

3/13/2018 Board Meeting

XI.R. Recommendation for the Creation of an Audit and Risk Management Advisory Committee

Board Policy 01.22 states:

The Board may establish committees when deemed necessary by the Board. These committees shall serve in an advisory capacity and may not take action to bind the Board. All Board committee meetings shall be subject to the Kentucky Open Meetings Act.

Many organizations of the size and scale of the Jefferson County Public Schools – public and private – have implemented audit and risk management committees to assist management and the Board with the recommendations and improvement of enterprise risk management practices.

To further the strategic and financial success of the school district and to ensure that risks to the school district's vision and mission are identified and well managed, it is essential to provide strong, deliberate focus on financial and risk management issues. A committee consisting of independent experts with the expertise in financial, operational, and risk management experience will support management and advise the Board in its decision-making capability.

The JCPS Audit and Risk Management Advisory Committee shall be an advisory committee of the Board of Education. The establishment of the advisory committee charter will be brought to the Board as an action item at a later date.

Submitted by: Acting Superintendent Dr. Martin Pollio

Recommended Motion

Acting Superintendent Martin Pollio recommends the Board of Education establish an Audit and Risk Management Advisory Committee, and appoint members of the committee at a future meeting upon the recommendation of the Chairperson of the Board of Education.

The JCPS Audit and Risk Management Advisory Committee shall coordinate administratively with the Superintendent of Jefferson County Public Schools or his designee, and will coordinate its work plan with the Chairperson of the Board of Education.

6/12/2018 Board Meeting

A motion was made to amend the Meeting Agenda so that Item XI.X. will state:
Recommendation for approval of the Audit and Risk Management Advisory Committee Charter,
and remove the words: *and appointment of initial committee members* from that agenda item
passed with a motion by Mr. Chris Brady and a second by Dr. Lisa Willner.

XI.X. AMENDED: Recommendation for Approval of the Audit and Risk Management Advisory
Committee Charter

On March 13, 2018, the Board approved the establishment of the Audit and Risk Management
Advisory Committee and directed that a committee charter and the appointment of initial
members be brought forward for Board consideration at a later date.

Board Policy 10.2 establishes principles for advisory committees, which include the following:

- The Board shall appoint membership which is broadly representative of the community.
- The duties, operational guidelines, and expectations of the committee shall be outlined at the time of formation of the committee.
- The Board shall appoint the Chairperson and co-Chairperson.
- Recommendations of the committee shall be based on appropriate research and facts.
- All recommendations shall be submitted to the Board.

Approval of this item fulfills the direction of the Board on March 13, 2018, and conforms to
advisory committee principles in Board Policy 10.2.

Submitted by: Superintendent Martin Pollio on behalf of the Board

Attachment

Amended 6/12/18

Attachments

- AUDIT AND RISK MANAGEMENT ADVISORY COMMITTEE CHARTER
- Keith Davis
- Rhonda Mitchell
- James Rose



JEFFERSON COUNTY PUBLIC SCHOOLS AUDIT AND RISK MANAGEMENT ADVISORY COMMITTEE CHARTER

This Charter ("Charter") sets forth the guidelines, duties and responsibilities that govern the operation of the Audit and Risk Management Advisory Committee ("Audit Committee") of the Jefferson County Public Schools ("JCPS") as approved by the Jefferson County Public Schools Board of Education ("Board").

I. Purpose

The Board has established the Audit Committee to serve in an expert advisory capacity to assist the Board in the oversight of risks impacting the financial and strategic objectives of JCPS. The role of the Audit Committee shall be advisory in nature and any recommendations it provides to the Board shall be subject to review and approval by the Board.

The Audit Committee shall assist the Board in fulfilling the Board's financial and risk management oversight responsibilities by advising the Board on:

- The integrity and presentation of financial statements and operational reporting;
- The qualifications, independence, and performance of the independent external auditors and the JCPS internal audit function;
- The system of internal controls including procedures for detecting fraud, waste, and abuse;
- Adequacy of the JCPS strategic and operational risk management processes;
- JCPS compliance with laws and regulations;
- Adequacy of JCPS investigations processes;
- JCPS ethics, values and culture; and
- Other matters as directed by the Board.

II. Authority

The Audit Committee shall have all the necessary authority to fulfill its responsibility under this Charter and the Board's resolutions including access to JCPS information, records, facilities and staff. The Audit Committee shall receive the same access to privileged and confidential information that it needs to know to fulfill its responsibilities as is afforded the Independent External Auditor, Internal Auditor, and members of the Board and shall abide by any confidentiality requirements and expectations of JCPS employees and the members of the



Board. Members of the Committee shall be required to execute any appropriate confidentiality agreements as well as complete any annual compliance training similar to that required of the members of the Board.

Management of JCPS, the Internal Auditor, and the External Auditor will provide updates to the Audit Committee on significant risk management, compliance and internal control matters in a proactive and timely manner.

The members of the Internal Audit function – including outsourced members, the Independent External Auditors, and JCPS management – shall have unrestricted access to the Audit Committee.

As an expert advisory body, the Audit Committee shall have no management decision-making responsibility, executive authority or operational responsibilities.

III. Meetings and Rules of Procedure

The Audit Committee shall meet at least quarterly, or more frequently as circumstances may dictate. Meetings may be called by the Chairperson of the Board or the Chairperson of the Audit Committee. A majority of members of the Audit Committee shall constitute a quorum for any meeting.

All recommendations from the Audit Committee to the Board shall be reached by consensus of those members present at the meeting. Consensus is defined as an acceptable solution that all can agree to support. If consensus cannot be reached, then any recommendations shall be reached by vote of a simple majority of the Committee members present at the meeting and the various perspectives of the members conveyed to the Board.

The Audit Committee Chairperson will prepare or approve an agenda in advance of each meeting. Minutes shall be prepared and maintained for each Audit Committee meeting. The Audit Committee shall be subject to the Kentucky Open Meetings Law and shall follow all other rules, regulations or policies outlined by the Board or required by statute. Adherence to such rules shall include during executive sessions – when permitted by the Kentucky Open Meetings Law – with the External Auditor, Internal Auditor, or members of management.

To fulfill this Charter and undertake its work, the Audit Committee may establish rules of procedure so long as those rules do not conflict with this Charter or Board policies.



IV. Composition

Members of the Audit Committee shall be appointed by the Board, including the Committee's Chairperson and Vice-Chairperson. Members of the Audit Committee collectively shall possess knowledge in accounting, external auditing, internal auditing, governmental fund accounting, financial reporting, operational risk management, and strategic risk management. At least half of the members shall be residents of the Jefferson County Public Schools district and at least one member shall be considered a financial expert as determined by the Committee. The Committee shall be made up of five or seven members unless otherwise directed by the Board and membership shall be balanced to the full extent practical for gender, diversity, and public- and private-sector experience.

Each member shall:

- Have or acquire rapidly an understanding of the strategy of JCPS and its mission and governance,
- Be independent of JCPS during their membership, and shall have not been employed by JCPS or have been a member of the Board for the three years prior to their appointment,
- Serve in their personal capacity and shall not seek or accept instructions regarding their work on the Audit Committee from any specific organization or interest group, and
- Not hold positions with companies that maintain a significant business relationship with JCPS or otherwise engage in activities that might impair, or appear to impair, their independence in carrying out the functions as members of the Audit Committee.

After the initial appointment of members by the Board, the Audit Committee shall recommend future members to the Board for their consideration and appointment to the Audit Committee. Recommended terms shall not exceed three years and shall be staggered to minimize the impact to the Audit Committee from member turnover. Members shall generally not be recommended for more than two consecutive terms. The Audit Committee shall make its recommendations for new members after consulting with the Board Chairperson and Superintendent.

V. Duties and Responsibilities

The primary function of the Audit Committee shall be to assist the JCPS Board of Education in fulfilling its financial and risk management oversight responsibilities. The Board, Superintendent, and the JCPS Finance Department shall remain ultimately responsible for the fair presentation of the financial statements and required disclosures, and for obtaining and monitoring the financial statement audits. The Audit Committee shall foster adherence to, and encourage continuous improvement opportunities for JCPS' policies, procedures, and practices



and provide an open avenue of communication between the External Auditor, Board, Superintendent, and appropriate employees in the JCPS Finance Department.

