	Report Page #	Recommendation #	Recommendation	Response	Action	Start Date	End Date	Percent Action Complete	Cabinet Member
BENCHMARKING									
Finding 1: JCPS has not established an appropriate, consistent peer group for benchmarking purposes.	5-7								Bob Rodosky
		1	a) We recommend that JCPS integrate benchmarking into their strategic planning process and that they use a static group of peers as the core to this practice. Benchmarking with the same group will provide a consistent or historical perspective providing valuable information impacting short and long term decision making.	JCPS agrees benchmarking should be accomplished by using a small peer group that is used consistently and based on the outcomes that JCPS is aspiring to achieve. We feel that it is critical to go deeper and to link any benchmarking to demographics and student achievement. Demographics should include such characteristics as percent free and reduced, special education population, size, urban versus suburban, Limited English Proficiency population, and possibly others. This deeper benchmarking will inform the JCPS' strategy setting process.	With the help of NCES and the Council of Great City Schools, evaluate peer districts, including those recommended by the state auditors, to determine applicable, best-practice districts to use for benchmarking	6/11/2014	8/1/2014		
		2	b) The results of peer district benchmarking should be made available to the JCPS Board, administrators, and posted on the JCPS website for transparency and public availability.		Once the comparison districts are set, we will create benchmarking pages as part of our strategic plan dashboard.	8/1/2014	14-Dec		
		3	c) We further recommend that as multiple benchmarking results become available over time, a summary document of the various benchmark results be created to identify trends within the data collected.		Trend data will be maintained with explanations of variances. All data will be linked back to achievement results as part of our strategic plan.				
		4	d) We recommend that JCPS continue to use the five peer districts identified in this report as the core group of peers for benchmarking purposes. Along with the core group, JCPS may choose to include a reasonable number of additional public school districts when benchmarking, as long as the number does not cause the resulting information to become meaningless or skewed.		We will include a data and peer group determination explanation as part of the site so the public is informed of the rationale, comparability, and inherent limitations of benchmarking. This will be included within the data dashboard.	6/11/2014	8/1/2014		
		5	e) We also recommend that the rationale for any changes to the peer districts be documented.		We will document any necessary changes as they occur with full explanations why the data of the discontinued school became less useful.				

	Report Page #	Recommendation #	Recommendation	Response	Action	Start Date	End Date	Percent Action Complete	Cabinet Member
BENCHMARKING									
Finding 2: A comparison to five peer districts found JCPS ranks at or near the bottom in categories involving teacher staffing and expenditures for instruction, while ranking highest in the categories of school administrators, support staff, and instructional aides.	8-15								Bob Rodosky, Cordelia Hardin
		6	a) We recommend JCPS reevaluate staffing and funding priorities to better align with the educational instruction of JCPS students.	We concur, and we continually reevaluate our staffing and funding priorities. One of our leading indicators from our strategic plan adopted May 2012 is to increase the percentage of spending on items for schools. Our strategic plan states we will provide for safe, resourced, supported and equipped schools. Over the past three years, we have increased our direct support to schools. In FY'11 we allocated $653.6 million to schools out of the General Fund. In FY'14 our budget allocated $735.7 million.	Review staffing priorities and provide additional guidance given to SBDM councils. The ratio of instructional vs. instructional/administrative support will be calculated along with the instructional budget percent of each school, and will be reported along with the Working Budget.	Aug-14	Sep-14		
		7	b) We recommend an evaluation be made of staffing at the school administration level and the number of instructional aides as a potential area for restructuring or reduction, if the objective is to provide a higher percentage of teaching positions, which would reduce the student teacher ratio, while not increasing overall staff levels.	We agree with this recommendation and will review our budgeting practices within the Kentucky SBDM rules	An analysis can be accomplished of staffing levels approved by Board and by site-based councils that directly impact this data. The data will be provided first to instructional leadership and cabinet. Meetings will be established with individual school administrators s in order to do the following: 1.) provide feedback to current staffing decisions; 2.) obtain feedback on staffing decisions 3.) obtain consensus of true staffing needs for the future.	14-Sep	15-Feb		
		8	c) We further recommend JCPS evaluate funding made available to spend for instruction with the goal of providing more resources that can be used in the classroom or other educational purposes.		An analysis will be prepared before the onset of FY 2015-16.	14-Sep	15-Feb		
		9	d) Considering classroom instruction and teacher interaction is paramount in the education of students we recommend JCPS assess staffing priorities in order to ensure students' most basic educational needs are not just met, but to also provide them with the greatest opportunity to fully succeed.		An analysis will be prepared before the onset of FY 2015-16.	14-Sep	15-Feb		

	Report Page #	Recommendation #	Recommendation	Response	Action	Start Date	End Date	Percent Action Complete	Cabinet Member
BENCHMARKING									
Finding 3: In comparison to three peer districts, JCPS central department employees are paid a significantly higher average salary and have more employees earning over $100,000 annually.	15-17								Mike Raisor, Cordelia Hardin
		10	a) We recommend JCPS develop a process to conduct a thorough salary review beginning with those positions earning over $100,000 annually.	A reorganization of central services was done for the 2012-13 school year in the context of the existing compensation structure. Given how recent this assessment was done, we are confident in the structure that is in place. Conducting a compensation review is a logical next step. Our goal is to ensure that JCPS attracts and retains the talent necessary to educate students to be globally competitive. To be fair and thorough across all JCPS positions, we believe now is the appropriate time to do a compensation review. Such a review will need to ensure appropriate comparison between school-year positions and year-round positions, geographic differences, peer school districts, and comparable positions in the private sector.	Submit a RFP for a national-scope compensation consulting firm to complete a salary review for all JCPS positions. Based on the RFP and approval, a timeline will be established. Based on the outcomes of the study, we will make appropriate recommendations to the Board.	Jun-14	Jul-14		
		11	b) We recommend the review include a comparison of peer districts with consideration and adjustments for the cost of living or other unique factors that may impact the results of the salary review.	Agree					
		12	c) The number of peer districts used to gather and compare salary data should not be so large that the results are diluted or skewed and result in meaningless or misleading information.						
		13	d) We recommend that once the peer group of schools is established, as also recommended in Finding 1, this group be consistently used as a basis for monitoring the parity of salary levels over time.						
		14	e) If a member of the peer group no longer provides for a reasonable comparison, JCPS should document the reason and include another peer district.						
		15	f) We recommend the process to perform the salary study, the criteria used to select the peer group, the results of the study, as well as actions taken by JCPS in response to the study, be well documented and performed in a transparent manner.	The process will be documented and the review made available to the public and posted on our website.	A communication plan will be developed.	14-Jul	14-Aug		

	Report Page #	Recommendation #	Recommendation	Response	Action	Start Date	End Date	Percent Action Complete	Cabinet Member
BENCHMARKING									
Finding 4: JCPS places more restrictions on textbooks and instructional resources than other Kentucky school districts surveyed.	18-20								Dewey Hensley
		16	a) We recommend that JCPS evaluate the availability of textbooks and other instructional resources to students for use in school and at home.	Textbooks and instructional resources are under the purview of the School Based Decision Making Council. "The school council shall determine which textbooks, instructional materials, and student support services shall be provided in the school. " (KRS 160.345, Section 2-g) Textbook materials are selected through an SBDM-established process following the Selection and Purchasing Process for P-12 (KRS 156). Coordination of the distribution of text materials to students shall follow procedures approved by the school (704 KAR 3:455). The recurrent carryover of textbook allocation and section 6 indicate that this is not a resource issue. The restriction of some schools to not allow students to take textbooks home will be reviewed.	1. Textbooks and Instructional Resources will be defined by academic services as "Tools Used to Teach the Standards; textbooks are not the curriculum." This definition will be provided to schools through Karen Branham's office and through Shawna Stenton through SBDM Training 2. The JCPS SBDM Specialist, Dr. Shawna Stenton, will guide each SBDM Council to review and revise its policies for inclusion of the availability of textbooks and other instructional resources to students for use in school and at home. Specifically: take home of instructional resources policy and annual inventory of resources. 3. Each Principal or designee will conduct an inventory of all basal text books in the four core areas and will indicate the availability of resources for students to take home. They will receive training and inventory checklist templates from LMS Director, Dr. Paul Lanata.	7/10/2014	2/1/2015		
		17	b) We recommend that a process be established to annually obtain this information at each school and that school teachers and principals coordinate the collection and reporting of this information to the JCPS's Central Office where the information will be accumulated for a report to the Superintendent and Board.	An annual Textbook and Instructional Resource Purchasing Plan must be approved by the School-Based Decision Making Council and submitted to the District Textbook Coordinator before a textbook purchase is approved. Textbook plans may be revised at any time to meet needs. An annual inventory of basal textbooks within the four core areas will be conducted by each school, collected and reported to the central office for a report to the Superintendent and Board.	1. Each Principal or designee will conduct an inventory as guided by Library Media Services Director, Paul Lanata (District Textbook Coordinator) who will synthesize into an inventory instructional resources report to central office to guide and ensure each school has appropriate instructional resources and textbooks.	7/10/2014	2/1/2015		
		18	c) We recommend this report, in addition to other relevant information, be considered during the annual budget process when determining the amount budgeted for the procurement of textbooks and other instructional resources that will benefit students both in and out of the classroom.	Within the school budget development timeline, followed by each SBDM Council, is the opportunity for additional requests for new-year funding based on identified needs through the planning process.	This inventory of instructional resources will be used to guide and ensure each school has appropriate instructional resources and textbooks during the annual budget process. A textbook conference will be set up between Paul Lanata and John Collopy to analyze and make decisions on individual school budget and overall school allocations to ensure school funding for textbooks and resources is sufficient	2/1/2015	3/30/2015		
		19	d) We further recommend that the process developed by JCPS to obtain and report this information be discussed with KDE. By KDE being aware of or assisting in the development of such of a process, KDE could encourage or request all Kentucky school districts to obtain this information regarding the availability of instructional resources. If such a process is initiated and KDE received a report of the availability of textbooks and other instructional resources from all school districts, it would provide KDE the opportunity to accumulate this information into a statewide report.	The process used for inventory data aggregation and the resulting district report will be shared with KDE for feedback and potential use.	The process developed by JCPS to obtain and report this information will be shared with KDE. Paul Lanata and John Collopy will provide KDE with an overview of the process and be available to discuss with KDE leaders how the process worked, its advantages, disadvantages and provide a review of our planned revisions to improve. They will also ask for their feedback on the process.	6/1/2015	2/2/2016		

	Report Page #	Recommendation #	Recommendation	Response	Action	Start Date	End Date	Percent Action Complete	Cabinet Member
BENCHMARKING									
Finding 5: Over 93 percent of JCPS teachers spent personal funds to supplement resources for classroom instruction primarily due to a lack of financial resources allocated to the classroom.	21-25			Schools currently receive $140 per student for instructional supplies, the State requires $100 as included in the State Budget Bill. Specific budget allocations to teachers are determined by the SBDM Council, which includes the principal, teachers, and parents. Model procurement procedures must be followed, resulting in teacher purchases due to choice and convenience.					Cordelia Hardin, Dewey Hensley
		20	a) We recommend JCPS conduct a review of the process for budgeting and assigning classroom stipends to teachers.	Teacher allowances are neither statutory nor regulatory, however we recognize allowances are best practice. We support the recommendation from the state that schools be provided guidance and recommendations on providing clear, concise, and prompt processes on teachers requesting supplies, equipment, etc.	We will provide the recommendations to schools, and make recommendations on school policy regarding teacher classroom needs allocation. We will explore improving the transparency over the actual expenditure of funds at the school level and benchmarking of schools across the district.	Jul-14	Aug-14		
		21	b) While such funds appear to be controlled by the school principals, JCPS could, at a minimum, provide suggested guidelines for teacher stipends to ensure the distribution is equitable among teachers that have the greatest need and appropriate for the type of classroom and subject matter being taught.	we agree	We will provide guidelines in training, add to "Suggestions for Building a Budget" document, provide direction in SBDM newsletter, and send information to Assistant Superintendents.	Jul-14	Dec-14		
		22	c) In addition to the procurement related recommendations in Finding 16, we recommend JCPS conduct a further review of the procurement process at the school level and determine how to develop an expedited process for ordering items needed by teachers not currently available through contracts.	All schools have Ordering/Receiving personnel on-site. These individuals receive instruction on purchasing procedures, including how to purchase items that are not currently part of an active bid. The MUNIS purchasing module has been pushed down to the school level to expedite entry of requisition for needed supplies.	Staff will continue to offer MUNIS and Model Procurement training to school staff with emphasis on procedures for purchasing items that are not part of a current contract and how those orders may be expedited.	6/10/2014		Ongoing Process	
		23	d) Finally, we recommend JCPS review the reimbursement process at the school level and develop a policy to ensure that teachers are able to receive reimbursement for the use of their personal funds when appropriate and necessary supplies that are not available in a reasonable period are purchased for classrooms and students.	The current reimbursement (expense voucher) process allows reimbursement to all district employees when personal funds are used for appropriate and necessary expenses and the Procurement Regulations are followed.	The reimbursement process for use of personal funds will be reviewed to determine how this process can be expedited. However, all such reimbursements must continue to follow the JCPS procurement procedures and Model Procurement, KRS 45A. Staff will be notified of Board Model Procurement policy requirements. Policies and procedures will be maintained on a centralized site.	6/10/2014		Ongoing Process	

