

**Global Executive Constraint
Policy 3.0**

To: Board of Education

From: Dr. Chris L. Fiedler, Superintendent of Schools

Re: Internal Report on The Expectations of the Board – 3.0 Global Executive Constraint

I hereby present my report on the Expectations of the Board through our Global Executive Constraint, 3.0 in accordance with the monitoring schedule as set forth in Board policy. I certify the information in this report is true.

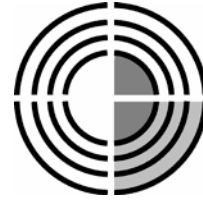
Signed: 

Date: August 26, 2014

Superintendent, School District 27J



**COLORADO SCHOOL DISTRICT 27J
GOVERNING POLICY OF
THE BOARD OF EDUCATION**



Executive Limitations

Policy 3 – GLOBAL EXECUTIVE CONSTRAINT

Date Adopted/Last Revised: January 27, 2009 Executive Limitations

The Superintendent will not cause or allow any practice, activity, decision or organizational circumstance that is unlawful, imprudent, or in violation of commonly accepted business and professional ethics and practices.

I interpreted "unlawful" to mean:

any practice, activity, decision, or organizational circumstance (hereafter, "unlawful situation") which is determined to be contrary to applicable law by an agency of the state of Colorado or the United States, or by court of law. Other unlawful situations are those about which the Superintendent or in-house counsel knows or should have known and which are likely to be found contrary to clearly established law applicable in the state of Colorado, including but not limited to the delegation of legal responsibilities of the Board of Education to the Superintendent in a manner contrary to law.

I interpret "imprudent" to mean:

any situation which violates executive limitations, any ongoing violation of Superintendent Policy, or any failure to adopt any policy required by law or governmental regulation.

I interpret "commonly accepted business and professional ethics and practices" to mean:

- 1.) Operating limitations as established by board policy*
- 2.) Conduct standards that address the following topics:*
 - ethics, conflicts of interest, and nepotism policies which include substantive standards commonly found in policies/procedures adopted by other Colorado school districts*
 - bidding/procurement procedures which include substantive standards commonly found in policies/procedures adopted by other Colorado school districts*
 - internal controls for processing financial transactions which include substantive standards that reflects sound accounting practices as determined by the School District 27J independent auditors*
 - business functions within my operational span of control, but to exclude governance, other than advising the Board if I became aware of the Board's non-compliance with its own policies*

PART I - LEGAL

Data Reported:

Unlawful:

During 2013-2014 there were two Office of Civil Rights complaints filed against the District and one on-site review occurred. The first complaint arose amid allegations of lack of accommodations being provided to a student on an IEP at one of our middle schools. This complaint was ultimately resolved in favor of the school, its employees, and the District at a court hearing in March of 2014.

The second complaint remains unresolved as of June 30, 2014 and arises out of an allegation that a middle school does not provide adequate access for students or community members who are handicapped. Both the school and the District have responded to the complaint and are awaiting further notice.

A high school was the recipient of a random review by the Office of Civil Rights. Every seven years OCR chooses a school within a district for its review. We believe BHS was chosen because of the amount of Career and Technical Education classes offered as well as the classes we offer through the Colorado Community College System. The Career and Technical Education Director and supervisor of our Concurrent Enrollment program, and the Facilities Director, were the lead respondents to the policy and facility issues raised. On July 21, 2014 Dr. Fiedler received a letter stating that all responses submitted on the Voluntary Compliance Plan had been accepted. This letter was included in the weekly board update of July 28, 2014.

An elementary school within the District received a complaint from the NAACP alleging racial discrimination against a student by a teacher. The parents, the NAACP attorney, building principal and general counsel met in April of 2014 and were able to address the parent's concerns and the matter was thus resolved.

Conclusion: I report compliance.

Imprudent:

Operational guidelines are outlined in Superintendent Policies, driven by executive limitations, and district staff is required to adhere to those directives. As with any organization, there are also provisions to guard against individual choices that are detrimental to the school district.

At the beginning of each academic year mandatory training of administrators and supervisors related to the prevention, investigation and remediation of unacceptable employee conduct is provided and in place for all schools and District departments. This annual training was held on July 21 and 22, 2014.

