

**Service Agreement  
between  
Austin Independent School District  
and**

**Gibson Consulting Group**

This Service Agreement ("Agreement", as further defined in the paragraph immediately below) is entered into and effective on the last date that the Agreement is fully executed by the Parties (as defined herein below) by and between **Austin Independent School District**, a Texas school district ("**District**"), and **Gibson Consulting Group**, a person or business entity ("**Contractor**"). District and Contractor (collectively "Parties" and singularly a "Party") agree as follows:

This Agreement consists of the Signature Page and the following: the Terms and Conditions set forth below and all contents hereof; the Statement of Work (Exhibit A); the Basis of Compensation (Exhibit B); Criminal History Record Information Review and Contractor Certification (Exhibit C), and Additional Exhibits (Exhibits D, E, F, G, H, and I). This Agreement shall also include the Request for Proposals ("RFP"), when applicable, and Contractor's proposal.

**Terms and Conditions:**

**GENERAL PROVISIONS:**

1. **DELIVERABLES:** This Agreement requires Contractor agrees to provide services: as set forth hereunder, and as detailed in the RFP and Contractor's proposal, and as detailed in the Statement of Work (collectively, the foregoing shall constitute "Deliverables" and as applicable, singularly "Deliverable", as used in this Agreement), in a prompt, timely and professional manner. Quantities shown in the RFP are District's best estimate of District's requirements for the Agreement term but should not be construed as guaranteeing a minimum purchase quantity or establishing a ceiling. Contractor agrees services will not begin and payments will not be made by District until the Agreement is fully executed, a purchase order has been issued by District to Contractor and an invoice has been submitted by Contractor to District. Without limitation, Contractor will provide the Deliverables in accordance with the specified deadlines in the Statement of Work. Per District policy, contracted services provided by District employees or their immediate family members are prohibited without prior approval from the Superintendent or the Superintendent's authorized designee.
2. **TERM OF AGREEMENT:** Subject to Section 4, the term of this agreement shall be one (1) year upon full execution of this Agreement and continue in force for so long as any Exhibit to this Agreement remains in effect or until terminated in accordance with its terms.
3. **RENEWAL OPTIONS:** Provided that the Agreement is still in effect, the District shall have the option to renew the term of this Agreement for ( 4 ) additional one-year periods commencing at the expiration of the term as defined in Section 2 and upon the same terms and provisions set forth herein. Renewal options shall be made by amendment to this Agreement, in writing and signed by authorized representatives of Contractor and District.
4. **TERMINATION OF AGREEMENT:** Except as otherwise allowed below, this Agreement shall terminate when Contractor shall have completed all work covered by this Agreement, unless extended by written mutual agreement of District and Contractor at the time final service is completed. The District may terminate the Agreement for any reason if the Contractor fails to fulfill the obligations in a timely and proper manner. The District may terminate the Agreement by giving written notice of such termination and the effective date of the termination. In the event of termination prior to completion of the Agreement, the Contractor shall be entitled to receive just and equitable compensation for any satisfactory work completed to the date of termination. The District may also terminate this Agreement at any time without cause by the furnishing of a five (5) day written notice from an authorized District representative to the Contractor, but the Contractor will be paid an amount which bears the same ratio to the total compensation as the services actually performed to the total services of this Agreement, less any compensation previously paid.

5. ENTIRE AGREEMENT AND AMENDMENT: This agreement constitutes the entire Agreement of the Parties, and it may not be changed, altered, amended, modified, or rescinded except by written agreement signed by the duly authorized representatives of the Parties.
6. ASSIGNMENT: Neither Party shall assign this Agreement without the other Party's prior written consent; except that Contractor may assign this Agreement without District's consent to an entity: possessing a controlling interest in Contractor; that is under common control with Contractor; or in which Contractor possesses a controlling interest. Irrespective of any assignment authorized by this Section, Contractor shall be legally bound by and subject to the Agreement, and any permitted Contractor assignee shall accept such assignment with the express written acknowledgement that it shall be bound by all terms and obligations set forth in this Agreement. Any prohibited assignment shall be void. This Agreement inures to the benefit of and will be binding upon District and Contractor and their respective successors and permitted assigns.
7. FORCE MAJEURE: Neither Party shall be liable for any delay or failure in performance due to acts of nature, terrorism, labor disputes, riots, war, fire, epidemics, disruption of utility services or other similar occurrences that are beyond its reasonable control ("Force Majeure"). However, in order to avail itself of such excuse, the Party must act diligently to remedy the cause of and to mitigate the impact of the delay or failure.
8. DISPUTE RESOLUTION: In the event of any dispute, claim, question, or disagreement arising from or relating to this Agreement or the breach thereof, the Parties hereto shall use their best efforts to settle the dispute, claim, question, or disagreement. To this effect, the Parties shall consult and negotiate with each other in good faith, and recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both Parties.
9. SEVERABILITY: If any provision of this Agreement is held by final judgment of a court of competent jurisdiction to be invalid, illegal, or unenforceable, the invalid, illegal, or unenforceable provision shall be severed from the remainder of this Agreement, and the remainder of this Agreement shall be enforced, except as modified to the minimum extent necessary to render the provision valid and enforceable.
10. COMPENSATION: District agrees to compensate Contractor for Deliverables related to the performance of this Agreement based upon work actually and satisfactorily performed not to exceed the total amount detailed in the Basis of Compensation. There is no minimum guarantee of payment. The Contractor shall not receive reimbursement for travel, meals and lodging related to any services rendered or efforts provided in fulfilling the obligations of this Agreement unless expressly authorized by District.
11. HOLD HARMLESS AND INSURANCE REQUIREMENTS: It is agreed that the Contractor is an independent contractor. Contractor shall be solely responsible for payment of employees and shall further be solely responsible for the withholding and/or payment of any taxes or contributions imposed by any federal, state or local governmental entity by the reason of employment. Contractor shall provide, if required, workers' compensation and public liability insurance to protect Contractor from liability for injuries or damages. Contractor agrees to hold the District harmless from any and all liability that the District may incur, including without limitation, damages of every kind and nature, out-of-pocket costs and legal expenses, incurred by reason of the Contractor's negligence or breach of this Agreement.
12. NOTIFICATION OF CRIMINAL HISTORY OF CONTRACTOR: Contractor must give advance notice to the District if the person or an owner or operator of the business entity has been convicted of a felony. The notice must include a general description of the conduct resulting in the conviction of a felony. District may terminate this Agreement if District determines that Contractor failed to give or misrepresented the conduct resulting in the conviction. Statutory citation found in Texas Education Code §44.034. This notice is not required of a publicly-held corporation.
13. CRIMINAL HISTORY RECORD INFORMATION REVIEW: Contractor, whether a person or business entity, must submit to a criminal history record information review if as an independent contractor, Contractor will have continuing duties related to the contracted services and direct student contact as defined in District policy CJA (LEGAL). Contractor must certify to District in Exhibit C to this Agreement that Contractor has complied. Statutory citation found in Texas Education Code § 22.0834.

Contractor shall also ensure that a criminal history record information review, per guidance in Exhibit C to this Agreement, has been conducted on all of its employees, interns, volunteers or sub-contractors providing services for the District under this Agreement and there is no criminal history record that would prevent employees, interns, volunteers or sub-contractors from working in District facilities or events sponsored by the District. If it is determined that Contractor or any of Contractor's employees, interns, volunteers, or sub-contractors is in violation of this provision, Contractor shall immediately remove such person from the property of the District with no requirement of written notice from the District and shall prohibit such person from future entry on the property of the District. Statutory citation found in Texas Education Code § 22.0834.

14. GOVERNING LAW; VENUE, CONTRACTOR COMPLIANCE WITH LAWS: Texas law, including as applicable, the Texas Uniform Commercial Code, shall govern this Agreement and all matters in any way related to this Agreement. Wherever the term "Uniform Commercial Code" is used, it shall be construed as meaning the Uniform Commercial Code as adopted in the State of Texas as effective and in force on the date of this Agreement, and both Parties agree that venue for any litigation arising from or in any way relating to this Agreement shall exclusively lie in Travis County, Texas. Contractor agrees to abide by all local ordinances and all state and federal laws in the provision of its services, activities or programs to District, including but not limited to, the Americans with Disabilities Act, 42 USC §12111, *et seq.*, 29 CFR §1630, *et seq.*; Section 504 of the 1973 Rehabilitation Act, 34 CFR §104.1, *et seq.*; the Family Educational Rights and Privacy Act ("FERPA"), 20 USC §1232g, *et seq.*, 34 CFR §99.1, *et seq.*; Title IX of the Education Amendments of 1972, 20 USC §1681 *et seq.*, 34 CFR §106.1 *et seq.* the Health Insurance Portability and Accountability Act ("HIPAA"), any applicable federal, state, and local law and private grant requirements.
15. RETENTION OF RECORDS AND AUDIT: Contractor shall retain any books, documents, papers, and records that are directly pertinent to this Agreement. Contractor shall make the said materials available for audit, examination, excerpt, and transcription to District, sub-grantee or grantee of funds, or their authorized representatives, for a period of seven (7) years following termination of Agreement. Contractor agrees that it will allow District to examine, evaluate and audit Contractor's performance of services provided under the terms of this Agreement. Examination, evaluation and audit may include site visitation, observation of performance in operation, interview and the administration of questionnaires to employees of the Contractor when deemed necessary.
16. SPECIAL PROVISIONS: Special provisions, changes, or additions to the provisions shall be described in the box herein below, or attached page, and are subject to express approval of the District's General Counsel.

Signature Page

SIGNATORY AUTHORITY: Each individual signing this Agreement represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver this Agreement. The signing of this document represents and warrants the execution and delivery of the Agreement and the performance of obligations that have been duly authorized, as per the District Policy CH-Signature Authority.

AUSTIN INDEPENDENT SCHOOL DISTRICT:

CONTRACTOR:

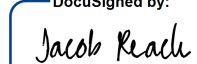
\_\_\_\_\_  
Principal/Director Date  
Name:

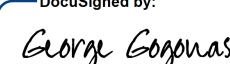
DocuSigned by:  
  
5/17/2021  
\_\_\_\_\_  
Title: President Date  
Name: Greg Gibson

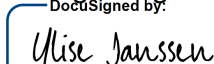
\_\_\_\_\_  
Executive Director, State, Federal, Private Date  
Accountability (Applicable only if utilizing grant funds)  
Dr. Mary Thomas

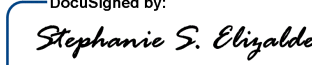
\_\_\_\_\_  
Title: Date  
Name:

\_\_\_\_\_  
Associate Superintendent/Executive Director Date  
Name:

DocuSigned by:  
  
5/18/2021  
\_\_\_\_\_  
Chief Officer Date  
Name:

DocuSigned by:  
  
5/17/2021  
\_\_\_\_\_  
Interim Chief Date  
Financial Officer  
George Gogonas

DocuSigned by:  
  
5/18/2021  
\_\_\_\_\_  
General Counsel Date  
Ylise Janssen

DocuSigned by:  
  
5/19/2021  
\_\_\_\_\_  
Superintendent Date  
Stephanie S. Elizalde, Ed.D.

DocuSigned by:  
  
258093BA7D8945A...  
Chief of Staff  
Toni Cordova  
5/19/2021

**District Policy CH -Board Item - \$100,000 and above**

\_\_\_\_\_  
Board President Date  
Geronimo M. Rodriguez, Jr.

## EXHIBIT A

### Statement of Work

**OWNERSHIP OF WORK:** Contractor recognizes that the District will have perpetual, non-exclusive, non-transferrable license to use any work product or deliverables developed by the Contractor in the performance of the services and delivered to the District, upon the District's payment in full of all amounts due hereunder. The Contractor retains ownership of all information, software and other property owned by it prior to this agreement or which it develops independently of this agreement and all work products compiled or developed by the Contractor in the performance of this agreement.

**CONFIDENTIALITY:** The Contractor shall maintain strict confidentiality of all information, dates or records relating to students of the District and shall not disclose information except as required to the implementation of services in accordance with the terms of this agreement, or as may be required by law.

**INCORPORATION BY REFERENCE:** All Invitation for Bids (IFB), Bids, Request for Proposals (RFP), Proposals, Request for Quotes (RFQ), and Quotes associated with this agreement hereunder shall be incorporated by reference.

#### **INSTRUCTIONS:**

Statement of Work will include a detailed description of required services that will be performed by the Contractor including actual tasks, deliverables, direct methodologies to be used, qualitative and quantitative designs, performance requirements and timelines (start and end dates) according to specifications and expectations of the agreement:

Description of service: *Type in service being rendered, attach quote or a detailed statement of work from Contractor.*

To conduct financial and operational internal audits for Austin ISD. This function will be performed to ensure that the operating procedures including all internal controls are being followed and that all expenditures of school district funds are in accordance with laws, regulations and district policy.

Services will be provided as per attached proposal. The total compensation amount may be revised based on the Audit Plan provided by Gibson Consulting Group per AISD Board of Trustees' approval.

Total Compensation not to exceed - \$110,000.00

Vendor awarded under RFP/21RFP084 - Internal Audit Services for Austin ISD.

ACCOUNT NUMBER :

Special Instructions to the District (what the District will provide i.e. Space, equipment, materials & supplies).

## EXHIBIT B

### Basis of Compensation

#### INSTRUCTIONS:

Basis of compensation should include applicable rate regarding:

- an hourly rate;
- daily rate; or
- payment schedule.

and the total amount as indicated in Provision 10 of this agreement.

