

## REPORT HIGHLIGHTS PERFORMANCE AUDIT

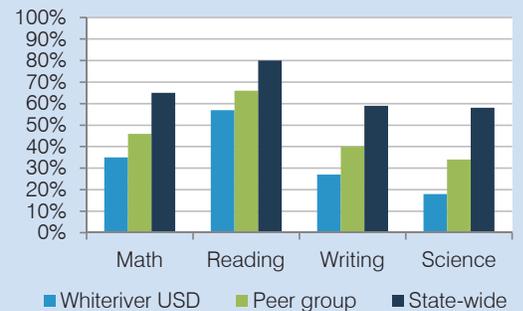
## Student achievement lower and operational efficiency varied by area

### Our Conclusion

In fiscal year 2014, Whiteriver Unified School District's student achievement was lower than peer districts', on average, and its operational efficiency varied by area with some costs higher and some costs lower than peer districts' averages. The District's transportation program was reasonably efficient with a lower cost per mile and bus routes that filled buses to an average of 85 percent of seat capacity. Additionally, the District's food service program operated efficiently with a much lower cost per meal than peer districts', on average. However, the District's administrative cost per pupil was much higher than the peer districts' average because of higher staffing levels, and the District needs to strengthen controls over its computer network and systems. Further, the District's plant operations cost per pupil was higher than the peer districts' average primarily because the District maintained a large amount of excess building space, operating its schools at just 57 percent of capacity, on average, in fiscal year 2014.

**Student achievement lower than peer districts'**—In fiscal year 2014, Whiteriver USD's student AIMS scores in math, reading, and writing were lower, or slightly lower, than the peer districts' averages and its science scores were much lower. Under the Arizona Department of Education's A-F Letter Grade Accountability System, the District received an overall letter grade of D. Seven of the 20 peer districts also received Ds, 8 peer districts received Cs, 2 received Bs, and 3 received As. Additionally, the District's 67 percent graduation rate was lower than the peer districts' 75 percent average and the State's 76 percent average.

Percentage of students who met or exceeded state standards (AIMS)  
Fiscal year 2014



**Operational efficiency varied by area**—In fiscal year 2014, Whiteriver USD's operational efficiency varied by area. Compared to peer districts', Whiteriver USD's transportation program was reasonably efficient with a lower cost per mile and bus routes that filled buses to an average of 85 percent of seat capacity. Additionally, the District's food service program operated efficiently with a much lower cost per meal. However, the District's administrative cost per pupil was much higher than the peer districts' average primarily because the District had higher administrative staffing levels. The District's plant operations cost per pupil was also higher than peer districts', on average, primarily because the District maintained more square footage per pupil, which was not needed because the District's schools operated at just 57 percent of capacity, on average, in fiscal year 2014.

Comparison of per pupil expenditures by operational area  
Fiscal year 2014

	Whiteriver USD	Peer group average
Administration	\$1,174	\$789
Plant operations	1,149	1,009
Food service	566	386
Transportation	513	406

## Much higher administrative costs and inadequate computer controls

**Higher costs and staffing levels**—In fiscal year 2014, Whiteriver USD's administrative cost per pupil was 49 percent higher than peer districts', on average, primarily because it had higher administrative staffing levels. More specifically, Whiteriver USD employed one administrative full-time equivalent (FTE) position for every 85 students while the peer districts averaged one administrative FTE for every 95 students. Staffing levels were higher primarily at the district office level where the District employed more administrative support positions, such as administrative assistants and secretaries, per



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student than the peer district averages. Also, the District employed certain administrative positions that most of the peer districts did not, such as a federal programs director. In addition to employing more positions, as part of its federal No Child Left Behind school improvement plan, the District chose to include additional pay for its principals. Whiteriver USD paid its principals an 18 percent higher average salary than the peer districts.

**Inadequate computer controls**—The District lacked adequate controls over its computer systems and network. More specifically, 5 of the District’s 12 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 multiple user accounts that were linked to employees who no longer worked for the District. The District’s network also had 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. In addition, although the District’s computer servers were located in locked rooms, the server rooms were accessible to non-IT staff, which increased the risk of network interruption due to intentional or accidental equipment damage. Finally, the District lacked a written, up-to-date, and tested disaster recovery plan for its network and critical 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:

- Review its administrative positions and related duties and determine and implement ways to reduce administrative costs;
- Implement proper controls over its computer systems and network; and
- Create and test a formal disaster recovery plan.

### District spent more on plant operations primarily for excess building space

In fiscal year 2014, Whiteriver USD’s plant operations cost per square foot was 12 percent lower than the peer districts’ average, but its cost per pupil was 14 percent higher because it maintained a large amount of excess building space. As a result, the District spent more of its available operating dollars for plant operations, leaving it less money to spend in the classroom. Whiteriver USD’s schools operated at just 57 percent of capacity, on average, in fiscal year 2014. Maintaining more building space is costly to the District because the majority of its funding is based on its number of students, not the amount of square footage it maintains. Had Whiteriver USD maintained a similar amount of school building space per student as its peer districts averaged, it could have saved more than \$513,000, monies that the District otherwise potentially could have spent in the classroom. To its credit, the District closed its existing high school in fiscal year 2012 and moved the students to its smaller alternative high school building to help reduce its excess space. However, given the large amount of remaining excess building space noted above, the District should continue to look for ways to further reduce its excess building space.

### Recommendation

The District should continue to review the use of space at its schools and implement ways to reduce identified excess space.