

COBLESKILL-RICHMONDVILLE CENTRAL SCHOOL DISTRICT
155 Washington Avenue
Cobleskill, New York 12043
(518) 234-4032

REQUEST FOR PROPOSALS (RFP)
INTERNAL AUDIT SERVICES

1. Purpose

The Cobleskill-Richmondville Central School District, hereinafter referred to as “District” invites proposals from qualified individuals and accounting firms, hereinafter referred to as “Auditor,” interested in providing internal audit functions for the school district for the fiscal year ending June 30, 2016 with an option to renew for the 2016-17, 2017-18, 2018-19, and 2019-20 fiscal years. The internal audit function will be performed to ensure that the operating procedures including all internal controls are being followed and that all expenditures of school district funds are in accordance with laws, regulations, and district policy.

In accordance with the District’s policies and procedures, and New York State law, contracts for professional services requiring special skill or training are not subject to competitive bidding requirements of §103 of General Municipal Law.

2. District Profile

- Enrollment: Approximately 1,825 students, grades Pre-K-12, in 4 buildings
- Board of Education: 7 members elected at large for 3-year terms
- BOCES: Component of the Capital Region Board of Cooperative Educational Services
- Number of Employees: Approximately 400 employees
- Other Operations: The District operates its own student transportation and food services programs. The District also operates several special education programs for which it receives approximately \$1.2 million in tuitions for 45 students from other school districts.
- Budget and Federal Awards: The 2015-2016 approved general fund budget is \$38,516,494. For the same timeframe, it has federal grants of approximately \$1.3 million.
- Business Office: The Business Office staff consists of the School Business Manager, District Treasurer, Accounts Payable Clerk, Payroll Clerk, and Personnel/Benefits Coordinator. Another District employee performs claims auditing services on a part-time basis.
- Financial Software: Finance Manager
- Fund Structure: General (A); School Lunch (C); Special Aid (F); Capital (H); Fixed Assets (K); Student Activity (SA); Trust and Agency (TA); Private Purpose Trust (TE); Debt Service (V); and Long-Term Debt (W)

- Payroll:
 1. Approximately 415 paychecks per pay period
 2. Approximately 400 full-time employees
 3. Up to 75 part-time employees including hourly workers, tutors, summer help and substitutes
 4. Approximately 10,850 checks annually
 5. Payroll is processed every two weeks.
- Purchasing:
 1. Approximately 1,300 purchase orders annually
 2. Cooperative Bids with Capital Region BOCES, Educational Data Services, as well as state contract purchases
 3. A monthly average of approximately 350 accounts payable vouchers and checks

3. Scope of the Audit

The special-purpose audit should be conducted in accordance with the following guidance, as applicable: the Statement on Auditing Standards (SAS) 54, Illegal Acts by Clients; SAS99, Consideration of Fraud in a Financial Statement Audit; Management Anti-fraud Programs and Controls (an attachment to SAS 99). This audit will evaluate the adequacy of the internal financial controls with emphasis on areas vulnerable to fraud and abuse; the adequacy of the School System's current financial policies and procedures; and the adequacy of the District financial and auditing organizational structure. The Auditor will make use of and build upon the internal control evaluation work done by the District's independent CPA firm during that firm's annual financial statement audit. The Auditor will be expected to:

- Develop a risk assessment of the district's financial operations
- Review and update the risk assessment annually
- Test and evaluate one or more areas of the district's internal controls, taking into account risk, control weaknesses, size, and complexity of operations
- Prepare reports which analyze significant risk assessment findings
- Meet with the District Audit Committee annually to review findings and recommendations
- Assist District officials in the design and implementation of recommended procedures to strengthen internal controls and reduce identified risks

Areas that may be addressed include but are not necessarily limited to:

- Payroll
- Employee Benefits
- Leave Accruals
- Purchasing
- Claims Processing
- Cash Management
- Budgeting Practices

The Auditor will work with the Business Manager to develop a time schedule for completion of the audit work. It is expected that a fully completed report would be available by the end of March 2016.

