

Office of
LEGISLATIVE AUDITOR GENERAL
State of Utah

REPORT NUMBER 2005-06
April 2005



Nebo School District's Administrative Controls Appear Reasonable

A review of specific Nebo School District controls did not identify significant problems. While some policies and procedures can be improved, our review of travel expenditures, administrator salaries, and board meetings did not appear extraordinary.

We were asked to complete a limited review of the administrative control systems of the Nebo School District. Concerns were raised that travel expenditures were excessive and that some board meetings have been held outside of the district. There were also questions about the compensation paid to board members and district administrators. We reviewed overall controls at Nebo School District and then compared them to two school districts with similar student enrollments. Each area is reviewed in the following sections.

Nebo's Travel Expenses Appear Less Than Other Districts

Nebo School District's overall travel expenditures do not appear excessive when compared with two other district's with similar student

enrollment. Further, administrator and board travel expenditures are a small portion of the overall travel expense of the district.

Figure 1. Travel Expenditures Appear Less Than Similar Sized School Districts. Of the three districts we compared, Nebo School District had significantly less travel expenses in FY2002 and nearly the same in the following years. However, in FY2003 Nebo began including travel expenses that the other districts do not report as travel.

Enrollment (2003)	School Districts		
	Nebo 23,900	Salt Lake City 23,966	Washington 20,317
FY02			
Travel Expenditures	244,020	818,398	775,997
Total Expenditures	134,334,612	204,445,297	124,859,221
Percent of Total	.18%	.40%	.62%
FY03			
Travel Expenditures	576,496	689,622	535,627
Total Expenditures	140,753,364	189,873,171	123,522,614
Percent of Total	.41%	.36%	.43%
FY04			
Travel Expenditures	661,804	640,567	658,165
Total Expenditures	139,364,156	211,025,878	146,728,278
Percent of Total	.47%	.30%	.45%

Source: Utah State Office of Education

As Figure 1 shows, Nebo School District’s travel expenditures in fiscal year 2004 were close to those of Salt Lake City and Washington County School Districts. The figure also demonstrates the variability of travel expenses.

While we believe the comparison yields the best available information, it’s important to note that the information has not been compiled consistently from year to year or from district to district. For example, beginning in fiscal year 2003 Nebo School District began including student field trips and activities as part of travel expenditures. This change increased, by over \$200,000, what Nebo had previously reported as travel expenses. The other two districts do not include these expenses with travel. Therefore, it appears that Nebo School District’s travel expenses are

Administrators and board members travel is a small percentage of total travel expenditures.

significantly lower than the other two districts. However, we do not know if there are other differences in the way the districts report expenditures.

We also reviewed district administrators and board members travel expenses for Nebo School District for fiscal year 2004. Very little of the travel expenditures involved travel by board members. We estimate that board members travel expenses were approximately \$4,200 which is less than one percent of the total travel expenditures. Administrators (excluding principals and clerical staff) expenditures were approximately \$52,000 or about eight percent of the total travel. Although total travel expenditures appear reasonable, we believe authorization and documentation procedures could improve.

It is not clear if Nebo School District complies with its policy requiring prior authorization for travel. District policy states that a "Personnel Travel Request and Authorization Form will be completed...and turned in for prior approval when traveling outside Utah or whenever the travel involves an overnight stay." Prior approval is required for attendance at conference and conventions with copies of the approved travel requests provided to the Board. We compared the authorization forms to the actual travel expenditures and could not determine if an authorization form had been submitted prior to the travel or if the approved requests were presented to the board. The district does not require a clear or complete reconciliation between the authorized travel amount and the amount actually paid for the travel. We believe the District has appropriate policies that should be followed.

Nebo's Administrator Salaries Are Reasonable Compared to Other Districts

It is difficult to compare district compensation because each district has different needs, positions and classifications. Due to scope limitations, we could not determine if the positions one district reported as administrative are also classified as administrative by another district. However, based on this limited review, it appears that Nebo School District does not have an excessive number of administrators when compared to similar sized school districts and administrators salaries are within a reasonable range.

Nebo reports they employ 23 district administrators. By comparison, Salt Lake City School District reports they have 35 administrators and

Districts differ in classification of administrators.

Washington County School District reports they have 22 administrators. These administrator positions exclude principals and most support staff.

Comparing district administrators' positions and salaries is difficult because, although some positions appear to be the same, there are significant variations because of longevity, types of degrees, and responsibilities. Therefore, we compared both the total annual salary for administrator positions and a few better-defined positions. We do not feel it is beneficial to complete a detailed salary comparison because Nebo School District's salaries appear reasonable.

Although Figure 2 shows that Nebo District's total administrators' salaries are less than Salt Lake City and more than Washington County, there are several considerations when comparing specific positions. For example, Nebo pays its human resources director more than Salt Lake City School District, but Salt Lake City also employs an assistant director. All three districts have a business administrator but Salt Lake City also employs a financial services director and chief information officer. Salt Lake City also employs two assistant and two associate superintendents. Moreover, Nebo considers the maintenance supervisor an administrator while Washington County does not.

Figure 2. Administrators Salary. Nebo School District's total annual administrator salaries (excluding benefits) are less than Salt Lake City and more than Washington School Districts.

	Administrators Salary		
	Nebo	Salt Lake City	Washington
Total Administrators' Salary	\$1,739,401	\$2,896,978	\$1,465,558
Superintendent	96,345	148,778	100,750
Business Administrator	90,000	126,462	79,775
Human Resources Director	86,010	83,109	80,322

Source: School Districts

More detailed salary comparisons are currently being completed by Washington County. However, their comparisons do not include Nebo and Salt Lake City districts.

Board Meetings Held Within District Boundaries

The Nebo School District board has regularly scheduled meetings that are held at the district office or occasionally in one of the district's schools. We found no evidence that any board meeting has ever been held away from the District.

Board members training may be mistaken for board meetings.

A concern was raised that Nebo School District has held board meetings outside of the district boundaries which prevents the public from being involved in the decisions. We believe this incorrect assessment may have arisen because board members sometimes attend training sessions or activities outside of the district. While the board may be together in these sessions, they are not board meetings. Both the State Office of Education (SOE) and School Board Association hold meetings or provide training opportunities that school boards across the state attend. In addition to the meetings at the SOE in Salt Lake City, the Utah School Board Association invites board members to attend a number of in-state training meetings. There are also national meetings held outside of the state.

A final concern involved expenditures for meals or food provided at meetings. Nebo School District policy states that "every effort should be made to arrange schedules in such a way so as to minimize the charging of meals to the district. It should seldom be necessary, for instance, to arrange internal business discussions over lunch within the county." We found that Nebo School District does purchase food and supplies for some local meetings. These purchases are for training sessions or meetings and are charged to many different departments. For example, pizza was purchased by the Operations Director for a city meeting in Santaquin and for an "In-service" meeting for the Clear Project. Refreshments were also purchased for Transportation staff meetings, for Title IIA staff development and for Superintendent's meetings. Although we could not compare these expenditures to other districts, in our opinion they do not appear inappropriate or excessive.

Recommendations

1. We recommend that the Nebo School District follow its personnel travel policies requiring:

- a. an authorization form be turned in for prior approval when traveling outside of Utah or for an overnight stay.
- b. the Superintendent should provide copies of the approved travel requests to the Board to show who is traveling and for what purpose, where and when they will be traveling, and the cost for the administrators and board members to attend conferences and conventions.