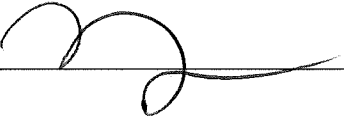


“ASSET PROTECTION” POLICY MONITORING REPORT

TO: The Board of Directors
FROM: Yvonne Walker, Superintendent
RE: INTERNAL MONITORING REPORT – ASSET PROTECTION
Yearly Monitoring on Policy II-2f: Asset Protection

I hereby present my monitoring report on your Executive Limitations Policy 2f “Asset Protection” in accordance with the monitoring schedule set forth in board policy. I certify that the information contained in this report is true.

Signed  Superintendent

Date: 11-17-21

BROADEST POLICY PROVISION

The Superintendent will not cause or allow district assets to be unprotected, inadequately maintained or unnecessarily risked.

In Compliance

SUPERINTENDENT’S INTERPRETATION: I believe this provision speaks to the need for a proactive approach in making sure that district assets (property, equipment, staff, reserves, etc.) are appropriately managed and accounted for. It is my responsibility to insure that we have systems in place to protect assets and manage risk.

POLICY PROVISION #1: *“The Superintendent will not: Fail to insure to an adequate level against theft and casualty losses and liability losses to Board members, staff and the organization itself. These protections shall be at least the average for comparable school districts.”*

In Compliance

SUPERINTENDENT’S INTERPRETATION: I interpret this provision to mean that the district must purchase quality insurance coverage for both property and liability. The coverage must be comparable to like size districts.

REPORT: The District contracts with the VIP Agency (Chelan) who serve as our insurance broker. They review our coverage levels annually, assist in claim management and serve as our representative on insurance matters.

The Manson School District’s level of protection is comparable to other districts in the state with enrollment of less than 2,000 students and is reviewed annually to ensure adequacy. Manson School District is one of one hundred and sixty-five school districts that have formed an inter-local cooperative to provide self-insurance coverage called the United Schools Insurance Program (USIP).

The purpose of the United Schools Insurance Program is to provide its members property and liability coverage; and to provide a risk management program designed to limit liability exposure. Property losses, including theft, are covered on a replacement cost basis, up to \$100 million per occurrence and liability coverage up to \$25 million, subject to a deductible. In the past few years we have increased our Privacy and Cybersecurity Liability Coverage as this is a growing risk for school districts. (see attached item A for our policy and coverages).

The insurance cooperative also provides the district, board members, employees and volunteers with liability coverage, in course and scope of duty, \$25 million per occurrence, subject to a \$1,000 deductible.

<i>POLICY PROVISION #2 “The Superintendent will not: Allow unbonded personnel access to material amounts of funds.”</i>	In Compliance
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SUPERINTENDENT’S INTERPRETATION: I interpret this to mean that no employees shall have access to funds beyond the limits of coverage.

REPORT: The District’s systems of financial control tightly limit direct access to cash and securities by anyone in the District. All property tax and state funding transactions and federal money transactions are handled directly by the Chelan County Treasurer’s Office. Together these sources represent 98% of all receipts.

United Schools Insurance Program provides crime insurance coverage in the amount of \$1,000,000 per occurrence for employee theft/fraud crimes.

<i>POLICY PROVISION #3: “The Superintendent will not: Subject plant and equipment to improper wear and tear or insufficient maintenance.”</i>	In Compliance
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SUPERINTENDENT’S INTREPETATION: I interpret this provision to mean that the district will address and properly maintain our properties and equipment and that we will proactively examine property and equipment for needed upgrades or repair.

REPORT: Building Repairs/Improvements – Summary for 20/21 Fiscal Year
From November 2020 to November 2021

High School PA Replacement
Elementary Pipe Replacement
High School Carpet Project Completed
6 AC/Heat Pumps Replaced
New Wall Padding Installed High School Gym
Extra Wall Padding Installed Middle School Gym
Grading and Extra Gravel Added to Rear Parking Lot High School
District Office Wall Added and Offices Moved
Repairs Done to Natural Playground (PTAC Volunteers)

<i>POLICY PROVISION #4: “The Superintendent will not: Unnecessarily expose the organization, its Board or staff to claims of liability.”</i>	In Compliance
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SUPERINTENDENT’S INTREPRETATION: I interpret this to mean that the District shall: (a) conduct background checks when hiring; (b) investigate reports of staff or volunteer conduct that represent inappropriate risk, and respond appropriately; (c) maintain facilities to limit liability exposure; (d) provide risk management training to staff in order to limit liability exposure; (e) identify safe walkways for students and plan District services accordingly; and limit or eliminate risk exposures related to student activities.

REPORT: The District conducts background checks on all new employees, including fingerprinting and review by the Washington State Patrol for criminal history. Administrators who have been trained to investigate alleged misconduct systematically follow-up on all such reports; follow-up action is determined in consultation with the Superintendent and/or legal counsel.

The District provides a coordinated risk management program through the United Schools Insurance Program, including risk assessment and appropriate staff training. Risk assessment and reduction is a major responsibility for each school or Program Director/Supervisor. This includes special emphasis on walking surfaces and the operation of playgrounds and parking lots, which represent a broad risk exposure.

