# Jefferson County Public Schools Internal Audit Department Audit Plan

**Assurance * Independence * Objectivity**
**2026–27**

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## ***Introduction***

The Fiscal Year (FY) 2027 Audit Plan for the Internal Audit Department outlines the activities where internal audit resources will be dedicated. Professional standards, as well as the Internal Audit Charter, require the preparation of an audit plan. In accordance with protocol, this plan requires approval from the Jefferson County Board of Education (JCBE) and the Audit and Risk Management Advisory Committee Meeting (ARMAC).

## ***Methodology***

The framework for the methodology, and the process for developing the audit plan, are explained below.

### Framework

This plan was developed using a risk-based methodology. The methodology incorporates elements of the Committee of Sponsoring Organizations' (COSO) Enterprise Risk Management Framework, which is a risk model commonly used in the internal audit profession. This approach allows for the evaluation of Jefferson County Public Schools' (JCPS) Divisions and major district processes and functions in a systematic, consistent framework. By using this approach, the Internal Audit Department is better able to dedicate resources that help ensure JCPS (the District) achieves its objectives.

### Risk Assessment and Audit Planning Process

The Internal Audit Department performs an annual risk assessment to inform the audit plan. Information was gathered for this year's risk assessment through the following steps:

- **Survey of Administration.** A survey was distributed to Chiefs and divisional leadership throughout the District. 99 of approximately 101 individuals responded, a response rate of approximately 98 percent. This rate of response is exemplary, and the Superintendent and Cabinet should be commended for encouraging leadership to participate in the Risk Assessment.
- **Survey of the JCBE and ARMAC.** A separate survey, designed for JCBE's and ARMAC's district-wide oversight perspective, was distributed.
- **Follow-up interviews.** Internal Audit conducted follow-up interviews with district leaders to obtain additional context regarding survey responses and other risks or concerns. Interviews were offered to all survey respondents and prioritized based on the District's recent organizational restructuring.
- **Other information.** Internal Audit also considered information brought to its attention independently of the survey process, including matters raised directly by district leadership, and reviewed division-level transition planning documentation prepared prior to the District's July 1, 2026 reorganization.

This year's risk assessment reflects a broader range of information than in prior years, including a district-wide survey of Chiefs and divisional leadership, a separate survey of

JCBE and ARMAC members, follow-up interviews with district leaders, and other information gathered by Internal Audit throughout the year. This broader approach was intended to provide a more complete picture of risk during a year in which the District underwent a significant organizational restructuring.

**Enterprise Risk Areas**
The FY2027 risk assessment considered 15 enterprise risk areas, consolidated from the 25 risk areas used in FY2026 to improve clarity and usability. A crosswalk between the FY2026 and FY2027 risk area frameworks is available upon request.

The list below reflects the overall prioritization of the risk areas, based on the combined survey results (shown at **Appendix D**) together with interviews and other information gathered during the year. This prioritization is informed through multiple sources of input and, in some cases, differs from the numerical survey results.

A "top" risk area is an area with a relatively higher potential for a risk event to occur and have a large impact on the division's ability to achieve its objectives. The risk areas that have been identified are not necessarily representative of the current environment within the District. The identification and awareness of these potential risk areas reflect the initial steps taken to promote a strong internal control environment. The **top ten risk areas** are described below. The 15 risk areas are ranked and described at **Appendix D**.

- **Financial Sustainability and Fiscal Management** - Ability to maintain long-term financial stability, align resources with priorities, monitor financial performance, and respond to fiscal pressures.
- **Workforce Capacity and Talent Management** - Ability to attract, retain, develop, deploy, and support sufficient staff and leadership capacity to meet District needs.
- **Governance, Strategy, and Organizational Change** - Clarity of authority, roles, accountability, strategic direction, and the District's ability to manage significant organizational change.
- **Student Achievement and Educational Outcomes -** Ability to improve and sustain academic outcomes and ensure instructional strategies are implemented effectively.
- **Organizational Culture, Ethics, and Accountability -** Tone, trust, communication, ethical conduct, accountability, and employees' willingness to raise concerns or challenge decisions.
- **Operational Effectiveness and Accountability -** Ability to execute processes consistently, define ownership, monitor performance, and address identified problems.
- **Student and Staff Safety and Well-Being -** Ability to provide safe environments and respond effectively to physical, behavioral, and wellness-related risks.
- **Student Access, Opportunity, and Engagement** - Ability to provide students equitable access to programs, resources, supports, and opportunities needed to participate and succeed.
- **Stakeholder Trust, Engagement, and Reputation -** Ability to maintain confidence through transparent communication, responsive service, and meaningful engagement.
- **Technology, Cybersecurity, and Digital Resilience -** Ability to maintain reliable technology, protect systems and information, manage cyber risk, and support digital change.

The ranking of the risk areas is displayed in **Chart 1** below.

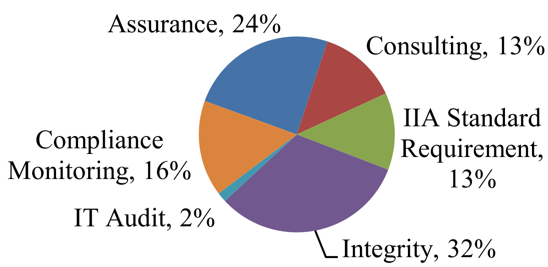

This chart shows the top five risk areas, as identified through the risk assessment based on a combination of survey results and qualitative information, including interviews and other information gathered from District staff and leadership. The percentage shown for each risk area reflects survey results alone. While survey results are one component of the overall ranking, the ranking itself is not based on survey results alone.

**Consideration of Top Risks / Risk Responsibility**

The top risk areas identified were reviewed by the Internal Audit Department and considered during the development of the current and long-term audit plan. The identification of the top risk areas is also beneficial for each division to ensure there is proper risk mitigation plans in place. The management of risks is the responsibility of the District's Administration. The JCBE and Administration are responsible for organizational oversight. District management is responsible for ensuring organizational objectives are achieved and risks are properly managed. The Internal Audit Department is responsible for providing independent assurance on all matters related to the achievement of strategic and operational objectives. A visual representation of the Institute of Internal Auditor's Three Lines of Defense Model is depicted at **Appendix A**.

