

1.3 Organizational Environment – Administration’s Philosophy and Operating Style

Professional Standard

The attitude of the governing board and key administrators has a significant effect on an organization’s internal control. An appropriate attitude should balance the programmatic and staff needs with fiscal realities in a manner that is neither too optimistic nor too pessimistic. [SAS-55, SAS-78]

Progress on Recommendations and Recovery Steps

1. Board members continue to receive training from the California School Boards Association (CSBA) on boardmanship and the roles and responsibilities of school board members. In addition, the district has presented several training workshops in the areas of budget development and finances. Staff reports that board members appear more positive. Board member attendance at workshops has improved, although not all board members participate.

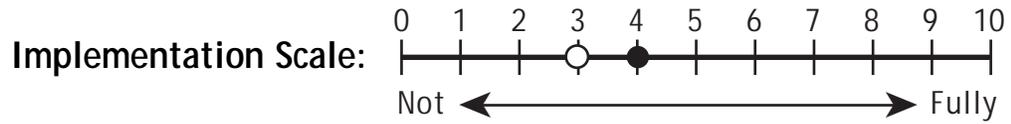
Meetings on the budget for the new school year are scheduled for March, 2001. Budget documents have been simplified to facilitate communication with the board members, staff and community audiences. Two board members participate on the internal audit committee, which meets monthly, giving input on committee decisions. Many internal operational controls are in place. The board has established several committees for review of district operational issues with staff members. A committee on Finance has been established which a board member will co-chair.

The Board has revised and adopted all policies and regulations. The district needs to ensure that development of the budget, its single most important policy document, remains an open process. Budget hearings and workshops should be held at convenient times.

Major district budget priorities are established by the State Administrator. However, board members are solicited for input in the development of the budget for the new school year and have several opportunities to provide input. A Board priority continues to be to pay off the state loan, the last payment of which is due June 2001.

Standard Implemented: Partially Implemented

February 1999 Rating: 3
August 1999 Rating: Not Reviewed
February 2000 Rating: Not Reviewed
August 2000 Rating: Not Reviewed
February 2001 Self Rating: 4
February 2001 New Rating: 4



1.7 Organizational Environment – Employee Performance Appraisals

Professional Standard

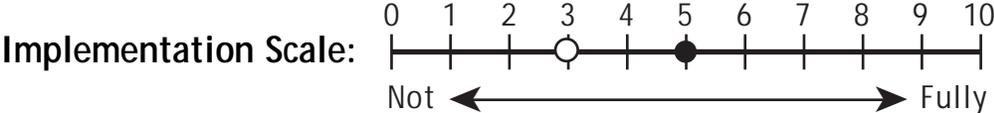
All employees should be evaluated on performance at least annually by a management-level employee knowledgeable about their work product. The evaluation criteria should be clearly communicated and, to the extent possible, measurable. The evaluation should include a follow-up on prior performance issues and establish goals to improve future performance.

Progress on Recommendations and Recovery Steps:

1. Performance criteria for each position has been established. Rigorous evaluation of employees’ performance against the criteria is being conducted. The finance department has been reorganized to improve operational efficiency. Staff development training and cross-training of job skills is ongoing.
2. There has been a fifty percent turnover in accounting staff in the last two years (six employees have either quit or been terminated), but the total number of staff has increased. Annual employee evaluations are being conducted in a timely manner and unsatisfactory employees have been documented. Evaluations include an employee’s individual job requirements.
3. The Assistant Superintendent for Business left the district last year. However, the business/finance division has continued to function appropriately under the direction of the Chief Financial Officer.

Standard Implemented: Partially Implemented

February 1999 Rating: 3
August 1999 Rating: Not Reviewed
February 2000 Rating: Not Reviewed
August 2000 Rating: Not Reviewed
February 2001 Self Rating: 5
February 2001 New Rating: 5



4.1 Internal Audit – Policies and procedures governing internal audits

Professional Standard

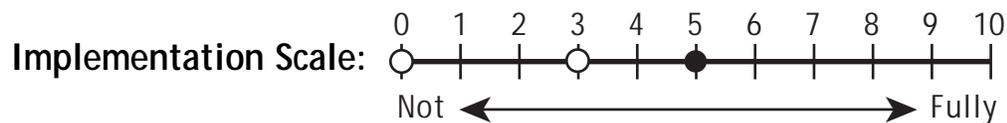
The governing board should adopt policies establishing an internal audit function that reports directly to the superintendent/state administrator and the audit committee or governing board.

Progress on Recommendations and Recovery Steps

1. The district updated its policy on internal audit functions. The policy was scheduled for presentation to the Board on February 13, 2001. Board approval is expected. The district hired the CPA accounting firm of Thompson, Cobb, Bazilio and Associates, P.C., in the 1999-00 school year to serve as the district's internal auditor and conduct ongoing internal audits of various district fiscal functions. Representatives from the firm meet with the audit committee on a monthly basis. The committee directs the CPA firm's audit of problematic areas such as student body accounting, attendance accounting, etc. The firm provides written reports of findings and recommendations to the State Administrator on a regular basis. On an ongoing basis, the district's fiscal division addresses the recommendations made by the auditors to continually improve fiscal operations.
2. The district should continue to provide this internal audit function, preferably with an external independent auditor as is the current practice.

Standard Implemented: Partially Implemented

February 1999 Rating: 0
August 1999 Rating: 3
February 2000 Rating: Not Reviewed
August 2000 Rating: Not Reviewed
February 2001 Self Rating: 5
February 2001 New Rating: 5



5.1 Budget Development Process (Policy) – Board Leadership and Budget Participants

Professional Standard

The budget development process requires a policy-oriented focus by the Governing Board to develop an expenditure plan which fulfills the district's goals and objectives. The Governing Board should focus on expenditure standards and formulas that meet the district goals. The Governing Board should avoid specific line item focus but direct staff to design an entire expenditure plan focusing on student and district needs.

Progress on Recommendations and Recovery Steps

1. The Board has revised and adopted all policies and regulations. The district needs to ensure that development of the budget, its single most important policy document, remains an open process. Budget hearings and workshops should be held at convenient times.

Meetings on the budget for the new school year are scheduled for March, 2001. Budget documents have been simplified to facilitate communication with the board members, staff and community audiences. Budget presentations are clearly more understandable. Two board members participate on the internal audit committee, which meets monthly, giving input on committee decisions. Many internal operational controls are in place. The board has established several committees for review of district operational issues with staff members. A committee on Finance has been established which a board member will co-chair.

Major district budget priorities are established by the State Administrator. However, board members are solicited for input in the development of the budget for the new school year and have several opportunities to provide input. A Board priority continues to be to pay off the state loan, the last payment of which is due June 2001.

