

Asset Protection

Policy 206

To: Board of Directors
From: Janet Wyatt, Esq., Executive Director, Carbon Valley Academy
Re: Internal/External Report on the Expectations of the Board – 206 Asset Protection

I hereby present my report on the Expectations of the Board through our Global Executive Director Constraint, 206, in accordance with the monitoring schedule as set forth in Board policy. I certify the information in this report is true and accurate to the best of my knowledge.

Signed: _____ Date: August 15, 2019

Policy 206 – ASSET PROTECTION

Date Adopted/Last Revised: October 12, 2017

The Executive Director will not cause or allow school assets to be unprotected, inadequately maintained or unnecessarily exposed to risk.

Further, without limiting the scope of the foregoing statement, the Executive Director or his/her designee will not:

1. Fail to insure against theft and casualty losses and employee dishonesty to an adequate amount.
2. Fail to insure against liability losses to Board members, staff and the school itself in an amount no less than the average for comparable schools.
3. Subject building and equipment to improper use or improper wear and tear.
4. Unnecessarily expose the school, its Board or staff to claims of liability.
5. Make any purchase without having obtained comparative prices and quality.
6. Fail to protect intellectual property, information and files from loss or significant damage.
7. Receive, process, or disburse funds under controls that are insufficient to meet the Board-appointed auditor's standards.
8. Compromise the independence of the Board's financial audit or other external monitoring or advice.
9. Endanger or misrepresent the school's public image, credibility, or its ability to accomplish results listed in the Results Policies.
10. Change the organization school's name or substantially alter its identity in the community.

The Executive Director will not cause or allow school assets to be unprotected, inadequately maintained or unnecessarily exposed to risk.

I interpret assets to represent physical and intellectual property of the school with a value greater than \$3000.00.

I interpret unprotected as assets without insurance.

I interpret inadequately maintained as a lack of preventive maintenance, repair, or renovation which may cause an asset to deteriorate or experience an accelerated depreciation.

I interpret unnecessarily risked as exposure of assets to circumstances resulting in a higher likelihood of theft or otherwise being unavailable for the asset's intended purpose.

Data Reported:

The data contained in this report will illustrate that the School's assets have been protected using insurance coverage amounts that meet or exceed industry standards and are similar to those utilized by members of CSDSIP (Colorado School District Self-Insurance Pool). CSDSIP includes 183 school districts and charter schools across the state of Colorado. Premium and claim payments are within industry standards for a school the size of Carbon Valley Academy. Insurance contracts and policies are in place with the appropriate level of protection and all loss claims against the policies are recovered, less the deductible. Insurance costs for general liability and property protection indicate adequate coverage to protect the School's assets.

In addition to insurances, CSDSIP offers a number of training opportunities which are designed to improve risk management practices, mitigate risks and reduce loss. Additional consultation is available through our insurance broker.

As a public agency, the processes by which a claimant can attempt to recover damages and/or losses as well as the limits of how much a claimant can collect from Carbon Valley Academy are regulated by the Colorado Governmental Immunity Act (CGIA). In very general terms, claimants may seek a waiver of this protection if the agency failed to act reasonably and/or allowed a known dangerous condition to exist that eventually caused harm. Even with governmental immunity, the claim must be investigated and a response put forward. Under the CGIA recoveries are limited to \$350,000 per person and \$990,000 per claim. Examples of claims that could be made against the school include failure to remove ice/snow from designated walkway, inadequate student supervision, and inadequate facility maintenance.

The school takes the necessary precautions to prevent unnecessarily risking the image of the school and to protect its assets through adherence to its policies and procedures. These policies and procedures address employee conflict of interest and purchasing.

Intellectual property, information, including student data, and files are backed up and protected from misuse, significant damage, or copyright infringement in accordance with accepted governmental standards.

The Executive Director will not:

- 1. Allow the organization to be uninsured:**
 - a. Against theft and casualty losses to at least 90% of replacement value;**
 - b. Against liability losses to Board members, staff and the organization itself in an amount equal to or greater than the average for comparable organizations; and**
 - c. Against employee theft and dishonesty.**

Data Reported:

State law mandates minimum automobile bodily injury coverage of \$25,000 and minimum property damage coverage of \$50,000 per incident. The School has in place insurance policies to cover acts of litigation, settlements, judgments and staff injuries resulting in financial remuneration by the School. The policies provide coverage for these acts to the extent available through insurance contracts. These contracts are provided by CSDSIP. There are certain acts that are not insurable.

The School pays annual premiums for property, liability, and workers' compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds that the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

The Pool, which is subjected to actuarial review and annual audit, has various levels of self-insured retentions and purchases excess insurance for amounts above the retentions for liability, property, and workers' compensation coverage.