**Internal Audit Department Resources**
Available resources (i.e., staff hours) were determined to identify the capacity of the Internal Audit Department. Available project hours were calculated after adjusting for each staff member's paid leave time, required training, and administrative tasks. The target utilization rate for audit staff is approximately 75 percent due to the need to dedicate resources to administrative tasks. The available resources were allocated by core services and tasks required by the IIA Standards, as illustrated in **Chart 2**. Team Members are listed below.

**Chart 2—Available Audit Resources (by Core Service)**




*It should be noted that Information Technology (IT) audits require the assistance of external consultants. The allocation represents Internal Audit Department staff hours only, not the financial resources for the IT audit consultants.*

**Team Members:**

May Porter, CIA, CFE—Director of Internal Audit
Chalynn Comage, CFE—Risk Investigator
John LeMaster, CPA—Internal Auditor
Sonya Miller—Internal Auditor
Gina Thompson—Internal Auditor
Sam Zaritsky—Internal Audit Clerk

**Allocation of Internal Audit Department Resources**
The Internal Audit Department's available resources were allocated to the ongoing engagements from the prior year, the required recurring engagements, and the engagements identified during the risk assessment process.

**Audit Plan Completion**
The final plan was developed by assigning the auditable units based on the impact to a significant risk area. Auditable units may include departments, programs, functions, or processes. The capacity and knowledge base of the Internal Audit Department was evaluated to ensure the projects can be performed based on the resources and professional

competencies within the department. In some cases, such as IT services, external consultants are required. In developing the final plan, the following factors were considered:

- Current organizational environment (district / political changes)
- Enterprise-wide processes and tasks
- Mitigation of the District's top risks
- Units covered by other auditors (e.g., external, state, federal)

### ***Audit Plan***

The FY 2027 audit plan is presented in the following section of this document. It is important to note that the audit plan is a flexible document that is intended to allow for changes as circumstances warrant. While the Internal Audit Department strives to follow the plan, unforeseen circumstances may require the ability to act quickly and reallocate resources appropriately.

- A summary of resource allocation by JCPS Division is in **Chart 3** in **Appendix B**.

### ***Conclusion***

The audit plan demonstrates the Internal Audit Department's commitment to its mission of providing value-added services and to the continuous improvement of its services. These services ultimately help JCPS achieve its core strategic objectives. To leverage resources and provide quality professional services, we have limited the scope of work to what we can realistically accomplish with the staff resources available.

If you have any questions or wish to discuss any of these matters in further detail, please contact me.

May R. Porter, CIA, CFE
Chief Audit Executive

## FY 2027 Audit Plan

The audit plan is in order by the Internal Audit Department's core services. Under each type of service, the project(s) is listed. The order of presentation within each core service does not represent prioritization; it is only done for ease of use. Additionally, projects from prior years that are yet to be completed are noted since resources will be dedicated to these projects in FY 2027.

The detailed audit plan, which begins on the following page, covers the following core services.

I. **Assurance Services** - Objective examinations of evidence for the purpose of providing independent assessments on governance, risk management, and control processes for the District. Examples include financial, compliance, operational, and information technology audits. Typically, longer in duration (i.e., 400–600 hours).

II. **Consulting Services** - 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. Timing depends on the defined scope.

III. **Information Technology Audit Services** - Objective examinations and evaluations of the District's information technology infrastructure, applications, data use and management, policies, procedures, and operational processes against recognized standards or established policies. Audits evaluate if the controls to protect information technology assets ensure integrity and are aligned with organizational goals and objectives.

IV. **Compliance/Monitoring** - A continuous process (typically monthly) to ensure that specific regulatory activities are occurring as required. Its purpose is to identify compliance risk issues in a timely manner.

V. **Integrity / Investigation Services** - Potentially fraudulent activities or special assignments that originate from reports through the anonymous hotline, Superintendent, Cabinet members and/or JCBE members. The length of each investigation is based on the facts and circumstances of each case.

## I. Assurance Services

## FY 2027 Audit Plan

The following audits are proposed for the FY 2027 audit plan:

| Area/ Department | Project Name | Preliminary Objective | Related Risk Area |
|---|---|---|---|
| Access and Opportunity | McKinney-Vento Homeless Assistance Act | Assess the administration of the program to determine whether available resources are appropriately managed, services are effectively delivered, and program activities are adequately monitored in accordance with applicable requirements. | Student Access, Opportunity, and Engagement; Financial Sustainability and Fiscal Management; Operational Effectiveness and Accountability |
| Enterprise | Annual FY 2027 Audit Follow-up | Assess the implementation and effectiveness of corrective actions from previous audit findings. | IIA Standard Requirement; Operational Performance |
| Human Resources / Enterprise | Employee Complaint / Grievance Process Audit | Assess the compliance and operational effectiveness of the employee complaint/grievance process. | Workforce Capacity and Talent Management; Organizational Culture, Ethics, and Accountability |
| Student Support and Community Engagement | Health and Wellness | Assess financial and operational processes to determine whether resources, staffing, and contracted services are effectively managed and appropriately monitored. | Financial Sustainability and Fiscal Management; Student and Staff Safety and Well-Being; Operational Effectiveness and Accountability |

## In-Progress During FY 2027 Carryover From FY 2026

These are assurance and consulting projects that were on the FY 2026 Audit Plan and / or started prior to FY 2025 that are still in progress during FY 2027.

| Area/ Department | Project Name | Preliminary Objective | Related Risk Area |
|---|---|---|---|
| Financial Services - Accounting | Vendor Performance | Assess oversight of vendor performance for professional service contracts. Oversight includes but is not limited to verification of supporting documentation before payment; confirmation that services align with scope/deliverables. The audit would also include a review of a judgmental sample of high-dollar vendors. | Financial Sustainability and Fiscal Management; Procurement, Contracting, and Third-Party Management |
| JCPS Police Department | Operational Coverage and Duty Assignment Review | Assess whether officers are positioned and available to respond during assigned shifts in accordance with departmental policy, the Collective Bargaining Agreement (CBA), and supervisory expectations for operational coverage. | Workforce Capacity and Talent Management; Student and Staff Safety and Well-Being |
| Operations – Supply Services | Asset Tracking Process and Accountability | Assess the processes and controls established by Property Records to ensure that district assets are identified, recorded, tracked, and accounted for in a timely and accurate manner | Operational Effectiveness and Accountability |
| Technology Division | Gmail Security Assessment | An assessment of the District's Google Workspace environment | Cybersecurity-Data Privacy and Security |

## II. Consulting Services

In general, consulting services are initiated by methods other than the annual risk assessment. They may or may not require significant audit resources and are intended to add value for the client's process area(s).

