

REGIONAL SCHOOL DISTRICT 14

REQUEST FOR PROPOSAL

FOR

AUDITING SERVICES

May 12, 2020

LEGAL NOTICE

**REGIONAL SCHOOL DISTRICT 14, CONNECTICUT**

**REQUEST FOR PROPOSAL**

**FOR AUDITING SERVICES**

The Regional School District (RSD) 14, Purchasing Authority will accept proposals from qualified firms, on behalf of the RSD 14 Finance Committee of the Board of Education for **audit services** for three fiscal years beginning June 30, 2020, with the option of auditing its financial statements for each of the two (2) subsequent fiscal years.

The audit will be conducted in accordance with generally accepted auditing standards and "Government Auditing Standards", issued by the Comptroller General of the United States. There is no expressed or implied obligation for RSD 14 to reimburse firms for any expenses incurred in preparing proposals in response to this request.

The financial statements of RSD 14 include all significant funds, account groups, agencies, boards, commissions and authorities over which RSD 14 exercises oversight responsibility.

To be considered, two (2) copies of a proposal must be received by 3:00 p.m., May 28, 2020 in the Business Office, 67 Washington Ave., P.O. Box 469, Woodbury, CT 06798. RSD 14 reserves the right to reject any or all proposals submitted.

During the evaluation process, RSD 14 reserves the right, where it may serve RSD 14's best interest, to request additional information or clarifications from proposers.

Questions or comments may be directed to the Director of Finance and Operations, Wayne McAllister, at 203-263-4330 between the hours of 8:30 a.m. and 4:00 p.m., Monday thru Friday (excluding holidays) or via email [wmcallister@ctreg14.org](mailto:wmcallister@ctreg14.org).

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**An Equal Opportunity/Affirmative Action Employer**

## I. INTRODUCTION

### A. General Information

The Regional School District 14 (RSD14) is requesting proposals from qualified firms of certified public accountants to audit its financial statements for three fiscal years beginning with year ending June 30, 2020, with the option of auditing its financial statements for each of the two (2) subsequent fiscal years. These audits are to be performed in accordance with the most current generally accepted auditing standards.

The auditor(s) shall state that the primary purpose of the audit is to express an opinion on the general purpose financial statements taken as a whole and that the audit is subject to the inherent risk that errors or irregularities may occur and not be detected.

There is no expressed or implied obligation for RSD 14 to reimburse firms for any expenses incurred in preparing proposals in response to this request.

To be considered, two (2) copies of a proposal must be received by the Business Office by 3:00 p.m. on May 28, 2020. A copy of the latest results of the firms External Quality Control Review should be submitted with your proposal. RSD 14 reserves the right to reject any or all proposals submitted.

During the evaluation process, RSD 14 reserves the right, where it may serve RSD's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions.

RSD 14 reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this Request for Proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between RSD 14 and the firm selected.

Following the notification of the selected firm it is expected an engagement letter will be executed between both parties within 30 days of approval.

The Purchasing Authority reserves the right to reject any and all bids. In addition to **the bid specifications, all bids are subject to the terms, provisions and conditions of RSD 14's Purchasing Policy, set forth in Policies 3313 through 3326. By bidding on the proposed purchase, the bidder agrees to such terms, provisions and conditions.**

### B. Terms of Engagement

A three (3) year contract is contemplated, subject to the annual review and recommendation of the Finance Committee, the satisfactory negotiation of terms (including a price acceptable to both RSD 14 and the selected firm), the concurrence of RSD 14 Board of Education and the annual availability of an appropriation.

## **I. DESCRIPTION OF REGIONAL SCHOOL DISTRICT 14 (RSD14)**

### **A. General**

The auditor's principal contact with RSD 14 will be Tina Tanguay, Senior Accountant or a designated representative, who will coordinate the assistance to be provided by RSD 14 to the auditor.

### **B. Background Information**

RSD 14 serves the Towns of Woodbury and Bethlehem, CT with four (4) schools and an enrollment of approximately 1,700 students. RSD's fiscal year begins on July 1 and ends on June 30.

RSD consists of four (4) schools, three (3) of which are located in Woodbury, CT and one (1) in Bethlehem, CT.

Nonnewaug High School, Woodbury, CT  
Woodbury Middle School, Woodbury, CT  
Mitchell Elementary School, Woodbury, CT  
Bethlehem Elementary School, Bethlehem, CT

There is a Vocational-Agricultural facility located on the Nonnewaug campus as well as the Central/Business Office.

All funds and account groups are under the administrative control of the Board of Education.

### **C. Budgetary Basis of Accounting**

RSD 14 prepares its budgets on a basis consistent with generally accepted accounting principles. RSD 14 utilizes the Tyler Infinite Visions Financial Management System.

