



## BEAUFORT COUNTY SCHOOL DISTRICT

### REQUEST FOR QUALIFICATIONS FOR FORENSIC AUDIT SERVICES

For The Fiscal Years Ended  
June 30, 2018, 2019, and 2020



## A. SIGNED TRANSMITTAL LETTER

### Request for Qualifications for Forensic Audit Services

Ms. Robyn Cushingberry  
Executive Assistant to the Board of Education  
Beaufort County School District  
2900 Mink Point Blvd.  
Beaufort, SC 29902

Office: 843.322.2357  
Cell: 843.812.9761  
[robyn.cushingberry@beaufort.k12.sc.us](mailto:robyn.cushingberry@beaufort.k12.sc.us)

## NAME OF PROPOSING FIRM CONTACT INFORMATION

Jaramillo Accounting Group LLC (JAG)	505.323.2035 Office
4700 Lincoln Rd NE	505.342.6201 Fax
Albuquerque, NM 87109	<a href="http://www.JAGnm.com">www.JAGnm.com</a>

## PERSONS AUTHORIZED TO NEGOTIATE AND OBLIGATE OUR FIRM TO THE CONTRACT

Audrey J. Jaramillo, CPA, CFE	Managing Partner	Audrey@JAGnm.com
Scott Eliason, CPA	Audit Partner	Scott@JAGnm.com

## PERSONS TO BE CONTACTED FOR CLARIFICATION

Audrey J. Jaramillo, CPA, CFE	Managing Partner	Audrey@JAGnm.com
Brenda Butts	Office Administrator	Brenda@JAGnm.com



Dear Ms. Cushingberry:

Thank you for considering Jaramillo Accounting Group LLC (JAG) to provide professional forensic audit services for Beaufort County School District (“BCSD”) for the periods July 1, 2017 through June 30, 2020. We have provided information below that we believe will be helpful in your decision in choosing JAG for this work; we will define and demonstrate why JAG is the best provider of Forensic Audit Services for BCSD. **The most important aspect, we believe, is our independence.** We will bring a fresh look at the situation and will have no political pressure to not report objectively since we are not from the District’s area. Parties involved are more likely to accept the results of an independent third party’s work.

## TEAM OPPORTUNITY

We recognize BCSD’s need for an experienced governmental accounting firm with extensive School District and Special Audit and Forensic experience that will be timely, efficient, and thorough. This proposal demonstrates our firm’s professional qualifications, governmental accounting expertise, and most importantly, our commitment to exceptional client service. Your team is comprised of school district experts with almost 75 years of collective service. We have served over 200 governments of all sizes and complexity. We are the “go-to” firm for governmental special audits.

JAG offers an exceptional team to perform your services.

- ✓ Your proposed **Engagement Partner, Audrey J. Jaramillo, CPA, CFE, CFA** is a *Certified Fraud Examiner and Core Forensic Accountant* and has performed numerous special projects, Agreed-Upon Procedures, and fraud engagements with government and non-profit entities during her career. **She is very familiar with Districts and their funding (including bonds), as she has served in several local, state, and federal elected positions for public education.** During 6 of her 22 years in public accounting, Audrey performed Quality Control reviews on audits at the State Auditor’s Office. She was also formerly Partner for Heinfield Meech, an Arizona firm which served primarily school districts through the Auditor General.
- ✓ Your proposed **Quality Review Partner, Scott Eliason, CPA**, is excellent with financial aspects and details and excels in providing you with the information you need to see in the final report. Over his career, Scott has worked on the audits of hundreds of federal, state, and local government programs and is very adept at presenting pertinent and relevant information in published AICPA consulting forensic reports. **Scott has audited a multitude of entities which are comparable to BCSD. He understands these**



**Special Audit and bond requirements very well. You can be assured your audit will be performed and reviewed by a Partner with this specific knowledge.**

✓ Your proposed **Director, Shawn Mortensen, CPA**, is also very familiar with governmental accounting, investigations, and compliance. He brings over 20 years of governmental experience to you, having served districts and charter schools of all sizes.