### Consulting

This value-added service is provided to help identify district best practices, and to ensure major risks are identified and mitigated as needed. These involve a wide range of issues which are important to the District's operations.

| Area/ Department | Project Name | Preliminary Objective | Related Risk Area |
|---|---|---|---|
| Operations—Warehouse and Distribution Services | Annual Inventory Observation | Attend and observe physical inventories and report to the results to the CFO. | Operational Effectiveness and Accountability; Financial Sustainability and Fiscal Management |

## Other Consulting Services

These are the consulting activities related to Education and Committee Meetings within JCPS.

| Area/ Department | Project Name | Preliminary Objective | Related Risk Area |
|---|---|---|---|
| JCPS - Police Department | SSO Data Group | Monthly meeting for School Safety Officer (SSO) data analysis and review. | Student and Staff Safety, Health, and Wellness |

## III. IT Audit Services

### IT Technical

These highly technical reviews require assistance from external partners and contractors. Performance of these projects is dependent on financial resources available for external partners since these cannot be performed internally.

| Area/ Department | Project Name | Preliminary Objective | Related Risk Area |
|---|---|---|---|
| Technology Division | Pen Test - External and Internal | Perform an authorized simulated cyberattack on JCPS's internal and external networks. | Cybersecurity - Data Privacy and Security |

## IV. Compliance Monitoring

### Monthly Monitoring

These are continuous processes (typically monthly) for the purpose of ensuring that specific regulatory activities are occurring as required. Additionally, the purpose is to identify compliance risk issues in a timely manner.

| Area/ Department | Project Name | Preliminary Objective | Related Risk Area |
|---|---|---|---|
| Schools - Attendance (High, Middle, Elementary) | Monthly Attendance Monitoring | Perform a monthly review of internal control activities regarding student attendance for a sample of schools. Results will be reported quarterly. | Legal and Regulatory Compliance |
| Schools - Student Activity Funds (High, Middle, Elementary) | Monthly Verification Form Review | Collect and review monthly financial reporting for schools. | Legal and Regulatory Compliance |
| Schools - Student Activity Funds (High, Middle, Elementary) | Student Activity Funds Monitoring | Perform a monthly review of internal control activities and compliance with the Redbook regarding student activity funds for a sample of schools. Results will be reported quarterly. | Legal and Regulatory Compliance |

## IV. Integrity Services

### Special Investigations and Proactive Best Practices

These investigations are performed to determine if concerns of fraud, misuse, and or abuse can be reasonably substantiated. These require substantial use of internal audit resources.

| Area/ Department | Project Name | Preliminary Objective | Related Risk Area |
|---|---|---|---|
| Enterprise | Hotline Administration | Administration of the service contract of the third-party service provider. Oversight of Ethics Hotline data collection and reporting. | Organizational Culture |
| Enterprise | Hotline - Transition and Routing | Ongoing implementation of translation tool and transition to new vendor platform. | Stakeholder Engagement / Organizational Culture |
| Enterprise | Integrity Investigation | Use a defined investigation methodology to determine if allegations or concerns of fraud, misuse, abuse and/or a violation of certain ethics policies can be reasonably substantiated. | Organizational Culture |

Some audit hours are reserved for special investigations as needed.

## V. Internal and Ongoing Projects

These are projects that are ongoing and / or internal projects.

| Area / Department | Project Name | Preliminary Objective | Related Risk Area |
|---|---|---|---|
| Internal Audit | Annual Activity Report | Report on the activities and progress of Internal Audit to the Superintendent's Office and the Board. | Internal and External Reporting |
| Internal Audit | Annual Audit Plan and Risk Assessment Report | Perform an assessment of enterprise risk and develop the annual audit plan. | IIA Standard Requirement |
| Internal Audit | IA Process Improvement: Implement New IIA Standards (effective January 2025) | Perform activities / projects as needed to become "best in class." | IIA Standard Requirement |
| Internal Audit | Quarterly Activity Reports | Prepare and issue quarterly reports to the Superintendent's Office and the JCBE describing the status and progress toward completion of our annual audit plan. | Internal and External Reporting |

## VI. On the Horizon

### Potential FY 2027 Assurance Projects

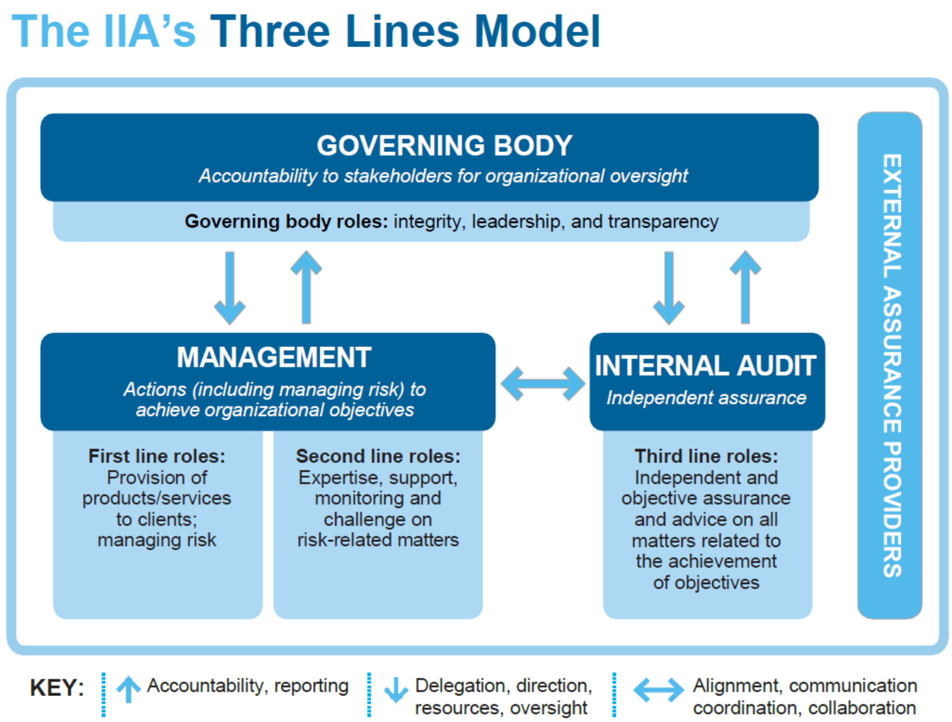
These are assurance projects that are expected to be included on future audit plans or to be moved into FY2026 if circumstances warrant eliminating or delaying an approved audit on the FY2026 Audit Plan.

