FY2027

Annual Risk Assessment & Proposed Audit Plan

Audit and Risk Management Advisory Committee
September 2026

Jefferson County Public Schools | Internal Audit

METHODOLOGY

A Broader View of Enterprise Risk

Administration Survey

99 of ~101 responses / ~98%

JCBE & ARMAC Survey

Governance and oversight perspective

Interviews & Risk Discussions

Context, examples, emerging risks

Transition Planning

Pre-reorganization risk intelligence

Audit & External Assurance

Existing coverage and assurance gaps

Organizational Conditions

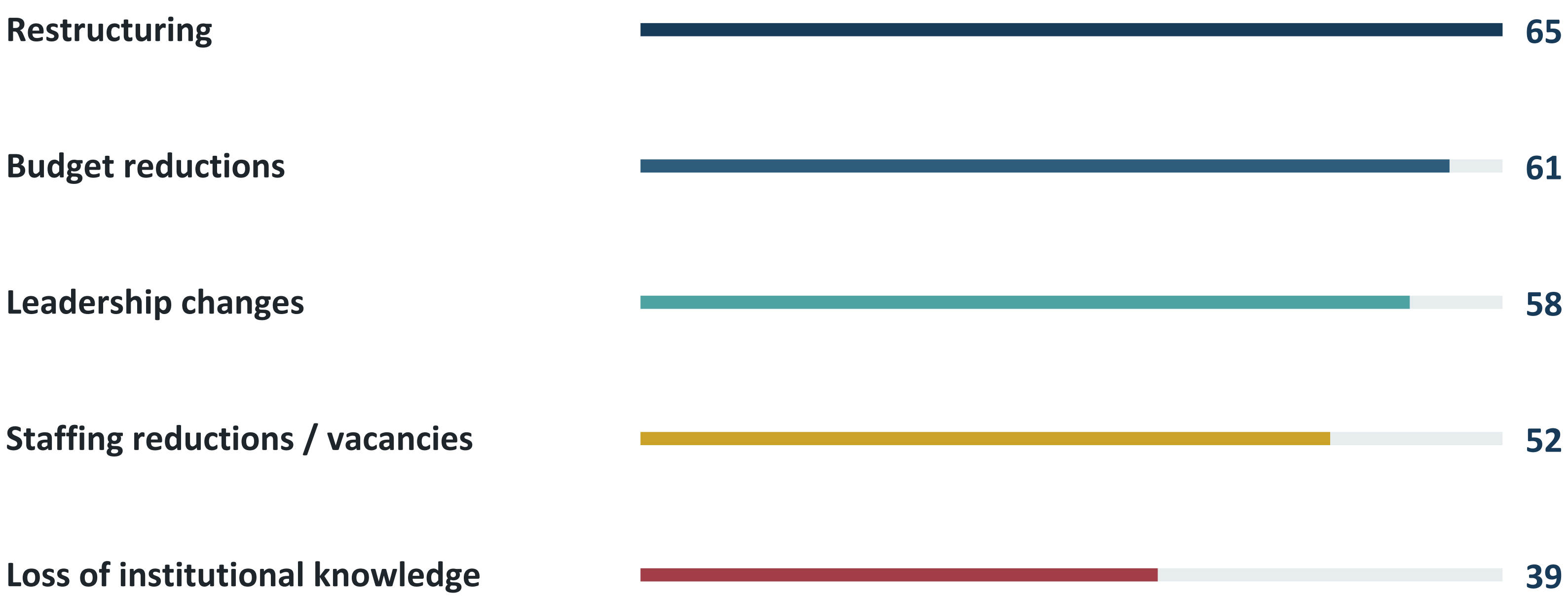
Financial, staffing, leadership and operational change

FY2027 ENTERPRISE RISK ASSESSMENT

No single data source or mathematical formula determined the final ranking.

RISK ENVIRONMENT

FY2027 Was Assessed During Significant Organizational Change



Respondents also reported significant workload, responsibility, centralization, regulatory, technology, and vendor changes.

These conditions can amplify risk across multiple areas of the District.

Numbers reflect respondents reporting that the condition affected their division during the past year.

SURVEY EVIDENCE

What Stakeholders Identified as Top Risk Areas within JCPS

Survey results represent one evidence stream within the overall risk assessment.

