

## In Step With The Board December 2016

*This bulletin is our second installment of a regular series of updates to our school community about the Mark Day School Board of Trustees. We wanted to take a moment to share work managed by the Audit Committee related to the annual audit and financial controls.*

The Mark Day Board of Trustees' responsibility for long-term stewardship of the school takes many forms. In addition to development, strategic planning, site development, and general governance, the board is accountable for the financial well-being and the final oversight of the management of the school's finances. As part of that oversight, the board ensures that the school follows best practices in the area of audit and financial controls to ensure compliance with generally accepted accounting principles (GaaP) and the prevention of fraud or misappropriation of resources.

Since 1985, Mark Day School has contracted with third party audit firms to engage in annual independent audits of the school's finances and financial controls. Our audit firm since 2005 has been Armanino LLP, and the school worked with Lautze and Lautze for the prior decade. The audit team spends a week on campus at the end of the summer every year going through our books, speaking to the administration, and observing the practices of the Finance department. Our most recent audit results were reviewed by the Board of Trustees in October, and the school came through with a strong endorsement for the quality of our operations and with no deficiencies. We believe it is important for members of the school community to know that our administrative staff follows the best practices of a vigilant and professional finance organization. Here a few of those practices that we think have a big impact on the quality of our operations.

- Separation of duties between Finance & Operations, Controller, and Accounting means there are checks and balances in each part of the system, which reduces the chance for error and prevents fraud by a single individual.
- We have a Business Office which is distinct from our Development Office, each of whom reconcile the contribution accounts on a monthly basis. This ensures that when a payment or donation is made to the school, the funds are accounted for by both departments and must match.
- The school watches every penny that flows out of its accounts, and all checks require the signatures of two senior administrators.
- The Head of School is responsible for reviewing the monthly Bank Statements, including all cashed checks, and Payroll and the Board Chair is responsible for reviewing the Head of School's expenses in addition to the review process built into the financial operations.

- Finally, access to key accounts and our accounting software is limited to the Director of Finance and Operations, The Controller, and the Accounting Assistant.

Mark Day School takes its responsibility to properly manage the resources under its control very seriously, and a culture of checks and balances, audit of information flows, and careful consideration of its operational practices are key to maintaining a well run operation and a clean set of books.

Please stay tuned for future editions of *In Step With The Board*. Our goal every year is to be transparent about much of our work in service of our wonderful school. Here is a calendar of upcoming issues of *In Step With The Board*.

January: Finance - Budget, Invitation to Finance and Development 101, and Indexed Tuition

February: Development and Capital Campaign

March: Governance - Diversity and Inclusivity Subcommittee

April: Site Committee

May: Governance - Introduction of New Trustees and Farewell to Departing Trustees

June: End of Year Board Reflections

For additional information about the board, please visit the [Board of Trustees section](#) of the school website. If you have any question about the board, please contact Shalu Saluja, Board President, or Sam Parker, Audit Committee Chair. We would love to hear your feedback.

We hope that you and your loved ones have a wonderful winter break.

All the best,

**Members of the Board of Trustees**

Shalu Saluja, President

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