GIBSON

AN EDUCATION CONSULTING & RESEARCH GROUP

May 27, 2024

Dr. Jacob Reach
Chief Officer of Government Relations and Board Services
Austin Independent School District
4000 South IH-35 Frontage Road
Austin, Texas 78704

Re: Gibson Internal Audit Cost Proposals for Fiscal Year 2025

Dear Dr. Reach:

At the request of the Austin Independent School District (Austin ISD) Board Audit Committee, Gibson Consulting Group (Gibson) presents cost proposals to provide internal audit services to the Austin ISD Board of Trustees for Fiscal Year (FY) 2025. The Board Audit Committee requested cost proposals for multiple audits, as well as internal audit program management services, and may select one or more audits based on budget constraints and other factors. The audits listed below are based on the audit plan presented to the Board in April 2022 and additional input received from the Board Audit Committee in May 2024:
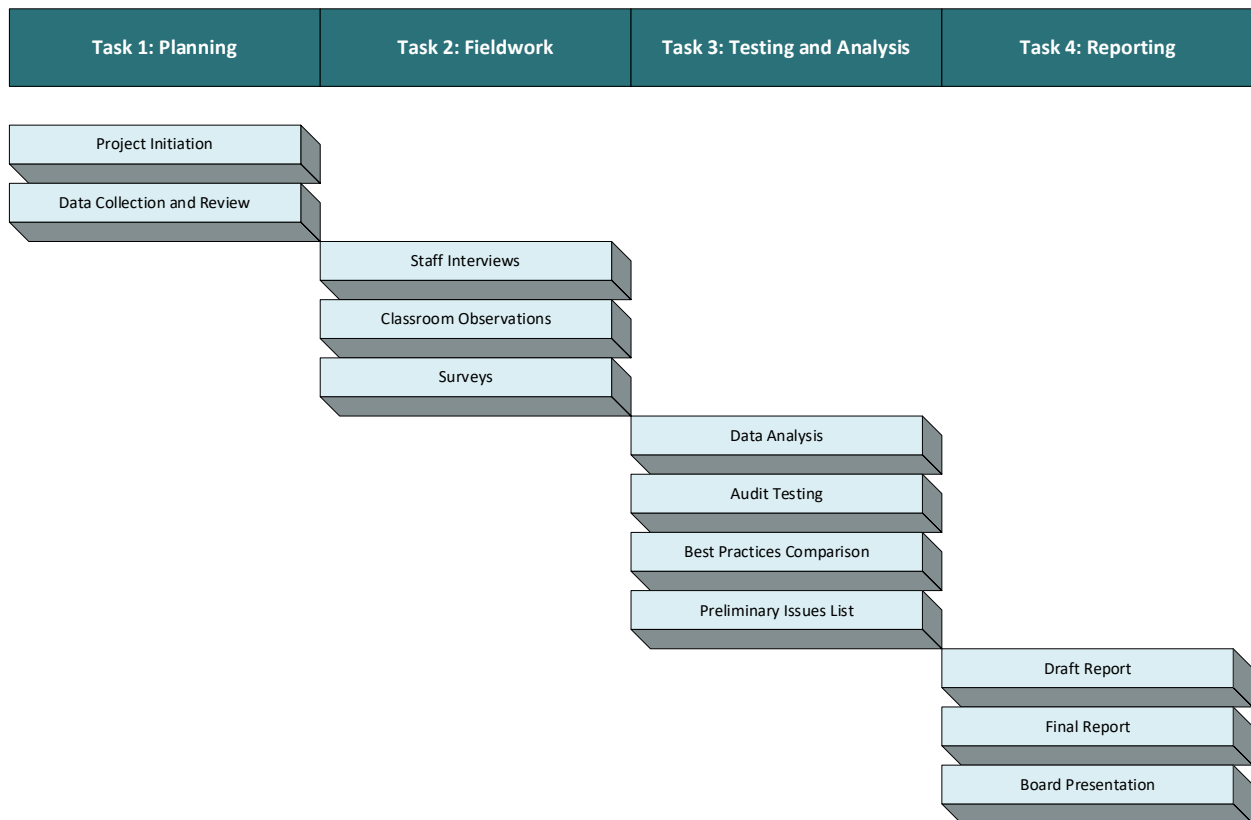
- Public Education Information Management System (PEIMS)/Student Information Systems (SIS) Audit (part of the 2022 audit plan)

- Cost Savings Audit (special request)

- Bilingual/English as a Second Language (ESL) Audit (part of the 2022 audit plan)

- Transportation Audit (part of the 2022 audit plan)

- Targeted Special Education Audit – Legal Fees (special request)

- Internal Audit Program Management Services (annually recurring services)

The remainder of this proposal presents the scope and approach of each audit, our proposed (recurring) audit program management activities for FY 2025, and the timing and cost of our services.

Overall Audit Approach

The general approach for our audits (excluding the Targeted Special Education Audit and Cost Savings Audit) is presented in Figure 1 and discussed in greater depth below.

Figure 1. Audit Project Overview

Task 1: Planning	Task 2: Fieldwork	Task 3: Testing and Analysis	Task 4: Reporting

Project Initiation

Data Collection and Review

Staff Interviews

Classroom Observations

Surveys

Data Analysis

Audit Testing

Best Practices Comparison

Preliminary Issues List

Draft Report

Final Report

Board Presentation

Source. Gibson Consulting Group

Task 1: Planning

We will conduct a project orientation meeting with the Austin ISD project liaison and the Board Audit Committee to discuss the scope and objectives of the audit and to finalize the schedule.