✓ Your proposed **Forensic Staff, Justin Mehnert, CPA Candidate**, has worked on numerous Special Audits with Scott, Audrey, and Shawn, including the recent forensic audits for Deming Public Schools, Bernalillo Public Schools, and Carlsbad Municipal Schools.

**You have a team ready to complete a thorough and timely engagement for you.**

## ACCEPTANCE OF CONDITIONS

JAG accepts the responsibilities required to perform your Forensic Audit and **understand we are to complete the required work within a 30-day period and issue a report of findings to the Board of Education.** JAG has a clear understanding of the work to be performed. We have deep experience with sensitive engagements such as this and have been hired as expert witnesses and forensic auditors for high profile cases. JAG team members are independent of the situation and the firm's niche expertise is the perfect fit for your needs.

You will find our work *thorough, accurate and on time* to your Administration, Finance Committee, and Board of Education. We look forward to the opportunity to team with you on this Forensic Audit. Please let us know if you would like any other information and we will be happy to provide it.

Dated this 17<sup>th</sup> day of August, 2020; Jaramillo Accounting Group LLC (JAG)

**Audrey J. Jaramillo, CPA, CFE, CFA and Engagement Partner**



**BEAUFORT COUNTY SCHOOL DISTRICT**  
**RFQ FOR FORENSIC AUDIT SERVICES**  
**JUNE 30, 2018, 2019 and 2020**

**B. TABLE OF CONTENTS**

<b>TAB</b>	<b><u>Organization of Request for Qualifications</u></b>	<b><u>PAGE</u></b>
<b>A</b>	<b>SIGNED TRANSMITTAL LETTER</b>	i-iii
<b>B</b>	<b>TABLE OF CONTENTS</b>	iv
<b>C</b>	<b>PROPOSAL SUMMARY</b>	1
<b>D</b>	<b>RESPONSE TO CRITERIA</b>	2
	<b>Section I. JAG's Capability</b>	2
	<b>A. Firm's Size and Resources</b>	2
	Individuals to be Assigned	3
	JAG's Organizational Chart	3
	<b>B. Independence</b>	3
	<b>C. Client References</b>	4
	<b>D. Compliance with Due Dates</b>	4
	Knowledge and On Time	4
	<b>Section II. JAG's Work Requirements and Audit Approach</b>	5
	<b>A. JAG Understands Scope of Work/Product</b>	5
	<b>B. Approach to Scope of Work and Milestone Chart</b>	5
	<b>C. Plans for District/Finance Staff</b>	7
	<b>Section III. JAG's Technical Experience</b>	7
	<b>A. Resumes of Proposed Team</b>	7
	<b>B. JAG's Governmental Specialization</b>	9
	<b>C. JAG Attendance at Governmental/Fraud Training</b>	10
	CPE and Professional Organizations	10
	<b>D. JAG Attendance at Training for Districts and Local Govn</b>	11
	<b>Section IV. Cost Proposal</b>	11
	JAG's Strengths	12
	Why JAG is Your Best Choice	13
<b>E</b>	<b>OTHER SUPPORTING MATERIAL</b>	14
<b>F</b>	JAG Proposed Team's Resumes	
<b>G</b>	JAG Proposed Team's Continuing Professional Education (CPE)	
<b>H</b>	JAG Proposed Team's Professional Licenses	
<b>I</b>	JAG Core Values	



**BEAUFORT COUNTY SCHOOL DISTRICT**  
**RFQ FOR FORENSIC AUDIT SERVICES**  
**JUNE 30, 2018, 2019 and 2020**



*Jaramillo Accounting Group LLC (JAG) Partners have served more than two-hundred governmental (200) organizations in the Southwest, Albuquerque, Clovis, Las Cruces, Santa Fe and the rural areas of the State of New Mexico. Our Governmental Group is available to assist you with any of your accounting, audit and consulting needs.*