All working papers and reports must be retained, at the Auditor's expense, for a minimum of three (3) years, unless the firm is notified in writing by the District of the need to extend the retention period. The Auditor will be required to make working papers available, upon request, to the district or its designees. In addition, the Auditor shall respond to the inquiries of any successor internal auditor to review working papers relating to the internal control system and any findings or reports issued.

In the event the Auditor believes that fraud and/or theft has been or may have been committed by any District employee, including but not limited to the Superintendent of Schools and the administrative staff, then he or she is to immediately notify the President of the Board of Education, who in turn will notify the whole Board. The whole Board will then review the information and take appropriate action.

4. Proposal Requirements

- A. Each proposal shall include a statement of your understanding of the work to be done.
- B. Each proposal shall include a statement explaining why the firm/individual believes itself to be the best qualified to perform the work.
- C. Each proposal shall include a comprehensive description of your approach to fulfilling the requirements of the RFP. For example, describe forensic auditing techniques, data analysis techniques, the type and extent of sampling to be employed, etc.
- D. Each proposal shall clearly state the fees to be charged to the District per year for the fiscal years ending June 30, 2016; June 30, 2017; June 30, 2018; June 30, 2019 and June 30, 2020. The District is interested in a flat fee. If a response is submitted with an hourly rate, please include the number of hours estimated to be used. Rates shall be inclusive of travel and other incidental costs.
- E. Each proposal shall include the names and resumes of personnel to be assigned to this audit, including the partner(s) in charge. It is fully expected that the personnel indicated will be those assigned to the project. Please provide an affirmation statement that those assigned have met all the continuing professional education (CPE) requirements necessary to satisfy the United States General Accounting Office (GAO) standards.
- F. Each proposal shall include a listing of relevant experience in the performance of services for school districts or municipalities in New York State and the years of such experience. Please list school district references and include a contact name and the contact's phone number.
- G. Responses to this request for proposal should include an affirmation that there are no conflicts of interest between the firm/individual and the Cobleskill-Richmondville Central School District.

5. Proposal Submission

- All inquiries or submittals concerning this RFP should be directed to:
Tracy Fraleigh, School Business Manager
Cobleskill-Richmondville Central School District
155 Washington Avenue
Cobleskill, NY 12043
- All proposals must be received by the School Business Manager at the address above no later than 2:00 p.m. on Tuesday, July 28, 2015.
- The envelope must be clearly labeled "Internal Audit Proposal".
- Please provide an original and five (5) paper copies of each proposal. All materials submitted shall become the property of the District.
- There is no expressed or implied obligation for the District to reimburse responding individuals or firms for any expenses incurred in preparing proposals or attending interview(s) in responding to this request.

6. Evaluation and Selection Process

- Opening of Proposals - At the designated date and time, the Business Manager shall open and list the proposals for the record. This is not a public opening. Responses received after 2:00 pm on Tuesday, July 28, 2015, shall be returned unopened.
- Evaluation - Proposals will be reviewed by the Audit Committee to determine which proposals address all the requirements of the RFP, and to technically review the proposals. During the selection process, the District reserves the right, where it may serve the District's best interest, to request additional information or clarification from firms submitting proposals, or to allow corrections of errors or omissions. At the discretion of the District, firms/individuals submitting proposals may be requested to make oral presentations as part of the evaluation process. It is anticipated the selection of an Auditor will be completed by August 31, 2015.

7. Right to Reject Requests for Proposal

The District reserves the right to reject without prejudice any and all quotations received under this Request for Proposal.

8. Termination of Contract

Any contract agreed to under this Request for Proposal is subject to termination by either party with thirty (30) days written notice. In the event of termination of the contract, the District's responsibility shall be to pay for unpaid services performed and authorized costs incurred by the Auditor. The District will have the right to review the contract annually.