	Report Page #	Recommendation #	Recommendation	Response	Action	Start Date	End Date	Percent Action Complete	Cabinet Member
BENCHMARKING									
Finding 6: The percentage of students able to provide all required and optional classroom supply list items has decreased in the last three years.	25-27								Cordelia Hardin, Dewey Hensley
		24	a) We recommend JCPS consider the information in this finding, as well as the information in Finding 5 regarding personal funds spent by teachers for classroom resources, when evaluating the funding made available for instructional resources.	JCPS funds Section 6 beyond the minimum required by budget language ($140 versus $100). Additionally, the carryover amounts are true barometers of the adequacy of our funding. Model procurement procedures must be followed, resulting in teacher purchases due to choice and convenience.	Supply lists will be limited and schools will be notified of inappropriate items for parent supply list requests.	Jun-14	Jul-14		
		25	b) Given the information presented that fewer students are able to supply multiple items for classroom resources, we recommend that JCPS begin to determine the impact that will have in the classroom.		Instructional Supplies allocation will be reviewed to ensure adequate funding is being provided. If warranted, a recommendation will be presented to the Board as part of the standard allocation formula.	Jul-14	Dec-14		
		26	c) We further recommend potential savings resulting from other findings and recommendations presented in this report be considered when budgeting for these fundamental, yet essential, resources required for the basic educational needs of the students.						
		27	d) Finally, we recommend JCPS continue to monitor the trend of availability of these basic items in the classroom to ensure these student needs are met.						

	Report Page #	Recommendation #	Recommendation	Response	Action	Start Date	End Date	Percent Action Complete	Cabinet Member
BENCHMARKING									
Finding 7: Compared to peer districts, JCPS had the lowest textbook budget and did not receive textbook funding from the state.	28-32								Dewey Hensley
		28	a) We recommend that JCPS develop a process to monitor and report on the availability of district instructional resources. As recommended in Finding 4, the development of this process could be discussed with KDE.	As described in 4a, coordination of the distribution of text materials to students shall follow procedures approved by the school (704 KAR 3:455). The inventory process will be shared with KDE. The state grant has now been restored, and funding for textbooks has returned to pre-recession levels.	1. Each Principal or designee will conduct an inventory as guided by Library Media Services Director, Paul Lanata (District Textbook Coordinator) who will synthesize into an inventory instructional resources report to central office to guide and ensure each school has appropriate instructional resources and textbooks. As described in Finding 4, this process will be shared with KDE for their review and feedback.	7/10/2014	2/1/2015		
		29	b) This information should be available prior to initiating the annual budget process.	Within the school budget development timeline, followed by each SBDM Council, is the opportunity for additional requests for new-year funding based on identified needs through the planning process.	Principals and SBDM Councils will receive information from the District Textbook Coordinator prior to the budget development process to identify and report unmet textbook and instructional resource funding needs.	7/10/2014	6/1/2015		
		30	c) We recommend the funding for textbooks and other instructional resources be included as a standard benchmark to an established group of peer districts.	A key part of KERA (1990) is a funding formula designed to comply with court rulings requiring "adequate and equitable" funding for all districts, using state money to boost poorer districts' per pupil funding to a level roughly equal to the state's richest districts. Since 2010 state funding for textbooks has been eliminated, during that time the JCPS Board provided schools with some textbook funding.	JCPS Budget Director, John Collopy will benchmark against established peer districts on per pupil allocations for instructional resources.	7/10/2014	6/1/2015		
		31	d) This information should be captured routinely and tracked to determine the status of JCPS funding to the peer districts. We recommend strategic goals and policies be developed to ensure that vital instructional resources are provided throughout JCPS to promote a successful curriculum and quality student education.	JCPS will ensure peer districts are using the same definition of textbooks and instructional resources. Textbook and instructional resources 2013-14 funding unspent totals $1.9 million.	Once the analysis of textbooks and instructional resources across peer districts is completed, JCPS CFO and Budget Director will add congruent spending to the criteria for textbook funding. By August 1st, a team will be convened led by Data Management, Planning, and Program Evaluations but with the partnership of Curriculum and Instruction in order to add this data to our measures of self-accountability.	7/10/2014	6/1/2015		
		32	e) Further, we recommend the Kentucky legislature evaluate opportunities to restore a state allotment for instructional resources to assist Kentucky's public schools in providing these resources throughout the state.	According to KRS 156.400 (3), the chief state school officer may delay the purchase of textbooks due to insufficient funds. Due to the inadequate amount allocated for textbooks that was in the state budget, textbook funding was delayed from 2010 -2014; funds are now in place for the 2014-15 school year with the direction to purchase in content areas of need as identified by the school.	JCPS Budget Director will monitor state allocations for textbooks and instructional resources. JCPS Legislative representative Clyde Caudill will advocate for adequate funding in regards to state budgeting.	7/10/2014	6/1/2015		

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GOVERNANCE									
Finding 8: The JCPS Board may benefit from adding "at large" members to the Board due to the size and complexity of JCPS.	33-35								JCPS Board
		33	a) We recommend that JCPS take all necessary steps, including working with Kentucky's General Assembly, to increase the statutory limits for the JCPS Board by two additional members and amend KRS 160.210 accordingly.	KRS 160.210 (5) states: "..in counties containing a city of the first class..., there shall be seven (7) divisions as equal in population as is practicable, with members elected from divisions."	The Board adopts an annual legislative agenda. Any recommendations for a statutory change would need to be part of a board-approved legislative agenda. The Board would consider taking a position as they develop their legislative agenda.	Sep-14	14-Nov		
		34	b) We recommend these additional members be elected as "at large" members and represent the entire JCPS district.						
		35	c) Additional members could assist the Board by providing opportunity to have additional committees determined to be necessary to obtain more detailed information to present to the full Board. Further, members "at large" could provide a different perspective and context to the Board by representing JCPS as a whole and not a portion of the JCPS district.						
		36	d) JCPS should also consider whether additional expertise would improve the Board, and, if so, consider whether requirements for specific experience, certification, education, etc., should be included in the statutory language related to one or both "at large" Board members.						

	Report Page #	Recommendation #	Recommendation	Response	Action	Start Date	End Date	Percent Action Complete	Cabinet Member
GOVERNANCE									
Finding 9: Board members generally do not appear to have a depth of understanding to actively examine or question the budget effectively without significant reliance on JCPS staff.	35-38								JCPS Board
		37	a) We recommend that the JCPS Board work to better understand the budget and direct JCPS budget staff to provide budget information in a more useful manner that will assist them in achieving their goals and objectives but not focused primarily on a regulatory presentation.	Agree with the goal of financial clarity, transparency, and understanding. Our improvement opportunity is to ensure we make optimal use of the Board's time reviewing district finances. We do note that a 2013 Board assessment found that high performing school boards spent 10 percent of their time on finances and facilities while JCPS currently spends approximately 14% of time on these topics.	The format of the working budget will change per Board feedback. In addition, we will explore current best practices in communicating and explaining the budget to the Board and public.	Sep-14	Sep-14		
		38	b) We also recommend that Board members be provided with a budget to actual report that can be reviewed regularly so that variances can be known and discussed.	Currently, a summarized budget to actual report is provided monthly to Board members.	Included in the Working Budget will be a budget to actual comparison for historical trend analysis.				
		39	c) Further, we recommend that the Board periodically discuss strategic or big picture items involving certain budget, financial, and other matters to gain a better appreciation of individual Board members needs and expectations for information allowing them to better fulfill their responsibilities.		The District is working to respond to Board Member feedback and we are working with an informal community advisory group to achieve our goal of complete financial clarity, transparency, and understanding.				
		40	d) The Board should then determine the most effective approach, methodology, format, etc. for receiving necessary and beneficial information.						
		41	e) Finally, we recommend that the Board consider annual training workshops to specifically focus on understanding and analyzing budgets. These workshops may be presented by the district's finance staff, external auditor, or others with appropriate skill set and specific knowledge of school district budgets to make this training effective.	Currently, work sessions are provided two weeks before each budget request for approval. Other training as required by 702 KAR 1:115. For all local board members who begin their initial service on or after January 1, 2015, annual in-service training requirements will be 12 hours for those with zero to eight years of experience and eight hours for those with more than eight years of service.					

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GOVERNANCE									
Finding 10: The Board lacks a committee structure to provide a detailed level of oversight of financial and audit matters.	38-40								JCPS Board
		42	a) We recommend JCPS establish a committee structure that includes, at a minimum, a budget and audit committee, in addition to the existing policy committee. The expansion of the Board for "at large" members, as recommended in Finding 8, will make the committee structure even more effective by adding additional perspectives and backgrounds. However, even under its current Board structure, committees should assist the Board in strengthening its oversight of these important areas.	The Board previously discussed this issue. The previous Board finance committee was discontinued and the current process put in place. The budget is presented to the full Board and the finance committee was discontinued. All seven board members, superintendent, CFO, Director of Accounting, and Director of Internal Audit meet annually with the external auditor to review in detail the financial report of fiscal yearend.	During the Board's annual planning session this year, the Board plans to discuss organizational issues including committee structure. Given the context of the work being done by District staff and our goal of clarity, transparency, and understanding, the Board will reconsider the committee structure of the Board as a possible next step for improvement.	Jun-14	Sep-14		

	Report Page #	Recommendation #	Recommendation	Response	Action	Start Date	End Date	Percent Action Complete	Cabinet Member
CONTRACTING									
Finding 11: JCPS does not maintain a central database of all JCPS contracts.	41-43								Cordelia Hardin
		43	a) We recommend JCPS implement a document number series for various types of contracts to assist in readily identifying and tracking all JCPS contracts	Currently all JCPS goods and services bids, RFPs, associated contracts and purchase orders are numbered and all construction contracts and purchase order carry project numbers. JCPS will implement a contract numbering system to allow better identification and tracking of all district contracts and associated expenses.	Purchasing and Facilities will review the MUNIS Contract Management module to determine if the module contains a tracking system for bids and contracts.	6/10/2014	9/30/2014	In Progress	
		44	b) We also recommend JCPS implement a means to maintain a record of all JCPS contracts.		The district will develop a centralized database to maintain a record of all goods and services and construction contracts.	6/10/2014	9/30/2014		
		45	c) We further recommend contract information be available including the name of the department that initiated and is responsible for the oversight of the contract, date of the contract, contract procurement method, period of the contract, contract amount, if applicable, and whether the contract is new, extended, or a renewal.		The centralized database for all contracts will be developed to include fields with the recommended information and made readily available to any inquiry.	6/10/2014	9/30/2014		
		46	d) To provide greater public transparency, we recommend JCPS place all contracts, contract payments, and other relevant data on the JCPS website.		The district will work with MUNIS and ESM Solutions and MIS to develop a database that can provide the recommended information and make such information available in one central repository for display on the JCPS website.	6/10/2014	9/30/2014		

