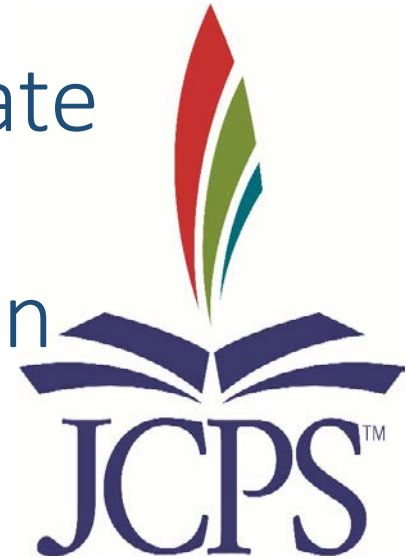


Internal Audit FY19-20 Status Update and FY20-21 Proposed Audit Work Plan



*Audit and Risk Management Advisory Committee
July 29, 2020*

Objectives for Today

- 2019-2020 Work Plan Status Update
- 2020-2021 Proposed Audit Plan
- Questions



Internal Audit Team

- Jodell Renn, CPA, CIA, CFE Director of Internal Audit
 - Chalynn, Comage, Risk Investigator
 - John LeMaster, CPA Internal Auditor
 - Sonya Miller, Internal Auditor
 - Shari Mattingly, Clerk



2019-2020 Work Plan Status Update

Accomplishments:

- Completed 6 follow-up reviews for schools that had previously received a Red rating;
- Completed attendance reviews at 10 schools;
- Finalized a review on the Seclusion and Restraints process;
- Performed a process improvement review of healthcare compliance activities for the Early Childhood program;
- Assisted in pre-review of 7 Family Resource Youth Service Center programs in preparation for KDE reviews;
- Performed on-going monthly monitoring of school activity funds for 144 schools;
- Administered the anonymous reporting hotline that received over 455 reports;
- Performed 25 investigations/inquiries;



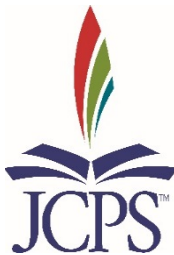
2019-2020 Work Plan Status Update continued

Accomplishments (continued):

- Developed a findings database to serve as a repository for internal, external, and oversight entity reports;
- Participated on staff committees in an advisory capacity.

In process/To be scheduled:

- Follow-up activity for 2018 Human Resources Review;
- Electronic Travel and Expense pilot project;
- Risk Maturity Model development – Backpack of Success program
- IT Information Security Program;
- Travel and Other Business Expense Review
 - Registration Fees Analysis
- Exceptional Child Education Assessment Oversight Process Improvement Review
- Contract Administration Process Review
- Bus Routes Process Improvement Review



2020-2021 Proposed Work Plan

Methodology:

- Update the audit universe based on changes throughout the year;
- Meet with JCBOE members, ARMAC members, the Superintendent, Cabinet Leaders, and other district personnel to identify areas of concern or opportunity;
- Perform a risk assessment;
- Identify engagements that have the potential to improve management of risks, add value, and improve the District's operations;
- Build a plan that is flexible to ensure Internal Audit can be responsive to unforeseen issues and changes in the District's risks, operations, programs, systems, and controls;
- Align the work plan with the District's goals as well as the expertise of the internal audit staff;
- Contract with outside firms to augment the limited number of internal audit staff as well as limited information technology expertise; and
- Consider reviews performed by oversight entities, external auditors, and others to avoid duplication and redundant activities.



2020-2021 Proposed Work Plan continued

| Audit Activities | Definition |
|-----------------------|---|
| Assurance | Objective examinations of evidence for the purpose of providing independent assessments on governance, risk management, and control processes for the organization. Examples include financial, compliance, performance, and information technology audits. |
| Consulting | Advisory and related client service activities, the nature and scope of which are agreed to with the client, are intended to add value and improve the District's governance, risk management, and control processes without the internal auditor assuming management responsibility. Examples include counsel, advice, and process improvement. |
| Compliance/Monitoring | Activities that are compliance focused such as attendance reviews, school activity fund reviews, or ongoing monitoring such as the school activity fund monthly verification form process. |
| Investigations | Activities that come from reports through the anonymous hotline, potential fraud related, or special assignments from Superintendent/Cabinet/JCBOE Board members. |
| Follow-up | Follow-up engagements, also referred to as corrective action plan follow-up reviews, are conducted to determine the adequacy and timeliness of actions taken by management on reported engagement findings and recommendations. This work determines if management has taken action or accepted the risk of not taking action on reported findings. |



Processes included in the Audit Universe are prioritized as high, medium and low based on the risk evaluation, feedback from Cabinet Members, knowledge of required activities and observations made throughout the past year.

