



*South-Western
City Schools
Performance
Audit*

February 11, 2010

*Dr. Bill Wise,
Superintendent*

*Hugh W. Garside, Jr.,
Treasurer*



Tonight's Agenda

- *Overview of the Audit Process*
- *Background Information*
- *Noteworthy Accomplishments*
- *Assessments Not Yielding
Recommendations (Best Practices)*
- *Recommendations*
- *Community Group Work*



Objectives, Scope and Methodology

“Performance audits provide objective analysis so that management and those charged with governance and oversight can use the information to improve program performance and operations, reduce costs, facilitate decision-making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability.”



The Audit Process

- *Gather background information*
- *Select peer districts*
- *Collect data & conduct interviews*
- *Test reliability of information*
- *Identify applicable leading practices*
- *Make comparisons*
- *Share information with district and community*



SWCS Overview

- *Sixth largest district in Ohio*
- *Second largest in Franklin County*
- *119 square miles*
- *21,331 PK-12 students (2008-09)*
- *2,359.8 FTE staff (2008-09)*
- *Spends \$848 below state average in per pupil expenditures*





Peer Districts

(used by the Auditor of State's Office)

Elyria CSD (Cleveland)

Gahanna-Jefferson CSD (Columbus)

Groveport-Madison LSD (Columbus)

Huber Heights CSD (Dayton)

Parma CSD (Cleveland)

Reynoldsburg CSD (Columbus)

Washington LSD (Toledo)

West Clermont LSD (Cincinnati)

Westerville CSD (Columbus)

Willoughby-Eastlake CSD (Cleveland)



8 Noteworthy Accomplishments



- *Specialized Instruction*
- *Workers' Compensation Premiums*
- *Enrollment Projections*
- *Classroom Inventory and Building Utilization*
- *Transportation Plan*
- *Network Infrastructure*
- *Software Application Integration*
- *Technology Inventory System*



Additional Noteworthy Facts



- *The District's expenditures per pupil were \$9,336, which was below the State average of \$10, 184. This is \$848 less per pupil.*
- *The District spent, in total, 7.6 % less per pupil than the peer average. This is \$772 less per pupil.*
- *The District's utility costs in FY 2007-08 were 13% lower than the peer average and 8% lower than the industry benchmark.*



35 Assessments Following Best Practices

(Assessments Not Yielding Recommendations)

- *Financial Systems (4)*
- *Human Resources (5)*
- *Facilities (5)*
- *Transportation (4)*
- *Food Service (6)*
- *Technology (11)*





Assessments Following Best Practices

Financial Systems

- Financial management, ethics, credit card, payroll and purchasing policies meet leading practices*
- Forecasting and budgeting processes meet leading practices and forecast assumptions for major line items are reasonable and sufficiently documented*
- Limited payroll runs allow adequate time for reconciliation with effective internal controls over the time and attendance reporting process*
- Inventory controls over textbooks and custodial, maintenance and transportation supplies meet leading practices.*



Assessments Following Best Practices

Human Resources

- Staffing levels were comparable to peer districts on FTEs per 1,000 students educated*
- Substitute teacher pay rates are comparable to similar districts in the area*
- Spending on extracurricular activities per students in fiscal year 2007-08 was similar to peer average*
- A smaller percent of General Fund money is spent on vocational programs when compared to the average of selected districts with comprehensive high schools*
- The district's Web site provides general information about the board of education including agendas, minutes, and contact information*



Assessments Following Best Practices

Facilities

- New employee shadowing process allows new employees to work with high performing employees to learn proper and expected procedures*
- Energy management practices have been implemented with regard to energy use tracking, monitoring and inefficiency auditing. The district's utility costs in FY 2007-08 were 13% lower than the peer average and 8% lower than the industry benchmark*
- Gas and electric are purchased to maximize purchasing power*
- The district is maximizing the use of its educational space*
- Average compensation for custodians and head custodians is comparable to the average of similar districts in the area*



