Audit and Risk Management Advisory Committee
Jefferson County Public Schools
VanHoose Education Center
December 5, 2018 Minutes

ARMAC Members Present: Chairperson James Rose, Vice-Chairperson Rhonda Mitchell, 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, Jodell Renn, Dr. Dena Dossett, Dr. John Marshall, Delquan Dorsey, Jonathan Lowe, Greg Crump, and Jim Tencza of Dean Dorton (via teleconference)

Board Members Present: None

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

Mr. Rose requested a motion to accept the minutes of the October 17, 2018 meeting. The motion made by Rhonda Mitchell and was seconded by Pedro Bryant. The minutes were approved unanimously.

Mr. Rose requested a motion to accept the minutes of the November 8, 2018 joint meeting with the Financial Advisory Committee. The motion was made by Pedro Bryant and seconded by Dr. Sarah Moyer. The minutes were approved unanimously.

Introductory Comments

Mr. Rose advised that Dr. Phillips would be joining the meeting intermittently. Dr. Pollio requested assistance from the ARMAC to help deal with the significant deficiency reported by the external auditors regarding the fact that the Jefferson County Public Foundation is not included in the JCPS financial statements as a component unit. Mr. Rose agreed to reach out to the Foundation and Strothman and Company (JCPS's external auditors). Dr. Pollio explained that the Foundation currently receives donations and they forwarded to JCPS.

Racial Equity Policy

Dr. John Marshall, Chief Equity Officer led a presentation and discussion of the District's Racial Equity Policy and Racial Equity Analysis Protocol (REAP). The goals of the policy and all of the pillars is to close achievement gaps. Dr. Pollio explained that the Racial Equity Policy and Back Pack of Success are more unified than they appear; that the Back Pack of Success ensures that all students get the same access and in turn the same opportunities. Dr. Marshall discussed the four purposes of the policy which has been defined as access, diversification, curricula/pedagogy and training. He further emphasized that a critical piece of the process is making the Racial Equity Policy fibrous versus a compliance activity. Dr. Marshall discussed the ways the policy could fail and it includes political capturing, aims to fix the

oppressed not the oppressor, lack of oversight and support and left for interpretation. The Racial Equity Institute has provided training to principals, teachers, site based decision making (SBDM) committees and staff at central office. Currently, the focus has been training school based staff.

REAP is used to help in policy making to ensure that new and established policies do not have unintended consequences and marginalize certain aspects of the population. Dr. Marshall indicated that the process is difficult but necessary. Most staff are open to the process.

Mr. Delquan Dorsey discussed the community engagement process and the opening of a second satellite office within Shawnee High School. The goal of the satellite offices is to have a district presence in the community and to offer wrap around services with the help of community partners.

Dr. Pollio shared that only 12 other districts across the nation have implemented a Racial Equity Policy (e.g. Indianapolis, Portland, Seattle, Minneapolis are a few examples)

The ARMAC committee members inquired of JCPS Staff how they are monitoring success related to Racial Equity. Dr. Dena Dossett shared that there are metrics for each of the racial equity tenets so that the district can monitor progress. Metrics include reducing disproportionality in student's sense of belonging (as measured by the comprehensive school survey) and suspension rates and increasing the number of students of color in advanced classes and identified for gifted/talented services. An update on the initial implementation of the racial equity plans will be provided to ARMAC in Spring. Preliminary outcome data will be available at the end of the school year. ARMAC members want to be mindful of not overstepping into the Racial Equity Committees work.

Dr. Moyer asked how the protocol is being funded and Dr. Pollio stated through repurposed internal funds. Mr. Bryant inquired if new teachers are coming in with knowledge or are they needing to be training. Dr. Polio indicated that new teachers are much more open to the idea of racial equity. A discussion was held about getting seasoned teachers to the schools that need the support. Due to the teachers union contract there is only so much central office can do to encourage teachers to apply for vacancies at specific schools. JCPS offers financial incentives, but they are not always effective. Mr. Bryant asked if donations through the Foundation could increase the financial incentives and they indicated as long as it is addressed in the union contract that they could use the Foundation to fund those type of initiatives.