At all times the Audit Committee shall strive to eliminate redundancy in reporting and oversight by coordinating its activities with the Board Chairperson and Superintendent and utilizing as appropriate the oversight activities of other internal or external entities reviewing JCPS.

The Audit Committee's primary areas of responsibility include, but are not limited to, advising the Board on:

- 1) The integrity and presentation of financial statements and operational reporting.
 - a) Review and provide advice on the Consolidated Annual Financial Report as well as other key financial and operational reports.
 - b) Review and provide advice on the basis of accounting and significant accounting policies.
 - c) Meet privately with the Chief Financial Officer and Legal Counsel to discuss any matters that –when permitted by the Kentucky Open Meetings Law – may be afforded private consultation.
- 2) The qualifications, independence, and performance of the independent external auditors.
 - a) Advise on the reports of the independent external auditors.
 - b) Advise on the procurement process and selection of the independent external auditors.
 - c) Evaluate the efforts of the independent external auditor, including the auditor's actual independence and professional qualifications.
 - d) Advise on the appropriateness of the independent external auditor's engagement plan.
 - e) Meet privately with the independent external auditor to discuss any matters that – when permitted by the Kentucky Open Meetings Law – may be afforded private consultation.
- 3) The qualifications, independence, and performance of the JCPS internal audit function.
 - a) Advise on the processes for procurement, recruiting, selection, and performance review of the head of internal audit.
 - b) Be informed promptly of any actions taken by the JCPS superintendent regarding the hiring, termination, or modification of the terms of reference or compensation of the head of internal audit.
 - c) Review and provide advice on the adequacy of resources afforded the internal audit function and the adequacy of the internal audit work plan.
 - d) Review and advise on the reporting from the internal audit function.



- e) Meet privately with the head of internal audit to discuss any matters that –when permitted by the Kentucky Open Meetings Law – may be afforded private consultation.
- 4) The system of internal controls including procedures for detecting fraud, waste, and abuse.
 - a) Review comments and evaluations from management, auditors, and external regulators and consultants on the system of internal controls.
 - b) Review and advise on the adequacy of management follow-up on deficiencies in internal controls.
 - c) Review and advise on the cost/benefit of proposed recommendations and the adequacy of the root cause analysis leading to those recommendations.
- 5) Adequacy of the JCPS strategic and operational risk management processes.
 - a) The Audit Committee shall serve as the Board’s primary expert advisor on determining whether enterprise risks are identified and tracked by management.
 - b) Meet individually with the JCPS Superintendent, his/her Cabinet members, or other members of management as necessary to discuss key risks, risk appetite setting, and risk mitigation strategies.
 - c) Review and advise on the adequacy of risk oversight and mitigation that aligns to the Board’s level of risk appetite.
- 6) JCPS compliance with laws and regulations.
 - a) Review comments and evaluations from management, auditors, external regulators and consultants, and Legal Counsel on matters regarding compliance with laws and regulations.
- 7) Adequacy of JCPS investigations processes.
 - a) Review comments and evaluations from management, auditors, and external regulators and consultants on the processes for managing investigations.
 - b) Meet with Internal Audit, Compliance and Investigations, and Security and Investigations as necessary to understand their processes.
 - c) Assess the adequacy of capturing and triaging hotline complaints.
- 8) JCPS ethics, values and culture.
 - a) Review comments and evaluations from management, auditors, and external regulators and consultants on JCPS ethics, values and culture to the extent they impact the overall level of enterprise risk and system of internal controls.
- 9) Other matters as directed by the Board.
 - a) Maintain ongoing line of communication with the Chairperson of the Board.

VI. Reporting Requirements



The Audit Committee Chairperson or Vice-Chairperson shall communicate the Audit Committee's activities and recommendations if any to the Board Chairperson and Superintendent after each Audit Committee meeting. The Audit Committee Chairperson shall coordinate with the Board Chairperson the timing of updates to the Board which shall occur at a Board meeting or working session. Such updates shall occur at least twice a year.

The Audit Committee as a whole shall provide an annual written report to the Board. The annual report shall:

- 1) Describe how the Audit Committee fulfilled its obligations under this Charter,
- 2) Describe any significant recommendations the Audit Committee has made to the Board or management,
- 3) Describe the degree to which recommendations from the Audit Committee have or have not been resolved,
- 4) Report on the Audit Committee's review of the annual audit report and any communication from the independent external auditor including any accompanying management letter or significant findings,
- 5) Report on significant internal control deficiencies, deficiencies in the enterprise risk management program, or concerns regarding fraud, waste or abuse,
- 6) Report on indications of material or significant non-compliance with laws, policies, procedures or regulations,
- 7) Report on any other matters that the Committee believes should be disclosed to the Board, and
- 8) Report on the review of the adequacy of this Charter including any recommendation for the Board to amend this Charter.

VII. Administrative Arrangements

Members of the Audit Committee shall provide their services pro bono. The Office of the Superintendent shall provide administrative support to the Audit Committee in addition to



functional support (to include but not be limited to review of proposed agenda and coordination of action items and requests) provided by the designated head of Internal Audit.

61716756.1

Keith Davis

346 River Edge Drive
Shepherdsville, Kentucky 40165
Keithdavis1000@gmail.com
502-744-7500

EDUCATION

- | | |
|--|-------------------------|
| Doctor of Education | December, 2017 |
| • Educational Leadership and Organizational Development | |
| <u>University of Louisville</u> | Louisville, Kentucky |
|
School Financial Management |
May, 2003 |
| • Certificate – Gatton College of Business and Economics | |
| <u>University of Kentucky</u> | Lexington, Kentucky |
|
Superintendent Certification |
May, 2000 |
| • Educational Leadership | |
| <u>University of Louisville</u> | Louisville, Kentucky |
|
Rank I and Certification |
August, 1994 |
| • Middle School Principalship | |
| • <u>Western Kentucky University</u> | Bowling Green, Kentucky |
|
Master of Arts in Education |
August, 1991 |
| • Middle Grades Education | |
| <u>Western Kentucky University</u> | Bowling Green, Kentucky |
|
Bachelor of Science |
May, 1990 |
| • Middle Grades Education (Mathematics and Social Studies) | |
| <u>Western Kentucky University</u> | Bowling Green, Kentucky |

LICENSURE & ENDORSEMENTS

- Professional Certificate for Instructional Leadership - School Superintendent
- Professional Certificate for Instructional Leadership - Middle Grade School Principal
- Middle School Teaching Field: Mathematics
- Middle School Teaching Field: Social Studies

Keith Davis

EMPLOYMENT

Superintendent
Bullitt County Public Schools

July, 2007 to July, 2018
Shepherdsville, Kentucky

- Fully responsible for the operational success of the 7th largest school district in Kentucky
- From 2007 to present, our scores on state assessment system moved from the 21st percentile to Proficient the last four cycles. College/Career Readiness percentage will top 90% for 2017. We have accomplished similar results on other metrics of academic achievement
- Implemented a successful communication program including a weekly Board Update, district web presence, Infinite Campus parent portal and messenger, e-newsletters, monthly editorial columns, District Assembly, teacher web pages, Facebook, & physical and virtual suggestion boxes
- Focused district work around student learning by implementing Leadership Team Meetings, Professional Learning Communities, Professional Learning Days, Leadership Training week, and focus on student learning data
- Focused attention on high ability learners by creating Bullitt Advanced Math & Science Program, the 12X12 dual credit program, the College Credit Advanced Placement program, a STEM-focused middle school Discovery School program, strongly promoted Gatton Academy and Craft Academy for Math and Science, and reformed the Gifted & Talented Program
- Revamped the Bullitt Alternative Center, created the Career Readiness Center, increased career pathways and alignment at the high schools, and made college or career readiness a requirement for graduation
- Instituted a coordinated response to intervention program using longitudinal district-wide student data, including norm referenced assessments and school administered common assessments
- Successfully completed construction of 3 new elementary schools and major renovations at 8 other schools, major additions at 3 high schools, as well as the state's two largest-to-date single contract Energy Performance Contracts, cosmetic renovations at the Area Technical Center, and complete reconstruction of 3 track and field facilities

Assistant Superintendent
Business Administration & Finance
Bullitt County Public Schools

