Jefferson County Public Schools
Internal Audit

Status of FY 2019 Work Plan
Proposed Work Plan
Internal Audit Risk Assessment

November 2019 – October 2020

Table of Contents   Page(s)

Audit Work Plan
Status as of July 31, 2019

Audit Activities Type	Objective	Status
Payroll Review **Audit Assurance**	No significant observations were identified. Opportunities that could improve operating effectiveness were recommended.	Completed
Travel and other Business Expenses **Audit Assurance**	No significant observations were identified. Opportunities that could improve operating effectiveness were recommended.	Completed
Travel and other Business Expenses - Superintendent **Audit Assurance**	No significant observations were identified.	Completed
Fundraising and Boosters **Audit Assurance**	Reviewed fundraising administration activities at 10 schools. One school received an unsatisfactory rating due to missing documentation and lack of effective oversight in accordance with Redbook requirements. All remaining schools were substantially in compliance with requirements.	Completed
School Attendance Audits – 2018-19 **Compliance**	Reviewed attendance practices at 35 schools. We found general compliance with KDE requirements. We did note that several schools experienced the same observations and appear to be systematic across the District. In addition to submitting reports to each school, recommendations were developed and provided to the Chief of Schools and Chief of Academics to address the Top 8 common issues identified.	Completed
Inventory recounts (Warehousing) **Monitoring**	Performed recounts of inventory performed at warehouses and nutritional services. No material exceptions were identified.	Completed

Audit Activities Type	Objective	Status
School Activity Fund – Combining Budget **Consulting**	Facilitated collecting completed combining budgets for the school activity funds. Compiled and submitted combining budget to Chief Financial Officer for submission to the JCPS Board of Education in accordance with Redbook requirements.	Completed
Family Resource Youth Services Centers (FRYSC) **Consulting (Compliance)**	Completed compliance reviews for three FRYSC's in preparation of their annual reviews. No material exceptions were identified.	Completed
Risk Assessment **Consulting**	Created a listing of activities and processes, assessing risk based on a risk rubric, and identifying auditable processes to be included in the proposed work plan. This document is continually updated based on increased understanding of the organization, changes within the organization and validation by Cabinet Leaders and staff.	Completed, ongoing
School Reviews 2018-2019 • *Coleridge Taylor Elementary* • *Hawthorne Elementary* • *Jacob Elementary* • *Highland Middle* • *Johnson Middle* • *Noe Middle* • *Atherton High* • *Ballard High* • *Central High* • *Carter Elementary* • *Carrithers Middle* • *Fairdale High* • *Fern Creek High* • *Jefferson County High* • *Liberty/Mary Ryan High* • *Pleasure Ridge Park High* **Compliance**	Reviewed school activity fund administration for 16 schools identified through a risk assessment. Four schools received a high rating, indicating that controls are operating effectively. Six schools received an unsatisfactory rating revealing significant improvement is necessary to ensure compliance with the Redbook requirements.	Completed

Audit Activities Type	Objective	Status
IT Risk Assessment **Consulting – Outsourced**	Facilitated review of the risk assessment documents and participated in meetings to create action plans. Internal Audit will be participating in an advisory role on the Risk Management Committee that will be charged with addressing the gaps identified.	Completed/ Ongoing
School Monthly Financial Reports **Compliance**	Monitoring was performed for selected financial transactions for every school (~25 schools per month) during the second six months of the fiscal year. The objective is to identify specific transactions noted in the KDE corrective action plan as needing improvement. Exceptions identified were communicated with bookkeepers and are consistent with observations noted during School Reviews. Consulted with Accounting Services trainer to incorporate common findings in training sessions.	Ongoing
Committee Participation **Consulting**	Internal Audit participates on the following committees in an advisory/consulting capacity: Racial Equity Analysis Protocol and Data Governance	
Investigation projects/Special Reviews **Investigation**	Investigation requests are referred to Internal Audit via the Compliance Hotline; Executive Management requests; Board Member requests; Anonymous direct contacts. Internal Audit has performed 18 investigations (11 substantiated and 7 unsubstantiated) and currently have 6 open investigations. No significant/material issues were identified and corrective action has been implemented where applicable. In some cases, opportunities were identified and shared with the appropriate staff member for consideration.	Ongoing
Compliance Hotline Administration **Investigation**	Facilitated the implementation of a new third party administered hotline. Provided oversight to reports made through the hotline to ensure timely resolution. Total Reports Received 447 Substantiated 89 Unsubstantiated 339 Other 19 See breakdown of report types, average days to close on page 7	Ongoing