Mr. Rose inquired about the need for mechanisms to respond proactively to negative concerns when they arise. Mr. Marshall indicated that he was comfortable that concerns on implementation of the equity policy are forwarded to his office for consultation.

Update on the Audit Risk Assessment Process

Ms. Jodell Renn, Director of Internal Audit, explained to the ARMAC members the process that has been undertaken to assist in the development of a universe of processes/activities and the steps to perform an audit risk assessment to assist in creating the annual audit plan. The process has included preparing a draft listing of processes and activities and working with Jim Tencza, Dean Dorton to hold meetings with the Superintendent, Cabinet Leaders, Board Members and other key employees. During the interviews we explained the process that is being followed, talked about the role of internal audit and worked to validate the list of processes/activities. In addition, Ms. Renn continues to work to rebuild the internal

audit infrastructure, which includes purchasing equipment, tools and developing policies and procedures. She is interviewing to fill the Risk Investigator position and working on the 6 items in the corrective action plan that she is to provide evidence.

At the January 2019 ARMAC meeting, Ms. Renn will bring the listing of processes/activities along with a revised audit plan. The revised plan will include activities through August 31, 2019, with the caveat that it is flexible to address critical issues that may arise.

2019 ARMAC Calendar

Mr. Rose asked the Committee to think about where it wants to spend their time over the next two years and to send him their thoughts. For example, how the District measures up to other districts? Dr. Dossett stated that College and Career Readiness goals are set by the state, and that JCPS uses the Comprehensive School survey to measure results. Vision 2020 should be used for improvement identification; also look to the Board for their priorities. What should ARMAC focus on? Mr. Bryant suggested the State Audit. Management stated that IDEA and instructional management/College and Career Readiness execution are the top areas of risk in the district. In addition, facilities and facility improvements with the district are concerns of management (build new versus renovation).

New Business

Identifying seasoned teachers; working on resolution on the External Auditors significant deficiency finding.

Adjournment

Mr. Rose made a motion to adjourn the meeting. The meeting adjourned at 4:05 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. Update 12.18 process continuing final assessment in January.)	Jodell Renn, Amy Dennes	X	X	1.19
8-18.5	Internal Audit Updated Plan	Review updated Internal Audit plan, CAE's ongoing monitoring and engagement with Cabinet, overall IA function staffing. (Update 12.18 process continuing final assessment in January.)	Jodell Renn	X	X	1.19
9-18.1	ARMAC Focus Areas	Committee members to determine areas for ongoing focused review. (Update 12.18 – initial conversations using new appendix to minutes – need to refine focus at January meeting and present to Board in February.)	TBD	X	X	1.19
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

Date.Item	Topic Category	Ask	Accountability	Action Item	Meeting Topic	ARMAC Target for Review
10-18.1	State Audit Recommendations	Provide ARMAC with copies of monthly updates on status to KDE.	Dr. Dossett	X		Monthly Reading
12-18.1	Equity Policy / Teacher Development	Discuss success factors of teachers demonstrating excellence in schools with higher achievement gaps – "seasoned" teachers. How to support and develop.	TBD		X	TBD
12-18.2	JCPS Foundation Alignment	Discuss with JCPS their strategy and future financial reporting timeliness.	ARMAC Chair	X		1.19

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
8-18.8	Equity Policy	Discuss equity policy implementation plans, how plans and measures of success will be identified and tracked. UPDATE: 12.18 discussed the policy and training, ARMAC to continue review of implementation in 2019.	Dr. Marshall		X	11.18

ARMAC Planning Calendar and Longer-Term Monitoring and Advisory Goals DRAFT TEMPLATE

