

REQUEST FOR PROPOSALS

MOUNT VERNON CITY SCHOOL DISTRICT

165 North Columbus Avenue
Mount Vernon, New York 10553

NOTICE TO PROPOSERS

RFP # 2023-24-10: INTERNAL AUDITOR

The Mount Vernon City School District is issuing this Request for Proposals (RFP) for the selection of a qualified individual or accounting firm to provide internal auditing services for the remainder of the 2023-2024 school year. You are invited to submit proposals in accordance with this RFP.

Proposals will be received no later than 11:00 a.m. on November 7, 2023 at the School District's Purchasing Office, Attention: Hillary Thompson, Purchasing Agent, Mount Vernon City School District, 165 North Columbus Avenue, Mount Vernon, New York 10553. The Board of Education reserves the right to reject any proposal or to accept part of any proposal.

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RFP# 2023-24-10: INTERNAL AUDITOR

GENERAL INFORMATION

The Mount Vernon City School District, (hereinafter referred to as the “District”), invites proposals from qualified accountants and accounting firms, (hereinafter referred to as “Auditor”), to serve as the internal auditor for the 2023-2024 school year. The internal audit services will be performed to ensure that appropriate internal controls are in place and performed in accordance with the District’s policies, procedures, and for compliance with relevant regulations promulgated by the State Education Department or Office of the State Comptroller. It is estimated that the actual time in the District will be approximately 2 days each month throughout the school year. Special or extraordinary circumstances may warrant additional time.

Description of School District

The following is a brief description of the School District:

- Enrollment: 7,206 students
- Number of Employees: 1,600
- Schools: Benjamin Turner Academy, Cecil H. Parker School, Denzel Washington School of the Arts, Edward Williams School, Graham School, Grimes School, Hamilton School, Lincoln School, Mount Vernon High School, Mount Vernon Honor Academy, Mount Vernon Leadership Academy, Mount Vernon Steam Academy, Nelson Mandela/Hosea Zollicoffer School, Pennington School, Rebecca Turner Academy, and Traphagen School.
- Board of Education: Nine (9) member board of education
- Fiscal Management:
 - Acting Superintendent of Schools: Dr. K. Veronica Smith
 - Assistant Superintendent for Business: Ken Silver
 - Audit Committee

Additional background information may be found at the end of this RFP.

TERM OF ENGAGEMENT

A contract is contemplated commencing upon award by the Board of Education and terminating on June 30, 2024, with annual renewal for up to three (3) additional one-year terms subject to approval by the Board of Education and the annual appropriation of funds.

SCOPE OF SERVICES REQUIRED

The District is soliciting the services of qualified accountants, accounting firms or individuals to provide the internal audit function for the District. The internal audit function will be performed to provide an assessment of whether (1) the District's financial policies and procedural controls are effective; further, (2) the financial policies and procedures are operating as intended and; (3) that all expenditures of School District funds are made in accordance with laws, regulations, and District policy. The Scope of Services shall include, but not be limited to: program audits, economy and efficiency audits, financial related audits and the like, as deemed necessary by the District and the Board. The scope of the work will be determined based on regulations of the Commissioner with regard to the internal audit function as set forth at 8 NYCRR § 170.12(b) and the terms and conditions of this RFP.

The internal audit services are to be performed in accordance with the provisions contained in this request for proposals and generally accepted auditing standards for internal audits; the standards for auditing contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, or the standards established by the Institute of Internal Auditors and guidelines promulgated by the Department of Audit and Control and Education Department of the State of New York. It may be necessary to coordinate functions or requests for documentation with the external auditor.

The Internal Auditor should be familiar with the legal requirements of the Internal Audit Function and those associated with purchases in a public school environment. The Internal Auditor must:

- Obtain, read and refer to copies of the external auditor's management letter for the past three (3) years.
- Obtain, read and refer to copies of the District's current Board policies and regulations relating to District finances, including the District's policy governing quotations and requests for purchases for which bid is not required.
- Obtain, read, and be familiar with Board of Education decisions by reviewing Board of Education minutes and memoranda.
- Obtain, read and refer to copies of the external auditor's management letter for the past three (3) years.
- Have experience and knowledge with regard to the following:
 - New York State Education Law Section 2116-b as it pertains to the Internal Audit Function, together with the implementing regulations of the Commissioner of Education.
 - The legal requirements associated with General Municipal Law section 103 and the bidding requirements.
 - The practice and use of cooperative bidding, county contracts, and state OGS contracts.
 - Construction contracts, lease and lease-purchase agreement requirements.
 - Professional service and consultant contracts.
 - Adhering to internal audit guidelines generally accepted by the Institute of Internal Auditors.

