



Text **MAGNOLIA PUBLIC SCHOOLS**  
Board Of Directors

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Board Agenda Item #	III A
Date:	02.09.2016
To:	Magnolia Board of Directors
From:	Caprice Young, Ed.D., CEO & Superintendent
Staff Lead:	Oswaldo Diaz, Chief Financial Officer
RE:	Finance and Audit Committees 18-Month Plan

Proposed Board Recommendation

I move that the committee approve attached action plan for next 18 months for the Finance and Audit Committee of Magnolia Public Schools Board of Directors.

Background

The Finance Committee is commissioned by and responsible to the Board and is responsible for working with the CFO to review the upcoming fiscal year budget; presenting budget recommendations; monitor implementation of the approved budget on a regular basis and recommending proposed budget revisions; and recommending appropriate policies for the management of Magnolia's assets.

The Audit Committee is commissioned by the Board for the oversight of the integrity of financial statements; the effectiveness of the internal control over financial reporting; the independent registered public accounting firm's qualifications and independence; the performance of the organization's internal audit function and independent registered public accounting firms; and the organization's compliance with legal and regulatory requirements; and the performance of the organization's compliance function.

As a follow up to our board established goals, MPS Home Office Departments have been tasked with developing draft departmental goals aligned with these overarching organizational goals. These departmental goals aligned with the overarching organizational goals call for committee goals, meetings and plans and eventually acknowledgement and/or approval of MPS Board of Directors.

In this meeting, we would like to seek guidance, input and feedback from our committee members to shape an action plan for the finance and auditing committees as well as other MPS board members and Home Office personnel.

After finalized by our nominating committee, this plan will be presented to MPS Board of Directors at their February 11, 2016 meeting.

Budget Implications:

There are no budget implications.

Name of Staff Originator:

Oswaldo Diaz  
Chief Financial Officer

Attachments

18 Month Committee Goals Plan for MPS Board of Directors – Finance and Audit Committees  
18 Month Finance and Audit Committee Calendar



# MAGNOLIA PUBLIC SCHOOLS

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## 18-MONTH FINANCE AND AUDIT COMMITTEE CALENDAR

DATE DUE	ITEM	DESCRIPTION	EDUCATION CODE
January-16	MPS First Interim Report 2016-17 (October 31, 2016)	MPS' first interim reports are due to chartering authority	47604.33(a)(3)
February-16	2nd Quarter 2015-16 Bond Disclosure	2nd Quarter 2015-16 MSA-1 Bond Disclosure is due	
March-16	MPS Second Interim Report 2015-16 (January 31, 2016)	Charter school second interim reports are due to chartering	47604.33(a)(4)
May-16	2016-17 School Budgets	MPS' school budgets are due to chartering authority	47604.33(a)(1)
May-16	3rd Quarter 2015-16 Bond Disclosure	3rd Quarter 2015-16 MSA-1 Bond Disclosure is due	
June-16	Review of Cost Allocation Tables	Review of current cost allocation table in line with an equitable allocation methodology	
August-16	4th Quarter 2015-16 Bond Disclosure	4th Quarter 2015-16 MSA-1 Bond Disclosure is due	
September-16	2015-16 Unaudited Actuals	MPS' 2015-16 unaudited actuals are due to chartering authority	47604.33(a)(5), 42100(b)
October-16	1st Quarter 2016-17 Bond Disclosure	1st Quarter 2016-17 MSA-1 Bond Disclosure is due	
December-16	MPS 2015-16 Schools and Consolidated Audited Financial Statements	MPS' 2015-16 school audits are due to chartering authority and State Controller	47605(m), 41020(h)
December-16	MSA-1 2015-16 Annual Bond Continuing Disclosure	MSA-1 Annual Bond disclosure is due.	
December-16	A-133 Single Audit	MPS 2015-16 Single audit is due to State Controller and Department of Education	OMB Circular A-133
January-17	MPS First Interim Report 2017-18 (October 31, 2017)	MPS' first interim reports are due to chartering authority	47604.33(a)(3)
February-17	2nd Quarter 2016-17 Bond Disclosure	2nd Quarter 2016-17 MSA-1 Bond Disclosure is due	
March-17	MPS Second Interim Report 2016-17 (January 31, 2017)	Charter school second interim reports are due to chartering	47604.33(a)(4)
May-17	2017-18 School Budgets	MPS' school budgets are due to chartering authority	47604.33(a)(1)
May-17	3rd Quarter 2016-17 Bond Disclosure	3rd Quarter 2016-17 MSA-1 Bond Disclosure is due	
June-17	Review of Cost Allocation Tables	Review of current cost allocation table in line with an equitable allocation methodology	

Goal: Strategy	Action Plan
<b>STRENGTHEN FINANCIAL PERFORMANCE AND STEWARDSHIP</b>	
1.1 Provide clear, timely, accurate, consistent financial information	<ul style="list-style-type: none"> <li>▪ Provide CEO and Board with financial reports and expertise</li> <li>▪ Deliver timely reports to authorizing agencies and regulators</li> <li>▪ Develop reporting systems based on key performance indicators</li> </ul>
1.2 Ensure the highest standards of compliance and accountability	<ul style="list-style-type: none"> <li>▪ Address and correct issues in the state audit report</li> <li>▪ Strive for clean audits from external independent auditors</li> <li>▪ Regularly conduct internal audits to ensure compliance</li> </ul>
1.3 Safeguard public resources through sound policies and practices	<ul style="list-style-type: none"> <li>▪ Assess and review finance policies and practices</li> <li>▪ Research charter school policies best practices</li> <li>▪ Work with Finance Committee and Board to revise policies</li> </ul>
1.4 Build reserves to support sustainable growth	<ul style="list-style-type: none"> <li>▪ Research top tier charter schools reserve levels</li> <li>▪ Work with Fin Comm and Board to develop reserve guidelines</li> <li>▪ Secure Board approval and implement reserve policy</li> </ul>
<b>1. IMPROVE OPERATIONAL EXCELLENCE</b>	
2.1 Upgrade systems to drive efficiency	<ul style="list-style-type: none"> <li>▪ Work with back office provider to fully utilize financial ERP</li> <li>▪ Revise accounts payable system</li> <li>▪ Research and launch new document storage and retrieval system</li> </ul>
2.2 Embrace new technologies to automate processes	<ul style="list-style-type: none"> <li>▪ Review and eliminate nonvalue-added processes</li> <li>▪ Research and select automated best practices</li> <li>▪ Implement automated processes</li> </ul>
2.3 Continuously innovate for operational excellence	<ul style="list-style-type: none"> <li>▪ Create planning model with evaluation process</li> <li>▪ Develop departmental key performance indicators</li> <li>▪ Develop monitoring and reporting system</li> </ul>