The district is subject to audit by federal and state agencies, and engages its own audit firms to provide information that will assist areas of the district in making changes to better serve their internal and external customers while also remaining compliant. In accordance with Government Finance Officers Association (GFOA) best practices, we also persist in our internal audit efforts to ensure district entities are following state and federal laws, and district policies and

regulations. If schools or non-school sites are found to be non-compliant, appropriate action is taken, including further training of site personnel in proper procedures. For example, we conduct monthly audits of purchasing card (p-card) transactions. The accounts are selected at random. Improper purchases or transactions lacking proper documentation are identified, recorded on an audit worksheet by the p-card administrator and the p-card user is notified. A card may be revoked for improper use or repeated instances of missing documentation.

Another indicator of compliance is that statutory requirements are continually fulfilled by numerous staff members and members of Executive Leadership. With each new legislative session and subsequent statutory updates, the list of requirements grows ever longer. Examples of requirements fulfilled by each department are listed below. Please keep in mind that many of these requirements overlap into more than one area of responsibility.

Student Achievement :

Title I Parent Notification
School Accreditation Data
Count of Students with Disabilities
TCAP Testing
Gifted and Talented Plan Submission
Vocational Educational Program Expenditures
Child Welfare Liaison

Finance:

Online posting of financials
Charter School Overhead, Direct, and Purchased Service costs
Kindergarten & Preschool Count
ADE Pupil Reporting
Annual Budget Preparation

Operations:

Food Allergy Policy Implementation/Update
Public School Transportation Fund Reimbursement
Capital Construction Expenditures
Elections
Student Handbook updated to website

Human Resources:

Teacher and Principal Evaluation
Non-Renewal Notices

Superintendent:

Public Officials Honoraria Reporting
Election Requirements
Intergovernmental Agreements
School Goals and Objectives Submission
Board member and officer reports

Legal:

- Student Handbook/FERPA updates
- Policies
- Charter School Liaison
- Contracts

In addition to the statutory requirements and as a result of legislative changes, the following Superintendent policies were authored, modified, deleted, codified and implemented during the 2013-2014 school year in order to achieve governance compliance:

- AC Non-Discrimination
- AC-R Non-Discrimination/Equal Opportunity
- ACE Non-Discrimination on the Basis of Disability
- AC-E-1 Non-Discrimination/Equal Opportunity
- ACE-2 Annual Notice of Non-Discrimination
- JICG Tobacco and Nicotine Usage
- JQ Student Fees, Fines, and Charges
- FF-R Naming of Facilities
- Section D: Fiscal Management

Another indicator of compliance is that during this reporting period there have been no claims filed against, or settled by, our errors and omission insurance coverage that is provided for members of the organization including the Board of Education for incidents of imprudence.

We believe that through efficient training practices and an organizational understanding of decision-making, we can positively impact the safety of the workplace environment. Despite increased training, during the 2013-2014 school year 76 workers' compensation claims were filed with a total expenditure of \$198,023.00. However, despite an increase in claims, the total financial impact of all claims filed was lower than in 2012-2013 and the lowest it has been in five years.

Year	Med Only Count	Temp Disability/Other Count	Total Claim Count	Sum of Total Incurred Cost	Average Cost Per Claim	Student Count	Cost Per Student	Employee Count	Cost Per Employee
2006-07	51	7	58	\$367,582	\$6,337.62	9926	\$0.64	1275	\$4.97
2007-08	66	6	72	\$210,335	\$2,921.32	11689	\$0.25	1308	\$2.23
2008-09	67	3	70	\$127,528	\$1,821.83	11685	\$0.16	1363	\$1.34
2009-10	62	13	75	\$427,025	\$5,693.67	12219	\$0.47	1436	\$3.96
2010-11	44	13	57	\$211,533	\$3,711.11	12546	\$0.30	1320	\$2.81
2011-12	69	9	78	\$640,234	\$8,208.13	11644	\$0.70	1319	\$6.22
2012-13	54	8	62	\$276,846	\$4,465.26	15034	\$0.30	1351	\$3.31
2013-14	71	5	76	\$198,023	\$2,605.57	16786	\$0.16	1393	\$1.87

