

TIOGA CENTRAL SCHOOL DISTRICT REQUEST FOR PROPOSAL PROFESSIONAL AUDIT SERVICES

OVERVIEW

This request for proposal is for the purpose of selecting a qualified and experienced audit firm for the Tioga Central School District, thereafter called “the District”. This RFP covers annual audits for the fiscal years ending June 30, 2018, 2019 and 2020, with the option of extending the contract for two additional years.

The District fiscal year begins July 1st and ends June 30th. Commissioner’s regulations require that an annual independent audit be performed each year and that the Annual Independent Auditor’s report be filed by October 15th of each year.

In accordance with the above, the District may require that the selected firm’s assigned staff perform preliminary audit work (e.g. testing of transactions) prior to the close of the fiscal year. Final fieldwork shall begin at a mutually agreed upon date between the District and Auditor, ideally beginning no later than August 1 annually. The fieldwork will be conducted during the normal district working hours.

Proposals must be received no later than Wednesday, December 13, 2017 at 2:00 PM. Each firm shall submit one original proposal and one copy in an opaque sealed envelope and clearly marked with the firm’s full name and address.

Background Description of the District

Approximately 990 students attend the PreK-12 building located in Tioga Center, New York. The Administration Office is located on the same campus.

The accounting and financial reporting functions are done by the District’s own business office. The District has three bargaining units that cover instructional personnel, administrators and support staff. The contract for Superintendent of Schools and 4 confidential employees are negotiated separately. Total annual payroll for approximately 160 employees is about \$6.2 million.

A. Budget/Expenditures/Fund Structure

The 2017-18 General Fund Budget adopted in May 2017 was \$18,510,864. In 2016-2017, nine grants or projects totaling approximately \$650,706 were operated out of the Special Aid Fund. Additionally, a Cafeteria Fund totaling approximately \$614,678 and Extra-Classroom Activity programs with an average monthly balance of \$77,000 were operating in 2016-17. The district also has an active Capital Projects Fund and a Trust & Agency Fund.

The District prepares its budget on a basis consistent with a modified accrual basis of accounting. Appropriations lapse at fiscal year end and encumbrances are shown as a reservation of fund balance and are honored through subsequent year's expenditures.

B. Management / Key Personnel

The auditor's principal contact with the District will be with Kendra Seaver, Business Office / Treasurer. A list of other key personnel is as follows:

| | |
|--|-----------------------|
| Superintendent (12/31/17 anticipated retirement) | Mr. Scot Taylor |
| Federal Programs Coordinator | Mrs. Kathleen Keene |
| CSE | Mrs. LuEllen Hoyt |
| School Lunch Manager (BOCES) | Mrs. Kristy Robertson |
| Extraclassroom Central Treasurer | Mrs. Renee Wainwright |

C. Computer Support Systems

The District uses nVision software system for payroll, accounts payable, accounts receivable, general ledger and purchasing, as well as numerous databases and spreadsheets that are maintained on PC's.

D. Board of Education

The District Board of Education is made up of seven members elected for five-year terms by the district residents.

AUDITING REQUIREMENTS

The annual audit shall include the following funds:

- General
- Trust & Agency
- School Lunch
- Special Aid
- Capital
- Extra-Classroom Activity

Long-term debt
Fixed Asset Group
Debt Service

The annual audit of all funds of the District shall be performed in accordance with:

Government Audit Standards
Standards promulgated by the State Comptroller
Regulations of the Commissioner of Education
Regulations of the Federal Government regarding federal funds (Yellow Book)

Additionally, the District requires the successful firm to be available for consultation and if requested, attendance at meetings with district and/or the Board of Education.

Mandatory Work Products

Independent Auditor's Report, Financial Statements including required supplementary information and Management Discussion & Analysis
Audit of the extra-classroom activity funds
Reports required under Government Audit Standards and Single Audit Act
Management letter for District and extraclassroom audits, including the district's actions to address prior year findings, if any

Copies of any reports and/or workpapers produced by the firm will be shared with the district's management and business office, as requested.

The Auditor's primary contact with the District will be with the District Treasurer, or a designated representative, who will coordinate the assistance to be provided by the District to the auditor.

Location

All test work and fieldwork will be performed at the District's Administration Office located at 3 Fifth Avenue, Tioga Center, NY 13845.