## **II. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION**

1. Statements and schedules and other pertinent information to be prepared by RSD 14.
2. The staff of RSD 14 will prepare or provide the following statements and schedules for the auditor, as follows:
  - a. Adjusted trial balance
  - b. Detailed schedules of revenues and expenditures, expenses, accounts payable and receivable, and encumbrances.
  - c. Detail of balance sheet and subsidiary account activity.
  - d. Check registers for all funds.
  - e. Bank reconciliations for all accounts.
  - f. Detail of capital projects expenditures on a project to life basis.
  - g. Analysis of accounts, as requested
  - h. Investment activity schedules.

1. Debt schedules.
- J. Fixed asset schedules.
- k. Payroll schedules.
- I. Schedule of Compensated Absences
- m. Latest Actuarial Reports
- n. Completed ED-001 and Supporting documents.
- o. Standard representation letters.

### **III. NATURE OF SERVICES REQUIRED**

#### **Qualified Firm:**

Firms submitting proposals must be qualified to perform independent audits of Regional School Districts of the State of Connecticut. The firm must have been engaged during the fiscal year ending June 30, 2012, as independent Auditors for the purpose of rendering an opinion on the annual financial statements of a Regional School District in Connecticut. A copy of the latest results of the firms External Quality Review should be submitted with your proposal.

At a minimum, proposers must have at least five (5) years municipal experience as independent auditors for the purpose of rendering an opinion of the comprehensive annual financial statements.

RSD 14 prefers that the firm has completed independent audit engagements, including rendering the opinions thereon, with at least two (2) regional school districts.

#### **Location:**

The auditors must have an office located within the State of Connecticut and resident staff must be able to offer the full range of auditing services required by this Request for Proposal.

#### **Non-Discrimination:**

No person shall be denied or subjected to discrimination on account of any services, or activities made possible by or resulting from this agreement on the grounds of sex, race, color, creed, national origin, age (except minimum age and retirement provision), marital status or the presence of any sensory, mental or physical handicap. Any violation of this provision shall be considered a violation of a material provision of this agreement and shall be grounds for cancellation, termination or suspension in whole or in part of the agreement by RSD 14. The proposer shall at all times **in** the proposal and contract process comply with all applicable anti-discrimination laws, rules, regulations and requirements of the Towns of Woodbury and Bethlehem, CT as well as those of CT and the Federal government.

#### **Other:**

Supervisory members of the audit team, including the "in charge" field auditor, should be Certified Public Accountants and have a minimum of two (2) years of

educational audit experience in the State of Connecticut. The selection committee intends to strongly consider educational audit experience and certification in evaluating the proposer's audit team.

### Scope of Work to be Performed

RSD 14 desires the auditor to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles.

The auditor is to provide an "in-relation-to" report on the supporting schedules based on the auditing procedures applied during the audit of the basic financial statements and the combining and individual fund financial statements and schedules.

### Auditing Standards to be Followed

To meet the requirements of this Request for Proposals, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, *the standards for financial audits set forth in the US. Comptroller General's Government Auditing Standards, the provisions of the Single Audit Act of 1984, the provisions of US. Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments, and in conjunction and conformity with sections 4-230 through 4-236 of the Connecticut General Statutes (the State Single Audit Act.)*

### Reports to be Issued

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.

A report on the internal controls based on the auditor's understanding of the control structure and assessment of control risk.

A report on compliance with applicable laws and regulations.

Reports on the supplementary schedules of federal and state financial assistance.

Reports on the internal control used in administering federal and state financial assistance programs.

Reports on compliance with laws and regulations related to major and non-major federal and state financial assistance programs. This report should include an opinion on compliance with specific requirements applicable to major federal and state financial assistance programs, a report on compliance with general requirements applicable to major and non-major federal and state financial assistance programs, and a report on compliance with laws and regulations applicable to non-maj01: federal and state financial assistance program transactions tested.

Additionally, separate reports shall be prepared and submitted by the auditor for forms EFS, ED 06S, PSIS, and ED 001 SEDAC-G Data Adjustment Form.

The auditor shall communicate in a letter to the Finance Committee body any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

#### Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years from the issuance of the report, unless the firm is notified in writing by RSD 14 of the need to extend the retention period. The auditor will be required to make working papers available, upon request by RSD 14.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

#### Implied Requirements

All services not specifically mentioned in this Request for Proposal that are necessary to provide the functional capabilities described by the auditor shall be included in the Scope of Services.

### **IV. TIME REQUIREMENTS**

#### A. Timetable

The proposer will work with the Regional School District to set a mutually agreeable timeline for the completion of the audit.

#### B. Report Submissions

Where an extension of time may be required, it will be the responsibility of the Auditor to promptly notify RSD 14 in writing. It is RSD 14's responsibility to secure all necessary approvals in a timely manner. The auditor shall promptly notify RSD 14's Director of Finance and Operations of any suspicion of fraud, defalcation or misapplication of funds. Such notice shall be in addition to any notice to grantors required by single audit legislation.