	Report Page #	Recommendation #	Recommendation	Response	Action	Start Date	End Date	Percent Action Complete	Cabinet Member
CONTRACTING									
Finding 12: JCPS has not maintained contracts for banking services used to deposit and secure hundreds of millions of dollars in JCPS funds.	42-43								Cordelia Hardin
		47	a) We recommend JCPS ensure that a formal written contract for all banking services is signed by both parties and maintained by JCPS at all times in an effort to clearly define the terms of the contact and ensure the continuity of services, as well as transparency and accountability.		We have obtained the signed contract which is supporting documentation for the bid renewal. The contract is in effect through June 2015.	Jun-14	Jun-14	100%	
					RFP will be issued in 2015 for banking services.	14-Dec	Jul-15		

	Report Page #	Recommendation #	Recommendation	Response	Action	Start Date	End Date	Percent Action Complete	Cabinet Member
CONTRACTING									
Finding 13: JCPS has active contracts that can be renewed or continued annually without report or presentation to the Board.	43-45								Cordelia Hardin
		48	a) We recommend the Board establish through its policies a limit on the number of contract renewals allowed and the length of time a contract may be extended.	The district Procurement Regulations, Article III - Source Selection and Contract Formation, Section 3.26 - Multiyear Contracts, contains guidelines and instructions on how to determine if a multiyear is allowed during the bidding process.	Current multiyear RFPs will be reviewed at their next renewal cycles to determine appropriate length of time for a contract extension.	6/10/2014	9/30/2014		
		49	b) We also recommend JCPS staff provide an annual report to the Board of all contract renewals and extensions.	contract reporting will be part of a centralized contract system and will include specific details regarding the contract. Contract system will include demographics such as Minority & small business .	District staff will begin reporting all contract renewals and extensions on the bi-weekly Board agendas.	5/12/2014	5/12/2014	100%	
		50	c) This report to the Board should specify the date of the original award, the fees associated with the award, and the number of renewals previously granted to the vendor.		The bi-weekly agendas will contain the recommended information for board review and approval.	5/12/2014	6/30/2014	100%	
		51	d) Further, we recommend the Board reach a determination regarding the threshold for contract review.		The district will review its current regulations regarding multiyear contracts and establish appropriate guidelines to determine when contracts should be reviewed in regards to renewals and extensions.	6/10/2014	9/30/2014		
		52	e) Finally, for multiyear contracts we recommend JCPS consider issuing RFPs for its various goods and services on a more periodic basis. Priority should be placed on contracts established and in place at JCPS for several years, such as for banking services, employee assistance program services, and Board attorney services.		Current multiyear RFPs will be reviewed at their next renewal cycles to determine appropriate length of time for a contract extension.	6/10/2014	7/10/2015	In Progress	

	Report Page #	Recommendation #	Recommendation	Response	Action	Start Date	End Date	Percent Action Complete	Cabinet Member
CONTRACTING									
Finding 14: Payments totaling $41,364 to three JCPS contractors for professional services had either insufficient documentation or were not in compliance with contracts.	45-48								Cordelia Hardin
		53	a) We recommend JCPS ensure all contract reimbursements are adequately supported by sufficient documentation prior to payment.	We agree appropriate supporting documentation is required before payment is made.					
		54	b) Supporting documentation should include original detailed receipts and should include a clear purpose for the expense and the individuals associated with the expense.						
		55	c) Contractors who receive reimbursement for actual expenses should be required to submit original receipts to JCPS to support their expenses and JCPS staff should ensure that the originals are submitted to and retained by Accounts Payable to support the payment made to the vendor.		Policy and procedures will be updated	Aug-14	Oct-14		
		56	d) We also recommend JCPS inform staff that altering original vendor invoices is never acceptable no matter the circumstances.		Procedures will be updated to ensure staff has written documentation on process and procedures. Procedures will be linked from the Board policy. Accounts Payable staff will be provided a copy of the updated procedures and instructed on their responsibility to ensure all appropriate documentation must be received before any payment is processed.				
		57	e) We further recommend JCPS deny payment of any vendor invoices that appear to be altered until an original is provided.						
		58	f) In addition, we recommend JCPS review vendor invoices to ensure the invoices are in compliance with all contract requirements.						
		59	g) Any discrepancies identified between the vendor invoice and the contract should be documented and discussed with the vendor to resolve the matter.						
		60	h) Further, we recommend JCPS examine its current contract monitoring process to ensure the enforcement of the current contract terms without approving a new contract that overlaps the previous contract period.						
		61	i) We finally recommend any necessary contract renewals or contract extensions be considered and approved by the Board before the vendor is allowed to continue work for JCPS.		Policy will include a directive on this recommendation				

	Report Page #	Recommendation #	Recommendation	Response	Action	Start Date	End Date	Percent Action Complete	Cabinet Member
CONTRACTING									
Finding 15: Poor documentation and lax oversight led to $5,561 in overpayments for capital construction change orders.	48-49								Mike Raisor
		62	a) We recommend JCPS review the process it followed when approving the duplicate payments to the vendor to determine where the process should be strengthened to prevent future duplicate payments from occurring.	Staff review will now include copies of changes to the contract to be attached to the A/E payments to ensure payments are in line with contract adjustments and not accept that staff reviewed them by just initialing invoice, but requiring the copies are attached.	A written directive has been issued to all related staff outlining the following more stringent process that has now been enacted. Staff review will now include copies of changes to the contract to be attached to the A/E payments to ensure payments are in line with contract adjustments and not accept that staff reviewed them by just initialing invoice, but requiring the copies be attached.	5/30/2014	none	in progress	
		63	b) We recommend this process include, at a minimum, a review by staff of the original change orders, contracts, or other supporting documentation relevant to the payment before approving the vendor payment to ensure the amounts charged agree to the amount owed to the vendor.	These items are already being done. The overpayments were a result of Human Error. The auditors reviewed $62.4 million in payments and found two errors totaling $5,561 dollars. An error rate of .0089%. If staff had followed current procedure these errors would have been found.	Review and approval is currently sufficient enough. Invoices are checked and initialed by staff, reviewed by a Manager and 2 Directors. Staff has been reminded that their signatures mean that they checked the invoice and it is correct.			on going	
		64	c) The payments related to specific change orders should be reviewed and monitored to ensure that duplicate payments are not made.	The term "Change Order" was used incorrectly. The payments in question were adjustments to A/E fees. See Item a.	Payments on Contractor Change Orders are reviewed by staff, supervisors, and 2 Directors. To my knowledge no overpayment was found related to construction change orders.			on going	
		65	d) We also recommend JCPS staff ensure changes to original documentation, such as vendor invoices, contracts, and change orders be adequately supported to explain the purpose of the changes made.	Agreed, staff have been verbally instructed to detail all changes of original documentation.	Staff has been instructed to no longer correct any mistakes on vendor invoices and return the invoice for correction to the vendor within three days of receipt. Procedures will be developed to document appropriate processes.	5/30/2014	none	in progress	
		66	e) Any notes should be clearly documented so that a reviewer is able to clearly understand the changes and the purpose of the changes prior to any associated payments.						
		67	f) Further, we recommend notes made by a reviewer should be done in a manner that ensures the permanence of the note, instead of using a post-it note that can easily be discarded or misplaced.	Agreed, all staff have been directed to make notations on the original invoice and not post-it-notes.	All notations will be made on original documents.	5/30/2014	none	in progress	
		68	g) Finally, we recommend JCPS request reimbursement from these vendors for the duplicate payments identified during this review.	Agreed. Only the amount of $1,054.73 resulted in an overpayment of the vendor's total contract. The other overpayment in the amount of $4,506 will be deducted from the next vendor invoice as this would have been caught before the contract was paid in full.	A request for reimbursement has been made. The other "overpayment" will be deducted from the Vendor's next invoice.	5/30/2014	none		

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OPERATIONS, POLICIES, PROCEDURES									
Finding 16: JCPS uses a costly, outdated, and unnecessary centralized warehouse system.	50-56			We reviewed the warehouse system in 2009 and switched to an outsourced JIT process for office/instructional supplies. We concur that a new review of the remaining warehouse system is appropriate to conduct realizing that some of our current bulk purchasing may still provide better purchasing power than JIT vendors.	We will assemble experts (either community experts or via an RFP) to study the most efficient method of procuring supplies.	14-Jul	Aug-14		Cordelia Hardin
		69	a) We recommend JCPS consider eliminating the central warehouse and delivery system currently in place and transition to a just-in-time delivery system.	There are many elements to Central Warehouse that do not involve warehouse stock. The ultimate goal will be to proceed with a delivery system that will provide for the needs of our district in cost and efficiency.	Staff is reviewing options with vendors to determine availability of parts and supplies.	5/26/2014	Jun-15		
		70	b) As part of this consideration, JCPS should review the items being stocked in the central warehouse to determine if there are certain products that should still be purchased in bulk and stored due to greater savings.	Agree	All stock items are currently being evaluated.	5/26/2014	Jun-15		
		71	c) All overhead costs for storage and delivery should be considered and included within the price of any items that continue to be warehoused.	MUNIS system does not cost out overhead costs. Any evaluation of warehouse efficiency and cost effectiveness will include overhead costs.		5/26/2014			
		72	d) We recommend JCPS seek out bids for a variety of just-in-time delivery contracts with vendors for office/instructional supplies, custodial supplies, facility maintenance supplies, and vehicle supplies.	JCPS currently has JIT for office/instructional supplies. This has been in place since 2009.	We will review our warehouse items to determine which products in addition to the instructional/office supplies may warrant being handled through direct delivery by vendors.	5/26/2014	Oct-14		
		73	e) Once contracts are in place, JCPS should continue to use supplies still stocked in the warehouses until depleted, as well as, determine if any items should be declared as surplus and sold.	We are continuing to dispense parts in all areas.	Selected stock will be depleted where appropriate.	5/26/2014			
		74	f) We recommend that JCPS allow schools and central departments to control their supply needs through just-in-time delivery contracts with vendors, with the intention being that items are ordered as needed to avoid overstocking items.	Current level of items stocked will be reduced as much as possible until more information is produced concerning JIT. Currently, schools do order directly from vendors for office and instructional supplies. Schools do not have space to store many items where we receive bulk pricing such as paper towels, toilet paper, and copy paper.	We will continue to support all JCPS facilities until another viable option is determined based on our research.	5/26/2014	Ongoing		
		75	g) We recommend that once central warehousing has been reduced or eliminated, empty or unused space should be repurposed by JCPS, leased to outside parties, or otherwise used for the benefit of JCPS.	Reduction of warehouse is being evaluated. Repurpose of warehouse space was achieved back in 2009 when we went to JIT for instructional and office supplies. We will repurpose the warehouse space effectively when inventory is reduced.	JCPS will repurpose any space made available due to these possible changes.	5/26/2014	Ongoing		

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OPERATIONS, POLICIES, PROCEDURES									
Finding 17: Central Office monitoring of the use of textbook funding is limited and textbook needs are not included in the overall improvement plans at the school or district level.	57-58								Dewey Hensley
		76	a) We recommend JCPS establish a process to monitor the use of funding allocated to schools for the purpose of purchasing textbooks and other instructional materials.	All orders using textbook funds are reviewed by Library Media Services to ensure they fall within the KDE guidelines for use of textbook funds prior to routing to Purchasing.	1. Paul Lanata and Tammy Thompson will review orders using textbook funds prior to routing orders to Purchasing. 2. The office of Library Media Services will approve all purchases with these funds. 3. A textbook plan must be submitted by each school principal to Paul Lanata with the grant funding. This process will be duplicated in General Fund starting FY 2015-16. 4. This textbook plan will be included in the school's Comprehensive School Improvement Plan to be analyzed by the Assistant Superintendent assigned to the school, Data and Accountability office and other support staff from Central Office. This feedback will guide revisions.	7/1/2014	6/1/2015		
		77	b) Although the funds can be used for other purposes, JCPS should have a clear understanding of how those funds are intended to be spent and the schools should be monitored to ensure compliance with the established spending plan. This will allow JCPS to determine the actual amount of funding used by schools to purchase textbooks and the amount used for other purposes.	A Textbook Purchasing Plan must be approved by the School-Based Decision Making Council and submitted to the District Textbook Coordinator before a textbook purchase is approved. Textbook plans may be revised to meet needs.	Each Principal and SBDM Council will complete a Textbook Purchasing Plan that will be submitted to the District Textbook Coordinator. Textbook plans will be stored online. The District Textbook Coordinator will monitor textbook plans in alignment with textbook purchases from each school.	7/1/2014	6/1/2014		
		78	c) If revisions are made to the initial plans, schools should notify Central Office of the revisions and these revisions should be approved by Central Office before spending can proceed.	Revisions to the Textbook Plan on file may occur at any time, but the plan must reflect textbooks/ resources for the requisitions to be routed to Purchasing for order placement.	School Principals will notify the District Textbook Coordinator of the revisions to textbook plans and these revisions will be approved by the District Textbook Coordinator before spending can proceed.	7/1/2014	6/1/2014		
		79	d) We also recommend JCPS incorporate textbook and other instructional material costs within each school's CSIP as a means to monitor spending and to measure the efficient and effective use of these funds. By including these costs within the plan, each school will be required to link textbook spending to a specific goal to be achieved. This will assist JCPS in linking textbook spending more directly to measurable goals and targeting budget funds to each school.	Notification of funding for textbooks/ instructional resources often does not occur in sync with the Comprehensive School Improvement Plan timeline, accommodations in terms of estimated funding levels and adjustments will need to be permitted.	The Textbook Purchasing Plan will become part of the JCPS Comprehensive School Improvement Plan process which includes a feedback loop of principals and central services staff. School Principals report CSIPS to the Superintendent and Board.	7/1/2014	6/1/2014		

