ARLINGTON PUBLIC SCHOOLS



Consulting Contract Audit

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Background

- *The 2025-2026 Annual Plan included an audit of consulting contracts with a focus on monitoring deliverables including the budget.*
- *Contracts included for this review included:*
  - *Two active contracts - Sierra Cedar for the Oracle Upgrade Project and USI for the Healthcare RFP, and*
  - *Closed contracts from various departments and programs.*
- *The audit also included a review of business continuity with a focus on professional knowledge and skills and the use of retirees and former employees to fill in for operational staffing gaps.*
- *The audit identified areas in which processes related to consulting contracts do not demonstrate deficiencies as well as areas for improvement*

Key Findings

- Business process owners were helpful and cooperated throughout the audit.
- All consulting agreements were located either in the department or from Procurement.
- There are no APS policies or procedures covering the use of consultants. (*Business Officer and Procurement Director*)
- There are no standard operating procedures for APS business stakeholders to document the processes for monitoring contract deliverables. (*Business Officer and Procurement Director*)

Key Findings

- For some contracts, the associated department did not have a designated project manager, leading to confusion with assigned responsibilities. (*Business Officer and Human Resources Representative)*
- Some business stakeholders did not maintain a copy of the consulting contract for their departments and relied upon Procurement for any contract related business. (*Business Officer and Procurement Director)*
- In the course of the audit of the Finance Department's management of consulting contacts, it was identified that the department uses former employees and retirees for this function and other purposes of the department. *(Business Officer)*
- Design and Construction maintain the services of a consultant as an embedded employee. *(Assistant Superintendent, Facilities and Operations)*

Recommendations and Next Steps

There are no APS policies or procedures covering the use of consultants. (Business Officer and Procurement Director)

- *It is recommended that the newly appointed Director of Procurement develop a comprehensive section on the department's webpage to include the use of consultants. At a minimum this should include information on the justification of the use of a consultant, the desired outcome, minimal deliverables expected and the roles and responsibilities of the project manager. - Mr. Andy Hawkins*
- *The Procurement Page information link should include information from the Business Officer regarding the budgeting steps needed to proceed with the engagement of a consultant, and approval protocols should be included as well. - Mr. Andy Hawkins*

Recommendations and Next Steps

- There are no standards for APS business stakeholders to document the processes for monitoring contract deliverables. (Business Officer and Procurement Director)
- *All Project Managers should maintain documented records of tracking activities and project milestones. This requirement should be included on the Finance web page regarding the use and processes for engaging the services of a consultant. - Mr. Andy Hawkins*
- *The requirements should also include a statement that all Project Managers should maintain a copy of the contract between APS and the Consultant and be well-versed on the terms and conditions of the agreement. - Mr. Andy Hawkins*
- *An APS community memo should be provided by Finance as a reminder regarding the use and standards for the engagement of consultants. - Mr. Andy Hawkins*

Recommendations and Next Steps

For some contracts, the associated department did not have a designated project manager, leading to confusion with assigned responsibilities. (*Business Officer and Human Resources Representative)*

- *A meeting will be held with the Business Officer and the Human Resources Management team, including the Benefits Supervisor, the Assistant Superintendent of Human Resources, and the Chief of Staff to discuss where the budget stands for the healthcare project. More information and clarity is needed regarding the budget for this project. The Business Officer should provide HR with data regarding the budget for this project. - Mr. Andy Hawkins and Human Resources Leadership*
- *As protocols are developed and implemented by Procurement and the Business Officer; they should include the requirement for the name and title of the designated Project Manager. This clearly would identify the person responsible for project oversight. - Mr. Andy Hawkins*

Recommendations and Next Steps

Some business stakeholders did not maintain a copy of the consulting contract for their departments and relied upon Procurement for any contract related business.

- *As standards for consulting contracts are developed by the Business Officer and Procurement, they should include the requirement for all Project Managers to maintain and become familiar with the contract and related terms. –Mr. Andy Hawkins*
- *An APS campus wide notice should be sent annually by the Business Officer to all department and program leaders advising them of their responsibilities whenever they request consulting services. –Mr. Andy Hawkins*

Recommendations and Next Steps

In the course of the audit of the Finance Department's management of consulting contacts, it was identified that the department uses former employees and retirees for this function and other purposes of the department. *(Business Officer)*

- *The Business Officer will develop and implement a process of cross-training employees to deter the occurrence of vacuum of professional knowledge and skills when an employee separates from APS. –Mr. Andy Hawkins*
- *In addition to cross-training, Finance leadership will initiate the development of Standard Operating Procedures including descriptions of employee roles and responsibilities along with business processes. –Mr. Andy Hawkins*

Recommendations and Next Steps

Design and Construction maintain the services of a consultant as an embedded employee.

- *The Assistant Superintendent, Facilities and Operations and the Director of Design and Construction will continue to collaborate on strategies to recruit, retain, and onboard qualified in-house professionals while recognizing market constraints and the need for specialized project delivery expertise. –Ms. Renee Harber*
- *Where staff augmentation continues, APS should formalize expectations related to training, mentoring, documentation, and knowledge transfer to ensure a positive return on investment from long-term consultant engagement. –Ms. Renee Harber*

Summary and Closing

Questions and Answers

Thank you!