July, 2000 to July, 2007
Shepherdsville, Kentucky

- Strictly managed a budget in excess of \$90 million, increasing reserves from emergency levels to satisfactory levels in four years
- Ensured timely payment of salaries and outstanding invoices
- Responsible to Superintendent for financial position of the school district
- Compliance with statutes and regulations
- Evaluation of Directors, Principals, and classified Support Staff

Keith Davis

- Advised Superintendent and Board on a wide range of issues as requested
- Served on District Improvement Planning Committee, Energy Committee, Facilities Planning Committee, Contract Negotiating Committee

Principal
Hebron Middle School

August, 1999 to July, 2000
Shepherdsville, Kentucky

- Personnel supervision and evaluation – Observe and evaluate over 60 certified and classified staff members
- Budget development and administration – Develop and administer school SBDM budget, internal accounts, funds for textbooks, extended school services, professional development, Title VI, and vocational funds
- Scheduling and management of school activities – Develop master school schedule and schedules for lunch, athletics, programs, field trips, and innumerable day to day activities
- Curricular leadership – Review and provide feedback on all lesson plans, provide leadership in the implementations of Accelerated Reader program, the “Hebron Canon,” and the Advisory Program, and provide information on research-based practices to aid teachers in curricular improvement
- School improvement planning – Provide for the completion of the consolidated school improvement plan, lead review and analysis of assessment results, provide structure and guidance to the school’s current improvement efforts, and developing a structure and forum for ongoing content area improvement
- Addressing concerns – Constantly consulting and assisting in the solution of every imaginable problem that arises from the day-to-day operation of a school serving over 700 early adolescents, their parents, and community

Assistant Principal
Hebron Middle School

April, 1996 to August, 1999
Shepherdsville, Kentucky

- Special Education - SBARC Chairman, scheduling, and administration
- School supervision and discipline - Maintenance of school environment conducive to proper learning; management of office referrals, In-School Alternative Program, detention, and juvenile court interventions
- Textbooks - Assembling textbook committee, completing textbook purchasing plan, budgeting, inventory, distribution, and fine collection
- Attendance - Formulation and implementation of attendance plan, attendance incentive program, and truancy referrals
- School Technology - School Technology Committee Chairman, preparation of school technology plan, and assembly and maintenance of computers and printers

Teacher
Butler County Middle School

December, 1991 to March, 1996
Morgantown, Kentucky

- Teacher of 8th grade Mathematics and U.S. History

Keith Davis

- Team Leader - Scheduling, discipline, and management of team
- Girls Basketball Coach
- Chess Team Coach
- Academic Team Coach
- Member, Site-Based Decision Making Council

SERVICE

- Bullitt County Court Appointed Special Advocates (CASA) – Board of Directors, 2017-2018
- Kentucky Association of School Superintendents – Legislative Committee, 2016-Present
- National Air & Space Education Institute – Board of Directors, 2015 - 2016
- Ohio Valley Educational Cooperative Chairman, 2012-2014
- Local Superintendents Advisory Council, 2012-Present
- Bullitt County Chamber of Commerce – Board of Directors, 2008-Present
- Kentucky Association of School Administrators Legislative Affairs Committee, 2009-2011 & 2014-2016
- Bullitt County YMCA – Steering Committee, 2013-15
- Local Candidate Forum Committee, 2014-15
- Work Ready Communities Co-Chair, 2013-Present
- Advisory Committee – Bullitt County Metro United Way, 2003-06
- Kentucky Educational Professional Standards Board Task Force to Review Superintendent Preparation Programs, 2012
- Kentucky School Boards Association Policy Committee, 2009-Present
- University Medical Center Board of Directors, 2008-2012
- Jewish Hospital Community Advisory Board, 2008-12
- Arla Education Foundation, 2008-12
- Treasurer – Kentucky Middle School Association 1998-2001

PROFESSIONAL ASSOCIATIONS

- Kentucky Association of School Administrators
- Kentucky Association of School Superintendents
- American Association of School Superintendents

HONORS/AWARDS

- F.L. Dupree 2018 Outstanding Superintendent Award -- Kentucky School Board Association
- Citizen of the Year - 2018 - Bullitt County Scottish Rite of Freemasonry
- Community Change Agent Award, December 2017 – University of Louisville Department of Educational Leadership, Evaluation, and Organizational Development
- Barbara Cahoe Memorial Award 2017 – Bullitt County Chamber of Commerce

Keith Davis

- Sergeant Darin Potter Leadership & Citizenship Award 2017 – NBHS Army JROTC
- NAGC/Ball State Administrator Award 2015 – National Association for Gifted Children
- Service & Advocacy Award 2013 - Kentucky Association for Gifted Education
- Dean's Award 2003 – Gatton College of Business and Economics
- Scottish Rite Fellowship for Doctoral Study
- Summer Scholarship for School Administrators - Kentucky Association of School Administrators
- Historian & Secretary - Phi Delta Kappa, Epsilon Kappa Chapter

COURSES TAUGHT

University of Louisville

ELFH 667: Instructional Planning for Student Learning and Achievement -- Summer 2018

Bellarmino University

EDAD 711: Financial, Legal, and Ethical Responsibilities of the Principal - Summer 2016.

PUBLICATIONS & PRESENTATIONS

- Bullitt County Public Schools' New Teacher Recruitment and Induction Program. Kentucky School Leader – Spring/Summer 2017
- Education Professional Standards Board –Testimony to Amend Regulation on Career & Technical Education Certification with Education Commissioner and Secretary of Workforce Development – April 12, 2017
- Kentucky Association of Gifted Education – Panel Presentation on Gifted Programs – February 27, 2017 and February 26, 2018
- KentuckianaWorks Board Presentation – College/Career Readiness in Bullitt County Schools – November 17, 2016
- LEAD Greater Louisville Inc. – Vision, Progress, and Challenges for Bullitt County Schools – October 12, 2015
- Bullitt East High School – School of Distinction Ceremony Remarks to Student Body – November 24, 2015
- Institute of School Finance – Top 10 Things a New Superintendent Should know about School Finance – March 2013
- Kentucky Association for School Administrators Summer Institute – How Bullitt County Public Schools are Using Formative Assessment to Change Instructional Practices – 2010

Rhonda M. Mitchell

4017 Mulberry Row Way • Louisville, Kentucky 40299
Rmitche@me.com • (502) 417-1936

SUMMARY

Seasoned professional with over twenty years of experience in accounting and corporate compliance for diverse industries. Problem-solver with expertise in internal auditing, risk management, Sarbanes-Oxley compliance, financial analysis and reporting, general ledger accounting, state and federal compliance regulations, project management, compensation administration, as well as written and verbal communication. Strong technical skills with Microsoft Office Products, Apple Products, numerous accounting and auditing software packages, as well as company-based claims processing platforms and income tax software packages. Proven record of superb customer service, achievement across multiple functions, and exceptional managerial oversight.

PROFESSIONAL EXPERIENCE

PASSPORT HEALTH PLAN, INC., Louisville, Kentucky

2012 - Present

University Health Plan, d/b/a Passport Health Plan, is a non-profit, community based health plan that service Kentucky's Medicaid and Medicare Special Needs populations.

Internal Audit Director

05/2014 – Present

Responsible for the oversight of the Internal Audit function that performs financial, strategic, compliance and operational audits to review and assess the efficiency and effectiveness of Company's systems, programs and procedures; and champions the Enterprise Risk Management program.

- Ensures financial, strategic, compliance and operational audits are performed to review and assess the efficiency and effectiveness of internal controls throughout Passport Health Plan and its subcontractors.
- Provides for the independence of the internal audit function; the Internal Audit Director, also considered the Chief Audit Executive, reports administratively to the Chief Financial Officer and functionally to the Audit Committee of the Board of Directors.
- Conducts an assessment on the adequacy and effectiveness of Passport's processes for controlling its activities and managing its risks in the areas set forth under the mission and scope of work.
- Reports significant issues related to the processes for controlling the activities of Passport and its affiliates, including potential improvements to those processes, and provide information concerning such issues through resolution.
- Oversees the organization's annual internal audit planning process.
- Coordinates audit work for Internal Auditors and provides training for new auditors.
- Establishes the scope of work necessary to meet audit objectives. Determines records and/or activities to analyze, and the extent of tests to apply.
- Prepares detailed reports of findings and develops solid recommendations and alternative solutions to issues identified during the audit.
- Coordinates the execution of the Model Audit Rule Program and the Own Risk and Solvency Assessment.
- Facilitates the implementation and ongoing execution of the Enterprise Risk Management Program.
- Coordinates the communication of Enterprise Risk Management methodologies, tools and techniques with the Passport staff.
- Maintains and refines the Enterprise Risk Management Framework, and evidence to support its effectiveness.
- Oversees enterprise-wide risk reporting and dashboards that are available to business areas and management.

