



Legislative Post Audit Performance Audit Report Highlights

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

July 2017 • R-17-007

QUESTION 1: *What Options Could the Bucklin School District Consider to Increase Operational Efficiency and Improve the Effectiveness of Their Financial Controls and Information Technology Security Controls?*

Background Information

The Bucklin school district is located in southwest Kansas, about 30 miles southeast of Dodge City.

The district served 221 FTE students, employed 40 FTE staff, and had a little more than \$3.0 million in expenditures in the 2015-16 school year.

Although the Bucklin school district's enrollment has decreased over the past five years, its total staffing as well as its expenditures per student have increased.

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

- The district could save between \$20,000 and \$40,000 annually by reducing food service staff and implementing better management practices. (p.12)
 - The district could reduce costs by aligning its food service staff to peer levels.
 - The district could further control costs by actively managing its food service budget through comparison shopping, buying in bulk, and increasing its breakfast prices to the peer average.
 - Finally, the district could consider contracting its food service program to a vendor to further reduce costs.
- The district could save between \$10,000 and \$15,000 annually by outsourcing its IT support. (p.15)
 - In the 2015-16 school year, Bucklin spent twice as much on IT support for students and staff than its nearby peer districts.
 - Bucklin could save \$10,000 to \$15,000 annually by outsourcing its IT support, however district officials were concerned about not having dedicated IT staff in the school to troubleshoot problems.
 - One option would be to pay a teacher a small stipend to handle routine IT issues and contract for more technical support.
- The district could save between \$4,000 and \$8,000 annually by seeking bids or competitively shopping for insurance services, and by joining the Kansas Association of School Board's workers' compensation pool. (p.16)
- The district could generate up to \$3,000 in additional revenue annually by maximizing the use of its cash-back procurement cards. (p.17)

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

- The district could save between \$25,000 and \$30,000 annually by switching to other distance learning options. (p.18)
 - In the 2016-17 school year, Bucklin spent \$55,000 to provide four courses to 33 students through its interactive distance learning network.
 - The Southeast Kansas Education Service Center offers a program that could provide savings to the district, but district officials were concerned that it does not offer live instruction every day.

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

- The district could save between \$50,000 and \$55,000 annually by consolidating or eliminating low-enrollment classes and reducing one teaching position. (p.20)
 - Two of the district’s three career and technical education programs have very low student participation.
 - If the district consolidated or eliminated some of these courses, it would need one fewer teaching position and could save \$50,000 to \$55,000 annually.
 - District administrative staff thought some agriculture and industrial arts classes may have greater student interest in the future and were concerned about reducing staff.

Other Findings

- The absence of written policies and procedures and poor financial controls put the district at high risk of waste, fraud, and abuse. (p.22)
 - The district lacks written policies, procedures, and job descriptions related to many key financial controls, which increases the risk that important tasks are not completed or are not carried out correctly.
 - In some important areas, the district had developed good policies and procedures, but they were not consistently followed.
 - Many of the district’s financial management practices lack critical internal controls, putting the district at high risk of fraud and abuse.
- In each of the past four years, the district’s independent auditors found significant accounting errors or internal control deficiencies. (p.25)

SUMMARY OF RECOMMENDATIONS

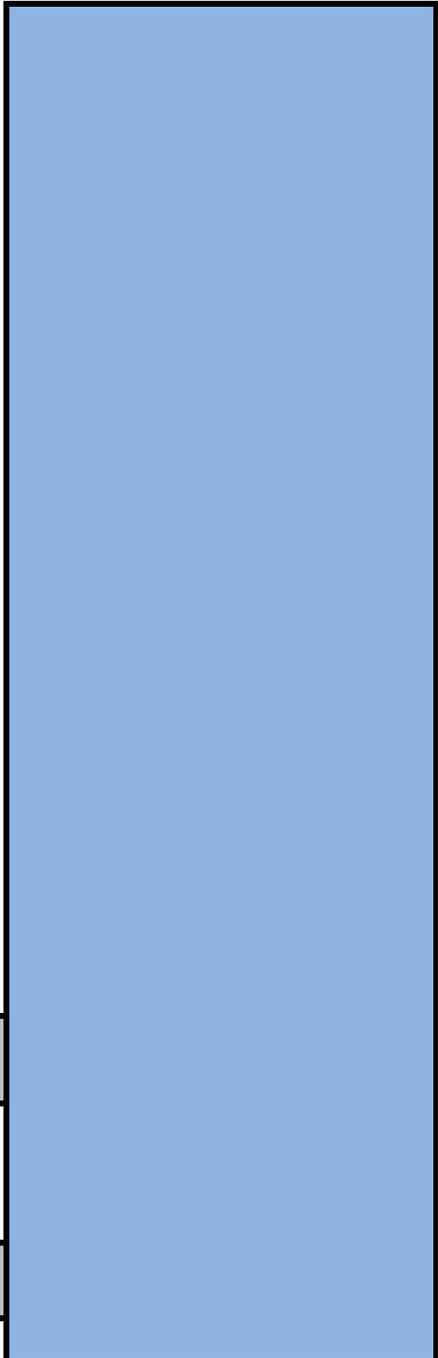
We made several recommendations to the Bucklin school district to either implement, or consider implementing, the cost savings options we identified. (p. 27)

AGENCY RESPONSE

District officials generally concurred with the report’s findings, conclusions, and recommendations. (p. 31)

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.



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