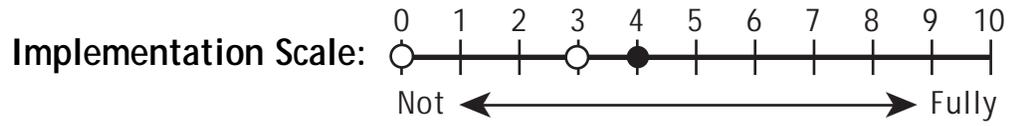
The LACOE concurred with the district's positive certification of the 2000-01 budget, and thanked the district for the documentation provided to verify the district's fiscal condition.

2. Board members continue to receive training from the California School Boards Association (CSBA) on boardmanship and the roles and responsibilities of school board members. In addition, the district has presented several training workshops in the areas of budget development and finances. Board member attendance at workshops has improved, although not all board members participate.

The Board should identify key district goals for long-term budget planning. The administration should in turn submit multi-year expenditure plans to fulfill those goals. Greater involvement of the Board in the budget development process needs to occur to prepare the Board for future self-governance.

Standard Implemented: Partially Implemented

February 1999 Rating: 0
August 1999 Rating: Not Reviewed
February 2000 Rating: Not Reviewed
August 2000 Rating: 3
February 2001 Self Rating: 4
February 2001 New Rating: 4



7.6 Budget Adoption, Reporting and Audits – Audit Administration and Resolution – Audit Administration

Professional Standard

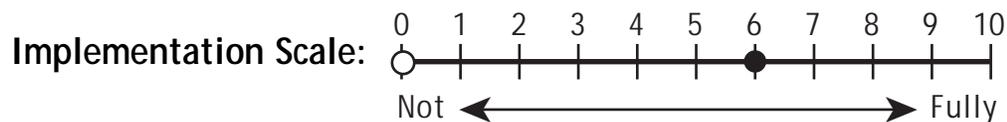
Standard management practice dictates the use of an audit committee.

Progress on Recommendations and Recovery Steps:

1. The district has established an audit committee to provide on-going, independent oversight and advice to the district regarding fiscal management issues.
2. The district updated its policy on internal audit functions. The policy was scheduled for presentation to the Board on February 13, 2001 for adoption. The district hired a Certified Public Accounting firm in August 1999 to serve as the district's internal auditor. Representatives from the firm meet with the audit committee on a monthly basis. The committee directs the internal audit of problematic areas in the district such as student body accounting, attendance accounting, etc.
3. The audit committee was operational in the 1999-00 fiscal year and has been operational for one-and-a-half years. The audit committee includes various district and community representatives. Two board members serve on the committee. The audit committee directs the activities of the internal auditor, and reviews the reports of the internal auditor.
4. The district should continue to provide this internal audit function, preferably with an external independent auditor as is the current practice.

Standard Implemented: Partially Implemented

February 1999 Rating: 0
August 1999 Rating: Not Reviewed
February 2000 Rating: Not Reviewed
August 2000 Rating: Not Reviewed
February 2001 Self Rating: 6
February 2001 New Rating: 6



10.1 Investments – Investment Policy and Quarterly Approvals

Professional Standard

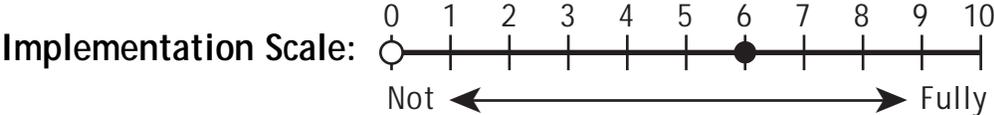
The Governing Board must review and approve, at a public meeting and on a quarterly basis, the district’s investment policy. G.C. 53646

Progress on Recommendations and Recovery Steps

1. Board Policy 3430 on district investments was adopted on February 8, 2000. The district has been focused on paying off its state loan. The final loan payment is scheduled to be made June, 2001, an expenditure included in the district’s budget for the year. The district has determined that investing surplus funds is not an appropriate activity at this time.
2. The administration should provide investment ideas and/or strategies for the Board to consider for any available surplus funds once the loan payments have been completed.
3. The Board should periodically review any future investments made to ensure that any investments outside the county treasury are consistent with Government Code sections 53601 and 16430.

Standard Implemented: Partially Implemented

February 1999 Rating: 0
August 1999 Rating: Not Reviewed
February 2000 Rating: Not Reviewed
August 2000 Rating: 0
February 2001 Self Rating: 6
February 2001 New Rating: 6



11.1 Attendance Accounting – Accuracy of Attendance Accounting System

Professional Standard

An accurate record of daily enrollment and attendance is maintained at the site and reconciled monthly.

Progress on Recommendations and Recovery Steps

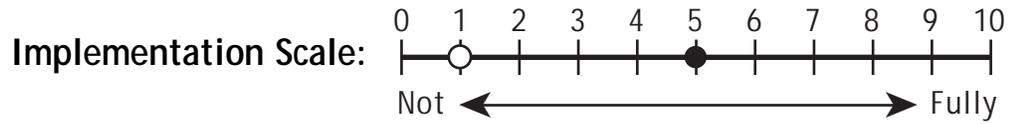
1. Because of problems with their student information system software, the district could not verify their attendance last year (1999-00), and therefore submitted to the county and state, an attendance document based on the previous year's attendance (1998-99). The Los Angeles County Superintendent of Schools (LACOE) could not certify the district's attendance figures as there was no legal authority for the district to utilize the previous year's attendance numbers. The district sought a legislative remedy for this issue. The legislature subsequently passed a bill that allowed the district to utilize its 1998-99 attendance data plus .75% for the 1999-00 school year attendance count, plus its actual hourly program attendance. The district's budget allocation was based on this adjusted ADA.
2. The district regressed in the rating on this standard during the last six-month review because it was unable to provide accurate attendance data for the 1999-2000 school year. The district has since reinstated the SASI III student information system. Supervision for district attendance accounting has been moved to the Fiscal Division. Monitoring of sites has been continual, and any discrepancy evaluated. The internal auditors monitor attendance on a monthly basis. Key results visits by district staff also provide another means of monitoring attendance accounting.

New attendance manuals have been developed, and extensive staff training for attendance clerks and teachers was conducted during summer and fall of the new school year. Additional staff has been assigned to manage the ADA process and procedures. Attendance accounting is back on track and back-up checks are in place. The district's P-1 was filed on time.

3. In October 2000, LACOE requested and received documented enrollment and attendance data for 2000-01 and evidence of the on-going training of the district's teachers and staff. In its January 12, 2001, response to the First Interim Report, LACOE commented that two updates had been provided during meetings with the district, the CDE and FCMAT. Another update was provided at a February 15, 2001, meeting.