Internal Audit Manager

12/2011 – 05/2014

Designed, developed, and implemented the Internal Audit Function for Passport Health Plan and implemented the Model Audit Rule Program.

- Established the scope of work necessary to meet audit objectives. Determines records and/or activities to analyze, and the extent of tests to apply.
- Coordinated with and provide oversight of other control and monitoring activities (risk management, compliance, security, legal, ethics, environmental, external audit).
- Reported significant issues related to the processes for controlling the activities of PHP and its affiliates, including potential improvements to those processes, and provide information concerning such issues through resolution.
- Provided information periodically on the status and results of the annual audit plan and the sufficiency of audit resources.

HUMANA, INC., Louisville, Kentucky

2005 - 2011

Humana, Inc. is a fortune 100 company and one of the nation's largest publicly traded health benefits companies that provides innovative healthcare solutions to employer groups, government-sponsored plans and individual consumers.

Compliance Manager, CMS Contract Management Unit

05/2010 – 12/2011

Communicates statutes and regulations released by the Centers for Medicare and Medicaid Services to Senior Products functional areas to ensure compliance with federal requirements.

- Lead a team of eight Implementation Advisors responsible for working with functional areas to assess and implement new and revised guidance from federal regulatory agencies
- Managed the central repository of evidence collected during implementation activities
- Initiates, manages, and tracks corrective actions necessary to ensure compliance with Medicare requirements
- Participated in external audits conducted by state and federal regulatory agencies
- Developed and maintained key relationships with corporate and industry leaders
- Liaison between business areas and Corporate Compliance functions
- Reported department activity metrics to senior leadership monthly
- Trained new associates and completes regular performance evaluations for team associates
- Facilitated external consulting engagements including Deloitte, EY, and external legal counsel

Internal Audit Consulting Manager

07/2007 – 05/2010

Provides independent, objective assurance, consulting and business advisory services that evaluate the effectiveness of risk management, control, and governance processes.

- Lead auditor for the Senior Products business segment and Corporate Compliance functions, including Medicare, Medicaid, financial reporting and IT general controls reviews in compliance with the Sarbanes Oxley Act of 2002
- Coordinated and managed execution of internal audit engagements for 4-6 associates, including internal fraud investigations and attorney assisted reviews
- Reviewed and analyzed processes, documentation, and data to identify gaps in the effectiveness of Humana's governance, risk management and control environment
- Provided updates to the Audit Committee of the Board of Directors and Chief Compliance Officer
- Developed and maintained key relationships with business segment and corporate leaders
- Facilitated external audits from the Department of Insurance, Office of Inspector General, Centers for Medicare and Medicaid Services, and various external audit teams including PwC and EY
- Developed annual audit plan for universe of over 75 business areas and determined when to update plan throughout the year due to management requests and changes in risk assessments
- Facilitated risk assessment discussions regarding strategic, financial, operational, and compliance components as part of the CEO's enterprise risk management initiative
- Reported verbally and in written format, with management of operational and/or corporate functional areas on engagement status and results
- Provided recommendations to resolve audit findings by improving effectiveness and efficiency of business processes
- Completed quarterly and annual performance evaluations for team of associates

Senior Internal Audit Consultant

08/2005 – 07/2007

- Reviewed and analyzed processes, documentation, and data to identify gaps in the effectiveness and efficiencies of operational processes
- Coordinated and managed execution of the annual audit plan to meet milestone expectations
- Completed annual Sarbanes Oxley testing of key financial controls
- Developed audit objectives to ensure adequacy and minimize increased engagement scope
- Reported verbally and in written format, with management of operational and/or corporate functional areas on engagement status and results
- Provided recommendations to improve the efficiency and effectiveness of business processes

ACCENT MARKETING SERVICES, LLC, Jeffersonville, Indiana**2004 – 2005**

Accent Marketing is a customer relationship management provider that specializes in call center and direct mailing operations. ACCENT's six national and two international locations provide customer service for major companies such as Sprint, IBM, and Maytag.

Manager of Corporate Compliance

04/2004 – 07/2005

Primarily responsible for auditing and documenting corporate and financial controls for key business processes and procedures, including Information Technology.

- Reviewed compliance with Sarbanes-Oxley Act of 2002, GAAP, Department of Labor regulations, Do Not Call legislation, and other legal and regulatory agencies by continuously monitoring control environment and company activities
- Developed and documented recommendations for improved, consistent corporate processes
- Reported findings and recommendations to senior management, executive staff, and Board of Directors
- Interpreted and analyzed new and changing state and federal regulatory requirements
- Facilitated Department of Labor reviews and coordinated corrective action plans
- Presented Sarbanes-Oxley seminars to educate management staff of required compliance regulations
- Coordinated with Implementation Team to insure new processes are compliant with company policy and regulatory requirements
- Designed and implemented Standard Operating Procedure format for corporate processes

FARM CREDIT SERVICES OF MID-AMERICA, Louisville, Kentucky**1998 – 2004**

FCS is a \$7 billion financial cooperative that provides lending and other financial services to farmers and residents of rural communities in Indiana, Kentucky, Ohio, and Tennessee. The association is part of the National Farm Credit System.

Internal Auditor - Financial Operations

02/2001 – 04/2004

Conducted internal audits for all central office departments and over 150 field office branches. Initiated and implemented new audit program criteria for internal financial operations.

- Prepared individual audit reports as assigned
- Evaluated accuracy of association financial records in accordance with GAAP
- Reported findings to senior management and Board of Directors
- Implemented monitoring and control practices in compliance with Sarbanes-Oxley Act
- Conducted special reviews and fraud investigations
- Conducted annual association internal control and risk assessment

Senior Loan Accountant

03/1999 – 02/2001

Reported to Director of Accounting Services, supervised 1-5 employees during their 12-month training process, analyzed complex accounting requests and reconciled loan related accounts.

- Structured and implemented department training process
- Reconciled accounts payable batches to general ledger
- Developed and maintained departmental new key processes and procedures manual
- Reviewed posted accounting entries for accuracy and completeness
- Conducted variance analysis and reported findings to management
- Answered accounting hotline several days per week

Loan Accounting Specialist

03/1998 – 03/1999

Staff accountant responsible for preparing journal entries to correct loan balances, billings and histories, making complex calculations, and providing technical support to field office staff on accounting issues.

- Analyzed field office accounting requests
- Booked new loans
- Answered accounting hotline five days a week, while maintaining other accounting duties
- Facilitated team meetings and identified issues for discussion

METHODIST ALLIANCE HEALTH SERVICES, INC., Memphis, Tennessee**1997 - 1998**

Leading healthcare system in the Tennessee area, the Alliance agencies include Home Care, Hospice, Private Duty, Home Medical Equipment, and Infusion Services.

Accountant II

07/1997 – 03/1998

Primary responsibilities included generating detailed monthly financial statements in accordance with GAAP, preparing monthly account and bank reconciliation's and assisting with budget preparation.

- Prepared and posted monthly general journal entries
- Monthly preparation of 3-month cash forecast and budget variance analysis
- Approved accounts payable disbursements
- Compiled quarterly tax returns for 3 divisions of the company
- Maintained fixed assets spreadsheet and depreciation schedules
- Reviewed and maintained purchase orders
- Prepared annual 1099s for appropriate vendors

ACCOUNTEMPS, Memphis, Tennessee

1997

First Family Financial Services Assistant Manager

06/1997 – 07/1997

Processed and approved loan applications, analyzed branch delinquency reports, prepared mortgage loan proposals, placed collection calls, and conducted on-site property appraisals.

LEDIC Management and SPL Corporation Property Accountant

04/1997 – 06/1997

Generated detailed monthly financial statements for 20 properties. Reconciled general ledger and bank accounts, audited accounts receivable aging, approved accounts payable distributions, and collaborated with various levels of management.