(See Appendix A for further information on CSDSIP and our coverages)

Conclusion: I Report COMPLIANCE NON-COMPLIANCE

The Executive Director will not:

- 2. Subject facilities and equipment to improper wear and tear or insufficient maintenance.**

I interpret facilities to comprise buildings and grounds owned or leased by the school.

I interpret equipment to mean tools, electronic data processing equipment, vehicles and machines that either alone or in combination comprise and/or support operating systems within this facilities with a value exceeding \$5,000 and a useful life greater than one year.

I interpret electronic data processing equipment to mean communications equipment used for essential operational activities. These pieces of equipment are building level switches, phone switching equipment, and fiber connections.

I interpret improper wear and tear as failure to sustain the integrity of the asset in a timely manner or protect the normal life of the asset for the asset's intended purpose within the funding capacities provided.

I interpret insufficient maintenance as not keeping up with preventive and corrective maintenance as recommended by the manufacturer or prevailing industry practice.

Data Reported:

Building:

The school, through its bondholders and building corporation, owns and maintains the premises at 4040 Coriolis Way in Frederick, Colorado and is known as Carbon Valley Academy. (***Please refer to Coverage Binder in Appendix A for coverage limits***)

Access Control

The school has a main entrance that requires visitors to be screened prior to entry during school hours. This system allows staff to view entrants before remotely unlocking the access door.

The school has electronic card access systems for employee entrance into the building.

The school use a visitor management and screening system licensed from Raptor Technologies. Visitors present their identification card, such as a driver's license, for scanning. The entrant is screened against public record databases that will issue site-specific alerts for restraining orders and other security issues. Entrants then receive a badge that includes their photo, date, and destination.

Video Surveillance

The school has video surveillance systems with continuous recording. Proactive use of live video at schools on dedicated monitors in the office area is an important use of the cameras since it can help prevent or detect a security threat. Authorized personnel, including administrators and other school staff utilize the video, and can make it available to law enforcement officers if needed.

After-Hours Security/Intrusion Detection

The school has an intrusion detection system to provide after-hours protection from theft and vandalism. The alarm is centrally monitored by a contracted firm for appropriate dispatching.

Emergency Actions

School safety relies on the rapid implementation of emergency protocols, such as lockout and lockdown, or shelter for a tornado warning, or outside hazardous material waste.

Fire Protection

The school has a monitored fire alarm system to ensure rapid notification of emergency responders in case the system alarms.

Grounds:

The school contracts with a landscaping and maintenance company to provide necessary services in order to keep the school, not only in good condition, but in order to provide a pleasing curb appeal to all visitors to the school.

Computers:

There are _____ devices with the school. A breakdown of each type is below.

PC

Laptop

Surface

VDI

Chromebook (staff)

Chromebook (student)

iPad

TOTAL DEVICES:

Conclusion: I Report

COMPLIANCE

NON-COMPLIANCE

The Executive Director will not:

- 3. Fail to insure against liability losses to Board members, staff and the school itself in an amount no less than the average for comparable schools.**

I interpret exposure as potential vulnerability to legal claims.

I interpret liability as legal judgments and costs. This is interpreted to mean that the Executive Director shall have in place reasonable processes, policies, and procedures with the intent of mitigating claims of liability against the School or its employees

Data Reported:

The school is protected under the statutes of the Colorado Governmental Immunity Act (CGIA) to a maximum of \$350,000 per individual and \$990,000 per occurrence for liability exposure.

Two claims resulting from a student injury and visitor falling were submitted to CSDSIP. One claim was filed with our workers' compensation insurance as a result of an employee falling. All

claims were handled by insurance, with no further action needed on the part of school personnel. Based on no further communication from any party, it is believed that all claims have been resolved.

There are numerous policies in place, located in the employee handbook, designed to mitigate claims of liability against the School. These policies include but are not limited to the following: Non-Discrimination, Sexual Harassment, and Supervision of Students. Additionally, Board Policy 106 discusses Board Member Conflicts of Interest.

Conclusion: I Report Compliance Non-Compliance

The Executive Director will not:

4. Make any purchase without having obtained comparative prices and quality.

I interpret having obtained to mean seeking and acquiring.

I interpret comparative prices and quality to mean two or more written bids on all single item or single service purchases.

Conclusion: I Report Compliance Non-Compliance

The Executive Director will not:

5. Fail to protect intellectual property, information, and files from loss or significant damage.

I interpret intellectual property, information and files to mean the electronic data stored on the school servers and hardcopy records retained and used by the school for school site purposes both original and not.