Standard Implemented: Partially Implemented

February 1999 Rating: 5
August 1999 Rating: 5
February 2000 Rating: Not Reviewed
August 2000 Rating: 1
February 2001 Self Rating: 5
February 2001 New Rating: 5



12.4 Accounting, Purchasing and Warehousing - Accounting Procedures - Payroll

Legal Standard

The district’s payroll procedures should be in compliance with the requirements established by the Los Angeles County Office of Education. (Education Code Section 42646) Standard accounting practice dictates that the district implement procedures to ensure the timely and accurate processing of payroll.

Progress on Recommendations and Recovery Steps

1. Appropriate interaction between payroll and personnel is occurring. Monthly payrolls are timely, but LACOE’s payroll system is based on positive reporting instead of exception reporting, so the regular district payroll must be regenerated each month. Staff inputs any corrections between payroll and personnel. Supplemental payrolls remain a problem because of the numerous instructional programs and extra-duty hours the staff accumulates on a weekly basis. Several supplemental payrolls are generated each month.

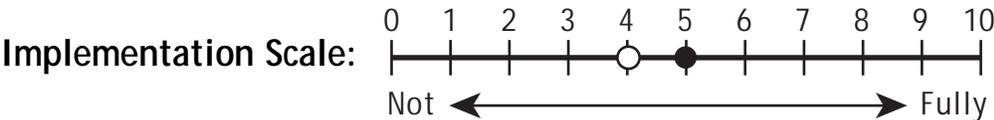
The district must continue to require sites to submit payroll data accurately and timely to reduce the need for supplemental payroll runs. The district should revise its procedures to preclude supplemental payroll runs, except for rare and extreme situations. Additionally, there should be continued supervision and monitoring of input to reduce errors in the processing of payroll.

The district is maintaining absence records. Separation of duties and appropriate posting is occurring.

Finance and Personnel Divisions will be establishing semi-monthly meetings of administrative staff to communicate, coordinate, and minimize any problem areas that might occur between the functions of the two divisions.

Standard Implemented: Partially Implemented

- February 1999 Rating: 4
- August 1999 Rating: Not Reviewed
- February 2000 Rating: Not Reviewed
- August 2000 Rating: Not Reviewed
- February 2001 Self Rating: 5
- February 2001 New Rating: 5



12.5 Accounting, Purchasing and Warehousing - Accounting procedures - Supervision of Accounting

Professional Standard

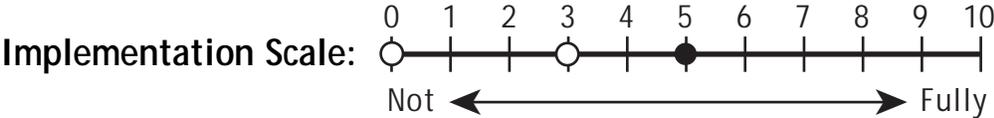
Standard accounting practice dictates that the accounting work should be properly supervised and work reviewed in order to ensure that transactions are recorded timely and accurately, and allow the preparation of periodic financial statements.

Progress on Recommendations and Recovery Steps

1. The finance department has been reorganized to improve operational efficiency. Staff development training and cross-training of job skills is ongoing. A new accounting manager and director have been added in the last six months.
2. Fiscal analysts are responsible for a unit or section and supervision is much more immediate and timely. Performance criteria for each position has been established. Rigorous evaluation of employees' performance against the criteria is being conducted. Each employee was evaluated as to their skill level and appropriate training was provided. Each employee received individual counseling. The initial job training was provided by the senior director directly.
3. Annual employee evaluations are being conducted in a timely manner and unsatisfactory employees have been documented. Evaluations include an employee's individual job requirements.
4. The general and subsidiary ledgers are being reconciled on a monthly basis to ensure the accuracy of transactions posted. The district's previous financial audits indicated over a hundred audit exceptions. These have been reduced to three in the most recent audit reports.

Standard Implemented: Partially Implemented

February 1999 Rating: 0
August 1999 Rating: 3
February 2000 Rating: Not Reviewed
August 2000 Rating: Not Reviewed
February 2001 Self Rating: 5
February 2001 New Rating: 5



13.2 Student Body Funds – Supervision of Student Body Funds

Legal Standard

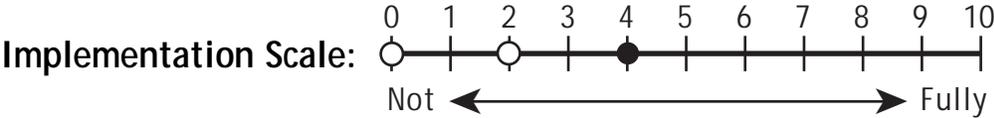
Proper supervision of all student body funds shall be provided by the Board. (EC 48937) This supervision includes establishing responsibilities for managing and overseeing the activities and funds of student organizations, including providing procedures for the proper handling, recording and reporting of revenues and expenditures.

Progress on Recommendations and Recovery Steps

1. Three school controller positions, one for each of the high schools, were established and included in the budget for the new school year. However, the positions have not yet been filled, as the applicants did not possess the necessary skill level for the positions. The district intends to readvertise the positions. These positions will be assigned to the high schools to collect funds and manage student body accounts. These positions will provide on-site accountability and will report directly to the Senior Director of Fiscal Services. Student organizations will be required to prepare budgets and a list of potential activities for the year. Budgets would be monitored monthly with budget to actual statements sent to the district office at least quarterly.
2. The district’s internal auditors review student body funds and cash receipts. Some training on student body fund accounting was provided to school site personnel. The district has established a centralized disbursement process from the Fiscal Division. Better oversight of the student body fund expenditures and budget reconciliation is being provided. One example of oversight and remedial action was the cancellation of the high school yearbook contracts at all three high schools because of insufficient funds. Student body bank accounts are being monitored by district staff. Procedures for cash receipts at the sites still need to be tightened.
3. The district is developing a student body accounting manual, and will provide training for student body advisors. The district should respond quickly and forcefully to situations where there are potential irregularities in order to protect student funds, which are held in trust, and to deter future situations of a similar nature.