Goal: Strategy	Action Plan
<b>CULTIVATE A HIGH PERFORMANCE CULTURE</b>	
3.1 Encourage teamwork and collaboration	<ul style="list-style-type: none"> <li>▪ Weekly finance staff meeting (team-based problem-solving)</li> <li>▪ Work across all MPS departments-establish liaison for each</li> <li>▪ Develop standardized reporting across all school sites</li> </ul>
3.2 Recruit, recognize and reward high performance	<ul style="list-style-type: none"> <li>▪ Right-size finance department staff (revise staffing plan)</li> <li>▪ Revise job descriptions</li> <li>▪ Create finance dept culture that supports a work-life balance</li> </ul>
3.3 Align roles and responsibilities with organizational strategy	<ul style="list-style-type: none"> <li>▪ Transition to back office partner (EdTec’s) processes</li> <li>▪ Revise job descriptions based on organizational strategies</li> <li>▪ Allocate staff time to growth strategy</li> </ul>
<b>2. POSITION MPS AS A RESPECTED AND VALUED PARTNER</b>	
4.1 Nurture relationships built on reliability, trust and transparency	<ul style="list-style-type: none"> <li>▪ Respond to requests in a timely manner</li> <li>▪ Build relationships with charter school partners</li> <li>▪ Create Transparency Page on organizational website</li> </ul>
4.2 Proactively engage stakeholders to communicate our successes	<ul style="list-style-type: none"> <li>▪ Create department communication strategy</li> <li>▪ Regular meetings/calls with partner/regulatory agencies</li> <li>▪ Generate Annual Report</li> </ul>
4.3 Be a leader in charter school thought leadership and practices	<ul style="list-style-type: none"> <li>▪ Regularly attend stakeholder meetings and events</li> <li>▪ Train finance staff to speak at community hearings</li> <li>▪ Present best practice models at trainings and conferences</li> </ul>

Goal: Strategy	Action Plan
<b>3. INCREASE AVAILABILITY AND ACCESS TO STEAM EDUCATION TO MORE STUDENTS</b>	
5.1 Work across departments to create sustainable growth plan	<ul style="list-style-type: none"> <li>▪ Create cross functional development team</li> <li>▪ Assist Facilities Department with planning and budgeting</li> <li>▪ Provide insight and feedback on planning and budgeting</li> </ul>
5.2 Respond quickly to requests as opportunities arise	<ul style="list-style-type: none"> <li>▪ Assist with planning and budgets for new charter petitions</li> <li>▪ Assist with planning and budgets for grant applications</li> </ul>

**Finance Department Mission:** The MPS Finance Department is an innovative leader in the management of charter schools and provides unparalleled service in all areas of operation.

**The Finance Committee** is commissioned by and responsible to the Board and is responsible for working with the CFO to review the upcoming fiscal year budget; presenting budget recommendations; monitor implementation of the approved budget on a regular basis and recommending proposed budget revisions; recommending appropriate policies for the management of Magnolia's assets.

## Goal 1: Strengthen Financial Stewardship and Performance

- 1. Provide clear, timely, accurate, consistent financial information**
  - Develop 2015-16 Finance Committee Calendar
  - Review and recommend approval of financial statements
- 2. Ensure the highest standards of compliance and accountability**
  - Review and recommend approval of reports to authorizers
  - Review and recommend approval of annual audits
- 3. Safeguard public resources through sound policies and practices**
  - Work with staff to develop best in class policies
  - Review and recommend for approval of Board
- 4. Build reserves to support sustainable growth**
  - Work with staff to develop reserve policy
  - Review and recommend for approval of Board

## Goal 2: Improve Operational Excellence

- 1. Upgrade systems to drive efficiency**
  - Review and recommend approval of financial systems
- 2. Continuously innovate for operational excellence**
  - Review and approve committee plans

## Goal 3: Cultivate a High Performance Culture

- 1. Encourage teamwork and collaboration**
  - Work staff for greater understanding of MPS financials
  - Work Board members to explain MPS financial information
- 2. Recruit, recognize and reward high performance**
  - Grow and diversify finance committee
- 3. Align roles and responsibilities with organizational strategy**
  - Allocate committee time to reviewing growth strategies

## Goal 4: Position MPS as a Respected and Valued Partner

- 1. Nurture relationships built on reliability, trust and transparency**
  - Build relationships with charter school partners
  - Committee members participate in finance communications plan
- 2. Proactively engage stakeholders to communicate our successes**
  - Build relationships with stakeholders
  - Generate Annual Report
- 1. Be a leader in charter school thought leadership and practices**
  - Train committee members to speak at community hearings

## Goal 5: Increase availability and access to STEAM education to more students

- 1. Work across departments to create sustainable growth plan**
  - Review and provide feedback on sustainable growth plan