Property and Liability							
Year	Employee Count	Student Count	Claims Count	Total Incurred	Average Liability Cost Per Claim Per Student	Average Liability Cost Per Employee	Average Cost Per Claim
2006-07	1275	9926	31	\$110,000	\$11.08	\$86.27	\$3,548.39
2007-08	1308	11689	19	\$226,364	\$19.37	\$173.06	\$11,913.89
2008-09	1363	11685	12	\$95,536	\$8.18	\$70.09	\$7,961.33
2009-10	1436	12219	30	\$258,397	\$21.15	\$179.94	\$8,613.23
2010-11	1320	12546	24	\$30,174	\$2.41	\$22.86	\$1,257.25
2011-12	1319	11644	12	\$14,658	\$1.26	\$11.11	\$1,221.50
2012-13	1351	15034	14	\$43,615	\$2.90	\$32.28	\$3,115.36
2013-14	1393	16786	17	\$36,572	\$2.18	\$26.25	\$2,151.29

These efficient training practices and decision-making processes have also positively impacted the safety of the student environment. Despite having an increase in pupil enrollment of nearly 1800 students, and an employee increase of approximately 40 people, the District only had three more property or liability claims filed during 2013-2014 than in 2012-2013.

Finally, the District received the following letter from the Adams County BOCES referencing our ongoing commitment to training and safety.

July 21, 2014

Andy Pippin
 18551 East 160th Avenue
 Brighton, Co 80601

Dear Andy,

Your district continues to be a leader in safety and loss control training. Adams BOCES introduced on line training three years ago. New employees are now receiving training specific to their job duties prior to being exposed to the hazards of their specific work. I would like to thank Nancy Ross, Flora Aguirre and Russ Pineda for working closely with Adams BOCES to effectively train your employees and develop loss control programs.

The classes taken for 2013 – 2014 with number of attendees were:

Bedbugs in Schools	1
Bloodborne Pathogen Exposure Prevention	1
Bullying: Recognition & Response	3
Bus Behavior and Discipline	6
Cardiopulmonary Resuscitation (CPR)	1
Chemical Spills Overview	1
Child Safety Restraint Systems	4
City Driving	5

Civil Rights in Food Service	18
Classroom Safety	5
Conflict Management: Staff-to-Staff	2
Crisis Response and Recovery	33
Crossing Guard Safety	4
Defensive Driving	4
Avoiding Discriminatory Practices	1
Electrical Safety	27
Emergency Planning: Building the Plan	3
Emergency Planning: Implementing the Plan	2
Energy Conservation:	1
Evacuation Planning (Specials Needs)	5
Fall Protection	11
Family Reunification	4
First Aid	3
Food Safety and Kitchen Sanitation	21
Food Service Equipment: Safe Use	16
Food Service Equipment: Sanitation	13
Foodborne Illnesses	18
General Safety Orientation	1
Hazard Analysis and Critical Control Points	12
Hazard Communications: Right to Know	28
Head Lice	1
Heat Stress Prevention	21
Incident Command Systems	1
Ladder Safety	32
Lock Out Tag Out	21
Managing the Aftermath of Tragedy	1
Mercury Spills	1
Nutrition Basics	13
Office Ergonomics	1
Playground Maintenance & Inspection	1
Playground Supervision	2
Playground Inspection	28
Playground Certified Inspector	2
Respirator Training	3
Road Rage	5
Safe Lifting	32
Safety Basics for Security Staff	1
Safety Data Sheets (GHS)	1
School Meal Compliance	12
Science Lab Safety	1
Sensitivity Awareness	1
Sexual Harassment Prevention	1
Slips and Falls Prevention	32
Special Ed. (Lifts and Transfers)	24
Special Ed. (Safety in the Classroom)	19
Transportation Safety	8

Van Safety	4
Wheelchair Securement	4
Winter Driving	9
Total	536

Your employees' involvement in proactive loss control programs is exemplary.

Sincerely,

Mike Sowder, Director Safety and Environmental Health

Conclusion: I report compliance.

Commonly Accepted Business and Professional Ethics and Practices:

- 1.) *Operating limitations as established by board policy*
- 2.) *Conduct standards that address the following topics:*

- *ethics, conflicts of interest, and nepotism policies which include substantive standards commonly found in policies/procedures adopted by other Colorado school districts*
- *bidding/procurement procedures which include substantive standards commonly found in policies/procedures adopted by other Colorado school districts*
- *internal controls for processing financial transactions which include substantive standards that reflects sound accounting practices as determined by the School District 27J independent auditors*
- *business functions within my operational span of control, but to exclude governance, other than advising the Board if I became aware of the Board's non-compliance with its own policies*

Data Reported:

Since the adoption of Policy Governance® (January 27, 2009), numerous expectation reports have been submitted by the Superintendent of Schools to the Board of Education. Each report has been found to be transparent and, when appropriate, contained self-reported incidents of noncompliance. It is noteworthy that in a few instances the Board of Education found the report to be reasonable and merited Board approval even though the superintendent, through internal staff, self-reported isolated instances of noncompliance.