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OPERATIONS, POLICIES, PROCEDURES									
Finding 18: JCPS lacks a comprehensive and centralized manual of procedures to ensure that they are current and consistent with Board approved policies.	59-62								Dr. Hargens
		80	a) We recommend JCPS undergo a full collection and review of all written procedures, processes, and guidelines used by JCPS staff to ensure they are current, meet the requirements of State law, Board policies, and accounting principles.	The Board of Education is concluding a comprehensive review of school board policies. Of a total of 360 policies, approximately 25 are yet to be reviewed.	Superintendent will establish a District Procedures Working Group for the identification and collection of current district procedures.	6/9/2014	6/9/2014	100%	
		81	b) We recommend that JCPS determine whether there are unwritten practices employed by JCPS that are not currently written.		Departments will send current written procedures to the Chair of the District Procedures Working Group.	6/10/2014	6/20/2014		
		82	c) These should be reviewed and a determination should be made whether these practices should be included as a written policy, procedure, or guideline.		The District Procedures Working Group will coordinate a gap analysis for procedures for each division.	6/10/2014	8/15/2014		
		83	d) We recommend JCPS fully consolidate all written procedures necessary for staff to carry out job duties into a single manual.		The district's online policy manual will include procedures connected to the related policy, where applicable.	6/10/2014	9/15/2014		
		84	e) All procedures should be numbered and reference back to the State law, Board policy, or other authority that empowers them. The manual should be made easily available online to both staff and the public.		Policy manual will be placed in an easily available location on the district website.	6/10/2014	7/9/2014		
		85	f) We recommend JCPS create a procedures committee consisting of JCPS staff so that they may meet to discuss any needed additions or updates to the procedures manual.		Superintendent will establish a District Procedures Working Group for the identification and collection of current district procedures.	6/9/2014	6/9/2014	100%	
		86	g) We recommend this committee consist of management from a variety of departments to ensure the knowledge of needed procedural changes is effectively communicated and distributed among a broad cross section of JCPS.		District Procedures Working Group will include representatives of Cabinet.	6/9/2014	6/9/2014	100%	
		87	h) It should also include a representative of the JCPS General Counsel's office to provide legal review and assistance.		District Procedures Working Group will include General Counsel.	6/9/2014	6/9/2014	100%	

	Report Page #	Recommendation #	Recommendation	Response	Action	Start Date	End Date	Percent Action Complete	Cabinet Member
OPERATIONS, POLICIES, PROCEDURES									
Finding 19: JCPS' current purchasing cards were plagued by administrative issues and complete supporting documentation for card transactions could not be located without extensive review.	62-67								Cordelia Hardin
		88	a) We recommend that JCPS financial executives formally investigate other alternatives to the purchasing card currently used to allow for a more transparent, direct, and effective payment process.	This program was discontinued in Spring 2012. Purchasing cards at this time do not have the controls in place to ensure only appropriate purchases are made. Until additional controls can be placed to ensure model procurement and district policies and procedures are followed JCPS will not use a purchasing card program.	No additional action required, program discontinued Spring of 2012.			100%	
		89	b) Once an alternative has been selected, JCPS should take steps to terminate the current purchasing card agreement and resolve any payment issues that may still ex						
		90	c) We recommend that JCPS more closely monitor purchasing or credit card activity and work quickly and diligently with the purchasing or credit card company to reconcile discrepancies.						
		91	d) We also recommend that JCPS take steps to address the documentation tracking procedures that occur when accounting for these transactions using the name of the actual vendor and not the purchasing card.						
		92	e) JCPS staff should explore whether MUNIS can address this need or whether additional information should be maintained to track the transactions to the required supporting documentation.						
		93	f) Accurate and transparent vendor information is essential to an organization, but steps should be taken by JCPS to ensure that supporting documentation for purchasing cards payments can be located in a timely manner.						

	Report Page #	Recommendation #	Recommendation	Response	Action	Start Date	End Date	Percent Action Complete	Cabinet Member
OPERATIONS, POLICIES, PROCEDURES									
Finding 20: Travel reimbursement guidelines are vague and lead to inconsistencies.	67-70								Cordelia Hardin
		94	a) We recommend that the Board and JCPS officials work collaboratively to both adopt an expense reimbursement policy for employees within their Board-approved policy manual and to develop administrative procedures to further explain the policy.	Currently Policy 03.225 addresses travel reimbursement.	We will review our expense reimbursement policy and travel guidelines. Any revisions to the policy will be presented to the board for approval. The administrative procedures will be updated and linked to the travel reimbursement policy on the centralized policy procedures site.	Jun-14	Aug-14		
		95	b) The Board-approved policy and/or the administrative procedures should explain which expenses are reimbursable and which are not, what defines acceptable documentation, how per diem and mileage rates are calculated, and how an employee can be reimbursed.						
		96	c) The policy should acknowledge, by reference, any administrative procedures developed by JCPS, as well as the Travel Reimbursement Guidelines and/or other forms created to further assist with the expense reimbursement process and to provide specific examples as to what expenses are and are not allowable.						

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OPERATIONS, POLICIES, PROCEDURES									
Finding 21: JCPS has not developed written procedures documenting the assignment process and allowable usage of JCPS owned vehicles taken home by staff.	70-72								Mike Raisor
		97	a) We recommend JCPS develop written procedures related to the assignment and usage of JCPS owned vehicles, including those assigned as take-home vehicles and those kept on JCPS property at night.	Agreed. JCPS currently has those driving a district vehicle sign off on an acceptable usage agreement. There needs to be more a detailed manual created.	JCPS will create a more detailed vehicle usage manual and annual sign-off procedures will be established.	In progress	7/1/2014		
		98	b) Specific criteria for staff qualifications used to assign a take-home vehicle and whether that vehicle is allowed to be used for commuting purposes should be documented.	Agreed. JCPS is eliminating all year round take home vehicles.	JCPS will be eliminating all year round take-home vehicles July 1, 2014.	In progress	7/1/2014		
		99	c) We recommend JCPS evaluate all current take-home vehicle assignments to determine whether these assignments are necessary and needed by the assigned staff during the entire year or whether vehicles only need to be taken home seasonally or when staff are on-call.	Agreed. JCPS is eliminating all year round take home vehicles. Certain jobs, such as checking roads in the winter, may require the use of a JCPS vehicle on a 24/7 basis.	JCPS will create a waiver process and protocols for the use of a district vehicle during special extenuating circumstances.	In progress	7/1/2014		
		100	d) We recommend that JCPS place decals on all vehicles identifying them as property of JCPS to help act as a control for vehicle usage through public scrutiny.	Agreed. Making JCPS vehicles more identifiable will serve as a tool to hold those driving district vehicles accountable.	JCPS will begin the process labeling all vehicles during summer 2014.	In progress	9/1/2014		

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OPERATIONS, POLICIES, PROCEDURES									
Finding 22: The JCPS procedures for its cell phones are outdated and do not establish criteria for assigning phones.	72-74								Cordelia Hardin
		101	a) We recommend JCPS update the Cellular Telephone Guidelines section of the Digital Technology procedures to ensure they represent current cellular technology and service plans.	We will work with cellular phone vendors to provide up to date technology plans. Over the past two years, we have reduced the number of lines by 64, a 19% reduction.	Policy 03.1321 will be updated to have a link to procedures on board cell phone assignment and usage.	Dec-14	Jul-15		
		102	b) We also recommend JCPS update these policies to include documented criteria to be used in determining which staff members qualify to be assigned a JCPS cell phone and additional information as to who must review and provide final approval.		We will update our Policy 03.1321 to specify which staff members are required to have a cell phone for business communication.				
		103	c) After establishing criteria for assigning a cell phone, we recommend that JCPS evaluate the current assignment of phones to determine whether the number of cell phones can be reduced.		Criteria will be reviewed to determine appropriate cell phone assignment.				

	Report Page #	Recommendation #	Recommendation	Response	Action	Start Date	End Date	Percent Action Complete	Cabinet Member
OPERATIONS, POLICIES, PROCEDURES									
Finding 23: JCPS does not have a consistent policy for all salaried staff regarding the use of accrued leave time for partial days and may result in a larger than necessary liability for unused leave payouts.	74-78			Teachers as well as administrators are salaried-exempt employees and use sick leave in full day increments in the same manner. Additionally unlike state government salaried workers, JCPS salaried staff are on-call 24/7 and do not get paid overtime or compensated time for hours worked over 40 hours per week.					Mike Raisor
		104	a) We recommend JCPS develop a leave policy or procedure that requires all employees to report the actual amount of leave time used regardless of exemption status. Actual amounts of leave used can be tracked through the use of timesheets that would reflect actual hours worked by all staff, including salaried-exempt workers.	JCPS will review financial feasibility as well as applicable Wage & Hour law to determine if it is appropriate to require salaried exempt employees to complete hourly timesheets. In addition, if it is determined "timesheets" will be used this would require the implementation of an automated tracking system due to the large JCPS workforce. In addition, modification to the JCTA collective bargaining agreement may be required.	JCPS will review applicable Kentucky Revised Statutes as well as the cost effectiveness of this policy change as this would result in increased expenses for additional leave accrual and sell back costs.	6/4/2014	12/31/2014	10.00%	
		105	b) We recommend JCPS establish smaller increments in which Central Office administrators may use leave.	JCPS will research to determine the possibility of reporting in less than full day increments. However, it should be noted that system restrictions regarding increments in which leave time can be used are determined by bargaining unit. It cannot be administered by work location. Therefore, any policy change would apply all salaried-exempt employees working in Central Office as well as school locations. This type of policy change would require major system modification to the Time & Attendance system and may also require modifications to collective bargaining agreements.	JCPS will review applicable Kentucky Revised Statutes as well as the cost effectiveness of this policy change as this would result in increased expenses for additional leave accrual and sell back costs.	6/4/2014	12/31/2014	10.00%	
		106	c) At a maximum, this should be set at a half day or four hours, based on a 40 hour work week, but hourly or quarter hour leave should also be considered an increment as well.	KRS 161.155(2) requires all boards of education to grant not less than 10 sick leave days to all full-time employees each school year. Due to the varying days and hours of JCPS employee work schedules, leave time must be credited in daily increments to insure compliance with minimum 10 day requirement of the law. The MUNIS system requires leave to be used in the same measurement unit as it is accrued. Therefore, leave time must be used in daily increments. Preliminary research has found that other governmental entities which allow salaried-exempt employees to use leave time in less than full day increments also allow their salaried employee to accrue comp time so that the employee is credited for time worked in excess of their normal work day. This includes Louisville Metro Government and State employees. State employees may accrue up to 240 hours of compensatory (comp) time and sell back comp time in excess of 240 hours in 50 block increments.	JCPS will review applicable Kentucky Revised Statutes as well as the cost effectiveness of this policy change as this would result in increased expenses for additional leave accrual and sell back costs.	6/4/2014	12/31/2014	20.00%	

	Report Page #	Recommendation #	Recommendation	Response	Action	Start Date	End Date	Percent Action Complete	Cabinet Member
OPERATIONS, POLICIES, PROCEDURES									
Finding 24: Due to a reorganization in August 2013, the Director of Pupil Personnel no longer supervises the attendance clerks that collect and analyze school attendance data for all JCPS schools.	78-80								Bob Rodosky
		107	a) We recommend that JCPS take steps to determine that the August 2013 reorganization, resulting in placing the DPP into the Office of Chief Academic Officer, was necessary.	The DPP will be transferred to the Division of Data Management, Planning And Program Evaluation.	Present new Org charts to the Board at the June 23rd meeting, effective July 1.	Jul-14	Jul-14		
		108	b) Further, we recommend consideration be given to the effectiveness of the DPP without having immediate knowledge of attendance issues or that a trained DPP is not preferred to oversee the Attendance Supervisor or work directly with the attendance data collection and analysis.	We agree. In addition we will require the DPP and staff reporting to the DPP to be trained and certified in the Infinite Campus (JCPS-IC Attendance 14-15).					
		109	c) If the reorganization continues, documented procedures must be developed to ensure that the DPP and Attendance Supervisor consistently work closely and communicate effectively. These procedures are needed to ensure the DPP receives the necessary information to address nonattendance and monitor the schools with attendance issues.	See above (#108). Because of this reorganization, we believe any barriers to communication or to attendance data between the DPP and the Attendance Supervisor will be removed.					
		110	d) While these reports are not required to be submitted by the DPP, we recommend the DPP review the Growth Factor reports and the Superintendent Annual Attendance report in order to assure that JCPS has an accurate system of attendance accounting for all children enrolled.	We agree because this a current practice.					

