

OFFICE OF CHIEF ACCOUNTABILITY OFFICER
Summary of State Board of Education Agenda Items
Consent Agenda
July 27, 2023

OFFICE OF ACCREDITATION

- M. Approval to revise Miss. Admin. Code: 7-24, *Mississippi Public School Accountability Standards, 2022, specifically Appendix H*
(Has cleared the Administrative Procedures Act without public comments)

Background Information: Process Standard 4 of the *Mississippi Public School Accountability Standards, 2022* provides that local school board obtains an annual financial audit of the school district, as conducted under the guidelines of the Office of the State Auditor, no later than nine months after the end of the district's fiscal year. (Miss. Code Ann. § 7-7-211(e), Miss. Admin. Code 7- 3: 10.1, State Board Policy Chapter 10, Rule 10.1. 2 C.F.R. Part 200.)

Appendix H of the *Mississippi Public School Accountability Standards, 2022* provides that when four (4) consecutive violations of the same (financial) process standard have been verified that the Office of Internal Accountability notify the Office of Accreditation and a citation of noncompliance be placed on the district's Accreditation Record Summary. Additionally, if the deficiencies remain on record at the time annual accreditation statuses are assigned, the district's accreditation status will be downgraded, and the district will be required to develop a corrective action plan to address the deficiencies.

On February 7, 2023, the Office of the State Auditor notified the MDE of a foreseeable significant increase in the number of districts that would miss the March 31, 2023 deadline for the submission of their FY2022 audit reports, due in part, to staff shortages in CPA firms. Therefore, the MDE recommends that districts who missed the March 31, 2023 deadline for FY2022 audits, be held harmless for the SY22-23 violation.

Any previous violations on record for failure to meet the deadlines established by the Office of the State Auditor will continue to apply and accumulate toward the district's cumulative record until cleared by the Office of the State Auditor.

The Commission on School Accreditation met on June 1, 2023, to consider the proposed revisions.

The temporary rule and final action are necessary to implement the policy revisions immediately upon its filing with the Secretary of State in accordance with Miss. Code Ann. § 25-43-3.113(2)(b)(ii). See *also* Miss. Code Ann. § 25-43-3.108. For a rule to become effective immediately upon its filing, the Board is required to make

a finding that the rule only confers a benefit or removes a restriction on the public or some segment thereof.

The public comment period was open from June 19, 2023, through 5:00 p.m. July 18, 2023. The MDE received no public comments.

Recommendation: Approval

Back-up material attached

Recommended Revisions to Appendix H of the *Mississippi Public School Accountability Standards, 2022*

APPENDIX H

**CONSEQUENCES FOR NONCOMPLIANCE WITH FINANCIAL ACCOUNTABILITY
REQUIREMENTS
STANDARDS 4 AND 5**

The Office of Internal Accountability will review the accreditation standards to determine if there is a violation. The following consequences will be implemented for violations of the financial accountability requirements and accreditation standards.

A. LETTER OF WARNING: MINOR ACCOUNTING OR AUDIT VIOLATION

If a violation of financial accountability requirements has been verified, then the Office of Internal Accountability will notify the Office of Accreditation. The Office of Accreditation will issue a letter of warning to the school district and place the letter of warning in the district file. Four (4) consecutive violations of the same process standard reported to the Office of Accreditation will result in a citation placed on the district's Accreditation Record Summary. (See Section B below.)

B. CITATION OF NONCOMPLIANCE ON RECORD WITH NO IMMEDIATE ACTION TO DOWNGRADE THE ACCREDITATION STATUS

When four (4) consecutive violations of the same process standard have been verified, then the Office of Internal Accountability will notify the Office of Accreditation. A citation of noncompliance will be placed on the district's Accreditation Record Summary, and the Office of Accreditation will notify the district superintendent and school board chairperson of this action. No immediate action to downgrade the district's accreditation status will be recommended. The deficiencies will remain on record until the district has successfully demonstrated compliance with all financial accountability requirements and accreditation standards. If the deficiencies remain on record at the time annual accreditation statuses are assigned, the district's accreditation status will be downgraded, and the district will be required to develop a corrective action plan to address the deficiencies.

Note: Districts that missed the March 31, 2023 deadline for FY2022 audits, will be held harmless for the SY22-23 violation. Any previous violations on record for failure to meet the deadlines established by the Office of the State Auditor will continue to apply and accumulate toward the district's cumulative record until cleared by the Office of the State Auditor.

C. CITATION OF NONCOMPLIANCE ON RECORD WITH A RECOMMENDATION TO IMMEDIATELY DOWNGRADE THE ACCREDITATION STATUS

Any verified violations of financial accountability requirements that are considered to be a serious financial condition as defined by the Office of the State Auditor will result in a recommendation to immediately downgrade the district's accreditation status. When the Office of Internal Accountability has determined that a verified violation of financial accountability requirements is of such serious nature that immediate action is warranted, the Office of Accreditation will be notified. The Office of Accreditation will note the citation of noncompliance on the District's Accreditation Record Summary and notify the district superintendent and school board chairperson of this action. The citation of noncompliance will be presented to the Commission on School Accreditation with a recommendation to immediately downgrade the District's accreditation status.

Commission Takes Action to Immediately Downgrade the Status. If the Commission takes action to immediately downgrade the accreditation status, the district will be required to develop a corrective action plan to address the deficiencies. The deficiencies will remain on record until the district has successfully demonstrated compliance with all financial accountability requirements and accreditation standards.

Commission Does Not Take Action to Downgrade the Status. If the Commission does not take immediate action to downgrade the accreditation status, the deficiencies will remain on the District's Accreditation Record Summary until the district has successfully demonstrated compliance with all financial accountability requirements and accreditation standards. If the deficiencies remain on record at the time annual accreditation statuses are assigned, the district's accreditation status will be downgraded, and the District will be required to develop a corrective action plan to address the deficiencies.