Audit Activities Type	Objective	Status
Seclusion and Restraints Process/Behavior Support Activities and Monitoring Audit Assurance	Review Safe Crisis Management (SCM) and behavior support activities policies and procedures, training materials and documentation of communication provided to schools for completeness and compliance. Test the adequacy of the number of staff trained in SCM and behavior support activities at each location. Test the completeness and integrity of the seclusion and restraint information reported in Infinite Campus. Review the practices implemented for positive behavioral interventions and supports.	Finalizing
School Activity Fund – Fiscal Year End Closing Consulting	Assist Accounting Services by coordinating the fiscal year end close of the school activity accounts in the software system.	Finalizing
Risk Maturity Model Development – Backpack of Success Consulting	Develop a risk maturity tool by creating a framework to assess and benchmark the effectiveness of the Backpack of Success Skills initiative.	In Process
Electronic Travel & Expense Reporting Consulting	Consult with Accounting Services on a way to implement an electronic solution for travel and expense reporting. A small group of employees have been identified to work on a pilot project utilizing a module in MUNIS that will allow for electronic submission of expense reports and an electronic tool to capture and report business mileage.	In process
Information Security Reviews Consulting	Monitoring follow up activities performed as a result of the IT Risk Assessment and Security Assessment performed. Participated in compression planning session and attending periodic meetings to discuss the status of activities.	In Process

Audit Activities Type	Objective	Status
School Attendance Audits – 2019-20 **Compliance**	Assist Pupil Personnel by performing 10 attendance reviews in accordance with the KDE monitoring tool. Each year KDE reviews 25 percent of the school's first two pupil month's attendance activities. This project will serve as a pre-audit to review high risk schools (based on personnel turnover and prior year's observations).	Planning
Exceptional Child Education (ECE) Assessment Oversight **Audit Assurance**	Review the exceptional child education established practices and policies and procedures to assess the level of compliance with the regulatory requirements.	Not started
Early Childhood Practices **Audit Assurance**	Review early childhood policies and procedures, training materials and documentation of communication provided to schools for completeness and compliance. Review the quarterly compliance checks for completeness and steps taken to follow up on observations made during the monitoring. Review the activities regarding the implementation of the early childhood systems blueprint.	Not Started
Human Resources **Audit Assurance – Follow up**	Follow up from FY 2018 HR audit. Review various changes in HR policies and procedures including interview process. Test a sample of new hires to determine if they have been set up properly in the system and if proper hiring policies have been followed including background checks and verification of certifications.	Postponed to 2020