We will provide a data request to the district for these audits, and will use the project orientation meeting to answer any questions regarding the request. Some of this information may be available through the district's website, the Texas Education Agency (TEA) website, or another third-party source. We expect that it will take up to two weeks for Austin ISD to provide all of the requested data for the audit, and we will begin analyzing the data as soon as it becomes available, in order to prepare for the fieldwork.

Task 2: Fieldwork

The exact audit procedures for fieldwork will vary based on the scope of the individual audit, which is discussed in detail within each project overview later in this proposal. Generally, fieldwork will include interviews with district leadership, departmental staff, and a sample of district staff. Other aspects of fieldwork, such as classroom observations and surveys, are discussed under each applicable audit project overview in subsequent sections of this proposal.

Task 3: Analysis

This task includes the analysis and corroboration of information obtained through the initial and supplemental data requests, interviews, classroom observations, and transaction testing. The specific analyses and testing approaches will vary based on project and are discussed in detail under each audit project overview.

Task 4: Reporting

We will use the results of our analysis and interviews to form the basis for possible audit findings and recommendations, recognizing any best practices in place as well as identifying opportunities for improvement. We will develop a draft audit report that contains an executive summary, a description of the project objectives and scope, descriptions of district practices, as well as findings and recommendations to improve the efficiency, effectiveness, and compliance of the areas being audited.

We will submit the draft report to the administration for their management responses to our recommendations (expressing agreement, partial agreement, or disagreement), and to ensure that there are no factual misrepresentations. Upon receiving a single, consolidated set of comments from the district, we will make appropriate modifications and present the results to the Board Audit Committee. We will also record a video presentation of the final report, and make it available to the Board of Trustees.

PEIMS/SIS Audit

The data submitted through the Public Education Information Management System (PEIMS) drives funding at the district- and program-level. Student attendance drives state funding, and other student population counts drive categorical funding for many special programs.

The scope of this internal audit project is to assess the existence and adequacy of controls, processes, and procedures in place within the Student Information Systems (SIS) and selected PEIMS functions to ensure that data generated are accurate and compliant with state standards set by TEA. We will use documents published by TEA, such as the Student Attendance Accounting Handbook (SAAH), the Texas State Data System (TSDS) PEIMS Data Standards, and relevant PEIMS coding tables, as guidelines and references for minimum requirements the district must meet.

SIS Audit

An SIS is used to capture student-related data that is eventually submitted to PEIMS. The SIS is a complex system that should be configured and controlled to allow for efficient and accurate processing of student data.

The SIS portion of the audit will address the following questions:

- Are the district's policies regarding the collection and reporting of student information aligned with applicable federal and state laws and regulations?

- Have adequate internal controls, processes, and procedures been established for collecting, maintaining, monitoring, validating, and reporting student information?

- Are periodic reports, including submissions to TEA through PEIMS, reliable and adequately supported by documentation?

- Are key district employees involved in the collection and reporting of student information knowledgeable regarding state rules and regulations, and does the district provide adequate and timely training to these employees?

- Have prior reviews of student information management systems been conducted, and, if so, have any noted deficiencies been corrected?

- Are adequate internal controls in place, including access controls over student information system used to manage student data?

SIS Audit Activities

For the SIS portion of the audit, we will review the computer system controls and system access levels to ensure that the right people have access to the right information. We will also review data integration processes with key third-party districtwide systems, such as OnData Suite and Certify, to ensure that data exchanges among systems are working appropriately and that data are protected at all times.

We will also analyze the SIS to ensure that student data is secure and routinely backed up, that student information system access is properly controlled through authorized security levels and passwords; that

student data entry has proper screen and field controls to improve data reliability; that student data are validated through system and reasonableness testing; and that a disaster recovery plan has been established, documented, and tested.

Audit Testing

The audit team will conduct a series of audit tests to corroborate key SIS processes, obtain evidence of supporting documentation, and validate compliance with Austin ISD Board policies. Table 1 provides examples of the types of tests that can be executed. The actual tests performed will be based on information collected early in the audit that points to potential control weaknesses.

Table 1. SIS Audit Testing

Test	Test Objective
Contracts with Data Sharing Vendors	The objective of this test is to ensure that Austin ISD's third-party software vendors are appropriately using and protecting the district's data.
Staff access levels in SIS	The objective of this audit test is to ensure that Austin ISD staff with "update" access privileges are in line with their position and location of work.

Source. Gibson Consulting Group

PEIMS Audit

The PEIMS audit will evaluate data entry and processing practices, and test the accuracy of reported data through sampling. We will analyze the following major PEIMS areas and processes: organization and management, training and support, attendance, leavers, special program reporting, and college, career, and military readiness. Each of these are discussed in more detail below.

PEIMS Audit Areas

Organization and Management

The organizational structure, roles, and responsibilities within a district play a crucial role in ensuring effective collaboration, coordination, and accountability for accurate and timely PEIMS data submission. An analysis of the organizational aspects related to the PEIMS function is essential to identify potential gaps or areas for improvement.

Below are examples of questions that we will address in this section.

- Is the organizational structure conducive for effective collaboration and coordination among the PEIMS function, SIS function, and campus leadership to ensure accurate and timely submission of PEIMS data to the state?

- Are the roles and responsibilities for PEIMS data entry, validation, and submission clearly defined and documented for district staff?

- Are there adequate resources (staffing, documentation, and tools) allocated to the PEIMS functions to support the campuses in maintaining accurate and complete PEIMS data?

- Are there clear lines of accountability and ownership established for the overall PEIMS data management process, from data entry to final submission to the state?

Training and Support

Effective training and support programs are essential to ensure that campus and district staff have the necessary knowledge, skills, and resources to accurately capture, maintain, and report student data.

Below are examples of questions that we will address in this section.