| Area / Department | Project Name | Preliminary Objective | Related Risk Area |
|---|---|---|---|
| Administration—Culture and Climate | Student Discipline Compliance Audit | Assess whether student discipline activities follow JCPS procedures, JCBE policies, and related federal / state statutes. | Student and Staff Safety and Well-Being |
| Administration—Student Support Services | Student Mental Health Administration Audit | Assess the effectiveness of school-based mental health services offered to students. | Student and Staff Safety, Health, and Wellness; Operational Performance Management |
| Financial Services—Accounting | Student Activity Funds Oversight Audit | Assess the operational effectiveness of oversight for Student Activity Funds. | Financial Sustainability and Fiscal Management; Legal and Regulatory Compliance |
| Financial Services—Purchasing and General Counsel | Vendor and Contract Vetting Approval Process | Assess the process for vetting and approving vendors and contracts. | Procurement, Contracting, and Third-Party Management |
| Schools— School Choice | School Choice Plan: Implementation and Accountability | Assess whether key promised supports in Choice Zone schools have been implemented as planned and align with program objectives. | Student Achievement and Educational Outcomes; Student Access, Opportunity, and Engagement |

## Appendix A

## Institute of Internal Auditor's Three Lines of Defense Model

The visual included below depicts the Institute of Internal Auditor's (IIA) Three Lines of Defense Model from the IIA's Three Lines Model Whitepaper.[1] According to the IIA, governance of an organization requires appropriate structures and processes that enable accountability, actions, assurance, and advice.



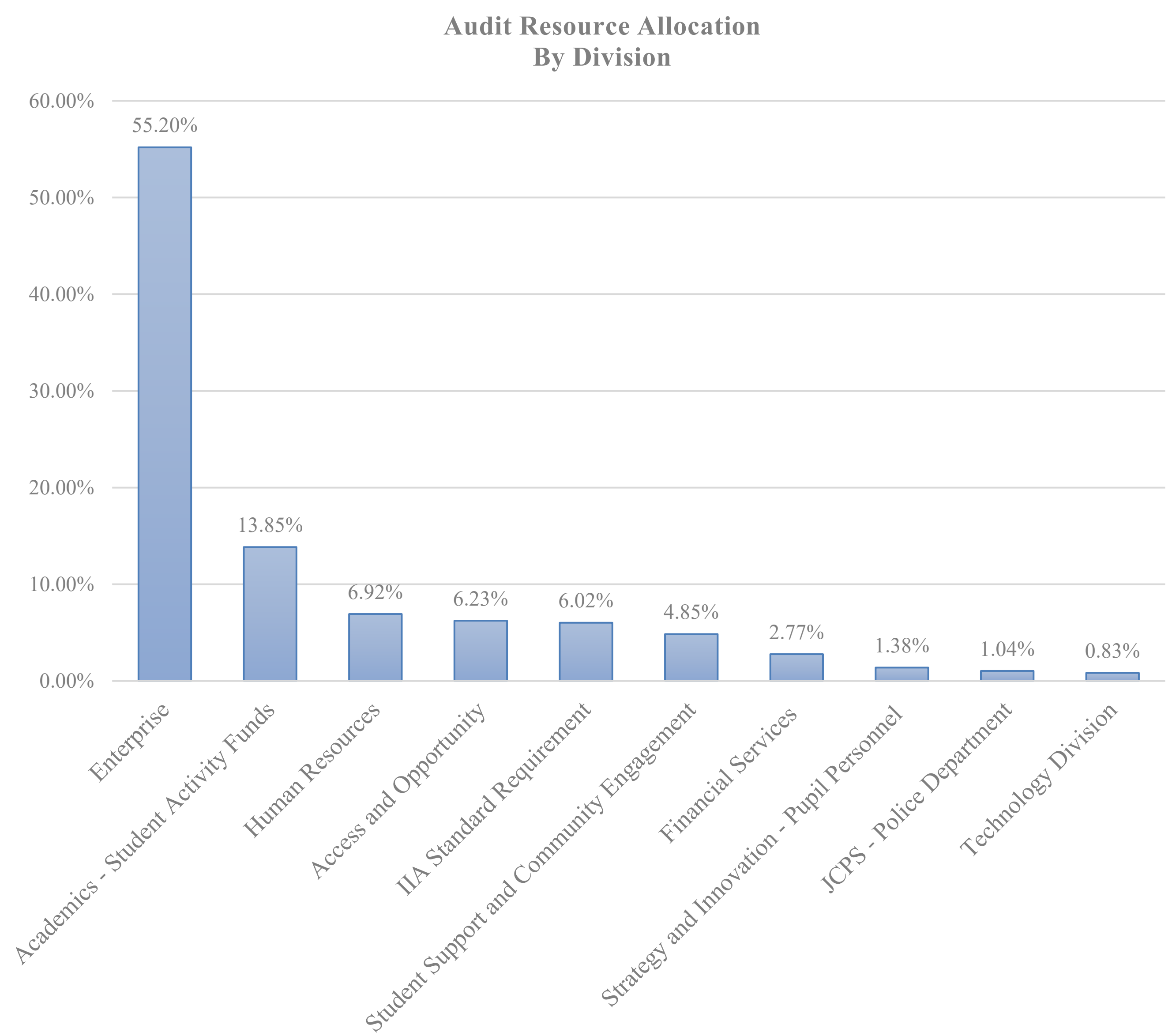

[1] https://global.theiia.org/about/about-internal-auditing/Public%20Documents/Three-Lines-Model-Updated.pdf

## Appendix B

## Resource Allocation by JCPS Division

**Chart 3** depicts the resource allocation (audit hours) for the projects listed in this plan. This chart is categorized by JCPS Division (or Enterprise if applicable to the entire district). This is included for informational purposes only. It does not include financial resources allocated for IT audit services.