FARM CREDIT SERVICES OF MID-AMERICA, Louisville, Kentucky

1996 - 1997

FCS is a \$7 billion financial cooperative that provides lending and other financial services to farmers and residents of rural communities in Indiana, Kentucky, Ohio, and Tennessee. The association is part of the National Farm Credit System.

Loan Accountant

05/1996 – 04/1997

Prepared accounting entries involving complex calculations and transactions and provided technical support to field office staff on accounting issues.

KWH ACCOUNTING AND TAX SERVICES, INC., Louisville, Kentucky

1993 – 1995

Louisville area accounting firm that specializes in individual and corporate tax preparation, small business bookkeeping and payroll, and financial statement compilation.

Accounting Assistant

12/1993 – 09/1995

Prepared individual income tax returns, quarterly payroll tax returns, and weekly payroll for several small businesses.

- Compiled monthly and weekly financial statements
- Reconciled bank statements and balance sheet accounts
- Prepared corporate 1099s and W2s annually
- Assisted with contract preparation and negotiations for clients
- Worked with cash receipts, cash disbursements, and general ledger journals in accordance with GAAP

EDUCATION

Bachelor of Science in Business Administration, Accounting Major
University of Louisville - Louisville, Kentucky - May, 1996

AFFILIATIONS AND CERTIFICATIONS

Registered Internal Revenue Service Tax Preparer

Health Care Compliance Association Member

Certified Internal Auditor Exam Candidate (2 of 4 complete)

Institute of Internal Auditors Member

Center for Non-Profit Excellence Member

Association of Certified Fraud Examiners Member

Senior Governance, Operations, and Compliance Healthcare Executive

- **Proactive, visionary leader** focused on process optimization that aligns risk tolerance to organizational goals.
- **Nationally recognized for developing governance, GRC systems, fraud identification, and process optimization methodologies** as demonstrated in roles, publications and awards.
- **History of repeated success in evaluation of managed care and clinical operations** – recognized by executives, board members, and business clients for supporting their needs, driving improved accountability, and fostering a collaborative, creative approach to independent assessment and objective actionable recommendations.
- **Results driven senior executive** with more than 20 years of business success and a proven track record of exceeding goals and objectives. Proven ability to take a situation or program and redesign or enhance it to outperform expectations and advance organizational objectives in a prudent, compliant, risk balanced manner.
- **Respected leader, coach and mentor helping professionals succeed in their careers.**

SUMMARY OF QUALIFICATIONS

- | | |
|--|--|
| • Proactive Assessment and Support of Executive Team Goals and Enterprise Strategy | • Enterprise GRC System Design and Execution |
| • Strategic Leadership & Vision | • Industry and Professional Speaking Experience |
| • Program Development & Implementation | • Licensed Certified Public Accountant |
| • Recruitment, Development & Management of High Performance Business Consultants | • Certifications: Internal Audit / Systems Security / Risk Management / Managed Healthcare / CPA |
| • Budget Reduction with Enhanced Effectiveness | • Development & Implementation of Complex Compliance, ERM, and Governance Processes |
-

CAREER PROGRESSION

Aperture – Louisville, KY / U.S.

National healthcare provider credentialing organization, backed by private equity funds.

Chief Financial Officer – November 2016 to Present

Responsible for financial operations, investment decisions, human resources, program management office, operations, client services and strategy development. Serves as operating officer driving product and IT strategy.

Navigant Healthcare – Louisville, KY / U.S.

Specialized, global expert services firm focused on critical business risks. Deep industry knowledge in Healthcare Strategy and Compliance. Technical expertise in Disputes & Investigations, Compliance, Finance, and Management Consulting.

Director and Payer Service Sector Leader – August 2014 to January 2017

Member of firm's Healthcare and Life Sciences Disputes, Investigations and Compliance Practice. Oversee client relationships, service offerings and engagements. Accountable for sector service offering strategic roadmap.

Key Accomplishments:

- Thought leadership speaker for firm at multiple events including: Health Care Compliance Association Enforcement Conference, American Health Lawyers Association Payer In-House Counsel Institute, Association of Healthcare Internal Auditors Annual Conference, American Hospital Association Chief Compliance Officer Roundtable.
- Engagement manager for over \$1.5 million of projects in first 18 months to include national, regional, multi-state, and integrated health plans and systems. Engagements included program management, data governance, risk adjustment data validation and analysis, policy development, and claims adjudication / service operations strategy assessment. Multiple clients have engaged Navigant for additional services based on initial project successes.
- Developed and led practice development offerings including: CMS Healthcare Fraud Prevention Partnership (HFPP) Participation, Risk Adjustment Coding Oversight, GRC Implementation, CMS Mock Audits, Root Cause Analysis, Data Governance, Policy Management, and Enterprise Risk Management.

Humana – Louisville, KY

Fortune 100 health and wellness company: 2013 revenue of \$39 billion, \$1.2 billion in net income. Operates top five PBM, top two MA and PDP plans, mail order pharmacies, state of the art data centers, physician practices, home care practices, disease management programs.

Vice President and Chief Audit Officer – August 2011 to January 2014

Board elected officer responsible for Chief Audit Executive duties as well as Humana's Enterprise Risk Management (ERM) Program. Leadership of 80+ professionals with diversified backgrounds in finance, audit, IT, nursing, actuarial, law, investigations, pharmacy, and operations. Our success required an ability to analyze large-scale complex program design as well as methodologies in change management, root cause analysis, healthcare strategy, compliance & operations.

Established shared services teams which provided enterprise investigations support, external regulatory audit facilitation, enterprise GRC system thought leadership and implementation, data governance, and process documentation support.

Key Accomplishments:

- Facilitated all of the CEO's executive staff meetings (1.5 years) and COO's Operating Committee (6+ years) including sessions on enterprise strategy, managed care and clinical strategy, and strategic initiatives review. Supported strategy alignment, agenda development, presenter coordination, master annual C-Suite calendar and action item follow up. Incorporated strategic insights into assurance and consulting group engagement plan.
- Represented private sector payers (Humana, America's Health Insurance Plans) within the Healthcare Fraud Prevention Partnership. Served as founding co-chair of Data Analysis and Review Committee with Deputy Director of the CMS Center for Program Integrity. Drove development of fraud studies and partnership formation. Presented regularly to CMS Administrator, Deputy Secretary of HHS, HHS Inspector General, and representatives from FBI, Justice, and national fraud prevention associations at HHS Headquarters.
- Led enterprise risk management (ERM) program including reporting to C-Suite and Board on enterprise top risks from a qualitative and quantitative perspective. Incorporated ORSA DOI requirements into program.
- Led effort to reposition role and responsibilities of the Chief Actuary of the company. Oversaw review of Medicare Advantage bid submissions – including independent actuarial, compliance and financial reviews.
- Accountable for strategic leadership of enterprise GRC system development effort. Enterprise governance, risk and compliance application consolidated all internal and external audit and regulatory recommendations and follow-up, housed universe of Company process documentation and process owners, tracked Medicare and Medicaid regulatory requirements, 1200+ related metrics, and provided workflow and customized applications for process owners. Over 3000 unique users in the system monthly. Won several national awards for GRC system development and excellence. Used extensively in presentations with CMS staff and on-site regulatory auditors.
- Managed \$11.7 million budget well below benchmark median while maintaining exceptional talent and value added consulting. Incorporated off-shore, outsourced talent into group. Personal and team accomplishments cited in academic research publication "CAE Strategic Relationships" and various IIA practice guides.

Corporate Director, Internal Audit – February 1999 – August 2011

Chief Audit Executive responsibilities for Humana covering all aspects of health and wellness operations including insurance, pharmacy benefit management (PBM), mail order pharmacy, disease management, direct patient clinical operations, corporate functions, application development, privacy, data governance, and IT security.

Key Accomplishments:

- Proactively identified the need and created the vision for a data governance program. Data stewards in the program identified error root causes, restructured data sets and programming, and instructed end users on data set usage to improve customer analysis and transaction quality. Program now resides within Corporate IT.
- Proactively identified and elevated the risk profile over Medicare Risk Adjustment coding. Directed assurance and consulting teams that focused on top to bottom recommendations on policies, processes, controls, and investigations. Participated in several investigations and assessments of provider practices. Managed and supported external legal counsel, independent coder, and accounting firm activities.
- Provided comprehensive risk, root cause, and process improvement analysis to executives and board members regarding strategic, operational, financial reporting, and compliance matters. Examples: mock CMS/FAR/DFAR audits, implementation reviews of outsourced financial operations, nurse consultant evaluation of medical protocols, STARS improvement, acquisition due diligence, Medicaid/Medicare process flow, and bid compliance.
- Without external consultants or support, developed Sarbanes-Oxley, COSO and Enterprise Risk Management programs. Optimized coordination of SOX and SSAE-16 work with external auditors to minimize costs.