**Note:** \$25,000 and above requires the completion of the Debarment, Suspension and Ineligibility Certification form in Exhibit F.

You may attach a COMPENSATION/ FEE SCHEDULE/ QUOTE **or** complete the pricing information below:

Compensation	Rate of Compensation	# of units	QTY	Subtotal
<i>Example:</i>				
\$ <u>25.00</u>	<i>Per Hour</i>	x <i>Hours</i>	<u>4</u> = \$	<u>100.00</u>

\$		Per Hour	x	Hours		=	\$	0.00
\$		Per Day	x	Days		=	\$	0.00
\$		Per Participant	x	Participants		=	\$	0.00
\$		Per Month	x	Months		=	\$	0.00
\$		Materials*	x			=	\$	0.00
\$	110,000.00	Other**	x			=	\$	110,000.00
<b>AGREEMENT TOTAL</b>								<b>\$ 110,000.00</b>

Payment will be made according to the District Comptroller's published Accounts Payable schedule.

\* Record additional descriptive information here (i.e., Training materials)

DS  
ALC

\*\*RELATED TRAVEL INFORMATION-

If unscheduled travel is required (cost not included in total compensation) by the Contractor due to additional consultation of services requested by the District, the District will reimburse the Contractor and assigned staff travel expenses as per requirements below:

- District will only reimburse for transportation, meals and lodging expenses.(Reimbursement will not include gratuity, alcoholic beverages and entertainment expenses);
- Travel expenses must have actually been incurred during the performance period of the Agreement;
- Costs must be identifiable, supported by evidence of original receipts or other authorized payment documents; and
- Travel has to be undertaken by the most appropriate means of transport, the most direct practicable route and the least costly fare structure (economy class if air fare). Expenses for meals and lodging shall be paid within the requirements of the U.S. General Services Administration (GSA). Costs shall not exceed the allowable GSA travel rates identified by area and time period that can be located at [www.gsa.gov](http://www.gsa.gov).

## EXHIBIT C

### Criminal History Record Information Review Contractor Certification

As agreed to in Terms and Conditions, Section 13, Contractor is directly responsible to ensure that a criminal history record information review has been conducted and that there is no criminal history record that would prevent the Contractor or its employees, interns, volunteers, or sub-contractors from working in the District's facilities or in events sponsored by the District. Statutory citation found in Texas Education Code § 22.0834. Relevant District policy includes:

- CJA (LEGAL): Provides definitions of relevant terms such as 'covered contract employee,' direct contact with students,' etc., and Contractor responsibilities regarding criminal history record certification.
- GKG (REGULATION): Describes procedures and considerations for approval of volunteers and interns to work with students, including the appropriate background checks (fingerprint-based vs. name-based) to be conducted.
- DC (EXHIBIT): Includes District guidelines on responding to criminal history records.

To review full District policy related to criminal history record review, go to <http://pol.tasb.org/Home/Index/1146> and type policy reference (e.g., CJA, GKG, DC) into 'Search' field, or request the most recent policy updates from District Employee Relations Coordinator, Naomi Tafoya, by emailing [naomi.tafoya@austinisd.org](mailto:naomi.tafoya@austinisd.org)

On behalf of Gibson Consulting Group ("Contractor"), I, the undersigned authorized signatory for Contractor, certify to Austin Independent School District ("District") that:

If I, personally, will have continuing duties related to the contracted services and direct student contact, I have obtained all required criminal history record information regarding myself through the Texas Department of Public Safety's Fingerprint-based Applicant Clearinghouse of Texas ("FACT"). I further certify to the District that I do not have a disqualifying criminal history. I agree to notify District in writing within three (3) business days if I am arrested or Adjudicated for a disqualifying reason during the term of this Agreement. I agree to provide to District, upon request, my full name and any other requested information so that District may obtain my criminal history record information. I understand that District may terminate my services at any time if District determines, at its sole discretion, that my criminal history is not acceptable.

**[and check one]**

None of Contractor's employees, interns, volunteers, or sub-contractors are **covered employees**, as defined in Texas statute or District policy CJA (LEGAL). In the event that any of the Contractor's employees, interns, volunteers, and sub-contractors become **covered employees** during the term of this Agreement, Contractor will notify the District and submit Exhibit C.1 (Covered Employees List) to the District with updated information prior to **covered employees** coming in direct contact with students.


Or

Some or all of Contractor's employees, interns, volunteers, or sub-contractors are **covered employees**. If this box is checked, I further certify that:

- (1) Contractor has obtained all required criminal history record information regarding its covered employees. None of the covered employees has a disqualifying criminal history.
- (2) If Contractor receives information that a covered employee subsequently has a reported criminal history, Contractor will immediately remove the covered employee from contract duties and notify District in writing within three (3) business days.
- (3) Exhibit C.1 (Covered Employees List) has been fully and accurately completed with information for all of Contractor's **covered employees**. If District objects to the assignment of a covered employee on the basis of the covered employee's criminal history record information, Contractor agrees to discontinue using that covered employee to provide services at District.

I also certify to District on behalf of Contractor that Contractor has obtained certifications from its sub-contractors of compliance.

Noncompliance or misrepresentation regarding this certification may be grounds for contract termination.

DocuSigned by:  
  
\_\_\_\_\_  
Signature  
Title: President

5/17/2021  
\_\_\_\_\_  
Date





## EXHIBIT C.1 Covered Employees List

Austin ISD Office of Human Capital  
**National Fingerprint Background Review**

- ✓ **Complete ALL** requested information
- ✓ **Use** a current driver's license
- ✓ **Attach** additional page(s), if needed
- ✓ **Submit** form by email to the AISD Contact Name **AND** [backgroundcheckreviews@austinisd.org](mailto:backgroundcheckreviews@austinisd.org).
- ✓ **Submit** updates on a **NEW Exhibit C.1** to the AISD Contact Name **AND** [backgroundcheckreviews@austinisd.org](mailto:backgroundcheckreviews@austinisd.org).

**Agency/Provider Name:** \_\_\_\_\_

**Agency/Provider Contact Person(s):** \_\_\_\_\_

**Agency/Provider Phone Number:** \_\_\_\_\_

**Agency/Provider Email Address:** \_\_\_\_\_

**Type of Service(s) to be Provided:** \_\_\_\_\_

**AISD Contact Name(s):** \_\_\_\_\_

**Coordinating Dept./Campus(es):** \_\_\_\_\_

	Last Name <i>As it appears on driver's license (or Last Name used when fingerprinted)</i>	First Name <i>As it appears on driver's license</i>	Date of Birth	Driver's License #	State of Issue	Review results of the National Fingerprint Report. <b>AISD HR USE ONLY</b>
1						
2					AL	
3					AL	
4					AL	
5					AL	
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						

**AISD HR USE ONLY**

National Background and District Review by: \_\_\_\_\_

<b>Additional Exhibits</b>
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**EXHIBIT D. TRS RETIREE:**

If you are receiving or have received retirement benefits through the Teacher Retirement System of Texas (TRS) or any other retirement program (Retirement Benefits), you acknowledge the following:

-The District cannot and does not make any guarantees regarding your continued right to receive the Retirement Benefits.

-You are relying on your own investigation and understanding of the law and upon the guidelines, rules, and regulations regarding employment after retirement of the program(s) under which you retired. You are not relying on any statements made by the District regarding the effect of District employment or contracting with the District on your Retirement Benefits.

-You agree not to sue or otherwise bring any claim against the District, its Board of Trustees, its Superintendent, or any other employee or agent of the District for any loss or reduction in the value of your Retirement Benefits.

-If you retired under the TRS, the District must report your employment to the TRS. You agree not to sue or otherwise bring any claim against the District, its Board of Trustees, its Superintendent, or any other employee or agent of the District based on such reports.

-You acknowledge that, because of your retiree status, the District will incur expenses over and above those associated with hiring a non-retiree in a similar position with similar years of experience. You agree that the District may reduce your pay or contracted compensation to offset these expenses, provided that your salary does not fall below the state minimum, if applicable.

If you are in fact a TRS Retiree, please print name and date of retirement below.

I, \_\_\_\_\_, confirm that I am a TRS retiree as of effective date: \_\_\_\_\_.

**EXHIBIT E. DEBARMENT, SUSPENSION, AND INELIGIBILITY CERTIFICATION:** Statutory citation is found in the U.S. Office of Management and Budget Circular A-102, 2 CFR 11 Part 215, and Federal Acquisition Regulation Subpart 9.4 Federal agencies, state agencies, and local governments, including the Austin Independent School District, shall solicit offers from, award contracts to, and consent to subcontracts with responsible contractors only. OMB Circular A-102, *Grants and Cooperative Agreements with State and Local Governments*, Section 1 (d), requires that Austin ISD shall not award a contract to a contractor, or consent to a subcontract with a contractor, that is debarred, suspended, proposed for debarment, or otherwise declared ineligible. "Contractor" means any individual or other legal entity that:

(1) Directly or indirectly submits offers for or is awarded a Federal Government or Austin ISD contract or a subcontract under a Federal Government or Austin ISD contract; or

(2) Conducts business, or reasonably may be expected to conduct business, with the Federal Government or Austin ISD.

A contract award with an amount expected to equal or exceed \$25,000 and certain other contract awards shall not be made to contractors that are listed on the Federal Government Excluded Parties List. Ref: 2 CFR 11 Part 215

Contractors submitting a bid or proposal in an amount expected to equal or exceed \$25,000 shall certify that neither their organization nor principal officers and agents nor subcontractors are debarred, suspended, proposed for debarment, or otherwise declared ineligible by a Federal agency.

I, the abovesigned officer or agent for the contractor named in the **CONTRACTOR SIGNATURE** field below, certify that neither this organization nor principal officers and agents nor subcontractors are debarred, suspended, proposed for debarment, or otherwise declared ineligible by a Federal agency.

**EXHIBIT F. CAMPUS SECURITY REQUIREMENTS FOR CONTRACTORS:** At all times when the Contractor, sub-contractor, staff, and volunteers enter a District facility, each individual must go to the front office of the campus and provide valid identification and justification of their presence on the campus.

**EXHIBIT G. INVOICING AND PAYMENT:** Once services described in "Statement of Work", Exhibit A have been performed and completed, the Contractor agrees to submit an original invoice referencing Purchase Order number requesting payment for performance: Austin Independent School District, 4000 SO I-35 Frontage Road, Austin, Texas 78704, Attention: Accounts Payable. Or email: AP\_invoices@austinisd.org

**EXHIBIT H. NOTICES:** Any notices required or permitted by this agreement shall be in writing and delivered to the parties as set forth on page 10.

**EXHIBIT I. DATA SHARING:**

District agrees to provide confidential student and staff data to Contractor solely for the purpose of using Contractor's services. The terms of this agreement between Contractor and District are in effect upon full execution of this agreement and continue in force for so long as any Exhibit to this Agreement remains in effect or until terminated in accordance with its terms.

These data will be provided in an encrypted, password protected electronic format by AISD Management Information Systems (MIS). All student, staff, and program data stored or generated during the term of this agreement are considered property of the District. Upon District's written request, Contractor shall provide District with a sworn affidavit stating that the data have been destroyed. Contractor may take up to 30 days to delete all records. Contractor assures that the data will not be released to a third party without written consent of AISD General Counsel.

Contractor is hereby notified that any unauthorized disclosure of confidential student information is a violation of the federal Family Educational Rights and Privacy Act of 1974 (FERPA) found in Title 20, United States Code, Section 1232g and the implementing regulations found in Title 34, Code of Federal Regulations, Part 99, and shall not be permitted to occur. While in possession of these data, Contractor shall permit access to these data only to its employees, agents, and contractors authorized to access the Contractor's SOFTWARE program. Contractor also agrees to store the data in a secure and locked area, and to prevent unauthorized access.

Contractor acknowledges District's obligations and requirements under FERPA and agrees to provide services including, without limitation, the handling of confidential student information that is compliant with the FERPA requirements as referenced above.

The District and Contractor will enter a Data Sharing Agreement (DSA), at the district's election, that be incorporated into this agreement as Exhibit I-A. Failure to execute a DSA, if required, will result in termination of this agreement.

The Data Sharing Agreement, if required, between Austin ISD and Contractor will supersede any variation in terms Contractor may include on its website, promotional materials, or other publications including but not limited to any terms regarding student data privacy.

**CONTACT INFORMATION FOR NOTICES**AUSTIN INDEPENDENT SCHOOL DISTRICT

(Initiator of agreement) Annie L. Collier

Superintendent's Office

School/Department

Dr. Jacob Reach

Representative

Chief Officer, Governmental Relations and Board Services

Title

4000 S. I-H 35 Frontage Road

Address

Austin, Texas 78704

City, State, Zip

512-414-9646

Business Telephone

Facsimile

jacob.reach@austinisd.org

Business Email

May 14, 2021

Date

COMPANY INFORMATION**Contractor:** Complete information, check boxes below, and respond to Purchase Order (PO) preference.

Greg Gibson

Contractor Name

President

Title

Gibson Consulting Group, Inc.

