

FINDINGS FROM THE KENTUCKY AUDITOR'S OFFICE ON JEFFERSON COUNTY PUBLIC SCHOOLS

» **Finding 1:** Jefferson County Public Schools has not established an appropriate, consistent peer group for benchmarking purposes.

» **Finding 2:** A comparison to five peer districts found JCPS ranks at or near the bottom in categories involving teacher staffing and expenditures for instruction, while ranking highest in the categories of school administrators, support staff and instructional aides.

» **Finding 3:** In comparison to three peer districts, JCPS central department employees are paid a significantly higher average salary and have more employees earning over \$100,000 annually.

» **Finding 4:** JCPS places more restrictions on textbooks and instructional resources than other Kentucky school districts surveyed.

» **Finding 5:** More than 93 percent of JCPS teachers spent personal funds to supplement resources for classroom instruction, primarily because of a lack of financial resources allocated to classrooms.

» **Finding 6:** The percentage of students able to provide all required and optional classroom supply list items has decreased in the past three years.

» **Finding 7:** Compared with peer districts, JCPS had the lowest textbook budget and did not receive textbook funding from the state.

» **Finding 8:** The JCPS school board may benefit from adding "at-large" members because of the size and complexity of district.

» **Finding 9:** Board members generally do not appear to have a depth of understanding to actively examine or question the budget effectively without significant reliance on JCPS staff.

» **Finding 10:** School board lacks a committee structure to provide a detailed level of oversight of financial and audit matters.

» **Finding 11:** JCPS does not maintain a central database of all district contracts.

» **Finding 12:** JCPS has not maintained contracts for banking services used to deposit and secure hundreds of millions of dollars in JCPS funds.

» **Finding 13:** JCPS has active contracts that can be renewed or continued annually without report or presentation to the school board.

» **Finding 14:** Payments totaling \$41,364 to two JCPS contractors for professional services had either insufficient documentation or were not in compliance with contracts.

» **Finding 15:** Poor documentation and lax oversight led to \$5,561 in overpayments for capital construction change orders.

» **Finding 16:** JCPS uses a costly, outdated and unnecessary centralized warehouse system.

» **Finding 17:** Central office monitoring of the use of textbook funding is limited, and textbook needs are not included in the overall improvement plans at the school or district level.

» **Finding 18:** JCPS lacks a comprehensive and centralized manual of procedures to ensure that they are current and consistent with board approved policies.

» **Finding 19:** JCPS' current purchasing cards were plagued by administrative issues and complete supporting documentation for card transactions could not be located without extensive review.

» **Finding 20:** Travel reimbursement guidelines are vague and lead to inconsistencies.

» **Finding 21:** JCPS has not developed written procedures documenting the assignment process and allowable usage of JCPS owned vehicles taken home by staff.

» **Finding 22:** JCPS procedures for its cellphones are

outdated and do not establish criteria for assigning phones.

» **Finding 23:** JCPS does not have a consistent policy for all salaried staff regarding the use of accrued leave time for partial days and may result in a larger than necessary liability for unused leave payouts.

» **Finding 24:** Because of a reorganization in August 2013, the director of pupil personnel no longer supervises the attendance clerks who collect and analyze school attendance data for all JCPS schools.

» **Finding 25:** Internal audit reports to the superintendent, rather than the school board, and no policies were adopted to govern the internal audit activity at JCPS.

» **Finding 26:** Internal audit has not prepared an audit plan or implemented a risk-based audit approach.

» **Finding 27:** Policies were not developed to investigate, monitor or report hotline complaints, and the oversight responsibility for the process wasn't assigned.

» **Finding 28:** JCPS did not implement an effective organizational structure related to technology.

» **Finding 29:** Kentucky Department of Education and its contractor did not properly secure servers housing JCPS student information.

» **Finding 30:** JCPS did not adequately protect sensitive and confidential data.

» **Finding 31:** The JCPS central office lacked oversight over development of safety and emergency procedure manuals at the schools.

» **Finding 32:** JCPS procedures for sanitizing and disposing of IT equipment were not documented, and the central office did not track and monitor the sanitizing and disposal of all IT equipment.

» **Finding 33:** JCPS did not properly secure network data and resources.

» **Finding 34:** JCPS did not document and consistently apply procedures governing access to the time and attendance application.

» **Finding 35:** JCPS had no formal documented security policy and did not consistently follow informal procedures to grant access to MUNIS, the financial software package used in all Kentucky school districts.

» **Finding 36:** JCPS increased the risk of unauthorized system access by not properly configuring all agency machines.

» **Finding 37:** JCPS did not ensure all software is updated to reduce vulnerability.

» **Finding 38:** JCPS did not ensure all agency machines are properly configured to reduce the risk of enticing an unauthorized person.

» **Finding 39:** JCPS implemented a weak, inadequate password policy for AD, MUNIS and the TA and failed to ensure staff compliance.

» **Finding 40:** JCPS did not train employees on IT security.

» **Finding 41:** JCPS IT policies and procedures were outdated.

» **Finding 42:** JCPS did not properly segregate data-processing from security administration over the TA and MUNIS applications.

» **Finding 43:** JCPS did not have a complete written disaster recovery plan or business continuity plan, and backups are not stored off-site.

» **Finding 44:** JCPS did not document written change management procedures explaining how to retrieve, test, and implement updates and upgrades to MUNIS.

» **Finding 45:** JCPS did not maintain a current version of the request for purchase order maintenance change notice/vendor change form online.