**Chart 3**

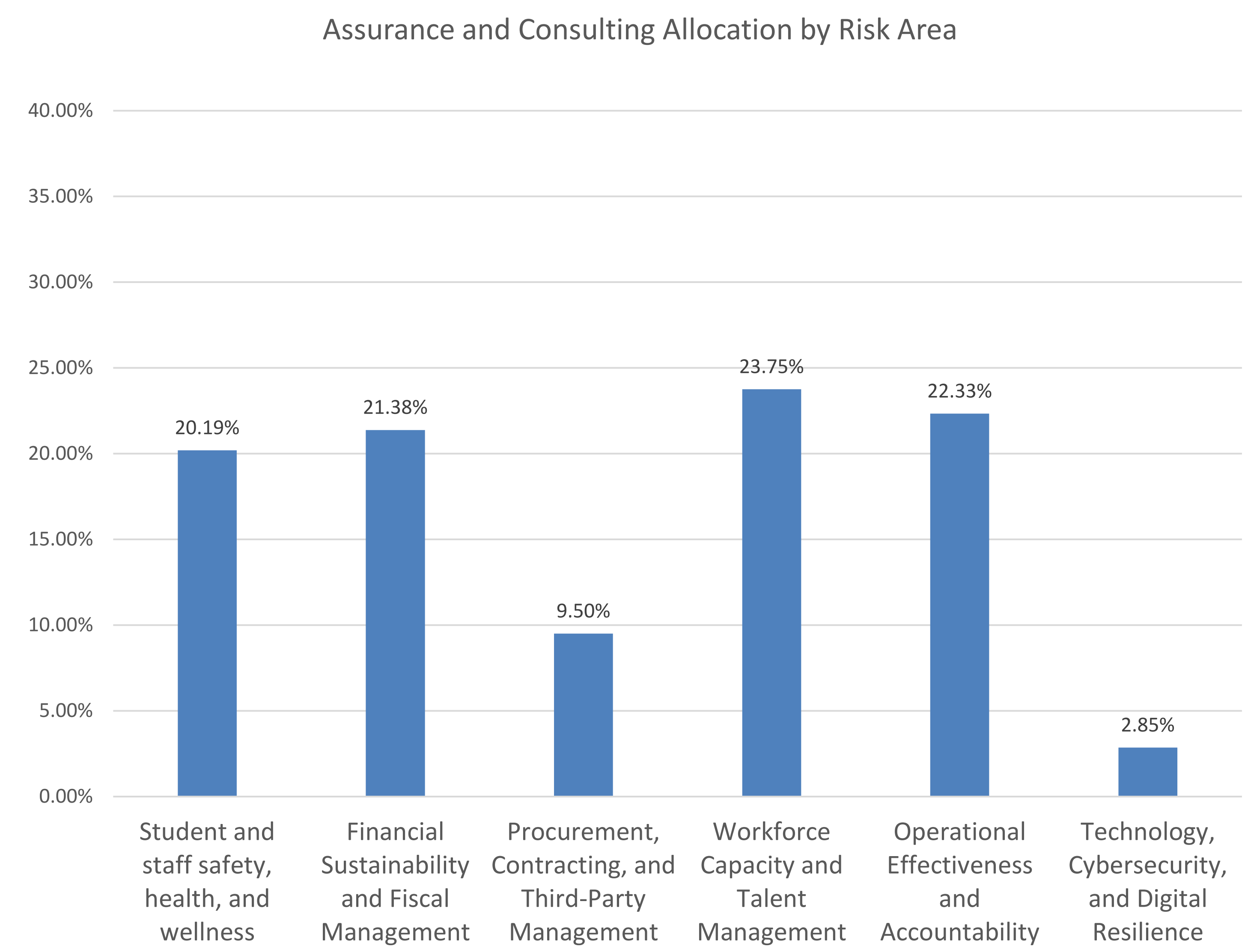


## Appendix C

## Resource Allocation by Risk Area

**Chart 4** depicts the resource allocation (audit hours) for the assurance and consulting projects listed in this plan. This chart is categorized by Risk Area. This is included for informational purposes only.

**Chart 4—Assurance and Consulting Allocation by Risk Area**



## Appendix D

## Risk Assessment Report

**Introduction**
The Internal Audit Department performs an annual risk assessment to identify the areas that could most significantly affect Jefferson County Public Schools' ability to achieve its objectives. The assessment is used to inform Internal Audit's annual audit plan and to provide the Jefferson County Board of Education (JCBE), the Superintendent, and the Audit and Risk Management Advisory Committee (ARMAC) with an enterprise-wide view of risk.

The FY2027 assessment was designed to provide a broader and more informed view of risk than prior years. In addition to survey results, interviews and other risk discussions, transition planning completed before the July 2026 organizational changes, prior audit and external review activity, and current financial and operational conditions were considered.

The results should not be interpreted to mean that a high-ranked risk is poorly managed or that a lower-ranked risk is adequately controlled. The ranking reflects relative enterprise significance based on the information available during the assessment period.

**Methodology**
The FY2027 assessment used a risk-based approach. Fifteen enterprise risk areas were established for the assessment. The risk universe was updated from FY2026 to reduce overlap, better reflect the District's current environment, and more directly connect risk to the District's mission.

A single mathematical formula was not used to determine the final ranking. Survey data provided an important measure of broad stakeholder concern, but it was considered together with more specific information from interviews, transition planning, known audit and external assurance activity, and Internal Audit's professional judgment.