Business Name or DBA

1801 S. Mopac #270

Address

Austin, TX 78746

City, State, Zip

512-328-0885

512-328-0886

Business Telephone

Facsimile

ggibson@gibsonconsult.com

Business Email

5/17/2021

Date

**Independent Contract Certification:** Check if Contractor was previously employed by the District**Tax Information:** Check if W9 Tax Form has been completed and submitted to the District**Purchase orders (PO)** are sent electronically

Please check preference:

 Fax Email**Additional contact information:**

Beth Frank

Name

Operations Manager

Title

512-328-0884 ext. 103

Business Telephone

bfrank@gibsonconsult.com

Business Email

*Proposal for*  
**Internal Audit Services**  
**Request For Proposal Number 21RFP084**

*Submitted To:*  
**Austin Independent  
School District**

*Due On:*  
March 4, 2021 at 2:00 p.m. CST

**GIBSON**

AN EDUCATION CONSULTING & RESEARCH GROUP

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## Executive Summary

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On behalf of Gibson Consulting Group, Inc. (Gibson), as the firm's representative, it is my pleasure to present the Austin Independent School District (Austin ISD) with Gibson's proposal for *Internal Audit Services* requested in Request for Proposals (RFP) Number 21RFP084. In your review of our proposal, we would stress the following points:

- Gibson is a major player in the Texas and national public education industries, and has been for over 20 years. We have worked in 28 states and Washington D.C., and for five of the largest 12 school systems in the United States. We are exclusively dedicated to public education, and our K-12 industry experience and expertise adds to our value as internal auditors.
- We are the only firm serving as the Texas Association of School Board's (TASB's) affinity partner for internal audit services in the State of Texas. In 2012, through a competitive procurement, TASB selected Gibson as its designated service provider for internal audit services. Gibson is proud to have this continuing association with TASB.
- Currently, Gibson fulfills the internal audit function for four of the 25 largest school districts in the state – Fort Bend ISD, Killeen ISD, Garland ISD, and Lewisville ISD. We also currently fulfill the internal audit function at Keller ISD, the 36<sup>th</sup> largest district in the state. Additionally, Gibson has conducted individual internal audits for 14 other school districts.
- Greg Gibson, CPA, has more than 35 years of experience in auditing and consulting in the public education industry. He is the Director of the firm's Internal Audit Practice. He is one of the nation's leading experts on school system efficiency, and provides internal audit training to board members and administrators at state conferences and conventions. He will serve as the primary contact point for this engagement and will be primarily responsible for the services provided.
- Many internal audit programs and approaches are targeted to catch people instead of improving processes. While we will report any wrongdoing we observe, we apply an audit philosophy of "continuous improvement," and this appears to align with the Austin ISD Board's vision for their internal audit program. Over the past eight years, we have demonstrated that we can help school systems address issues and make changes in a constructive manner.
- Gibson's internal audit approach exceeds applicable standards for internal audit, particularly by its broader reach into virtually every function and program in a school system, as well as the larger number of risk factors we address.
- Our project team includes highly experienced Gibson staff, combined with alliance partners that provide particular technical expertise in operational and program areas. This increases our staffing and technical capacity to perform a wide variety of audits.



- Gibson can meet the technical requirements of the RFP, and can also offer other services that Austin ISD may wish to consider, including a more comprehensive risk assessment approach, development of audit implementation dashboards, and internal audit program management activities.

We believe our clients will tell you that we have served them well, and have met or exceeded their expectations for their internal audit programs. We look forward to the possibility of doing the same for the Austin ISD Board of Trustees.

Gibson will devote its best efforts to the work to be performed under this internal audit assignment, and any findings, recommendations, or other written materials will represent our best professional judgment based on the information available to us.

If you have specific questions, or require additional information about our professional services, please contact me at (512) 328-0885 or at [ggibson@gibsonconsult.com](mailto:ggibson@gibsonconsult.com).

We look forward to hearing from you.

Sincerely,



Greg Gibson, President  
Gibson Consulting Group, Inc.

# I – Summary of Experience

This section provides an overview of Gibson Consulting Group, Inc. (Gibson) and the qualifications of its internal audit team.

## Firm Address and Contact Information

### Gibson Consulting Group, Inc.

1801 South MoPac Expressway, Suite 270

Austin, Texas 78746 (sole office)

Phone: (512) 328-0884

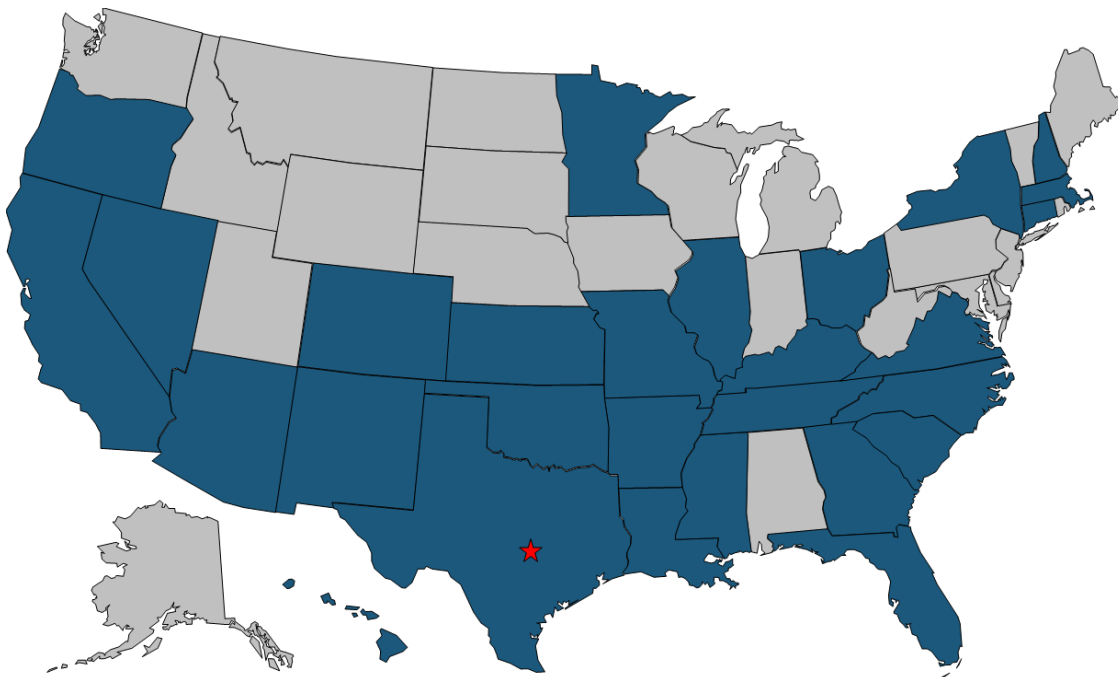
Fax: (512) 328-0886

Website URL: [www.gibsonconsult.com](http://www.gibsonconsult.com)

## Summary of Experience of Gibson Consulting Group

Founded in 1998, Gibson is a major player in the national education industry, having worked in 28 states and Washington D.C. (shaded in diagram below) and with five of the largest twelve school districts in the U.S. We are exclusively dedicated to public education, and our K-12 industry experience and expertise adds to our value as internal auditors.

### Gibson's National Presence



In 2012, the Texas Association of School Boards (TASB) selected Gibson through a competitive procurement to be its sole designated service provider for internal audit services, and continues today as

its sole affinity partner for these services. Gibson currently fulfills the internal audit function for Fort Bend ISD (8 years), Killeen ISD (8 years), Garland ISD (2 years), Lewisville ISD (2 years), and Keller ISD (1 year). Our prior internal audit program clients include Hays CISD (4 years), Manor ISD (3 years), Pflugerville ISD (4 years), and Alexandria City Public Schools in Virginia (4 years). In addition, Gibson has conducted individual internal audits for 14 other Texas school systems.

Gibson has also conducted comprehensive performance audits for some of the nation's largest urban school systems, including Hillsborough County Public Schools (FL), Clark County School District (NV), Fairfax County Public Schools (VA), and just this past year Anne Arundel County Public Schools (MD). These performance audits were similar in scope to the work performed for our internal audit clients.

Gibson's internal audit work has been impactful across our clients and across different types of audits. Gibson's experience includes major program and audits (e.g., special education, transportation, purchasing, construction management, human resources, and PEIMS) as well as targeted audits (e.g., booster clubs, procurement cards). Below are examples of the results our audits have achieved:

- During a student information audit, we identified attendance reporting issues in time to help avert the risk of losing more than \$40 million in state funding.
- During a construction audit site observation, we determined in March that a school would not open for the new school year as scheduled, prompting a set of activities that allowed the school to open on time.
- During an academic program management audit, we identified the lack of fidelity in implementing the district's curriculum and the underlying factors that were causing it.
- During a nutrition services audit, we discovered that the district was not maximizing its indirect cost allocation, that when fully addressed through increased efficiency would bring an additional \$700,000 to the General Fund annually.

Appendix A presents descriptions of internal audits conducted for our audit clients, in addition to other relevant efficiency audits conducted for large urban school systems.

## Summary of Experience of Key Personnel

One of the elements critical to our firm's success is how we organize project teams to provide high-quality services to our clients. Gibson brings strong technical expertise to bear on project assignments and, when needed, we tap into Gibson's pool of alliance partners who represent the best in their respective fields of service.

In this context, there are several important elements of our staffing approach:

- Greg Gibson, Certified Public Accountant (CPA), is one of the nations' leading experts on school district efficiency and effectiveness. He serves as the internal audit program director for our

current clients, and serves a quality assurance role on all internal audit engagements. Mr. Gibson is primarily responsible for the quality of work related to the firm’s internal audit program.

- Gibson’s audit staff includes CPAs/auditors, management consultants, technology experts, process analysts, data analysts, and dashboard programmers – all of whom have internal audit experience with existing Gibson internal audit clients. This team has a proven track record, and averages nearly 20 years of experience.
- To provide comprehensive audit coverage of school system operations, when needed, Gibson uses the services of alliance partner subcontractors to provide targeted technical expertise in the areas of facilities management and construction, transportation, nutrition services, and academic programs. We assume full responsibility for our subcontractors’ performance and do not subcontract the management of our projects.
- Gibson can also tap into the experience of our firm’s research unit to conduct surveys, data analytics, and focus groups as part of our audits, where applicable. Our research unit also provides technical expertise in the area of classroom observations, which are key to our academic program audits.

Below, we provide biographical summaries of key personnel, including each individual’s experience, qualifications, and areas of expertise. Full resumes for key personnel are provided in Appendix B if additional information is desired.

### **Greg Gibson, CPA, President, Internal Audit Director**

Mr. Greg Gibson, CPA, is the founder and President of Gibson. He is one of the nation’s leading experts on school system efficiency, and serves as Director of the Internal Audit Practice. Possessing more than 35 years of experience, he has led over 150 school system audits and reviews throughout the nation for school systems ranging from 250 students to over 600,000 students. He has directed a wide range of other projects in public education, including information systems evaluations and selection, process reengineering, data integrity reviews, and program evaluations. Mr. Gibson has also conducted 75 fraud investigations and testified as an expert witness in depositions and trials. Previously, he led the Management Consulting Services Practice for the Austin office of Coopers & Lybrand (now PricewaterhouseCoopers LLP), an international accounting and consulting firm. Prior to that he served on the audit staff of Deloitte in Dallas. Mr. Gibson is also a speaker and trainer on school system internal auditing and school system efficiency at state conferences and conventions for school district administrators and board members.

Education: M.A. in Business Administration, Southern Methodist University, 1984  
 B.A. in Administration (Accounting), with honors, Southwestern University, 1981

Certification: Certified Public Accountant, Texas

### **Ali Taylan, Chief Information Officer, Senior Auditor**

Mr. Ali Taylan serves as the Chief Information Officer and a Senior Auditor for Gibson, and possesses a strong understanding of how technology and information systems work in educational operations. With over 20 years of experience, 18 with Gibson, Mr. Taylan has worked with school systems and educational service centers to execute recommendations for improving the access to and use of management information systems. He has participated in school system internal audits as a senior information systems auditor as well as a lead technology consultant on efficiency reviews, department reviews, PEIMS audits, information security audits, and process efficiency projects. Mr. Taylan leads and manages the data extraction, transformation, and loading (ETL) processes for all audit datasets. Once audit datasets have been created, Mr. Taylan programs various queries of the data in order to conduct targeted forensic analyses. He is also experienced in the development and implementation of business intelligence tools including for use related to data warehouse and data visualization. He develops our internal audit implementation dashboards, and has recently conducted related services for Fort Bend ISD, Killeen ISD, Hays Consolidated ISD, and Manor ISD.

Education: M.A. in Business Administration, University of Dallas  
B.S. in Labor Economics and Industrial Relations, University of Ankara

### **Keri Munkwitz, Senior Auditor**

Ms. Keri Munkwitz has over 20 years of experience in consulting and auditing in the public education industry, and serves as Gibson’s lead auditor of academic programs. Ms. Munkwitz has conducted special education audits for Fort Bend ISD, Killeen ISD, and Hays CISD, in addition to academic program management audits for Fort Bend ISD and Killeen ISD. She also conducted a comprehensive special education review for Clear Creek ISD and served as the lead consultant on a staffing study for Round Rock ISD. Previously, Ms. Munkwitz led the public education consulting practice for KPMG, and provided consulting services to large, urban districts for Education Resource Strategies.

Education: M.A. in Business Administration (Finance), University of North Carolina at Charlotte  
B.A. in Marketing and Spanish, Stetson University

### **Kent Ingram, CPA, Senior Auditor**

Mr. Kent Ingram, CPA, has seven years’ experience in auditing. His experience includes four years as an external auditor with two of the “Big 4” accounting firms – Deloitte and Touche in Dallas and PricewaterhouseCoopers in London. At Gibson, Mr. Ingram serves as the lead on all financial management audits and operational audits, and also directs all internal audit risk assessment projects. His recent internal audits have included procurement, payroll, accounting operations, PEIMS, information security, facilities management, transportation, nutrition services, risk management, human resources, and school activity funds.

