

# REQUEST FOR PROPOSAL FOR EXTERNAL AUDIT SERVICES

## Invitation to Submit Proposal

The school district of SAU #95, Windham, NH, invites independent certified public accounting firms to submit a proposal for the district to provide external audit services for three consecutive fiscal years beginning with year ended June 30, 2020 and ending with fiscal year ended June 30, 2021 with 2 one year extensions. The full Request for Proposal document can be found on the school district's website, [www.sau95.org](http://www.sau95.org).

Any inquiries regarding the school district or this invitation should be directed to:

Mr. William Hickey  
Business Administrator  
SAU #95  
19 Haverhill Road  
Windham, NH 03050  
[bhickey@sau95.org](mailto:bhickey@sau95.org)

## Target Submission Schedule:

Request for Proposal (RFP) Issued	February 12, 2020
Proposals Due	March 4, 2020
Recommendation to the School Board for Contract Award	<b><u>April 2020 Board meeting</u></b>

## Evaluation Process

Administration will evaluate each response considering the following attributes:

- I. Responsiveness of the proposal in clearly stating the understanding of the work to be performed and in demonstrating the intention and ability to perform the work.
- II. The auditor's experience in conducting audits of similar nature, size and complexity, and the auditor's commitment to maintaining technical expertise in the government financial environment.
- III. Technical experience and professional qualifications of the audit team. The number of key and supervisory personnel who will directly participate in the audit will be a consideration. Another consideration will be the auditors' commitment to keeping the same team assigned to this job for each successive year the auditor is awarded the contract.
- IV. Size and structure of the firm's office from which the audit work is to be done.
- V. Cost will be considered as a factor in the award.

## **Instructions for Submission of Request For Proposal (RFP)**

All proposals must be received at the above address no later than:

**1:00 PM, Wednesday March 4, 2020**

Please submit three copies of your response to the address listed above. Late and/or incomplete responses will be disqualified.

The District reserves the right to reject any and all proposals submitted and to request additional information from all proposers. Any contract awarded will be awarded to the auditor, who based upon evaluation of all proposals, is determined to have submitted the best proposal, considering both technical and cost factors. The District will not pay any proposer any cost incurred in making their proposal or presentation or for any information learned in the course of the selection

### **Background Information**

SAU #95 is comprised of the School District of Windham, NH. The central office for SAU #95 is located in Windham, NH. The district is officially governed by a School Board, comprised of 5 members elected by the citizens of the community. Each member of the board and the committee are elected for three-year terms.

The most recent annual audits were performed by Melanson Heath, Manchester, NH. for the fiscal year ended June 30, 2019. A copy of the report will be made available upon request.

The School System utilizes Infinite Visions (Tyler Technology) software for general ledger, budgeting, accounts payable, purchasing, payroll, human resources, grant reporting, and food service. Student activity fund accounting is performed at each school using Infinite Visions.

## **Scope of Audit**

### **A. Services to be performed by Auditors**

1. The audits of the District shall be conducted in accordance with generally accepted auditing standards as established by the American Institute of Certified Public Accountants and generally accepted government auditing standards as established by the United States General Accounting Office, Comptroller General of the United States.

2. The auditor will prepare draft financial statements, including related notes and schedules of expenditures of financial awards, in accordance with generally accepted accounting principles, and in compliance with applicable laws and regulations.

3. The auditor will perform a financial and compliance audit to determine (a) whether the combined financial statements of the District present fairly the financial position and the results of financial operations in accordance with generally accepted accounting principles, and (b) whether the District has complied with laws and regulations that may have a material effect upon the financial District statements.

In addition, the audits shall include audit procedures with respect to the District's major federal programs in accordance with the provisions of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and the auditor shall render the reports required by OMB Circular A-133 and the current professional standards as promulgated.

4. The auditors will examine the District's internal accounting controls and accounting procedures and render written reports of their findings and recommendations to the Business Administrator. The examination shall be made and reports rendered in accordance with generally accepted government auditing standards.

In the required reports on internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Reportable conditions that are also material weaknesses shall be identified as such in the report. Non-reportable conditions discovered by auditors shall be reported in a separate letter to management which shall be referred to in the reports on internal controls.

The auditor shall perform test reviews of local school internal audits and provide appropriate comments in the management letter.

## B. Reporting and Communication

The Business Administrator will be responsible for coordinating the audit process internally. A listing of schedules to be "Prepared by Client" will be used during each audit planning process where deemed feasible and appropriate to help reduce costs. The staff in the Business Office will prepare requested schedules and provide reports to the auditors. The staff will also provide any requested documents deemed necessary to complete the audit.

The auditors may be consulted occasionally throughout the year as an information resource. The auditors may be asked to provide guidance on implementation of Government Accounting Standards Board (GASB) requirements and specifics of federal and state regulations as they may affect local government accounting.

**The School System's financial audit for all fiscal years must be completed no later than August 20th of each year in order to complete the NH Department of Education- 25 Annual Financial Report.** Prior to the audit report being issued, the auditor must schedule an exit conference with the Business Administrator to review a preliminary draft of the Management Letter. The District will be given an opportunity to provide written responses to the comments in the management letter which are to be included in the final draft.

If the auditor becomes aware that the District is subject to audit requirements that may not be encompassed in the terms of the contract, they shall communicate this situation immediately to the Business Administrator, or designee, that in accordance with the established contract certain relevant legal, regulatory, or contractual requirements may not be met.

### **Proposal Content and Format**

If it should become necessary for the District to request the auditor to render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the District and the auditor. Any such additional work agreed to between the District and the auditor shall be performed at the same hourly rates as set forth in the schedule of fees and expenses included in the RFP.