	Report Page #	Recommendation #	Recommendation	Response	Action	Start Date	End Date	Percent Action Complete	Cabinet Member
INTERNAL AUDIT									
Finding 25: Internal Audit reports to the Superintendent rather than the Board and no policies were adopted to govern the internal audit activity at JCPS.	81-84								Dr. Hargens
		111	a) We recommend that the Board implement a reorganization that will result in Internal Audit reporting functionally to the Board or a designated Board committee.	Internal Audit departments generally have dual reporting relationships to a high level executive in the organization (generally the CEO or most senior executive) and the governing body of the organization. However, Kentucky state law, in contrast to some of the benchmark states cited by the auditor's report, does not allow the direct supervision of the internal audit director by the Board. We will review the audit director's reporting relationship to the Board to maximize the Board's ability to ensure the independence and objectivity of the function.	Review overall organization design for leadership roles involving continuous improvement, audit, investigations, and program assessment. Design considerations should include determination of the specific processes to be managed, who is accountable for each process, matrix reporting or collaboration across committees, metrics, and reporting/communication requirements.	7/1/2014	8/31/2014		
		112	b) We also recommend that the Board or designated Board committee perform the annual evaluation of the Director of Internal Audit.	The governing body of the organization generally does not have direct accountability for employees of the organization other than for the chief executive. However, they exercise their oversight responsibilities.	Create and obtain approval of a Board Policy clarifying the role of the Internal Audit function and its reporting relationship to the Board. This may be achieved via formal approval of the Internal Audit Function Charter.	Jul-14	Aug-14		
		113	c) For daily administration purposes, we recommend the Director of Internal Audit report to a senior management official in a manner that will not compromise the independence of the internal audit function.	The Internal Audit Department is being reorganized by hiring a new Director of Internal Audit and Investigations. The new director will develop an annual audit plan that will include consideration of risk analysis.	Develop a strategic plan for the Internal Audit function following the outline of the charter; create a policy and procedures; develop reporting metrics and attestations that will be communicated to the Cabinet and to the board.	Aug-14	Oct-14		
		114	d) As part of this reorganization, the Board or a Board committee should approve an annual audit plan developed by Internal Audit using the Board's input and guidelines.						
		115	e) Based on the annual audit plan, we recommend that the Board or designated Board committee determine the office's budget. The audit plan should include flexibility to allow for the time and resources to investigate issues that arise during the school year from allegations or concerns involving fraud, waste, or abuse.						
		116	f) When these types of allegations do arise, the Board should also determine whether Internal Audit has sufficient staffing skills to address the potential activities.						
		117	g) We further recommend the Board or a Board committee conduct quarterly meetings to provide summaries of the audits and reviews conducted to ensure there is direct communication with the Director of Internal Audit. The goal of this reorganization should be to ensure that the work of Internal Audit can be performed with full independence and that the Board, as the JCPS governing body, is involved in the approval of Internal Audit's reviews, activities, and findings.						
		118	h) In addition to the annual audit plan, we recommend the development and adoption of a Board policy that provides guidance in the areas of the planning, implementation, and reporting requirements so there are specific procedures that must be followed.						
		119	i) Report distribution should require that reports are sent to the appropriate management personnel and that the Board will receive a summary report as a tool to monitor activity and any needed implementation of processes or controls.						

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	Report Page #	Recommendation #	Recommendation	Response	Action	Start Date	End Date	Percent Action Complete	Cabinet Member
INTERNAL AUDIT									
Finding 26: Internal Audit has not prepared an audit plan or implemented a risk-based audit approach.	84-88								Dr. Hargens
		120	a) We recommend the Board ensure that the policies related to Internal Audit require the performance of a risk assessment that is used to develop the annual audit plan.	The scope of the Internal Audit function should be clearly outlined in its charter. The charter should also outline the role of Internal Audit in coordinating or having insight into all other assessment and audit efforts – internal or external to the organization.	Clarify in the Internal Audit Charter that the JCPS Internal Audit function shall provide to the Superintendent and Board (or committee thereof) the following: An assessment of the top risks to the achievement of the JCPS Strategy An summary report of assessments and findings across the five domains of: Strategic Objectives Operational Process Financial Reporting and Disclosure Compliance with Laws, Regulations, and Contracts Data Governance, Security, and Privacy An opinion on the internal controls over financial reporting in conformance with COSO. Any opinions or statements of conformance with mandated regulatory requirements. For instance, in conformance with	Aug-14	Oct-14		
		121	b) The risk assessment should address all areas of JCPS and be used to determine which areas should be considered for audit.	Internal Audit function should maintain an inventory or have ready access to the organizations: Strategy Enterprise Risk Assessment Enterprise Risk Appetite / Tolerance Laws and Regulations that are applicable to the organization Universe of functional areas (organization chart and personnel list) Universe of vendors (suppliers, consultants, outsourced services) Universe of processes All recommendations for improvement by internal or external bodies.	•Given the above drivers of audit work, the Internal Audit function should develop an inventory of strategy objectives, business processes, personnel and organizational units, compliance and regulatory requirements, and assets (facilities, technology, data assets). The function may utilized inventories maintained by others which it validates or maintain the inventory itself on behalf of the organization.	Aug-14	Oct-14		
		122	c) After carefully considering audit requirements and the risks associated with various activities, an audit plan should be submitted to the Board or a designated Board committee for discussion and approval.	The Internal Audit function should assess risks across that inventory in order to assess the effectiveness and efficiency of the organization to meeting its strategic objectives within its risk tolerance.	The Internal Audit function should develop an risk assessment process designed to identify the top risks to the 5 domains noted above.	Aug-14	Oct-14		
		123	d) The audit plan should also determine the activities that will be performed in coordination with the external auditor.	The Internal Audit function's should provide an annual report to the Board	The Internal Audit function should maintain an inventory of all internal or external assessments of JCPS operations (and could be accountable for coordinating such efforts) and use such knowledge to efficiently plans its work. In some cases relying on others. In some cases reperforming or validating work of others.	Aug-14	Dec-14		
		124	e) While it is understood that the KDE regulation may limit Internal Audit's ability to reduce the school activity fund audits, we recommend consideration be given as to whether the risk associated with these funds is sufficient to require two audits annually of each activity fund or audit only the high risk activity funds more than once per year.		The Internal Audit functions work plan would focus on top risks to the organization taking into account the functions ability to rely upon the work of other and the necessity to provide required opinions and mandated regulatory work.	Aug-14	Oct-14		
		125	f) We further recommend that the performance of pupil attendance audits be studied to determine whether a more efficient approach could be followed for these audits, such as using staff from the attendance data departments to validate pupil attendance processes, leveraging the use of attendance audits performed by KDE, or other approaches that may be identified.		To the extent the function cannot address or review all critical risks due to resource constraints – the Superintendent and Board should be made aware of that constraint.	Aug-14	Oct-14		

	Report Page #	Recommendation #	Recommendation	Response	Action	Start Date	End Date	Percent Action Complete	Cabinet Member
INTERNAL AUDIT									
Finding 27: Policies were not developed to investigate, monitor, or report hotline complaints and the oversight responsibility for this process was not assigned.	88-92								Dr. Hargens
		126	a) We recommend policies be developed and approved by the Board related to the hotline to ensure a consistent process is established that will improve and document the procedures to assign, investigate, monitor, resolve, and report various concerns and complaints, including those involving potential fraud and abuse.	Organizations generally have various investigation functions housed in audit, human resources, security and other specialized units.	Consolidate all complaint and fraud reporting within a single external vendor capable of tracking every call.	Jul-14	Dec-14		
		127	b) Further, we recommend the Director of Internal Audit be assigned the responsibility of managing this hotline with complete access to all complaints and that these responsibilities be established within the policies and procedures approved by the Board.	Without coordination of ALL investigative functions – patterns of inappropriate activity may go unnoticed.	Re-charter an investigations committee to review progress toward addressing all complaints and hotline calls.	Jul-14	Dec-14		
		128	c) We recommend the following responsibilities be assigned to the Director of Internal Audit: • determine who to discuss the issue with to gather additional information or input; • determine how to appropriately proceed in handling the issue; • determine the assignment of who will investigate the issue; • determine whether the issue was appropriately investigated in a timely manner; • determine the method of reporting the issue such as a report, letter, memo, etc.; and • determine whether the summary report is complete, with no unexplained omitted information.	Every allegation should be seen as an opportunity for improvement and root cause analysis.	Assign accountability for daily monitoring of all complaints to the Audit Function.	Jul-14	Dec-14		
		129	d) We also recommend that JCPS ensure that the summary report contains the information needed by those reviewing the data to provide full disclosure. If this report is generated by a committee member that has been mentioned in a complaint, that complaint will not be included in the summary report.		Review staffing needs, skills, and alignment to ensure appropriate utilization of staff across related disciplines (HR, Audit, Investigations).	Jul-14	Dec-14		
		130	e) This summary report should be periodically provided to the Board or a designated Board committee to ensure their awareness of any significant information provided within these complaints and the subsequent investigation.			Jul-14	Dec-14		
		131	f) We further recommend JCPS update its website to make the hotline more accessible for employees and the public by making the hotline available from the homepage of the JCPS website.	The JCPS website is under construction and the hotline visibility is one of many items being addressed.	During website renovation the Fraud Hotline will be more prominent.	Jul-14	Dec-14		
		132	g) We recommend that JCPS require written procedures for all complaint systems used by its departments to document the expected investigation, monitoring, and reporting activities.	The APA report's recommendations appear to be reasonable and appropriate to follow and implement.	All procedures will be reviewed and documented and will be linked to Board Policies.	Jul-14	Dec-14		
		133	h) Finally, we recommend JCPS also re-evaluate whether these additional systems be discontinued providing a single point of contact for complainants and to maximize the use of the vendor operated hotline.			Jul-14	Dec-14		