## **C. PROPOSAL SUMMARY**

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An excellent audit team can have a significant impact on the success of an organization. Here is why we think you will be pleased to have selected Jaramillo Accounting Group LLC (JAG) *team with you* as your Forensic Auditor:

### **Governmental Experience**

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We offer BCSD a team of professionals with more than 75 years of combined experience in public accounting to serve as your independent auditors. We have audited well **over 200 distinct organizations** that require an audit under the Office of the State Auditor in the last twenty years and **over 90% of all our work is with governmental organizations**. Most of these organizations require audits similar to BCSD which must comply with Government Auditing Standards (Yellow Book) the Office of the State Auditor's rules of compliance, GASBs, Taxing Agency requirements and Uniform Grant Guidance audits. See also our resumes following this proposal for listings.

### **Special Audit, Forensic & Consulting Services**

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Specifically, your proposed Lead Engagement Partner and Quality Review Partner and team have served entities needing special procedures during their 20+ year careers.

JAG has excess capacity to perform this work and we are *flexible to your timing needs*. We are available from time of contract to begin this work and to be in the field. We understand the sensitive nature of these types of engagements and we strive to assist you in resolving matters timely and effectively.

We list out our deep experience with NM School Districts and on Special Audits and Consulting in more detail below.



**BEAUFORT COUNTY SCHOOL DISTRICT  
RFQ FOR FORENSIC AUDIT SERVICES  
JUNE 30, 2018, 2019 and 2020**

**RESPONSE TO CRITERIA**

**SECTION I. JAG'S CAPABILITY**



**A. Firm's Size and Resources**

JAG is based in Albuquerque, New Mexico. JAG's Partners have performed audits across the U.S. during their careers. The Partners and their team have been working remotely with various schools/agencies most of this year (due to COVID-19). JAG provides highly responsive client service – normally answering messages within 24 hours. You will have our cell phones for immediate access through texts, emails, or calls. We also use a tool, Calendly, which allows you to book an appointment with your Partner or Manager at any open appointment. Just a few clicks and you have an appointment booked! We also use Zoom for video calls.

We are currently comprised of two Partners, seven CPAs, a Certified Fraud Examiner (CFE), a Core Forensic Accountant (CFA), Director, Forensic Staff, and Support Staff (approximately 15 employees). JAG performs School District audits as some other CPA firms do, but our differentiating factor is that, our practice is comprised of approximately **50%** of Fraud, Special Procedures, and Consulting engagements. **This means that, unlike other firms, we not only know Districts extremely well, we know exactly what you need performed for your Forensic Audit. Should this situation need legal attention, you should know that we also work extremely well with attorneys and all levels of law enforcement and our workpapers have been invaluable in many cases. Audrey is near completing her J.M. (Juris Master) in American Law.**

We estimate the District's engagement will be 115 hours. **Jaramillo Accounting Group does have the current resources and excess capacity to serve you and on your preferred time-frame.** We can begin serving you immediately upon the approvals. Because of this, and the 30-day request, we are also allowed to give you a lower rate per hour for this type of work during a less-busy time of year.