Standard Implemented: Partially Implemented

February 1999 Rating: 0
 August 1999 Rating: Not Reviewed
 February 2000 Rating: Not Reviewed
 August 2000 Rating: 2
 February 2001 Self Rating: 4
 February 2001 New Rating: 4



13.4 Student Body Funds – Internal Audit Functions

Professional Standard

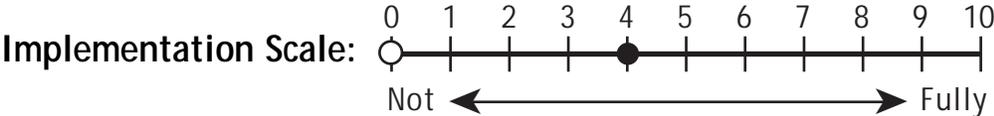
In order to provide adequate oversight of student funds and to ensure the proper handling and reporting, the California Department of Education recommends that internal audits be performed. Such audits should review the operation of student body funds at both district and site levels.

Progress on Recommendations and Recovery Steps

1. The district’s internal auditors review student body funds and cash receipts. Some training on student body fund accounting was provided to school site personnel. The internal auditors provide written reports of findings and recommendations to the State Administrator on a regular basis. On an ongoing basis, the district’s fiscal division addresses the recommendations made by the auditors to continually improve fiscal operations.
2. The district has established a centralized disbursement process from the Fiscal Division for student body accounts. Better oversight of the student body fund expenditures and budget reconciliation is being provided. One example of oversight and remedial action was the cancellation of the high school yearbook contracts at all three high schools because of insufficient funds. Student body bank accounts are being monitored by district staff. Procedures for cash receipts at the sites still need to be tightened.
3. The district is developing a student body accounting manual, and will provide training for student body advisors. The district should respond quickly and forcefully to situations where there are potential irregularities in order to protect student funds, which are held in trust, and to deter future situations of a similar nature.

Standard Implemented: Partially Implemented

February 1999 Rating: 0
August 1999 Rating: 0
February 2000 Rating: Not Reviewed
August 2000 Rating: 4
February 2001 Self Rating: 4
February 2001 New Rating: 4



16.1 Multi-Year Impact of Collective Bargaining Agreements – Development of Parameters and Guidelines for Collective Bargaining

Professional Standard

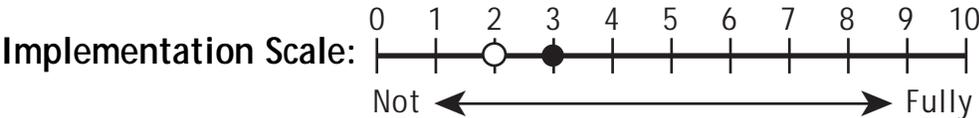
The Governing Board is the final signature of a collective bargaining agreement and consequently must work closely with the Superintendent and the district’s chief negotiator to ensure the bargaining agreement effectively reflects the policy interests of the district. The Governing Board must develop with the district administrative team, parameters and guidelines for the collective bargaining negotiation; district board guidelines must represent the public interest and avoid, throughout the negotiating debate, representation of special interests or selected district employees. The Board must ensure that the agreement enhances instructional delivery while maintaining fiscal solvency for the district. Governing Board parameters must be provided in a confidential environment reflective of the obligations of a closed executive Board session.

Progress on Recommendations and Recovery Steps

1. The district’s collective bargaining positions continue to be determined by the district’s administrative team and the State Administrator. In transitioning to the return of governance to the Board, the Board should participate, along with the administrative team, in a training process regarding the appropriate development of collective bargaining parameters and guidelines and the do’s and don’ts of the bargaining process. Board members must agree that discussion of bargaining guidelines and parameters are confidential as required of closed session issues.
2. The district has settled negotiations with all employee units except the teachers’ association. The district has offered a 10% retroactive salary increase. The teachers’ association wants a higher percentage increase. Some teachers are lobbying directly with Board members.
3. The Division of Fiscal Services provides negotiators with a multi-year projection for every raise scenario that is contemplated. The district focuses on costing out all proposals placed on the table, as the district’s fiscal solvency remains paramount.

Standard Implemented: Partially Implemented

February 1999 Rating: 2
August 1999 Rating: Not Reviewed
February 2000 Rating: Not Reviewed
August 2000 Rating: 3
February 2001 Self Rating: 3
February 2001 New Rating: 3



17.1 Management Information Systems – Planning and Fiscal Input

Professional Standard

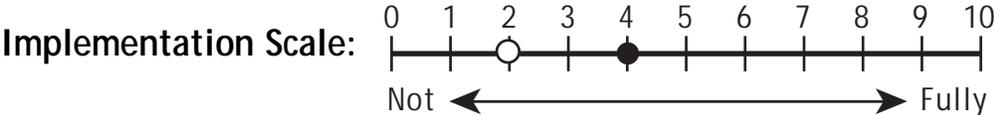
There should be a process in place for fiscal input and planning of the district technology plan. The goals and objectives of the technology plan should be clearly defined. The plan should include both the administrative and instructional technology systems. There should be a summary of the costs of each objective and a financing plan should be in place.

Progress on Recommendations and Recovery Steps

1. The Information Technology Department (ITD) is now supervised by the Chief Financial Officer. A draft of the Technology Use Plan (January 2001) has been developed and continues to be worked on by staff. An outside company, Tech Ed Services, has been hired to assist in the development of the plan, combining the input of the Curriculum/Instructional Technology and the Information Technology Departments. The ITD director recently left the district, and the district is reorganizing the ITD staff and functions.
2. The district has worked extensively to put technology infrastructure in place. Trenching at the sites has been completed, and T-1 lines installed as appropriate to the sites. Connectivity is planned for all computers to the CUSD Network resources. However, the attendance system is the only data system currently connected to the district office. Each school has 100 SASI numbers. Implementation of connectivity of additional data systems is expected soon.
3. Internet connectivity, email, and various administrative and educational applications are dependent on ongoing staff training and the establishment of appropriate use policies.

Standard Implemented: Partially Implemented

February 1999 Rating: 2
August 1999 Rating: 2
February 2000 Rating: Not Reviewed
August 2000 Rating: Not Reviewed
February 2001 Self Rating: 4
February 2001 New Rating: 4



17.4 Management Information Systems – Cost/Benefit Analyses and Comparisons

Professional Standard

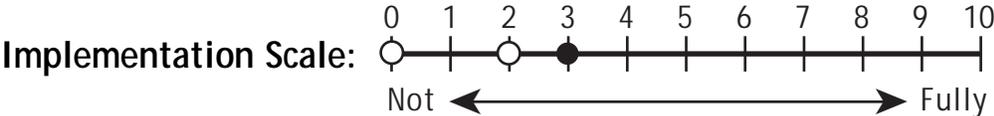
Cost/benefit analyses provide an important basis upon which to determine which systems should be automated, which systems best meet defined needs, and whether internally generated savings can provide funding for the proposed system. Cost-benefit analyses should be complete, accurate, and include all relevant factors.