	Report Page #	Recommendation #	Recommendation	Response	Action	Start Date	End Date	Percent Action Complete	Cabinet Member
INFORMATION TECHNOLOGY									
Finding 28: JCPS did not implement an effective organizational structure related to technology.	93-95			The 2011 recommendation was considered during the 2012 reorganization. However after thorough consideration, it was determined that MIS should remain as is, and a new department Digital Technology should be created. Both of these IT departments would report directly to the Chief Operations Officer, who would also function as the district's Chief IT Officer (CIO). These two departments mirror the IT configure of several of the peer districts mentioned in the audit. The COO meets regularly with each department individually and collectively and provided direct oversight of the administration of IT resources and ensures the work performed by all IT areas is planned, coordinated, and adheres to the mission of JCPS. Over the past two years, both departments have been restructured and continue to be restructured to be independent of each other in function. Additionally this configuration has been lauded by the KDE Associate Commissioner over Educational Technology.	JCPS will seek guidance from outside sources (Council of Greater City Schools, Kentucky Department of Education) and determine if this is an effective organizational structure.	8/1/2014	8/1/2015		Mike Raisor
		134	a) We recommend that JCPS implement the proposed organizational structure presented to the JCPS Superintendent in December 2011 within the study titled 'Organizational Structure and Central Office Staffing, Functions, and Operations for the Jefferson County Public Schools.'			Jul-14			
		135	b) Specifically, we recommend consolidating the IT areas related to telecommunications, advanced systems, systems development, customer support, and technical support within a single MIS department under the Chief Operations Officer. This structure would allow direct oversight of the administration of IT resources and ensure the work performed by all IT areas is planned, coordinated, and adheres to the mission of JCPS.			Jul-14			
		136	c) In addition, we recommend JCPS review the job functions of the current MIS and DTS department staff and determine the most effective positioning of staff within the new organization to best utilize their strengths and abilities.	As mentioned above, MIS and DTS are undergoing evolving reorganizations to make sure that job descriptions and positions meet the needs of the district.		Jul-14			
		137	d) For each functional area, a manager or supervisor should be established to coordinate work in that functional area and act as the liaison between the staff and the director.	MIS and DTS are undergoing evolving reorganizations to make sure that job descriptions and positions meet the needs of the district.	JCPS will continue to evaluate job descriptions and positions to meet the needs of the district.				
		138	e) Also, we recommend JCPS review the job function and work performed by the individual currently in the manager's position having no assigned staff and determine the appropriate position that aligns with the job duties performed by this person and initiate the appropriate action.	This position is that of a project manager, not a manager of personnel. The position was created to aid with the implementation of several district-wide projects, as well as the statewide rollout of Infinite Campus. It has been used recently as part of the new network and wireless installation. It also manages the KETS fund distribution.	The employee in the role will be retiring this summer. At that time, the position will be reevaluated, and most likely repurposed to better meet the needs of the district.	Jul-14	Aug-14		
		139	f) Finally, we recommend JCPS review and update the IT contact information on the JCPS website. A process should be implemented to ensure changes to this contact information are updated in a timely manner.	Agreed. The information will be update and a process created to ensure information is accurate and updated in a timely manner	This is complete	Complete		100%	

	Report Page #	Recommendation #	Recommendation	Response	Action	Start Date	End Date	Percent Action Complete	Cabinet Member
INFORMATION TECHNOLOGY									
Finding 29: KDE and its contractor did not properly secure servers housing JCPS student information.	95-96			Three web servers were found to contain default passwords for the remote access cards. This would have allowed an internal employee to login and shut down the webserver. No data access was possible. The vendor addressed the issue immediately upon notification. There are no more outstanding issues.	A new infrastructure will be put in place in July by the vendor that will not allow this vulnerability again.				Mike Raisor
		140	a) We recommend JCPS work with KDE to implement a process to identify and track incidents or issues with the application and servers associated with student information to ensure the vendor adequately identifies and resolves these in a timely manner.	JCPS uses designated staff and the Infinite Campus support portal to communicate problems with the product and any observable issues with the hardware. The vendor updates these incident tickets and closes them upon resolution.	The district will internally formally document the process used to identify and track incidents and issues. This document will reside with the Director of MIS.	1-Jun-14	1-Sep-14		
		141	b) We further recommend JCPS work with KDE to become involved in the monitoring of contract terms and metrics established by KDE and the vendor. JCPS should also be aware of all services running on their critical servers housing student information and ensure the vendor has properly configured these machines to limit vulnerabilities that could be exploited.	The KDE liaison, Mr. Lee Muncy initiates meetings with JCPS on a regular basis and communicates KDE initiatives and any changes thereof that might impact JCPS	No action needed.	N/A		100%	
		142	c) In addition, we recommend JCPS regularly receive a report detailing the procedures performed by KDE to monitor the vendor's compliance with contract terms, as well as the results of this monitoring process.	The KDE liaison, Mr. Lee Muncy initiates meetings with JCPS on a regular basis and communicates KDE initiatives and any changes thereof that might impact JCPS	No action needed.	N/A		100%	

	Report Page #	Recommendation #	Recommendation	Response	Action	Start Date	End Date	Percent Action Complete	Cabinet Member
INFORMATION TECHNOLOGY									
Finding 30: JCPS did not adequately protect sensitive and confidential data.	96-97			JCPS has not classified sensitive and non-sensitive information. Procedures around such information must be enhance.					Mike Raisor
		143	a) We recommend JCPS management ensure confidential and sensitive data is sufficiently protected and ensure the security of data remains a top priority.	Disagree. Jefferson County Public Schools is one of the 174 school districts in the state of Kentucky that operate under auspices of the network and domain owned and managed by the Kentucky Department of Education (KDE). The school district uses the state-mandated student information and ERP systems which are secured, owned, and operated by the relevant vendors contracted by KDE. Internal business systems developed or licensed by JCPS reside within the aforementioned network boundaries and are further secured by the domain security. Business systems developed or licensed by JCPS that are required to acquire data from outside the network boundaries use industry-standard encryption protocols to insure the safety and security of the information being transmitted. Internally, JCPS has implemented additional internal security measures to prevent unauthorized access to data systems, including but not limited to physical, logical, electronic, and procedural measures.	This information is protected, but a procedure must be created to delineate between sensitive and non-sensitive data.	1-Jun-14	1-Sep-14	100%	
		144	b) We recommend IT executive management, along with other JCPS executives, work together to develop a plan to identify the necessary steps to ensure sufficient resources are dedicated to address this weakness and to properly secure confidential and sensitive data in a timely manner.	It is the practice throughout JCPS to treat all data as confidential unless specific permissions for disclosure are granted through the public information officer (open records act) or by the terms of a vendor/third party contract. To further fortify the controls JCPS continues to work closely with KDE not only to investigate areas of potential improvement but also to employ a risk-based approach to insure that sufficient protective measures are evaluated and implemented where warranted to be commensurate with the sensitivity and criticality of the data.	Although, we disagree with the above finding. It is best practice to create plans to secure confidential and sensitive matter. IT will develop documented internal processes that due the to the confidential nature of the information will be available only to approved internal users and housed with the Director of MIS	2014	N/A		

	Report Page #	Recommendation #	Recommendation	Response	Action	Start Date	End Date	Percent Action Complete	Cabinet Member
INFORMATION TECHNOLOGY									
Finding 31: The JCPS Central Office lacked oversight over the development of Safety and Emergency Procedure Manuals at the schools.	97-100			Out 164 buildings, 22 did not have updated SEPSM's on Sharepoint. This number is inflated due to the fact one principal is the administrator of record for 9 schools. It should be noted that all schools had an updated plan, however a stronger accountability system needs to be put in place to ensure compliance.					Mike Raisor
		145	a) We recommend JCPS, at Central Office, ensure all schools, special schools, and administrative buildings have developed SEPMs and uploaded them to the SharePoint site by the required date.	Agreed. Schools and buildings are required to upload SEPMs. However, a documented accountability system to insure this is done does not exist.	JCPS will create a documented accountability system where administrators and their supervisors will be notified of their non-compliance several times prior to the deadline. After the deadline, a documented discipline process will be implemented.	Complete		100%	
		146	b) Additionally, they should ensure all plans have been provided to local emergency responders, such as police departments, fire departments, and emergency management services, as required.	Agreed. This is currently done as part of the process.	Continue the current process, but follow the new accountability system outlined above.	Complete		100%	
		147	c) JCPS should require the SEPMs to be updated regularly and maintain copies of the current plans.	Agreed. This is currently done as part of the process.	Continue the current process, but follow the new accountability system outlined above.	Complete		100%	
		148	d) If facilities do not comply with these requirements, JCPS should follow-up and provide the necessary guidance and assistance to ensure compliance.	Agreed. Currently there is no documented accountability penalties for schools that do comply.	JCPS's new process will include a progressive warning of non-compliance, and eventually discipline for administrators that fail to comply with the established process of uploading SEPMs.	Complete		100%	

	Report Page #	Recommendation #	Recommendation	Response	Action	Start Date	End Date	Percent Action Complete	Cabinet Member
INFORMATION TECHNOLOGY									
Finding 32: JCPS procedures for sanitizing and disposing of IT equipment were not documented, and Central Office did not track and monitor the sanitization and disposal of all IT equipment.	100-101			There was not a standard procedure for all business units outside of Information Technology.					Mike Raisor
		149	a) We recommend JCPS streamline the process for sanitizing and disposing of IT equipment in Central Office and the JCPS schools.	Agree	Immediately, NO electronic device will be sent to auction and NO devices will be re-purposed until a new process is in place for sanitizing and disposing. A committee has been formed to implement a new process by September 1, 2014. The new process will be added to the centralized manual of procedures.	6/1/2014	9/1/2014		
		150	b) All IT equipment, whether at the schools or in Central Office, should be held to the same policy standards.	Agree	Will be part of the new process and will be communicated to all employees.	6/1/2014	9/1/2014		
		151	c) This process should be documented in a single policy and should be distributed to all appropriate JCPS personnel who are responsible for this function.	Agree	Will be part of the new process and will be communicated to all employees.	6/1/2014	9/1/2014		
		152	d) In addition, we recommend all IT equipment at the JCPS schools be sanitized prior to being sent for auction or distributed to School-to-Career or low-income students.	Agree	Will be part of the new process and will be communicated to all employees.	6/1/2014	9/1/2014		
		153	e) A report should be developed to communicate sanitizations and disposals by the schools to Central Office for review. Any items that are removed from the JCPS fixed asset listing should be included in the report and should be accounted for.	Agree	Will be part of the new process and will be communicated to all employees.	6/1/2014	9/1/2014		
		154	f) We further recommend a process be established at JCPS Surplus Properties Department to ensure technology items to be auctioned have had their hard drives removed, destroyed, or sanitized prior to auctioning the items.	Agree	Will be part of the new process and will be communicated to all employees.	6/1/2014	9/1/2014		
		155	g) This should include laptops, servers, desktops, and other IT equipment with hard drives sent by the schools or Central Office.	Agree	Will be part of the new process and will be communicated to all employees.	6/1/2014	9/1/2014		
		156	h) We recommend, once the consolidated sanitization and disposal policy is developed and approved by management, it should be implemented and consistently followed.	Agree	Will be part of the new process and will be communicated to all employees.	6/1/2014	9/1/2014		
		157	i) All IT equipment should be destroyed or sanitized prior to disposal, and documentation of these actions and the disposal should be developed and retained.	Agree	Will be part of the new process and will be communicated to all employees.	6/1/2014	9/1/2014		
		158	j) This documentation should specify the method of sanitization, which could include being sanitized by a third party or the hard drive being drilled through, and the date of sanitization.	Agree	Will be part of the new process and will be communicated to all employees.	6/1/2014	9/1/2014		
		159	k) The documentation should also specify the method of disposal and whether it is to be auctioned through Surplus Properties, donated to a School-to-Career or low-income student, or transferred to another department.	Agree	Will be part of the new process and will be communicated to all employees.	6/1/2014	9/1/2014		
		160	l) Standardized forms should consistently be used to track this process. The fixed asset listing within MUNIS should be updated to show the sanitization and disposal methods and dates.	Agree	Will be part of the new process and will be communicated to all employees.	6/1/2014	9/1/2014		