Training

- Is a comprehensive training program in place for PEIMS to ensure campus and district staff can accurately capture, maintain, and report student data?

- Are training materials and resources up-to-date and aligned with the latest changes in PEIMS requirements and SIS system updates?

- Is training provided on a regular basis, including initial training for new employees and refresher training for existing staff?

Support

- Is there a clearly defined and documented process for campus and district staff to request support related to PEIMS issues?

- Are there dedicated support resources (e.g., staff, helpdesk, knowledge base) available to address PEIMS support needs?

- Are support requests tracked and monitored to ensure timely resolution and proper escalation procedures when needed?

Attendance

Accurate and timely recording of student attendance is crucial for school districts in Texas as it directly impacts state funding allocations. The TEA's SAAH provides detailed guidelines that districts must follow for attendance taking and reporting.

Below are examples of questions that we will address in this section.

- How does the district monitor and analyze daily attendance data at the school level to identify issues or trends related to on-time attendance taking and instances of unrecorded attendance?

- What internal controls and monitoring mechanisms are in place to ensure that attendance is taken within the prescribed time frame and that all attendance data is accurately recorded and reported?

- What are the specific processes and procedures followed by teachers and attendance clerks for recording attendance during regular school days, as well as for special circumstances such as the first day of school, substitute teachers, and field trips/extracurricular activities?

- How does the district's SIS facilitate attendance taking, and are there any system configurations or limitations that may impact the accuracy and timeliness of attendance data?

Leavers

TEA, through the SAAH, requires a district to transfer student records through the Texas Records Exchange (TREx) within ten working days of the student leaving the district. PEIMS Data Standards Appendix D outlines documentation that must be maintained for leavers. Proper coding of leavers is crucial, as the number of students identified as dropouts (leaver code 98) directly impacts the district's accountability ratings.

Below are examples of questions that we will address in this section.

- What processes and procedures are in place to ensure that leavers are properly identified, coded, and documented across all campuses within the district?

- How does the district monitor and review the accuracy of leaver coding and the sufficiency of supporting documentation maintained by campus staff?

Special Programs

Students who are receiving special programs and services must be coded properly to ensure that the district is receiving the appropriate state categorical funding. The SAAH details the exact eligibility and coding requirements for students receiving these special programs and services.

We expect to review the following special programs and services during PEIMS audit:

- Special Education;

- Gifted and Talented;

- English Language Learners (ELL);

- Immigrant;

- At-Risk;

- Pre-Kindergarten (Pre-K);

- Pregnancy-related services (PRS); and

- Homeless services.

Below are examples of questions that we will address in this section.

- What controls are in place to ensure that the identification and coding of students for special programs and services are done in accordance with the TEA guidelines and the SAAH?

- How does the district ensure consistency in the coding processes across campuses? Are there any centralized procedures, training, or monitoring mechanisms in place to maintain uniformity?

- What documentation or evidence is maintained to support the coding of students for each special program? How is this documentation reviewed and verified to ensure compliance with TEA requirements?

- If the district uses third-party software systems to manage various special programs, what is the process to ensure that the data in these third-party systems is synchronized and consistent with the data in the district's SIS?

- What controls or procedures are in place to reconcile any discrepancies or inconsistencies between the systems?

College, Career, and Military Readiness

The State of Texas has emphasized the importance of students being ready for college, career, or military after graduation, and has created College, Career, and Military Readiness (CCMR) indicators in the accountability system to measure a district's success in post-secondary readiness. Accurate data and integrity within these CCMR indicators are crucial for the district to monitor campus achievement and for the state to apply accurate accountability ratings.

Below are examples of questions that we will address in this section.

- What processes and controls are in place to ensure the accuracy and completeness of student data used for determining CCMR indicators, such as coding decisions, data entry, and verification?

- How does the district ensure consistency in the coding processes and implementation of CCMR indicators across different campuses and departments?

- What documentation or evidence is maintained to support the coding decisions and data used for CCMR indicators?

TSDS Upgrade Project Readiness

TEA's TSDS Upgrade Project is a multi-year initiative to replace the current PEIMS data submission process with a new process whereby data is automatically submitted to TEA through an Application Program Interface (API), beginning in the 2024-25 school year.

The PEIMS audit will include an assessment of Austin ISD's preparedness for the upcoming transition to the new way of submitting the PEIMS data to TEA.

Below are examples of questions that we will address in this section.

- Is the Austin ISD SIS and related source systems ready to provide data via API transactions by the 2024-25 school year for the TSDS upgrade project?

- Has Austin ISD contacted and confirmed that their SIS vendor is aware of the TSDS upgrade project requirements and timeline?

- What Austin ISD process changes need to be identified for the new API data flow in the TSDS upgrade?

- What training plans does Austin ISD have in place to prepare end-users for the revised TSDS data reporting procedures using API transactions?

PEIMS Audit Activities

We will perform the following audit activities in connection with the PEIMS audit.

Interviews and Focus Groups

We will conduct interviews with key PEIMS staff to understand their roles, responsibilities, and processes related to PEIMS data management, coding, and submission. Additionally, we will facilitate focus group discussions with selected campus leadership and personnel, including principals, attendance clerks, registrars, special program coordinators, and counselors, to document the current coding and approval processes and identify any potential inconsistencies across campuses.

Data Analysis

We will perform extensive data analyses to identify trends, anomalies, or potential issues related to critical PEIMS data elements, such as attendance, leavers special program coding, and CCMR indicators. These analyses will help us assess data accuracy, completeness, and compliance with state guidelines.

Figure 2 presents an example of an attendance analysis performed in a PEIMS audit. The analysis shows, by school, the percentages and counts of classroom attendance taken and not taken. This analysis can be used to evaluate compliance of state and district attendance-taking requirements.