Education: M.A. in Professional Accounting, University of Texas at Austin  
 B.A. in Business Administration in Accounting and International Business, Texas Tech University

Certification: Certified Public Accountant, Texas

### **Dr. Amie Rapaport, Director of Research**

Dr. Amie Rapaport is the Director of Research at Gibson. She has over 12 years of experience guiding research, identifying key objectives, developing methodological designs, creating research instruments, and interpreting and communicating results to diverse audiences. She serves as project director for several large-scale, multi-site research and evaluation projects involving data collection from schools within districts or from districts within states. Dr. Rapaport has served as the project director for the Indicator 8 Special Education survey efforts in Texas and New Hampshire; the districtwide student, parent, and employee survey effort for Arlington ISD; and is Co-Principal Investigator on the Knowledge in Action Efficacy Study, a Randomized Controlled Trial conducted across five large districts across the country testing the effectiveness of a project-based learning approach to teaching Advanced Placement. She has led survey efforts on all applicable Gibson internal audits, primarily in the areas of academic programs and human resources, and provided technical support to the development of classroom observation protocols and focus group protocols. Prior to coming to Gibson in 2008, Dr. Rapaport led the Texas Education Agency's Program Evaluation Unit, supervising the development and execution of over 30 large-scale, statewide program evaluation projects.

Education: Ph.D. in Social and Personality Psychology, New York University  
 M.A. in General Psychology, New York University  
 B.A. in Psychology, American University

## **Experience, Qualifications, and Expertise of Gibson Alliance Partners**

Gibson's internal audit technical capacity is greatly enhanced by our alliance partners, who help meet internal audit demands on particular projects. Our alliance partners support us in the areas of transportation, nutrition services, facilities management, facilities construction, and academic programs.

Below, we provide summaries of the qualifications, credentials, and areas of expertise for our alliance partners. We have worked with each of these organizations/individuals for no less than five years, and most have direct experience working with our Texas internal audit program.

### **ESR Consulting (Curriculum and Instruction)**

#### ***Dr. Eileen Reed***

Dr. Eileen Reed is a nationally recognized expert in the areas of curriculum and instruction in regular and special education programs. Dr. Reed's areas of expertise include technical assistance for multi-district

and regional school turnaround initiatives, district readiness assessments for change, competency-based interviews for turnaround leaders, district site visits related to district support for campus turnaround, and select professional development. Dr. Reed utilizes her extensive experience in special education, curriculum, instruction, and assessment to conduct school district performance reviews that identify opportunities to improve district effectiveness and efficiency.

Previously, Dr. Reed served as the Deputy Executive Director of Texas Initiatives at Education Service Center Region 13. Primary services of Texas Initiatives included assisting schools to meet compliance requirements of state and federal programs with an emphasis on special education, English Language Learners, and Title I; developing the capacity of the regional education service centers to support low-performing schools; and supporting the state's efforts to graduate all students career and college ready. Dr. Reed's specialized areas of expertise include the alignment of state and federal accountability systems and their related systems of interventions; over representation of students with disabilities in special education; Response to Intervention; and the design, implementation, and oversight of the state system of support for schools in improvement under No Child Left Behind. Dr. Reed has worked with Gibson on academic program management audits for Hays CISD, Killeen ISD, and Fort Bend ISD.

### **Elsberry Education Consulting (Special Education)**

#### ***Dr. Cindy Elsberry***

Dr. Cindy Elsberry is an education consultant, who specializes in blended learning and special education. She served as Superintendent for Horry County Schools in South Carolina and for Talladega County Schools in Alabama, where she led their Special Education program. Dr. Elsberry has worked with Gibson on a special education internal audit for Fort Bend ISD, an academic program management audit for Killeen ISD, and also participated with Gibson on special education reviews for Clear Creek ISD, York County Schools (VA), Donna ISD, and Mexia ISD.

### **Facility Engineering Associates P.C. (Facilities Management)**

#### ***John Edwards***

Mr. John Edwards is a Senior Facility Management Consultant with over 30 years of experience in facilities management. He earned his Bachelor of Science degree in Mechanical Engineering from the U.S. Naval Academy and his Master of Science degree in Civil Engineering (Construction Management) from the Massachusetts Institute of Technology. He is a Registered Professional Engineer, a Certified Facility Manager, and a Facility Management Professional. His assignments during his 24-year career as a United States Navy Civil Engineer Corps Officer included service as an installation public works officer and a regional facilities executive officer. Mr. Edwards has also worked as a Senior Analyst with the United States Government Accountability Office, where he developed recommendations for improvements to federal agency infrastructure programs. Prior to joining Facilities Engineering Associates (FEA), he was a team leader with a firm that delivered environmental remediation and design-build construction solutions.

Recently, Mr. Edwards has worked with Gibson on the facilities management audits of Killeen ISD, Fort Bend ISD, and Manor ISD.

### ***Laurie Gilmer***

Ms. Laurie Gilmer is Vice President and COO at FEA. Ms. Gilmer's primary areas of expertise include facility systems assessments, energy management, sustainability, and facility management organizational analyses. Ms. Gilmer is a published author, regularly contributing to multiple Facility Management publications. She co-authored the International Facility Management Association's (IFMA) second manual in the Sustainability "How-To-Guide" Series for the the Environmental Protection Agency's ENERGY STAR Portfolio Manager. Ms. Gilmer is currently serving a term on IFMA's Board of Directors. Ms. Gilmer also serves on the Northwest Energy Efficiency Council's Building Operator Certification program advisory committee, and was the committee's first chair. Ms. Gilmer is a member of the National Visiting Committee of Building Efficiency for a Sustainable Tomorrow (BEST) Center. Additionally, Ms. Gilmer is an instructor for IFMA's Sustainability Facility Management (SFP), Facility Management Professional (FMP), and Certified Facility Manager (CFM) programs. She is also the past chair of IFMA's Sustainability Facility Credential scheme committee and a member of IFMA's Environmental Stewardship, Utilities, and Sustainability (ESUS) Strategic Advisory group. Recently, Ms. Gilmer has worked with Gibson on the facilities management audits of Killeen ISD, Fort Bend ISD, and Manor ISD.

### **PMCM<sup>2</sup> (Construction Management)**

#### ***Nat King***

Mr. Nat King has 35 years of experience in the design and construction industry. During this time, he has dedicated his efforts to design and construction management in major public sector capital projects, including public education. Mr. King recognizes complex management issues related to major construction projects and advises clients on how to resolve them productively and economically. In 2006, Mr. King formed his firm, PMCM<sup>2</sup>, which played an integral part of the team awarded the K-12 facility assessment projects for all school buildings in the State of Massachusetts and for the City of New Orleans School District. The firm also held program management responsibilities for the Fort Worth Independent School District's \$500 million bond in 2008. As vice president and regional manager for a major engineering firm, Mr. King was responsible for program management assignments with Spring Branch ISD, Port Arthur ISD, and the TexansCan charter school organization. Recently, Mr. King has worked with Gibson on the construction audits of Killeen ISD and Fort Bend ISD, and on a construction management audit at Keller ISD.

### **TCB Consulting (Food Services)**

#### ***Robin Tennille***

TCB Consulting is one of the nation's leading nutrition services consulting and audit firms, providing services to over 400 School Food Authorities (SFAs) in 11 states and United States territories. Ms. Robin



Tennille, the firm's founder and President, previously worked with the Florida Department of Education as the Supervisor of the National School Lunch Program, School Breakfast Program, and Afterschool Snack Program. She also served as a Consulting Trainer for the National Food Service Management Institute (NFSMI) and as a Consulting Auditor for the largest school food service buying group in Florida. In the past 16 years, Ms. Tennille has provided consulting services nationwide, identifying creative measures to improve efficiency and to ensure regulatory compliance. Ms. Tennille is an expert in general program/financial evaluation and review, financial management and turn-around, procurement and cooperative purchasing guidance, specialized training, Administrative Review preparation, Provision 2/CEP/Universal Feeding recommendations and evaluations, Free and Reduced-Price Application processing, menu planning and recipe evaluation, production record creation and completion, and food safety implementation and compliance. Ms. Tennille's consulting experience also includes the support of several state agency programs to evaluate and monitor compliance school district nutrition programs. Most recently, TCB was awarded a contract by the Texas Department of Agriculture to complete Administrative Reviews throughout the state. TCB recently conducted nutrition services internal audits with Gibson for Killeen ISD and Fort Bend ISD, and also supported efficiency studies with Gibson on four other projects.

## **Texas Transportation Institute (Transportation)**

### ***Michael Walk***

Mr. Michael Walk is a Research Scientist with the Texas Transportation Institute (TTI), a Gibson alliance partner for the past 17 years. Mr. Walk has over 10 years of management and executive experience in public transit and 13 years of experience conducting internal audits, transportation research, and training. He specializes in transit performance management and measurement, transit planning, transit maintenance and operations, and routing and scheduling. Prior to joining TTI, Mr. Walk worked for the Maryland Transit Administration (MTA) in Baltimore, Maryland. In recent years, Mr. Walk has worked with Gibson on transportation internal audits for Killeen ISD and Fort Bend ISD, in addition to several other Gibson efficiency studies that included reviews of transportation services.

### **Steve Frank (CTE Programs)**

Mr. Steve Frank has worked on numerous national-level and state-level projects specializing in college and career readiness, Career and Technical Education (CTE), and secondary programs of study design and implementation. As a CTE Specialist for Education Service Center Region 13, he managed the funding of the Carl D. Perkins grants for 28 districts and completed site visits, career planning, and development of programs of study. In that position, he developed and implemented a statewide certification program for CTE teachers in Texas and served on committees for the State Board of Educator Certification and Texas Education Agency (TEA)/CTE Teacher Certification.

As a CTE Program Manager for the TEA, he managed CTE programs with a specialization in the state redesign and alignment to career clusters and programs of study; he approved innovative CTE courses, and developed state-level resources to create and implement programs of study. Mr. Frank has also

worked on special projects at the United States Department of Education, Office of Career, Technical, and Adult Education and created hundreds of CTE-related resources. Mr. Frank worked with Gibson on the academic performance audit of the CTE program at Hillsborough County Public Schools in Florida.

### **Dr. David Campos (English Language Learners)**

Dr. David Campos earned his Ph.D. in Special Education from the University of Texas at Austin. In addition to over six years of experience teaching at both the K-12 and university level, Dr. Campos has consulted on several reviews of school district programs – including several programs with a high percentage of English language learners. Dr. Campos worked with Gibson on an English Language Learner (ELL) services audit for Hays Consolidated ISD, and more recently worked with Gibson on a comprehensive operational and program review for Hillsborough County Public Schools that included ELL services.

## Section II – Scope of Service

In this section of Gibson Consulting Group, Inc.'s (Gibson's) proposal, we provide a brief description of Austin Independent School District's (Austin ISD's) current approach to internal audit, and the proposed scope of contracted services as defined in RFP 21RFP084.

Below are highlights of our approach:

- Austin ISD appears to be transitioning from an in-house to an external approach for its internal audit program. Gibson has helped two other large Texas school districts – Fort Bend ISD and Garland ISD – make this transition, and has helped six other Texas school systems start internal audit programs from scratch. These programs have many similarities, and also have differences based on the respective needs of client school boards. We can customize a program to meet the needs of the Austin ISD Board of Trustees.
- The scope of our internal audit approach goes beyond what most school systems employ, reaching across more areas of school system operations and programs to maximize the impact and value to the Board. We also evaluate more risks than what are required by audit standards, recognizing that there are additional risks unique to school systems.
- Our tested program management services can help relieve the Austin ISD Board of many of the burdens of running an internal audit program. We can help establish or refine audit process and communication protocols, provide assistance in managing audit committee meetings, and develop tools to help the Board monitor the progress of the administration implementing our recommendations, among others. We assume responsibility for the success of your program, not just for each audit we conduct.
- While our audit methodologies have been tested and proven, we apply our “continuous improvement” philosophy of conducting internal audits to our own work, annually updating our methodologies and tools to improve the efficiency and effectiveness of our own services.

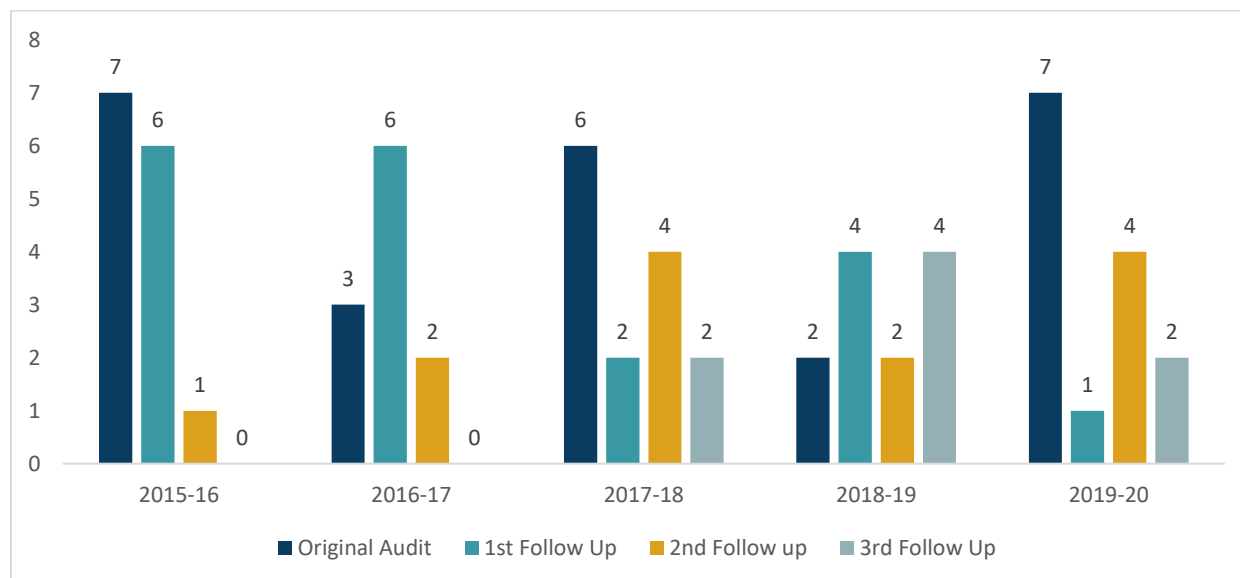
### **AISD's Current Approach to Internal Audit**

Austin ISD has an established, risk-based approach to performing internal audits. The Internal Audit Charter for AISD (approved September 2015) requires that prioritization of internal audits is accomplished using a risk-based methodology. The audit universe currently used by Austin ISD includes a mix of comprehensive, departmental or program audits, and targeted audits.