#	Monitoring / Advisory Goals	4th 2018	1st 2019	2nd 2019	3rd 2019	4th 2019	1st 2020	2nd 2020	3rd 2020
	AUDIT CHARTER CORE								
1	ARMACA/IA Charter Review			Planned				Planned	
2	External Auditor Oversight	11.18	Planned				Planned		
3	Internal Audit Function Oversight	10.18	Planned						
4	CAFR Review / Interim Financials	11.18			Planned				Planned
5	Compliance Program Effectiveness		Planned			Planned			
6	Enterprise Risk Management / Risk Register / Master Audit Issues Log			Planned			Planned		
7	Risk Appetite Alignment		Planned			Planned			
8	<mark>Control Deficiency, FWA, Risk Logs</mark>								
9	Investigations Process Effectiveness			Planned			Planned		
10	Policy/Standard/Procedure/Process Management		Planned			Planned			
11	Overall Ethics / Values / Culture			Planned			Planned		
12	Private Session: GC		Planned		Planned		Planned		Planned
13	Private Session: CFO				Planned				Planned
14	Private Session: CAE		Planned		Planned		Planned		Planned
15	Board Report (Annual Required, Semi-Annual Preferred)		Planned		Planned		Planned		Planned
	Dr. Pollio Focus/ARMAC Deep Dive								
	Vision 2020 Action Plan	9.18							
	• Deep Dive 1 TBD								
	• Deep Dive 2 TBD								
	State Audit Recommendations	10.18							
	• Deep Dive 1 TBD								
	• Deep Dive 2 TBD								
	Equity Policy	12.18							
	• Deep Dive 1 TBD								
	• Deep Dive 2 TBD								
	Identify Constraints to Being Seen in top 20% of Large Urban School								

#	Monitoring / Advisory Goals	4th 2018	1st 2019	2nd 2019	3rd 2019	4th 2019	1st 2020	2nd 2020	3rd 2020
	Districts (Top 14 of 68 Districts) Or Top 10?								
	Identify Constraints to Having x% positive aided and unaided Brand awareness in Jefferson County								
	Identify Constraints to Career and College Readiness Goal of XXX???								

Calendar of Meetings

Current ARMAC Meeting Date	Topics (TBD)	Board Business Meeting Date	Board Work Sessions	Board Retreat	Public Forum	Board Finance Advisory Committee*	Board Policy Committee	Board Facilities Committee**	Cabinet Meeting Dates	Member Conflicts	IA/EA Deliverables
12/5/2018	Equity Policy	12/11/2018	12/11/2018			12/13/2018	12/6/2018		Monday Mornings at 8:00 am		
1/16/2019		1/8/2019		1/22/2019		1/10/2019	1/14/2019				Review of Audit Plan Update/Status
2/20/2019		2/12/2019	2/26/2019			2/14/2019	2/19/2019				
3/20/2019		3/12/2019			3/26/2019	3/14/2019	3/18/2019				
4/17/2019		4/16/2019	4/23/2019			4/11/2019	4/22/2019			Keith	Ext Aud Contract Review
5/15/2019		5/14/2019	5/28/2019			5/9/2019	5/20/2019				IA - QAIP Review
6/19/2019		6/11/2019	6/25/2019			6/13/2019	6/17/2019				
7/17/2019		7/16/2019		7/30/2019		7/11/2019	7/22/2019				
		8/6/2019									
8/21/2019		8/27/2019				8/15/2019	8/19/2019				IA - Audit Plan 9/19-8/20
9/18/2019		9/24/2019	9/10/2019			9/12/2019	9/16/2019				
10/16/2019		10/15/2019			10/1/2019	10/10/2019	10/21/2019				Review Charter
11/20/2019		11/12/2019	11/26/2019			11/15/2019	11/18/2019				Financial Statements are due to the State by 11/15 each year
TBD		12/10/2019					None				

* Standing meeting second Thursday of each month

** No set date, met 5/9/2018 last year