Assessments Following Best Practices

Transportation

- Policies are in line with State requirements*
- Sufficient controls ensure the security of the fleet, equipment, and supplies*
- Purchasing practices for transportation supplies and materials have led to costs lower than both the peer average and industry benchmarks*
- Preventative maintenance activities are in line with leading practices*



Assessments Following Best Practices

Food Service

- Handbook for new employees includes dress code, sanitation, general info, forms, and cooking information*
- Meetings 4 times per year cover security and safety topics plus purchasing, cash handling and inventory. Nurses provide training on the Heimlich maneuver, blood borne pathogens and other health issues*
- Process for evaluating meal prices is appropriate*
- Participation in the school lunch program exceeded peer average*
- Food costs are minimized through participation in consortium pricing and government commodity purchases*
- Submission of reimbursement claims for National School Lunch Program is consistent and within 45-day timeframe*



Assessments Following Best Practices

Technology

- A comprehensive plan provides direction for decision making*
- Staffing levels are in line with recommended levels with a ratio of 1 technician per 1000 computers*
- Professional development center provides courses to staff*
- Network has sufficient bandwidth and can be upgraded plus is VoIP ready*
- Off-peak hours are utilized to push anti-virus software and system updates*
- Uniform equipment standards for purchases have been implemented*



Assessments Not Yielding Recommendations

Technology (continued)

- Minimum equipment standards are set for donated equipment*
- The use of network laser printers has been implemented to lower the costs of support and maintenance*
- Staff members are required to submit notification to central office when technology purchases at the building level are desired to ensure compliance with uniform equipment standards and technology support guidelines*
- Equipment is auctioned off at public auctions or disposes equipment through an asset recovery program*
- Instructional software bundles aid student learning through the integration of technology into the curriculum*



28 Key Recommendations

- *Financial Systems (5)*
- *Human Resources (6)*
- *Facilities (5)*
- *Transportation (5)*
- *Food Service (4)*
- *Technology (3)*





Recommendations

Financial Systems

- R2.1 - Develop a strategic plan to include major financial needs, capital needs and program decisions
- R2.2 - Supplement the comprehensive annual financial report with a less-detailed popular annual financial report
- R2.3 - Develop a policy requiring timely payments to take advantage of vendor discounts, avoid late fees, and other charges
- R2.4 - Create an internal audit position to monitor and review operations and programs or assign duties to a current employee
- R2.5 - Require mandatory direct deposit for all employees and long-term substitutes, regardless of hire date. Discontinue the use of paper pay stubs.



Recommendations

Financial Systems

“The district does an excellent job of sharing appropriate financial information with management and the community through monthly financial reports, the district’s official Web site and the CAFR.”



Recommendations

Financial Systems

Table 2-2: FY 2007-08 Expenditure Per Pupil Comparison

	SWCSD		Peer Average		Difference Per Pupil	Percent Difference Per Pupil
	Total	Per Pupil	Total	Per Pupil		
Administration	\$21,601,689	\$1,059	\$9,797,026	\$1,166	(\$107)	(9.2%)
Building Operations	\$34,359,793	\$1,684	\$15,920,052	\$1,956	(\$272)	(13.9%)
Staff Support	\$6,863,569	\$336	\$2,016,051	\$258	\$78	30.4%
Pupil Support	\$17,831,090	\$874	\$8,289,559	\$986	(\$112)	(11.3%)
Instruction	\$109,849,768	\$5,383	\$47,117,604	\$5,744	(\$360)	(6.3%)
Total	\$190,505,909	\$9,336	\$83,140,282	\$10,108	(\$733)	(7.6%)

Source: Ohio Department of Education (FY 2007-08 was the most recent data available at the time audit work was completed.)