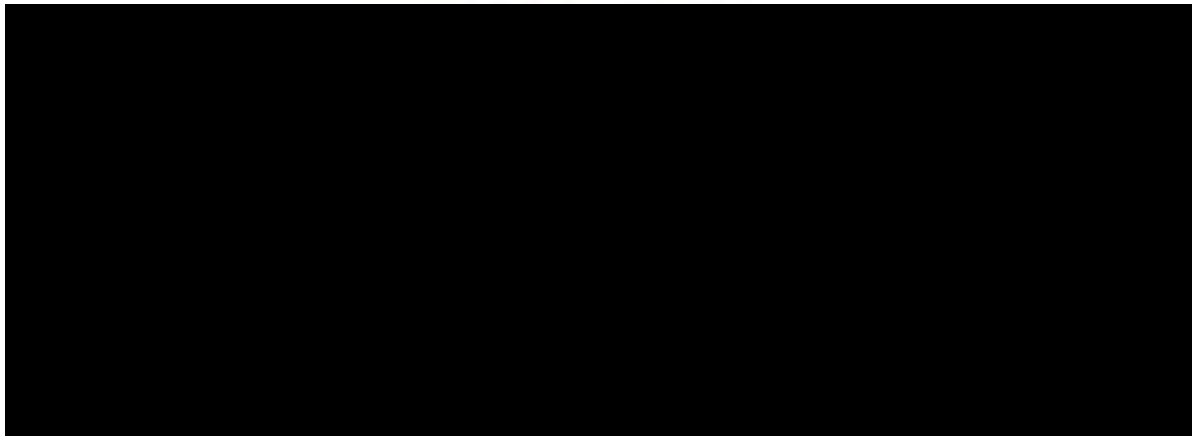
**BEAUFORT COUNTY SCHOOL DISTRICT  
RFQ FOR FORENSIC AUDIT SERVICES  
JUNE 30, 2018, 2019 and 2020**

**Individuals to Be Assigned**

See **Proposed Team Organizational Chart below** for specific team members. Specific hours by area of work are listed out in the Section IV. Cost Proposal. See also **TAB F** for Resumes.

**JAG's Organizational Chart**

Your Proposed Team and Expertise on the Project:



**B. Independence**

We are **independent of BCSD** as defined by the US General Accounting Office's *Government Auditing Standards*. We know of no potential or actual personal or organizational conflicts of interest in relation to performing the Forensic Audit Services. Choosing JAG from out of state works to your benefit. We will look at the information with complete objectivity, not knowing local politics. Our report will be trusted by the parties, as they will not be concerned about conflicts.

Regardless of where our work is located, our clients and State Auditor can attest to our professionalism, excellent reports, and independent audit results.