Breakdown of Hotline Reports FY 2019

Tier / Type	Other		Substantiated		Unsubstantiated		Total	Total Ave # of Days to
	Count	Ave of # of days to close	Count	Ave of # of days to close	Count	Ave of # of days to close	Total Count	of Days to Close
Administration	**1**	**1**			**10**	**25**	**11**	**23**
Bullying					3	39	3	39
Conflict of Interest					2	14	2	14
Theft					1	8	1	8
Violation of Policy	1	1			4	26	5	21
Elementary	**10**	**33**	**26**	**8**	**115**	**12**	**151**	**13**
Bullying	2	34	26	8	99	11	127	10
Conflict of Interest	1	59			2	15	3	29
Crimes and Threats					1	8	1	8
Discrimination	2	14			2	22	4	18
Falsification of Contracts, Reports or Records					1	4	1	4
Misconduct or Inappropriate Behavior	3	44			2	41	5	43
Other					1	47	1	47
Sexual Harassment					4	9	4	9
Theft					1	6	1	6
Violation of Policy	2	24			2	33	4	28
High	**4**	**4**	**14**	**15**	**86**	**18**	**104**	**17**
Bullying	3	5	11	12	72	17	86	16
Conflict of Interest					1	21	1	21
Crimes and Threats			1	2	4	5	5	4
Discrimination					2	7	2	7
Falsification of Contracts, Reports or Records					1	11	1	11
Misconduct or Inappropriate Behavior	1	1	1	35	3	59	5	43
Sexual Harassment			1	38			1	38
Theft					1	4	1	4
Violation of Policy					2	28	2	28
Middle	**3**	**18**	**40**	**12**	**117**	**11**	**160**	**12**
Bullying	1	34	37	12	100	11	138	11
Conflict of Interest					1	7	1	7
Crimes and Threats	1	19			7	13	8	14
Discrimination					3	4	3	4
Falsification of Contracts, Reports or Records			2	21			2	21
Sexual Harassment			1	1	2	11	3	8
Theft	1	-			1	6	2	3
Violation of Policy					3	29	3	29
Other	**1**	**33**	**9**	**28**	**11**	**13**	**21**	**20**
Bullying	1	33	3	41	9	14	13	22
Conflict of Interest			1	37	1	-	2	19
Crimes and Threats			2	7			2	7
Misconduct or Inappropriate Behavior			1	5	1	14	2	10
Theft			1	47			1	47
Violation of Policy			1	27			1	27
Grand Total	**19**	**178**	**89**	**178**	**339**	**310**	**447**	**384**

Jefferson County Public Schools
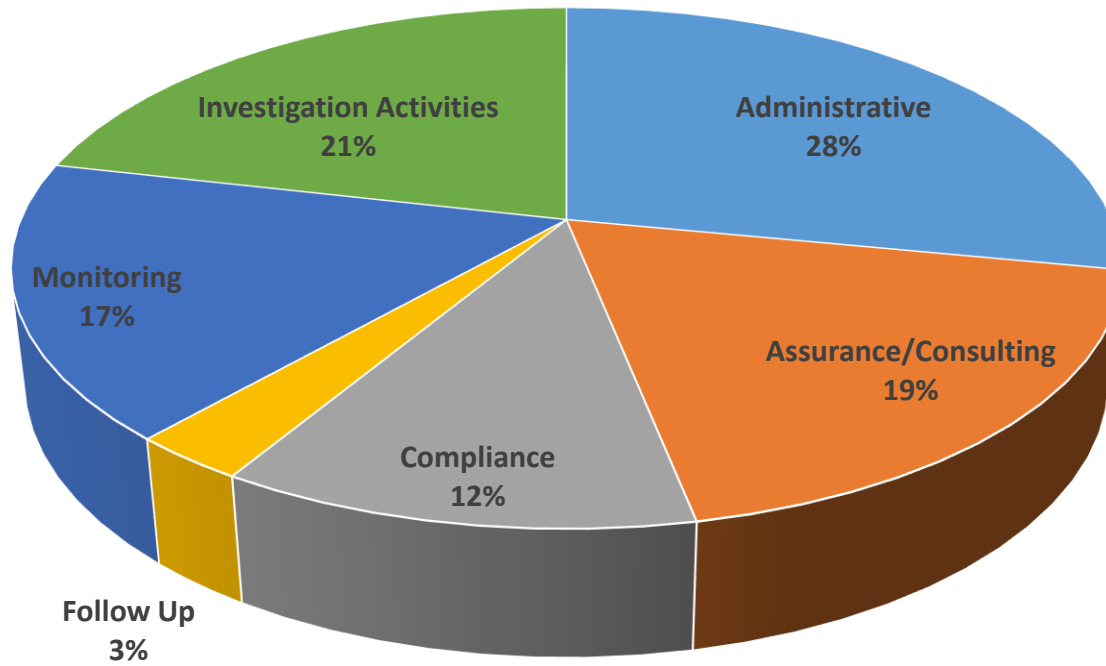# Internal Audit
Proposed Audit/Consulting/Monitoring Activities
for the period November 2019 – October 2020

