



INTERNAL MONITORING REPORT

To: WSD Board President and Board of Trustees
From: Wilmer Chavarria, WSD Superintendent
Re: **Annual Monitoring Report on Executive Limitations
Policy Title 2.6: Asset Protection**
Date: 03/13/2024

Dear Members of The Board,

Below please find my Annual Monitoring Report on your Executive Limitations Policy 2.6 "Asset Protection," presented in accordance with your monitoring schedule. I certify that the information contained in this report is true.

Thank you for your work in advancing the mission of our district to form students who will "lead healthy, productive and successful lives and engage with their local and global community."

Respectfully Submitted,



Wilmer A. Chavarria, NBCT
Superintendent of Schools
Winooski School District
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POLICY WORDING

Policy Title: 2.6 Asset Protection

The superintendent shall not cause or allow district assets to be unprotected, inadequately maintained, or unnecessarily risked. Further, without limiting the scope of the foregoing by this enumeration, the superintendent shall not:

- Allow board members, staff and the organization itself to be inadequately insured against theft and casualty losses to at least 80 percent of replacement value and against liability in an amount at least equal to the average for comparable organizations.
- Allow uninsured personnel access to material amounts of funds
- Subject facilities and equipment to improper wear and tear or insufficient maintenance.
- Unnecessarily expose the organization, its board, or its staff to claims of liability.
- Make any purchase:
 - wherein normally prudent protection has not been given against conflict of interest;
 - of over \$40,000 without having obtained comparative prices and quality; Orders shall not be split to avoid these criteria.
- Allow information, and files to be exposed to loss or significant damage.
- Allow for practices that do not comply with Generally Accepted Accounting Procedures.
- Compromise the independence of the board's audit or other external monitoring or advice, such as by engaging parties already chosen by the board as consultants or advisers.
- Endanger the organization's public image, its credibility, or its ability to accomplish Ends.
- Close any buildings as public schools.

1. INTERPRETATION

District assets are unprotected when no means and structures exist to monitor and safeguard each asset's functions, use, depreciation, use, risk, and efficiency. Unprotected assets can include material (money, facilities, and equipment) and intangible goods (information, archives, databases, reputation, legal standing) that are owned by the district and expected by the organization's owners to remain under the exclusive care of the WSD.

District assets are inadequately maintained when procedures and structures are not in place for the proper management of said asset, from its acquisition to its maintenance, use, and transfer, or when these procedures or structures do not reflect the minimum levels of field-accepted parameters for care and oversight.

1. INTERPRETATION (CONTINUED)

District assets are unnecessarily risked when accountability and oversight measures are neglected, when their value is uninsured, or when the asset is used for functions other than Board-approved purposes, effectively causing them to become liabilities.

Board members, staff, and the organization itself is inadequately insured against theft and casualty losses to at least 80% of replacement value and against liability in an amount at least equal to the average for comparable organizations when no steps have been taken to formally secure such insurance through existing means available to districts in the state.

Allowing uninsured personnel access to materials amounts of funds means that employees are uninsured or that non-employees with access to district assets are not required to provide proof of insurance before use or access.

Subjecting facilities and equipment to improper wear and tear or insufficient maintenance entails the limited or non-existent allocation of funds, resources, and personnel to ensure that sufficient maintenance is carried out for facilities and equipment and to guarantee that facilities, materials, and equipment are used for their intended purposes only and within the range of acceptable and non-destructive uses.

Unnecessarily exposing the organization, board, or staff to claims of liability means acting without prior consultation for legal and professional considerations in non-common situations or when questions arise for which there is not clear answer and where the organization and members may be held responsible for unintended consequences. This also means committing to, endorsing, encouraging, or engaging in activities, practices, or partnerships beyond the scope of the organization's purview and outside of the Board's ends statement.

Making purchases wherein normally prudent protection has not been given against conflict of interest means entering into purchase or contract agreements with entities or individuals with the potential for conflict of interest in relation to district administrators or Board members.

Making a purchase of over \$40,000 without having obtained comparative prices and quality means failing to receive quotes from different vendors in order to pick the best quality for a price that is acceptable to the district owners or circumventing this policy by splitting the order in order to not exceed the specified amount.