Measure shown: percentage of all respondents selecting the risk area with the greatest potential to significantly affect the District's ability to achieve its mission and objectives

JCPS

INTEGRATED ASSESSMENT

From Stakeholder Input to Enterprise Risk Assessment

SURVEY

Breadth and level of stakeholder concern

Interviews & Risk Discussions

Context • examples • emerging concerns

Transition Planning

Pre-reorganization risks

Audit & External Assurance

Existing coverage • gaps

Organizational Conditions

Financial • staffing • leadership change

ENTERPRISE RISK ASSESSMENT

Relative enterprise significance

+ Internal Audit professional judgment

Example: Governance, Strategy & Organizational Change — **Survey top-five selection: 29.9% → Final enterprise rank: #3**

The final assessment is not an adjusted survey ranking; it is an integrated assessment of multiple evidence streams.

ASSESSMENT RESULTS

FY2027 Enterprise Risk Landscape

01 Financial Sustainability & Fiscal Management

02 Workforce Capacity & Talent Management

03 Governance, Strategy & Organizational Change

04 Student Achievement & Educational Outcomes

05 Organizational Culture, Ethics & Accountability

06	Operational Effectiveness & Accountability	11	Data Governance, Quality & Use
07	Student & Staff Safety & Well-Being	12	Student Transportation
08	Student Access, Opportunity & Engagement	13	Procurement, Contracting & Third-Party Management
09	Stakeholder Trust, Engagement & Reputation	14	Business Continuity & Operational Resilience
10	Technology, Cybersecurity & Digital Resilience	15	Legal & Regulatory Compliance

Rank reflects relative enterprise significance - not a conclusion that a risk is poorly managed or adequately controlled.

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YEAR-OVER-YEAR INTERPRETATION

What Changed in FY2027?

PERSISTENT	INCREASING SIGNIFICANCE	NEWLY EXPLICIT
#1 Financial Sustainability	#3 Governance / Change	#4 Student Achievement
#2 Workforce Capacity	#5 Culture & Accountability	
	#6 Operational Effectiveness	

The FY2027 risk universe changed from 25 to 15 risks; the focus is the change in overall risk profile, not simple rank-to-rank movement.

ENTERPRISE VIEW

The District's Highest Risks Are Interconnected

Governance, Strategy & Organizational Change

clarity of authority • direction • ownership • accountability

Financial Sustainability
Fiscal pressure
Resource constraints

Workforce Capacity
Staffing
Leadership capacity

Operational Effectiveness
Execution
Ownership
Internal controls

Student & District Outcomes
Achievement •
Access
Safety • Confidence

Organizational Culture, Ethics & Accountability

trust • communication • escalation • accountability

The FY2027 risk profile should be viewed as an interconnected enterprise system - not 15 independent risks.

PLANNING JUDGMENT

Enterprise Risk Informs - but Does Not Dictate - the Audit Plan

Enterprise Risk	Where is exposure greatest?
Existing Assurance	What is already being reviewed?
Required IA Work	What must IA perform?
Auditability	Where can review produce reliable conclusions?
Resources & Expertise	What can realistically be performed?
Expected Value	Where can IA add the most value?

↓

FY2027 AUDIT PLAN

Enterprise risk ranking ≠ audit priority ranking

AUDIT PLAN

Proposed FY2027 Assurance Priorities

McKinney-Vento Homeless Assistance Act

Focus

Program administration, resource management, service delivery, and monitoring.

Risk connection

- Student Access
- Financial Sustainability
- Operational Effectiveness

Employee Complaint / Grievance Process

Focus

Compliance and operational effectiveness of the employee complaint/grievance process.

Risk connection

- Workforce Capacity
- Culture & Accountability

Health & Wellness

Focus

Financial and operational processes, including resources, staffing, contracted services, and monitoring.

Risk connection

- Financial Sustainability
- Safety & Well-Being
- Operational Effectiveness

Required assurance: Annual FY2027 Audit Follow-up

Assess implementation and effectiveness of corrective actions from previous audit findings.