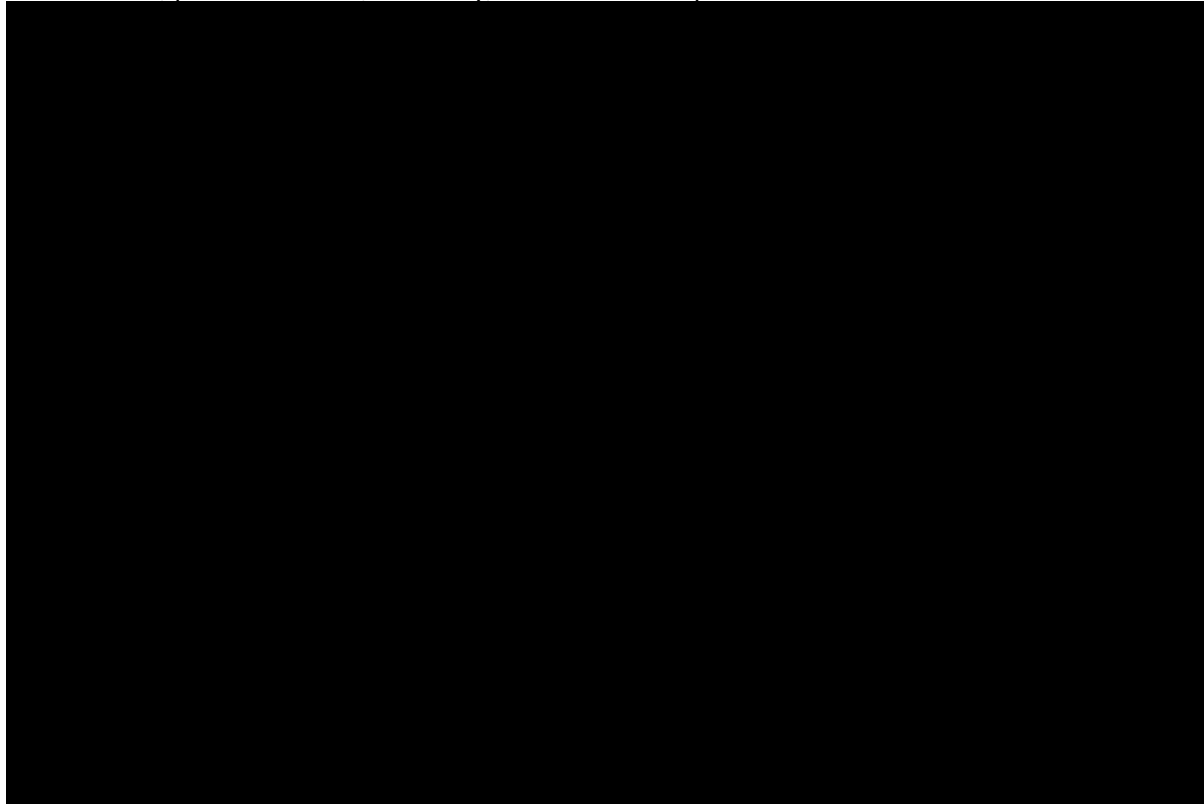


**BEAUFORT COUNTY SCHOOL DISTRICT**  
**RFQ FOR FORENSIC AUDIT SERVICES**  
**JUNE 30, 2018, 2019 and 2020**



**C. Client References**

Below are references that your team members worked with who can speak to our character, professionalism, reliability, and technical expertise.



**D. JAG'S Compliance with Due Dates**

For clients ready for audit, our audits for all compliance and financial audits of other school districts and government audits are submitted on time within required deadlines. As OSA can attest to, JAG has a proven track record of being knowledgeable, on-time, ethical auditors, along with being dependable and professional.

**Knowledgeable and On Time**

Your JAG team has been performing audits for the Office of the State Auditor of New Mexico for over 25 years, under the Arizona Auditor General, and throughout the U.S. We are considered the “go-to” firm for governmental special audits. We are a Certified Woman Owned Small Business. Your proposed team has over 75 years of



**BEAUFORT COUNTY SCHOOL DISTRICT**  
**RFQ FOR FORENSIC AUDIT SERVICES**  
**JUNE 30, 2018, 2019 and 2020**

combined governmental experience, which includes **Fraud, Consulting, and Special Engagements**. We are prepared to assist you with any challenges in relation to your Scope of Work and understand we are to complete the required work **within a 30-day period** and issue a report of findings to the Board of Education. **We believe in teamwork and understand the situation the District is in, and we provide you with high quality, timely work. Our peer reviews have the highest level we can attain, and other workpaper reviews of our government audits have yielded no deficiencies in our work.**

## **SECTION II. JAG'S WORK REQUIREMENTS AND AUDIT APPROACH**

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### **A. JAG Understands Scope of Work/Product to be Delivered**

JAG appreciates the opportunity to submit our qualifications to conduct the Forensic Audit for BCSD for the three periods of July 1, 2017 through June 30, 2020. Your proposed Partners have been performing these exact types of audits since the 1990's and understand the scope, objective, school needs and the deliverables (final product).

### **Approach to Scope of Work and Milestone Chart**

**NOTE > We are flexible with the procedures to meet your needs in investigating unaccounted funds; these are proposed:**

1. Review all debt service revenue and expense accounts for the District.
  - ✓ JAG will accomplish this by interviews and examination of records
  - ✓ JAG will apply forensic auditing procedures to these transactions.
2. Account for all tax revenue and state reimbursements for FY19-20, FY18-19, and FY17-18.
  - ✓ JAG will apply forensic auditing procedures to these transactions.
  - ✓ The District will provide backup details as necessary and answer questions.