1. INTERPRETATION (CONTINUED)

Allowing information and files to be exposed to loss or significant damage means maintaining deficient, unprotected, and unorganized physical and digital files for all documents for which the WSD is accountable for, including student records, financial files, historical information, personnel data, and policy reports, or failing to safely archive old files before replacing them.

Allowing for practices that do not comply with Generally Accepted Accounting Procedures means using methods and processes other than what is laid out in the GAAP.

Compromising the independence of the board's audit or other external monitoring or advice means interacting with auditors in manners outside what is already laid out during the auditing process or of a nature other than what is expected from the board; this may include compromising behavior such as engaging parties already chosen by the board as consultants or advisers.

Endangering the organization's public image, its credibility, or its ability to accomplish Ends can encompass a wide range of situations or behaviors that the Superintendent may engage in directly or indirectly allow it by making it permissible to district employees to do the same. Failing to protect the organization's public image, credibility, accomplish Ends entails the likely failure to comply with a host of other policies that aim to avoid such situations.

Closing any building as public school means permanently cancelling the educational program in one or more of the district's schools unilaterally and without Board and state action.

2. COMPLIANCE CONDITIONS

District assets are protected through multiple layers of oversight in every department and school site. Depending on the nature of the asset and its function, supervision may account for the asset's depreciation, use, risks, efficiency, intangible value, and monetary cost.

Procedures and structures are in place for the proper management of tangible and intangible assets, from acquisition, to maintenance, to transfer. These procedures and structures reflect at least minimum levels or field-accepted standards for care and protection.

Accountability and oversight measures are themselves regularly reviewed and improved to ensure that assets are protected from risk and used for their intended purposes.

Board members, staff, and the organization itself is adequately insured against theft and casualty losses to at least 80% of replacement value and against liability in an amount at least equal to the average for comparable organizations.

Uninsured personnel or entities have no access to material amounts of fund or any other district assets without direct supervision.

Facilities and equipment are not subjected to improper wear and tear or insufficient maintenance by properly allocating funds, resources, and personnel to ensure that maintenance, repair, and replacement plans are executed on time and within the recommended parameters within the respective fields. At least one staff is assigned to track the upkeep of any given asset in the district.

The WSD, its Board, and the staff are not unnecessarily exposed to claims of liability through ensuring that decisions, directives, and agreements entered into are fully vetted for appropriateness, legality, relevance, and level of necessary risk. Additionally, the organization only commits to, endorses, encourages, or engages in activities, practices, or partnerships that are within the scope of the organization's purview and within the Board's Ends-pursuing policies.

Prudent protection is given against conflict of interest when entering into contract agreements or carrying out purchases by maintaining a clear Board Conflict of Interest Policy in place and multiple layers of review for any process prone to irregular or unethical behavior on the part of staff or any individual associated with the WSD.

Purchases are first placed out for bid when exceeding \$40,000 and this policy is not circumvented by splitting the order.

2. COMPLIANCE CONDITIONS (CONTINUED)

Information and files are not exposed to loss or significant damage as the district maintains clear and strong channels of backup and file organization with strict permission systems and predictable pathways. In addition, the organization invests heavily in an IT infrastructure capable of maintaining digital asset protection measures that make cyber-attacks and viruses as unlikely as possible.

All district practices surrounding finances and accounting abide by the Generally Accepted Accounting Procedures.

The WSD does not compromise the independence of the Board's audit or other external monitoring or advice by not interacting with auditors in a manner incongruent with their sole auditing responsibilities or without full knowledge and approval of the Board.

The Superintendent does to not endanger the organization's public image, its credibility, or its ability to accomplish Ends by ensuring that every part of the system abides by Board policies that prevent such situations.

The superintendent never acts unilaterally in regards to permanent and considerable changes to the educational program by means of school closures, except for temporary and legally permissible exceptions related to emergencies and weather-related events.

3. EVIDENCE OF COMPLIANCE

District assets are protected through many different layers of oversight. Directors are accountable for all assets under their respective departments as are principals for each school site. Periodic communication occurs between the Superintendent and leaders to debrief on the management and protection of assets, weekly Leadership meetings take place where operations and processes are discussed, and the regular evaluation cycle for each leader includes a set of indicators for effective management and protection of assets.