Figure 2. On-Time Attendance Taking Analysis Example

Schools	Percent Taken	Percent Not Taken	Total Taken	Total Not Taken
High Schools				
Kempner H S	98.8%	1.2%	9574	117
William B Travis H S	98.7%	1.3%	12002	157
Lawrence E Elkins H S	97.7%	2.3%	9334	217
Dulles H S	96.8%	3.2%	9593	317
Stephen F Austin H S	96.7%	3.3%	10927	376
Ridge Point H S	96.7%	3.3%	8982	311
Clements H S	96.6%	3.4%	11229	394
George Bush H S	96.5%	3.5%	10047	362
Hightower H S	96.2%	3.8%	10121	396
Thurgood Marshall H S	93.8%	6.2%	6185	408
Willowridge H S	93.1%	6.9%	6431	478
Middle Schools				
Fort Settlement M S	99.1%	0.9%	5309	46
Billy Baines M S	99.1%	0.9%	6769	63
Sartartia M S	98.5%	1.5%	5225	78
David Crockett M S	98.4%	1.6%	4898	82
Hodges Bend M S	98.3%	1.7%	6727	118
Sugar Land M S	97.9%	2.1%	6066	130
James Bowie M S	97.6%	2.4%	4949	124
Macario Garcia M S	97.2%	2.8%	6294	181
Dulles M S	96.5%	3.5%	5698	209
First Colony M S	96.3%	3.7%	5479	211
Missouri City M S	94.2%	5.8%	5874	364
Lake Olympia M S	92.2%	7.8%	5573	474
Christa McAuliffe M S	90.0%	10.0%	4666	516
Quail Valley M S	89.4%	10.6%	4464	531

Elementary Schools				
Sienna Crossing E S	99.7%	0.3%	4330	14
Cornerstone E S	99.7%	0.3%	4293	14
Walker Station E S	99.7%	0.3%	3656	12
Scanlan Oaks E S	99.7%	0.3%	4220	14
Brazos Bend E S	99.6%	0.4%	2808	12
Colony Meadows E S	99.4%	0.6%	3543	22
Meadows E S	99.4%	0.6%	2252	14
Colony Bend E S	99.3%	0.7%	2577	18
Oakland E S	99.3%	0.7%	5550	39
Lexington Creek E S	99.3%	0.7%	2407	17
Walter Moses Burton E S	99.3%	0.7%	3862	28
Settlers Way E S	99.3%	0.7%	3949	29
Mission Glen E S	99.2%	0.8%	3043	23
Hunters Glen E S	99.2%	0.8%	1985	17
Mission Bend E S	98.9%	1.1%	3751	40
Commonwealth E S	98.9%	1.1%	4536	51
Jan Schiff E S	98.9%	1.1%	4624	53
Townewest E S	98.7%	1.3%	3562	48
Highlands E S	98.6%	1.4%	2896	41
Barrington Place E S	98.6%	1.4%	3764	54
Lakeview E S	98.5%	1.5%	2560	38
Pecan Grove E S	98.5%	1.5%	3093	47
Sugar Mill E S	98.3%	1.7%	2891	49
Oyster Creek E S	98.3%	1.7%	3747	64
Mary Austin Holley E S	98.2%	1.8%	3708	67
Palmer E S	97.9%	2.1%	3004	65
Lantern Lane E S	97.8%	2.2%	2498	57
Heritage Rose E S	97.8%	2.2%	2657	61
Arizona Fleming E S	97.6%	2.4%	3427	85
Edgar Glover Jr E S	97.5%	2.5%	2897	74
Barbara Jordan E S	97.4%	2.6%	4201	110
Rita Drabek E S	97.3%	2.7%	4021	113
Ridgemont E S	97.2%	2.8%	3640	104
Juan Seguin E S	97.1%	2.9%	3765	114
Ridgegate E S	97.0%	3.0%	3540	108
Dulles E S	96.7%	3.3%	3080	105
Austin Parkway E S	96.4%	3.6%	4304	162
Briargate E S	96.1%	3.9%	2120	87
Mission West E S	95.9%	4.1%	4023	174
Rosa Parks E S	95.5%	4.5%	2909	136
Blue Ridge E S	94.8%	5.2%	3343	182
Dr Lynn Armstrong E S	93.7%	6.3%	3096	207
Quail Valley E S	93.4%	6.6%	2438	173
E A Jones E S	91.8%	8.2%	2893	258
Lula Belle Goodman E S	87.2%	12.8%	3211	471
Specialized Schools				
Technical Education Cen	97.1%	2.9%	2109	63
Fort Bend Co Alter	95.5%	4.5%	528	25
Ferndell Henry Center Fo	91.6%	8.4%	2099	193
Progressive H S	87.1%	12.9%	1466	218
MR Wood Center For Lea	86.9%	13.1%	2254	341

Source. Gibson Consulting Group

Process Mapping

Our team will document and map the "as-is" processes for essential PEIMS areas, including attendance, withdrawals, and special program coding. These process maps will provide a "picture" of current processes, which can be used to identify potential gaps, inefficiencies, or control weaknesses. Where applicable, we will develop "to-be" process maps, a prospective picture of a process that incorporates recommended improvements and best practices aligned with state requirements.

Audit Testing

The audit team will conduct a series of audit tests to corroborate key PEIMS processes, obtain evidence of supporting documentation, and validate compliance with TEA requirements and Austin ISD Board policies. Table 2 provides examples of the tests that can be executed. The actual tests performed will be based on information collected early in the audit that points to potential control weaknesses.