Progress on Recommendations and Recovery Steps

1. The district has not yet developed a cost benefit plan or procedures. Although the district does not contemplate the purchase of any major systems in the near future, it should develop a cost-benefit analysis procedure for use in any future decisions that involve major systems acquisition or modification. Decision-makers should insist on receiving a complete analysis prior to making any major resource commitment.
2. The district has not always implemented cost-benefit analysis procedures prior to acquiring or modifying major operational systems. The district made a premature decision to implement the Comprehensive Information Management System (CIMS) in the 1999-00 school year. The district has learned to be more cautious with systems implementation based on the tremendous negative impact the failure of the CIMS system had on student attendance accounting. It also purchased the KRONOS time clock system that did not work out as expected and is not being used. The district did, however, contract a study, including a cost-benefit analysis, on district transportation services and determined that those services could be contracted out to a private provider to provide services more cost-effectively.

Standard Implemented: Partially Implemented

February 1999 Rating: 0
August 1999 Rating: 0
February 2000 Rating: Not Reviewed
August 2000 Rating: 2
February 2001 Self Rating: 4
February 2001 New Rating: 3



17.6 Management Information Systems – Implementation and Training

Professional Standard

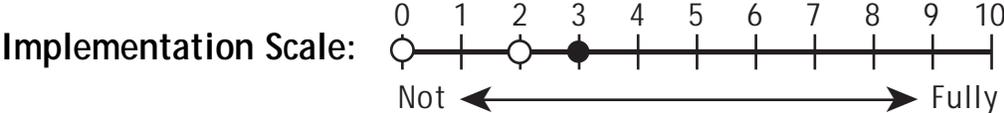
Major technology systems should be supported by implementation and training plans. The cost of implementation and training should be included with other support costs in the cost/benefit analyses and financing plans supporting the acquisition.

Progress on Recommendations and Recovery Steps

1. The SASI III student information system has been reimplemented in the district. Extensive training has been provided for attendance clerks and teachers in the use of the system and in the importance of accurate attendance reporting.
2. The district has worked extensively to put technology infrastructure in place. Trenching at the sites has been completed, and T-1 lines installed as appropriate to the sites. Connectivity is planned for all computers to the CUSD Network resources. However, the attendance system is the only data system currently connected to the district office. Each school has 100 SASI numbers. Implementation of connectivity of additional data systems is expected soon.
3. The district has identified a set of standards for the acquisition of business workstations and servers. This standardization will allow the district to become more efficient by limiting the types of systems which will need service and limiting the amount of training for the end users.

Standard Implemented: Partially Implemented

February 1999 Rating: 0
August 1999 Rating: 2
February 2000 Rating: Not Reviewed
August 2000 Rating: Not Reviewed
February 2001 Self Rating: 4
February 2001 New Rating: 3



18.5 Maintenance and Operations Fiscal Controls – Materials and Equipment/ Tools Inventory

Professional Standard

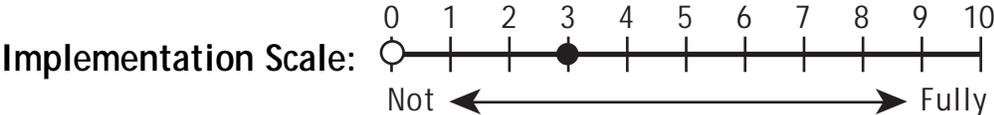
Materials and equipment/tools inventory should be safeguarded from loss through appropriate physical and accounting controls.

Progress on Recommendations and Recovery Steps

1. The development of mobile maintenance teams by the maintenance department has resulted in better accounting for district equipment and tools.
2. An inventory of equipment/tools should be maintained and reconciled by district staff.

Standard Implemented: Partially Implemented

February 1999 Rating: 0
August 1999 Rating: Not Reviewed
February 2000 Rating: Not Reviewed
August 2000 Rating: Not Reviewed
February 2001 Self Rating: 3
February 2001 New Rating: 3



Financial Management							
Standard to be addressed		Feb. 99 Rating	Aug. 99 Rating	Feb. 2000 Rating	Aug. 2000 Rating	Feb. 2001 Rating	Aug. 2001 Focus
1.1	Integrity and ethical behavior are the product of Compton's ethical and behavioral standards, how they are communicated, and how they are reinforced in practice. All management-level personnel should exhibit high integrity and ethical values in carrying out their responsibilities and directing the work of others.	5	NR	NR	NR	NR	
1.2	Compton should have an audit committee to: (1) help prevent internal controls from being overridden by management; (2) help ensure ongoing state and federal compliance; (3) provide assurance to management that the internal control system is sound; and, (4) help identify and correct inefficient processes.	0	NR	7	NR	NR	
1.3	The attitude of the governing board and key administrators has a significant effect on an organization's internal control. An appropriate attitude should balance the programmatic and staff needs with fiscal realities in a manner that is neither too optimistic nor too pessimistic.	3	NR	NR	NR	4	<input type="checkbox"/>
1.4	The organizational structure should clearly identify key areas of authority and responsibility. Reporting lines should be clearly identified and logical within each area.	1	6	NR	NR	NR	
1.5	Management should have the ability to evaluate job requirements and match the requirements to the employee's skills.	6	NR	NR	NR	NR	
1.6	Compton should have procedures for the recruitment of capable financial management and staff and the hiring of competent people.	7	NR	NR	NR	NR	

NR not reviewed
 targeted for review

Financial Management (continued)

Standard to be addressed		Feb. 99 Rating	Aug. 99 Rating	Feb. 2000 Rating	Aug. 2000 Rating	Feb. 2001 Rating	Aug. 2001 Focus
1.7	All employees should be evaluated on performance at least annually by a management-level employee knowledgeable about their work product. The evaluation criteria should be clearly communicated and, to the extent possible, measurable. The evaluation should include a follow-up on prior performance issues and establish goals to improve future performance.	3	NR	NR	NR	5	<input type="checkbox"/>
2.1	The business and operational departments should communicate regularly with internal staff and all user departments on their responsibilities for accounting procedures and internal controls. The communications should be written whenever possible, particularly when it (1) affects many staff or user groups, (2) is an issue of high importance, or (3) when the communication reflects a change in procedures. Procedures manuals are necessary to the communication of responsibilities. The departments, as well, should be responsive to user department needs, thus encouraging a free exchange of information between the two (excluding items of a confidential nature).	5	NR	NR	NR	NR	<input type="checkbox"/>
2.2	The financial departments should communicate regularly with the governing board and community on the status of district finances and the financial impact of proposed expenditure decisions. The communications should be written whenever possible, particularly when it affects many community members, is an issue of high importance to the district and board, or reflects a change in policies.	7	NR	NR	NR	NR	
2.3	The governing board should be engaged in understanding globally the fiscal status of Compton, both current and as projected. The governing board should prioritize district fiscal issues among the top discussion items.	5	NR	NR	NR	NR	<input type="checkbox"/>