#### **C. Manner of Payment**

Payment will be made upon receipt and acceptance of the final report.

### **Additional Provisions**

The auditors shall be an independent contractor and their officers, agents, and employees shall not be deemed officers, agents, or employees of the District.

The auditors shall not assign or transfer or subcontract this agreement, any interest therein, or claim hereunder without the prior written approval of the District.

The District may terminate any resulting contract, in part or in whole, without penalty, upon 30 days' written notice to the auditor. Any contract cancellation notice shall not relieve the auditor of the obligation to deliver and/or perform on all outstanding orders issued prior to the effective date of the cancellation. In the event of termination by mutual agreement, the auditor shall be compensated for all hours worked at the specified contractual rate.

The District will provide office space, telephones, copier, and fax for use by the audit firm's staff assigned to the field work portion of the audit. The location of this space will be in close proximity to the Business Administrator.

Except as otherwise provided by law or rule, Auditor agrees not to publish or distribute any information concerning work done for Auditee.

## **A. Title Page**

1. Show the RFP subject, the name of your firm, address, contact numbers, name of contact person and date.

## **B. Table of Contents**

1. Include a table of contents identifying the material by section and page number.

## **C. Letter of Transmittal**

1. Briefly state your understanding of the requested services and describe your audit approach applied to reach the objective.
2. List the person(s) who are authorized to make representations for your firm. Include their titles, addresses, email addresses and telephone numbers.

## **D. Profile of the Firm**

1. Provide a brief overview of your firm to include size, type (national, regional, local, etc.), and location of the office from which the work is to be performed. List the number of partners, managers, seniors, and other professional staff employed at that office. Include brief biographies of the partners, managers, and other staff who may be assigned to this engagement. Include relevant experience of each in performing financial and compliance audits of entities similar to the District. Also include recent continuing professional education of each individual assigned to the engagement.
2. List current or former clients with engagements similar to the engagement described in this RFP. Indicate the scope of work, date, engagement partner(s), total hours, and the name and telephone number of the client contact.
3. Include a description of the firm's internal quality control process for government audit engagements. Also state whether the firm participates in an external quality review program. If applicable, include a copy of the latest peer review or quality review report.

## **E. Services to be Provided**

1. Express agreement to meet the requirements of the engagement as stated in the "Scope of Audit" section of this RFP.
2. Provide a description of the work plan, to include a description of the audit methodology to be followed. In describing the work plan, provide the following information:
  - a) Sampling techniques and the extent to which statistical sampling may be used in the engagement;
  - b) Extent of the use of EDP software in the engagement;
  - c) Type and extent of analytical procedures that may be used in the

engagement;

d) Approach to be taken to gain and document an understanding of the School District's system of internal controls;

e) Approach to be taken in determining laws and regulations that will be subject to audit test work; and

f) Approach to be taken in drawing audit samples for purposes of tests of compliance.

3. Provide a tentative schedule for performing key phases of the audit and the amount of time required to accomplish these phases.

## **F. Fee Structure**

1. Provide an estimate of the total hours, the estimated out-of-pocket costs and the resulting all-inclusive maximum fee for which the requested work will be done. State the hourly rate to be charged for each staff classification. Please include this information separately for the FY 2020, FY 2021, FY 2022 and extension years FY 2023 and FY 2024. Also include an amount of professional services, in hours allowed each year without additional cost to the District. A "Proposal Cost Form" is included for your response.

## **G. Additional Information**

1. Note additional information here. If there is no additional information, please note: "There is no additional information to present".

## **General Terms and Conditions**

### **A. Applicable Law and Courts**

This solicitation and any resulting contract shall be governed in all respects by the laws of the State of New Hampshire. The auditor shall comply with applicable federal, state, and local laws and regulations.

### **B. Ethics in Public Contracting**

By submitting their proposals, all auditors certify that their proposals are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other auditor, supplier, manufacturer or subcontractor in connection with their proposals, and that they have not conferred on any District employee having official responsibility for this procurement transaction, any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.

### **C. Debarment Status**

By submitting their proposals, all auditors certify that they are not currently debarred from submitting bids or proposals on contracts by any agency of the State of New Hampshire, or any other state and the federal government, nor are they an agent of any person or entity that is currently debarred from submitting bids on contracts by any agency of the State of New Hampshire, or any other state for the federal government.

### **D. Mandatory Use of Terms and Conditions**

Return of the complete RFP document is required. Modification of or additions to the General Terms and Conditions of the solicitation may be cause for rejection of the proposal; however, the District reserves the right to decide, on a case by case basis, in its sole discretion, whether or not to reject such a proposal.

**PLEASE SUBMIT THIS FORM WITH YOUR RFP RESPONSE**

**PROPOSAL COSTS:**

**Year 1: \$** \_\_\_\_\_

**Year 2: \$** \_\_\_\_\_

**Year 3: \$** \_\_\_\_\_

**Extension Years:**

**Year 4: \$** \_\_\_\_\_

**Year 5: \$** \_\_\_\_\_

**Total for the 5 years \$** \_\_\_\_\_

**Hourly Rate if scope of engagement is expanded:**

\_\_\_\_\_ **Hourly Rate** \_\_\_\_\_ **Staff Level**

\_\_\_\_\_ **Hourly Rate** \_\_\_\_\_ **Staff Level**

\_\_\_\_\_ **Hourly Rate** \_\_\_\_\_ **Staff Level**

**Proposal Submitted by:**

**Firm Name** \_\_\_\_\_

**Signature and Title** \_\_\_\_\_

**Date** \_\_\_\_\_