

**OFFICE OF THE CHIEF ACCOUNTABILITY OFFICER**  
**Summary of State Board of Education Agenda Item**  
**March 19, 2026**

**OFFICE OF ACCREDITATION**  
**OFFICE OF INTERNAL AUDIT**

05. Approval to revise Miss. Admin. Code 7-24: Mississippi *Public School Accountability Standards, 2025*, specifically Appendix H, in accordance with Miss. Code Ann. § 37-17-6 [Goals 1, 2, 3, 4, 5, and 6 – MBE Strategic Plan]  
(Has cleared the Administrative Procedures Act process with one (1) public comment)

Background Information: In accordance with 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 and Process Standard 4 of the *Mississippi Public School Accountability Standards, 2025*, local school boards are mandated to obtain 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.

The proposed revisions to Appendix H of the *Mississippi Public School Accountability Standards, 2025*, will help differentiate the penalties for districts that have outstanding audits from those districts that fail to meet the March 31 deadline for the submission to the Office of the State Auditor.

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)(iv). The rule may become effective immediately upon its filing or on any subsequent date earlier than that established by subsection (1) of this section if the agency establishes such an effective date and finds the earlier effective date is necessary because of imminent peril to the public health, safety or welfare. See, also, Miss. Code Ann. § 25-43-3.108.

The Commission on School Accreditation met in a special-called meeting January 14, 2026, and unanimously approved a temporary rule and begin the APA process to revise Appendix H of the *Mississippi Public School Accountability Standards, 2025*.

The public comment period was open from January 16, 2026, through 5:00 p.m. February 18, 2026. One (1) public comment was received. The comment did not impact proposed revisions. The proposed revisions to the rule are written to provide MDE, the Commission on Accreditation, and the State Board of Education

reasonable flexibility to take into account the individual circumstances of a school district.

This item references Goals 1, 2, 3, 4, 5, and 6 of the *Mississippi Board of Education Strategic Plan*.

Recommendation: Approval

Back-up material attached

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

The Bureau of Internal Audit 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 Bureau of Internal Audit shall notify the Office of Accreditation. The Office of Accreditation shall issue a letter of warning to the school district and place the letter of warning in the district file.

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

Effective with the March 31, 2026 deadline for the FY2025 annual financial audits, when two (2) consecutive violations of the same process standard have been verified, then the Bureau of Internal Audit shall notify the Office of Accreditation. A citation of noncompliance shall be placed on the district's Accreditation Record Summary, and the Office of Accreditation shall 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 shall 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 may be downgraded, and the district may be required to develop a corrective action plan to address the deficiencies.

Refer to Section D below for additional information regarding late and/or outstanding audits.

Note: Districts that missed the March 31, 2023 deadline for FY2022 audits, were 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 continued 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 considered to be a serious financial condition as defined by the Office of the State Auditor and/or the Bureau of Internal Audit shall result in a recommendation to immediately downgrade the district's accreditation status. When the Bureau of Internal Audit has determined that a verified violation of financial accountability requirements is of such serious nature that immediate action is warranted, the Office of Accreditation shall be notified. The Office of Accreditation shall 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 shall be presented to the Commission on School Accreditation with a recommendation to immediately downgrade the district's accreditation status in accordance with Accreditation Policies 2.5 and 2.8. Examples of serious financial conditions may include, but are not limited to, having:

- a negative fund balance;
- less than 7% fund balance of the district maintenance fund;
- an adverse or disclaimer of opinion; and/or
- one (1) or more outstanding audits.

Refer to Section D below for additional information regarding late and/or outstanding audits.

## **APPENDIX H**

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### **D. OUTSTANDING AUDITS**

Effective with the March 31, 2026 deadline for the FY2025 annual financial audits, the Bureau of Internal Audit shall notify the Office of Accreditation of all late or outstanding audits in the first year to the Office of Accreditation. Districts that fail to submit their audit within the federally required nine-month period will be identified as high-risk, which will trigger enhanced monitoring and may include the imposition of special conditions under federal requirements.

Consistent with Accreditation Policies 2.5 and 2.8, if a district's financial audit remains outstanding 24 months after the March 31 deadlines, thereby constituting two outstanding audits, the Bureau of Internal Audit shall notify the Office of Accreditation and request that the citation be placed in the district's Accreditation Record Summary. The citation for having outstanding financial audits shall result in the district's accreditation status being immediately downgraded to either PROBATION or WITHDRAWN. (See Accreditation Policies 2.5.1, 2.5.2, 2.8.1, and 2.8.2).

Note: Any outstanding audits on record with the Office of the State Auditor and the Bureau of Internal Audit as of March 31, 2026, will count toward the 24 months referenced above.

**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

Good morning, Dr. Malone,

This is an APA statement regarding *Miss. Admin. Code Title 7-24: Mississippi Public School Accountability Standards, 2025, specifically Appendix H, in accordance with Miss. Code Ann. § 37-17-6.*

While I completely understand the need to find out about serious and outstanding situations from Standards 4/5 ASAP, the revised Appendix H does not distinguish at all between serious/outstanding vs. minor/late situations and therefore, could have unintended consequences.

I watched both state board meetings and the Accreditation Commission meeting where this was discussed. Verbally, it was made clear by the MDE staff that the goal here is to not make things harder for districts that are late on an audit because of the auditor's shortage/scheduling issues that are still a major hurdle for districts. However, the revised Appendix H does the opposite. It specifically states in Section D that districts that are one year late will be identified as "high-risk." The conversation seemed to indicate that the MDE staff and the state board understood that districts do not always control if the audit is late. The truth in the field is the districts are at the mercy of available auditors, even if you submit your documentation in plenty of time. Calling a district "high-risk" that "will trigger enhanced monitoring" over something 100% out of their control is not fair, especially after one year. Appendix H should be clarified to state that any district that is deemed late for one year due to the auditor's schedule and at no fault of the district, are not labeled "high-risk" with any additional steps. This should not change at all from how this is done and labeled now.

The revised Appendix H also says districts "may" have their accreditation status downgraded for being "late" on an audit two years in a row. The lack of auditors and getting on the auditor schedule could absolutely cause a district to be late two years in a row at no fault of the district. While I do not believe the MDE or state board's intent is to downgrade a district for this, it should be clarified on the revised Appendix H that if the district does not meet any of the "serious" activities in Section C, they "cannot" be downgraded for two or three years being late. This should not change at all from how this is done and labeled now.

The bottom line is that as of now, the auditor situation is no better than it has been at any point since 2011 (when two violations became four). This has not been changed back because the auditor situation has not gotten better. It still is not better according to everything the districts are experiencing. I know the conversation at the official state meetings suggested that certain things may make this better, but there is no proof of that as of now. We seem to be putting the "cart before the horse" here because of one situation. I agree making sure we catch serious and outstanding audits faster is necessary but not at the expense of minor and late violations where the district is not at fault.

Again, this is the only violation that is 100% out of the district's control at times. This is unique.

Thank you for your consideration,

Ryan Kuykendall, Assistant Superintendent of Accountability and Accreditation for DeSoto County Schools