

Buckeye Elementary School District Report 1 of 2

District had higher electricity and water costs than peer districts, and District's lack of compliance with important requirements and standards put public monies and sensitive information at risk

Audit purpose

This performance audit report is the first in a series of 2 reports on the District and focuses on the District's efficiency and effectiveness in 4 operational areas: administration, plant operations and maintenance, food service, and transportation, and its compliance with certain State requirements. The second and final report will specifically focus on 1 aspect of administration—executive administrative spending, and particularly the superintendent's salary and benefits package—due to concerns identified during our audit.

Key findings

- District's plant operations and maintenance spending was 18 percent more per square foot than peers' because it had disadvantageous solar contract terms, used more water, and paid more for water per gallon.
- District had an estimated \$400,000 loss in each of calendar years 2018 and 2019 for solar power, and it spent approximately \$260,000 more on water and sewage than peer districts.
- District employees made purchases without required prior approval and paid for purchases without having the required evidence of receiving them.
- District allowed too much access to its sensitive computerized data which, in combination with other IT deficiencies, increased risk of unauthorized access, errors, fraud, and data loss.

Key recommendations

The District should:

- Determine whether it can negotiate a lower per kilowatt hour rate for solar energy and either modify or terminate its solar contract.
- Work with its solar power systems vendor to find a way to decrease the District's financial losses from excess solar kilowatt hours produced by its solar power systems.
- Review its water usage and rates to determine how they can be reduced and implement usage and rate reduction methods.
- Review purchasing policies and procedures and ensure they are followed and implement additional procedures, including training or penalties for repeat offenses.
- Implement policies and procedures over its IT systems in line with industry standards.