

Audit and Risk Management Advisory Committee
Jefferson County Public Schools
VanHoose Education Center
October 17, 2018 Minutes

ARMAC Members Present: Chairperson James Rose, Vice-Chairperson Rhonda Mitchell (joined via teleconference at 3:00 pm), Dr. Keith Davis, Pedro Bryant, Dr. Lois Adams-Rodgers (via teleconference), Dr. Sarah Moyer, and Dr. Vicki Phillips (via teleconference)

Public Present: None

JCPS Staff Present: Dr. Marty Pollio, Amy Dennes, Jodell Renn, Dr. Dena Dossett, Greg Crump, and Jim Tencza of Dean Dorton

Board Members Present: Diane Porter (joined meeting at 2:45 pm)

Mr. Rose called the meeting of the Audit and Risk Management Advisory Committee (ARMAC) to order at 2:00 pm. A quorum was present.

Approval of Minutes

Dr. Davis made a motion to accept the minutes of the September 26, 2018 meeting. The motion was seconded by Dr. Sarah Moyer. The minutes were approved by a unanimous voice vote.

Introductory Comments

Mr. Rose welcomed the new committee members. He noted that he and Ms. Porter had spoken to one additional potential committee member with a background in marketing and communication, which is a skill he would like to see added to the expertise already included on the Committee.

Mr. Rose reiterated the Committee's focus – diving into the State Action Plans, Vision 2020 in Action, and Equity policy per Dr. Pollio's strategy. These strategy items are overlaying the Committee's focus on enterprise risk management, audit oversight, and compliance – all focused on improving college and career readiness outcomes.

While everyone (members, staff and public) has had the opportunity to interact and sit around the conference table in the prior two meetings, Dr. Marty Pollio, Superintendent, recommended that seating for the ARMAC meetings should clearly delineate the members of management and committee members who are participating from guests and the public who may attend the meeting going forward.

Finalized Corrective Action Plan

Ms. Amy Dennes, Chief of Staff, and Dr. Dena Dossett, Chief of Accountability, Research and Systems Improvement walked the Committee through the Kentucky Department of Education's (KDE) final Corrective Action Plan (CAP). Ms. Dennes explained the collaborative process that JCPS and KDE underwent to develop the final CAP. Dr. Dossett further explained that staff has already been working towards implementing many of the items. In the future the CAP will include the status of the implementation progress and milestones.

Members of the Committee and management discussed different philosophies that could be considered when implementing certain corrective action items and using the opportunity to consider broader systemic improvements to processes that drive scalability, consistency and sustainability. Deeper discussions touched on eliminating non-academic tasks/functions/oversight from school-based educators, ensuring actions to address recommendations were getting after underlying root causes, understanding and focusing actions from a risk-based perspective toward those units/schools/departments where the vast majority of issues are occurring, refining how monitoring should be automated to the extent data and systems allow, developing protocols for determining and aligning expectations for oversight of centralized vs decentralized activities, and realizing that policy training is not a long-term sustainable improvement. Discussions noted the need to develop the maturity of operations so that key staff could focus more of their time on educational and academic innovation.

Mr. Rose asked the Committee to identify two to three items from the CAP or Vision 2020 in Action that the Committee would discuss in more detail and would be included on future agenda items. Using the handful of items that the Committee elects to discuss in more detail, the group will focus both on the specifics around the chosen topics as well as cross cutting governance improvement opportunities – such as policy management, leadership needs, job descriptions, centralized/decentralized organization design, monitoring – that can drive systemic improvements across JCPS.

Status of the Internal Audit Charter

Ms. Jodell Renn, Director of Internal Audit, presented the draft updated Internal Audit Charter (the Charter). The Charter was based on the Model Internal Audit Charter from the Institute of Internal Auditors which is the global organization for the profession and drives peer review standards for the professional practice of internal auditing. The purpose of the Charter is to define the framework for how the Internal Audit department is structured within the organization to ensure successful achievement of its activities. The key elements of the Charter addresses authority, responsibility, reporting and monitoring to ensure the internal audit activity remains independent and objective.

