



# BASIC FINANCIAL **OVERSIGHT** of the School District

WASB Convention  
Thursday, January 19, 2023



**LYNN KNIGHT**

SCHOOL DISTRICT OF NEKOOSA



**SCHOOL DISTRICT OF  
NEKOOSA**

- 2014 WASBO President
- 2020 WASBO School Business Official of the Year
- 18 Years of experience as a School Business Official
- ASBO International Board of Directors Member



# PEWAUKEE

## SCHOOL DISTRICT

- 2015 WASBO President
- 2021 WASBO School Business Official of the Year
- 30 Years of experience as a School Business Official
- WCASC President

**JOHN GAHAN**

SCHOOL DISTRICT OF PEWAUKEE



## AGENDA

### What are the legal responsibilities of a Board member?

- Statutory Responsibilities
- Role as a policymaker and policies in financial oversight

### How do I provide “Financial Oversight” as a Board?

- Understand School Board Policies
- How to use the Annual Budget as an Informational Tool
- Understand the Board’s relationship with the Auditors



# STATUTORY RESPONSIBILITIES

**118.001** - Duties and Powers Statute

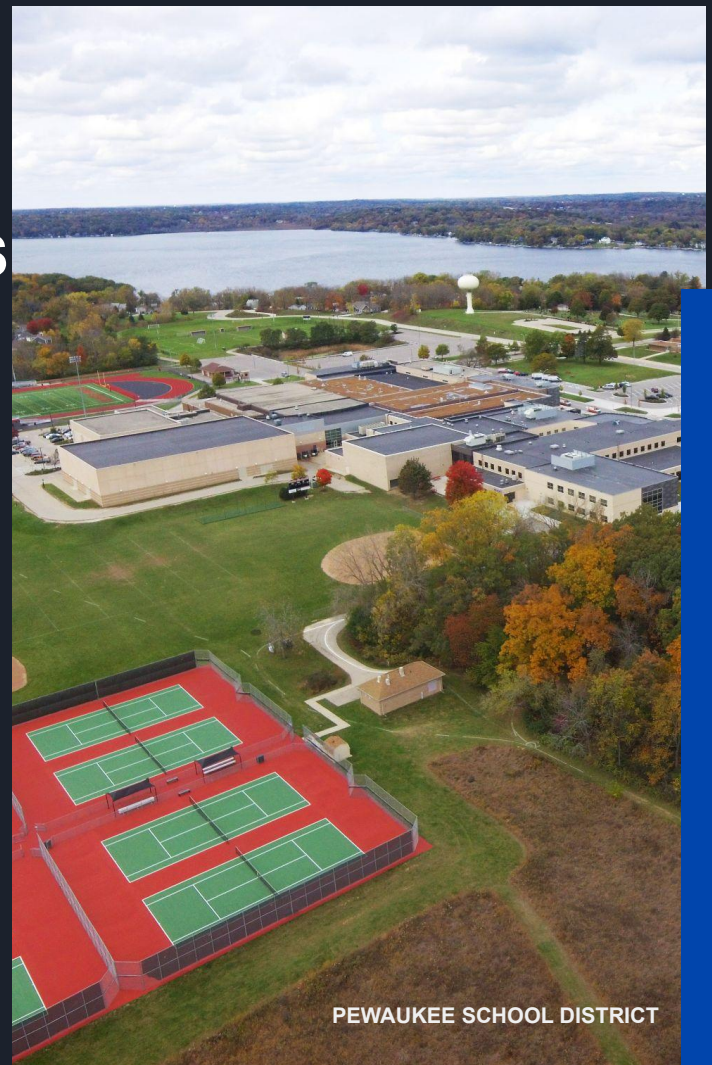
**120.12** - School Board Duties

**120.13** - School Board Powers

**120.14** - Audit of School District  
Accounts

**120.16** - School District Treasurer  
Duties

**Ch. 66** - General Municipal Law





A Board Member's primary responsibility is to...

## CREATE POLICY

### WHAT DO THESE POLICIES ACCOMPLISH?



- Policies set a **standard for performance** expectations to be met by the district.
- Policies establish a standard for performance and **measurement**.
- Policies create a **benchmark** for reporting on the performance of the district.

# TWO DIFFERENT TYPES OF GOVERNANCE

## TRADITIONAL BOARD POLICIES

- Reviewed periodically by the Board
- Changes presented and approved at Regular Board Meeting
- Set standards or expectations of performance for the district
- Responsibility for enactment of policies delegated to District Administrator

## POLICY GOVERNANCE MODEL

- School Board's central job is to set specific goals known as Results
- Operational Expectations define unacceptable parameters
- Results and Operational Expectations are reviewed at every board meeting
- District Administrator expected to achieve results while working within the Operational Expectations.