Recommendations

Financial Systems

Table 2-3: Historical Expenditures Per Pupil

	FY 2005-06 Expenditures	FY 2006-07 Expenditures	Percent Change	FY 2007-08 Expenditures	Percent Change	Average Percent Change
Administrative	\$1,164	\$1,047	(10.1%)	\$1,059	1.1%	(4.5%)
Building Operations	\$1,801	\$1,497	(16.9%)	\$1,684	12.5%	(2.2%)
Staff Support	\$663	\$403	(39.2%)	\$336	(16.5%)	(27.8%)
Pupil Support	\$960	\$818	(14.8%)	\$874	6.8%	(4.0%)
Instruction	\$5,582	\$5,582	(8.5%)	\$5,383	5.3%	(1.6%)
Total	\$10,170	\$8,875	(12.7%)	\$9,336	5.2%	(3.8%)

Source: Ohio Department of Education (FY 2007-08 was the most recent data available at the time audit work was completed.)



Recommendations

Human Resources

- R3.1 - Develop a comprehensive staffing plan
- R3.2 - Develop policies and procedures to ensure EMIS reports are accurately prepared and reconciled
- R3.3 - Distribute an employee handbook; establish a process for reviewing and updating job descriptions; and solicit feedback regarding the work environment and job satisfaction
- R3.4 - During future negotiations, seek to adjust or remove provisions that unnecessarily restrict management's ability to efficiently manage the District
- R3.5 - During future negotiations, seek additional cost containment strategies to reduce medical and dental costs
- R3.6- During future negotiations, seek contract language to offer retirement incentives only when needed to meet specific goals



Supporting Information

Human Resources

Table 3-1: Staffing Comparisons (in FTEs)

	SWCSD	Peer Average	Difference	
Students Educated	19,660	8,096	11,564	
	Staff Per 1,000 Students	Staff Per 1,000 Students	Difference Per 1,000 Students	FTEs Above/(Below) Peers
Administrative	4.9	5.1	(0.2)	(4.5)
Office/Clerical	6.7	7.8	(1.1)	(22.6)
Teaching	53.8	56.4	(2.6)	(51.1)
Education Service Personnel (ESP)	6.0	8.1	(2.1)	(41.9)
Educational Support	8.9	6.1	2.8	54.3
Other Certificated	1.9	2.5	(0.6)	(10.2)
Non-Certificated Classroom Support	10.1	7.8	2.3	46.2
Other Technical/ Professional Staff	1.8	2.0	(0.2)	(3.5)
Other Student Services	2.5	2.6	(0.1)	(1.8)
Operations	23.4	23.2	0.2	4.3
Total Staff	120.0	121.5	(1.5)	(30.1)

Source: Ohio Department of Education and South-Western City School District



Supporting Information

Human Resources

Table 3-2: Salary Comparison

	Average Salaries			Salaries Per Student Educated		
	SWCSD	Peer District Average	Percent Difference	SWCSD	Peer Salaries Per Student	Percent Difference
Administrative	\$91,944	\$88,676	3.7%	\$447	\$448	(0.2%)
Office/Clerical	\$32,376	\$34,107	(5.1%)	\$217	\$265	(18.1%)
Teaching	\$60,828	\$59,777	1.8%	\$3,274	\$3,369	(2.8%)
ESP	\$64,747	\$62,949	2.9%	\$387	\$514	(24.7%)
Educational Support	\$60,237	\$56,358	6.9%	\$535	\$224	60.2%
Other Certificated	\$61,848	\$52,700	17.4%	\$120	\$113	6.2%
Non-Certificated Classroom Support	\$21,444	\$20,526	4.5%	\$217	\$154	40.9%
Other Technical or Professional Staff	\$32,202	\$35,512	(9.3%)	\$58	\$65	(10.8%)
Other Student Services	\$60,931	\$58,112	4.9%	\$154	\$150	2.7%
Operations	\$25,400	\$24,371	4.2%	\$594	\$554	7.2%
Total Staff	\$50,005	\$49,413	1.2%	\$6,004	\$5,965	0.7%