The Internal Auditor will on an as-needed basis:

- Perform an initial risk assessment of District operations including, but not limited to, a review of School District business policies and procedures, consideration of operational and compliance aspects. The updated risk assessment shall include, but not be limited to the following: review of financial policies and procedures and practices; consideration of operational and compliance aspects, as well as communications with the District's Assistant Superintendent for Business and the District's audit committee.
- Perform an annual review and update of such risk assessment.
- Prepare a draft of an internal audit plan based on findings from the risk assessment, meet with the Audit Committee to review the audit plan and make adjustments.
- Conduct annual, or more frequently, if so directed by the Board, testing and evaluation of one or more areas of the District's internal controls, taking into account risk, control weaknesses, size, and complexity of the District's operations. These areas include, but are not limited to:
 - District IT programs and controls
 - Certification of Payroll
 - Physical Payroll Audit
 - Review of the Bank Reconciliations and Treasurer's Report
 - Review of Payroll Processes and related controls
 - Review Check Signing Procedures and related controls
 - Fixed Asset Sampling
 - Review of the Fixed Asset Inventory
 - Co-curricular/Extracurricular Club Activities
 - District Transportation Operations
- Perform testing and validation functions as necessary, including but not limited to:
 - Testing of key controls to ensure that controls are appropriate and effective when applied.
 - Testing the design and operational effectiveness of internal controls to detect deficiencies.
 - Recommendations for improvements.
- Perform the following duties if investigation into claims is identified as an area of concern:
 - Review all voucher packets, verify mathematical accuracy.
 - Ensure that each voucher packet includes a purchase order signed by the purchasing agent, a signed receiving copy, and an original invoice.
 - Ensure that voucher packets without purchase orders include a claim form signed by the individual making the claim, approved by the supervisor, signed by the purchasing agent, and have original receipts attached.
 - Ensure that the invoice clearly describes the goods or services purchased and matches the purchase order.
 - Ensure that the invoiced price is comparable to the estimated cost on the purchase order or any addendum and if the invoice cost is above the purchase order that the purchasing agent has approved the increased cost.
 - Ensure that the District does not pay any sales tax.

- If the expenditure is one that requires bidding, make certain there is evidence that the merchandise was acquired through a bid, either by the District or through a co-operative bid or state contract.
- If the expenditure is one that does not require bidding, make certain there is evidence that the purchase is in compliance with School District policy.
- Review all voucher packets for their reasonableness.
- Perform the following duties periodically:
 - Review journal entries and wire transfers.
 - Review and test addresses of vendors to ensure their legitimacy.
 - Review School District investments for compliance with NYS Law and collateralization, test for compliance with arbitrage constraints.
 - Review overtime and stipend calculations on a test basis.
 - Audit payroll registers and salary notices against Board of Education minutes to ensure that employees are approved by the Board.
 - Review and initial the bank reconciliations and treasurer's report on a monthly basis.
 - Compare the check log maintained by the accounts payable department against the treasurer's report to the Board of Education.
 - Review the revenues of the District comparing outside reports with the treasurer's report, such as tax collections, state and federal aids.
 - Conduct fixed asset verification
 - Review Extra Classroom Quarterly Statement and supporting documentation.
 - Perform school lunch cash counts periodically and meal observation; verify free and reduced and prepaid meals for accuracy.
 - Compare the check log maintained by the accounts payable department against the treasurer's report to the Board of Education.
 - Review the revenues of the District comparing outside reports with the treasurer's report, such as tax collections, state and federal aids.
 - Conduct fixed asset verification.
 - Co-curricular/Extracurricular Club Activities
 - District Transportation Operations
 - Perform school lunch cash counts periodically and meal observation verify free and reduced and prepaid meals for accuracy
 - Conduct periodic payroll check verification
- Perform audit procedures designed to identify unusual and/or questionable transactions.
- Monitor the internal controls of the School District:
 - Review any recommendations regarding the internal controls with the Assistant Superintendent for Business and then report findings to the Board of Education.
 - Based upon the findings, assist the District in the design and implementation of recommended procedures to ensure the operating effectiveness of the internal control environment.