Austin ISD currently has an Audit Department consisting of two analysts, two auditors, and one director. The Director of Internal Audit, according to the Internal Audit Charter, reports both to the Superintendent (for administrative purposes) and to the Board of Trustees. As evidenced in the Charter and five-year audit plan, Austin ISD has made it a priority to monitor recommendation implementation through follow-up

audits. Since 2015-16, the Austin ISD Internal Audit Department has completed as many as 14 audit projects in a year, as presented in Figure II.1 below.

**Figure II.1. Austin ISD Internal Audit Projects, By Type and Fiscal Year**



Source: Internal Audit Five Year Plan, provided by AISD

Included in the audit numbers above are student and campus activity funds. It is our understanding that these particular audits will be performed by individuals in the Finance Department going forward, and not technically part of the District's internal audit function.

Austin ISD is seeking to contract with an internal audit firm who can provide the analyses, recommendations, counsel, and information concerning audited activities. Gibson believes our approach, experience, and qualifications position our firm well for this work.

## Scope of Service

Over the past eight years, Gibson began a process to transform how internal audit is used by school boards in Texas, and we look forward to continuing this quest with Austin ISD. This section describes the fundamental structure of our approach, aligned with the requirements of the RFP.

We identified the following 10 components in section VI of the RFP to be addressed in this section, in the following order. Below are brief descriptions of each and how certain elements relate to each other. Discussions of how we will address each component are provided in the rest of this section.

1. **Internal audit philosophy and network of effective risk management, internal controls, and governance processes.** One of the elements listed in the RFP under this item suggests that quality and continuous improvement represent the underlying philosophy of the Board's plan for internal audit. Also, the other five elements of expectations under this item mirror the risk factors in Item 6 below. In this Item we will discuss Gibson's audit philosophy and how we believe it is consistent

with the Board’s intentions, as well as key elements of our approach to performing internal audits. Risk factors are discussed under Item 6.

2. **Internal audit separate and apart from the external audit.**
3. **Communication of results through reports and meetings.** This Item is also related to Item 7 and Item 9.
4. **Internal audit plan.** In this Item we discuss the need for a periodic risk assessment and development of a long-range plan, as well as annual updates to the plan. The audit plan is also referenced under Item 8 below.
5. **The audit universe.** Areas subject to audit.
6. **Risk factors to be addressed through the internal audit program.** These are aligned with the five desired outcomes under Item 1.
7. **Reporting to the Board Audit Committee.** In this Item we discuss who will serve as Program Director for Austin ISD and the development of reporting protocols.
8. **Audit plan/internal audit program management/internal audit processes.** The annual update of the internal audit plan is one component of program management. This Item addresses all components of program management and identifies the direct assigned contact at Gibson for overall program management responsibilities.
9. **Program and audit project deliverables.** A description of the required deliverables is included under this item.
10. **Applicable internal audit standards.** An overview of the internal audit standards that are applicable to the requested services is provided under this Item.

## 1. Internal Audit Philosophy and Approach to the Work

### *Internal Audit Philosophy*

The RFP states that Austin ISD wants to ensure that “quality and continuous improvement are fostered” through this program. Continuous improvement forms the basis of our firm’s internal audit approach.

Internal audit is sometimes viewed as only an investigative tool used to detect and punish wrongdoing. Though compliance testing and unearthing errors are necessary components of internal audit, we believe an effective internal audit program has continuous improvement at its core. This approach helps establish buy-in between boards and superintendents, and leads to a more effective mechanism for positive change in a school district. Gibson has successfully applied this philosophy with existing clients to develop

strategies and recommendations to improve compliance, effectiveness, and efficiency of any functional or program area – in a constructive manner.

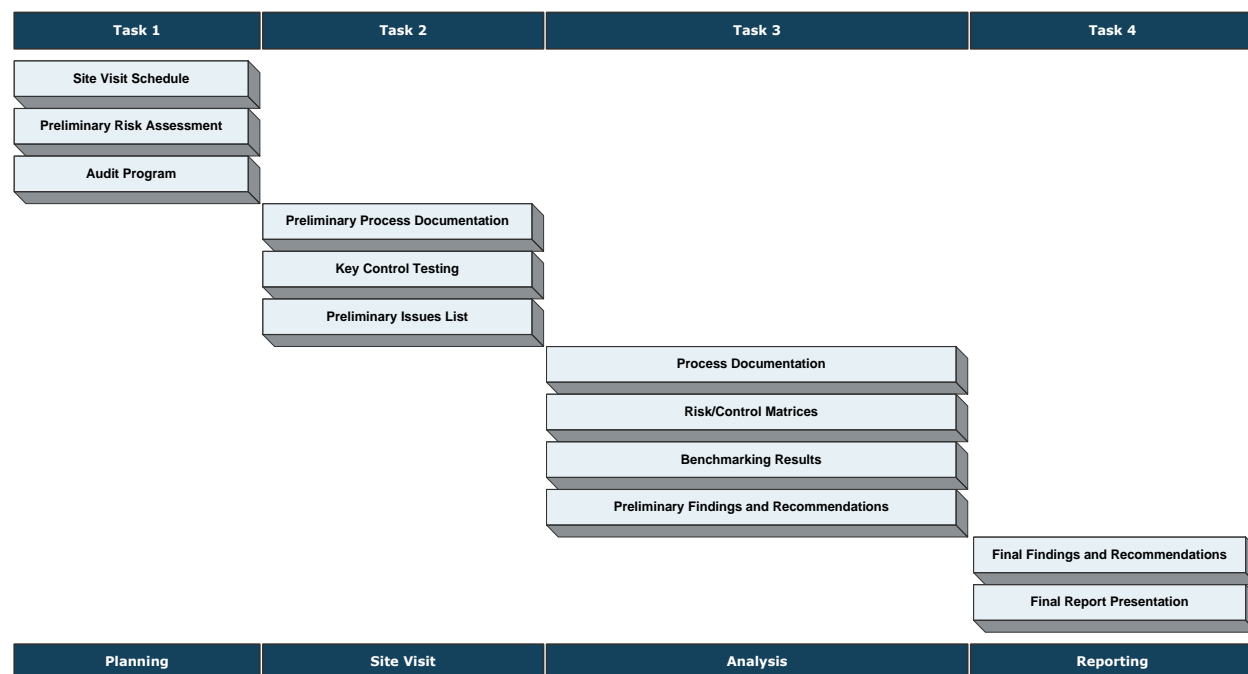
### ***Approach to the Work***

Our approach is based on our current understanding of Austin ISD's situation and needs, and we expect these to evolve after the contract award is made. The following elements represent main drivers of our approach:

- Consistent with AISD's current approach and Institute of Internal Auditors (IIA) Standards, our internal audit approach begins with a risk-assessment process for the audit universe. Risks identified during this process are considered when creating an audit plan for individual internal audits.
- The audit universe currently used by Austin ISD includes a mix of comprehensive, departmental or program audits, and targeted audits. Our proposed audit universe differs slightly in that more academic programs are included. Our defined audit universe gives us the flexibility to perform both targeted audits and comprehensive audits.
- Audit reports will include actionable recommendations for improvement. Austin ISD's desire to perform follow-up audit work closely matches our own philosophy. The Board Audit Committee should determine, with input from AISD management, which recommendations to implement. It is management's responsibility to then implement the agreed upon recommendations, and it is our responsibility to design tests and scopes of work to assess the implementation status of our recommendations.

Each internal audit will have a defined scope expressed in a list of questions to be addressed. However, all audits will follow a similar methodology in terms of how the work is done. As indicated in the following graphic depiction of the timeline, individual audit projects include four major tasks: planning, site visit, analysis, and reporting.

**Figure II.2. Internal Audit Project Timeline**



The following provides an overview of the work performed on each audit (Tasks 1 through 4) as well as additional tasks at the project level (e.g., project management and follow-up audit work) and audit program level (e.g., program management and risk assessment).

*Task 1 – Planning and Data Request*

First, we will conduct a planning meeting with the internal audit liaison assigned by the Superintendent for the particular audit. The purpose of the initial planning meeting is to discuss the scope and objectives of the audit, what will be needed from Austin ISD, and the project schedule. Ideally, the internal audit liaison for the District should have authority over the area under review or have sufficient standing within the District to give our project the necessary attention and priority. The audit liaison will help schedule interviews, facilitate site visits (if applicable), and assist us in gathering information during the project.

The more information we have available prior to the beginning of the interviews and site visit (if applicable), the more informed and targeted our interviews will be with Austin ISD staff. Therefore, we would like to present to Austin ISD a list of data needs prior to our interviews and site visit (if applicable). As we become more knowledgeable regarding the issues impacting Austin ISD, we may add other items to the list throughout the audit.

*Task 2 – Interviews and Site Visit*

Our strategy for site work is to minimize the amount of time spent on-site so that the District’s work will not be disrupted for unreasonable periods of time. We will seek to establish remote read-only access to

key information systems in order to have direct and unlimited access to transactional and other data needed for each applicable audit.

We will conduct an orientation meeting with those individuals directly affected by the audit to introduce the audit team and familiarize them with the purpose of the audit, our expectations from them, and our project timelines.

The two primary activities during site work will be interviews and transaction testing. Gibson will conduct interviews to inquire about existing responsibilities, to inquire about operating procedures and controls, and to develop (or validate existing) process maps of key processes related to the audit area. Transaction testing will be conducted to validate that appropriate procedures were applied in the execution of transactions. We will identify and test key controls, perform tests of transactions and account balances, and develop lists of exceptions and audit observations.

Our approach to analyzing business processes and the related control procedures will focus on a thorough examination of the current processes using process mapping software. Our team will map the major and unique processes according to the people that actually conduct the work, as opposed to mapping them according to how they are described in procedures manuals or by individuals not directly involved in the processes. This will allow us to understand the tasks involved, along with the respective staff members, the order in which tasks occur, any dependencies that exist among tasks, interactions among departments, major systems or applications utilized in the processes, any interfaces that exist among those systems/applications, hard copy or electronic outputs, key and non-key controls procedures, and major decision points.

### *Task 3 – Analysis*

Within individual audit projects, our analysis will address the six objectives stated in the RFP in the following manner:

- **Risks are appropriately identified and managed** – We would review any existing control matrices for the area under audit. Using our extensive K-12 internal audit experience, we would assess whether or not relevant risks for the audit area are mapped to and mitigated by existing internal controls.
- **Significant financial, managerial, and operating information is accurate, reliable, and timely** – During the project scoping phase, we would work with Austin ISD management and the Board Audit Committee to identify which information is considered to be key. We would then design audit procedures to test the reasonableness of the information, either by reviewing trends or benchmark comparisons. We would also test the internal controls over the key data to determine if they are functioning as designed. After understanding the purpose and use of the key information, we would inquire of stakeholders regarding the timeliness of data and analyze sample report creation and delivery times to determine if the data was received in a timely manner.



- **Employees' actions comply with policy, standards, procedures, applicable law, and regulations** – Our primary methods for assessing compliance are through audit testing and policy reviews. We would define the regulatory environment for each internal audit project. The amount of compliance testing would vary based on the complexity and nature of the audit area's compliance risks.
- **Resources are acquired economically, used efficiently, and protected adequately** – The nature of the procedures to achieve this objective would vary greatly dependent upon the resource in question. For example, if a food service internal audit was being performed, we would perform data analyses over the cost of menus and purchase orders of food and commodities. We would also inspect food storage locations to determine if they are sufficiently monitored and secured. Additionally, we would perform analysis regarding the amount of recorded food spoilage and meals per labor hour, to determine if the Food Service operation is efficient.
- **Plans and objectives are achieved** – During each of the school district audits performed by Gibson, we will request the department's goals and key performance indicators. We believe that every school system should be driven by measurable and attainable goals. We will inquire of management regarding their performance management strategies and approaches, and perform benchmarking analyses to determine if industry and/or peer standards are being met.
- **Quality and continuous improvement are fostered in the District's control process** – During interviews for our internal audits, we inquire about what happens after something goes wrong. Are lessons learned internalized and reflected in control changes? On a sample basis, we would request evidence supporting claims that controls and processes do change and improve. We interview multiple groups of employees at various levels in the school district. We inquire if they have an avenue to suggest improvements, and we analyze existing process documentation to determine if feedback is welcome and encouraged. Finally, our follow-up audit approach targets recommendations that were to be implemented by management. We focus our testing and analysis to determine if controls were changed as agreed upon.