- Oversaw methodology development for risk workshops and process maturity model engagements which cut assessment time and costs. Effort supported (for example) model sales office assessment and market/product line/segment strategy development. Methodology cited in AICPA Journal of Accountancy article.
- Developed IT audit team that assessed data center operations, cyber security, and systems implementation. Drove joint security assessments. Proactively provided advice on restructuring of information security department.
- Developed model recruiting and on-boarding program which rotated high quality talent into the organization.

Auditor of Public Accounts – Commonwealth of Kentucky – Frankfort, KY

State government agency accountable for review of public spending efficiency and effectiveness in the Commonwealth.

Director of Performance Audits – April 1997 to February 1999

Key Accomplishments:

- Created Commonwealth's first Performance Audit Division that continues to exist today. Recruited and trained first staff to conduct operational reviews. Instituted procedures covering research methods, benchmarking, performance measurement, process reengineering, survey instruments and focus groups – modeled on GAO.
- Led efficiency, effectiveness, and business process improvement reviews across various state programs including Medicaid, information technology, environmental protection, labor laws, and Guardians Ad Litem.
- Testified before legislative panels on outcomes of engagements. Presented to the Chief Justice of the Kentucky Supreme Court on children's legal services improvement needs.
- Developed recommendations for annual savings of over \$8 million; addressed revenue management practices, accounts receivable billing and collection, cash management, capital construction, medical services usage, and medical laboratory services. Introduced use of ACL and CAATs methodologies.

Director of Financial Audits – April 1996 to April 1997

Key Accomplishments:

- Supervised division of 50 professional staff in the engagement of over 700 financial statement audits across 200 local government entities covering \$1 billion of receipts and corresponding disbursements.
- Eliminated 32,000 hour backlog of work while reducing 7 professional and administrative positions. Supervised forensic accounting investigations with case files used to support investigations and prosecutions by Kentucky State Police, Revenue Cabinet, Federal Bureau of Investigation, and U.S. Attorney's Office.
- Directed transition from paper audit environment to nearly paperless audit environment.
- Supervised external public accounting firm contract work; Administered contract provisions.

Foreign Service Officer – U.S. Agency for International Development

Washington, D.C., Budapest, Hungary and Bonn, Germany – January 1992 – April 1996

United States Government's foreign assistance agency providing economic development and humanitarian assistance to end extreme poverty and promote resilient, democratic societies.

Evaluated economic development and privatization programs in Russia, Central Europe, and Central Asia including stock exchange development, voucher and shareholder privatization programs, housing distribution, trucking and warehouse distribution privatization, as well as, country mission project management.

Key Accomplishments:

- Developed strategy documents for global assurance and evaluation program.
- Led complex multi-country assessments of program effectiveness and efficiency.
- Assessed economic development and privatization programs in emerging economies.
- Exceeded goals while operating in a multi-lingual, multi-cultural, economically depressed environment.

U.S. House of Representatives and U.S. Senate – Washington, D.C.

District and Washington D.C. offices of Kentucky Representative and Senator.

Congressional Aide – Summer Programs - May to August of 1986, 1987 and 1989

Key Accomplishments:

- Researched appropriation and regulatory legislation. Drafted talking points and statewide newsletters.

EDUCATION

Executive Programs in Corporate Strategy

- Health Care Leaders 2020 – Year Long Humana Executive Program led by Harvard and Dartmouth Professors
- Stanford University – Executive Program in Strategic Decisions: Decision Quality, Enterprise Risk Management
- The University of Chicago Booth School of Business – Executive Program in Corporate Strategy
- Six Sigma Black Belt Training

Patterson School of Diplomacy and International Commerce

Master of Arts in Diplomacy and International Commerce – May 1991

International Marketing Studies – Wirtschaftsuniversitat, Vienna

University of Kentucky

Bachelor of Science in Accounting – May 1989

President of the Student Body, Student Member of the Board of Trustees

PROFESSIONAL ACCOLADES

- | | |
|--|---|
| <ul style="list-style-type: none">• Former Audit Committee Chair, United Nations World Food Programme - \$5 billion global humanitarian organization• Past speaker at Compliance Week, IIA General Audit Management and International Conferences, Numerous Global IIA Webcasts, American Hospital Association Compliance Officer Roundtable• Institute of Internal Auditors Committees: Professional Ethics and Responsibility; Former Vice-Chair – Global Professional Development Committee, Led global competency development effort; Former Vice-Chair – Professional Issues Committee – Led review of 2013 COSO Update | <ul style="list-style-type: none">• Strategic Risk Management Council, The Conference Board – 2005 to 2012• Business Leaders for Education – Greater Louisville Inc.; Policy Committee Member• Publications – Selecting, Using and Creating Maturity Models; Auditing the Control Environment; Global Competencies of the Internal Audit Profession• Guest lecturer – undergraduate and graduate governance and audit courses – University of Kentucky, LSU, Bellarmine, UT Dallas• UK School of Accountancy – Advisory Board• 2011 Open Ethics and Compliance Group's GRC Achievement Award |
|--|---|

6/26/2018 Board Meeting

XI.Y. Recommendation for the Approval of the Appointment of Initial Members of the Audit and Risk Management Advisory Committee

On March 13, 2018, the Board approved the establishment of the Audit and Risk Management Advisory Committee and directed that a committee charter and the appointment of initial members be brought forward for Board consideration at a later date.

On June 12, 2018, the Board approved the Charter for the committee, and deferred action on the appointment of initial members.

Board Policy 10.2 establishes principles for advisory committees, which include the following:

- The Board shall appoint membership which is broadly representative of the community.
- The Board shall appoint the Chairperson and co-Chairperson.

Approval of this item fulfills the direction of the Board on March 13, 2018, and conforms to advisory committee principles in Board Policy 10.2.

Submitted by: Superintendent Marty Pollio on behalf of the Board

Attachment

Attachments

- James Rose - 2018 Resume
- Keith Davis - 2018 Resume
- Rhonda Mitchell - 2018 Resume

Recommended Motion

Superintendent Martin Pollio recommends the Board take the following actions regarding the Audit and Risk Management Advisory Committee:

- Appoint James Rose, Rhonda Mitchell, and Keith Davis as initial members of the committee, each of whom shall serve for terms ending June 30, 2021; and
- Appoint James Rose as Chairperson and Rhonda Mitchell as Vice-Chairperson of the committee.

8/7/2018 Board Meeting

XI.Q. PULLED: Approval of an Amendment to the Charter of the Audit and Risk Management Advisory Committee

The Board did not take action on this agenda item.

On March 13, 2018, the Board approved the establishment of the Audit and Risk Management Advisory Committee and directed that a committee charter and the appointment of initial members be brought forward for Board consideration at a later date.

On June 12, 2018, the Board approved the charter for the committee.

The following change to language in the Charter of the Audit and Risk Management Advisory Committee is recommended:

The Members of the Audit Committee shall be appointed by the Board, including the Committee's Chairperson and Vice-Chairperson. Members of the Audit Committee collectively shall possess knowledge in accounting, external auditing, internal auditing, governmental fund accounting, financial reporting, operational risk management, and strategic risk management. At least two ~~half~~ of the members shall be residents of the Jefferson County Public Schools district and at least one member shall be considered a financial expert as determined by the Committee.

This change will allow the Board to recruit national experts in educational governance, risk, and compliance excellence, offering a high level of expertise and a national, external, and objective perspective to the committee.

Submitted by: Superintendent Martin Pollio on behalf of the Board

Attachment

Attachments

- Amendment to AUDIT AND RISK MANAGEMENT ADVISORY COMMITTEE CHARTER

Recommended Motion

Superintendent Martin Pollio recommends the Board approve the amended charter of the Audit and Risk Management Advisory Committee.



