

ICHABOD CRANE

CENTRAL SCHOOL DISTRICT

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REQUEST FOR PROPOSAL

INDEPENDENT AUDITING SERVICES

ICHABOD CRANE CENTRAL SCHOOL DISTRICT

2910 Route 9
Po Box 820
Valatie, New York 12184

REQUEST FOR PROPOSAL
INDEPENDENT AUDITING SERVICES

Overview

The Board of Education of the Ichabod Crane Central School District is accepting sealed dollar cost proposals from CPA firms to provide audit services for a minimum term of one-year up to a maximum term of five-years. Firms must submit a sealed dollar cost proposal to us by **Monday, January 30, 2017 at 3:00 PM.**

The District's fiscal year begins July 1 and ends June 30. Commissioner's Regulations require the independent auditor's report to be filed by October 15th with the State Education Department and Office of the State Comptroller

In accordance with the above, the District will require that the selected firm's assigned staff perform preliminary audit work (e.g. testing of transactions) for approximately 2-3 days prior to the close of the fiscal year. Final fieldwork shall begin not later than August 15 and conclude not later than August 31 annually. It is estimated that the actual time in the district will be between 5 and 10 days during July and August. The District suggests 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.

The selected firm will type and make copies of all reports on its premises and deliver sufficient copies of all reports to the School Business Administrator. The annual report's audit letter to management shall be attached to or included in the same binder with the financial statements. The report shall be presented to the Board of Education at a regular scheduled public meeting during the month of October.

Brief Description of the District

- 1) *Enrollment* – 1787 students K-12 (As of December 31, 2016)
- 2) *Board of Education* – 9 members elected at large for 3 year terms

BOCES – component of the Rensselaer-Columbia-Greene (Questar III) Board of Cooperative Educational Services

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- 3) *Key Personnel* – Following are key contacts for information you may seek in preparing your proposal

Superintendent- George Zini
School Business Administrator- Michael Brennan
District Treasurer- Mena Mazure
- 4) *Number of Employees*
Total – Approximately 350
Full-Time Equivalent Instructional Staff – 210 FTE
- 5) *Other Operations*
The District provides its own student transportation services and operates its own food service program.
- 6) *Budget and Federal Awards*
The 2016-2017 approved general fund budget was \$38,133,987. For federal awards, the district was considered a low-risk auditee for the year ended June 30, 2016. It had federal expenditures of \$960,726 and the special education cluster amounted to \$417,717.
- 7) *Pension plans*
SED certified staff has mandatory or optional membership in the New York State Teachers Retirement System (TRS). All other staff has mandatory or optional membership in the New York State & Local Retirement Systems (ERS).
- 8) *Description of financial software programs*
The District uses the nVisions software program for all financial accounting, which is managed locally by NERIC in Albany, NY.
- 9) Prior audit reports are available for inspection online or in the District offices.

Scope

- 1) Financial statements will be audited for the year ended June 30, 2017 and the four succeeding years (2018, 2019, 2020, 2021) if mutually acceptable each year to the Board and auditing firm.
- 2) The annual audit of all funds of the District will be performed in accordance with:
 - A) Government Audit Standards
 - B) Standards promulgated by the New York State Comptroller
 - C) Regulations of the Commissioner of Education
 - D) Regulations of the Federal Government regarding federal funds
 - E) Specific guidelines from the Board of Education or Superintendent of Schools

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- 3) The content of mandatory work products will include:
 - A) Annual financial report, including management discussion and analysis
 - B) Audit of extra-classroom activity funds
 - C) Single audit report (where required)
 - D) Management letter, including district's actions to address items in previous management letter
- 4) The content of additional work products, such as special internal controls review or computer software review or management services, will be performed in accordance with specific guidelines from the Board of Education or Superintendent of Schools.
- 5) The auditing firm will provide District access to work materials, and working papers upon request. The auditing firm staff will uphold the highest confidentiality of documents involving students.
- 6) A representative of the auditing firm will participate in both an entrance and exit conference with the Audit/Finance Committee.
- 7) The auditing firm will notify the District of needed assistance from finance department staff, clerical staff, or claims auditor. The auditing firm will also notify the District in advance regarding special concerns for work area and equipment provisioning.
- 8) The auditor's contract may be extended annually up to a total of five years. Audit services must be subject to a request for proposal (RFP) process at least every five years. Prior experience with the school district may be a factor taken into account when selecting an auditing firm.
- 9) The District will communicate in writing to all responders if any changes occur in the RFP. Proposals cannot be changed after submission unless subsequent modifications to a RFP by the District make a proposal unresponsive.