Processes included in the Audit Universe are prioritized as high, medium and low based on the risk matrix (Exhibit A). Priority of projects included in the proposed audit work plan were identified based on feedback from Cabinet Members, knowledge of required activities and observations made throughout the past year.

High	Medium	Low
Contract Review Process	Attendance Administration	Inventory Recounts
Bus Routes Determination	Travel and Other Business Reimbursement Process	School Activity Fund Combining Budget - Coordination
Early Childhood Practices (Carry over from PY)	School Activity Fund Administration Reviews	School Activity Fund – Fiscal Year End Closing
School Activity Fund Data Analytics Development	Investigation Activities	Hotline Administration

Information technology reviews will be identified at a later time to provide the Information Technology division an opportunity to implement their plan to address areas noted within the IT Risk Assessment.

% of Audit Activities included in Proposed Work Plan

- Investigation Activities 21%
- Administrative 28%
- Monitoring 17%
- Assurance/Consulting 19%
- Compliance 12%
- Follow Up 3%

Audit Activities Type	Objective	Estimated Timing
Exceptional Child Education (ECE) Assessment Oversight **Audit Assurance**	Review the exceptional child education established practices and policies and procedures to assess the level of compliance with the regulatory requirements. Part of prior year audit plan.	Fall 2019
Risk Maturity Model Development – Backpack of Success **Consulting**	Develop a risk maturity tool by creating a framework to assess and benchmark the effectiveness of the Backpack of Success Skills initiative. This is part of the prior year audit plan.	Fall 2019
Human Resources **Audit Assurance – Follow up**	Follow up from prior year HR audit. Review various changes in HR policies and procedures including interview process. Test a sample of new hires to determine if they have been set up properly in the system and if proper hiring policies have been followed including background checks and verification of certifications.	Late Fall 2019
Early Childhood Practices **Audit Assurance**	Review early childhood policies and procedures, training materials and documentation of communication provided to schools for completeness and compliance. Review the quarterly compliance checks for completeness and steps taken to follow up on observations made during the monitoring. Review the activities regarding the implementation of the early childhood systems blueprint.	Winter
School Reviews 2018-2019 **Audit Assurance**	Review school activity fund administration for 18 schools identified through a risk assessment.	Winter/Spring

Audit Activities Type	Objective	Estimated Timing
School Attendance Audits – 2019-20 **Compliance**	Assist Pupil Personnel by performing 10 attendance reviews in accordance with the KDE monitoring tool. Each year KDE reviews 25 percent of the school's first two pupil month's attendance activities. This project will serve as a pre-audit to review high risk schools (based on personnel turnover and prior year's observations).	Winter/Spring
Travel and other Business Expenses **Audit Assurance**	Perform a review of travel and other business expenses incurred to ensure that travel guidelines are properly implemented and that appropriate controls are in place to detect, prevent and correct noncompliant activities identified.	Spring 2020
Inventory recounts (Warehousing) **Monitoring**	Perform recounts of inventory performed at warehouses and nutritional services.	Spring 2020
School Activity Fund – Combining Budget **Monitoring**	Facilitate the collecting of combining budgets for the school activity funds and prepare JCPS Board of Education report for their review and approval.	Spring 2020
School Activity Fund – Fiscal Year End Closing **Consulting**	Assist Accounting Services by coordinating the fiscal year end close of the school activity accounts in the software system.	Summer 2020
School Monthly Financial Reports **Compliance**	Develop data analytics to enhance monthly review process. The analytics will be designed to identify high probability errors/irregularities earlier in the process to provide time for correction and implementation of effective administration activities.	Ongoing