Source: Ohio Department of Education and South-Western City School District



Recommendations

Facilities

- R4.1- Reduce custodial staff by 15.5 FTEs and eliminate the use of seasonal maintenance staff
- R4.2 - During future negotiations, seek to modify maintenance step schedules or limit future negotiated wage increases
- R4.3 - Develop a formal facilities master plan to identify and address long-term facilities needs and preventative maintenance and include five-year enrollment projections
- R4.4 - Use existing work order system to develop and implement a preventative maintenance program
- R4.5 - Develop a formal handbook for custodial and maintenance operations and provide periodic training to staff



Supporting Information Facilities

Table 4-2: FY 2007-08 M&O Department Expenditures Comparison

Category Expenditure	SWCS per sq. ft.	Peer Average per sq. ft.	\$ Difference	% Difference
Personal Services	\$2.49	\$2.56	(\$0.08)	(3.0%)
Employee Retirement & Insurance Benefits	\$0.88	\$1.00	(\$0.12)	(12.2%)
Purchased Services	\$1.68	\$2.85	(\$1.18)	(41.2%)
Purchased Services (excluding utilities)	\$0.28	\$1.25	(\$0.97)	(77.6%)
Utilities	\$1.40	\$1.61	(\$0.21)	(13.0%)
451-Electricity	\$0.82	\$0.91	(\$0.10)	(10.4%)
452-Water & Sewage	\$0.11	\$0.11	0.00	0.0%
453-Gas	\$0.47	\$0.59	(\$0.12)	(19.8%)
Supplies & Materials	\$0.28	\$0.39	(\$0.11)	(27.0%)
Capital Outlay	\$0.03	\$0.40	(\$0.37)	(93.2%)
Capital Outlay Replacement	\$0.02	\$0.04	(\$0.01)	(37.7%)
Other Objects	\$0.00	\$0.03	(\$0.03)	(95.2%)
Total Expenditures	\$5.38	\$7.26	(\$1.89)	(26.0%)

Source: Ohio Department of Education and South-Western City School District



Recommendations

Transportation

- R5.1 - Implement written procedures for completing, reconciling and submitting T-1 and T-2 information to ODE
- R5.2 - Reduce nine (9) buses and review bell schedules to maximize triple routing for actual riders
- R5.3 - Reduce costs for special needs transportation by exploring alternate forms of transportation and reducing bus aides
- R5.4 - During future negotiations, seek to eliminate payment in lieu of vacation and re-evaluate base salaries to make them comparable with similar districts in the area
- R5.5 - Develop a formal bus replacement plan



Recommendations

Food Service

- R6.1 - Develop a strategic plan for food service operations to ensure financial viability
- R6.2 - Allocate a portion of utility and refuse removal costs to the Food Service Fund
- R6.3 - Reduce 45.5 labor hours from daily food service operations
- R6.4 - During future negotiations, seek to renegotiate salary schedules for food service employees or limit future negotiated wage increases and discontinue vacation pay for 9-10 month employees



Recommendations

Technology

- R7.1** - Ensure funding for a five-year replacement cycle

- R7.2** - Develop a student technical support program, volunteer, paid or curricular program

- R7.3** - Develop and implement a formal disaster recovery plan to be reviewed annually



Issues Recommended for Further Study

- *Vocational Programs*
 - Increase Enrollment
- *All-Day Kindergarten and Building Utilization*
 - Requirement of House Bill 1
- *Compensation for Grounds Keeping*
 - Study Cost Effectiveness
- *Bus Replacement*
 - Size and Capacity of Buses



Community Work Groups

- *Should the district embark on a new strategic planning process?*
- *Should the district add an internal audit position?*
- *When should the district implement all-day every day kindergarten?*
- *What is the appropriate length of time for a student to ride a school bus?*
- *Should the district institute an "intent to ride" school bus program?*
- *Should the district start a student program for technical support?*
- *Should the district spend more on technology?*



Next Steps

- *Review information from this evening*
- *District Response to the Performance Audit*



Thank You!

*Thank you for
attending this evening's
Conversations with the Community*

*Please make sure we have your
e-mail address for follow-up*