

In Step With the Board
January 2018

Financial oversight is one of the most critical roles the Board of Trustees plays at Mark Day School. These responsibilities cover a range of activities including the annual operating budget process, long-term financial modeling and protecting the long term assets of the school. One of the most critical financial safeguarding measures that takes place each year is the annual audit. In conducting the audit, the Board ensures that the school follows best practices around financial controls that support compliance with GAAP accounting policies and prevention of fraud or misappropriation of resources.

Since the mid-1980s, Mark Day School has contracted with third party audit firms to evaluate the school's finances and financial controls. Since 2005 our audit firm has been Armanino LLP, which specializes in offering education clients extensive reporting including custom benchmarking and metric analytics. Our long-standing relationship with Armanino ensures that there is continuity and consistency amongst our financial results.

Our most recent audit results were reviewed by the Board of Trustees in November and ranked highly by Armanino LLP. We continue to abide by the strong practices highlighted in this installment last year, which continue to enhance the quality of our operations. These practices include:

- *Independence of duties:*

- a) There is a separation of duties between Finance & Operations, Controller and Accounting. This results in a system of checks and balances.
- b) Access to all key accounts and systems is limited to a select number of individuals (Director of Finance and Operations, the Controller, and the Accounting Assistant)
- c) A distinct Business Office from our Development Office allows each department to reconcile contribution accounts on a monthly basis. This ensures that when every payment or donation is made to the school, the funds are accounted for by both departments and must match.

- *Strict internal oversight:*

- a) The school's finance department oversees all accounts and records, and all checks require two signatures from senior administrators.
- b) The Head of School has accountability for reviewing the monthly Bank Statements, including all cashed checks.

- c) The Board Chair is accountable for reviewing the Head of School's expenses in addition to the review process built into the financial operations.

Mark Day School takes this audit and this financial review process extremely seriously, as we realize that this is our 'license' to operate. The culture for excellence and maintaining an operationally focused controls system across our finance department is just one of the many examples on how Mark Day School differentiates itself from other institutions. Without this accountability by The Head of the School and the Director of Finance and Operations, this would not be possible.

For additional information about the board, please visit the [Board of Trustees section](#) of the school website. If you have any question about this newsletter, please contact Robert Hee, Board President, or Eileen Sheldon, Audit Committee Chair. We would love to hear your feedback.

We hope that you and your loved ones had a wonderful winter break and wish you a Happy New Year.

All the best,

Mark Day School Board of Trustees