Audit Activities Type	Objective	Estimated Timing
Committee Participation Consulting	Internal Audit will participate on the following committees in an advisory/consulting capacity: Racial Equity Analysis Protocol; Data Governance; Information Security Committee; Bookkeeper Advisory Committee	Ongoing
Compliance Hotline Administration and Investigation Activities Investigation	Perform oversight and potential investigations as deemed necessary.	Ongoing
Electronic Travel & Expense Reporting Consulting	Consult with Accounting Services on a way to implement an electronic solution for travel and expense reporting. A small group of employees have been identified to work on a pilot project utilizing a module in MUNIS that will allow for electronic submission of expense reports and an electronic tool to capture and report business mileage.	Until implemented
Information Security Reviews Consulting	Monitoring follow up activities performed as a result of the IT Risk Assessment and Security Assessment performed. Participated in compression planning session and attending periodic meetings to discuss the status of activities.	Until fully implemented

# of Processes by Category and Risk Level	Risk Level			
	H	M	L	Grand Total
Academic Activities	2	13		15
Application & Data Services		4	1	5
Bond Administration		3	1	4
Business Resiliency	1	2		3
Communications		8		8
Data Management		4		4
Disbursement Cycle		4		4
Employee Recruitment		3		3
Facilities Administration		5	1	6
Field Operations - Technology		7		7
Financial Administration		9		9
Governance		13	2	15
Grant Administration	1	3		4
Infrastructure - Technology	3	5		8
Nutrition Servivces		7		7
Payroll Processing/Reporting		3		3
Personnel Management		9	1	10
Procurement Activities	1	6	1	8
Revenue Cycle		6		6
School Administration	2	1	1	4
Staff Development		2		2
Student Attendance		2		2
Student Safety	1	4		5
Support - Technology		5		5
Transportation Administration	2	2		4
Grand Total	**13**	**130**	**8**	**151**

# of Processes by Chief and Risk Level	Risk Level			
	H	M	L	Grand Total
Superintendent, Pollio			5	5
Staff, Dennes	1	2		3
Schools, Horton	2	3		5
Academic, Coleman	3	11	1	15
Exceptional Child Education, Chevalier		7		7
Equity Officer, Marshall		2	2	4
Operations, Raisor	2	16	2	20
Accountability, Research, Systems Improvement, Dossett		6		6
General Counsel, Brown	1	4		5
Human Resources, Adams		11	1	12
Technology, Belcher	3	22	1	26
Communications, Murphy		5		5
Finance, Hardin	1	32	1	34
Internal Audit, Renn		4		4
Grand Total	**13**	**130**	**8**	**151**

JCPS
Risk Matrix Criteria
November 2019 - October 2020

Audt Processes

Financial Exposure	H - >$10,000,000 Financial exposure M - Between 1,000,000 to 9,999,999 L - < 1,000,000
Compliance with Laws and Regulations Or Contracts	H - Complex compliance issues with frequently changing regulations or significant changes in prior 12 months or large number of people involved in implementing the compliance activity M - Moderate compliance issues with manageable changes in regulations or moderate number of people implementing the compliance activity L - Infrequent changes in regulations or small number of people implementing the compliance activity
Included on CAP*	Y = Included on CAP N = Not included on CAP
Public Exposure*	H - Errors in process would have significant impact on reputation. M - Errors in process would have moderate impact on reputation L - Errors in process would have minimal impact on reputation
Cabinet Leadership Changed	H = CL less than 2 years experience M = CL member >2 - 4 years experience L = CL member > 5 years experience in position
Key Personnel Experience	H = Key employee less than 2 years experience in position M = Key employee >2 - 4 years experience in position L = Key employee > 5 years experience in position
Complexity of Transactions	H = Highly complex transactions, or significant manual input M = Complex transactions, moderate manual input L = Simple transactions, highly automated
Time Expired Since Last Audit	H = No audit in more than 5 years M = No audit between 3 - 4 years L = Audit performed in last 2 years Exceptions - If material findings were identified in an audit, then H would be automatic until re-performance indicated material findings were adequately addressed