During each audit, we will perform a variety of analyses depending on the project scope and objectives. Below are descriptions of sample analytical frameworks we employ on individual audits:

### Organizational Analysis

Gibson analyzes board policies, organizational charts, and job descriptions and conduct interviews to determine if the organization of the audit area is logically aligned and appropriately positioned within the district's overall organizational structure. We examine reporting relationships to determine if appropriate spans of control exist. Certification and professional development requirements are also analyzed to determine if employees are equipped with the necessary resources to fulfill their expected duties.

## Performance Measurement and Accountability

We review departmental goals, performance metrics, and methods through which the department evaluates and improves its own operations. Gibson analyzes performance trends of Key Performance Indicators (KPIs), staffing ratios, and expenditure ratios. Depending on the availability of data, we provide benchmark comparisons to the state average, peer districts, and industry standards.

## Use of Technology / Process Re-engineering

We assess the effectiveness and usage of technology employed in each audit area, focusing primarily on information systems. We analyze how information systems are used to streamline operations and drive decision-making, through process mapping and analysis of management reporting capabilities. Additionally, we look for opportunities to increase efficiency by maximizing the use of their existing information systems.

When we create process maps, we use Microsoft's *Visio*, so that our clients can maintain the maps after the project is complete. *Visio* requires minimal training and is relatively inexpensive to license. We can provide electronic versions of the maps in both .pdf and .vsd formats for the district to validate. When we receive additional input or corrections on process maps, Gibson can prepare the final drafts of the process maps for use in further analysis and for the District to maintain in the future.

When analyzing a district's business processes, Gibson is mindful of the fact that various organizational factors (i.e., resource availability, organizational culture, leadership style, local policy, or existing technology) may have shaped the way the district currently carries out processes and will likely continue to influence any efforts to change the processes. Also, our team is sensitive to the federal and state mandates that impact the processes in place within certain areas of school operations. In some cases, a district can implement a recommendation with existing resources; for others, the district may need to make an investment in staff, technology, or other resources to achieve the change. In all cases, we will make our best efforts to provide more cost-effective alternative recommendations, when applicable.

## Transaction Testing and Compliance

Based on all of the gathered information, Gibson will perform sample testing of transactions and data analytics, where applicable. These analyses will be performed to determine the effectiveness, efficiency, and compliance of each of the existing processes, and to identify any exceptions. Transaction testing serves to identify weaknesses in internal controls or processes that do not meet regulatory requirements or that do not represent best practices. Below is a sample outline of transaction testing procedures.

- 1. Develop an understanding of the qualitative and quantitative nature of the transaction**
  - a. Qualitative – the purpose for the transaction, frequency of the transaction occurrence, individuals involved in a standard transaction
  - b. Quantitative – monetary value of transactions during a set period of time, average monetary value of a transaction during a set period of time

**2. Develop an understanding of the risk and control environment surrounding the transaction**

- a. Interview key individuals and analyze existing process documents (if available) to determine the expected process flow for a transaction
- b. Identify risks within the expected process flow for a transaction
- c. Identify key controls to mitigate risks in the expected process flow for a transaction

**3. Create a testing plan for the transaction**

- a. Determine the transaction population
  - i. Time period the population should cover
- b. Design a test of the completeness of the transaction population
  - i. Determine the appropriate sampling methodology based on the population
    1. Statistical vs. Non-Statistical
  - ii. Identify an appropriate independent population
    1. Ex. A staff file population can be tested for completeness by comparing to a payroll file
  - iii. Determine the expected relationship between the test population and the independent population
    1. Ex. Should all attributes from the test population be included in the independent population?
- c. Design a test of the accuracy of the transaction
  - i. Determine what evidence is needed to substantiate the transaction
  - ii. Determine the appropriate sampling methodology based on the population

**4. Submit a data request to the client for the transaction population and independent population****5. Disaggregate the transaction population (if necessary) to ensure homogeneity of transaction attributes**

- a. Ex. Separate high value and low value transactions into separate populations, or separate the population by major vendors

**6. Perform the completeness test**

- a. Select samples for the completeness test using the sampling methodology chosen earlier
- b. Perform the completeness test as designed
  - i. Investigate any variances to determine if the current transaction population can be used

**7. Perform the accuracy test**

- a. Select samples for the accuracy test using the sample methodology chosen earlier

- b. Request supporting documentation for the accuracy samples
- c. Investigate any samples that are not appropriately supported by the provided documentation

## **8. Document results and outcome of both tests**

### *Task 4 – Reporting*

We use the results of our analyses discussed above to form the basis for audit findings and recommendations, recognizing any best practices in place as well as identifying opportunities for improvement. For each audit, we develop a draft audit report that contains an executive summary, a description of the project objectives and scope, descriptions of district practices, and findings and recommendations to improve the procedures, controls, efficiency, and effectiveness of the audit area. Our audit reports are written with the general public in mind, avoiding jargon and overly complex terminology.

Prior to delivery of our final report, we present an initial draft report to management and meet with the appropriate district and department leadership to discuss findings and recommendations in the draft report. This meeting is an opportunity to validate factual information contained in the audit, to receive input from the district administration, and to evaluate any additional relevant information. Gibson makes all final decisions regarding the content of the final report.

A final draft report is presented to and reviewed with the Board Audit Committee or other Board designee. A final report is submitted to the entire Board. We also provide presentations of our internal audit reports to the entire Board during a regular Board meeting, if requested.

Examples of our audit reports can be found on Fort Bend ISD’s internal audit web page, where each audit over the past seven years is posted: <https://www.fortbendisd.com/Page/106022>.

### *Project Management*

Project management activities are typically performed by either the lead auditor or Gibson project director. Project management tasks generally include project communications, project progress reporting (that will become part of the monthly program-level progress report), managing the data request, and scheduling site work.

## **2. Internal Audit Separate from External Audit**

We understand and confirm that Gibson will not perform the legally required annual financial audit or prepare the annual financial reports as required under the Texas Education Code.

## **3. Communication of Results**

We will work with the Board Audit Committee (see program management activities discussion under Item 8) to develop communication protocols at the audit project level, which will be followed for all internal

audit projects. Our existing clients have chosen a reporting process that allows district administrators (typically the Superintendent and audit area leadership) to receive and review the first iteration of our draft reports. At this stage, our draft report is a near-final version of our deliverable. This first review gives the District the opportunity to identify any factual errors and develop management responses to our recommendations for improvement. After management responses have been received and any factual errors validated and corrected, we send a revised draft report to the Board Audit Committee. We meet with the Board Audit Committee, and members of management if they choose to be present, to discuss our report and determine when the report should be finalized and presented to the full Board of Trustees. The Board will receive a final report of results, as well as a PowerPoint presentation, during a full Board meeting. This suggested process may be modified by the Board Audit Committee to meet its particular needs.

#### 4. Internal Audit Plan

Consistent with Institute of Internal Auditor (IIA) standards, Gibson’s internal audit planning strategy is based on an assessment of risk. Figure II.3 presents the life cycle of an internal audit program, showing how a risk assessment is the first step in developing an audit plan for a successful program.

**Figure II.3. Internal Audit Life Cycle**



The risk assessment helps the district and internal auditor identify and analyze risks, prioritize focus areas for audits, and schedule internal audit activity. Risk assessments are generally conducted every five to six years, but updated annually.

After a risk assessment is performed, an audit plan is created. An audit plan for the district includes broad timelines for when audits should be performed, however not all internal audit activity will be driven by the audit plan. The Board can make special requests if a certain risk has significantly changed during the year (e.g., bond election, sudden deterioration in performance, reported theft). The audit plan should also be reviewed and updated annually, similar to the risk assessment.

After developing the audit plan, which will be approved by the Board, individual audit projects are completed. Subsequent to audit completion, the Board may request follow-up audits to ensure that audit recommendations are fully implemented and achieving the anticipated benefits. Follow-up audit reports will provide information regarding the status of audit findings and recommendations, and also provide input as to the accuracy of the self-reported implementation status. Follow-up audits are different from re-audits, in that they focus only on information that “proves up” the implementation of audit recommendations and the achievement of expected outcomes. These follow-up audits tend to occur between one to three years after the initial audit report, giving management the ability and time to implement recommendations. Austin ISD currently has specific protocols for the occurrence of first and second follow-up audits.

Austin ISD has conducted its own risk assessments. We will review the most recent risk assessments, audit plans, and internal audit reports. We will form observations and any recommendations, meet with the Board Audit Committee, and upon approval either apply the existing audit plan, develop a new risk assessment and long-range audit plan, or a combination of both. If a comprehensive risk assessment is desired, we would apply the risk factors discussed under Item 6 against the audit universe discussed under Item 5. The result of a risk assessment is essentially a scoring of each element of the audit universe against each risk factor.

Figure II.4 below provides an example of risk “rankings” across the audit universe, or auditable areas. The higher scores (and darker shading) reflect higher risk based on the nine risk categories defined under Item 6. It is important to note that this risk assessment approach considers “inherent” risks as well as “district specific” risks. Inherent risks are common to all school systems, such as regulatory complexity or relative importance to the district mission. District specific risks relate to those risk factors affected by the individual district’s particular situation or occurrence of events, such as the passing of a bond program, extensive management turnover, or unfavorable performance trends.

Figure II.4. Sample Risk Assessment Scoring by Auditable Area

Auditable Area	Risk Factor 1	Risk Factor 2	Risk Factor 3	Risk Factor 4	Risk Factor 5	Risk Factor 6	Risk Factor 7	Risk Factor 8	Risk Factor 9	Total	Highest Possible Score	100 Point Scale
Special Education	15	22	30	30	30	12	30	24	15	208	210	99
Construction Management	21	18	27	27	21	14	30	18	12	188	210	90
Human Resources	12	20	30	30	15	14	27	22	13	183	210	87
Academic Program Management	18	18	21	30	12	11	30	10	15	165	210	79
Student Information Reporting	21	24	33	21	12	12	18	12	10	163	210	78
Transportation	16	16	19	25	25	12	22	16	10	161	210	77
Financial Management	16	18	28	28	10	12	31	10	9	162	210	77
Governance	21	14	21	27	12	12	27	12	12	158	210	75
Student Services	10	20	28	22	22	10	22	14	9	157	210	75
Accounts Payable	22	14	25	28	10	13	22	12	7	153	210	73
Safety and Security	16	10	16	22	25	9	25	16	12	151	210	72
Nutrition Services	13	14	22	19	22	10	28	14	8	150	210	71
Procurement / Contracts	22	14	25	28	10	13	19	10	8	149	210	71
Facilities Management	19	10	13	25	22	10	25	14	8	146	210	70
Asset Management	25	12	13	25	13	12	19	10	9	138	210	66
Payroll	19	14	19	25	10	10	25	8	7	137	210	65
Bilingual / ESL Education	13	14	19	25	10	8	25	10	8	132	210	63
Technology	16	10	13	28	10	12	28	8	6	131	210	62
Career and Technology Education	10	14	22	22	13	8	25	8	6	128	210	61
Federal Programs	17	12	20	26	8	6	20	8	6	123	210	59
School Operations	16	10	19	16	10	8	22	12	7	120	210	57
School Activity Funds	20	14	20	17	8	7	14	10	8	118	210	56
Gifted and Talented	8	14	20	23	11	7	17	6	7	113	210	54
Risk Management	14	8	14	20	8	6	20	10	5	105	210	50
Co-curricular Activities	8	6	17	14	14	5	17	8	5	94	210	45
Public Relations	8	10	14	17	8	5	17	6	9	94	210	45
Research and Evaluation	17	8	17	17	8	5	11	6	5	94	210	45
Communications	8	6	11	14	8	5	17	6	5	80	210	38

Gibson would also review progress noted through Austin ISD’s follow-up audits conducted to date to determine if these areas continue to pose risks. Based on all of these factors, the annual audit plan may include a mix of targeted, smaller scope audits, comprehensive department- or program-wide audits, and follow-up audits. The annual audit plan will be developed in the Spring of each year to coincide with Austin ISD’s budget cycle. This plan will be reviewed and approved by the Board Audit Committee, and ultimately approved by the Board.

While the audit plan should drive most of the internal audit activity, there may be situations where unplanned work is requested. These are usually prompted by an event, such as a reported theft or fraud. The Board has complete discretion to override the existing audit plan and direct the internal audit provider to work outside of the audit plan. Gibson has sufficient resources to meet these unexpected needs, and is also experienced in conducting fraud and other types of investigations. In certain situations, Austin ISD may choose to assign the investigation to the District’s human resources provider or hire an outside investigator.

## 5. Audit Universe

Gibson has established a list of recommended auditable areas – often referred to as the audit universe – for conducting risk assessments (Table II.1). Many organizations view internal audit only through a financial lens, focusing exclusively on financial risks. However, the IIA standards speak of risks in the context of any organizational objective, and include not only internal controls and compliance, but also efficiency and effectiveness of all programs and operations. Gibson’s philosophy is to improve all areas of a school system, including academic programs, operational areas, and administrative areas. In this way

we can be more impactful to help school districts achieve their mission of providing a high-quality education to students in the most efficient manner.

