

Lake Washington School District Executive Limitation Monitoring Report

EL-12 Asset Protection May 8, 2017

Executive Limitation: The CEO shall ensure assets be protected, adequately maintained, appropriately used, and appropriately risk free.

Accordingly, the CEO shall:

1. Maintain adequate insurance coverage against theft and casualty losses.	In Compliance	◀ ▶
<i>Evidence</i>		

The district is a member of the Washington Schools Risk Management Pool, an intercooperative group of 75 school districts that provides self-funded and secondary insurance coverage.

The purpose of the pool is to provide its members the ability and authority to jointly purchase property and liability insurance; establish and maintain a reserve to pay for self-insurance coverage; provide a plan of self-insurance; and provide related services, including a cooperative program of risk management to limit liability exposure.

The level of the district’s insurance is based on analysis by professional risk managers and underwriters advising the Washington Schools Risk Management Pool (WSRMP). Our insurance has been determined to be adequate to meet our exposure and is considered appropriate for a district of our size. Property losses are subject to a \$5,000 deductible with coverage up to \$500 million.

2. Maintain insurance coverage against liability losses to Board members, staff, and the district itself in an amount that is reasonable for school districts of like size.	In Compliance	◀ ▶
<i>Evidence</i>		

A no-deductible \$20 million liability coverage is provided through the WSRMP for Board members, staff, and the district. The level is based on analysis by professional risk managers and underwriters advising the WSRMP and has been determined to be adequate to meet our exposure and is considered appropriate for a district of our size.

3. Ensure the employees who handle district and school funds are bonded.	In Compliance	◀ ▶
<i>Evidence</i>		

The district has a \$5,000 bond for the Superintendent as required by RCW 28A.330.060. In addition a bond of \$50,000 for the Controller, as the district’s auditing officer, is in place as required by Administrative Policy.

For other district employees who handle funds, the district is provided coverage for the malfeasance of its employees through a \$500,000 crime coverage, subject to a \$5,000 deductible, provided by the Washington Schools Risk Management Pool.

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Executive Limitation: The CEO shall ensure assets be protected, adequately maintained, appropriately used, and appropriately risk free. Accordingly, the CEO shall:

4. Protect against negligent exposure of the district, the Board, or staff to legal liability.

In
Compliance



Evidence

The district is protected against legal liability through the use of 1) training; 2) on-going risk assessment; 3) screening procedures; 4) contractual provisions; 5) regular consultation with district attorneys; and 6) the annual audit by the State Auditor’s Office.

1) Training that is provided to reduce our liability include the areas of:

Training that is provided to reduce our liability includes:	When/How Frequently (Annually/Monthly)	Who received the training?	Department Responsible for verification
Employee and Touching	Upon hire (all employees). Annually with all employees by their supervisors.	All new and existing staff, including subs and coaches.	Human Resources
Harassment Training	Same as above	Same as above	Human Resources
Mandatory Reporting of Suspected Abuse	Same as above	Same as above	Human Resources
Driver Safety for Bus and Maintenance Vehicle Drivers	Annually.	Bus Drivers Maintenance Vehicle Drivers	Transportation Facilities
Use of Personal Protection Equipment	Upon hire (all employees). Annually by job classification. As needed.	New employees. Employees in identified job classifications. (CTE, Science, Maintenance, Custodial, Transportation)	School/ Facilities Transportation
Forklift Training/Lift Training	Forklift Training – recertification every 3 years. Lift Training – as needed	Warehouse, Trades, Mechanics	Facilities/Warehouse Transportation
Fall/Height Protection/Confined Space Training	Annually	Custodians, Trades	Facilities
Pesticide Application	As needed for certification.	Individual grounds positions as needed	Facilities
Hazardous Materials Handling	Annually	Science teachers Custodians	Facilities
Blood-Borne Pathogens	Annually	All employees identified as having exposure.	Risk Management
Athletic Liability for Coaches	Upon hire (new employee orientation with department).	New Coaches	Schools/Athletic Director
Para-educator Liability – upon hire	Upon hire (new employee orientation with department).	New Para educators	Special Education
Safe Lifting	Para educators - as needed by position Custodians, Trades, Warehouse- annually	Para educators, Custodians, Trades, Warehouse	Special Ed./ Facilities/Warehouse Transportation
Adult Crossing Guard Procedures	As requested.	Instructional Assistants. New employees in applicable job classification and as requested.	Risk Management

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Training that is provided to reduce our liability includes:	When/How Frequently (Annually/Monthly)	Who received the training?	Department Responsible for verification
Playground Supervision	As requested.	Instructional Assistants. New employees in applicable job classification and as requested.	Risk Management
CPR	Included in First Aid through professional development. Renewed as individual certification expires.	Coaches and bus drivers are mandatory. All employees have access through professional development.	School/ Human Resources /Transportation
Defibrillator Use	Same as above	Same as above for coaches	Risk Management

- 2) On-going risk assessment is performed by the Risk Management Office to limit district exposure and liability. The risk assessment is performed in the following areas: safe design and operation of playgrounds; environmental health and safety; coordination with city and county jurisdictions for the identification of walk routes for elementary students; review of trip requests involving students for high hazard activities as identified by the Risk Management Pool - procedures require that parents provide written permission for the specific activity and indemnification language is included in agreements with outside agencies as appropriate.