Schools

Financial Exposure	H - >$500,000 Financial exposure M - Between $100,000 to $499,999 L - < 100,000
Principal Tenure	H = < 2 years experience M = >2 - 4 years experience L = > 5 years experience in position
Bookkeeper Tenure	H = < 2 years experience M = >2 - 4 years experience L = > 5 years experience in position
Complexity of Transactions	H = Highly complex transactions, or significant manual input M = Complex transactions, moderate manual input L = Simple transactions, highly automated
PY Findings	H = > 5 findings rated Red/Purple M = < = 4 findings rated Red/Purple L = No findings rated Red/Purple Exceptions - If material findings were identified in an audit, then H would be automatic until re-performance indicated material findings were adequately addressed

* Weighted heavier for risk assessment purposes

JCPS
Top Risks based on Internal Audit Assessment
November 2019 - October 2020

Processes/Auditable	Category	Strategy	Primary Chief	Risk Score	Est Audit Hrs	
Bus Routes	Transportation Administration	Organizational Coherence	Operations, Raisor	85 H	400	Requested
Pupil Transporation	Transportation Administration	Learning	Operations, Raisor	85 H	400	
School Choice Administration/Oversight	School Administration	Organizational Coherence	Schools, Horton	80 H	400	In process of changing
Contract review	Procurement Activities	Organizational Coherence	General Counsel, Brown	80 H	400	Requested
Behavior support activities and monitoring (Safe Crisis Mgmt)	Student Safety	Culture and Climate	Academic, Coleman	75 H	400	Performed in FY 19
Curriculum development/implementation (Instructional Management)	Academic Activities	Learning	Academic, Coleman	75 H	400	
Data Center	Infrastructure - Technology	Organizational Coherence	Technology, Belcher	75 H	400	Outsource
Disaster Recovery	Infrastructure - Technology	Organizational Coherence	Technology, Belcher	75 H	400	Outsource
Business continuity	Business Resiliency	Organizational Coherence	Staff, Dennes	70 H	400	Outsource
Accelerated Improvement Management/Oversight	School Administration	Learning	Schools, Horton	70 H	400	
Early Childhood practices	Academic Activities	Learning	Academic, Coleman	70 H	400	Carryover FY 19
Network	Infrastructure - Technology	Organizational Coherence	Technology, Belcher	70 H	400	Outsource
Grant management and administration	Grant Administration	Organizational Coherence	Finance, Hardin	70 H	400	Some aspects incorporated into School Reviews (KDE CAP related), recently reviewed in FY18

Proposed Reviews for FY 2020

Early Childhood practices	Academic Activities	Learning	Academic, Coleman	70 H	400	Assurance (carryover from PY)
Travel and Expense Processing	Disbursement Cycle	Organizational Coherence	Finance, Hardin	45 M	400	Assurance
Contract review	Procurement Activities	Organizational Coherence	General Counsel, Brown	80 H	400	Assurance
Bus Routes	Transportation Administration	Organizational Coherence	Operations, Raisor	85 H	400	Consulting