**BEAUFORT COUNTY SCHOOL DISTRICT**  
**RFQ FOR FORENSIC AUDIT SERVICES**  
**JUNE 30, 2018, 2019 and 2020**



### Milestone Chart

Our audits are designed to create a comprehensive and efficient plan to meet our audit objectives, and are divided into the following segments:

Example Forensic Investigation Milestones	Week of (in 2020)
RFQ Evaluation and Selection; Award	August 17
Contract Submitted to Finance, Finance Committee, and Board of Education	August 24
Engagement Letter and Request List; Set up secure online portal	August 24
Planning, Risk Assessment, Interviews, Documentation	August 24 & 31
Testing Data, Accounts, Journal Entries, Reports, Transactions	Aug 31, Sept 7
Present to Finance and Superintendent	September 17
Present to Board of Education	September 17
Finalize Report	September 21

*Note all dates/months are flexible with the District's timing needs and preferences, especially considering COVID-19. We are all set up to work remotely and utilize Zoom for meetings.*

This Example Milestone Timeline provides a general idea of the major milestones to anticipate. These specific activities and dates are based on our previous experience with Special Audits of activity funds and your scope of work. During initial meetings with management, we will make the changes and adjustments to this plan and timeline that are deemed necessary to meet your specific needs **in collaboration with your team.**

All dates/months are flexible with BCSD's timing needs and preferences. COVID-19 will not stop our operations, as we are set up to work remotely from any location and are an essential business to help meet legal requirements. All aspects of this audit will involve partner planning, supervision, and review.

Our overall plan will include meetings as needed with management to report on our progress and any problems we encounter and to determine if any adjustments in the plan are needed. The following is a detailed description of our audit work plan.

### Planning

The foundations of planning your Special Audit will be gaining an understanding of your organizational and document:

- organizational informal practices
- internal control systems including IT Systems around your Debt/Bonds
- accounting policies (State Audit Rule, Internal Policies),
- financial and management information systems, and



**BEAUFORT COUNTY SCHOOL DISTRICT**  
**RFQ FOR FORENSIC AUDIT SERVICES**  
**JUNE 30, 2018, 2019 and 2020**

- specific transactions flowing through the debt accounts.

**B. Plans for District/School Staff**

We request the following of the District's/School's Staff:

- Commitment from the top down to complete the audit timely and to be proactive and responsive to team requests (in order to complete the work within the budgeted timeframe).
- A weekly status meeting and a high level of problem-solving focused communication.
- Uploads to our secure portal.
- Availability of District and Finance staff for JAG interviews.
- Availability of staff to pull documents JAG may request.
- Availability of key Administrators to review the final report and to provide management responses to any findings.
- Availability of the Finance Committee and Board of Education for Zoom Conferences.