- Preparation of reports, at least annually or more frequently as the Board of Education or the Audit Committee may direct, which identify risks and recommend changes for strengthening controls and reducing risks. These reports shall:
 - Identify and analyze significant risks from assessment findings;
 - Recommend changes for strengthening controls and assist the District in reducing identified risks;
 - Specify timeframes for implementation of such recommendations, and;
 - Provide other internal audit services as required by New York State Education Law, the Regulations of the Commissioner of Education, or as deemed necessary by the Board of Education.

The successful proposer shall be required to attend meetings of the Board of Education, Audit Committee, and/or external auditor.

In the event the Internal Auditor believes that fraud and/or theft has been or may have been committed by any District employee, including but not limited to the Superintendent of Schools and/or the administrative staff, then he or she shall immediately notify the President of the Board of Education and the Chairman of the Audit Committee. The President of the Board of Education shall notify the entire Board, which will then review the information and take action as necessary and appropriate.

REPORTS TO BE ISSUED

Reports to be issued shall include a Risk Assessment and Audit Plan. The written reports will include items that are disclosed when performing the internal audit services, including but not limited to the risk assessment findings, recommendations to strengthen controls and reduce risks specifying timeframes for implementing recommendations.

The auditor shall issue written reports:

- In the required timeframe,
- That include internal control items such as an analysis of the risk assessment findings, appropriate recommendations to strengthen internal controls and reduce risk,
- That include exceptions in testing and control, and
- That communicate any deficiencies found during the audit process.

The written reports shall include reportable conditions and should specifically include and discuss all significant deficiencies and material weaknesses.

More detailed information of the District and its finances can be found in the District's latest financial statements and budget documents. Financial statements, labor contracts and other information is available at www.mtvernoncsd.org

PROPOSAL REQUIREMENTS

All proposals must be submitted in two (2) parts. Part I must consist of all-inclusive responses to the management and qualifications items. Part II must consist of the complete contract cost and

pricing information. Incomplete submissions will not be considered for award. Proposals should not be excessively long and should be submitted in a format that permits copying for review.

Each page of the proposal must state the firm submitting the proposal and the page number. All materials submitted in response to this request shall become the property of the District.

There is no express or implied obligation for the District to reimburse responding individuals or firms for any expenses incurred in preparing quotations, attending pre-quotation conferences, or interview(s) in responding to this request.

PART I - Management and Qualifications

- General Requirements:
 - The purpose of Part I is to demonstrate the qualifications, competence and capacity of the persons/firms seeking to perform the internal audit function of the District in conformity with the requirements of this RFP. Part I should demonstrate the qualifications of the firm and of the particular staff (if applicable) to be assigned to this engagement. It should also specify an audit approach that will meet the RFP's requirement.
- Independence:
 - The firm should provide an affirmative statement that it is independent of the District. No person/firm shall be eligible for appointment to the office of Internal Auditor who is:
 - a. A member of the Board;
 - b. The Clerk or Treasurer of the Board;
 - c. The Superintendent or official of the District responsible for business management;
 - d. The Purchasing Agent; Clerical or professional personnel directly involved in accounting and purchasing functions of the District or under the direct supervision of the Superintendent;
 - e. The individual or entity responsible for claims auditing (the "Claims Auditor");
 - f. The External (Independent) Auditor responsible for the external audit of the financial statements.
- Prior Internal Auditing Experience:
 - The firm should include prior or current engagements pursuant to the Amended Single Audit Act and Office of Management and Budget Circular A-133, and work experience in performing the internal audit function for school districts as required by NYS Education Law Section 2116-b. Also, indicate any services to related industry if applicable.
 - Provide evidence of an individual's credentials and qualifications in the area of entity responsible for claims and internal auditing and if the firm is either a New York State licensed Certified Public Accounting Firm, or a licensed Certified Public Accountant in accordance with the New York State Education Department, Office of the Professions as a partner or officer of the firm.