Department/ School	Type	Zone	AIS	Disb Activity FYE 6/30/2018	Risk Rating	Audit Time	Follow up for Red Rated Audits
SCHAFFNER ES	Elem	1		96,371.73	Medium	32	
KENNEDY ES	Elem	1		90,070.97	Medium	32	
CARTER ES	Elem	1		84,390.93	Medium	32	
BRANDEIS ES	Elem	2		80,574.00	High	32	
SHELBY ES	Elem	2	x	19,669.14	Medium	32	
BATES ES	Elem	2		95,914.99	Medium	32	
NORTON COMMONS	Elem	3		64,888.64	High	32	
GREATHOUSE SHYROCK ES	Elem	3		142,931.62	High	32	
NORTON ES	Elem	3		119,561.18	Medium	32	X
NOE MS	Middle	Middle		413,640.13	High	32	
RAMSEY MS	Middle	Middle		426,928.91	Medium	32	
CARRITHERS MS	Middle	Middle		209,000.13	High	32	X
VALLEY HS	High	High	x	220,709.13	High	32	
MALE HS	High	High		1,325,033.29	High	32	
LIBERTY/MARY RYAN HS	High	High		10,787.43	High	32	X
BALLARD HS	High	High		834,033.55	High	32	X
FAIRDALE HS	High	High		408,735.02	High	32	X
CENTRAL HS	High	High		540,800.23	High	32	X
				5,184,041.02		576	

Risk Rating	$ of Disb FY 18	Elem	Middle	High	Other/Pre	# of Schools
High	4,596,783	3	3	6		12
Medium	2,694,472	49	16	21	2	88
Low	12,163,490	43	6	1	14	64
Grand Total	**$ 19,454,745.42**	**95**	**25**	**28**	**16**	**164**

Note:
All schools will be subjected to ongoing monitoring activities through the monthly data analytics reviews that will be performed throughout t

Audit/Investigative Staff

			# Audit/ Investigative Staff	
Annual Hours	October - September	6,240	3	
Total Hours		6,240		
Leave Time estimated	15 days	(360)		
Holiday Time	80 hrs	(240)		
Personal Days/Flex Days	4 days	(96)		
		(696)	11%	
Continuing Professional Education	40 hrs	(120)	2%	
Administrative (staff)		(936)	15%	
Available Hours		4,488		

	Hours	# of Projects/ Months		
School Activity Funds Review	32.0	18	(576)	13%
Monthly Monitoring - School Activity	40.0	12	(480)	11%
School Activity Funds Admin.	TBD	**A**	(365)	8%
Attendance Audits	40.0	10	(400)	9%
Inventory	80.0	1	(80)	2%
Investigations/Special Reviews	45.0	12	(540)	12%
Hotline Administration	8.0	12	(96)	2%
Hotline Investigation	45.0	10	(450)	10%
Available for Projects			1,501	
Average Project	400.0	4	1,501	33%
		# of Est Projects		

Director	Hours/Days	# of Projects/ Months	2,080		**Clerk**	Hours/Days	# of Projects/Months	2080	
Leave Time estimated	15 days		(120)		Leave Time estimated	15 days		(120)	
Holiday Time	24 hrs		(80)		Holiday Time	24 hrs		(80)	
Personal Days/Flex Days	4 days		(32)		Personal Days/Flex Days	4 days		(32)	
			(232)	11%				(232)	11%
Continuing Professional Education/JCPS Specific	80		(80)	4%	Continuing Professional Education/JCPS Specific	30		(30)	1%
Committee Work									
ARMAC	8	6	(48)	2%					
REAP	2	12	(24)	1%	Monthly Financial Report Admin.	12	141	(1,692)	81%
Data Governance	1.5	12	(18)	1%	EPES Yr End Close	1	141	(141)	7%
Information Security	2.5	12	(30)	1%	Follow Up Administration	4	12	(48)	2%
Risk Assessment			(250)	12%	Administrative Activities			(90)	4%
Planning Activities			(250)	12%	EPES Combining Budget	1.5	141	(212)	10%
Administrative (Meetings, evaluations, etc)	8	12	(96)	5%	Assistance from Audit Team	**A**		365	-18%
Review Work/QAIP Activities			(300)	14%					
Consulting			(300)	14%					
Investigations/Special Projects			(200)	10%					
Other			(252)	12%				-	
Total Allocated Time			(2,080)		Total Allocated Time			(2,080)	