

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

REQUEST FOR PROPOSALS (RFP)

INDEPENDENT EXTERNAL AUDIT SERVICES

1. Statement of Purpose

The Cobleskill-Richmondville Central School District, hereinafter referred to as “District” invites Proposals to provide external audit services from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending June 30, 2019 and the four succeeding years (2020, 2021, 2022, 2023) if mutually acceptable each year to the Board and auditing firm.

The District is required, under Education Law Section 2116-a, the Regulations of the Commissioner of Education Section 170.2(r) and 172.3(d), to secure an annual audit by an independent auditor of all funds including extraclassroom activity funds. The Single Audit Act of 1984 also requires an audit of federal monies received. The school district must adopt a resolution accepting the audit report and shall file a copy of the resolution and the report with the Commissioner of Education by October 15. This request for proposal encompasses all of the aforementioned.

To be considered, an original and six (6) copies of a proposal must be received by the Business Manager at 155 Washington Avenue, Cobleskill, New York 12043 by 3:00 p.m. on Monday, February 11, 2019.

The Board of Education reserves the right to accept or reject any or all proposals or any part of the proposal. The Board of Education reserves the right to award the auditing services proposal in whole or in part. After a review process, the Board of Education will appoint an independent auditor.

2. Anticipated Time Line:

Release of RFP Specifications	January 11, 2019
Proposals Due	February 11, 2019
Committee Review & Selection	February 12-28, 2019
Notification of Selection	March 1, 2019
BOE Appointment	March 11, 2019

3. District Profile

- A. Enrollment: Approximately 1,700 students, grades Pre-K-12, in 4 buildings
- B. Board of Education: 7 members elected at large for 3-year terms
- C. BOCES: Component of the Capital Region Board of Cooperative Educational Services
- D. Number of Employees: 415 employees; 3 bargaining units
- E. Budget and Federal Awards: The 2018-2019 approved general fund budget is \$41,611,718. For the same timeframe, it has federal grants of approximately \$1.4 million.
- F. 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 \$1.8 million in tuitions for 65 students from other school districts.
- G. Business Office: The Business Office staff consists of the School Business Manager, District Treasurer, Accounts Payable Clerk, Payroll Coordinator, and Personnel/Benefits Coordinator. Another District employee performs claims auditing services on a part-time basis.
- H. Financial Software: Finance Manager nVision, supported by NERIC
- I. Fiscal Year: July 1 – June 30
- J. 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)
- K. Payroll:
 - 1. Approximately 465 paychecks per pay period; approximately 11,000 paychecks annually
 - 2. Approximately 400 full-time employees and 15 part-time employees
 - 3. Up to 75 substitutes, tutors, summer school staff, and other temporary employees
 - 4. Payroll is processed bi-weekly
- L. Purchasing:
 - 1. Approximately 1,700 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 370 accounts payable vouchers and checks
- M. Key Personnel:

Superintendent of Schools	Carl Mummenthey
Director of Student Services	Melissa Ausfeld
Director of I.T.	David Sander
School Business Manager	Tracy Fraleigh
District Treasurer	Kathryn Hensel
Internal Claims Auditor	Celeste O'Niell
District Clerk	Ruth Van Deusen
- N. Internal Audit: The District contracts with Marvin & Company, P.C. to perform the internal audit function.

- O. Prior Year Audit: Prior audit reports and financial statements are available for inspection in the District offices. An electronic copy may be requested by emailing the Business Manager at fraleight@crcsd.org.

4. Overview of Services Required

- A. The annual audit of all funds of the District will be performed in accordance with the following:
 - 1. Generally accepted auditing standards
 - 2. Government auditing standards
 - 3. Applicable standards promulgated by the New York State Comptroller
 - 4. Applicable Regulations of the Commissioner of Education
 - 5. Applicable regulations of the federal government as defined in OMB Circular A-133
 - 6. Applicable regulations pertaining to GAAP and GASB
 - 7. Board of Education Policy and Procedures

- B. For the CPA firm that is awarded this contract, terms and conditions shall be outlined in the CPA's engagement letter. Engagement letter shall include at a minimum:
 - 1. Audit scope, deliverables and standards for performance,
 - 2. Sanctions for non-performance,
 - 3. Payment method,
 - 4. Conditions under which contract terms may be modified or terminated,
 - 5. Supervision of the audit,
 - 6. Length of the contract with language to reflect the requirement of the competitive RFP every five years.