NR not reviewed
 targeted for review

Financial Management (continued)

Standard to be addressed		Feb. 99 Rating	Aug. 99 Rating	Feb. 2000 Rating	Aug. 2000 Rating	Feb. 2001 Rating	Aug. 2001 Focus
3.1	Develop and use a professional development plan, i.e., training business staff. The development of the plan should include the input of business office supervisors and managers. The staff development plan should at a minimum identify appropriate programs office-wide. At best, each individual staff and management employee should have a plan designed to meet their individual professional development needs.	0	5	NR	NR	NR	<input type="checkbox"/>
3.2	Develop and use a professional development plan for the in-service training of schoolsite/department staff by business staff on relevant business procedures and internal controls. The development of the plan should include the input of the business office and the schoolsites/departments and be updated annually.	3	NR	3	5	NR	<input type="checkbox"/>
4.1	The governing board should adopt policies establishing an internal audit function that reports directly to the superintendent/state administrator and the audit committee or governing board.	0	3	NR	NR	5	
4.2	Internal audit functions should be designed into the organizational structure of Compton. These functions should include periodic internal audits of areas at high risk for non-compliance with laws and regulations and/or at high risk for monetary loss.	0	0	7	NR	NR	
4.3	Qualified staff should be assigned to conduct internal audits and be supervised by an independent body, such as an audit committee.	0	NR	6	NR	NR	
4.4	Internal audit findings should be reported on a timely basis to the audit committee, governing board and administration, as appropriate. Management should then take timely action to follow up and resolve audit findings.	0	NR	5	NR	NR	<input type="checkbox"/>

NR not reviewed

targeted for review

Financial Management (continued)

Standard to be addressed		Feb. 99 Rating	Aug. 99 Rating	Feb. 2000 Rating	Aug. 2000 Rating	Feb. 2001 Rating	Aug. 2001 Focus
5.1	The budget development process requires a policy-oriented focus by the governing board to develop an expenditure plan which fulfills the district's goals and objectives. The governing board should focus on expenditure standards and formulas that meet the district goals. The governing board should avoid specific line item focus but direct staff to design an entire expenditure plan focusing on student and district needs.	0	NR	NR	3	4	<input type="checkbox"/>
5.2	The budget development process includes input from staff, administrators, board and community.	3	NR	5	NR	NR	<input type="checkbox"/>
5.3	Policies and regulations exist regarding budget development and monitoring.	5	NR	NR	NR	NR	
5.4	The district should have a clear process to analyze resources and allocations to ensure that they are aligned with strategic planning objectives and that the budget reflects the priorities of the district.	3	NR	5	NR	NR	
5.5	The district should have policies in place to facilitate development of a budget that is understandable, meaningful, reflective of district priorities, and balanced in terms of revenues and expenditures.	2	6	NR	NR	NR	
6.1	The budget office should have a technical process to build the preliminary budget amounts that includes: the forecast of revenues, the verification and projection of expenditures, the identification of known carryovers and accruals, and the inclusion of concluded expenditure plans. The process should clearly identify one-time sources and uses of funds. Reasonable ADA and COLA estimates should be used when planning and budgeting. This process should be applied to all funds.	2	NR	5	NR	NR	<input type="checkbox"/>

NR not reviewed
 targeted for review

Financial Management (continued)

Standard to be addressed		Feb. 99 Rating	Aug. 99 Rating	Feb. 2000 Rating	Aug. 2000 Rating	Feb. 2001 Rating	Aug. 2001 Focus
6.2	An adopted budget calendar exists that meets legal and management requirements. At a minimum the calendar should identify statutory due dates and major budget development activities.	6	NR	NR	NR	NR	
6.3	Standardized budget worksheets should be used in order to communicate budget requests, budget allocations, formulas applied and guidelines.	4	NR	5	NR	NR	
7.1	1. The district should adopt its annual budget within the statutory timelines established by Education Code Section 42103. On or before July 1, the governing board shall hold a public hearing on the budget to be adopted for the subsequent fiscal year. 2. Not later than five days after that adoption or by July 1, whichever occurs first, the governing board shall file that budget with the county superintendent of schools. [EC 42127(a)]	8	NR	NR	NR	NR	
7.2	1. Revisions to expenditures based on the State Budget should be considered and adopted by the governing board. 2. Compton shall make available for public review any revisions in revenues and expenditures that it has made to its budget to reflect funding available by that Budget Act. [EC 42127(2) and 42127(i)(4)]	7	NR	NR	NR	NR	
7.3	The district should have procedures that provide for the development and submission of a district budget that adheres to criteria and standards and will be approved by the Los Angeles County Office of Education.	0	5	NR	NR	NR	<input type="checkbox"/>
7.4	The district should complete and file its interim budget reports within the statutory deadlines established by Education Code Section 42130, et seq.	10	NR	NR	NR	NR	

NR not reviewed

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Financial Management (continued)

Standard to be addressed		Feb. 99 Rating	Aug. 99 Rating	Feb. 2000 Rating	Aug. 2000 Rating	Feb. 2001 Rating	Aug. 2001 Focus
7.5	The district should arrange for an annual audit (single audit) within the deadlines established by Education Code Section 41020.	8	NR	NR	NR	NR	
7.6	Standard management practice dictates the use of an audit committee.	0	NR	NR	NR	6	
7.7	The district should include in its audit report, but not later than March 15, a corrective action for all findings disclosed as required by Education Code Section 41020.	4	5	NR	NR	NR	<input type="checkbox"/>
7.8	The district must file certain documents/reports with the state as follows: <ul style="list-style-type: none"> • J-200 series - (Education Code Section 42100) • J-380 series - CDE procedures • Interim financial reports - (Education Code Section 42130) • J-141 transportation report (Title V, article 5, Section 15270) 	5	NR	NR	NR	NR	
8.1	All purchase orders are properly encumbered against the budget until payment.	5	7	NR	NR	NR	
8.2	There should be budget monitoring controls, such as periodic reports, to alert department and site managers of the potential for overexpenditure of budgeted amounts. Revenue and expenditures should be forecast and verified monthly.	6	NR	NR	NR	NR	
8.3	Budget revisions are made on a regular basis and occur per established procedures and are approved by the board.	8	NR	NR	NR	NR	
8.4	The district uses an effective position control system, which tracks personnel allocations and expenditures. The position control system effectively establishes checks and balances between personnel decisions and budgeted appropriations.	4	NR	5	NR	NR	<input type="checkbox"/>