	Report Page #	Recommendation #	Recommendation	Response	Action	Start Date	End Date	Percent Action Complete	Cabinet Member
INFORMATION TECHNOLOGY									
Finding 33: JCPS did not properly secure network data and resources.	100-101			Although JCPS does secure data and resources, there was not a formalized process documented the procedures used.					Mike Raisor
		161	a) We recommend JCPS develop a formal process to request, grant, and change AD and application-level access. Managers and Supervisors should be required by policy to submit documentation to support the request or change of access to the network.	This is currently done, but not formalized. Manual requests for Active Directory access are not submitted to the help desk since the creation and disabling of Active Directory accounts is automated and driven by Personnel Actions taken within MUNIS. All Personnel Actions are automatically captured and maintained in the MUNIS system. MUNIS is the ERP system mandated by KDE and access to the system is managed and controlled by the relevant business units. Service desk tickets are submitted for new access to MUNIS financial.	A formalized process will be documented and placed on the website and in the centralized manual of procedures.	6/1/2014	9/1/2014		
		162	b) This should be tracked centrally as opposed to differing departments to ensure standardized procedures are followed.	JCPS utilizes a centralized ticketing system to initiate, track and document software and hardware-related service requests from end users	A formalized process will be documented and placed on the website and in the centralized manual of procedures.	6/1/2014	9/1/2014		
		163	c) We also recommend JCPS implement a standardized periodic review process to ensure terminated employees continue to have their AD access disabled in a timely manner.	The automated AD provisioning system insures that inactive employees in MUNIS continue to stay inactive in AD.	No action necessary.	N/A			
		164	d) Personnel Actions should be on file to support any AD terminations processed within the system.	All Personnel Actions are automatically captured and maintained in the MUNIS system. The State Auditors requested documentation for the termination of 15 sample employees. Personnel Action documentation for all employees within the sample was provided to the auditor without any known exceptions.	No action necessary.			100%	
		165	e) In addition, we recommend JCPS review network access and ensure only technical and support staff be granted local administrator access to prevent the accidental or intentional introduction of viruses or the loss of programs or data.	Implementing this measure, while not technically complex, will, however negatively impact the district as it will cause a substantial support problem. The technology support center is not presently staffed to handle the potential support calls and tickets arising from this measure.	The district will work with business units and schools to draft a plan to address this. A formalized process will be documented and placed on the website and in the centralized manual of procedures.	Jun-14	Sep-14		
		166	f) Further, we recommend JCPS rename all default administrator accounts on applications and all network administrator accounts on the LAN and adhere to a password policy to ensure the passwords assigned to these accounts are strong and changed frequently to prevent unauthorized use.	Agree	The 90-day password change procedure has been created by KDE and being implemented in phases as employees as the 2014-2015 working year starts. A formalized process will be documented and placed on the website and in the centralized manual of procedures.	6/1/2014	11/1/2014		

	Report Page #	Recommendation #	Recommendation	Response	Action	Start Date	End Date	Percent Action Complete	Cabinet Member
INFORMATION TECHNOLOGY									
Finding 34: JCPS did not document and consistently apply procedures governing access to the Time & Attendance application.	101-102								Cordelia Hardin
		167	a) We recommend JCPS develop a formal written policy detailing the process for all employees, including Central Office staff, to request new access, change access, or remove access to the TA application.	Formal procedures for decentralized user access are outlined on page 4 of the JCPS Payroll Overview document which was provided to the State Auditors. These procedures are consistently followed. The existing documentation will be updated to detail the process for central office users in Payroll, Budget and Grants & Awards.	The Payroll overview document will be linked to Payroll Policies on the website where appropriate.	7/1/2014	8/31/2014	80.00%	
		168	b) All staff requiring access to the application should complete a security form that details the level of access required and should be approved by a supervisor or manager.	As outlined on page 4 of the JCPS Payroll Overview document, to gain access to the Time & Attendance system all decentralized users complete a security form which must be signed by the cost center manager.					
		169	c) Once developed, staff should be provided a copy of the procedures to ensure all users are aware of the established policy. The policy should be reviewed and updated on a regular basis.	As outlined on page 4 of the JCPS Payroll Overview document, users are provided training through Computer Education via the Captivate! Program. Access is not granted to users until this training is completed and the user has passed the on-line test at the end of the course. The detailed Time & Attendance procedure manual is located on the JCPS Time & Attendance site as well as the JCPS Payroll website. Each time there is a procedural change, this document updated. In addition, notification is added to the Time & Attendance splash screen and all Time & Attendance users are notified via email.				100.00%	
		170	d) Documentation of a user's security access request should be maintained for audit purposes.	As outlined on page 4 of the JCPS Payroll Overview document, new permissions forms are required at the beginning of each fiscal year. All Time & Attendance permissions forms are maintained by fiscal year and retained for 3 years.				100.00%	
		171	e) We further recommend JCPS disable the Transportation User security role since it is not needed or used.	The Transportation user security role was developed to meet internal business needs required for system development. This role is not active as no users are assigned to the role. System modifications will be made to remove the role from the Time & Attendance system.		6/4/2014		100.00%	

	Report Page #	Recommendation #	Recommendation	Response	Action	Start Date	End Date	Percent Action Complete	Cabinet Member
INFORMATION TECHNOLOGY									
Finding 35: JCPS had no formal documented security policy and did not consistently follow informal procedures to grant access to MUNIS.	103-104			Access to MUNIS application and production server is an electronic process assigned based on the job duties of each employee role. Staff are not granted specific access beyond those necessary to perform their job duties. This process is governed by the personnel actions from Human Resources. Staff does not request access; access is assigned based on the position's role. Any form would be an unnecessary extra step.					Cordelia Hardin
		172	a) We recommend JCPS develop formal written procedures detailing the process for how all employees, including Central Office staff, initiate a request for access to the MUNIS application and production server.	Payroll Response - Written procedures are specified under section 3- System Security in the JCPS Payroll Overview document. These procedures are reviewed and updated as necessary. MIS Response - JCPS has, and continues to review and revise the server administration group memberships for JCPS-managed servers. Membership to the server administration group(s) for MUNIS has been revised to include only the necessary accounts.	Procedures will be linked to the appropriate board policy	Jul-14	Sep-14		
		173	b) All staff requiring access to the application and production server should complete a security form that details the level of access required, which should be approved by a supervisor or manager.	Payroll Response - JCPS' established procedure as specified in the JCPS Payroll Overview requires users at decentralized locations to complete a permissions form for access to the Time & Attendance system which must be approved by the cost center manager. End users are also required to complete a permissions form for access to MUNIS HR/Payroll which must be signed by the cost center manager and approved by the Chief Financial Officer.	Procedures will be linked to the appropriate board policy				
		174	c) These forms should be maintained by the MUNIS administrator in a format that can be readily accessed for internal or audit purposes.	Payroll Response - All security forms for MUNIS HR/Payroll and Time & Attendance are maintained and accessible for audit purposes.					
		175	d) Once developed, staff should be provided a copy of the procedures to ensure all users are aware of the process in place. These procedures should be reviewed and updated on a regular basis.	Payroll Response - All HR/Payroll staff have a copy of the JCPS Payroll Overview document. These procedures are updated each time there is a change and all staff are notified.					
		176	e) We also recommend that JCPS develop a matrix of access roles to be granted to specific Central Office positions and for the general roles stated on the access request form for other staff.	Payroll Response - JCPS uses MUNIS Role based security which corresponds with each user's position. JCPS will review all MUNIS roles and develop a formal matrix which reflects this established procedure.					
		177	f) If additional roles are identified as being needed beyond those documented within the matrix, these variations should be formally documented on the request with an explanation of necessity.						
		178	g) We further recommend JCPS perform a detailed review of the user and group accounts with more than inquiry access to the MUNIS application and production server and ensure these accounts are determined to be necessary for business.	Payroll Response - As stated in Section 10(a)(ii) of the JCPS Payroll Overview document, District Report #1820 is run to identify the status of each user and Time & Attendance access is removed from accordingly. A comparison report is also run weekly against MUNIS permissions to identify users who are inactive and MUNIS permissions are removed accordingly.					
		179	h) If accounts are not required, they should be disabled immediately.	Payroll Response - It is JCPS' procedure to immediately disable accounts which are not required.					

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	Report Page #	Recommendation #	Recommendation	Response	Action	Start Date	End Date	Percent Action Complete	Cabinet Member
INFORMATION TECHNOLOGY									
Finding 36: JCPS increased the risk of unauthorized system access by not properly configuring all agency machines.	104-105			At the time of the audit, JCPS was transitioning to new infrastructure. The legacy system in which the audit findings are grounded has since been retired. Additionally, an internal procedure should be created to document the process.					Mike Raisor
		180	a) We recommend JCPS ensure that all new infrastructure devices are consistently configured based on internally developed and KDE directed base-line configurations.	Agreed. JCPS uses Microsoft SCCM 2012 to image machines as they are brought into the district. JCPS publishes the Windows Updates approved	The internal procedure for such configuration will be formally documented and kept by the Director of MIS.	Jun-14	Sep-14	Ongoing	
		181	b) Any variations from the base-line configurations should be documented or logged showing the reason or justification for and management's authorization of the variance.	Agreed. JCPS uses Microsoft SCCM 2012 to image machines as they are brought into the district. JCPS publishes the Windows Updates approved by KDE using the WSUS servers resident in the district. These updates are consumed by the district computers.	The internal procedure for such configuration will be formally documented and kept by the Director of MIS.	Jun-14	Sep-14	Ongoing	
		182	c) Broadcasting of the services and associated versions running on infrastructure devices should be restricted unless it cannot be configured otherwise.	JCPS is committed to insuring that all server machines are configured to include only the necessary services as dictated by business reasons. JCPS utilizes Group Policy and Firewall settings locally and also when needed by KDE to insure only those ports that are needed are open and configured appropriately and used to meet business needs. Software is updated and controlled by JCPS and/or 3rd party vendors as applicable	The internal procedure for such configuration will be formally documented and kept by the Director of MIS.	Jun-14	Sep-14	Ongoing	
		183	d) Further, we recommend JCPS perform periodic reviews of all infrastructure devices to determine whether configuration changes have occurred. Any changes should be noted and validated.	Access to configuration of infrastructure devices are limited to a few designated staff in IT.	The internal procedure for such reviews will be formally documented and kept by the Director of MIS.	Jun-14	Sep-14	Ongoing	
		184	e) Finally, we recommend JCPS take the necessary actions to ensure the services and open ports on the machines identified within this finding have a specific business purpose.	JCPS is committed to insuring that all server machines are configured to include only the necessary services as dictated by business reasons. JCPS	The internal procedure for this security measure will be documented and kept by the Director of MIS.	Jun-14	Sep-14	Ongoing	
		185	f) If the service is necessary, it should be reviewed to ensure it is properly authorized, licensed, and configured as well as adequately secured.	JCPS is committed to insuring that all server machines are configured to include only the necessary services as dictated by business reasons. JCPS utilizes Group Policy and Firewall settings locally and also when needed by KDE to insure only those ports that are needed are open and configured appropriately and used to meet business needs. Software is updated and controlled by JCPS and/or 3rd party vendors as applicable	The internal procedure for this security measure will be documented and kept by the Director of MIS.	N/A		Ongoing	
		186	g) Any unnecessary services should be disabled or the associated ports should be closed	JCPS is committed to insuring that all server machines are configured to include only the necessary services as dictated by business reasons. JCPS utilizes Group Policy and Firewall settings locally and also when needed by KDE to insure only those ports that are needed are open and configured appropriately and used to meet business needs. Software is updated and controlled by JCPS and/or 3rd party vendors as applicable	The internal procedure for this security measure will be documented and kept by the Director of MIS.	N/A		ongoing	

	Report Page #	Recommendation #	Recommendation	Response	Action	Start Date	End Date	Percent Action Complete	Cabinet Member
INFORMATION TECHNOLOGY									
Finding 37: JCPS did not ensure all software is updated to reduce vulnerability.	105-106			There was no documented universal internal procedure for this security measure, however all JCPS managed software is updated regularly according manufacturers specifications.					Mike Raisor
		187	a) We recommend JCPS ensure procedures are consistently followed in order to update software timely to reduce the risk of known vulnerabilities.	Software is updated and controlled by JCPS or 3rd party vendors as applicable. JCPS also works with KDE and utilizes the WSUS servers to insure that server machines are updated with the latest OS patches as appropriate	The internal procedure for this security measure will be documented and kept by the Director of MIS.	1-Jun-14	1-Sep-14	ongoing	
		188	b) If software or hardware is outdated but must be retained due to other system requirements, a process should be established to document these instances, the reasoning behind this determination, and management's approval.	Hardware or software that is end of life, if required for business use, is sustained in an operational state based on specific business owner requests. Appropriate warranties are procured in such circumstances, if available. JCPS employs virtualization and other technologies to minimize the prevalence of outdated hardware and also to mitigate the risks associated with such systems remaining operational in a physical environment. Additionally, such systems are also isolated from the main production network where warranted to minimize and/or eliminate immediate threat to other production systems	The internal procedure for this security measure will be documented and kept by the Director of MIS.	1-Jun-14	1-Sep-14		