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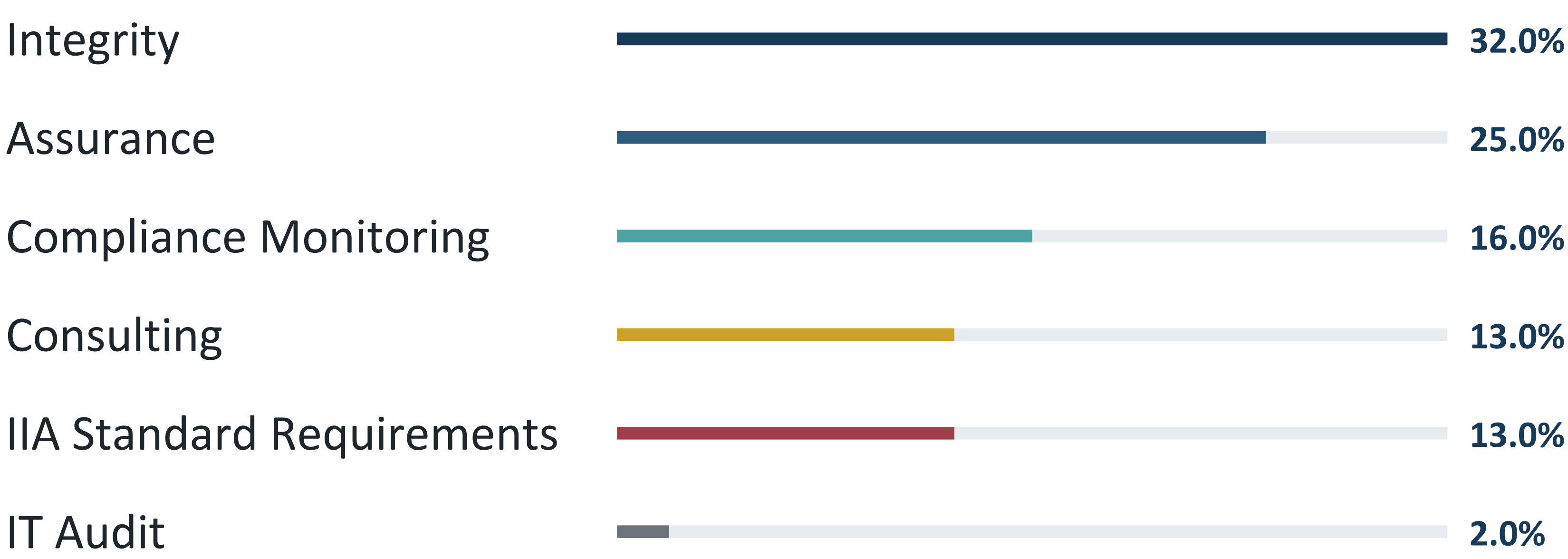
RESOURCE CONTEXT

FY2027 Internal Audit Capacity Is Broader Than New Audits



Planned resource allocation shown as rounded percentages

Carryover Assurance

Vendor Performance • Police Operational Coverage • Asset Tracking • Gmail Security Assessment

Continuous Monitoring

Attendance • SAF Verification • SAF Transaction Monitoring

Integrity & Hotline

Hotline administration • Hotline transition/routing • Integrity investigations

The proposed assurance plan is intentionally limited to work that can realistically be completed with available resources.

FY2027 Audit Plan

Risk-based	Informed by a broader enterprise-risk assessment.
Resource-conscious	Designed around available capacity, existing assurance coverage, and required Internal Audit responsibilities.
Flexible	Resources may be reallocated as significant risks or District circumstances change.

Questions

Corrective Action Plan (CAP) Status Summary: State Special Examination and Plante Moran Assessment