Table 2. PEIMS Audit Testing

Test Area	Test Overview
Attendance Testing	We will select a sample of students and campuses to test the accuracy and completeness of attendance data reported to the state. This may involve reviewing attendance records, supporting documentation, and verifying compliance with TEA guidelines.
Leaver Testing	We will select a sample of students who have been coded as leavers and review their supporting documentation to ensure proper coding and compliance with TEA requirements.
Special Program Testing	For each special program area (e.g., Special Education, Gifted and Talented, ELL, At-Risk), we will select a sample of students and obtain evidence supporting their program coding. This may involve reviewing eligibility documentation, individualized education plans (IEPs), and other relevant records.
CCMR Testing	We will select a sample of students and review their coding and supporting documentation for CCMR indicators, such as Advanced Placement (AP)/ International Baccalaureate (IB) exam scores, dual credit course completion, industry-based certifications, and military enlistment records.

Source. Gibson Consulting Group

Cost Savings Audit

In an April 2024 board meeting, district leadership reported that the expected deficit for 2024-25 was expected to be $90 million, $30 million higher than previously expected due to reductions in projected student attendance and lower than expected increases in taxable property values. [1] The district's goal was to reduce the budget deficit from $60 million to $30 million (with the balance absorbed by the district's fund

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[1] https://www.kvue.com/article/news/education/schools/austin-isd-budget-cuts-update/269-c25de0d5-e35f-46b0-8658-9e2dbe516a15#:~:text=At%20the%20district's%20meeting%20in,to%20meet%20their%20desired%20number.

balance), and management had developed options to achieve significant savings. Now, with a higher deficit than previously anticipated, significant additional savings are necessary.

While there is some capacity to increase property tax rates through a Value-Added Tax Ratification Election (VATRE), there may not be community support for doing so on the tails of a pandemic and recent increases in inflation. The district is seeking ways to further reduce spending without adversely affecting student achievement, and has requested this audit to determine if there are major cost savings opportunities available to them. Gibson has significant experience in identifying significant cost savings for some of the largest school systems in the U.S., including Hillsborough County Public Schools (FL) and the Clark County School District (NV), and last year conducted a Cost Savings Audit for Garland ISD. Gibson has conducted dozens of other efficiency studies and staffing studies for school systems in Texas and across the country.

Cost "savings" are different from cost "cutting." Many districts respond to financial pressures by implementing an across-the-board percentage reduction in spending based on the assumption that this approach is the most equitable. This is cost-cutting, and it can damage the efficiency and effectiveness of a school system by effectively punishing those areas that are more efficient and rewarding those that are less efficient. Cost savings opportunities based on efficiency, as measured by efficiency metrics, can result in more informed, more strategic, and more equitable reductions in spending – without adversely affecting student outcomes.

Audit Approach

Gibson applies a phased approach for Cost Saving Audits. The first phase identifies areas "where" cost savings may exist, while the second phase takes a deeper dive to identify "what" specific opportunities are available to Austin ISD.

In the first phase, Gibson will conduct a comprehensive data scan and initial analysis of expenditure trends, staffing patterns, and efficiency metrics across all district operations and programs. A budget data dashboard will be developed to host this analysis, and this dashboard will be given to Austin ISD upon completion of the project to support future budget analysis efforts. Work sessions will be conducted with the leadership of each department to review the dashboard analyses pertaining to their area, initiating discussions about potential areas where costs can be reduced through improved efficiency and/or programmatic alternatives. Subsequent to these work sessions, additional data may be requested and more analyses developed and discussed.

We will meet with the Austin ISD senior leadership and the Board Audit Committee to discuss where we think significant cost-saving opportunities may exist. Based on the results of this meeting, Gibson will seek approval to proceed with a second phase of analysis in those areas that hold the most promise for significant savings opportunities. Gibson will then target its efforts to identify what specific actions can be taken to achieve the savings. Based on the magnitude of these opportunities, we may involve one or more of our alliance partners who possess technical expertise in relevant areas to conduct further analyses.

The end result will be a draft report outlining each opportunity, supported by thorough analyses, and highlighting implementation considerations and estimated fiscal impacts. This draft report will be submitted to the Austin ISD Administration for review and feedback. Upon incorporating the Administration's feedback,

we will present a near-final draft report to the Board Audit Committee before ultimately presenting the final Phase 1 report to the Board of Trustees.

Bilingual/ESL Audit

The primary objective of this program audit is to ensure that the district's systems, structures, and processes are organized to support compliant and high-quality Bilingual/ESL programs to support English Language Learners (ELL). High-quality Bilingual/ESL programs provide students with many benefits:

- Academic Success: It supports the academic achievement of bilingual and ESL students by providing them with the necessary language skills to excel in all subjects.

- Cultural Competence: It fosters cultural awareness and sensitivity among all students, promoting a more inclusive and diverse learning environment.

- Improved Communication Skills: Enhances students' communication abilities in multiple languages, which is beneficial in a globalized world and diverse workforce.

- Higher Graduation Rates: Studies have shown that well-implemented Bilingual/ESL programs can lead to improved graduation rates among linguistically diverse students.

- Career Opportunities: Equips students with valuable language skills that can enhance their career prospects and open up opportunities in various fields.

- Community Engagement: Promotes stronger ties between schools, families, and communities by involving parents and community members in supporting bilingual and ESL students.

- Overall Student Success: Ultimately, a high-quality Bilingual/ESL program contributes to the overall success and well-being of all students, regardless of their linguistic background

This audit will seek to identify program strengths as well as any areas in need of improvement.

The scope of this review will cover the following broad topics: a descriptive analysis of Bilingual/ESL students, Bilingual/ESL program administration, instructional practices, assessment and accountability, and parent and community involvement.

Bilingual/ESL Audit Areas

Bilingual/ESL Student Profile

- What are the most prevalent home languages represented in the programs?