The final report and (30) thirty signed copies should be delivered to the Director of Finance and Operations.

### **V. PROPOSAL REQUIREMENTS**

#### A. General Requirements

The proposal should include:

##### a. Title Page

Title page shall show the request for proposal's subject; the firm's name; address and telephone number of a contact person; and the date of the proposal.

b. Table of Contents

c. Transmittal Letter

A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for the period covered.

d. Detailed Proposal

The detailed proposal should follow the order set forth in Section VI B of this request for proposals.

B. Technical Proposal

I. General Requirements

The purpose of the technical proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of RSD 14 in conformity with the requirements of this Request for Proposal. As such, the substance of the proposal will carry more weight than their form or manner of presentation. The technical proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the Request for Proposal requirements.

The technical proposal should address all the points outlined in the Request for Proposal. The proposal should be prepared simply and economically, providing a straightforward and concise description of the proposer's capabilities to satisfy the requirements of the Request for Proposal.

1. Independence

The firm should provide an affirmative statement that it is independent of RSD 14 as defined by generally accepted accounting standards and the U.S. Comptroller General's Government Auditing Standards.

The firm should also list and describe its professional relationships involving RSD 14 or any of its agencies for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

In addition, the firm shall give RSD 14 written notice of any professional relationships entered into during the period of the agreement.

2. License to Practice in Connecticut

An affirmative statement should be included indicating that the firm and



Its education partner are qualified to practice in Connecticut.

3. Firm Qualifications and Experience

The proposal should state the size of the firm, the size of the firm's Governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the staff to be so employed on a part-time basis.

The firm shall also provide information on the results of their latest federal or state desk reviews or field reviews of its audits. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

4. Partner, Supervisory and Staff Qualifications and Experience

The firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists who would be assigned to the engagement and indicate whether each person is licensed to practice as a certified public accountant in Connecticut. The firm also should indicate how the quality of staff over the term of the agreement will be assigned.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

5. Similar Engagements with Other Educational Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum of 5) performed in the last five years that are similar to the engagement described in this Request for Proposal. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

6. 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.

7. Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from RSD 14.

C. Dollar Cost Bid

1. Total All-Inclusive Maximum Price

The dollar cost bid should contain all pricing information relative to performing the audit engagement as described in this Request for Proposal. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses.

RSD 14 will not be responsible for expenses incurred in preparing and submitting the technical proposal or the dollar cost bid. Such costs should be included in the proposal.

2. Fixed Fees by Category

The dollar cost bid should include a schedule of professional fees and expenses.

3. Rates for Additional Professional Services

If it should become necessary for RSD 14 to request the auditor to render any additional services requested in this Request for Proposal or to perform additional work as a result of the specific recommendation(s) 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 RSD 14 and the firm. Any such additional work agreed to between RSD 14 and the firm shall be performed at the same rates as originally set forth.

4. Manner of Payment

Progress payments will be made on the basis of hours or work completed during the course of the engagement in accordance with the firm's dollar cost bid proposal. Interim billings shall cover a period of not less than a calendar month from each billing pending delivery.

D. Oral Presentations

During the evaluation process, the Finance/Selection Committee may, at its discretion, request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the Board may have on a firm's proposal. Not all firms may be asked to make such an oral presentation.

E .

Proposer Warranties

1. Proposer warrants that it is willing and able to comply with State of Connecticut laws with respect to foreign (non-state of CT) corporations.
2. 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.
3. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the express prior written permission of RSD 14.
4. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

F.

Fee Proposal

Respondents are required to submit a fee proposal for all services in the Scope of Services outlined in this RFP.

Regional School District 14 reserves the right to negotiate scope, fees, and payment schedules with the selected respondent.

Total Cost of Auditing Services – Year 1	_____
Total Cost of Auditing Services – Year 2	_____
Total Cost of Auditing Services – Year 3	_____

GRAND TOTAL	_____
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Total Cost of Auditing Services - Year 1 is for the audit of the financial statements for the fiscal year ending June 30, 2020. Auditors will prepare the entire Annual Financial Report except the Management's Discussion and Analysis, which will be prepared by Regional School District 14's Director of Finance and Operations.

Total hours included in Combined Total Fees:

Partner	_____	_____	_____
Manager	_____	_____	_____
Staff	_____	_____	_____

**"The undersigned bidder understands that, in addition to the bid specifications, all bids are subject to the terms, provisions, and conditions of Regional School District 14's Board of Education Policies set forth in Policies 3313 through 3326 inclusive of the Policies, Regulations and Bylaws of the Board of Education of Regional School District 14.**

The undersigned submits this proposal without collusion with any other individual or corporation.

\_\_\_\_\_  
(Witness)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Signature of Official)

\_\_\_\_\_  
(Print or type Name)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Company)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(Telephone)