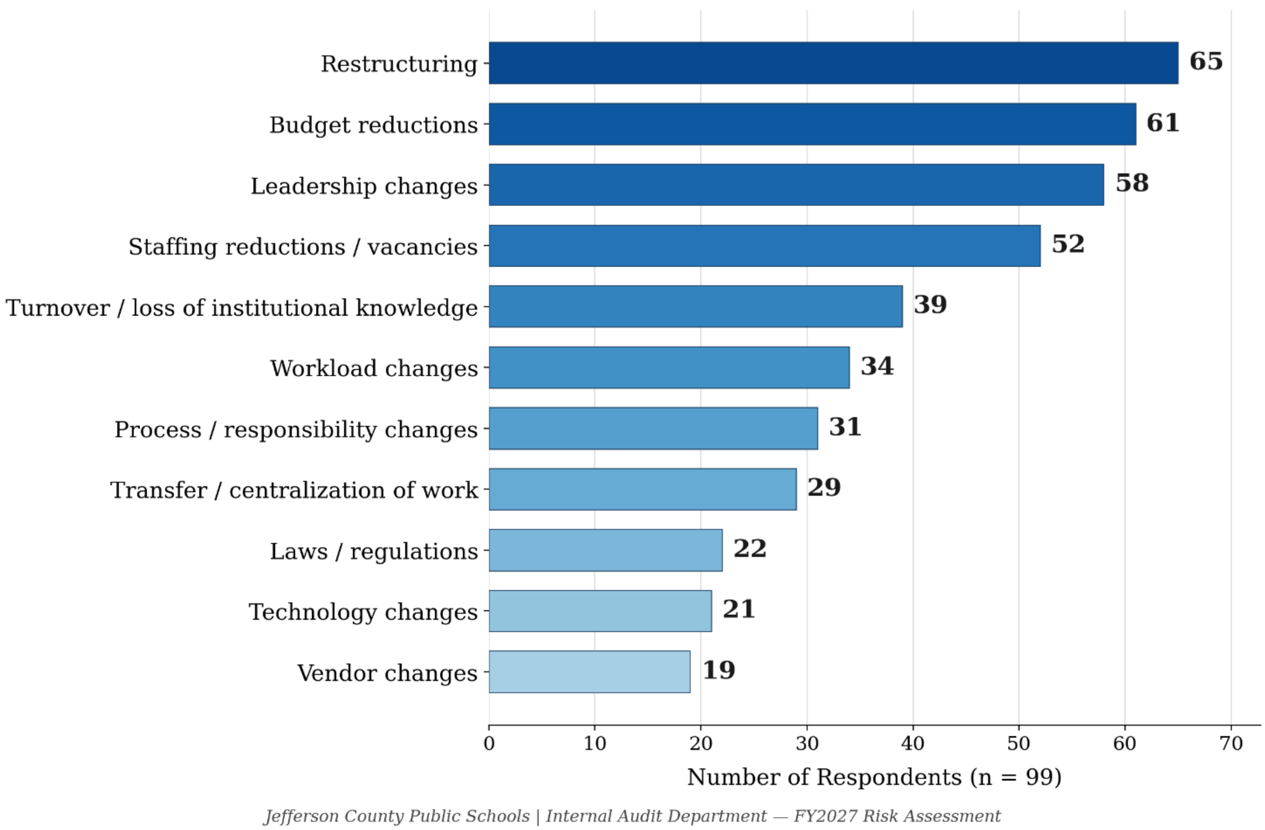
**Table 1 - Risk Assessment Evidence**

| Evidence Considered | How It Was Used |
|---|---|
| **Administration Survey** | Measured the level of concern, breadth of concern across divisions, and the risks most often selected among the District's five greatest risks. |
| **JCBE and ARMAC Survey** | Provided the perspective of those responsible for governance and oversight. |
| **Interviews and Risk Discussions** | Added context, examples, management concerns, emerging risks, and areas where independent review may be useful. |
| **Transition Planning** | Provided a pre-reorganization view of risks leaders expected as responsibilities, staffing, systems, and services changed. |
| **Audit and External Assurance Information** | Helped distinguish areas already receiving substantial independent review from areas where additional assurance may provide greater value. |
| **Organizational Conditions** | Included major financial, staffing, leadership, regulatory, and operational changes affecting the District. |

**FY2027 Risk Environment**

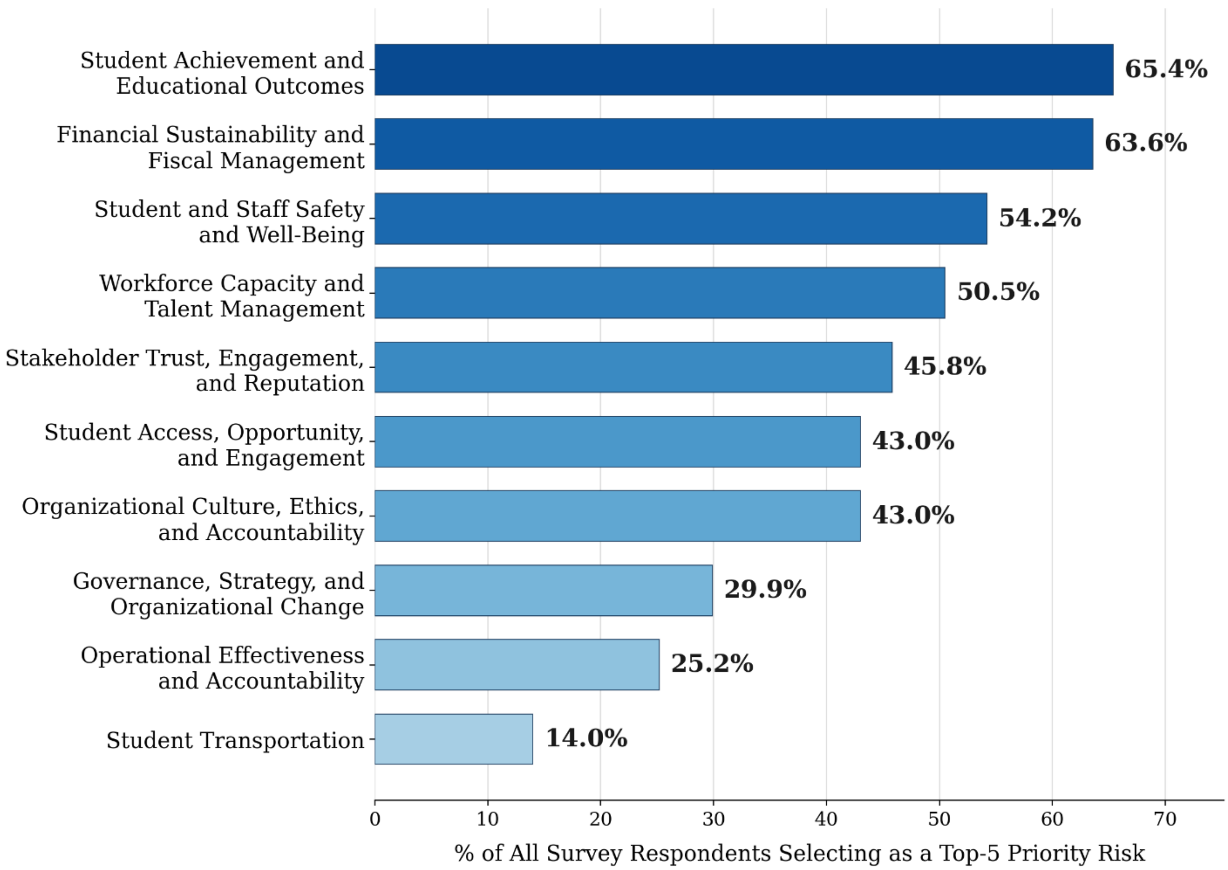
The FY2027 risk assessment was completed during a period of significant change for JCPS. Survey respondents reported broad exposure to restructuring, budget reductions, leadership changes, staffing reductions or vacancies, changes in workload, and shifts in responsibility. These conditions affect multiple risk areas at the same time and are important to understanding the final ranking.