Superintendent policies specifically dealing with ethics, conflicts of interest, and nepotism can be found in section "C" when dealing with staff members, in section "J" when dealing with students and in section "I" when dealing with the curriculum. These Superintendent policies can be found on the school district website, in hard copies in the office of the Chief Legal Officer, via request from the secretary of the Board of Education as well as on the "S" Drive for employee access.

Superintendent's Policy addressing Staff Ethics, Conflicts of Interest, and Nepotism mirror the provisions commonly found in parallel policies adopted in the Aurora, Cherry Creek, Douglas County and Jefferson County school districts.

When appropriate, the School District 27J Department of Financial Services identifies and brings to the attention of the Superintendent items that may contravene commonly accepted business practices and professional ethics. As previously mentioned, p-card transactions are continually audited to validate proper use and accountability of School District funds.

The General Counsel and the Chief Financial Officer have reviewed Superintendent Policies pertinent to the individual expectation report during each of the reporting periods. Furthermore the District's independent auditors have reviewed the District's internal procedures concerning internal controls for financial transactions during the monitoring period. These reviews found that these existing policies include the provisions commonly found in policies/procedures adopted by other Colorado school districts, and that the internal controls in place in the finance department reflect sound accounting practices as determined by the District's independent auditor.

During the reporting period there have been no instances to report of Board violations of governance policies as required of me in Board Members' Code of Conduct 2.F(7).

PART II–FINDINGS RELATED TO FINANCIAL STATEMENTS

The District's independent auditors presented no finding information in the FY2012 and FY 2013 financial audit.

The following two issues related to our financial condition are on-going.

- *Fiscal Health:* The Colorado State Auditor has a Fiscal Health Program that was developed to assist local governments and school districts with identifying financial warning signs. On, May 2, 2014, Brighton School District 27J received a letter from the Colorado State Auditor stating that the District has no negative indicators. The Office of the State Auditor (OSA) staff presented the Fiscal Health Analysis of Colorado School Districts to the Legislative Audit Committee on August 25 and August 26, 2014. We were not required to attend that hearing.
- *Financial Accreditation:* On June 30, 2014, we received a letter from the Colorado Department of Education (CDE) noting that the FY12-13 data pipeline submission and audit were accepted by CDE. The letter included three areas of concerns that were corrected during the review process. The concerns were (1) Lack of statement of changes in audit for pupil activities agency fund, (2) State board rule concern for food service fund and indirect costs, and (3) concerns related to District's charter schools. In addition the letter noted CDE did not believe the District should have included some grant funds on the Schedule of Expenditures of Federal Awards. District staff as well as the District's independent auditors reviewed the receipt of federal funds and the District kindly disagrees with CDE's conclusion. No formal response was required by CDE.

PART III–FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

The following chart is a summary of audit findings for FY2012. The chart identifies the audit finding, the condition that led to the finding, the cause of the finding, the effect of the finding on the financial statements, the recommendation from the auditors, and the corrective action(s) that the school district staff is taking. The auditors presented no additional finding information in the FY 2013 A-133 audit which was presented to the Board of Education at the December 10, 2013 meeting.

Finding #	Condition	Cause	Effect	Recommendation	Corrective Actions
2012-01	After testing and investigation, ERA charter school's pass through implementation grant incurred \$224,011 of improper expenditures	Insufficient procedures in place relating to the verification of purchases made by the charter school	The charter school payments made with grant funding during the year were found to be improper and the alleged misappropriation of assets for this grant is a material noncompliance finding to the financial statements	The District should implement procedures necessary to ensure that the charter schools receiving the funds are submitting sufficient supporting documentation to show what grant funding is being paid for and that procurement compliance requirements are being met by charter schools	In July, 2012, the District revised and communicated its federal grant reimbursement guidelines with the new guidelines including a proof of payment (options include cancelled checks or bank wire confirmations), as well as a proof of delivery and a process of three way match to include a purchase order, invoice and receiving documents

Conclusion: I report non-compliance.