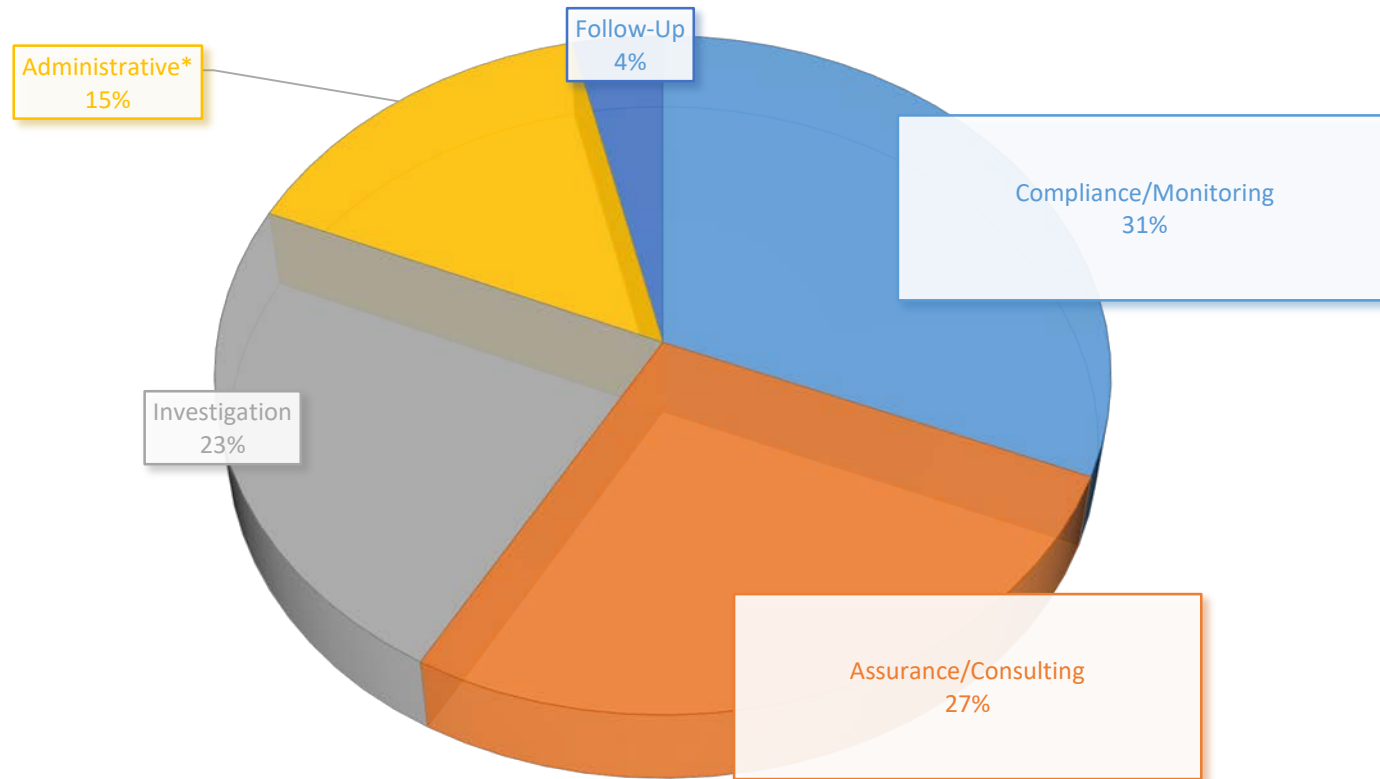
| HIGH | Medium | Low |
|--|--|--|
| Network Administration – Vulnerability Scan and Analysis | School Activity Fund Administration Reviews | School Activity Fund – Fiscal Year End Closing |
| Google Domain Administration – Security Review | Attendance Administration | Data Analytics Project Development |
| Construction Management Process Review | Employee Separation Process | |
| | Investigation Activities | |
| | Follow up Activities on Corrective Action Plans from Previously Issued Reports | |
| | Building Modification Process | |

Projects carried over from the 2019-2020 audit plan could be incorporated to work plan.



2020-2021 Proposed Work Plan continued

WORK PLAN BREAKDOWN



*Includes Administrative hours, professional development and paid time off.

2020-2021 Proposed Work Plan continued

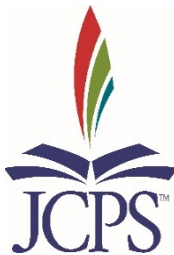
Current considerations:

How will the current environment impact the proposed plan?

- ❖ Virtual reviews
- ❖ Staff availability
- ❖ Documentation availability
- ❖ Projects carried over from 2019-2020 work plan

What opportunities exist to support JCPS in moving to more automation and/or streamlining current processes?

- ❖ Flexibility of plan
- ❖ Relevance of activities
- ❖ Ongoing communication with stakeholders



Questions/Discussion