**Chart 5 - Changes Affecting Divisions During the Past Year**



**FY2027 Risk Area Prioritization**
The chart below reflects the percentage of all survey respondents (Administration, Board, and ARMAC combined) who identified each risk area as one of the five risk areas warranting the greatest attention during FY2027.

**Chart 6 - FY2027 Risk Area Selection Frequency (All Respondents Combined)**




The list below reflects the results of the risk assessment, based on the combined survey results shown above together with interviews and other information gathered during the year. This prioritization reflects the overall results, in some cases, differs from the numerical survey results alone.

| Table 2 – FY2027 Enterprise Risk Results | | |
|---|---|---|
| **Rank** | **Enterprise Risk** | **Summary** |
| 1 | **Financial Sustainability and Fiscal Management** | Ability to maintain long-term financial stability, align resources with priorities, monitor financial performance, and respond to fiscal pressures. |
| 2 | **Workforce Capacity and Talent Management** | Ability to attract, retain, develop, deploy, and support sufficient staff and leadership capacity to meet District needs. |

| Table 2 – FY2027 Enterprise Risk Results | | |
|---|---|---|
| **Rank** | **Enterprise Risk** | **Summary** |
| **3** | **Governance, Strategy, and Organizational Change** | Clarity of authority, roles, accountability, strategic direction, and the District's ability to manage significant organizational change. |
| **4** | **Student Achievement and Educational Outcomes** | Ability to improve and sustain academic outcomes and ensure instructional strategies are implemented effectively. |
| **5** | **Organizational Culture, Ethics, and Accountability** | Tone, trust, communication, ethical conduct, accountability, and employees' willingness to raise concerns or challenge decisions. |
| **6** | **Operational Effectiveness and Accountability** | Ability to execute processes consistently, define ownership, monitor performance, and address identified problems. |
| **7** | **Student and Staff Safety and Well-Being** | Ability to provide safe environments and respond effectively to physical, behavioral, and wellness-related risks. |
| **8** | **Student Access, Opportunity, and Engagement** | Ability to provide students equitable access to programs, resources, supports, and opportunities needed to participate and succeed. |
| **9** | **Stakeholder Trust, Engagement, and Reputation** | Ability to maintain confidence through transparent communication, responsive service, and meaningful engagement. |
| **10** | **Technology, Cybersecurity, and Digital Resilience** | Ability to maintain reliable technology, protect systems and information, manage cyber risk, and support digital change. |
| **11** | **Data Governance, Quality, and Use** | Ability to establish ownership, maintain reliable data, protect information, and provide useful information for decisions and oversight. |
| **12** | **Student Transportation** | Ability to provide safe, reliable, and timely transportation to eligible students. |
| **13** | **Procurement, Contracting, and Third-Party Management** | Ability to obtain goods and services appropriately and manage vendors, contracts, performance, and value. |
| **14** | **Business Continuity and Operational Resilience** | Ability to maintain critical services, knowledge, systems, and responsibilities during disruption or organizational change. |
| **15** | **Legal and Regulatory Compliance** | Ability to comply with applicable laws, regulations, policies, grant requirements, and other obligations. |

Highest-Ranked Risks

1. Financial Sustainability and Fiscal Management

Financial sustainability remained the District's highest-ranked enterprise risk. It was also the strongest area of cross-stakeholder agreement. Administration respondents selected it among the five greatest enterprise risks 62 times, while Board and ARMAC respondents also rated it among the District's highest concerns. The risk extends beyond balancing the budget. It includes forecasting, monitoring, resource allocation, use of available funds, and the ability to sustain essential services under continued financial pressure.

2. Workforce Capacity and Talent Management

Workforce capacity ranked second for the second consecutive year. It received the highest average Administration rating and was elevated across a broad range of divisions. Interviews and transition planning reinforced consideration of vacancies, staffing reductions, leadership capacity, workload, retention, and loss of institutional knowledge. The assessment indicates that workforce risk is closely connected to the District's ability to carry out other controls and services.

3. Governance, Strategy, and Organizational Change

Governance and organizational change ranked third. This risk increased significantly from the related FY2026 categories. The assessment identified recurring consideration of role clarity, ownership, authority, cross-functional coordination, leadership transition, and the ability to implement changes consistently. Transition planning completed before the reorganization anticipated many of these same challenges.

4. Student Achievement and Educational Outcomes

Student achievement is new as a standalone enterprise risk in FY2027 and ranked fourth. Administration respondents selected it more often than any other risk among the District's five greatest risks. JCBE members also rated it highly. The risk includes the District's ability to improve student outcomes while managing changes in staffing, resources, leadership, and instructional implementation.

5. Organizational Culture, Ethics, and Accountability

Organizational culture ranked fifth. Although the Administration survey's average rating was below several other risks, it was selected among the five greatest risks by 44 Administration respondents and received high ratings from JCBE and ARMAC respondents. Interviews and other risk information also identified consideration of trust, communication, accountability, leadership practices, and employees' willingness to raise concerns.