Specific staff training: See Appendix “Required Training Chart”

The district uses Safe Schools, a training platform approved by the ESD, to provide many of these annual trainings. The operations manager, athletic director and district nurse also provide and organize trainings.

USIP loss control staff conducts physical inspections of schools. The ESD is also providing support to our safety committee in the form of recommendations. The Transportation Department identifies safe walking routes for students. The District routinely works with legal counsel and the State Auditor’s Office to identify problem areas that require improved systems of internal control and/or supervision.

<i>POLICY PROVISION #5: “The Superintendent will not: Fail to protect intellectual property, information and files from loss or significant damage.”</i>	In Compliance
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SUPERINTENDENT’S INTREPRETATION: All policies, procedures, student files, legal correspondence, and assessment materials need to be securely stored to prevent misplacement, theft, or damage due to fire or water.

REPORT: Files, either electronic or in paper format, are protected in each of the three buildings. Computer systems are regularly backed-up automatically by regularly scheduled backup systems. Financial and student records are not only stored on-site, but at the ESD and a back-up site as well. Regular and special education files and health records are all kept in a confidential, secured area in each building and locked in fire protective file cabinets. Files on vaccination status are kept separate from personnel files. All files that are taken out of the system are logged in and out to prevent misplacement or loss. Additional protections of digital communication (emails) was put in place via a contract with ESD 171. In order to meet public record requests we need to ensure all digital records are able to restored.

Technology and cyber protection

- We have an excellent firewall and content filter.
- We also have a separate VLAN for student BYOD, which is filtered
- The staff wireless uses single-use pass keys that cannot be used on another device. No one can “discover” the password because there isn’t one

- One to one student devices are equipped with filtering software and devices for our K-2 have parent controls
- No one has administrative right on their device except myself, Lori and Aaron
- Even though it is a pain, we allow Windows to do security updates as soon as they are available.

<i>POLICY PROVISION #6: “The Superintendent will not: Receive, process or disburse funds under controls that are insufficient to meet the state-appointed auditor's standards.”</i>	In Compliance
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SUPERINTENDENT’S INTREPRETATION: I interpret this to mean that District operation shall be consistent with Washington State Audit standards for accountability of public resources, legal and financial management requirements.

REPORT: The District is audited annually by the Washington State Auditor’s Office. The areas examined in 2021 were those required to be audited by federal compliance standards, areas effecting the District’s presentation of its Financial Statements, and three years of the District’s compliance with state and local statutes and requirements. Those areas include: Expenditures, Cash and Investments, Fund Balance, Federal and State Grant Expenditures and Receipts, ASB activities, payroll activities, use of local revenue and expenditure accounts, and the overall presentation of the District’s Financial Statements.

The State Auditor issued an unqualified opinion on the District’s financial statements and compliance with requirements applicable to major federal programs. (See attachments B and C).

<i>POLICY PROVISION #7: “The Superintendent will not: Compromise the independence of the Board’s audit or other external monitoring or advice. Engaging parties already chosen by the Board as consultants or advisers is unacceptable.”</i>	In Compliance
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SUPERINTENDENT’S INTREPRETATION: The Washington State Auditor’s Office is an independent agency created by the Washington State Constitution to audit municipalities, including school districts. As an elected agency, the State Auditor’s Office has the independence necessary to objectively perform audits and investigations.

I interpret this executive limitation to mean that the administration may not contract with the State Auditor or Board contracted external monitor, for purposes other than those defined by the Board of Directors or State legislature.

REPORT: The District has not engaged the Washington State Auditor for any services other than those defined by the Board of Directors and State Legislature.

<i>POLICY PROVISION #8: “The Superintendent will not: Endanger the District’s public image, credibility, or its ability to accomplish Ends.”</i>	In Compliance
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SUPERINTENDENT’S INTREPRETATION: I interpret this to mean that the District management demonstrates to the public (a) a high quality educational program, (b) sound resource management, and (c) overall staff conduct that is legal, ethical, and prudent as related to job performance.

REPORT: Manson School District's reputation as a quality district is strong. This is evidenced through parent surveys, parent reach outs, past elections and general positive communication from our families. This community is proud of their schools.

The District has taken a proactive communication approach with all parents and community members in sharing quality learning and activities students are involved in. This is done through building and district level newsletters, regular updates and information on public health matters. With current media skepticism of what is being taught in schools, Manson is increasing transparency in all aspects of student life.

Quality hiring practices and supervision ensure professionalism of all staff. Mentorship, policy adherence, consultation with legal counsel and corrective action are all steps that are taken when necessary. This attention to detail results in staff we can be proud are representing Manson.

An open environment where staff can communicate concerns to leadership has helped us to work through potential problems or risks at a low-level before larger issues may arise. Regular communication with employees and their representatives have created a "problem solving" approach to employee issues/concerns.

<i>POLICY PROVISION #9: "The Superintendent will not: Change the District's name or substantially alter its identity in the community."</i>	In Compliance
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SUPERINTENDENT'S INTREPRETATION: Because it is not within the purview of staff to name or rename schools or mascots, I interpret this to mean that recommendations by staff, incorporating input from students and community, will be presented to the Board for approval.

REPORT: Our three schools (Elem, MS, HS) have not had their names or mascots changed. The Manson Learns initiative has helped promote the ENDS/Goals our District has for students and has helped solidify the District's identity.

Revised 11/21