NR not reviewed

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Financial Management (continued)

Standard to be addressed		Feb. 99 Rating	Aug. 99 Rating	Feb. 2000 Rating	Aug. 2000 Rating	Feb. 2001 Rating	Aug. 2001 Focus
9.1	The district budget should be a clear manifestation of district policies and should be presented in a manner that facilitates communication of those policies.	3	NR	NR	7	NR	
9.2	Clearly identify one-time source and use of funds.	10	NR	NR	NR	NR	
10.1	The governing board must review and approve, at a public meeting and on a quarterly basis, the district's investment policy.	0	NR	NR	0	6	
11.1	An accurate record of daily enrollment and attendance is maintained at the site and reconciled monthly.	5	5	NR	1	5	<input type="checkbox"/>
11.2	Policies and regulations exist for Independent Study, Home Study, inter/intradistrict agreements and districts of choice and should address fiscal impact.	7	7	NR	NR	NR	
11.3	Students should be enrolled by staff and entered into the attendance system in an efficient, accurate and timely manner.	8	8	NR	NR	NR	
11.4	At least annually, the school district should verify that each school bell schedule meets instructional time requirements for minimum day, year and annual minute requirements.	8	8	NR	NR	NR	
11.5	Procedures should be in place to ensure that attendance accounting and reporting requirements are met for alternative programs such as ROC/P and adult education.	8	8	NR	NR	NR	
11.6	The district should have standardized and mandatory programs to improve the attendance rate of pupils. Absences should be aggressively followed-up by district staff.	5	6	NR	NR	NR	

NR not reviewed

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Financial Management (continued)

Standard to be addressed		Feb. 99 Rating	Aug. 99 Rating	Feb. 2000 Rating	Aug. 2000 Rating	Feb. 2001 Rating	Aug. 2001 Focus
12.1	The district should adhere to the California School Accounting Manual (CSAM) and Generally Accepted Accounting Principles (GAAP) as required by Education Code Section 41010. Furthermore, adherence to CSAM and GAAP helps to ensure that transactions are accurately recorded and financial statements are fairly presented.	2	NR	NR	7	NR	
12.2	The district should timely and accurate record all information regarding financial activity regarding income and expenditures (unrestricted and restricted) for all programs.	3	NR	NR	7	NR	
12.3	The district should forecast its revenue and expenditures and verify those projections on a monthly basis in order to adequately manage its cash. In addition, the district should reconcile its cash to bank statements and reports from the county treasurer reports on a monthly basis. Standard accounting practice dictates that, in order to ensure that all cash receipts are deposited timely and recorded properly, cash be reconciled to bank statements on a monthly basis.	5	6	NR	NR	NR	
12.4	The district's payroll procedures should be in compliance with the requirements established by the Los Angeles County Office of Education. (Education Code Section 42646) Standard accounting practice dictates that the district implement procedures to ensure the timely and accurate processing of payroll.	4	NR	NR	NR	5	<input type="checkbox"/>
12.5	Standard accounting practice dictates that the accounting work should be properly supervised and work reviewed in order to ensure that transactions are recorded in a timely and accurate manner, and allow the preparation of periodic financial statements.	0	3	NR	NR	5	

NR not reviewed
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Financial Management (continued)

Standard to be addressed		Feb. 99 Rating	Aug. 99 Rating	Feb. 2000 Rating	Aug. 2000 Rating	Feb. 2001 Rating	Aug. 2001 Focus
12.6	Federal and state categorical programs, either through specific program requirements or through general cost principles such as OMB Circular A-87, require that entities receiving such funds must have an adequate system to account for those revenues and related expenditures.	6	NR	NR	NR	NR	
12.7	Generally accepted accounting practices dictate that in order to ensure accurate recording of transactions, the district should have standard procedures for closing its books at fiscal year-end. The district's year-end closing procedures should be in compliance with the procedures and requirements established by the County Office of Education.	0	NR	NR	6	NR	
12.8	The district should comply with the bidding requirements of Public Contract Code Section 20111. Standard accounting practice dictates that the district have adequate purchasing and warehousing procedures to ensure that only properly authorized purchases are made, that authorized purchases are made consistent with district policies and management direction, that inventories are safeguarded, and that purchases and inventories are timely and accurately recorded.	6	NR	NR	NR	NR	
13.1	The governing board adopts policies and procedures to ensure compliance regarding how student body organizations deposit, invest, spend, raise and audit student body funds.	4	4	NR	NR	NR	<input type="checkbox"/>
13.2	Proper supervision of all student body funds shall be provided by the board. [EC 48937] This supervision includes establishing responsibilities for managing and overseeing the activities and funds of student organizations, including providing procedures for the proper handling, recording and reporting of revenues and expenditures.	0	NR	NR	2	4	<input type="checkbox"/>

NR not reviewed

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Financial Management (continued)

Standard to be addressed		Feb. 99 Rating	Aug. 99 Rating	Feb. 2000 Rating	Aug. 2000 Rating	Feb. 2001 Rating	Aug. 2001 Focus
13.3	In order to provide for oversight and control, the California Department of Education recommends that periodic financial reports be prepared by sites, and then summarized by the district office.	0	NR	NR	5	NR	
13.4	In order to provide adequate oversight of student funds and to ensure the proper handling and reporting, the California Department of Education recommends that internal audits be performed. Such audits should review the operation of student body funds at both district and site levels.	0	0	NR	4	4	<input type="checkbox"/>
14.1	A reliable computer program that provides reliable multi-year financial projections is used.	8	NR	NR	NR	NR	
14.2	The district annually provides a multi-year revenue and expenditure projection for all funds of the district. Projected fund balance reserves should be disclosed. [EC 42131]	6	NR	NR	NR	NR	
14.3	Multi-year financial projections should be prepared for use in the decision-making process, especially whenever a significant multi-year expenditure commitment is contemplated.	0	6	NR	NR	NR	
15.1	Comply with public disclosure laws of fiscal obligations related to health and welfare benefits for retirees, self-insured workers compensation, and collective bargaining agreements. [GC 3540.2, 3547.5, EC 42142]	6	NR	NR	NR	NR	
15.2	When authorized, the district should only use non-voter approved, long-term financing such as certificates of participation (COPS), revenue bonds, and lease-purchase agreements (capital leases) to address capital needs, and not operations. Further, the general fund should be used to finance current school operations, and in general should not be used to pay for these types of long-term commitments.	0	NR	NR	4	NR	

NR not reviewed

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Financial Management (continued)