- How do student performance and outcome data for Bilingual/ESL participants, ELLs not participating in the program, and non-ELL learners compare? How do district Bilingual/ESL outcomes compare to state and peer averages?

Program Administration

- How does the Bilingual/ESL program align with TEA guidelines and regulations for serving ELLs in Texas?

- Are there mechanisms in place to ensure compliance with TEA requirements regarding the identification and placement of ELLs in appropriate programs?

- How are TEA guidelines incorporated into the development and implementation of program policies and procedures for bilingual and ESL services?

- How are Bilingual/ESL program goals and objectives defined and communicated within the school district?

- Are resources effectively allocated to support bilingual and ESL students?

Instructional Practices

- How are teachers trained to implement instructional strategies that support bilingual and ESL students?

- What professional development opportunities are provided to teachers to enhance their ability to differentiate instruction for bilingual and ESL learners?

- How are teachers supported in creating inclusive learning environments that cater to the diverse needs of bilingual and ESL students?

- How are instructional materials modified to meet the cultural and linguistic needs of bilingual and ESL learners?

- Are there collaborative planning processes in place to ensure coherence and alignment in instructional practices across classrooms?

Assessment and Accountability

- How are assessment practices aligned with language proficiency standards for bilingual and ESL students?

- How is student performance data analyzed to monitor the progress of bilingual and ESL students over time?

- In what ways are assessment results used to inform instructional decisions and interventions for bilingual and ESL learners?

- Are there mechanisms in place to ensure that assessment data is used to improve outcomes for bilingual and ESL students effectively?

- How are required identification, testing, and Language Proficiency Assessment Committee (LPAC) timelines monitored?

- What processes and procedures exist to effectively exit students from the program?

Parent and Community Involvement

- How does the school district involve parents of ELLs in decision-making processes related to the bilingual and ESL program, as encouraged by TEA guidelines on family engagement?

- Are there strategies in place to communicate program goals and objectives to the community, in line with TEA recommendations for fostering community support for bilingual and ESL initiatives?

- To what extent does the program administration collaborate with community organizations and stakeholders to enhance services for English Language Learners, following TEA guidance on community partnerships?

Bilingual/ESL Audit Activities

Interviews and Focus Groups

The primary purpose of interviews and focus groups is to gain a deeper understanding of Austin ISD's Bilingual/ESL programs and services, processes, and procedures, as well as to identify stakeholder perceptions regarding areas of strength and opportunities for improvement. After our initial interviews and focus groups are complete, we may request additional data from Austin ISD and/or contact district staff with follow-up questions.

Staff Survey

We propose to administer a survey to all district staff who are involved in the delivery of Bilingual/ESL programs. Topics included in the staff survey are:

- Staff attitudes and beliefs towards the effectiveness of the programs;

- Perceptions on the alignment of the program with student and parent/guardian needs;

- Staff knowledge, experience, and training related to the programs;

- Professional development and training requirements for the programs; and,

- Sufficiency of staff, resources, and central office supports.

Gibson will administer the staff surveys electronically using Qualtrics survey software, a user-friendly, electronic survey tool that offers Americans with Disabilities Act (ADA) compatible accessibility features (e.g., the platform is screen reader and large type ready). Our survey team will send personalized email invitations to each individual surveyed. These emails will contain information about the survey objective, instructions for completion, and a timeline for completion (e.g., two weeks). The email will also contain a unique hyperlink that will direct the user to the survey; this will allow us to calculate response rates and follow-up with individuals who have not responded to the survey. Use of unique links also avoids the potential for recipients to complete the survey multiple times.

Once the survey is closed, Gibson will process all completed data and compile responses into an analytic dataset using Stata statistical software. Data is subjected to a rigorous quality control procedure to identify and exclude erroneous or exaggerated entries, or submissions with significant missing data. Our team will

then analyze the data and generate tables with frequencies for each item and/or calculate descriptive statistics for each item. We will also create cross-tabulations to make comparisons across groups, such as by position type or school level.

Classroom Observations

Classroom observations are an important component of this audit as they enable us to observe first-hand the delivery of instruction. We believe classroom observations provide some of the most valuable data in assessing the quality of instruction and the fidelity with which Bilingual/ESL programs and services are being implemented across the district.

We will identify a sample of schools that are representative across a variety of school characteristics for conducting classroom observations. Gibson will collect additional data for each school selected, such as the master schedule, bell schedule, and Campus Improvement Plan (CIP). We propose to conduct four or five classroom observations at 10 schools. Gibson will use a rubric for observing instruction to meet the needs of the audit, which can be supplemented with district-developed "look-for's."

During the campus visit for classroom observations, Gibson will also interview the campus administrator to better understand school-based practices related to their Bilingual/ESL programs and to learn how campuses are supported by the central administration with respect to its Bilingual/ESL programs.

Data Analysis

The approach to this audit will involve the analysis and triangulation of data from multiple sources, including district-provided data, comparisons to peers and best practices, interviews with staff, and classroom observations. In addition, group interviews will be conducted with guidance counselors, Bilingual/ESL teachers, Bilingual/ESL campus leads, and administrators. Examples of specific analyses to be performed appear below:

- Historical analysis of ELL indicator codes, Bilingual/ESL participants, by gender, race/ethnicity, economically disadvantaged, at-risk, and other special population designations.

- Analysis and assessment of the department's organizational structure with respect to the logical alignment of key functions within the department, spans of control, and effective oversight and management of program resources.

- Review and assessment of relevant job descriptions to determine if they accurately reflect position reporting structures and job duties performed, and contain the necessary skill, experience, and education requirements.

