

**INITIAL REPORT AND RECOMMENDATIONS OF THE ACCOUNTABILITY
OFFICE ADVISORY COMMITTEE**

On June 4, 2009, in its preliminary adoption of a budget for the Milwaukee Public Schools for Fiscal Year 2010, the Milwaukee Board of School Directors adopted two amendments authorizing the creation of an Office of Accountability, which is to become effective on January 1, 2010:

- Amendment #19 established the Office of Accountability under the Office of Board Governance, authorized the President of the Milwaukee Board of School Directors "...to convene a committee of at least five members to establish the description and organizational structure of the Office of Accountability," and allocated \$150,000 to the start-up of the office.
- Amendment #31 specified that the \$150,000 start-up funding for the Office was to come from "eliminating vacant positions and/or hiring freezes."

On June 11, 2009, Michael Bonds, Ph.D., the President of the Milwaukee Board of School Directors, announced that, in addition to himself, he had appointed the following people to the committee authorized by the Board:

- James C. Burkee, Ph.D., Associate Professor, History and Economics, Concordia University
- Anneliese M. Dickman, Director of Research, Public Policy Forum
- Janie Hatton, retired MPS principal and former Deputy Superintendent of MPS
- Larry Miller, Director, District 5, Milwaukee Board of School Directors
- John J. Peterburs, Ph.D., Executive Director, Quarles & Brady LLP— former Secretary/Business Manager of MPS
- Gerard Randall, Managing Partner, The Lazarus Groups, LLC
- Lynne Sobczak, Board Clerk/Director, Office of Board Governance, MPS.

The Accountability Office Advisory Committee held its first meeting on June 23, 2009. In the course of the following weeks, the Committee developed both a proposed organizational structure for the Accountability Services office and a proposed job description for the Chief Accountability Officer (see attachments).

In general, the Committee is recommending that the Accountability Services office be charged with the responsibility of bringing transparency, oversight, and accountability to the financial operations of the Milwaukee Public Schools. The Office will evaluate the fiscal performance of the district and will develop recommendations to enhance and strengthen the "fiscal stewardship" of the district.

The responsibilities of the Accountability Services office fall under five main service functions or areas:

1. Accounting Services will be responsible for general accounting oversight— e.g., expense control, general ledger, preparation of financial statements, oversight of accounts payable and accounts receivable, cash management, and safeguarding of district assets. Accounting Services will monitor cash reserves and investments; maintain independent financial files and records; issue quarterly reports and reports on variances; and will serve as a consultant to the Superintendent in preparing the annual budget.
2. Financial Reporting Services will conduct an annual system-wide analysis and make financial forecasts, which will be compiled into an annual performance and accountability report. The report, which will conclude with the Chief Accountability Officer's recommendation regarding fiscal management, will be presented to both the Milwaukee Board of School Directors and the public. In addition, Financial Reporting Services, through the Office of Board Governance, will maintain an independent website and participate in social networking sites, through which it will regularly report to the public.
3. Insurance/Risk Management and Benefit Analysis Services will be responsible for the district's insurance, risk-management, and benefits actuarial functions.
4. Contract Compliance Services will monitor compliance with all district contracts, including charter school contracts. It will report its findings in the annual performance and accountability report which the Chief Accountability Officer will submit to the Milwaukee Board of School Directors.
5. Revenue Management Services will have oversight over all grants, endowments, and donations made to the district. Revenue Management Services will regularly review grants and will offer recommendations for the management of grants funds.

In addition to responsibilities and the organization of Accountability Services, several other functions were initially recommended to be included in the Accountability Services office, but after further discussion were determined by the Committee to more accurately belong under the Office of Board Governance, the Board's business office. Therefore, the Accountability Office Advisory Committee is also recommending the following organizational changes:

6. Governmental Relations Services should be moved to the Office of Board Governance. This is recommended to put control of the lobbyist and governmental liaison functions directly under the Board. This move would allow the Board to maintain closer relationships with other elected officials at the local, state, and federal levels. Legislative matters would be brought directly to the Board for consideration.
7. Charter School Services should be moved to the Office of Board Governance. The recommendation is to ensure that charter schools are a separate area with direct report to the Board. The recommendation is to ensure fidelity of implementation to

regain the public trust. This office would work in conjunction with the Chief Accountability Officer to assess the viability of charter proposals, with Contract Compliance Services to assess contract compliance and with Audit Services to evaluate the achievement of favorable educational outcomes.