- C. Fieldwork shall be performed at mutually agreed upon times. Preliminary fieldwork is typically performed for approximately 2-3 days in May. Final fieldwork shall begin after July 15 and no later than August 15 and conclude no later than August 31 annually. It is estimated that the actual time in the district will be between 3 and 5 days during July and August. The District requests that the staff assigned to perform preliminary audit work prior to June 30 will be the same staff to complete the fieldwork in July and August.

- D. The selected firm will notify the District in advance of needed assistance or documentation from business office staff or internal auditor. The firm will also notify the District in advance regarding special concerns for work area and equipment.

- E. Following completion of the audit of the fiscal year's financial records, the auditor shall issue:
1. Independent Auditor's Report on Basic Financial Statements with Accompanying Required Supplementary Information and Supplementary Information.
 2. Management Discussion and Analysis
 3. Statement of Net Position
 4. Statement of Activities
 5. Balance Sheet – Governmental Funds
 6. A Reconciliation of Governmental Fund Balances to Government-Wide Net Position
 7. Statement of Revenues, Expenditures, Expenditures and Changes in Fund Balances – Governmental Funds
 8. Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities
 9. Statement of Fiduciary Net Assets – Fiduciary Funds and Statement of Changes in Fiduciary Net Assets – Fiduciary Funds
 10. Notes to the Financial Statements
 11. Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – General Fund
 12. Schedule of Proportionate Share of Net Pension Liability (Asset)
 13. Schedule of Pension Contributions
 14. Schedule of Changes in Total OPEB Liability and Related Ratios
 15. Schedule of Change from Adopted Budget to Revised Budget – General Fund
 16. Schedule of use of Unreserved Fund Balance - General Fund
 17. Schedule of Project Expenditures – Capital Project fund (if applicable)
 18. Schedule of Investment in Capital Assets, Net of Related Debt
 19. Independent Auditor's Report on the Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards
 20. Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by Uniform Guidance
 21. Schedule of Expenditures of Federal Awards
 22. Notes to Schedule of Federal Awards
 23. Schedule of Findings and Questioned Costs (if applicable)
 24. Corrective Active Plan for A-133 audit findings for federal awards (if applicable)
 25. A management letter that will include a summation statement of audit findings, a description of any significant weaknesses in internal control, and recommendations for financial management improvement. Non-reportable conditions discovered by the auditors shall be verbally reported to management.

- F. The selected firm will type and make copies of all reports on its premises, providing one (1) electronic copy and delivering twelve (12) bound copies of all reports to the School Business Manager. The annual audit report's letter to management shall be attached to or included with the financial statements. The firm shall advise the Business Manager as to the proper promulgation of their reports in writing. The reports shall be presented to the Board of Education at a regularly scheduled public meeting prior to the October deadline.
- G. The selected firm shall perform all necessary follow-up work and provide for advice and counsel to staff throughout the term of the contract.
- H. The selected firm shall be required to meet with the District's Audit Committee at least once during each fiscal year. Auditors shall assure themselves that the District's governing board is informed of each of the following:
 - 1. The auditor's responsibility under generally accepted auditing standards
 - 2. Significant accounting policies
 - 3. Management judgments and accounting estimates
 - 4. Significant audit adjustments
 - 5. Other information in documents containing audited financial statements
 - 6. Disagreements with management
 - 7. Management consultation with other accountants
 - 8. Major issues discussed with management prior to retention
 - 9. Difficulties encountered in performing the audit
- I. Although work papers will remain the property of the CPA firm, the District will have access to these materials along with any authorized governmental agency. All work papers associated with this engagement shall be retained for a minimum of three (3) years from the date of the audit report. In addition, the firm shall respond to reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.
- J. Barring the instance of any irregularities and illegal acts by the District's management, the Auditor shall review any and all findings, corrective action plans and relative timelines with the District's management. Only in the instance where the Auditor believes the District's management is involved in the irregularities and/or illegal acts, the Auditor shall make their report directly and immediately to the District's Audit Committee and Board of Education.
- K. 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. Or, upon mutual agreement this contract may be extended in one year increments. The total length of the contract shall not exceed five years.

5. Proposal Requirements

A. Transmittal Letter

Include a signed letter of transmittal briefly stating the firm's understanding of the work to be done, the commitment to perform the work within the time period, a statement that the proposal is a firm and irrevocable offer, and certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with the District.

B. Firm Qualifications and Experience

1. Provide affirmative statement that the firm is independent of the District as defined by Generally Accepted Auditing Standards and US GAO Governmental Auditing Standards.
2. State the firm size, size of the governmental auditing staff and location of the office from which the work on this engagement is to be performed.
3. Submit a copy of the firm's most recent external quality control peer review report and letter of comments and state whether it included a review of specific government engagements.
4. Provide a description of any regulatory action taken within the last 5 years by an oversight body, such as the State Education Department or Internal Revenue Service, against the firm or staff members.
5. Provide a listing of references for school districts for whom services were rendered within the past five years. Include contact name and phone number.