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INFORMATION TECHNOLOGY									
Finding 38: JCPS did not ensure all agency machines are properly configured to reduce the risk of enticing an unauthorized person.	106			At the time of the audit, JCPS was running legacy and new infrastructure in parallel. Since that time, we have transitioned the new infrastructure that utilized standard templates and imaging technologies to ensure consistency and security.					Mike Raisor
		189	a) We recommend the web service be reviewed to determine its necessity. If not required for business purposes, the web service port should be closed.	JCPS has since migrated to new infrastructure and software versions. Server machines are configured to include only the necessary services as	No action necessary.	Complete		100%	
		190	b) If required, the web page should instead be configured to display the homepage for the primary application or service that this web service provides or secured appropriately to prevent connection to a default or blank page.	JCPS has since migrated to new infrastructure and software versions. Server machines are configured to include only the necessary services as dictated by business reasons. Software is updated and controlled by JCPS and/or 3rd party vendors as applicable.	No action necessary.	Complete		100%	

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INFORMATION TECHNOLOGY									
Finding 39: JCPS implemented a weak, inadequate password policy for AD, MUNIS, and the TA and failed to ensure staff compliance.	107-108			JCPS recognized the need for enhanced password protection. In April, the board and superintendent were briefed on the matter and a taskforce created to address the issue.					Mike Raisor
		191	a) We recommend JCPS work with KDE to develop and formalize a password policy that includes requirements for a minimum length of at least eight characters; complexity that includes a number, capital letters, special characters, or ALT characters; expiration period of not more than 90 days; history of at least six previous passwords that cannot be reused; and the lockout of a user's account after no more than three unsuccessful attempts.	Agreed.	A phased approach of a password change procedure is currently being implemented for staff. A document procedure has been created and will reside in the centralize manual of procedures. Additionally, this procedure is automated throughout Active Directory.	6/1/2014	1-Nov-14		
		192	b) This policy should be applied to AD as well as all other applications used by JCPS.	Agreed.	See above.				
		193	c) We also recommend JCPS implement a standardized process to ensure regular password audits are performed.	Not needed due to the automation of the password procedure in Active Directory. Strong passwords are required to gain access automatically.	See above.				
		194	d) The identification of weak passwords should be shared with the user who is requested to create a new and stronger password.	Not needed due to the automation of the password procedure in Active Directory. Strong passwords are required to gain access automatically.	See above.				
		195	e) Results of these password reviews should be maintained for audit purposes.	Not needed due to the automation of the password procedure in Active Directory.					

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INFORMATION TECHNOLOGY									
Finding 40: JCPS did not train employees on IT security.	108			A standardized documented process, outside of the district's acceptable use policy, did not exist. A documented training regiment will be created.					Mike
		196	a) We recommend JCPS develop and formalize a security program that explains all employees' responsibilities related to network security.	Agree	A committee is being formed to perform a Gap Analysis and revise all security policies and protocols. Online training will be designed and a compliance tracking system will monitor completion. Furthermore, users will be locked out if non-compliant with the prescribed training.	7/1/2014	11/1/2014		
		197	b) Consideration of IT controls, at a minimum, should include acceptable use of network resources, physical and logical access security controls, program change controls, and business recovery.	Agree	Will be part of the process.	7/1/2014	11/1/2014		
		198	c) We also recommend JCPS require all Central Office staff, teachers, and administrators to have security awareness training on an annual basis.	Agree	Online mandatory yearly training classes will be created as part of the process.	7/1/2014	11/1/2014		
		199	d) JCPS should monitor this training to ensure all users are compliant and made aware of their role in securing JCPS student and network information.	Agree	Online tracking will ensure users are compliant with this policy.	7/1/2014	11/1/2014		

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INFORMATION TECHNOLOGY									
Finding 41: JCPS IT policies and procedures were outdated.	109			JCPS had identified the same and the board and superintendent were briefed on this information in April. A committee was formed to address the situation.	New policies will reside in the centralized manual of procedures.				Mike Raisor
		200	a) We recommend that all JCPS IT policies and procedures be thoroughly reviewed and updated to reflect current processes and procedures. These should be detailed, complete, and approved by management.	Agree	A committee is being formed to perform a Gap Analysis and revise all IT policies and protocols.	8/1/2014	12/1/2014		
		201	b) These documents should be kept current and communicated to staff to ensure all key staff is aware of their responsibilities. Staff should also be trained to ensure they comply with established policies.	Agree	Will be part of the process.	8/1/2014	12/1/2014		
		202	c) The updated policies and procedures should replace the outdated ones currently on the JCPS website.	Agree	Will be part of the process.	8/1/2014	12/1/2014		
		203	d) We recommend IT management formally assign staff the responsibility to establish a schedule to ensure policies are consistently reviewed in a routine and timely manner.	Agree	Will be part of the process.	8/1/2014	12/1/2014		
		204	e) We further recommend that a documented process be developed for recommendations of new or updated policies to be reviewed, finalized, and implemented within a determined period.	Agree	Will be part of the process.	8/1/2014	12/1/2014		

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INFORMATION TECHNOLOGY									
Finding 42: JCPS did not properly segregate data processing from security administration over the TA and MUNIS applications.	110			The Payroll Department staff are end users of the MUNIS and Time & Attendance systems. Therefore, are most familiar with the appropriate access for each user request. In addition, the Payroll Department works closely with Tyler Technology of system support. Therefore, it is critical this access is maintained within the Payroll Department.					Mike Raisor
		205	a) We recommend JCPS review the current job duties of the individual(s) performing the security administrator and data processing functions within MUNIS and TA applications, and determine how these job functions can be redistributed among staff to ensure a proper segregation of duties.	Primary security maintenance is administered by two Payroll staff who do not process payroll transactions. All transactions including modifications to permissions are tracked by user in the MUNIS system id via audit history. In addition, audit reports are run against the live payroll to identify updates made by Payroll staff. To further segregate duties, JCPS paid Tyler Technologies for an enhancement for Field Level Security to insure Payroll staff had access to non-pay related fields.	No action needed			100.00%	
		206	b) Alternatively, we recommend the security administration duties over MUNIS and TA applications be moved to the central technology group.	Disagree. It is critical that is managed by payroll.	No action needed			100.00%	

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INFORMATION TECHNOLOGY									
Finding 43: JCPS did not have a complete written Disaster Recovery Plan or Business Continuity Plan, and Backups are not stored off-site.	110-112			Infinite Campus and MUNIS provide JCPS with Disaster Recovery services. The district additionally backs up MUNIS data and the catalog is stored in the cloud. Individual systems and departments have their own plans. However a complete, comprehensive disaster recovery plan does not exist.					Mike Raisor
		207	a) We recommend JCPS continue work to develop and finalize a DRP/BCP for all of JCPS and make this project high priority for relevant IT staff. A DRP/BCP should include the following: • identify key emergency personnel involved in the DRP/BCP and contact numbers or other information for these personnel; • identification of critical systems and data; • designation of recovery time for each critical system (24 hours, 3 days, 1 week, etc.); • identification of off-site facilities to be used in emergencies, including off-site personnel and contact numbers; • listing of vendor contacts with whom agreements have been made for obtaining emergency equipment and software replacement; • procedures to be followed for recovery of critical systems and data; • alternate business procedures to be followed in case of extended disruption of IT systems and/or the inability to use normal facilities; and • references to outside DRP or BCP plans, such as the one with the MUNIS vendor.	Agreed. JCPS will continue to assess and identify the risks specific to the district's disaster recovery needs and the outcome of this study will be used to identify and promote initiatives required to address the same	After an analysis an updated specific detailed, disaster recovery plan will be created and housed confidentially due to the sensitive nature of this material.	6/15/20014	6/15/2015		
		208	b) Backup procedures should include the following: • procedures to create backup copies and the frequency of backups; • number of backup versions to be maintained; • on-site and off-site storage locations and contact personnel and numbers; • schedule of moving backups off-site; • retention periods for critical data; and • key personnel responsible for backup procedures.	Agreed, as feasibility and practicality dictate.	JCPS will incorporate backup procedures as suggested and the same shall become part of the DR plan when initiated by the district	6/15/20014	6/15/2015		
		209	c) We also recommend the DRP/BCP and backup procedures be distributed to key personnel responsible for this process, and those personnel be trained in their specific responsibilities.	Agreed.	During the creation and after the completion the of the DR plan, key personnel will be trained in their specific responsibilities. A manual will be created and distributed to key personnel.				
		210	d) These plans and procedures should be updated regularly as staff, systems, and data change, and key personnel should be notified of applicable changes.	Agreed.	As part the plan, annual trainings and drills will be outlined.				
		211	e) Further, we recommend DRP and backup procedures be tested regularly to ensure data can be recovered and systems resume functionality in the established timeframe.	Agreed.	As part the plan, annual trainings and drills will be outlined.				
		212	f) Documentation of the results of these tests should be retained and available for management review.	Agreed.	Documentation of DR drills and trainings will be housed with the Chief Operations Officer / designee.				

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INFORMATION TECHNOLOGY									
Finding 44: JCPS did not document written change management procedures explaining how to retrieve, test, and implement updates and upgrades to MUNIS.	112-113			For many years, JCPS has had written procedures and check lists for all MUNIS upgrades, including testing dates, departments assigned to do this testing, and process steps to implement the upgrade. MUNIS updates are processed through a download process and documentation is provided by MUNIS on the change and process to download an update which is different than the upgrade to another version of MUNIS.					Cordelia Hardin
		213	a) We recommend JCPS develop written procedures detailing the process by which updates and upgrades to MUNIS are obtained, tested, and implemented in production.	We have a project manager with Tyler Technologies who leads the version upgrades. There are weekly meetings to review outstanding issues in the MUNIS system. Every outstanding item has a ticket number assigned by Tyler and tracked electronically.	no action required			100%	
		214	b) Included within these procedures, users should specifically be required to review the upgrade documentation for security permission changes and ensure proper testing is performed to identify any permission modifications necessary to adhere to JCPS business processes.		no action required			100%	
		215	c) These procedures should explain the process for submitting a HEAT ticket if additional issues are experienced after testing has been completed.	HEAT tickets are not applicable to the MUNIS testing system. Issues are submitted through the TYLER/MUNIS support system.	no action required			100%	
		216	d) These procedures should be reviewed and updated on a regular basis. This documentation should be maintained for internal management and audit purposes.						

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INFORMATION TECHNOLOGY									
Finding 45: JCPS did not maintain a current version of the Request For Purchase Order Maintenance Change Notice/Vendor Change form online.	113								Cordelia Hardin
		217	a) We recommend the updated Request For Purchase Order Maintenance Change Notice/Vendor Change form, which provides for an authorizing signature, be placed on the JCPS website.	The "Request for Purchase Order Maintenance Change Notice/Vendor Change" form has been updated to include a Cost Center Head signature line, and has been placed on the JCPS website.	The updated form has been placed on the JCPS purchasing website for all staff to access. The update form was distributed to all users on January 8, 2014, and placed on the website.	Jan-14	Jan-14	100%	
		218	b) Also, affected staff should be made aware of the change to the form to ensure they obtain Cost Center Director approval prior to submitting a PO change.		Email was sent to appropriate staff of the change to the "Request for Purchase Order Maintenance Change Notice/Vendor Change" form and the requirement of the Cost Center Head's signature before submitting the form for a PO change. Any form received without the proper approval will be returned without processing.	Jan-14	Jan-14	100%	
		219	c) Further, staff entering changes into MUNIS from these forms should ensure the Cost Center Director approval is documented on the form prior to processing.		JCPS Purchasing and Accounts Payable staff will be informed that the "Request for Purchase Order Maintenance Change Notice/Vendor Change" form must bear the Cost Center Head's signature approving any PO changes prior to such changes being processed	Jun-14	Jun-14	100%	