Standard to be addressed		Feb. 99 Rating	Aug. 99 Rating	Feb. 2000 Rating	Aug. 2000 Rating	Feb. 2001 Rating	Aug. 2001 Focus
15.3	<p>1. For long-term liabilities/debt service, the district should prepare debt service schedules and identify the dedicated funding sources to make those debt service payments.</p> <p>2. The district should project cash receipts from the dedicated revenue sources to ensure that it will have sufficient funds to make periodic debt payments.</p> <p>3. The cash flow projections should be monitored on an on-going basis to ensure that any variances from projected cash flows are identified as early as possible, in order to allow the district sufficient time to take appropriate measures or identify alternative funding sources.</p>	5	NR	NR	NR	NR	
16.1	<p>The Governing Board is the final signature of a collective bargaining agreement and they must, consequently, work closely with the superintendent and the district's chief negotiator to ensure that the bargaining agreement effectively reflects the policy interests of the district. The Governing Board must be able to develop, with the district administrative team, parameters and guidelines for the collective bargaining negotiation; district board guidelines must represent the public interest and avoid, throughout the negotiating debate, representation of special interests or selected district employees. The board must ensure that the agreement enhances the instructional delivery while at the same time maintaining fiscal solvency for the district. Governing Board parameters must be provided in a confidential environment reflective of the obligations of an closed executive board session.</p>	2	NR	NR	3	3	<input type="checkbox"/>

NR not reviewed

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Financial Management (continued)

Standard to be addressed		Feb. 99 Rating	Aug. 99 Rating	Feb. 2000 Rating	Aug. 2000 Rating	Feb. 2001 Rating	Aug. 2001 Focus
16.2	A collective bargaining decision can dramatically change the most well thought out and committed goals and objectives of a district. A collective bargaining agreement, both fiscally and organizationally, can dramatically change the nature of a district's ability to be able to maintain multi-year fiscal solvency. District administration and the governing board should consider and have available multi-year projections at all times when they are concluding substantive fiscal decisions of the collective bargaining agreement.	2	NR	NR	5	NR	
17.1	There should be a process in place for fiscal input and planning of the district technology plan. The goals and objectives of the technology plan should be clearly defined. The plan should include both the administrative and instructional technology systems. There should be a summary of the costs of each objective, and a financing plan should be in place.	2	2	NR	NR	4	<input type="checkbox"/>
17.2	Management information systems must support users with relevant, timely, and accurate information. Needs assessments should involve users in the definition of needs, development of system specifications, and selection of appropriate systems. District standards should be imposed to ensure the various systems are compatible and can be maintained and supported. The district must ensure all systems comply with the new Standardized Account Code Structure and year 2000 requirements and are compatible with the county systems with which they interface.	1	4	NR	NR	NR	<input type="checkbox"/>

NR not reviewed
 targeted for review

Financial Management (continued)

Standard to be addressed		Feb. 99 Rating	Aug. 99 Rating	Feb. 2000 Rating	Aug. 2000 Rating	Feb. 2001 Rating	Aug. 2001 Focus
17.3	Automated systems should be used to improve accuracy, timeliness, and efficiency of financial and reporting systems. Needs assessments should be performed to determine what systems are candidates for automation, whether standard hardware and software systems are available to meet the need, and whether or not the district would benefit. Automated financial systems should provide accurate, timely, relevant information and should conform to all accounting standards. The systems should also be designed to serve all of the various users inside and outside the district. Employees should receive appropriate training and supervision in the operation of the systems. Appropriate internal controls should be instituted and reviewed periodically.	4	4	NR	NR	NR	<input type="checkbox"/>
17.4	Cost/benefit analyses provide an important basis upon which to determine which systems should be automated, which systems best meet defined needs, and whether internally generated savings can provide funding for the proposed system. Cost/benefit analyses should be complete, accurate, and include all relevant factors.	0	0	NR	2	3	<input type="checkbox"/>
17.5	Selection of information systems technology should conform to legal procedures specified in the Public Contract Code. Additionally, there should be a process to ensure that needs analyses, cost/benefit analyses, and financing plans are in place prior to commitment of resources. The process should facilitate involvement by users, as well as information services staff, to ensure that training and support needs and costs are considered in the acquisition process.	5	NR	NR	NR	NR	<input type="checkbox"/>

NR not reviewed

targeted for review

Financial Management (continued)

Standard to be addressed		Feb. 99 Rating	Aug. 99 Rating	Feb. 2000 Rating	Aug. 2000 Rating	Feb. 2001 Rating	Aug. 2001 Focus
17.6	Major technology systems should be supported by implementation and training plans. The cost of implementation and training should be included with other support costs in the cost/benefit analyses and financing plans supporting the acquisition.	0	2	NR	NR	3	<input type="checkbox"/>
18.1	The district has a comprehensive risk management program. The district should have a program that monitors the various aspects of risk management including workers compensation, property and liability insurance, and maintains the financial well being of the district.	5	NR	NR	NR	NR	<input type="checkbox"/>
18.2	The district should have a work order system that tracks all maintenance requests, the worker assigned, dates of completion, labor time spent and the cost of materials.	6	6	NR	NR	NR	
18.3	The district should control the use of facilities and charge fees for usage in accordance with district policy.	7	NR	NR	NR	NR	
18.4	Open purchase orders should be controlled by limiting the employees authorized to make the purchase and the amount.	9	NR	NR	NR	NR	
18.5	Materials and equipment/tools inventory should be safeguarded from loss through appropriate physical and accounting controls.	0	NR	NR	NR	3	<input type="checkbox"/>
18.6	District-owned vehicles should only be used for district purposes. Fuel should be inventoried and controlled as to use.	7	NR	NR	NR	NR	

Financial Management (continued)

Standard to be addressed		Feb. 99 Rating	Aug. 99 Rating	Feb. 2000 Rating	Aug. 2000 Rating	Feb. 2001 Rating	Aug. 2001 Focus
18.7	Vending machine operations are subject to policies and regulations set by the State Board of Education. All contracts specifying these should reflect these policies and regulations. An adequate system of inventory control should also exist.	8	NR	NR	NR	NR	
18.8	Capital equipment and furniture should be tagged as district-owned property and inventoried at least annually.	6	NR	NR	NR	NR	
19.1	In order to accurately record transactions and to ensure the accuracy of financial statements for the cafeteria fund in accordance with generally accepted accounting principles, the district should have adequate purchasing and warehousing procedures to ensure that: 1. Only properly authorized purchases are made consistent with district policies, federal guidelines and management direction. 2. Adequate physical security measures are in place to prevent the loss/theft of food inventories. 3. Revenues, expenditures, inventories and cash are recorded timely and accurately.	4	7	NR	NR	NR	
19.2	The district should operate the food services program in accordance with applicable laws and regulations.	0	6	NR	NR	NR	

NR not reviewed

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