**Table II.1. Sample Audit Universe**

Administrative	Operational	Programs	Other
<ul style="list-style-type: none"> <li>▪ Financial Management</li> <li>▪ Payroll</li> <li>▪ Accounts Payable</li> <li>▪ Procurement/Contracts</li> <li>▪ Human Resources</li> <li>▪ Technology</li> <li>▪ Governance</li> <li>▪ Asset Management</li> <li>▪ Risk Management</li> <li>▪ Student Information</li> </ul>	<ul style="list-style-type: none"> <li>▪ Facilities Management</li> <li>▪ Construction Management</li> <li>▪ Transportation</li> <li>▪ Nutrition Services</li> <li>▪ Safety and Security</li> <li>▪ School Operations</li> <li>▪ School Activity Funds</li> </ul>	<ul style="list-style-type: none"> <li>▪ Academic Program Management</li> <li>▪ Special Education</li> <li>▪ Gifted and Talented (G/T)</li> <li>▪ Bilingual / English as a Second Language (ESL)</li> <li>▪ Career and Technical Education (CTE)</li> <li>▪ Student Services</li> <li>▪ Federal Programs</li> <li>▪ Co-curricular Activities</li> <li>▪ Research and Evaluation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Communications</li> <li>▪ Public Relations</li> </ul>

Source: Gibson Consulting Group, Inc.

Austin ISD's current approach to the audit universe is similar to the above listing, and includes lower-level auditable areas such as field trips, purchasing credit cards, and private grant funds. These three areas would fall under broader areas under the recommended audit universe (e.g., transportation, procurement/contracts, and financial management). This does not preclude the possibility of conducting targeted audits in these areas however. Gibson would work with Austin ISD to customize its audit universe to meet their specific needs.

## 6. Internal Audit Risk Factors

Gibson's risk assessment profile evaluates auditable areas against nine categories of risk. Our risk categories are broader than the categories suggested by IIA guidelines and the RFP, and we believe more suitable for public education.

In addition, there are two types of risks evaluated – inherent risk and district-specific risk. Inherent risk is the innate risk that exists in each auditable area in the absence of controls and district practices. District-specific risks, also referred to as residual risks, are those risks that remain after the district's controls and practices are taken into account.

Each type of risk is evaluated for each audit area across nine categories of risk. Below are examples of inherent and district-specific risks for each risk factor:

- Potential for fraud or theft
  - Inherent Risk – areas that handle cash or that purchase movable goods and assets are subject to higher levels of risk than other areas under this risk category.



- District-Specific Risk – areas that have actually reported stolen property have higher district-specific risk than those that do not.
- Risk of inaccurate data and reporting
  - Inherent Risk – areas that have state or other external reporting requirements are higher risk than those that do not. Where state reporting drives funding, the risks are the highest.
  - District-Specific Risk – areas that have been cited for data quality issues by external agencies or internal reviews receive a higher score under this risk factor.
- Risk of non-compliance
  - Inherent Risk – areas that have more state and federal regulatory complexity have higher risk than those that are driven more by local policy and administrative regulations.
  - District-Specific Risk – areas that have been cited by regulatory bodies for non-compliance have higher scores under this risk factor.
- Risk of failing to meet program or project goals and objectives
  - Inherent Risk – every audit area has this risk, but the impact of not achieving stated goals or objectives in some areas, such as in Academic Program Management, Financial Management, and Construction Management, presents higher risks than others.
  - District-Specific Risk – areas that do not have stated goals or objectives or have consistently fallen short of stated goals and objectives receive higher risk scores.
- Health and safety risk
  - Inherent Risk – operational areas that involve riskier activities in terms of health and safety, such as maintenance or transportation, tend to have higher risk than a central office or school-based position.
  - District-Specific Risk – areas that have reported staff injuries beyond what is actuarially expected would receive higher risk scores.
- Risk of being inefficient
  - Inherent Risk – each area has this risk, but the impact of being inefficient is greater in some areas due to their size and their corresponding impact on the budget.
  - District-Specific Risk – areas that either cannot demonstrate efficiency (through metrics) or that fall below industry standards or other benchmarks receive a higher risk rating under this category.
- Management risk
  - Inherent Risk – generally the larger the area in terms of the number of positions, levels of supervision, and complexity of information management, the higher the risk.

- District-Specific Risk – areas that have higher management or staff turnover generally receive higher risk scores, as well as those areas that recently implemented major information systems.
- Potential for litigation
  - Inherent Risk – some areas have higher litigation risks than others, such as human resources, purchasing, and construction.
  - District-Specific Risk – areas with recurring lawsuits and/or lawsuits with sizeable judgments against the district have higher risk scores.
- Risk of negative public sentiment
  - Inherent Risk – those areas that are more visible to the community tend to have higher publicity risk.
  - District-Specific Risk – those areas receiving unfavorable publicity have higher risk scores than those that do not.

The evaluation of risk is conducted by collecting and reviewing a vast amount of information from the district and by interviewing board members and the administration. The data requested includes board policies, board meeting minutes, operating procedures, financial data, staffing data, operational and performance data, organization charts, prior reports, litigation listing, and Texas Education Agency correspondence, among other items. We also collect data externally, including peer district data available through state reporting.

## **7. Board Audit Committee Reporting**

We will meet with the Board Audit Committee at least quarterly. During the first year of Internal Audit programs, meetings may occur more frequently as we work with the Board Audit Committee to develop protocols (discussed under Item 8) and provide feedback on Austin ISD’s Internal Audit Charter and Board Operating Procedures related to Internal Audit. In subsequent years, we expect the Board Audit Committee meetings to align with the presentation of deliverables discussed under Item 9.

## **8. Internal Audit Program Management**

There are several elements of running a successful internal audit program. The intent of program management services is to support the Board Audit Committee in establishing, operating, and overseeing an effective internal audit program. These program management services are described briefly below.

### ***Facilitating Board Audit Committee Meetings***

Gibson can facilitate the portion of the Board Audit Committee meetings dedicated to internal audit. This will involve scheduling, agenda development, presentation of materials far enough in advance of the meeting for committee members to review, and other necessary interim communications with the

committee. Gibson will meet at least quarterly with the Board Audit Committee to provide updates on audit progress and implementation status of recommendations.

Gibson can be physically present at Board Audit Committee meetings. Gibson also uses the *Zoom* video conferencing platform for participating in committee meetings remotely. This alternative reduces contractor travel time and expense, allows documents to be easily shared, and allows Board members to connect remotely as well, saving their time. Gibson has been using *Zoom* internally for four years, and with our clients for two years to ensure successful remote meetings. We have also developed back-up procedures in the event there are technical difficulties or if internet service goes down.

### ***Monthly Program-Level Progress Reporting***

Each month, we will present a progress report to the Board Audit Committee (and anyone else designated by the committee). These reports will include work completed in the prior month, work planned in the current month, a list and dates of confirmed or planned Board Audit Committee meetings, a list of outstanding issues and recommended action items (i.e., by Gibson or Austin ISD), and a schedule showing percentage completion of deliverables by audit project.

### ***Internal Audit Annual Report***

Gibson will provide an annual internal audit report to Austin ISD that will include a summation of the audits and any follow-up audits performed that year. The annual report will also include the tables of recommendations for each audit conducted, and discuss any audit program changes or improvements made during the year. The intent of this report is to provide an annual executive summary of the audit program to the entire Board.

### ***Audit Planning***

Gibson will provide audit planning services at the program level by creating a master audit plan (discussed in Item 9) and annual audit plans and cost proposals for the coming year (discussed in Item 4).

### ***Audit Implementation Tracking***

Gibson's internal audit team developed a dashboard designed to supplement the monitoring of our clients' implementation of our recommendations. The tool uses American with Disabilities Act compliant color-coding to quickly highlight progress made. Additionally, our dashboard is dynamic, allowing users to sort based on a desired field, such as assigned priority or audit year. We update the dashboard quarterly, giving management the opportunity to include their assessment of completion percentage and provide evidence of completion. This allows up-to-date communication regarding the ongoing audit project implementations among school district staff, school board members, and Gibson.

Below, we have provided snapshots demonstrating some of the different views of this dashboard.

Figure II.5. Sample Snapshots of Internal Audit Implementation Dashboard

### District Implementation of Internal Audit Projects

Updated as of Q4 August 31, 2019

Fiscal Year Summary		Audit Summary		Audit Universe Summary			Audit Recommendation Status	
Audit Year	Accepted Rec	Implemented Rec	High Priority Rec Left	Medium Priority Rec Left	Low Priority Rec Left	Completion %	Days Left	
2014	7	4	0	0	0	84%	0	
2015	37	34	0	0	0	97%	245	
2016	35	26	3	1	1	86%	611	
2017	15	3	3	6	3	76%	64	
2018	36	16	8	8	4	63%	1,037	

Click on the row to see more information about the audit year.

Completion %: ■ 100% to 90% ■ 89% to 67% ■ 66% to 34% ■ 33% to 0%

### District Implementation of Internal Audit Projects

Updated as of Q4 August 31, 2019

Fiscal Year Summary		Audit Summary		Audit Universe Summary			Audit Recommendation Status	
Audit Area	Accepted Rec	Implemented Rec	High Priority Rec Left	Medium Priority Rec Left	Low Priority Rec Left	Completion %	Days Left	
Facilities Management	7	4	0	0	0	84%	0	
Payroll	18	16	0	0	0	94%	245	
Purchasing and Payables	19	18	0	0	0	99%	0	
Human Resources	18	13	3	1	1	79%	611	
Special Education	17	13	0	0	0	93%	308	
Technology	15	3	3	6	3	76%	64	
Asset and Risk Management	19	12	2	4	1	71%	307	
School Nutrition	17	4	6	4	3	54%	1,037	

Click on the row to see more information about the audit area.

Completion %: ■ 100% to 90% ■ 89% to 67% ■ 66% to 34% ■ 33% to 0%

### District Implementation of Internal Audit Projects

Updated as of Q4 August 31, 2019

Fiscal Year Summary		Audit Summary		Audit Universe Summary		Audit Recommendation Status	
<b>Status:</b>		<b>Audit Year:</b>		<b>Audit Group:</b>			
All Status		All		All Audit Group		Reset Filters	
Audit Year	Audit Group	Audit Area	Status	Audit Start Date	Audit Completion Date		
2014	Operations	Facilities Management	Completed	07/16/2014	10/28/2014		
2015	Finance	Purchasing and Accounts Payable	Completed	11/17/2014	06/23/2015		
2015	Finance	Payroll	Completed	04/30/2015	02/29/2016		
2016	Operations	Human Resources	Completed	11/15/2015	07/07/2016		
2016	Academic Programs	Special Education	Completed	08/04/2015	03/07/2016		
2017	Technology	Technology	Completed	01/09/2017	07/11/2017		
2018	Operations	Asset and Risk Management	Completed	01/24/2018	08/22/2018		
2018	Operations	Food Services	Completed	03/26/2018	10/18/2018		
2019	Operations	Transportation	In Process	02/06/2019	10/08/2019		
2019	Operations	Construction	In Process	09/27/2018	10/08/2019		
2019	Academic Programs	Academic Program Management	In Process	11/12/2018	10/08/2019		
2020	Technology	PEIMS/SIS	Planned				
2020	Technology	Targeted Technology	Planned				

### District Implementation of Internal Audit Projects

Updated as of Q4 August 31, 2019

Fiscal Year Summary		Audit Summary		Audit Universe Summary		Audit Recommendation Status						
<b>Audit Area:</b>		<b>Priority:</b>		<b>Audit Group:</b>		<b>Audit Year:</b>						
All Audit Areas		All Priority		All Audit Group		All						
Audit Year	Audit Group	Audit Area	Priority	Recommendation	Mgt Response	Projected Start Date	Initial Completion Date	Projected Completion Date	District Completion %	Days Left	Evidence of Progress/Completion	
2018	Operations	Asset and Risk Management	Medium	Enhance the documentation of processes and procedures for fixed asset operations.	A	07/01/2018	03/01/2019	03/01/2019	100%	0		
2018	Operations	Asset and Risk Management	Low	Track performance measures against written goals and objectives.	A	09/01/2018	08/31/2020	08/31/2020	85%	307		
2018	Operations	Asset and Risk Management	Low	Modify job descriptions to ensure that they accurately reflect the requirements, responsibilities and duties, and reporting structure for each position.	A	10/01/2018	05/31/2019	05/31/2019	100%	0		
2018	Operations	Asset and Risk Management	High	Implement review procedures for asset creation and modifications in TEAMS.	A	05/29/2018	05/30/2018	05/30/2018	100%	0		
2018	Operations	Asset and Risk Management	Low	Update the Capital Asset accounting policy to reflect more realistic useful life ranges.	A	05/29/2018	05/30/2018	05/30/2018	100%	0		
2018	Operations	Asset and Risk Management	Low	Perform data validation activities on the asset register to help determine which assets are potentially out of service and can be disposed.	A	05/29/2018	05/30/2018	05/30/2018	100%	0		
2018	Operations	Asset and Risk Management	Medium	Perform annual training for all employees responsible for receiving, maintaining, transferring, or disposing fixed assets.	A	09/01/2018	12/31/2019	12/31/2019	100%	0		
2018	Operations	Asset and Risk Management	Medium	Assign campus location codes to school nutrition fixed assets.	A	05/29/2018	08/31/2019	08/31/2019	100%	0		
2018	Operations	Asset and Risk Management	Medium	Implement a standard, electronic disposal request form within TEAMS.	M	05/29/2018	05/30/2018	05/30/2018	100%	0		
2018	Operations	Asset and Risk Management	Medium	Grant read only access to the TEAMS fixed asset module to the Director of Purchasing.	A	05/29/2018	05/30/2018	05/30/2018	100%	0		
2018	Operations	Asset and Risk Management	High	Ensure that the Risk Management Unit proactively reviews property and liability coverages, exposures, limits, and losses.	A	06/01/2018	06/01/2019	06/01/2019	100%	0		
2018	Operations	Asset and Risk Management	Medium	Review audited financial information for all insurance coverages with inter-local self-funded risk pools.	A	06/01/2018	06/01/2019	06/01/2019	100%	0		

Showing 1 to 25 of 130 entries

Completion %: 100% to 90% 89% to 67% 66% to 34% 33% to 0%

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There are several benefits of the dashboard:

- All departments report status using the same information fields. Without a structured approach, we have found that different departments report status differently using different manual or automated tools.
- The dashboard has links to documents that can demonstrate implementation. This allows the administration and Board to view evidence supporting management’s assessed progress, and in some cases may influence the necessity for a follow-up audit.
- The drillable features of the dashboard allow users to select items based on audit area and priority, and obtain more information at the recommendation level, if desired.
- This dashboard can provide increased transparency to the administration and the Board/Board Audit Committee regarding the Internal Audit Program, and will help ensure accountability for implementation.

