

External Forensic Auditor Hiring Authorization

January 25, 2016

Abelardo Saavedra, Superintendent
South San Antonio Independent School District
5622 Ray Ellison Blvd
San Antonio, TX 78242-2214

Connie Prado, Board President
Members of the Board of Trustees
South San Antonio Independent School District
5622 Ray Ellison Blvd
San Antonio, TX 78242-2214

Dear Dr. Saavedra, Ms. Prado and board members:

**Re: TEA Special Accreditation Investigation # 2014-01-010 (County District No. 015-908)–
External Forensic Auditor Hiring Authorization**

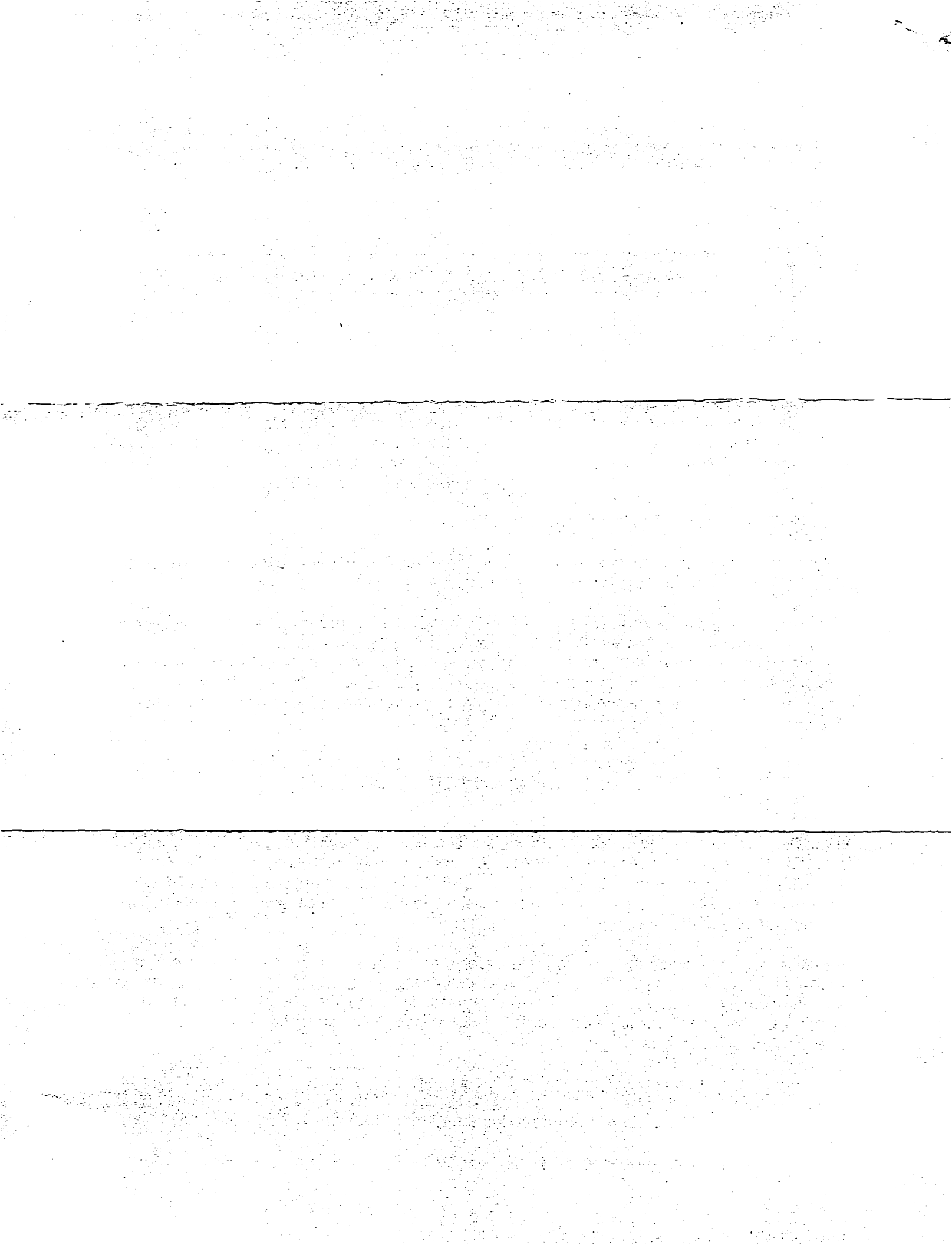
The Texas Education Agency (TEA) Division of Financial Compliance received and reviewed the South San Antonio Independent School District's (SSAISD's) external forensic auditor candidate selection criteria, proposals, skills, knowledge, and supporting documentation. Based on our review of each candidate's demonstrated competence, qualifications, and experience, the TEA authorizes the district to hire one of the following three prospective candidates to conduct the district's external forensic audit:

1. RSM US, LLP
2. KPMG, LLP
3. DNEA – Southerland, CPD

The TEA disapproves the hiring of the district's current external audit firm ABIP, LLC for the purposes of conducting the district's external forensic audit of the SSAISD 2010 Bond program proceeds, purchases, transactions, and testing of district internal controls as outlined in the district's corrective action plan details. Because ABIP, LLC has been engaged by the district to conduct its annual financial audit in recent years, the firm lacks the necessary independence to conduct the external forensic audit.

We discourage any action that may result in a real or apparent conflict of interest or breach of auditor's independence as defined in 22 Texas Administrative Code, §501.70 Independence, or §501.73 Integrity and Objectivity. Additionally, we discourage any action that may result in a violation of Government Auditing Standards, §3.03 Independence, and §3.48 Consideration of Specific Nonaudit Services.

We appreciate your continued cooperation. We anticipate a copy of the district's board minutes approving the executed contract for the district's external forensic audit services with one of the TEA approved candidates **on or before the implementation deadline of February 15, 2016.**



For questions regarding this letter, please contact Mr. Michael Richmond at (512) 475-3403 or Ms. Sunny Sadler at 512-936-1777. Thank you for your time.

Sincerely,



David Marx
Director
Division of Financial Compliance
DM/sbs