



Report on Proposed Findings of the State Auditor and Inspector's Office

Tulsa Public Schools
February 26, 2025

Overview



CONTEXT

By statute, any school district in the state has at least 14 days to review potential findings before they are released.

We are sharing this information with our community to keep Tulsans informed on our progress.

OVERVIEW

UPDATE ON INTERNAL CONTROLS

IMPROVED STRUCTURES WITH BOARD OF EDUCATION OVERSIGHT

CLEAR DISTINCTION BETWEEN DISTRICT AND FOUNDATION ENGAGEMENTS

SPECIFICS OF IMPROVEMENTS TO FINANCE DEPARTMENT

Scope

In 2022, the stated purpose of the forensic audit was to explore “management’s compliance with statutes, rules, policies and regulations.”

On Tuesday, February 11, 2025, members of the Oklahoma State Auditor and Inspector’s office met with officials and board members of Tulsa Public Schools to share the proposed findings of their retrospective report.



Retrospective look at past compliance

The State Auditor and Inspector's Office was charged by the Governor Stitt's office to look back at activities of the school district from 2015-2023.



REVIEW OF THE PAST

Time period/activities considered by SAI audit

Active cooperation with SAI Audit team

2015

2016

2018

2019

2020

2021

2022

2023

2024

2025

2015
Earliest records considered within scope of SAI audit

July 2022
Gov. Stitt orders audit of Tulsa Public Schools

Feb 2025
SAI shares preliminary audit findings with TPS Board of Education

Proposed Findings Presented to TPS

In early February, members of the state auditor's team presented district leadership and members of the locally-elected school board with 11 slides outlining the proposed findings from their 2½ year audit.

Broadly, the district and the state auditor's office agree on areas that needed improvement, such as enhanced internal controls, tighter enforcement of existing policies, and more training for team members, to name a few. For more than two years, team members have worked hard to make these improvements, in collaboration with the state auditor's office.

There were areas where Tulsa Public Schools has requested more information and documentation to understand the conclusions of the auditor. There are also potential findings where the district submitted documentation refuting or otherwise questioning claims from the Feb 11 presentation to the TPS Board.

TPS is seeking more clarification - examples

Among the areas where the district has requested more information and documentation of findings from the state auditor's office include:



“DEI” and “CRT”

- It appears this Potential Finding is based solely on an *assumption* questioning some of the district's vendors. Nothing provided to the district and reviewed by OSAI was found to violate related rules.
- Tulsa Public Schools has a Nondiscrimination Policy (4901) that prohibits discrimination of any kind.
- We do **not** teach critical race theory.
- HB 1775 and similar orders were not enacted until 2021 or later; the audit questions expenses back to 2015.

Teachers' Retirement System of Oklahoma

- Tulsa Public Schools alerted the state auditor's office to the district's communication with TRS
- TPS has already revised onboarding procedures to ensure all those who are qualified select participation or opt-out
- The district and TRS are close to closing the matter, and have been actively working together to solve it for some time.

**BOTTOM
LINE**

Tulsa Public Schools adheres to every applicable rule and would never limit a student's opportunity or talk down to them based on their race.

Teachers' and other Team Members' retirement benefits remain unchanged while the district works with OTRS to resolve past issues.

TPS instituted updates and improvements

The State Auditor and Inspector's Office reviewed the school district's management compliance with statutes, rules, policies and regulations.

Since the beginning of this forensic audit in June of 2022, Tulsa Public Schools has engaged in a robust and comprehensive review and subsequent overhaul of the district's internal financial controls, including:

1. Strengthened procurement policies and procedures
2. Improved review of vendors
3. Institution of highly detailed invoices
4. Added layers of review and approval for expenditures
5. Additional finance staff with authority to review and amend internal practices
6. New executive leadership implementing enhanced protocols



**FOCUS ON
COMPLIANCE**

Complete revision of District-Foundation processes

Strategic Alignment

Continuous review and collaboration between District and Foundation teams to evaluate priorities and align to TPS BOE's current strategic plan

Board Oversight

Tulsa Public Schools Board of Education has line-of-sight to Foundation support to TPS including approving related salaries, potential spending on stipends, or honorariums for district personnel

FTS-initiated Donor Payments

Tulsa Public Schools Superintendent and CFO both review all donor fund payments made on behalf of TPS

FTS Grant Payments

TPS CFO's office engage in review process for any Foundation payments made on behalf of grant provisions



BOARD OVERSIGHT

Collaboration with the Foundation for Tulsa Schools plays a critical role in supporting the educational mission of the district.

These improved processes provide alignment between the board's of both entities and ensure the best possible use of the resources entrusted to both organizations.

Overhaul of Finance and Procurement

Brought in new and additional expertise to maintain best practices and conduct continuous reviews of district finances and processes

We did that by instituting the following:

- **New Leadership for Finance Department**
- Added **internal auditor** position
- **Restructured Finance** division to improve internal checks-and-balances
- **Purchase Order** creation and **Invoice Payment** reconfigured as separate, discrete functions housed in independent departments (Procurement and Accounts Payable)



OVERHAUL OF
FINANCE
STRUCTURES

Overhaul of Finance and Procurement

Examples of strengthened protocols

- Work scopes and invoices for services **must provide additional detail**, including milestones, deliverables, and other documentation where appropriate.



