DALLAS INDEPENDENT SCHOOL DISTRICT

Internal Audit

DATE: May 19, 2025

TO: Board of Trustees
Stephanie S. Elizalde, Ed.D., Superintendent

FROM: Robert Rubel, Chief Internal Audit Officer

SUBJECT: E-Rate Program Compliance Review Fiscal Year 2024-2025

The Dallas Independent School District (District) Office of Internal Audit (OIA) has completed the E-Rate Program Compliance Review for Fiscal Year (FY) 2024-2025. OIA has performed the following compliance procedures for the FY 2024-2025 E-Rate program, as established by the District's Financial Services and Educational Technology Departments. These procedures were designed to assist the District in evaluating the E-Rate program's compliance with USAC requirements.

The following exception was noted as a result of performing the compliance procedures.

- 541 E-Rate assets did not contain a Funding Request Number (FRN) for current year equipment purchases in TipWeb.

Additionally, the E-Rate training for FY 2025 started April 29, 2025, and is required to be completed by June 16, 2025. Since training is ongoing, we were unable to fully test this area. E-Rate training is required for all E-Rate program-associated District employees.

A full listing of the compliance procedures is available in **Attachment I** of this report.

The E-Rate program has been instrumental in supporting the connectivity and technology infrastructure at the District. The funding received for Category One and Category Two services has enabled us to achieve enhanced internet access, improve internal network reliability, and support the integration of technology in education/library services. We remain committed to utilizing E-rate funds effectively to provide essential technology resources for our students, staff, and patrons.

We would like to thank Educational Technology-Business Services for their cooperation and assistance with this audit.

Respectfully submitted,

Robert Rubel

Robert Rubel, MBA, CPA, CIA, CISA
Chief Internal Audit Officer

Cc: Pamela Lear, Ed.D., Deputy Superintendent of Staff & Accountability
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Acknowledgments:
Aissa Hernandez, CFE, Investigations Manager

Attachment I

Agreed-Upon Compliance Procedures

E-Rate Program: FY 2024-2025

Agreed-Upon Procedures	Results of Procedures
1. Verify the Form 470 and related request for proposal were posted at least 28 days prior to closing the competitive bidding process.	No exceptions were found
2. Verify the criteria used to evaluate bid responses are consistent with those published in the request for proposal.	No exceptions were found
3. Verify price of the E-Rate eligible products and services is the most heavily weighted factor on the bid evaluations.	No exceptions were found
4. Verify by inquiry of the Director of E-Rate Programs that each Form 471 was completed using the USAC online filing, which automatically calculates discount rates.	No exceptions were found
5. Verify E-Rate training was provided to all required personnel in the District.	The E-Rate training for FY 2025 started April 29, 2025, and is required to be completed by June 16, 2025.
6. Inspect conflict of interest and gift disclosure statements.	No exceptions were found
7. Inspect any documentation of action taken by the District to approve or remedy the potential conflict for any known or potential conflicts of interest of gifts identified.	No exceptions were found
8. Inspect publication of the USAC and District whistleblower telephone numbers on the District website, randomly select three days/time (including at least one weekend day and one time after 5:00 p.m.) and call the District hotline to verify the existence of both English and Spanish prompts.	No exceptions were found
9. Trace the Total (Undiscounted) Amount for Service reported on Form 472 or 474 to all supporting invoices and proof of payment.	No exceptions were found

10. Inspect a sample of acquired assets, and verify the assets are placed in service at a location authorized under the related Form 470 and Form 471 filings.	No exceptions were found
11. Verify the assets are correctly listed in the District fixed asset tracking system used for E-Rate asset tracking.	Exceptions: We noted the following during the verification procedures: 541 E-Rate asset items did not contain FRNs.
12. Verify the discount rate on the Form 472 or 474 referenced above matches the rate from the related Form 471. Based on this discount rate, calculate the expected reimbursement.	No exceptions were found
13. Verify, by inspection of related deposit support, that the payments received match the expected reimbursement calculated above.	No exceptions were found