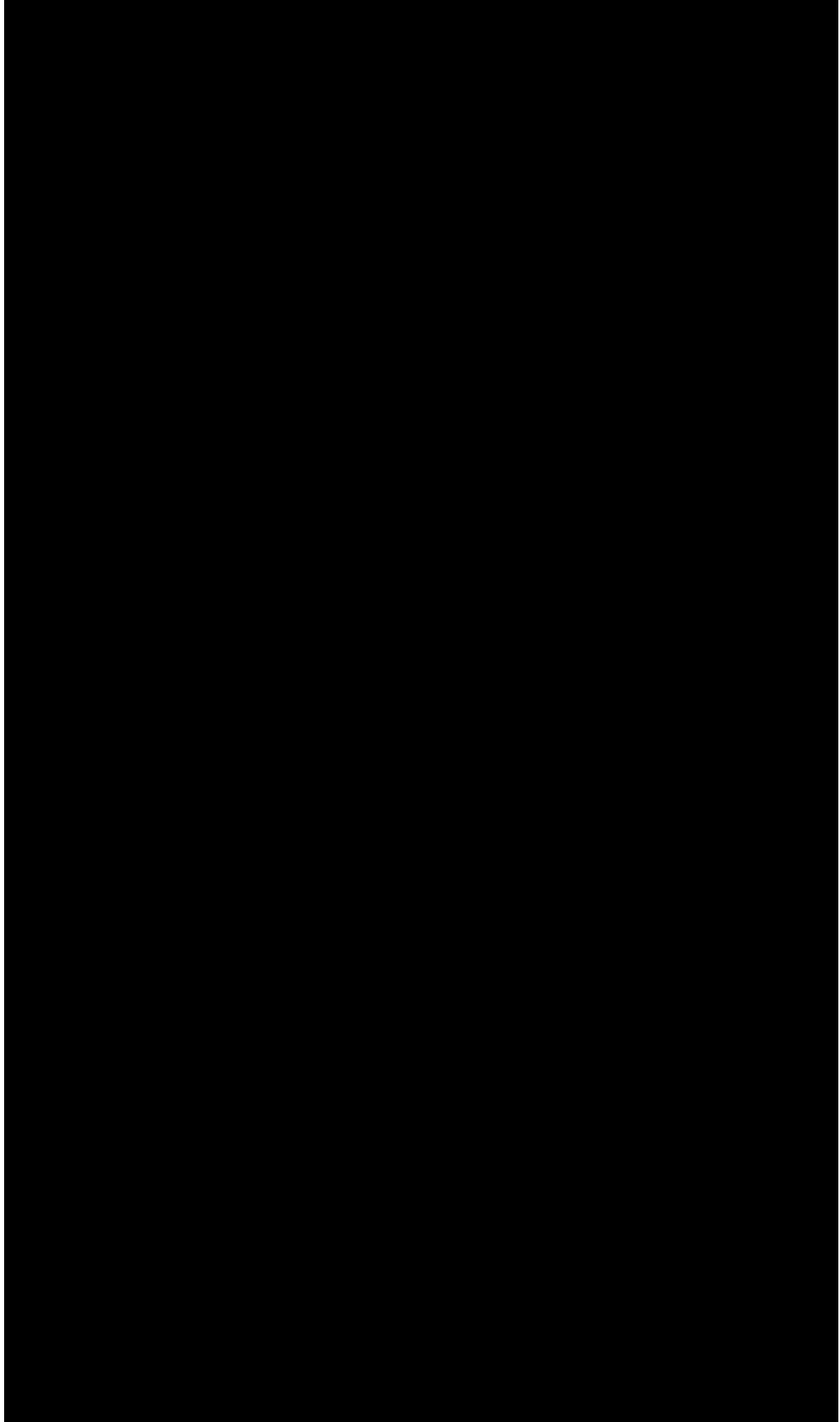
**SECTION III. JAG'S TECHNICAL EXPERIENCE**

**A. Resumes of Proposed Team**

JAG team members are highly qualified technically and have many years of very complex audit, fraud, and consulting experience. Below are the Summary Bios of the proposed team members to perform your Special Audit. See **TAB F** for full resumes. We work accurately, effectively and efficiently with clients and also place a high importance on working in a cooperative manner.



**BEAUFORT COUNTY SCHOOL DISTRICT**  
**RFQ FOR FORENSIC AUDIT SERVICES**  
**JUNE 30, 2018, 2019 and 2020**



**BEAUFORT COUNTY SCHOOL DISTRICT**  
**RFQ FOR FORENSIC AUDIT SERVICES**  
**JUNE 30, 2018, 2019 and 2020**

July 1, 2017 through June 30, 2020		
Covering a Period of Three (3) Fiscal Years:	Hours	Cost
Engagement performed within 30 days		
1. Understand processes and procedures for funds & obtain documents	8	\$ 1,040
2. Review all debt service revenue and expense accounts	30	3,900
3. Account for all tax review and state reimbursements	30	3,900
4. Document records supporting revenue, expenses, reimbursements	18	2,340
5. Collaborate and meet with Finance as necessary	8	1,040
6. Write report with findings on results of procedures	13	1,742
7. Present results to Board of Education and issue report	8	1,038
<b>Total Compensation</b>	<b>115</b>	<b>\$ 15,000</b>
<b>Professional Fees Blended Rate per Hour</b>		<b>\$ 130</b>
<b>Number of Weeks for JAG Proposed Team (Average of 2 each week)</b>	<b>1.9</b>	
<b>Amount of Hours and Cost per Fiscal Year</b>	<b>38</b>	<b>\$ 5,000</b>