Time Requirements

- Proposal Calendar
The following is a list of key dates up to and including the date proposals are due to be submitted:

| | |
|---------------------------------------|---------------------|
| Request for proposals issued | By November 8, 2017 |
| Due date for notification of interest | November 21, 2017 |
| Due date for proposals | December 13, 2017 |
| Anticipated Board Appointment | December 20, 2017 |

- The fiscal year ends June 30 and Commissioner's Regulations require the Independent Auditor's report to be filed with the State Education Department by October 15.
- A pre-audit meeting may be required in Mid-May for the firm's audit staff to work with the District to plan the specific time line and activities for the annual audit.
- The District may require that the selected firm's assigned staff perform preliminary audit work (e.g., test of transactions), prior to the close of the fiscal year. Historically, field work begins by the third week of July, and shall begin before August 1st unless otherwise mutually agreed.
- Before the presentation of the final report to the Board of Education and filing with the Commissioner of Education, there will be an exit conference with the Superintendent or designee, as well as the District Treasurer.
- The firm will type and make copies of all reports on its premises and deliver 20 copies of all reports to the Clerk of the District. The annual audit report's 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 regularly scheduled public meeting before September 15th, unless otherwise mutually agreed.

The contract Terms and Conditions shall include but not be limited to following:

- There shall be a written contract with an engagement letter outlining audit scope, deliverables, and standard of performance
- Sanctions for non-performance (reduction in fees, flat penalties, cost recovery)
- An engagement letter which shall require auditor to notify SED if district terminates audit prematurely, require district to notify SED if auditor resigns from audit prematurely, and require auditor to notify SED and OSC of suspected fraud
- Manner of payment
- Circumstances when contract terms or procedures may be modified
- Conditions for termination (district shall have right to terminate at any time upon reasonable notice)
- Overall supervision of the contract
- Options for annual contract renewals/extensions up to no more than 5 years
- Indication that services must be subject to a competitive RFP process at least every 5 years, and that prior experience with the school district may be a factor taken into account during scoring (i.e. scoring preference may be given to firm or partner rotation).

Any modification to terms and conditions shall be in writing.

Bidder Instructions

Submission of Notification of Interest

Firms interested in submitting a proposal must submit, by November 21, 2017, their “Intent to Submit Proposal Form” found as an attachment to this document. Failure to do so will disqualify firms from submitting a proposal.

Any questions regarding this RFP are to be made in writing and sent to:

ATTN: Kendra Seaver, District Treasurer

By fax: 607-687-8007

By email: kseaver@tiogacentral.org

By mail: Tioga Central School, PO Box 241, Tioga Center, NY 13845

Any modifications to the RFP will be communicated in writing to all bidders who have returned an Intent to Submit Proposal Form. Proposals cannot be changed after submission unless subsequent modifications to the RFP by the district make a proposal unresponsive.

REQUIREMENTS OF THE SUCCESSFUL AUDITING FIRM

Firms submitting proposals should be of a sufficient size to ensure stability and responsiveness during the engagement. Firms submitting proposals shall provide information about their size as well as their local government and school district experience. A listing of local government and school district references is requested.

Qualifications and experience of the firm – Please provide information on the following:

- Size of the firm
- Level and type of auditing experience
- Experience with governmental auditing, including list of prior engagements
- Experience with school district auditing, including list of prior engagements
- Client references
- Peer review

Qualifications and experience of the firm’s staff – The district is interested in the level and type of government auditing experience of those persons to be assigned as auditor(s) and/or manager. Brief resumes and listing of governmental or school district contacts to attest to their experience should be included. Please provide information of the following:

- Licensing
- Proposed staffing (level, hours)
- Experience of partner or manager in charge
- Experience of audit staff

- Resumes and references (from government or school district sources)
- Affirmation that all staff have met CPE requirements for government auditing

The Board of Education or the District reserves the right to reject staff who they feel do not have appropriate experience or qualifications to conduct the audit.

Proposed work plan – Please provide information on the following:

- Interim work and entrance conference
- Details of audit plan, including levels of testing, field work, etc.
- Draft report and exit conference
- Final report (must be presented to the district board of education)

Proposed fee structure – 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 as noted in the OVERVIEW section of this RFP. 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 the staff throughout the term of this contract. Each proposal should also state the basis on which special audit or management or service fees will be billed. In addition please provide information on the following:

- Hourly rate per audit staff
- Rates for any optional (desirable) work products

Conflicts of Interest - Please provide affirmation that no conflicts of interest exist between the firm and the district, its board or its management.