**Survey Results and Stakeholder Perspective**
The Administration survey measured both the level of concern for each risk and which risks respondents believed were among the five greatest enterprise risks. These measures do not always produce the same order. A risk may receive a moderate average rating but still be selected frequently as a top enterprise risk.

| **Table 3 - Administration Top-Five Selections** | | |
|---|---|---|
| **Risk Area** | **Rank** | **Number of Administration respondents selecting risk in Top 5 (n=99)** |
| Student Achievement and Educational Outcomes | 1 | 65 |
| Financial Sustainability and Fiscal Management | 2 | 62 |
| Student and Staff Safety and Well-Being | 3 | 54 |
| Workforce Capacity and Talent Management | 4 | 50 |
| Stakeholder Trust, Engagement, and Reputation | 5 | 45 |
| Organizational Culture, Ethics, and Accountability | 6 | 44 |
| Student Access, Opportunity, and Engagement | 7 | 42 |
| Governance, Strategy, and Organizational Change | 8 | 29 |
| Operational Effectiveness and Accountability | 9 | 23 |
| Student Transportation | 10 | 14 |
| Procurement, Contracting, and Third-Party Management | 11 | 10 |
| Business Continuity and Operational Resilience | 12 | 9 |
| Technology, Cybersecurity, and Digital Resilience | 13 | 6 |
| Data Governance, Quality, and Use | 14 | 5 |
| Legal and Regulatory Compliance | 15 | 3 |

The strongest Administration Top-Five selections were Student Achievement (65), Financial Sustainability (62), Student and Staff Safety (54), Workforce Capacity (50), Stakeholder Trust (45), and Organizational Culture (44).

## Chart 7 - Risk Ratings by Stakeholder Group


*Administration rated each risk area on a 1-5 scale reflecting the extent to which it creates risk to their area's objectives (1 = not at all, 5 = to a very significant extent), while Board/ARMAC rated their level of concern about each area on the same 1-5 scale (1 = not concerned, 5 = very concerned).*

**Comparison to FY2026**

The FY2027 risk universe was redesigned from 25 risks to 15. As a result, not every year-over-year change can be described as a simple increase or decrease in rank. Several FY2026 risks were consolidated, broadened, split, or absorbed into the FY2027 structure.

Two risks were notably consistent: Financial Sustainability remained #1, and Workforce Capacity remained #2. The most significant FY2027 change was the increased importance of governance, organizational change, culture, and operational execution. Student Achievement was also added as a standalone enterprise risk and ranked #4.

| Table 4 – Comparison to FY2026 | | | |
|---|---|---|---|
| **FY27 Rank** | **FY27 Risk** | **Related FY26 Risk(s)** | **Year-over-Year Interpretation** |
| **1** | **Financial Sustainability and Fiscal Management** | Budget Development #1; Economic Conditions #15; Long-Term Sustainability #16 | Persistent and broadened; remains #1. |
| **2** | **Workforce Capacity and Talent Management** | Talent Acquisition, Retention, and Management #2 | Persistent; remains #2. |
| **3** | **Governance, Strategy, and Organizational Change** | Organizational Governance #18; Strategic Planning #20; Political Environment #3 (part) | Materially elevated after consolidation of governance, strategy, political/change-related exposures. |
| **4** | **Student Achievement and Educational Outcomes** | New standalone FY27 risk | New explicit FY27 enterprise risk. |
| **5** | **Organizational Culture, Ethics, and Accountability** | Organizational Culture #10 | Materially elevated from FY26 Organizational Culture (#10). |
| **6** | **Operational Effectiveness and Accountability** | Operational Performance Management #17 | Materially elevated from FY26 Operational Performance Management (#17). |
| **7** | **Student and Staff Safety and Well-Being** | Student/Staff Safety #6; School Violence/Behavior/Discipline #13 | Remains high; FY27 consolidates safety and behavior/discipline exposures. |
| **8** | **Student Access, Opportunity, and Engagement** | DEI #8; Equitable Student Resources #9; Student Enrollment #24 | Reframed and broadened from several FY26 student-access risks. |
| **9** | **Stakeholder Trust, Engagement, and Reputation** | Stakeholder Engagement #19 | Elevated and broadened from FY26 Stakeholder Engagement (#19). |
| **10** | **Technology, Cybersecurity, and Digital Resilience** | Cyber Threats #22; Data Privacy/Security #7 (part); Disruptive Innovation #23 (part) | Consolidated; not directly comparable to one FY26 rank. |
| **11** | **Data Governance, Quality, and Use** | Data Governance #11; Data Reporting to JCBE #12; Data Privacy/Security #7 (part) | Broadly stable after consolidation of several FY26 data risks. |
| **12** | **Student Transportation** | Reliable and Safe Student Transportation #5 | Meaningfully lower in relative enterprise priority (#5 to #12). |
| **13** | **Procurement, Contracting, and Third-Party Management** | Third-Party Relationship Management #14 | Generally stable (#14-equivalent to #13). |
| **14** | **Business Continuity and Operational Resilience** | Business Continuity #21; Long-Term Sustainability #16 (part) | Elevated through broader FY27 definition of continuity. |

| Table 4 – Comparison to FY2026 | | | |
|---|---|---|---|
| **FY27 Rank** | **FY27 Risk** | **Related FY26 Risk(s)** | **Year-over-Year Interpretation** |
| **15** | **Legal and Regulatory Compliance** | Regulatory Environment #4; Political Environment #3 (part) | Apparent decline reflects substantial reframing; political/regulatory conditions now operate largely as drivers of other risks. |

**Overall Year-over-Year Observation**
The FY2027 assessment reflects both continuity and meaningful change in JCPS's enterprise-risk profile. Financial sustainability and workforce capacity remained the District's two highest risks. At the same time, governance, organizational change, culture, and operational execution became substantially more significant as JCPS managed major restructuring, leadership transitions, staffing reductions, and constrained resources. FY2027 also more explicitly connects enterprise risk to student achievement, access, and outcomes.

**Concluding Observations**
The FY2027 assessment indicates that the District's most significant risks are highly connected. Financial pressure affects staffing and service capacity. Workforce limitations can affect execution and internal controls. Organizational change can create uncertainty about ownership and accountability. Culture and trust can affect whether problems are identified and escalated. These factors can ultimately affect student achievement, access, safety, and public confidence.

For that reason, the final ranking should be read as an enterprise view rather than as 15 independent issues. The purpose of the assessment is to help leadership and the JCBE identify where risk is greatest, understand how risks interact, and determine where independent assurance or additional management attention may provide the most value.

The FY2027 Audit Plan will be developed separately using these results, existing assurance coverage, required Internal Audit activities, available resources, auditability, and the expected value of additional review.