- 3) Screening procedures are in place for employees and district volunteers.

Individuals seeking employment with the district are screened through a state required disclosure process. Applicants are required to complete a disclosure form requiring full disclosure of both employment history as well as any criminal convictions. The district reviews these disclosure forms to determine, based on the disclosed information, whether an applicant should be considered for employment. If offered a position, all new hires are fingerprinted and run through the Washington State Patrol and FBI. The results are accessed through an OSPI data bank. The district compares the employees disclosure statement to the fingerprint report received from OSPI and any discrepancies are investigated. False or incomplete statements on the disclosure form could result in the employee’s immediate termination. In accordance with RCW 28A.400.301, before being hired applicants must sign a statement (known as “Disclosure B Form”) authorizing their past employers (including out of state employers) to disclose to Lake Washington School District (LWSD) any incidents the applicant had of sexual misconduct. This statement also authorizes past employers to make available to LWSD copies of all documents of the previous employer’s personnel, investigative, or other files relating to sexual misconduct by the applicant. Individuals who are contracted to provide services for the District require criminal background clearance as well.

The district screens all volunteers who work in the schools every two years. Volunteers must complete a disclosure form and are screened with the Washington State Patrol in order to check for any criminal record. If there is a criminal record, a determination is made, with advice of counsel, on what limitations, if any, should be placed on their volunteering. The district places a strong emphasis on ensuring that adults who have contact with children do not represent a threat to those students. Volunteers are notified by e-mail before their two-year approval is set to expire. Renewing parent applications is done through Parent Access.

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Evidence {continued}

- Each year approximate half of our current volunteers are re-screened and new applications are processed. The total number of approved volunteers are:

2015-16	2014-15
14,999	14,055

- Contractual provisions provide specific language which protects the district against the negligence of others and ensures that adequate insurance is provided when the district employs outside consultants, contractors and vendors. These provisions have been developed in conjunction with and reviewed by district legal counsel.
- Regular consultation with district legal counsel is conducted to protect against negligent exposure and/or legal liability. Given the complex nature of the law in the area of negligence and liability, the district regularly consults with attorneys in both a preventative and defensive manner. The district retains a law firm as our general counsel and when needed, employs other firms for specific expertise.
- Each year the State Auditor performs a comprehensive compliance audit of the district. This is done in order to ensure the proper use of public funds and assets and to ensure that appropriate internal controls are in place to prevent loss, fraud, and abuse.
 - In the latest completed audit for the period September 1, 2014 through August 31, 2015, the State Auditor reported that we complied with state laws and regulations and our own policies and procedures in the areas examined and that the financial reports present fairly, in all material respects, the financial position of the district.
 - The district received one audit finding related to missing backup to ensure four Title I vendors had not been suspended or debarred from doing business with the federal government. Written procedures are in place and are communicated to the federal grant managers each year. The auditors confirmed that no district vendors were suspended or debarred.

5. Protect intellectual property, information, files, equipment, and fixed assets from loss or significant damage.

In
Compliance



Evidence

The district is protected against loss or significant damages through the use of 1) Contract language; 2) Technology systems and procedures 3) Inventory Systems.

- Contractual provisions with vendors, consultants and contractors contain specific language that establishes ownership of work products and information obtained through the contract and that belongs to the district. Intellectual property rights with respect to certificated employees are addressed in Section 10.18 of the current agreement with the LWEA. Compliance with this provision is not actively monitored but is dealt with on an as needed basis.

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In Compliance



Evidence {continued}

- 2) Technology systems provide protection of information for computer storage and access as well as hardcopy. Electronic data is protected through control of user access, firewalls, and hardware security. Computer data on district servers is backed up daily and critical data is stored off-site in order to provide catastrophic recovery capability. The fiber optic Wide Area Network has dramatically reduced data vulnerability due to the centralization of school-based file servers.
- 3) The district uses an Asset Management Software system in or to track fixed assets. Fixed assets are defined as equipment valued at over \$5,000 and theft sensitive equipment such as computers and printers. This system tracks fixed asset equipment from receipt, placement at a site, movement to another site and ultimate disposal. Inventories of fixed assets are performed on a twice every three year rotating basis. When equipment is found to be missing, central office staff works with the school or department to identify the cause and to develop internal controls to prevent future loss.

- Inventory statistics

	2015-16	2014-15
Units inventoried	6,228	6,240
Value	\$4.3 Million	\$4.2 Million
Accuracy rate	97.5%	97.5%
Value of discrepancies	\$105,801	\$164,344

6. Properly preserve and dispose of all records related to affairs of business of the district.

In Compliance



Evidence

Records are retained in accordance with the state’s record retention requirements. These guidelines are broad and cover a variety of documents including both student and business records. The Printing Services Supervisor is responsible for record retention and advises district departments of the requirements. Disposal of records is scheduled and performed in accordance with these requirements including taking the necessary measures needed to insure the privacy of individuals.

I certify the above to be correct as of May 8, 2017.

Traci Pierce, Superintendent