The protection of tangible and intangible assets of the WSD is further strengthened by the growing creation or review of administrative procedures to accompanying existing policy. With clarity of process comes decreased ambiguity and increased efficiency, clarity, and transparency, which can lead to greater accountability across the different layers of the system.

"The Winooski School District is an active member of the Vermont School Boards Insurance Trust (VSBIT) Multi-Line Program. Our membership provides the district with adequate and responsible insurance coverage. We have the current insurance policies with the VSBIT Multi-Line Program:

- Property
- Liability
- WC
- Auto
- Crime
- School Leaders Liability
- School Violent Events
- Gallagher Crisis Protect (GCP)
- Property
- Equipment Breakdown/Boiler & Machinery
- Cyber Liability
- Catastrophic Student Injury
- Environmental Liability/Pollution"

Any asset under the district's ownership or responsibility is only managed by employees covered by the above-mentioned insurance. Any entities or individuals that come into contact with or make use of tangible or intangible district assets are required to provide proof of relevant insurance before allowed to proceed.

An fully staffed and appropriately funded maintenance and facilities team is in place to ensure that maintenance, repairs, inspections and replacement plans are executed on time and within the recommended parameters in the respective fields. A full-time facilities coordinator under the Director of Finance and Operations guarantees that the proper care of all tangible non-financial assets of the district.

3. EVIDENCE OF COMPLIANCE (CONTINUED)

All decisions, directives, and agreements entered into, whether small or big are carefully considered for any legal, financial, political, cultural, and practical implications to ensure that exposure to unnecessary liabilities is minimized. This is practiced by accessing legal counsel as necessary, consulting with in-house experts, reaching out to our respective state networks, and engaging in collaborative decision-making and consultation. The Superintendent is regularly consulted by WSD leaders for questions that can potentially have serious implications.

Both the Director of Finance and Operations and the Superintendent engage in regular reviews of activities related to finances of use of assets in addition to the Board's own oversight. Audited statements and the multiple policy and Superintendent reports regularly illustrate ways in which policies are complied with, and any potential for conflict of interest would be immediately brought to the Board's attention. This year, there has been no instance of such issue, whether real or perceived.

We require bids for major purchases regardless of what department of school site initiates the request. Audited statements, Financial Management Reports, and any other financial record within the district office can be used for certification.

All files, whether physical or digital, are properly organized, kept under proper permissions, and archived in safe folder when new files replace them. Our IT team recently worked on anti-hacking procedures, including clarifying a process post-attack. We are unlikely to fall victims to similar attacks as seen in neighboring districts, but are prepared to deal with the aftermath should this happen. Although we report compliance for the most part, the nature of leadership transition is such that reorganization of files and creation of new processes for record-keeping can take time, especially in the offices where the changes took place (like the Superintendent's office)

"Audited statements are furnished to the Board annually outlining any compliance issues with accounting procedures. WSD currently utilizes appropriate internal procedures that comply with Generally Accepted Accounting Procedures and is in the process of collaborating with our new auditor to develop written internal controls and procedures."

3. EVIDENCE OF COMPLIANCE (CONTINUED)

The only interaction between the WSD and external auditors is specified and detailed within the annual audit. No other arrangement for additional services are made outside of the Board's powers.

The organization's public image, its credibility, or its ability to accomplish Ends is primarily held by the Superintendent as the most public-facing representative of the district. The Superintendent takes this responsibility seriously and refrains from engaging in activities or statements that may be misconstrued as reflective of the WSD unless they relate directly to the nature of the work and are with the purpose of advancing and protecting the Ends statement. Additionally, the superintendent actively executes and educates staff members and leaders on existing policy and procedure designed to protect the district's image and capacity to meet its goals.

Only the WSD Board holds statutory authority to close a school or cease providing services in its capacity as a public school. The WSD superintendent has so far engaged in short-term and weather related decision that involved school closures but that did not make permanent decisions that bypass Board authority.

4. COMPLIANCE STATUS

I report **Partial Compliance**. There is still some transitional work to be done in organizing files especially in the district offices and the office of the Superintendent. This is to be expected during a change of leadership.