### ***Annual Review of the Internal Audit Charter, Board Local Policies, and Board Operating Procedures Related to Internal Audit***

Continuous improvement should be at the heart of every aspect of a school system, including Internal Audit. Each year, we will review the Internal Audit charter, associated local Board policies, and Board Operating Procedures related to Internal Audit to determine if any changes are needed to reflect either lessons learned during the previous year or changes in legal or industry standards.

### ***Board Audit Committee Communications***

Greg Gibson, the President and Founder of Gibson Consulting Group, will serve as the point of contact with the Board Audit Committee and direct all program management activities. Mr. Gibson, as discussed further in Section I, has over 35 years of experience and has led over 150 school system audits and reviews throughout the nation for school systems ranging from 250 students to over 600,000 students. Mr. Gibson is currently serving in a similar capacity as Program Director for five Texas internal audit clients.

Gibson will work with the Board Audit Committee to develop communication protocols between Mr. Gibson (and other employees of Gibson), Austin ISD administration, and the Board Audit Committee. These protocols will inform and influence the Internal Audit project and program status reporting processes for Austin ISD. If during the course of the internal audit program the Board desires to change the established communication and reporting protocols, Gibson will meet with the Board Audit Committee to create new processes and apply them as soon as reasonably possible. Mr. Gibson will be also be “on call” for the Board Audit Committee in the event emergency situations arise.

As part of our quality assurance procedures, Mr. Gibson will seek input from the Board Audit Committee annually on the performance of our work.

## 9. Program and Project Deliverables

### *Master Audit Plan*

The master audit plan will cover multiple years for Austin ISD. Our audit plans typically extend five years into the future and are based on a risk assessment. The risk assessment, as discussed under Item 4, ranks audit areas by level of risk. We recommend that the higher risk areas be audited first. Using this information, we will work with the Board Audit Committee to chart out expected audit projects for each of the five years. This master audit plan will include major departmental audits, as well as more targeted audits of controls over high-risk processes.

If Gibson is awarded the contract but does not perform a risk assessment over the entire audit universe, the master audit plan would be developed after reviewing existing risk assessments, audit plans, and performing a targeted risk assessment over areas not included in Austin ISD's current audit universe.

### *Annual Audit Plans*

The development and delivery of annual audit plans is discussed under Item 4.

### *Quarterly Update Reports*

We prefer to provide monthly progress updates to the Board Audit Committee to increase their oversight into the internal audit function. These reports are discussed under Item 8.

### *Final Audit Reports*

We use the results of our analyses, further discussed in the following pages, to form the basis for possible audit findings and recommendations, recognizing any best practices in place as well as identifying opportunities for improvement. For each audit, we develop a draft audit report that contains an executive summary, a description of the project objectives and scope, descriptions of district practices, and findings and recommendations to improve the procedures, controls, efficiency, and effectiveness of the audit area. Our audit reports are written with the general public in mind, avoiding jargon and overly complex terminology.

Prior to delivery of our final report, we present an initial draft report to management and meet with the appropriate district and department leadership to discuss findings and recommendations in the draft report. This meeting is an opportunity to validate factual information contained in the audit, to receive input from the district administration, and to evaluate any additional relevant information. Gibson makes all final decisions regarding the content of the final report.

A final draft report is presented to and reviewed with the Board Audit Committee or other Board designee. The final report is submitted to the entire Board. We also provide presentations of our internal audit reports to the entire Board during a regular Board meeting, if requested.

Examples of our audit reports can be found on Fort Bend ISD’s internal audit web page, where each audit over the past seven years is posted: <https://www.fortbendisd.com/Page/106022>.

### ***Annual Audit Reports***

Gibson will provide an annual internal audit report to Austin ISD. The contents of this report are discussed under Item 8.

## **10. Applicable Internal Audit Standards**

Generally Accepted Government Auditing Standards (GAGAS) refer to Yellow Book standards as produced by the United States Government Accountability Office (GAO). The Yellow Book is used by auditors of government entities, entities that receive government funds, and other audit organizations performing Yellow Book audits. These standards outline requirements for audit reports, professional qualifications for auditors, and audit organization quality control. The 2018 revision of the Yellow Book is effective for attestation engagements for financial statements ending on or after June 30, 2020 and for performance audits beginning on or after July 1, 2019<sup>1</sup>.

Examples of the various types of users who may be required or may elect to use GAGAS include the following:

- A. Contract auditors: audit organizations that specialize in conducting engagements pertaining to government acquisitions and contract administration
- B. Certified public accounting firms: public accounting organizations in the private sector that provide audit, attestation, or review services under contract to government entities or recipients of government funds
- C. Federal inspectors general: government audit organizations within federal agencies that conduct engagements and investigations relating to the programs and operations of their agencies and issue reports both to agency management and to third parties external to the audited entity
- D. Federal agency internal auditors: internal government audit organizations associated with federal agencies that conduct engagements and investigations relating to the programs and operations of their agencies
- E. Municipal auditors: elected or appointed officials in government audit organizations in the United States at the city, county, and other local government levels
- F. State auditors: elected or appointed officials in audit organizations in the governments of the 50 states, the District of Columbia, and the U.S. territories

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<sup>1</sup> U.S. Government Accountability Office website: <https://www.gao.gov/yellowbook/overview>



- G. Supreme audit institutions: national government audit organizations, in the United States or elsewhere, typically headed by a comptroller general or auditor general<sup>2</sup>

While they can elect to do so, consulting firms performing internal audit services are not required to comply with GAGAS.

Gibson will design audits for Austin ISD guided by GAGAS standards, as requested, and also by IIA and Committee of Sponsoring Organizations of the Treadway Commission (COSO) standards. This includes providing assurance regarding the safeguarding of District assets, the reliability of management information, the efficiency of the processes involved, and the compliance with respective District policies and/or agency laws and regulations:

- **Reliability** of management information includes the systems and processes necessary to ensure that reports of the district to the state are accurate and that internal reports can be used for making management decisions. Reliability of reports also depends on the integrity of information systems (IT) controls. IT controls include testing and approval of changes to programs or queries, back-up of data files, and restricted access to computer systems.
- **Compliance** with district policies or Texas laws or regulations includes reviewing reports to ensure that deadlines are met, that appropriate accounting system codes are used, and funds are expended only as permitted by federal or state law.
- **Safeguarding** of assets includes key internal controls over transactions, as well as security for the maintenance or custody of assets. Transaction controls ensure the completeness, validity, and accuracy of each transaction. They also ensure that only authorized personnel can initiate or approve transactions or have custody of the related assets. Effective transaction controls also require that there is appropriate *segregation of duties* among district personnel. For example, the same person should not be able to initiate/authorize purchase transactions and reconcile related accounts.
- **Efficiency** of the processes includes evaluating the costs and benefits of control procedures. Controls are of value only to the extent of the corresponding risk of loss or error. Systems and procedures should be reviewed to ensure that the most efficient methods are employed for the lowest possible cost.
- **Accomplishment of objectives and goals** relies on first having developed goals that are measurable and attainable. Audit procedures in this area include the calculation of key performance indicators and comparing these to district goals, industry standards, and peer benchmarks. Data analysis on trends of academic progress can also highlight areas that require additional investigation and audit procedure.

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<sup>2</sup> 2018 Yellow Book, GAO, Section 1.12

Gibson will apply the above standards in assessing organizational risk, evaluating internal controls within certain functions and processes, and conducting high quality internal audit projects.

The Institute of Internal Auditors also provides general guidance and standards for conducting internal audit work. These standards address internal audit charters, organizational independence, direct interaction with the board, individual objectivity, audit proficiency, due professional care, and requirements for continuing professional development. IIA serves as one of the five sponsoring organizations for the COSO. In 1992, COSO established standards regarded as the leading guidance for designing, implementing, and conducting internal control and assessing its effectiveness. The most recent standards were updated in May 2013. There are five components of the internal control framework:

- Control Environment – the set of standards, processes, and structures that provide the basis for carrying out internal control across the organization
- Risk Assessment – involves a dynamic and iterative process for identifying and assessing risks to the achievement of objectives
- Control Activities – the actions established through policies and procedures that help ensure that management’s directives to mitigate risks are carried out
- Information and Communication – necessary to carry out the internal control responsibilities
- Monitoring Activities – evaluations used to ascertain whether each of the five components of internal control are present and functioning<sup>3</sup>

The COSO also more recently updated standards for Enterprise Risk Management. These standards focus on the risk management and the organizational level, and focus on five interrelated components:

- Governance and Culture
- Strategy and Objective Setting
- Performance
- Review and Revision
- Information, Communication, and Reporting<sup>4</sup>

Further, when developing scopes and objectives for an internal audit project, Gibson will consult the AISD Code of Ethics for any relevant compliance requirements for the audit area.

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<sup>3</sup> COSO, *Internal Control – Integrated Framework*, May 2013

<sup>4</sup> COSO, *Enterprise Risk Management*, June 2017

## III – Financial Proposal

In 2012, the Texas Association of School Boards (TASB) selected Gibson Consulting Group, Inc. (Gibson) as its sole designated service provider for internal audit services in Texas, and today we remain its sole affinity partner for this service. This partnership provides financial benefits to school districts, in that our affinity partnership agreement requires that our hourly rates charged to clients represent a 10 percent discount from our standard billing rates.

The remainder of this section presents information relating to contractor fees, hourly rates and program management fees, and alternative billing arrangements.

### Contractor Fees

There are three types of fees charged by Gibson for internal audit program services:

- **Professional Fees** – Professional fees are charged for Gibson professional staff, and professional support time dedicated specifically to the client engagement (e.g., report proofing and editing, interview scheduling assistance). No general overhead costs, administrative costs or fees, or processing fees are billed to the client, and no administrative costs related to the client engagement, such as billing, will be charged. See separate discussion below related to internal audit program management activities.
- **Alliance Partner/Subcontractor Fees** – Alliance Partner/Subcontractor fees, their time and expenses related to project work, are billed to the client at cost, and Gibson does not charge clients any premium on subcontractor fees. Gibson staff will incur project hours related to the oversight of its subcontractors, as we assume primary responsibility for their work.
- **Out-of-Pocket Expenses** – Gibson expenses incurred in connection with the audit work will be charged at cost, and will be within limitations established by Austin Independent School District (Austin ISD) and the GSA. An estimate of expenses will be included in any cost proposal we present to the Board Audit Committee.

### Hourly Rates and Fees

#### Gibson Hourly Rates

Through our affinity partnership with TASB, our firm provides a 10 percent discount on hourly rates charged to Texas internal audit clients. Our rate schedule is below and will be in effect for the initial term of two years of the Austin ISD agreement if awarded. If the agreement is renewed beyond the two years the rates will be updated to the discounted TASB rates at that time.

Project Role	Discounted Hourly Rate
Director	\$225
Senior Auditor / Senior Consultant	\$200
Auditor / Consultant	\$175
Project / Program Manager	\$175
Professional Support	\$130
Subcontractors	At Cost

With our recurring internal audit program clients, we provide annual proposals and budgets based on the clients' desired audits for the fiscal year. While our annual budgets are broken out by project they are estimates based on our best judgement. Since each district is unique, we have been allowed to transfer funds between individual projects as long as we stay within the overall annual budget. Some audits take longer than expected; others take less time than expected. Over the past eight years, we have never exceeded the total annual budget for any client internal audit program.

### Internal Audit Program Management Fees

The fees and expenses described above will be incurred primarily for specific internal audit projects requested and approved by the Board Audit Committee. In addition, we expect to incur internal audit program management fees to help the Board Audit Committee manage their internal audit program. These services, which are described in greater detail in Section II – Scope of Service, are listed below:

- Facilitating Board Audit Committee Meetings
- Monthly Program-Level Progress Reporting
- Internal Audit Annual Report
- Audit Planning
- Audit Implementation Tracking
- Annual review of Internal Audit Charter and/or Board Local Policies related to Internal Audit
- Annual review of Board Operating Procedures related to Internal Audit
- Board Audit Committee Communications
- Annual Internal Audit Program Report

Based on desired level of program management assistance, we expect program management fees for the above services to range from \$25,000 to \$35,000 annually. Professional fees for program management services will be incurred only by Gibson. No subcontractor time will be incurred. Further, no out-of-pocket expenses are anticipated in connection with program management services.

## Alternative Billing Arrangements

Through its affinity partnership with TASB, Gibson’s billing arrangement for internal audit services is generally an annual fixed fee for the total of all services, invoiced evenly over the 12-month period, or a monthly percentage based on work completed. We are open to alternative billing arrangements.

Payment of invoices will be made directly to Gibson and is due within 30 days of receipt.