RFP Requirements

- 1) Firm Qualifications and Experience
 - A) Provide affirmative statement that the firm is independent of the District as defined by Generally Accepted Auditing Standards and US GAO Governmental Auditing Standards.
 - B) 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.
 - C) 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. Information on the circumstances and status of disciplinary action taken or pending against the firm or its staff members during the past three years with state regulatory bodies or professional organizations must also be furnished.

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- D) Provide a listing of references for school districts for which services were rendered within the past five years. Include contact name and phone number.
- 2) Firm Staff
 - A) Provide brief resumes (including governmental 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.
 - B) Provide a listing of any memberships the aforementioned individuals hold in professional associations or committee/subcommittees on which they may serve.
 - C) The Board of Education reserves the right to reject staff who they feel do not have appropriate experience or qualifications to conduct the audit.
 - 3) Annual Audit Time Requirements
 - A) Preliminary fieldwork should be done in mid May or June and final fieldwork should be beginning no later than August 15 each year.
 - B) The District prefers that the staff assigned to perform preliminary audit work prior to June 30 will be the same staff to complete the fieldwork in August.
 - C) The audit should be completed in time for the District to meet the SED filing date of October 15 and for presentations to the Board of Education and District Audit Committee.
 - 4) Auditor's Reports
 - A) Typing and Copies: The audit firm will prepare, type and make copies of all reports on its premises and deliver sufficient copies to the School Business Administrator. The annual report's letter to management shall be attached to or included in the same binder with the financial statements.
 - B) The audit firm shall advise the School Business Administrator as to the proper submission of their reports in writing.
 - C) The report shall be presented to the Board of Education at a regularly scheduled public meeting during the month of October and presented to the District's Audit Committee.

Requirements for Proposals and Description Process

- 1) Michael Brennan, School Business Administrator must receive all sealed bid proposals no later than **Monday, January 30, 2017, at 3:00 PM**. All proposals received after this deadline will be returned to the firm. **Proposal should be sealed and plainly marked: "Sealed Dollar Cost Proposal for Professional Auditing Services"**.

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- 2) Each firm shall submit 5 paper copies, one original proposal to the following address:

Michael Brennan
Business Manager
Ichabod Crane Central School District
2910 Rt. 9
Valatie, New York 12184

- 3) All proposals and accompanying documentation become the property of the Ichabod Crane Central School District. The District shall not divulge any information presented in the RFP to anyone outside the District without the written approval of the firm.
- 4) 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.
- 5) **The Board of Education reserves the right to accept or reject any or all proposals or any part of the proposal.** After a review process, the Board of Education will appoint an independent auditor.
- 6) All inquiries concerning this RFP should be directed to Michael Brennan, Business Manager, at 518-758-7575, X3009.

Fees

Each proposal will clearly state the fees to be charged to the District for the annual audit of all funds of the District for the years ended June 30:

2017 \$ _____
2018 \$ _____
2019 \$ _____
2020 \$ _____
2021 \$ _____

This fee should be a flat annual rate and include necessary expenses. The fee should also cover follow-up work and provide for advice and counsel to staff throughout the term of this contract.

Each proposal will also state the basis on which special audit or management or services fees will be billed. If special internal controls review is requested please state the hourly rate structure for the firm's auditors.

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Criteria for Evaluation of Proposals

The Board of Education, in consultation with the Audit/Finance Committee, is responsible for establishing the criteria of the evaluation. Some elements included in this evaluation (not necessarily in order):

- 1) Municipal and school district audit qualifications and experience of the firm and the staff assigned
- 2) Reference checks
- 3) The clarity of the firm's proposal
- 4) The fees to be charged
- 5) Result of peer review

The District's Audit/Finance Committee and business manager will review proposals. The Audit/Finance Committee is comprised of board members and possibly a community member.

Respondents to the request for proposal may be requested to spend approximately 30 minutes on February 7, 2017 with the Audit/Finance Committee to present their proposal and answer questions. Acceptance of a proposal is intended at the March 7, 2017 Board of Education meeting.

We thank you for your interest and look forward to receiving your proposal and possibly working with you during the period of engagement.

Sincerely,



Michael J. Brennan
Business Manager