



Legislative Post Audit Performance Audit Report Highlights

K-12 Education: Efficiency Audit of the Attica School District

Report Highlights

July 2016 • R-16-005

Summary of Legislator Concerns

K.S.A. 46-1133 requires the Legislative Division of Post Audit to conduct a series of efficiency audits of Kansas school districts. The audits are to include one small, one medium, and one large school district each year.

The Attica school district was selected for an audit in September 2014 in the small-sized school district category.

Background Information

The Attica school district is located in south central Kansas in Harper County.

The district served about 155 FTE students and had 30 FTE staff in the 2014-15 school year.

In the 2014-15 school year, the districts' expenditures were almost \$2.8 million.

Five-year trend data show the district's student enrollment and staffing have increased by 6%. However, the district's expenditures per FTE student have declined by about 3% over the past four years.

QUESTION 1: *Could the Attica school district achieve significant cost savings by improving resource management, and what effect would those actions have?*

Savings Options That Would Have Little to No Impact on Students or the Community and Should be Implemented

- The district could save up to \$20,000 annually by reducing information technology support to peer levels.
 - In the 2014-15 school year, Attica spent about twice as much on IT support for students and staff than its peer districts.
 - District officials were concerned about potentially not having any in-house staff to quickly address problems.
- The district could save \$13,000 annually by reducing food service staff to peer levels.
 - Attica's food service operations are overstaffed by almost 1.0 FTE when compared to its peers.
 - District officials expressed concern that the district only appeared inefficient because of its small size.
- The district could save between \$6,000 and \$10,000 annually in food service costs by changing several purchasing practices.
 - The district could potentially save approximately \$5,000 to \$9,000 by soliciting bids or competitively shopping for the best food supply prices.
 - The district could save, on average, about \$900 a year by purchasing a dishwasher instead of renting one.
 - Although it may not save the district money, the district should make the food service director aware of the district's food service budget.
- The district may be able to save up to \$12,000 annually by seeking bids or competitively shopping for building insurance.
 - The district's building insurance costs were about \$19,000 more than its peer average, in part because it has filed several claims and because it does not solicit bids or competitively shop for insurance services.
- The district could generate up to \$4,300 in revenue annually by switching to a cash-back procurement card and maximizing its usage.

Savings Options That Could Have a Moderate Impact on Students or the Community, but Should be Considered

- The district could save \$40,000 annually by incorporating sixth graders into the junior high school and eliminating one teacher position.
 - Because of the small number of students at the junior and senior high school (68) many teachers have multiple planning periods.
 - Incorporating the sixth graders into the junior high would better utilize junior and senior high teachers' time and save the district \$40,000.
 - It is not uncommon for sixth graders to be part of a junior high school, and the impact on the students would be moderate.
 - Although district officials would prefer to keep the teaching position and offer more electives, we identified several elective courses that currently do not have any enrolled students.

Other Findings

- The district has several weak accounting practices that increase the risk for fraud and abuse.
 - Weak district accounting practices have resulted in several significant recordkeeping errors and increase the district's risk for fraud and abuse.
 - These errors also reduce the district's transparency and accountability.
 - A lack of written policies, inadequate training, and recent turnover has contributed to the district's weak accounting practices.
- The district lacks practices and policies to adequately protect its assets.
 - The district has one individual administer all aspects of cash handling, which increases its risk of fraud and abuse.
 - The district does not have a functional inventory that allows it to appropriately monitor its physical assets.
 - The district also lacks written procurement card policies, which could result in cards being misused.
 - Finally, the district's purchasing practices do not ensure prudent use of its financial resources.
- The district appears to have accepted the donation of a new gymnasium without considering the long-term cost obligations.

SUMMARY OF RECOMMENDATIONS

- We made several recommendations to the Attica school districts to either implement, or consider implementing, the cost savings options we identified.

AGENCY RESPONSE

- District officials generally concurred with the report's findings, conclusions, and recommendations.

HOW DO I REQUEST AN AUDIT?

By law, individual legislators, legislative committees, or the Governor may request an audit, but any audit work conducted by the division must be directed by the Legislative Post Audit Committee. Any legislator who would like to request an audit should contact the division directly at (785) 296-3792.

Legislative Division of Post Audit

800 SW Jackson Street
Suite 1200
Topeka, Kansas 66612-2212
Telephone (785) 296-3792
Fax: (785) 296-4482
Website:
<http://www.kslpa.org/>

Scott Frank
Legislative Post Auditor

For more information on this
audit report, please contact
Heidi Zimmerman
(785) 296-3792
heidi.zimmerman@lpa.ks.gov