

Attachment B

Status of Significant Findings from Previous Audits - as of December 31, 2017

Area	Report Date	Summary of Findings	Status/Notes
Findings Fully Addressed			
School Bookkeepers	n/a	We recommend that management consider centralizing the bookkeeping department. The centralized bookkeeper department would be overseen by the Accounting Department and/or could be outsourced or co-sourced with a third party. Centralizing this function could reduce payroll costs and would significantly reduce the costs of recruiting, hiring, supporting and training bookkeepers.	Management hired Lori Dench for a new position to consolidate bookkeeper support in the accounting department. This position became effective in July 2017 and includes training, assisting, and supporting the bookkeepers as well as managing the EPES system. Management will assess the performance and effectiveness of this position as well as the need to expand the responsibilities (ie, coordinating temporary assistance, hiring, etc.).
Findings Partially Addressed and Expected to be Remediated in Near Term			
Information Technology	5/2/2016	We identified several serious EPES security control deficiencies that need to be addressed.	Substantial improvements, including separate administrator log-ins for each user and refined user permissions and restrictions, were made in the prior year. Further control improvements were to be made after the June 30, 2017 year end financial information was closed out and in conjunction with the new bookkeeper support position (see above). Internal Audit will test the system in March to ensure such control improvements were properly implemented.
Findings In Process of Being Addressed			
Boosters Organizations and Student Activities	n/a	We have noted several violations by booster organizations and/or various student activities (i.e., sports teams, cheerleaders, and band) of JCPS policies related to fundraisers, fees and other matters. We recommend that JCPS review best practices of its peer group to determine if policies should be changed regarding booster organizations and monitoring of student activities.	Eddie Muns has gathered information from various peer districts to see how they are managing activity funds and booster clubs. Internal Audit will perform audits of various fundraisers and booster organization in March accordance with the Internal Audit Plan. When these audits are completed then JCPS will review the results and determine the next course of action.
Ethics Training	n/a	We recommend that management consider implementing a mandatory ethics training for all JCPS employees. We have provided management with various options on training programs.	Management has developed an "Ethics Policy Committee" that has been working on developing a Code of Ethics for the District. Management is planning on presenting the Code of Ethics to the Board for approval. Once approved, then training will be provided. Training will include new hire training and a mandatory annual web-based training incorporated into the current training provided by Compliance and Investigations related to compliance and harassment.

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Recommendation Considered and Not Implemented			
Risk Management Committee	n/a	We recommend the formation of a Risk Management Committee to review and assess various risks of the District.	Management has researched Risk Management Committee examples through other school districts and other organizations, including obtaining input from their insurance companies. Management has internally discussed this matter and has also discussed it with the newly formed Finance Advisory Board Committee. Management has determined that significant risks of the District are currently being identified and addressed and there is no need to form a separate Risk Management Committee.