

Audit and Risk Management Advisory Committee

Jefferson County Public Schools

September 13, 2023

Stewart Auditorium

ARMAC Members Present: Chairperson James Rose, Pedro Bryant, and Dr. Eric Russ

JCPS Staff Present: Dr. Katy DeFerrari, Eddie Muns, Kevin Brown, May Porter, John LeMaster, Chalynn Comage and Shari Mattingly

Board Members Present: none

Public Present: none

Chair Rose called the meeting of the Audit and Risk Management Advisory Committee (ARMAC) to order at 2:00 p.m.

Approval of Minutes

Chair Rose requested a motion to accept the minutes of the July 14, 2023 meeting, which was made by Mr. Bryant and seconded by Dr. Russ. The minutes were approved by a unanimous voice vote.

Chair Rose reviewed agenda topics for the meeting and introduced the new District CFO, Mr. Eddie Muns. Mr. Muns provided an overview of his time with the District and his vision for the accounting team. He plans to attend ARMAC meetings on a regular basis going forward, and to work with Ms. Porter as she begins her leadership of Internal Audit. One topic he would like to discuss in the future with the committee is a new system of using in-house bookkeepers that are available to assist schools having difficulty filling that position.

Overview of the Transportation Program Assessment Request for Proposal – May Porter, Director of Internal Audit

Ms. Porter began with an overview of her 17-year background in the financial and internal auditing fields. She then discussed the transportation assessment RFP requested by the Board and Dr. Pollio, explaining the process of selecting a third-party service provider. The scope of the RFP will be an evaluation to determine the root cause of the transportation failure that occurred on the first day of school. The service providers assessment will be of the root cause and where it leads but will not be of JCPS as a whole. Mr. Bryant asked if the staffing and funding leading up to August 9th will be assessed? Ms. Porter confirmed anything effecting transportation of children to and from school safely and effectively will be assessed. Dr. Russ asked what the expected timeline is for completion of the assessment. Five to eight months is what is expected per Ms. Porter; by the end of this school year.

Chair Rose and Mr. Bryant suggested ARMAC may want to meet with an expert in transportation for public school systems, and other school districts around the country that have experienced similar issues. The committee may also want to consider looking industry-wide within the market at non-school transportation providers. Mr. Bryant mentioned UPS and their use of UofL students as drivers, scheduling their work times around class schedules, either a.m. or p.m. Could this be an option for JCPS; does the district allow drivers to drive for only one shift? Dr. DeFerrari stated this would not be a problem for JCPS. Dr. Russ suggested

looking into technology that is available to assist. Dr. DeFerrari explained that dismissal times and the large number of depots, the number of routes versus the number of drivers, these are the issues. With the new staggered start times and dismissal times there has been some improvement, but there are still not enough drivers. Efficiency is required because there is less time to recover from issues that may arise during a route. At this point, if the district redid all the routes and started at square one, the students would have to relearn the system along with drivers. At some point, we need to establish that we are trying to provide transportation as we have done previously, but with fewer resources. Is it time to look at the transportation services provided, where could something be changed? And what would that get us? Would it correct the problem or only be a small improvement?

Internal Audit Update – May Porter, Director of Internal Audit

Status of training and implementation for the GRC tool with Workiva was discussed. Departments within the district testing it, along with Internal Audit, are IT and Safe Crisis Management (SCM). IT has determined they will be using the GRC tool, however SCM has concerns with the large data sets they manage and what the most efficient way is to import them. They are currently using Smartsheet with no issues and may not want to change if the tool is not as easy to use. Dr. DeFerrari is not sure Workiva has the capacity to import large data sets; SCM has thousands of records. She suggested maybe one way to move forward is to reach a stopping point with the data and begin anew in the tool.

Ms. Porter stated that there have been delays with Internal Audit's implementation due to the challenge of feeling comfortable with the product and ensuring the functionality is there to meet IA's goals. Dr. Russ asked how much of the issue is getting what has been requested from Workiva. Ms. Porter stated they have been very good at providing documentation to assist in getting her up to speed. Chair Rose expressed surprise at the timeline for IA, setting aside the new leadership. Monthly monitoring that Internal Audit does is not a traditional audit, and Ms. Porter believes the monthly requesting of data is part of the challenge.

Mr. Bryant asked how other districts have done with transitioning to a GRC tool. Chair Rose stated that probably not a lot of them use it; many companies are still using spreadsheets.

The new Internal Audit plan, approved by the Board, has been posted to the website.

New Business

Chair Rose and Mr. Bryant discussed a possible meeting with just committee members to brainstorm the topic of mental health that has been previously presented to ARMAC. Dr. Russ' expertise, along with input from Board members could help determine how the committee may want to move forward on the topic.

Mr. Bryant referenced the in-house bookkeeper system that Mr. Muns discussed and is curious if there are similar arrangements for other positions within the district, or possibly other opportunities to do this, to address staffing shortages. Regarding virtual learning, he asked if there are certain classes that could be held with students and a virtual instructor? Chair Rose stated this is something the Board should consider as this will probably be the way of the future.

Adjournment

The next ARMAC Committee meeting is scheduled for November 8th. Chair Rose made a motion to adjourn the meeting; Dr. Russ seconded the motion. The meeting adjourned at 3:12 p.m.