JEFFERSON COUNTY PUBLIC SCHOOLS AUDIT AND RISK MANAGEMENT ADVISORY COMMITTEE CHARTER

This Charter ("Charter") sets forth the guidelines, duties and responsibilities that govern the operation of the Audit and Risk Management Advisory Committee ("Audit Committee") of the Jefferson County Public Schools ("JCPS") as approved by the Jefferson County Public Schools Board of Education ("Board").

I. Purpose

The Board has established the Audit Committee to serve in an expert advisory capacity to assist the Board in the oversight of risks impacting the financial and strategic objectives of JCPS. The role of the Audit Committee shall be advisory in nature and any recommendations it provides to the Board shall be subject to review and approval by the Board.

The Audit Committee shall assist the Board in fulfilling the Board's financial and risk management oversight responsibilities by advising the Board on:

- The integrity and presentation of financial statements and operational reporting;
- The qualifications, independence, and performance of the independent external auditors and the JCPS internal audit function;
- The system of internal controls including procedures for detecting fraud, waste, and abuse;
- Adequacy of the JCPS strategic and operational risk management processes;
- JCPS compliance with laws and regulations;
- Adequacy of JCPS investigations processes;
- JCPS ethics, values and culture; and
- Other matters as directed by the Board.

II. Authority

The Audit Committee shall have all the necessary authority to fulfill its responsibility under this Charter and the Board's resolutions including access to JCPS information, records, facilities and staff. The Audit Committee shall receive the same access to privileged and confidential information that it needs to know to fulfill its responsibilities as is afforded the Independent External Auditor, Internal Auditor, and members of the Board and shall abide by any confidentiality requirements and expectations of JCPS employees and the members of the



Board. Members of the Committee shall be required to execute any appropriate confidentiality agreements as well as complete any annual compliance training similar to that required of the members of the Board.

Management of JCPS, the Internal Auditor, and the External Auditor will provide updates to the Audit Committee on significant risk management, compliance and internal control matters in a proactive and timely manner.

The members of the Internal Audit function – including outsourced members, the Independent External Auditors, and JCPS management – shall have unrestricted access to the Audit Committee.

As an expert advisory body, the Audit Committee shall have no management decision-making responsibility, executive authority or operational responsibilities.

III. Meetings and Rules of Procedure

The Audit Committee shall meet at least quarterly, or more frequently as circumstances may dictate. Meetings may be called by the Chairperson of the Board or the Chairperson of the Audit Committee. A majority of members of the Audit Committee shall constitute a quorum for any meeting.

All recommendations from the Audit Committee to the Board shall be reached by consensus of those members present at the meeting. Consensus is defined as an acceptable solution that all can agree to support. If consensus cannot be reached, then any recommendations shall be reached by vote of a simple majority of the Committee members present at the meeting and the various perspectives of the members conveyed to the Board.

The Audit Committee Chairperson will prepare or approve an agenda in advance of each meeting. Minutes shall be prepared and maintained for each Audit Committee meeting. The Audit Committee shall be subject to the Kentucky Open Meetings Law and shall follow all other rules, regulations or policies outlined by the Board or required by statute. Adherence to such rules shall include during executive sessions – when permitted by the Kentucky Open Meetings Law – with the External Auditor, Internal Auditor, or members of management.

To fulfill this Charter and undertake its work, the Audit Committee may establish rules of procedure so long as those rules do not conflict with this Charter or Board policies.



IV. Composition

Members of the Audit Committee shall be appointed by the Board, including the Committee's Chairperson and Vice-Chairperson. Members of the Audit Committee collectively shall possess knowledge in accounting, external auditing, internal auditing, governmental fund accounting, financial reporting, operational risk management, and strategic risk management. At least two half of the members shall be residents of the Jefferson County Public Schools district and at least one member shall be considered a financial expert as determined by the Committee. The Committee shall be made up of five or seven members unless otherwise directed by the Board and membership shall be balanced to the full extent practical for gender, diversity, and public- and private-sector experience.

Each member shall:

- Have or acquire rapidly an understanding of the strategy of JCPS and its mission and governance,
- Be independent of JCPS during their membership, and shall have not been employed by JCPS or have been a member of the Board for the three years prior to their appointment,
- Serve in their personal capacity and shall not seek or accept instructions regarding their work on the Audit Committee from any specific organization or interest group, and
- Not hold positions with companies that maintain a significant business relationship with JCPS or otherwise engage in activities that might impair, or appear to impair, their independence in carrying out the functions as members of the Audit Committee.

After the initial appointment of members by the Board, the Audit Committee shall recommend future members to the Board for their consideration and appointment to the Audit Committee. Recommended terms shall not exceed three years and shall be staggered to minimize the impact to the Audit Committee from member turnover. Members shall generally not be recommended for more than two consecutive terms. The Audit Committee shall make its recommendations for new members after consulting with the Board Chairperson and Superintendent.

V. Duties and Responsibilities

The primary function of the Audit Committee shall be to assist the JCPS Board of Education in fulfilling its financial and risk management oversight responsibilities. The Board, Superintendent, and the JCPS Finance Department shall remain ultimately responsible for the fair presentation of the financial statements and required disclosures, and for obtaining and monitoring the financial statement audits. The Audit Committee shall foster adherence to, and encourage continuous improvement opportunities for JCPS' policies, procedures, and practices



and provide an open avenue of communication between the External Auditor, Board, Superintendent, and appropriate employees in the JCPS Finance Department.

At all times the Audit Committee shall strive to eliminate redundancy in reporting and oversight by coordinating its activities with the Board Chairperson and Superintendent and utilizing as appropriate the oversight activities of other internal or external entities reviewing JCPS.

The Audit Committee's primary areas of responsibility include, but are not limited to, advising the Board on:

- 1) The integrity and presentation of financial statements and operational reporting.
 - a) Review and provide advice on the Consolidated Annual Financial Report as well as other key financial and operational reports.
 - b) Review and provide advice on the basis of accounting and significant accounting policies.
 - c) Meet privately with the Chief Financial Officer and Legal Counsel to discuss any matters that –when permitted by the Kentucky Open Meetings Law – may be afforded private consultation.
- 2) The qualifications, independence, and performance of the independent external auditors.
 - a) Advise on the reports of the independent external auditors.
 - b) Advise on the procurement process and selection of the independent external auditors.
 - c) Evaluate the efforts of the independent external auditor, including the auditor's actual independence and professional qualifications.
 - d) Advise on the appropriateness of the independent external auditor's engagement plan.
 - e) Meet privately with the independent external auditor to discuss any matters that – when permitted by the Kentucky Open Meetings Law – may be afforded private consultation.
- 3) The qualifications, independence, and performance of the JCPS internal audit function.
 - a) Advise on the processes for procurement, recruiting, selection, and performance review of the head of internal audit.
 - b) Be informed promptly of any actions taken by the JCPS superintendent regarding the hiring, termination, or modification of the terms of reference or compensation of the head of internal audit.
 - c) Review and provide advice on the adequacy of resources afforded the internal audit function and the adequacy of the internal audit work plan.
 - d) Review and advise on the reporting from the internal audit function.



- e) Meet privately with the head of internal audit to discuss any matters that –when permitted by the Kentucky Open Meetings Law – may be afforded private consultation.
- 4) The system of internal controls including procedures for detecting fraud, waste, and abuse.
 - a) Review comments and evaluations from management, auditors, and external regulators and consultants on the system of internal controls.
 - b) Review and advise on the adequacy of management follow-up on deficiencies in internal controls.
 - c) Review and advise on the cost/benefit of proposed recommendations and the adequacy of the root cause analysis leading to those recommendations.
- 5) Adequacy of the JCPS strategic and operational risk management processes.
 - a) The Audit Committee shall serve as the Board’s primary expert advisor on determining whether enterprise risks are identified and tracked by management.
 - b) Meet individually with the JCPS Superintendent, his/her Cabinet members, or other members of management as necessary to discuss key risks, risk appetite setting, and risk mitigation strategies.
 - c) Review and advise on the adequacy of risk oversight and mitigation that aligns to the Board’s level of risk appetite.
- 6) JCPS compliance with laws and regulations.
 - a) Review comments and evaluations from management, auditors, external regulators and consultants, and Legal Counsel on matters regarding compliance with laws and regulations.
- 7) Adequacy of JCPS investigations processes.
 - a) Review comments and evaluations from management, auditors, and external regulators and consultants on the processes for managing investigations.
 - b) Meet with Internal Audit, Compliance and Investigations, and Security and Investigations as necessary to understand their processes.
 - c) Assess the adequacy of capturing and triaging hotline complaints.
- 8) JCPS ethics, values and culture.
 - a) Review comments and evaluations from management, auditors, and external regulators and consultants on JCPS ethics, values and culture to the extent they impact the overall level of enterprise risk and system of internal controls.
- 9) Other matters as directed by the Board.
 - a) Maintain ongoing line of communication with the Chairperson of the Board.

