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



**Efficient operations overall**—In fiscal year 2013, Kirkland ESD operated efficiently overall, which enabled the District to spend a similar amount in the classroom as peer districts', on average, despite spending \$1,331 less per pupil overall. Specifically, the District's administrative cost per pupil was 11 percent lower than peer districts', on average, because it operated with lower administrative staffing levels. The District was able to employ fewer administrative staff because the Yavapai County Education Service Agency performed most of the District's business office functions for a small charge to the District. The District's plant operations costs per pupil were lower than peer districts' because it operated and maintained substantially less building space per pupil. Further, the District's food service program operated efficiently with a lower cost per meal and per pupil than peer districts', on average. Lastly, the District's transportation program had slightly higher costs per mile but did not appear to be inefficient.

Comparison of per pupil expenditures by operational area  
Fiscal year 2013

	Kirkland ESD	Peer group average
Administration	\$2,284	\$2,572
Plant operations	1,584	2,148
Food service	451	851
Transportation	1,379	1,056

## District's accounting and computer controls need strengthening

**Inadequate purchasing controls**—The District did not always require proper approval prior to purchases being made. We reviewed 30 fiscal year 2013 accounts payable transactions and found that 15 transactions were for purchases made without prior approval. Requiring prior approval helps ensure that expenditures are appropriate and properly supported.

**Inadequate computer controls**—The District did not have strong password controls for its computer network and student information system. 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, the District's computer server was kept in an unsecured storage room that was accessible to all district staff and students, and the room lacked any climate control and fire suppression equipment. Allowing broad access to the computer server room and failing to properly protect computer equipment from temperature fluctuations and fire increased the risk of network interruption, equipment loss, and possible loss of sensitive data.

### Recommendations

The District should:

- Implement proper purchasing controls;
- Implement and enforce stronger password requirements; and
- Limit physical access to its computer server room and ensure the room is properly cooled and has a fire extinguisher nearby.

## Transportation oversight needs strengthening

**District did not ensure all bus driver certification requirements were met**—We reviewed bus driver files for the District's two regular bus drivers and two substitute bus drivers for fiscal years 2013 and 2014 and found that the District lacked complete records demonstrating that its bus drivers met the State's *Minimum Standards for School Buses and School Bus Drivers (Minimum Standards)*. Specifically, we found that some bus driver files were missing evidence of required initial or refresher training, annual drug tests, and physical examinations. In addition, the District did not have a process in place to ensure that the required random drug and alcohol testing of bus drivers was completed. As a result, none of its bus drivers were randomly tested for drug and alcohol use in fiscal years 2013 and 2014.

**District lacked documentation to demonstrate buses were regularly maintained**—Auditors reviewed maintenance files for the District's three buses and found that although all three buses received several repairs, two of the buses did not have documentation showing that they received preventative maintenance services during fiscal year 2013. According to the District's informal policy, each bus should have received preventative maintenance service at the beginning of the school year. Without this documentation, the District cannot demonstrate that it is properly maintaining its school buses according to the *Minimum Standards*.

**District misreported number of riders for transportation funding**—Kirkland ESD incorrectly reported its ridership to the Arizona Department of Education by reporting the number of students eligible for transportation rather than the number of students actually transported as Arizona Revised Statutes §15-922 requires. Although the District's inaccurate reporting in fiscal year 2013 did not affect its transportation funding, the District should ensure it is meeting state reporting requirements by reporting the actual number of students transported. Having accurate rider counts will enable the District to calculate and use rider-based performance measures, such as cost per rider and bus capacity utilization, to evaluate its routes and program efficiency and make informed program decisions.

### Recommendations

The District should:

- Ensure that bus driver certification requirements are met and documented in accordance with the State's *Minimum Standards*;
- Ensure that it conducts bus preventative maintenance in a systematic and timely manner and documents it in accordance with its formal policy; and
- Determine and report the actual number of students transported as required by statute for funding purposes.