MAILING INSTRUCTIONS

All proposals must be received no later than **December 13, 2017** at 2:00 pm. Any proposals received after this deadline will be returned unopened to the firm. Each firm shall submit one original proposal plus 1 copy to the following address:

Tioga Central School
 Auditing Proposal
 Kendra Seaver, Treasurer
 PO Box 241
 Tioga Center, NY 13845

in an opaque, sealed envelope, and clearly marked with the firm's full name and address.

All proposals and accompanying documentation become the property of the Tioga 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, except under the provisions of the Freedom of Information Law.

EVALUATION OF PROPOSALS

Award of the audit engagement will be based on consideration of the following:

- Clarity of the firm's proposal
- Qualifications – experience of firm, size and experience of staff, educational backgrounds, specialized skills
- Number of people, by level, that would be assigned to the audit, and their government auditing experience
- Number of New York State school districts that the firm has audited, including total years of service
- Results of Peer Review
- Audit approach – type of audit program, use of district's staff, time frame
- Cost and fee structure
- Reference checks
- The firm's past performance on meeting deadlines

The Board of Education reserves the right without prejudice to accept or reject any or all proposals or any parts of proposals.

RESULTS AND CONTRACT AWARD PROCESS

- Award notification will be made after the appointment scheduled on December 20, 2017
- Letters to be sent out to all respondents
- Award would be subject to successful contract negotiations

Standard Terms & Conditions

All responses to this RFP become the property of the Tioga Central School District.

Prospective bidders are solely responsible for their own expenses in preparing a proposal and subsequent negotiation with the Tioga Central School District, if any.

The Tioga Central School District reserves the right to award a contract in part or in full, or not at all, on the basis of responses received.

This RFP should not be construed as a contract to purchase services. The school district is not bound to accept the lowest price or any proposal of those submitted.

The Tioga Central School District reserves the right to terminate this project or to reduce the scope of the project depending upon the allocation and availability of funds.

While the school district has used considerable efforts to ensure an accurate representation of information in this RFP, all prospective bidders are urged to conduct their own investigation into the material facts. The school district shall not be held liable or accountable for errors or omissions in any part of this RFP.

All the terms and conditions of this RFP are deemed to be acceptable by the bidders and incorporated in its proposal except those conditions and provisions which are expressly excluded

by the proposal.

This RFP and any transaction entered into between the bidder and the school district shall be governed by and in accordance with the laws of the State of New York and the United States of America.

Prices are to be in U.S. dollars. The school district is exempt from all sales and use taxes. Prices quoted in the proposals shall be firm for at least 90 days.

All recipients of this RFP who have returned the Intent to Submit Proposal Form will be notified regarding any changes made to this document.

Upon award of this proposal, the successful contractor will submit proof of all liability and employment insurances, as applicable to the services they propose to provide.

The Tioga Central School District may, at its option, notify a vendor in writing that its proposal has been accepted and such acceptance shall at the District's option constitute the making of a formal contract for the services set out in the proposal.

Proposals must be received no later than: December 13, 2017 at 2:00 PM

**Tioga Central School District
Request for Proposal
Professional Auditing Services**

INTENT TO SUBMIT A PROPOSAL FORM

Please complete the following information and fax or mail this from to the address shown below at the earliest possible date to ensure its receipt by District on or before **November 21, 2017**. This form is intended for our use in monitoring the RFP process. By submitting, we are able to contact you with any additional information that may arise. It will also allow us to remove your name from our list for this project in the event you have elected not to submit a proposal.

WE DO INTEND TO SUBMIT A PROPOSAL.

WE DO NOT INTEND TO SUBMIT A PROPOSAL FOR THE FOLLOWING REASONS:

NAME, ADDRESS, AND TELEPHONE NUMBER OF CONTACT:

SIGNATURE: _____ DATE: _____

NAME/TITLE: _____

Please return to: Kendra Seaver
Treasurer
Tioga Central School District
PO Box 241
Tioga Center, NY 13845
Phone: (607) 687-8000 x1008
Fax: (607) 687-8007
E-mail: kseaver@tiogacentral.org