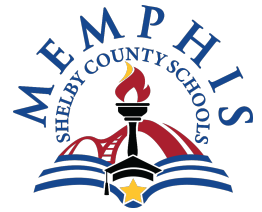


# Understanding the Memphis-Shelby County Schools (MSCS) Final Forensic Audit Report: Frequently Asked Questions (FAQs)



This resource is intended to help families, employees, community members, and media better understand the Final Forensic Audit Report and the District's ongoing commitment to transparency, accountability, and continuous improvement.

## What Is a Forensic Audit?

A forensic audit is a detailed review of an organization's financial records, operations, contracts, and internal controls. Its purpose is to identify potential fraud, waste, abuse, and opportunities to strengthen accountability and operational practices.

## What Time Period Did This Audit Review?

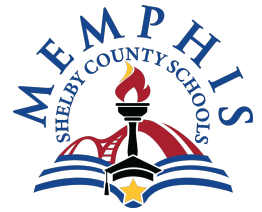
The report primarily examines District operations from July 2021 through June 2024, representing approximately \$6 billion in public resources managed during that three-year period. It reviews multiple years of operations, not a single budget year or a single point in time.

## What Is the Difference Between an Audit Finding, An Observation, And A Recommendation?

- **Audit Finding:** A formal audit finding means auditors determined an organization did not comply with applicable laws, policies, or required processes.
- **Observation:** An observation identifies an opportunity to strengthen operations, improve internal controls, or reduce future risk.
- **Recommendation:** A recommendation suggests actions the organization can take to improve policies, procedures, accountability, efficiency, or governance.

*The Final Forensic Audit Report **did not contain formal audit findings**. Instead, it presented observations and recommendations intended to strengthen District operations, governance, and internal controls.*

# Understanding the Memphis-Shelby County Schools (MSCS) Final Forensic Audit Report: Frequently Asked Questions (FAQs)



## Did The Audit Identify Wrongdoing?

The report discusses observations and recommendations, including matters that had already been identified and addressed by the District during the review period. Those actions included referrals to federal law enforcement, litigation to recover public funds where appropriate, personnel actions, contract terminations, and other corrective measures.

Like any large public organization, Memphis-Shelby County Schools continuously works to strengthen its systems while taking appropriate action whenever concerns are identified.

## What Does "Potential Waste or Fraud" Mean?

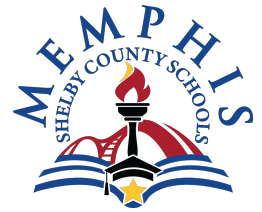
In a forensic audit, potential waste or fraud describes transactions or activities that warrant further review because they may indicate misuse of public resources, weaknesses in internal controls, or possible misconduct. The term "potential" means the matter requires additional evaluation. It does **not** mean fraud has been proven or that a legal violation has occurred.

## What Has the District Already Done?

Before the release of the Final Forensic Audit Report, District leadership had already begun strengthening operations through several districtwide initiatives, including:

- Operational Modernization & Excellence Plan to strengthen internal controls, procurement, payroll oversight, digital transformation, and compliance.
- District Transformation & Accountability Dashboard to publicly track organizational progress and improvement efforts.
- District Facilities Roadmap to improve long-term planning, stewardship of taxpayer resources, and school facility investments.
- Enhanced Competitive Procurement Process to strengthen transparency, consistency, and accountability in purchasing.

# Understanding the Memphis-Shelby County Schools (MSCS) Final Forensic Audit Report: Frequently Asked Questions (FAQs)



- Academic Plan focused on strengthening teaching and learning, early literacy, educator development, intervention services, and college and career readiness.

Many of these efforts were already underway before the Final Report was released.

## Why Should the Public Have Confidence In Memphis-Shelby County Schools?

While strengthening operations, Memphis-Shelby County Schools has continued delivering positive results for students.

### Recent accomplishments include:

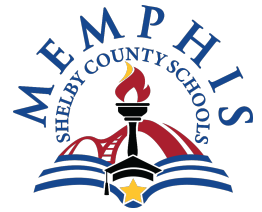
- TVAAS Level 5, Tennessee's highest academic growth rating, for four consecutive years
- Districtwide Literacy Level 5 for four consecutive years
- Ready Graduate rate more than doubled over the past four years
- 68 schools now earn an A or B on the Tennessee State Report Card
- 67% of schools now earn a C or higher
- 2026 preliminary TCAP results showing districtwide gains in English Language Arts, Math, and Social Studies

These results reflect the dedication of our students, educators, school leaders, employees, families, and community partners, and demonstrate that strengthening our organization is creating stronger opportunities and better outcomes for students.

## Our Commitment

Continuous improvement is an ongoing responsibility. Memphis-Shelby County Schools remains committed to transparency, accountability, responsible stewardship of public resources, and ensuring every student has the opportunity to succeed.

# Understanding the Memphis-Shelby County Schools (MSCS) Final Forensic Audit Report: Frequently Asked Questions (FAQs)



## What Happens Next?

District leadership is conducting a comprehensive review of every observation and recommendation included in the report.

As that review continues, the District will:

- Evaluate each recommendation carefully.
- Continue implementing operational improvements.
- Keep the Board of Education informed.
- Share updates with employees, families, and the community as appropriate.

Our commitment remains unchanged: strengthening our organization while providing every student with a safe, supportive, and high-quality education.

## Where Can I Learn More?

Memphis-Shelby County Schools is committed to keeping our community informed about the work underway to strengthen our District.

Visit our [District Transformation & Accountability Updates](#) webpage to access:

- District progress dashboards
- Operational improvement initiatives
- Additional information as it becomes available

District Transformation & Accountability Updates [\[here\]](#).