DETAILED PROPOSALS AND INVOICES



Guidance: Invoices for services - external facing

Here's the big picture...

In Tulsa Public Schools, we believe in being great stewards of public dollars, and in demonstrating that our investments are having a positive impact on student outcomes. This guidance will provide information for district team members and potential vendors so that we can ensure alignment and clarity of the documentation requirements for invoices.

When do I need to follow this guidance?

This document is the companion to the guidance for [quotes for services](#). This guidance will help you if you are a vendor who has provided services (as opposed to goods or materials), and it's new time to invoice the district.

What are the basic requirements of an invoice for services?

An effective invoice for services provides clarity as to the services that were provided by detailing when they were provided and what milestones or deliverables were achieved within a certain timeframe. It includes "proof of service" by providing evidence that services occurred as outlined in the quote and purchase order. The pricing and invoicing procedure that was provided in the quote/contract/RFQ is clearly followed.

When do I need to provide this invoice to the district?

The invoice for services should be provided at the frequency detailed in the quote/contract/RFQ, but never before services are rendered. If you, as a vendor, wish an invoice before services are provided, it will not be paid until we have received what is indicated on the purchase order. It is likely that Team Finance will request a revised invoice with a correct date.

Note: If work occurred before a purchase order was in place, the district has no obligation to pay for those services.

What are the specific details required for an invoice?

Each invoice should include the information listed below. There is no required order of information, as long as all information is present in the document.



Guidance: Quotes for services - external facing

Here's the big picture...

In Tulsa Public Schools, we believe in being great stewards of public dollars, and in demonstrating that our investments are having a positive impact on student outcomes. This guidance will provide information for district team members and potential vendors so that we can ensure alignment and clarity of the documentation requirements for quotes.

How to follow this guidance?

This document will help you create a stronger quote for services (as opposed to goods or materials). If you are a vendor who has provided services (as opposed to goods or materials), and it's new time to invoice the district, this document will provide you with the information you need to ensure alignment and clarity of the documentation requirements for quotes.

quote, a proposal, and a scope of work?

"Quote" might be called a quote, a scope of work, or a proposal. We will use the term "quote," though the terms are generally interchangeable.

When do I need to provide this quote to the district?

The quote should be provided at the frequency detailed in the quote/contract/RFQ, but never before services are rendered. If you, as a vendor, wish a quote before services are provided, it will not be paid until we have received what is indicated on the purchase order. It is likely that Team Finance will request a revised quote with a correct date.

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What are the specific details required for a quote?

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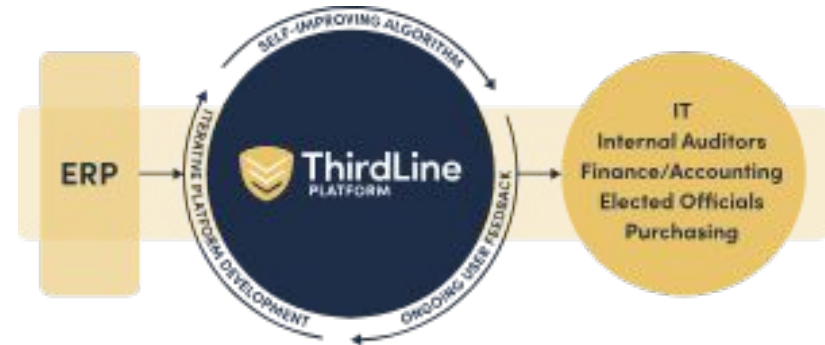
Real-time Internal Auditing, powered by AI

The District now has the capability to run real-time audits and stop suspicious transactions before they occur.

- Implemented **fraud detection software** from ThirdLine
- Artificial Intelligence (AI) learns from data of appropriate purchase orders and transactions to **detect any potential fraudulent activity**



TECHNOLOGY SAFEGUARDS



ERP: Enterprise Resource Planning – a technology system integrating HR, payroll, finance, accounting, and similar functions. TPS utilizes Tyler MUNIS, the same platform City of Tulsa uses.

Additional Financial Reporting and Transparency

Implemented proactive measures to share financial information with our community and ensure our locally-elected Board has all the details necessary to effectively fulfill their duties. Below are modifications *in addition* to what is required by statute.

- **Modified encumbrance report** to include high-level description detail
- **Monthly expenditure report** with clear, easy-to-identify connections to related encumbrances (identified by purchase order number)
- **Monthly budget update to Board Finance Committee** to maintain the Board of Education's constant collaboration and oversight



ENHANCED
REPORTING
AND DETAIL

**THANK YOU
FOR YOUR
INTEREST**



We look forward to acting on this opportunity for continued improvement. We welcome these findings in the interest of better serving our students.

**DR. EBONY JOHNSON
SUPERINTENDENT, TULSA PUBLIC SCHOOLS**

**Questions? Please reach out to
tpsinfo@tulsaschools.org**



**TULSA PUBLIC
SCHOOLS**

Tulsa Public Schools
FEBRUARY 26, 2025