8. Board Information Services should be re-named Constituent Ombudsperson & Information Services. The Board Information Officer position should be re-titled the Constituent Ombudsperson to better reflect the responsibilities to the public. This function would, as do each of the other service areas under the Office of Board Governance, report directly to the Board and be responsible to follow up on citizen concerns and to resolve matters identified by the public as requiring Board attention.
9. It was also suggested that the Board establish a Milwaukee Board of School Directors Accountability Committee to meet on a regular basis. This Board Committee on Accountability would schedule all items reported by the Chief Accountability Officer for Board consideration.

The Accountability Office Advisory Committee makes the above-mentioned recommendations to enable the Board to bring improved transparency, oversight, and accountability to the financial operations of the Milwaukee Public Schools. These recommendations should also provide the support needed to ensure quality and objectivity in the reporting of District financial information.

The establishment of the Accountability Services office is an investment to ensure financial and resource accountability. This "investment" will be at no additional cost to the taxpayers; in fact, it is expected to save tens of thousands of dollars. The cost of staffing and running this office will come from restructuring services and reassigning, eliminating, or reassessing compensation levels for existing positions.

Establishing Accountability Services under the Board's business office, the Office of Board Governance ensures an independent and direct report to the Board. The Accountability Office Advisory Committee's recommendations are made to support and position the Board, the District's legislative body, to more effectively and efficiently coordinate services to govern the District, and to allow the Superintendent to direct all of his or her efforts on improving education for the all of the children in the District.

Chief Accountability Officer
Milwaukee Public Schools – Office of Board Governance
job description

Purpose of the Position

The Chief Accountability Officer is responsible for bringing transparency, oversight, and accountability to the financial operations, to evaluate fiscal performance, and to recommend solutions in furtherance of fiscal stewardship for Milwaukee Public Schools.

Scope

The Chief Accountability Officer (CAO) works within the Office of Board Governance, which is administered by the Board Clerk. Quarterly, the CAO reports to the full School Board through a standing Committee, including an annual performance and accountability report offering projections on the district's fiscal health and independent recommendations. The office administered by the CAO is responsible for accounting, financial reporting, insurance and risk management, contract compliance – including oversight of stimulus funds – and revenue management. The CAO also maintains a strong internet reporting presence, publicizing district financial information, advancing fiscal efficiencies, and generally promoting transparency.

Responsibilities

1. Accounting
 - a. Through the CAO, Accounting Services is responsible for essential accounting oversight, e.g., expense control, general ledger, financial statement preparation, accounts receivable, accounts payable, cash management, and safeguarding of assets.
 - b. Through the CAO, Accounting Services monitors cash reserves and investments; maintains independent financial files and records; issues quarterly reports and reports on variances; and is consulted in preparing the annual budget.
2. Financial Reporting
 - a. Through the CAO, Financial Reporting Services conducts an annual system-wide analysis and financial forecast, resulting in an annual performance and accountability report to the School Board. The report concludes with the CAO's independent recommendations regarding fiscal management, and is simultaneously made public (e.g., via the CAO's website) when presented to the Board.
 - b. While consulting and incorporating cash accounting reports (the "comprehensive annual fiscal report," or CAFR), the annual performance and accountability report will reflect accrual accounting standards and conclusions.

- c. Through the Office of Board Governance, Financial Reporting Services maintains an independent web site and regularly reports to the public via web – a central repository of financial information – and social networking sites.
- 3. Insurance/Risk Management and Benefit Analysis
 - a. Through the CAO, Insurance/Risk Management Services is responsible for district insurance and risk management and benefit actuarial functions.
- 4. Contract Compliance
 - a. Through the CAO, Contract Compliance Services monitors compliance for all contracts, including charter school contracts, and reports findings in the annual performance and accountability report to the School Board.
- 5. Revenue Management
 - a. All school district requests for grants are communicated to Revenue Management Services through the CAO, and all grant, endowment, and gift receipts to the district are also communicated to Revenue Management Services through the CAO.
 - b. The CAO regularly reviews grants and offers recommendations for management of grant funds.

Requirements

Minimum eight years' experience in mid- to large-size organization as Comptroller or Chief Financial Officer (or equivalent); CPA; basic fluency in internet media; excellent communications and public relations skills; Master's degree, knowledge of actuarial science, and private sector experience preferred.

MILWAUKEE BOARD OF SCHOOL DIRECTORS