- Program staffing analysis to assess the sufficiency of program staffing levels by comparing Bilingual/ESL student-staff ratios over time and to district targets and peer districts (where data are available).

- Assessment of the Bilingual/ESL management reporting and accountability systems and practices with respect to performance targets.

Audit Testing

The audit team will conduct a series of audit tests to corroborate key processes, obtain evidence of supporting documentation, and validate compliance with Austin ISD Board policies. Table 3 provides examples of the tests that can be executed. The actual tests performed will be based on information collected early in the audit that points to potential control weaknesses.

Table 3. Bilingual/ESL Audit Testing

Test Number	Test Overview
Test 1: Teacher record compliance	Audit of a sample of Bilingual/ESL teacher records to assess compliance with training and/or licensure requirements.
Test 2: Completeness and Accuracy of Bilingual/ESL participants	The audit team will test a sample of students identified as receiving services to determine if the appropriate parent consent was received and LPAC placement agrees to actual placement.

Source. Gibson Consulting Group

Transportation Audit

The school transportation function exists to provide safe, timely, and efficient transportation to all eligible district students. A critical support function at school districts, transportation requires sound fiscal and operational management because of the sizable investment in the bus fleet, significant annual operating expenditures for maintenance and operations, and the need for adherence to state laws governing the transportation of students. The Transportation Department establishes bus routes; manages the bus driver, bus monitor, and bus mechanic workforce; maintains the bus fleet; provides supplemental and extracurricular transportation; and submits all necessary information to comply with federal, state, and local regulations.

Transportation Audit Scope

The scope of work will include the department's organizational structure and staffing, financial management, operating procedures, information systems, operating efficiency, compliance, and performance measurement and reporting. We expect to answer the following questions during the audit of the Transportation Department:

- Has the district established comprehensive policies and procedures for transportation services, including those for eligible ridership? Is the district in compliance with those policies? Are procedures consistently followed?

- Is Austin ISD in compliance with administrative regulations related to transportation?

- Do the employees responsible for transporting students meet all standards and qualifications set by the Texas Department of Public Safety? Do they have the necessary credentials required to perform their duties?

- Are vehicles accounted for and safeguarded?

- Are vehicles maintained and replaced according to Austin ISD guidelines?

- Are reports, inspections, and maintenance data complete, accurate, and submitted in a timely manner?

- Are equipment and supplies inventories monitored and accurately recorded?

- Are fleet management services provided efficiently?

- Is fuel usage effectively controlled?

- Are bus routes and supplemental transportation scheduled efficiently?

- Are hazardous routes updated at least annually?

- Is the information submitted to the Texas Education Agency (TEA) regarding, routes, riders, and operational costs complete and accurate?

- Does transportation operate within budgetary constraints?

- Is transportation provided adequate resources to fulfill its goals?

Transportation Audit Activities

Data Analysis

TEA collects a wide range of data on school system transportation functions, supporting a robust analysis of virtually every aspect of transportation management and comparisons to peer districts. Peer districts for transportation audits include traditional factors, such as student enrollment and student demographics, and also includes "the linear density" of routes – driven by the geographic size of the district and the number of students.

The state transportation data will support the analysis of the following metrics, among others. Many of these metrics can be analyzed separately for general transportation services and transportation for students with disabilities.

- Student ridership %

- Miles per bus

- Miles per student

- Number of buses, by age range

- Operating expenditures per student rider

- Operating expenditures per mile

- Operating expenditures per bus

- Bus fleet by type (e.g., gas, diesel, compressed natural gas, electric)

- Bus capacity

In addition to state data, Gibson will request data from Austin ISD including board policies, departmental organizational charts and job descriptions, bus routing information systems, operating procedures, training data and district staffing and expenditure data. District-level staffing and expenditure data includes local account codes to support lower-level analyses.

The audit will also analyze the demands on the transportation department during the school day by any district programs, whereby students are transported from one school or location to another, and back.

Interviews and Focus Groups

The Audit Team will conduct interviews of Transportation Department leadership and supervisory staff, and conduct focus groups of bus drivers, bus mechanics, bus monitors, and school administrators. Site observations will be conducted at each district bus barn/maintenance facility.

Audit Tests

The Transportation audit will include several audit tests. Table 4 presents examples of audit tests that may be performed during the audit. The actual tests performed will be based on information collected early in the audit that points to potential control weaknesses.

Table 4. Transportation Audit Tests

Audit Area: Sub-Process	Test	Audit Procedures
Transportation: Financial	Internal Control	▪ Analyze budget for transportation department over last five years to determine if the district operates within budgetary constraints ▪ Review transportation department's contracted services and its contracts with external vendors ▪ Analyze fuel contracts to determine if the district manages fuel costs
Transportation: Fleet	Fleet Management	▪ Examine district's fleet inventory, including spares, and analyze replacement policy ▪ Analyze fleet maintenance software and determine whether the department performs regular maintenance on the fleet ▪ Determine whether the district locks and safeguards the fleet (including vehicles not used to transport students) when it is not in use ▪ Determine if the district utilizes GPS tracking software for more efficient routing

Audit Area: Sub-Process	Test	Audit Procedures
Transportation: Staffing	Compliance and Control	▪ Review driver records in order to determine if drivers comply with applicable licensing and certification regulations ▪ Review department time-keeping system and review overtime ▪ Analyze the "extra duty" pool process to determine equitable assignment of extra duty trips ▪ Review driver and monitor hiring process as well as applicable stipends or sign-on bonus offerings
Transportation: Routing	Efficiency of Routing Operation	▪ Analyze district routing process to include routing software, field trip software, and GPS software; and to determine the level of use ▪ Review district hazardous policy and current hazardous ridership listing to determine compliance

Source. Gibson Consulting Group

Targeted Special Education Audit – Legal Fees

The Austin ISD Board received comments from community members expressing concerns that special education legal fees are excessive. The district seeks to evaluate special education legal fees to determine if there are opportunities to reduce risk factors relating to due process hearings or litigation, which might lead to lower demands for legal services and related costs. This is not an audit of law firm billing practices, but of the root causes of the demands for legal services.