VI. Reporting Requirements



The Audit Committee Chairperson or Vice-Chairperson shall communicate the Audit Committee's activities and recommendations if any to the Board Chairperson and Superintendent after each Audit Committee meeting. The Audit Committee Chairperson shall coordinate with the Board Chairperson the timing of updates to the Board which shall occur at a Board meeting or working session. Such updates shall occur at least twice a year.

The Audit Committee as a whole shall provide an annual written report to the Board. The annual report shall:

- 1) Describe how the Audit Committee fulfilled its obligations under this Charter,
- 2) Describe any significant recommendations the Audit Committee has made to the Board or management,
- 3) Describe the degree to which recommendations from the Audit Committee have or have not been resolved,
- 4) Report on the Audit Committee's review of the annual audit report and any communication from the independent external auditor including any accompanying management letter or significant findings,
- 5) Report on significant internal control deficiencies, deficiencies in the enterprise risk management program, or concerns regarding fraud, waste or abuse,
- 6) Report on indications of material or significant non-compliance with laws, policies, procedures or regulations,
- 7) Report on any other matters that the Committee believes should be disclosed to the Board, and
- 8) Report on the review of the adequacy of this Charter including any recommendation for the Board to amend this Charter.

VII. Administrative Arrangements

Members of the Audit Committee shall provide their services pro bono. The Office of the Superintendent shall provide administrative support to the Audit Committee in addition to



functional support (to include but not be limited to review of proposed agenda and coordination of action items and requests) provided by the designated head of Internal Audit.

8/7/2018 Board Meeting

XI.R. PULLED: Recommendation for the Approval of the Appointment of Members to the Audit and Risk Management Advisory Committee
Rationale

The Board did not take action on this agenda item.

On March 13, 2018, the Board approved the establishment of the Audit and Risk Management Advisory Committee and directed that a committee charter and the appointment of initial members be brought forward for Board consideration at a later date.

On June 12, 2018, the Board approved the charter for the committee.

On June 26, 2018, the Board appointed James Rose (chairperson), Rhonda Mitchell (vice-chairperson) and Keith Davis as initial members of the committee.

The charter for the committee includes the following language regarding composition:

The Members of the Audit Committee shall be appointed by the Board, including the Committee's Chairperson and Vice-Chairperson. Members of the Audit Committee collectively shall possess knowledge in accounting, external auditing, internal auditing, governmental fund accounting, financial reporting, operational risk management, and strategic risk management. At least half of the members shall be residents of the Jefferson County Public Schools district and at least one member shall be considered a financial expert as determined by the Committee.

The Committee shall be made up of five or seven members unless otherwise directed by the Board and membership shall be balanced to the full extent practical for gender, diversity, and public and private-sector experience.

Each member shall:

- Have or acquire rapidly an understanding of the strategy of JCPS and its mission and governance,
- Be independent of JCPS during their membership and shall not have been employed by JCPS or have been a member of the Board for the three years prior to their appointment,
- Serve in their personal capacity and shall not seek or accept instructions regarding their work on the Audit Committee from any specific organization or interest group, and
- Not hold positions with companies that maintain a significant business relationship with JCPS or otherwise engage in activities that might impair, or appear to impair, their independence in carrying out the functions as members of the Audit Committee.

After the initial appointment of members by the Board, the Audit Committee shall recommend future members to the Board for their consideration and appointment to the Audit Committee. Recommended terms shall not exceed three years and shall be staggered to minimize the impact to the Audit Committee from member turnover. Members shall generally not be recommended for more than two consecutive terms. The Audit Committee shall make its recommendations for new members after consulting with the Board Chairperson and Superintendent.

In accordance with the terms of the charter, the committee has recommended Dr. Vicki Phillips and Dr. Lois Adams-Rodgers, both nationally recognized education experts for committee membership, who offer a high level of expertise and a national, external, and objective perspective to the committee.

Attachments

Dr. Lois Adams-Rodgers Biography

Dr. Vicki Phillips Biography

- Recommended Motion

Superintendent Martin Pollio recommends the Board appoint Dr. Vicki Phillips and Dr. Louis Adams-Rodgers as members of the Audit and Risk Management Advisory Committee for terms ending June 30, 2020.



Dr. Lois Adams-Rodgers

Educational Consultant
LEADING EDUCATIONAL OPPORTUNITIES, LLC
loisadamsrodgers@gmail.com

Dr. Lois Adams-Rodgers retired in 2003, after a 32-year career as a Kentucky public school educator at a variety of levels in urban, suburban, and rural school districts. She served as a teacher, elementary and middle school principal, special education program coordinator, assistant superintendent, superintendent of schools, associate professor and director of programs at two universities, a state department official in multiple leadership roles, serving as deputy commissioner in the Kentucky Department of Education for three commissioners of education. She holds a bachelor's degree, master's degree, and doctorate of education from the University of Louisville, where she was named the 2010 Alumni Fellow from the College of Education and Human Development.

She joined the Council of Chief State School Officers in Washington, DC in 2003, and served as Deputy Executive Director until 2010, focusing on educational leadership and international educational opportunities. She also served as a consultant working with state department of education deputy commissioners across the country.

Dr. Adams-Rodgers is President of LEADING EDUCATIONAL OPPORTUNITIES, LLC, and serves as an educational consultant/facilitator for a variety of organizations focused on educational leadership, including The Wallace Foundation, New York City Leadership Academy, University of Delaware's Academy for School Leadership, and the American Institute for Research University Principal Preparation Initiative.

Dr. Adams-Rodgers served and serves on a variety of boards and committees, including President of the Longview Foundation Board of Directors, Asia Society Partnership for Global Learning Advisory Committee, National Parks Service Education Advisory Committee, and President of the Collaborative for 21st Century Appalachia. She serves as a member of the University of Louisville College of Education and Human Development Dean's Advisory Committee, where she also served as a consultant to the research team of the CARDS to CREATE project. She has previously served on the Center for Research, Evaluation and Advancement of Teacher Education Board, the National Community Education Association Board of Directors, National Advisory Council for the MIND Research Institute, the National Association of State Science and Math Coalitions, the Georgia Leadership Institute on School Improvement, and the Appalachian Math and Science Partnership.

She is a native Kentuckian, but now resides in South Carolina with her husband.



Vicki Phillips

Vicki Phillips serves as an Education Executive and Strategist for national and international organizations and ed-tech companies devoted to the engagement and professional learning of leaders and teachers and the design of enabling conditions and systems in which teaching and learning can thrive. Currently she is the CEO in Residence for Educurious, a founding partner of TeachingPartners, and on the board of School by Design.

Dr. Phillips has a strong record of reform at all levels of education – from neighborhood schools to the federal government. She has served as a teacher, leader of a nonprofit education foundation, superintendent of schools, state chief of basic and higher education and for nearly a decade as the director of K-12 education for the world's largest foundation.

Phillips most recently served as Director of Education, College Ready, for the Bill & Melinda Gates Foundation where she led the work to ensure students graduate from high school ready to succeed in college, career and community and to improve the effectiveness and support of teachers. Phillips and her team sought to advance education innovations, including new school designs focused on personalized learning and high quality tech-enabled curriculum and instructional tools.

Prior to joining the Bill & Melinda Gates Foundation, she was superintendent of Portland Public Schools in Portland, Oregon. Earlier, Phillips served as Pennsylvania's State Secretary of Education and as superintendent in the School District of Lancaster, PA. She previously served at the state level in her home state of Kentucky, helping to implement the sweeping changes demanded by the Kentucky Education Reform Act of 1990.

Born in Kentucky and raised on a small farm, Phillips was the first in her family to go to college. She holds a doctorate in international leadership and management from the University of Lincoln in England as well as three honorary doctorates. Dr. Phillips has served as a founding member of the governing council for England's National College for School Leadership, an advisor to the Harvard Urban Superintendent's Program and is currently a senior advisor to the Holdsworth Center.