



# Legislative Post Audit Performance Audit Report Highlights

Highlights

K-12 Education: Efficiency Audit of the Marais des Cygnes Valley School District

## Report Highlights

April 2015 • R-15-007

### **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 from fiscal year 2014 to fiscal year 2017. The audits are to include one small, one medium, and one large school district.

Marais des Cygnes Valley school district was selected for an audit in September 2014 in the small-sized school district category.

### **Background Information**

*The Marais des Cygnes Valley school district is located in Eastern Kansas, primarily in Osage County.*

*The district served 278 FTE students and had 44 FTE employees in the 2013-14 school year.*

*Four-year trend data show the district's student enrollment and staffing have increased, but expenditures per FTE student have remained constant.*

*Marais des Cygnes has lower property values and higher free-lunch counts than the state average.*

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

- The Marais des Cygnes Valley school district appears to operate efficiently compared to its peer districts.
  - The district's operational expenditures were lower than the peer district's average in the areas we evaluated.
  - The district has chosen to operate with fewer financial resources than comparable school districts.
  - The district's lower spending does not appear to have adversely affected student performance.
  - Because the district already appears to be operating efficiently in the areas we audited, we found limited options for increased efficiency.

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

- The district could generate up to \$5,200 in revenue annually by switching to a cash-back procurement card and maximizing its usage.
  - District officials would need to restructure the district's current procurement card use and strengthen existing controls to implement this cost savings option.

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

- The district could save about \$21,000 annually by replacing a full-time teaching position with a paraprofessional.
  - The district could eliminate a full-time teaching position that is currently performing paraprofessional duties to generate about \$21,000 in annual savings.
  - District officials confirmed that a paraprofessional could perform these duties and said they would consider adjusting staffing levels.
  - The state would also save about \$3,000 in KPERs funding by eliminating this teaching position.

- The district could generate up to \$18,000 in savings and increased revenue by eliminating free meals for staff and increasing meal prices.
  - The district transferred \$33,000 from its general fund to food service in school year 2013-14 because its food service operations were not self-sufficient.
  - The district could reduce the need to transfer about \$11,000 to \$15,000 to its food service program by eliminating free meals provided to district staff.
  - The district could generate an additional \$3,000 in revenue by bringing its student and staff meal prices in line with their peer districts.

**Other Findings**

- The district lacks adequate policies and procedures for several of its financial controls.
  - The superintendent’s procurement card purchases are not reviewed and approved.
  - The district has inadequate procedures and no policies for processing cash transactions.
  - The district appears to have adequate procedures in other financial areas but lacks written policies.

**SUMMARY OF RECOMMENDATIONS**

We made several recommendations to the Marais des Cygnes Valley school district to either implement or consider implementing the cost savings options and financial control improvements we identified.

**AGENCY RESPONSE**

The district generally concurred with our 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  
**Dan Bryan**  
 (785) 296-3792  
 Supervisor:  
 dan.bryan@lpa.ks.gov