Gibson will review the district's legal expenditures and determine if there are any local account codes that separately identify those expenditures related to special education. Generally, school systems do not charge or allocate legal fees to specific programs as they are considered administrative expenditures. (This limits the ability to compare a district's special education legal fees to peer districts.) In the absence of a local code, we will request from the district a breakdown of the district's legal fees for special education for the past five years, and validate the calculation. We will analyze trends in special education legal fees, and the underlying factors (e.g., number of due process hearings, number of lawsuits, and number and amounts of settlements or judgments).

The Audit Team will conduct interviews of Special Education Department Leadership and the district's in-house counsel to gain an understanding of possible factors that could be contributing to higher legal fees, as well as current initiatives to reduce legal risks. Gibson will also seek to interview the district's major providers of special education legal services, not to discuss specific cases, but to collect information from them on how legal risks could be reduced.

Due to its targeted nature, this audit report will be shorter than a typical department-level audit report. However, this report will have findings and recommendations, and will follow the same reporting procedures described at the beginning of this proposal.

Internal Audit Program Management

Gibson will help guide the Board Audit Committee through each of the audits, assist in managing Board Audit Committee meetings, develop monthly program progress reports, and actively monitor recommendation implementation of prior audits. We will also develop an annual internal audit report and analyze Let's Talk and hotline data each quarter.

Recommendation monitoring includes continued maintenance of the internal audit implementation dashboard, which was developed this past year. New program management services this year include the development of quarterly audit implementation deliverables and additional touchpoints with the Superintendent and Board to stay apprised of risks facing Austin ISD. The quarterly audit implementation deliverable will include results of our analysis of the audit recommendation implementation dashboard. Our quarterly analysis will highlight the changes made to each of the following implementation aspects:

- Percentage complete;
- Estimated completion date; and
- Information included as evidence and notes.

We will document our observations in a summary outline report, which will be provided to the Austin ISD Board Audit Committee Chair each quarter. Additionally, the internal audit dashboard will be updated quarterly by Gibson.

Schedule and Fees

Below are estimated timetables for each of the above audits to be completed. The ability to meet these schedules is highly dependent on the availability and accuracy of data requested, and the availability of staff to participate in interviews and work sessions. The program management services will be spread over the entire fiscal year.

- PEIMS/SIS Audit: Seven (7) months
- Cost Savings Audit (Phase 1): Four (4) months
- Bilingual/ESL Audit: Seven (7) months
- Transportation Audit: Five (5) months
- Targeted Special Education Audit: Three (3) months

After the Board selects the internal audits to be performed in FY 2025, we will develop a detailed schedule for each project.

We have based the estimates of hours and fees for these projects on our understanding of the objectives of each audit and on our familiarity with the systems and processes in place at Austin ISD. Table 5 shows the estimated professional fees and expenses necessary to complete each audit. We have based our professional fees on the hourly rates for each consultant participating in the internal audit services for 2024-25. It is not anticipated that the AISD will conduct all of these audits in FY 2025, but will select from this list

based on existing budget constraints and other factors. If significant cost savings areas are identified in Phase 1 of that Cost Savings Audit, and the Board decides to move forward with Phase 2, approval for additional audit fees (estimated at that time) will be requested. However, at that time a potential return on the Board's investment will be evident.

Table 5. Estimated Fees and Expenses by Audit

Area	Subcontractor Use	Budget
Bilingual/ESL	Yes	$152,000
PEIMS/SIS	No	$167,500
Transportation	Yes	$135,000
Cost Savings (Phase 1)	No	$75,000
Targeted Special Education	No	$40,000
Program Management Services	No	$35,000
Total of all audits		**$604,500**

Gibson will be applying the following hourly rates for professional fees, which are the same rates as those applied during past two years.

Table 6. Hourly Rates, 2024-25

Project Role	Hourly Rate
Director	$250
Senior Auditor	$220
Auditor	$195
Professional Support	$145
Subcontractors	At Cost

Professional fees and expenses will be billed in twelve equal amounts from July 01, 2024 through June 30, 2025. Payment of invoices is due within 30 days of receipt, and will be remitted to Gibson's lockbox address with Gulf Coast Bank and Trust.

* * * * *

We look forward to working with you and the members of the School Board as your internal auditors and advisors in Fiscal Year 2025. Gibson will devote its best efforts to the work to be performed under this assignment, and any findings, recommendations, or other written materials will represent our best professional judgment based on the information made available to us.

If you have any questions, please contact me at 512.694.6704 or ggibson@gibsonconsult.com.

In the table below, please indicate which audit services you would like to select for FY 2025 (in column three – with a "yes"). For the audits selected, please extend the dollar amount in column four, and calculate the total of all selected audits. Program management services are required.

Area	Estimated Budget	Selected for FY 2025?	Extended Amount
Bilingual/ESL	$152,000		
PEIMS/SIS	$167,500		
Transportation	$135,000		
Cost Savings (Phase 1)	$75,000		
Targeted Special Education	$40,000		
Program Management Services	$35,000	Yes	$35,000
Total (of selected audits)			

Upon selection of audit projects, and your agreement with the terms of this cost proposal, please sign in the space provided below and return to us.

Sincerely,

Greg Gibson, President
Gibson Consulting Group, Inc.

Accepted:
Austin Independent School District

_____   _____
Signature   Title

_____
Date