

Denton Independent School District
APPROVAL OF AUDITOR FOR EFFICIENCY AUDIT
June 10, 2025

SUMMARY:

As the District and the 1925 Community Committee have analyzed the current budget constraints, one of the proposed measures offered by our 1925 Committee is to consider a Voter-Approval Tax Ratification Election (VATRE). This item requests the approval of the auditor for an efficiency audit, which is required by Texas Education Code, Section 11.184(b), prior to holding a VATRE.

BOARD VALUE:

Growth & Management... In pursuit of excellence, we value:

- Demonstrating effective and efficient management of district resources;
- Providing leadership and/or oversight to ensure District meets all fiscal, legal, and regulatory requirements

PREVIOUS BOARD ACTION:

There has been no previous board action for an efficiency audit.

BACKGROUND INFORMATION:

House Bill 3 (86th Legislature, 2019) requires school districts to undergo an efficiency audit prior to holding a voter-approval tax rate election (VATRE). The purpose of the efficiency audit is to assess the District's fiscal management, efficiency and utilization of resources, and whether the District has implemented best practices utilized by Texas school districts.

FISCAL IMPLICATIONS:

The estimated cost of the efficiency audit will be approximately \$15,000.

BENEFIT OF ACTION:

Hankins, Eastup, Deaton, Tonn, Seay and Scarborough has experience in conducting efficiency audits of school districts. Approval of the efficiency audit firm will meet the requirements of Texas Education Code, Section 11.184(b), as well as provide the public with key information about the proposed tax ratification election.

PROCEDURAL AND REPORTING IMPLICATIONS:

Pursuant to the Texas Education Code, Section 11.184(b), the audit firm must be approved by the Board of Trustees no later than four months before the date on which the district proposed to hold a VATRE. The auditor may be the auditor who does the district's annual audit. The final audit report is required to be presented to the Board of Trustees no later than three months after auditor selection. The district must post the audit results on the district website at least thirty days before election day. The Board of Trustees must hold a public meeting to discuss the results before the election.

ALTERNATIVES:

No alternative actions are proposed.

SUPERINTENDENT'S RECOMMENDATION:

It is recommended to approve the firm of Hankins, Eastup, Deaton, Tonn, Seay and Scarborough to perform the efficiency audit.

STAFF PERSONS RESPONSIBLE:

Dr. Jeremy Thompson, Deputy Superintendent
Dr. Lacey Rainey, Assistant Superintendent – School Leadership and Academic Programs
Jennifer Stewart, Executive Director of Budget

ATTACHMENT:

Efficiency Audit Engagement Letter

APPROVAL:

Signature of Staff Member Proposing Recommendation: _____

Signature of Divisional Leader: _____

Signature of Superintendent: _____