*Please note that our fees are all inclusive (copies, travel, routine phone calls, Zoom or in-person meetings, follow up clarifications, etc.)*

## **FIRM'S STRENGTHS**

JAG's strengths include:

- ✓ JAG is independent of the District/Auditor politics, with no pressure or conflicts of interest. We are completely objective.
- ✓ Woman-owned, providing services throughout the U.S.
- ✓ Team with over 75 years of governmental experience, specifically Districts and Forensic engagements
- ✓ Flexible with your 30-day requirement; Available immediately
- ✓ Audit Partners assigned to the BCSD are two of the most experienced and respected governmental auditors in the field
- ✓ JAG Partners and Director have over 20 years each of GAGAS, GASB, UGG, Bonds, and Financial Statement experience.
- ✓ Engagement Senior and Staff have recently served over 20 governments recently throughout NM and are friendly and hard-working.
- ✓ You will have our personal cell numbers – with friendly, responsive service.
- ✓ This audit may easily be performed remotely.



**BEAUFORT COUNTY SCHOOL DISTRICT  
RFQ FOR FORENSIC AUDIT SERVICES  
JUNE 30, 2018, 2019 and 2020**

## CONCLUSION

Over the course of our careers, over the past 25 years, auditing and reporting on over 200 governmental entities throughout the U.S., we have become extremely familiar with the requirements listed in the Special Audit RFP and will issue a report containing the elements listed there and more. **We want the District to have answers.**

We appreciate the opportunity to be of service to BCSD and believe this proposal accurately summarizes the significant terms of the engagement. If you have any questions, please let us know. If the terms of our proposal as described in **Section IV. Cost Response** above are to your liking and accepted by an approved contract, we will present an engagement letter representing our agreement with you to immediately begin services with BCSD.

## WHY JAG IS YOUR BEST CHOICE

**Independence** – JAG is not from your area; however, that is to your advantage. We come in with fresh eyes and no political ties or other potential conflicts of interest. The accounting standards relating to Bonds and investigative Forensic procedures you need are applied consistently from state to state, so you will gain a new and independent perspective without risking quality. JAG's partners leading this engagement have performed governmental audits and other services throughout the U.S. during their careers.

**Friendly** – team approach working to achieve the end-goals of the District.

**Niche Firm** – we know governments' and districts' operations, funding, requirements

**Experts** – partners have over 45 years in governmental and Special Audit/Forensic experience

**Flexible** – schedule, personnel, hours, remote work, available for 30-day timeframe

**Communication** – clear, timely, available, responsive

**Consultants** – teachers at heart, dedicated problem solvers

***Creating Clarity from Complexity***



**BEAUFORT COUNTY SCHOOL DISTRICT  
RFQ FOR FORENSIC AUDIT SERVICES  
JUNE 30, 2018, 2019 and 2020**

**E. OTHER SUPPORTING MATERIAL**

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Please see the following information as listed in the Table of Contents.

# CREATING CLARITY

**JAG** JARAMILLO  
ACCOUNTING  
GROUP  
CLARITY FROM COMPLEXITY

## FROM COMPLEXITY

THESE 5 INTERCONNECTED PRINCIPLES GUIDE US IN ALL WE DO AT JAG.

To ensure our Clients receive outstanding service and results, our Team Members live these core values.



[www.JAGnm.com](http://www.JAGnm.com)