I interpret significant damage and loss as the inability to utilize the resource.

I interpret improper access as access to a resource that is not approved or allowed.

Data reported:

Significant Damage and Loss

File backups are conducted on a daily basis. Additionally, several of the school's databases are web-based, and thus are backed up by the company providing those services.

Improper Access

This is an area that needs more attention. This year we have an instance of improper access to our financial system and fraudulent checks were written and cashed as a result. As funding becomes available, we need to increase our security.

Internet content filters are in place on all staff and student computers to guard against misuse of school computer and network assets.

User IDs and passwords are required for access to the network and to assign security credentials for access to sensitive systems.

File Retention

The School will follow an established records retention schedule. The school will utilize the Colorado School District Records Management Manual as prepared by the Colorado State Archives on September 25, 2007.

This schedule is based on federal and state laws.

The School will also utilize an email archive system through its technology contractor Timberlan to make sure that all emails, both incoming and outgoing, sent through the school email system are stored for electronic discovery requests.

Conclusion: I Report COMPLIANCE NON-COMPLIANCE

The Executive Director will not:

- 6. Receive, process or disburse funds under controls insufficient to meet the board-appointed auditor's standards.**

I interpret this to mean that the School manages money and money-related transactions using a system of internal controls, which provide for separation of duties, fraud protection, and an authorization process providing reasonable assurance that appropriate controls exist. This is reasonable because independent auditors review these controls on an annual basis and report their findings to the Executive Director and the Board of Directors.

Data Reported:

The Local Government Audit Law (CRS 29-1-601 et seq) requires the School to have an annual audit of its financial statements. The law states that the audit must be performed by an independent Certified Public Account (CPA) and be in accordance with generally accepted auditing standards. The Comprehensive Annual Financial Report (CAFR) is published to fulfill that requirement, and according to Section 29-1-606 of the Colorado Revised Statutes (CRS), financial statements must be approved, published, and submitted to the state auditor within six months of the close of each fiscal year.

The auditors will begin working on the FY 2019 audit during the week of August 12-16, 2019 and will present their comments and observations of the FY2019 audit at either the November or January board meeting.

Conclusion: I Report COMPLIANCE NON-COMPLIANCE

The Executive Director will not:

7. Compromise the independence of the Board’s audit or other external monitoring or advice

I interpret audit or other external monitoring or advice to mean entities which are independent of Carbon Valley Academy who perform a professional service to the Board of Directors in a contractual or informal manner.

I interpret this to mean that the Executive Director will put into place policies and protections that would prohibit internal processes which would directly or inferentially compromise the integrity of external information being presented to the Board of Directors for the purposes of substantiation of presented data.

Data Reported:

This past year the Board of Directors entered into only one external contractual agreement. This agreement was with Cutler and Associates for the School’s annual audit. Staff did not engage Cutler and Associates or any other consultants or advisors used by the Board of Directors.

Conclusion: I Report COMPLIANCE NON-COMPLIANCE

The Executive Director will not:

8. Endanger or misrepresent the school’s public image, credibility, or its ability to accomplish results listed in the Results Policies.

I interpret public image as inclusive of the opinions and perceptions of the taxpaying public at large, governmental entities, and private companies that assist in the development of School assets, including facilities and equipment.

I interpret credibility as maintaining high public trust as ethical stewards for the community.

I interpret its ability to accomplish results as meaning the School’s image will not detract from the organization’s ability to meet the goals

Date Reported:

The protection of the School’s public image and credibility as it relates to its ability to accomplish its goals is a responsibility shared by all administration and staff at Carbon Valley Academy. One area that the school has worked diligently on is its communication to both internal and external stakeholders.

Examples of this increased communication are:

Teachers each have created a Weekly Teacher page which is then published to the school's website.

Teachers also communicate with parents using Remind or Class Dojo once or twice weekly to share information regarding the student's weekly activities.

The school updates its Facebook and Instagram pages on a daily basis, and updates its Twitter page once time per week.

The school's Financial Transparency page on the school website is currently "under construction" and will be updated in accordance with statutory requirements shortly.

Conclusion: I report COMPLIANCE NON-COMPLIANCE

The Executive Director will not:

- 9. Change the organization school's name or substantially alter its identity in the community.**

I interpret the organization's name to be Carbon Valley Academy. I then interpret this to mean that the Executive Director is prohibited from the initiation of any organizational process or the direction of any staff member to put into place any procedure that would substantively alter the school's name.

Data Reported:

During the past year no action was taken to change the organization's name or alter its identity.

Conclusion: I report COMPLIANCE NON-COMPLIANCE