C. Firm Staff

1. Provide names and brief resumes (including governmental and school district auditing experience) of the engagement partner, supervisors/managers and other specialists who will be assigned to the engagement. Indicate whether each of the individuals who will be conducting the audit is registered and licensed to practice as a certified public accountant in New York State.
2. The Board of Education reserves the right to reject staff who they feel do not have appropriate experience or qualifications to conduct the audit.

D. Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in this RFP. In developing the work plan, reference should be made to such sources of information as the District's budget and related materials, organizational chart, programs, and financial and other management information systems. Describe the approach to be taken to gain and document an understanding of the District's internal control structure as well as the approach to be taken in drawing audit samples for purposes of tests of compliance.

E. Fees

1. Each proposal will clearly state the fees to be charged to the District for the annual audit of all funds of the District for each of the years ended June 30, 2019 through June 30, 2023.
2. This fee should be a flat annual rate and include all necessary expenses to perform the services described in this RFP, encompassing the audit of the general purpose financial statements, the audit of the extraclassroom activity fund, and the single audit.
3. Each proposal will also state the basis on which special audit fees may be billed.

6. Proposal Submission

- A. Each firm shall submit one original proposal and six (6) copies to the following address:

Cobleskill-Richmondville Central School District
Attn: Tracy Fraleigh, School Business Manager
155 Washington Avenue
Cobleskill, NY 12043

- B. Include a completed and executed copy of APPENDIX A: PROPOSER GUARANTEES / WARRANTIES.
- C. The envelope must be clearly labeled “**External Audit Proposal**”.
- D. All proposals must be received by the School Business Manager at the address above **no later than 3:00 p.m. on Monday, February 11, 2019**. Any proposals received after this deadline will be returned unopened to the firm.
- E. All proposals and accompanying documentation shall become the property of the District. The District shall not divulge any information presented in the RFP to anyone outside the District without the written approval of the firm.
- F. The District reserves the right to amend the RFP. If it becomes necessary to revise any part of the RFP, an addendum will be provided to all prospective applicants who received the RFP. It is the responsibility of the applicants to ensure that they have responded to all addendums before submission of the RFP.
- G. There is no expressed or implied obligation for the District to reimburse responding firms for any expenses incurred in preparing proposals or attending interview(s) in responding to this request.

7. Evaluation and Selection Process

- A. The Board of Education, in consultation with the Audit Committee, is responsible for establishing the criteria of the evaluation. Some elements included in this evaluation (not necessarily in order):
 - 1. Qualifications – experience of firm, size and experience of staff, educational back-ground, specialized skills
 - 2. Reference checks
 - 3. The clarity of the firm’s proposal
 - 4. Audit approach
 - 5. The fees to be charged
 - 6. The firm’s past performance on meeting deadlines
 - 7. Result of peer review

- B. The District’s Audit Committee will review proposals. This Committee is comprised of District management, community members and board members.

- C. During the evaluation process, the District reserves the right, where it may serve the District’s best interest, to request additional information or clarifications from proposals, or to allow corrections of errors or omissions. At the discretion of the District, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

- D. Formal acceptance of a proposal is intended no later than the March 11, 2019 Board of Education meeting.

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

8. Questions Concerning the RFP:

All contacts with District personnel concerning the contents of this RFP must be through Tracy Fraleigh, School Business Manager, at 518-234-4032, or fraleigh@crcsd.org. To the extent possible all questions should be submitted in writing, citing a particular RFP section, prior to any formal conference. Answers to all questions of a substantive nature will be addressed in writing.

We thank you in advance for your interest in serving our district and look forward to receiving your proposal.

The Cobleskill-Richmondville Central School District

APPENDIX A

PROPOSER GUARANTEES / WARRANTIES

1. The Proposer certifies it can and will provide and make available, as a minimum, all services set forth in the Overview of Services Required.
2. The Proposer has read all contractual requirements as described in the Request for Proposal and agrees that the rights and prerogatives as detailed are retained by Cobleskill-Richmondville Central School District.
2. The Proposer agrees to be bound by the contractual requirements as delineated in the Request for Proposal.
3. The Proposer warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof.
4. The Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the Cobleskill-Richmondville Central School District.
5. The Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Submitted by:

Signature of Official: _____

Name (typed or printed): _____

Title: _____

Firm: _____

Date: _____