Mr. Rose clarified that certain elements of the Model Charter are not applicable to JCPS due to the statutes, specifically that the JCPS Board doesn't have the authority to hire, fire or set compensation for the head of Internal Audit, and therefore those elements were reflected in the Charter to comply with that difference.

Mr. Rose asked the Committee members if they had any concerns or suggested changes. There were none. Accordingly, the ARMAC advised that the Charter be forwarded to the JCPS Board for its consideration and approval as it is consistent with IIA standards and best practices.

New Business

The ARMAC will hold a joint meeting with the Finance Committee on November 8, 2018 at 5 pm at VanHoose Education Center for the purpose of hearing the report from Strothman and Co., the external auditors, and having the opportunity to question them regarding their process. All committee members are encouraged to attend.

The next regular meeting of the ARMAC Committee will be December 5, 2018 at 2 pm. The Committee is expected to discuss the Equity Policy and action items as well as review the compiled list of deep dive topics, and hear an update on the Internal Audit function's risk assessment.

Mr. Rose requested that Ms. Renn send out a list of dates to the Committee members to look at their calendars to determine if there are conflicts that need to be addressed. The key considerations are that the timing of the meetings do not conflict with JCPS Board Meetings, JCPS management cabinet meetings, significant conflicts for committee members and take into consideration internal audit and external audit deliverables.

Mr. Rose made a motion to adjourn the meeting. The meeting adjourned at 4 pm.

ACTION ITEMS AND FUTURE MEETING TOPICS

Date.Item	Topic Category	Ask	Accountability	Action Item	Meeting Topic	ARMAC Target for Review
8-18.1	Compliance	Return with thoughts on comprehensive compliance tracking for efficiency and effectiveness. Do we have process and systems so that compliance is embedded in processes?	Amy Dennes	X	X	10.18
8-18.2	Communication	Discuss overall internal and external communications processes. Focus on internal communications with JCPS staff, culture building objectives.	TBD		X	TBD
8-18.3	Graduation Requirements	Discuss more in-depth definitions for college or career readiness, certificate programs, and measure/metrics of success.	TBD		X	TBD
8-18.4	Internal Audit Risk Assessment	Discuss with new CAE the risk assessment process. Discuss overall ERM process for JCPS. (Update 9.18 Discussed planning for risk assessment – Jodi to return in two months with initial risk assessment.)	Jodell Renn, Amy Dennes	X	X	11.18
8-18.5	Internal Audit Updated Plan	Review updated Internal Audit plan, CAE's ongoing monitoring and engagement with Cabinet, overall IA function staffing.	Jodell Renn	X	X	11.18
8-18.8	Equity Policy	Discuss equity policy implementation plans, how plans and measures of success will be identified and tracked.	TBD		X	11.18
9-18.1	ARMAC Focus Areas	Committee members to determine areas for ongoing focused review.	TBD	X	X	11.18
9-18.2	Readiness Data Measures	Discuss in-depth the data used to track career and college readiness. (MAP...)	Dr. Dossett		X	12.18
9-18.3	Community Partnerships	Discuss the extent of community partnership to drive career and college readiness (Louisville Promise, pre-K programs, Academies...)	Amy Dennes		X	12.18

10-18.1	State Audit Recommendations	Provide ARMAC with copies of monthly updates on status to KDE.	Dr. Dossett	X		Monthly Reading
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PRIOR MEETING TOPICS / ACTION ITEM DISPOSITION

Date.Item	Topic Category	Ask	Accountability	Action Item	Meeting Topic	ARMAC Target for Review
8-18.7	Discuss Vision 2020 Action Items	Discuss actions items and Vision 2020 strategy to include metrics and measures of success, cause and effect to overall career and college readiness goals. UPDATE: 9.18 discussed Vision 2020 in Action will prioritize areas for focused review over the course of the next few meetings.	Dena Dossett		X	9.18
8-18.6	Review updated State Audit Recommendations	Discuss and assess management's plans to address issues, underlying root cause of issues, and sustainability of actions. UPDATE: 10.18 discussed the audit areas and agreed to identify 2-3 areas for deep dive as well as monitor monthly updates to KDE.	Amy Dennes	X	X	10.18