# BOARD GOALS - FINANCIAL UNDERSTANDING

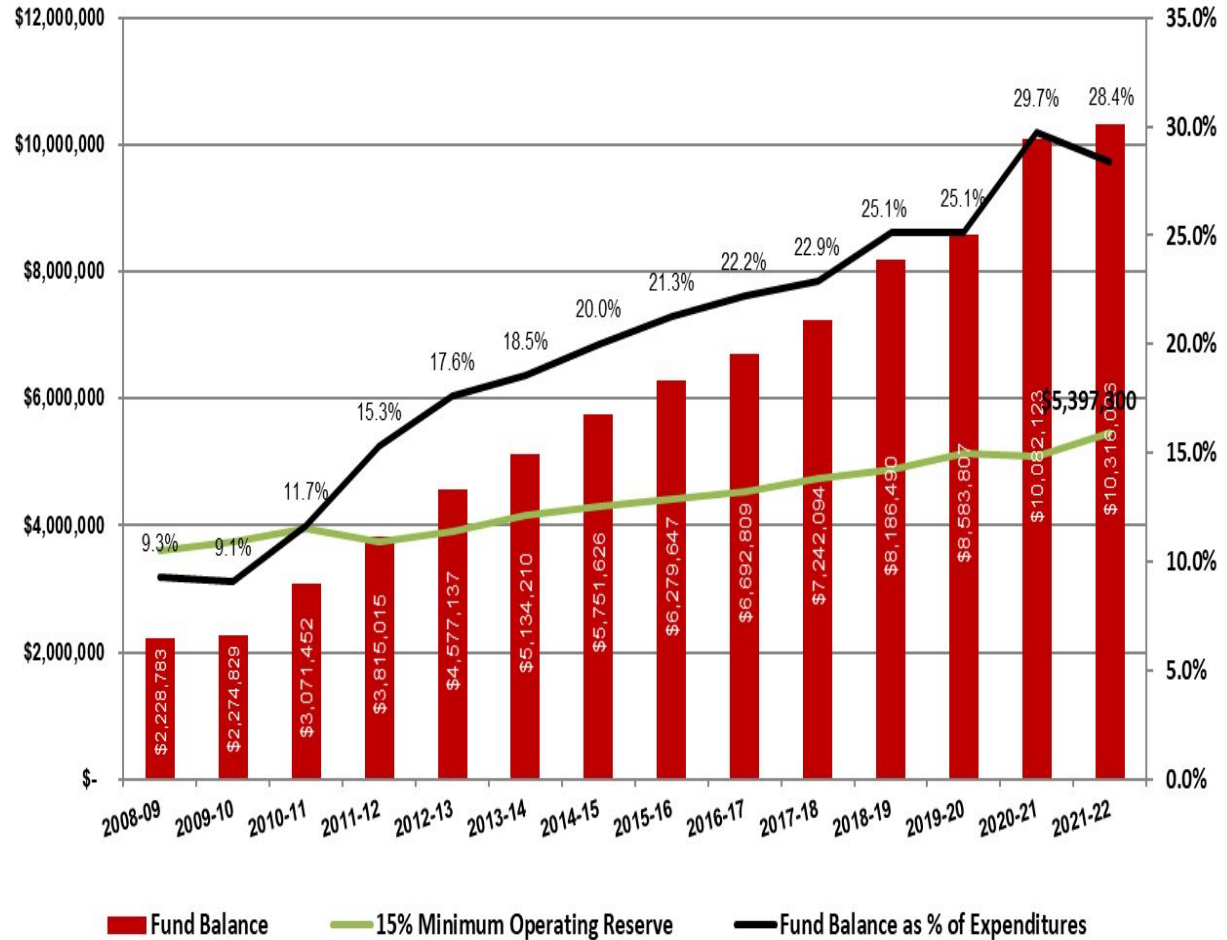
- Financial oversight begins with an understanding of school finance and board policy.
- Establishing clear priorities for budget development and presentation of materials.
- Identify the standards that are established in board policy. Is the standard being met and how is that communicated to the School Board?





For Example: The policy goal of the district is to maintain a year end operating reserve (Fund Balance) in the General Fund of at least 15%.

A chart can be created and presented to the Board of Education to illustrate performance toward this goal.



- ❖ What are the trends for Resident Enrollment?
- ❖ What is the trend for the Tax Rate?
- ❖ How does the allocation of resources in the budget align with the goals of the district?
  - Facilities
  - Staffing Model
  - Transportation
- ❖ When do you know that it is time to look at a referendum support delivery of programs?

# Annual Budget

# Audience Participation

What are some ideas that come to mind when you think of measurement of financial performance for a district?



## SCHOOL BOARD AND AUDITOR RELATIONSHIP

- Audit firm works for the Board of Education to assess the status of the operations.
- Auditor's responsibility is to "plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement".
- Auditor is NOT hired to find fraud.
- Auditors' Report on Internal Controls over Financial Reporting



# SCHOOL BOARD AND AUDITOR RELATIONSHIP

- **What questions should school board members ask about the audit?**
  - Are there upcoming audit standards that might impact our district?
  - Do the financial statements support transparency?
  - Are there any recommendations or concerns regarding internal control?
  - Did you detect any fraud or weaknesses?
  - Is cash flow adequate to fund operations in the next fiscal year?
  - Did you see any conflicts of interest?
  - Were all state required reports submitted in a timely manner?
  - Were reconciliations completed on a timely basis?
- The rule of thumb is that if you don't understand, ask.
- When is it time to change auditors?



# KEY TAKEAWAYS:

- Understand your legal responsibility
- Review your policies and understand your role in financial oversight
- The auditor reports to the Board of Education. Ask questions.
- Talk to your district's Business Manager/Chief Financial Officer
- Always Ask Questions





**QUESTIONS?**