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CONSOLIDATED VIEW

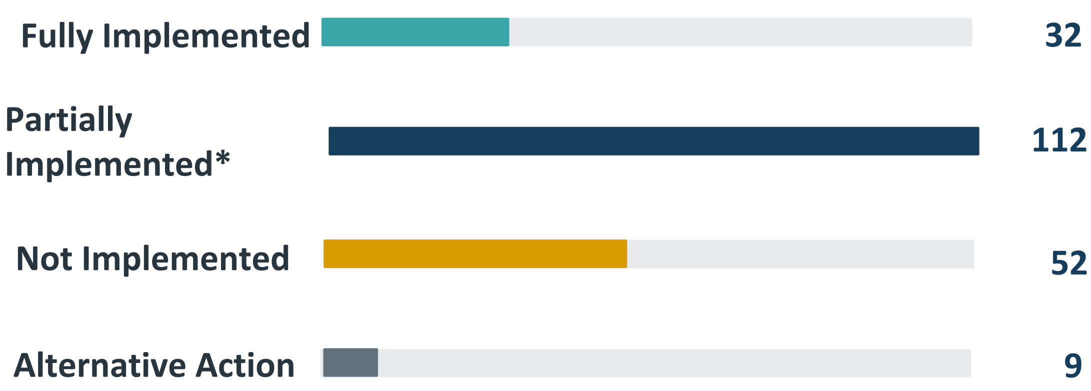
External Corrective Action Plan Status

205
formal corrective actions tracked across two external assessments

192 APA Special Examination

13 Plante Moran Fiscal Assessment

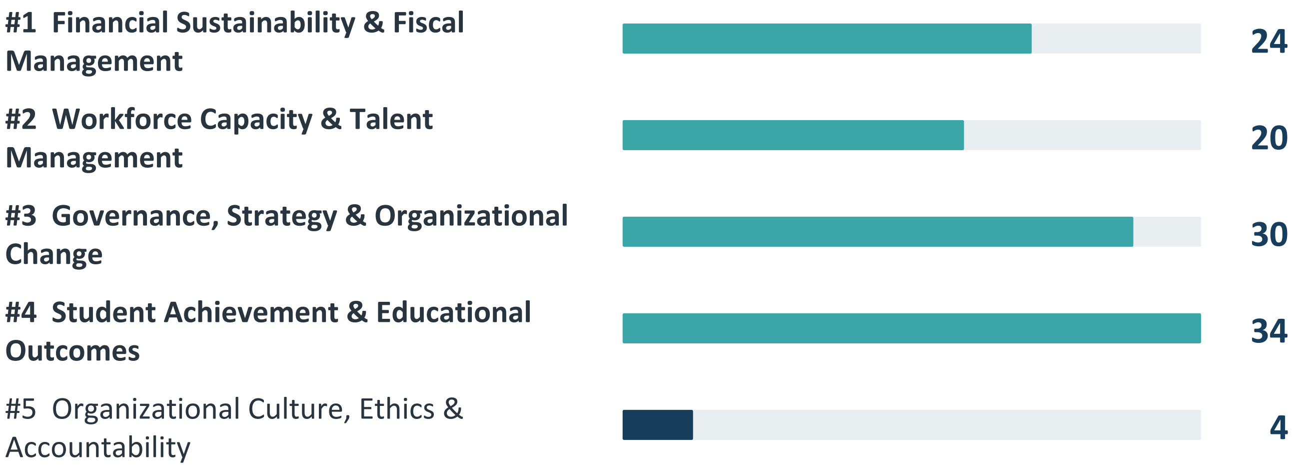
MANAGEMENT-REPORTED / INTERIM STATUS



* Plante Moran: all 13 CAPs are shown as Partially Implemented as an interim reporting assumption. Implementation activity has begun, but current completion has not yet been independently validated.

External Assurance Corroborates Key FY27 Risk Areas

Corrective-action concentration aligns strongly with the highest-ranked enterprise risks.



108 of 205

53%

align primarily with the four highest-ranked FY27 enterprise risks

Matters for Oversight Attention

Three consolidated-level matters warrant continued governance visibility.

01
Financial Governance & Long-Term Sustainability

Strengthening the framework for sustainable financial decision-making

- Budget governance
- Multi-year forecasting
- Sustainable funding
- Board financial visibility

02
Strategy, Investment & Outcomes

Connecting District priorities and spending to measurable results

- Strategic planning
- Resource alignment
- KPIs / outcomes / ROI
- Investment decisions

03
Enterprise Implementation Capacity & Coordination

Sustaining execution across a large, interconnected remediation portfolio

- Cross-divisional dependencies
- Concurrent initiatives
- Multi-year implementation
- Management coordination

Focus is on the underlying enterprise matter - not individual recommendation numbers .

Corrective Action Oversight

Management owns remediation. Internal Audit provides independent follow-up.

MANAGEMENT

Owns & Implements

- Corrective actions
- Milestones & evidence
- Accountability for completion

STRATEGY & INNOVATION

Coordinates & Tracks

- Central portfolio monitoring
- Cross-divisional coordination
- Works with Legal & responsible divisions

INTERNAL AUDIT

Independently Follows Up

- Assess reported status
- Validate implementation as appropriate
- Evaluate effectiveness based on risk

ARMAC / BOARD

Receives significant matters requiring governance attention

Future ARMAC reporting	**Consolidated-level visibility + elevation of significant overdue, incomplete, ineffective, disputed, or otherwise unresolved matters.**

Internal Audit follow-up will be risk-based - not testing of all 205 CAPs.

Questions