- Describe the individual's or firm's experience and expertise focusing on internal controls, providing internal audit services in general, as well as for school districts or related entities.
- State the name(s) of the officer(s) and associate(s) in the firm.
- Firm Qualifications and Experience:
 - 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 professional staff to be employed in this engagement.
 - Provide evidence of the firm's credentials and qualifications in the area of internal auditing and if the firm is either a New York State licensed Certified Public Accounting firm or a licensed Certified Public Accountant in accordance with the New York State Education Department, Office of the Professions as a partner or officer of the firm.
 - Provide any other information that might be beneficial to the District in considering the Firm.
- Partner, Supervisory and Staff Qualifications and Experience:
 - Provide as much information as possible regarding the number, qualifications, experience, and training, including relevant CPE, of the specific staff to be assigned to this engagement.
 - Indicate how the quality of all staff over the term of the agreement will be assured.
 - Indicate specific experience and expertise in internal controls, and in providing internal audit services generally as well as for school districts or related entities.
 - Identify the nature of any potential conflict of interest the individual or firm might have in providing the services to the District.
- Provide a copy of the individual's or firm's latest peer review.
- Provide any other information that might be beneficial to the District.
- Specific Audit Approach:
 - Approach to be taken to gain and document an understanding of the District's internal control structure.
 - Sample size, type and extent of testing.
 - Approach to be taken in determining laws and regulations that will be subject to audit test work.
 - Approach to be taken in drawing audit samples for purposes of tests of compliance.
 - Demonstrate a working knowledge of school district operations as to the legislation relating to audit committees and school districts.
 - Describe how your firm will approach the audit of the organization and the areas that will receive primary emphasis.
 - Discuss the firm's use of technology in the audit.

- Discuss the communication process used by the firm to discuss issues with the Board, Superintendent, Assistant Superintendent for Business and the Audit Committee.
- Describe how and why your firm is different from other firms being considered, and why our selection of your firm as our internal auditors is the best decision we could make.

PART II - Cost

Sealed Dollar Cost Bid

The total cost for the provision of the above-described services on an as needed basis for the 2023-2024 school year and subsequent annual renewals up to a maximum of three (3) years. The fee proposal submitted must separately reflect the fee structure for the initial term and each successive renewal. Any inquires or requests for clarification must be made in writing and faxed to Hillary Thompson, Purchasing Agent at hthompson@mtvernoncsd.org by October 27, 2023 at 11:00 a.m. Responses to inquires received will be issued by written addendum to this RFP.

State the hourly rates at which the services of all partners, managers, senior accountants, staff accountants, or other personnel would be provided to the District. In addition, state which partners and/or staff are expected to perform the services. Please include:

- For each partner, manager, or staff whose resume is provided, and who will participate in the internal audit, the regular hourly rate and the hourly rate you are quoting.
- For each work plan item, include the estimated number of hours for each employee type.
- Rates for additional professional services.
- Manner of payment.
- Other.

Fees must be all inclusive.

PROPOSAL SUBMISSION

To be considered, three (3) copies of each proposal must be submitted. One (1) copy must be titled "ORIGINAL" and all other two (2) copies titled "COPY". In addition to the hard copies of the proposal, an electronic copy of the proposal in .pdf format must be submitted to the District on a thumb drive. Proposals must be received by the Purchasing Agent at 165 North Columbus Avenue, Mount Vernon, New York 10553 by 11:00 a.m. on November 7, 2023. The School District reserves the right to reject any or all proposals submitted.

Proposals must be clearly labeled "RFP # 2023-24-10: Internal Auditor" and submitted to Hillary Thompson, Purchasing Agent no later than 11:00 a.m. on November 7, 2023. Proposals submitted after that time and date will not be considered and will be returned to the submitter unopened. There is no expressed or implied obligation for the District to reimburse proposers for any expenses incurred in preparing proposals in response to this RFP.

The District reserves the right to reject without prejudice any and all quotations received under this Request for Proposals.

Proposals will be evaluated based on:

- Auditing experience of staff assigned to engagement
- Knowledge and experience in New York State School Districts
- Knowledge and experience in Federal and State law and regulations as applicable to the internal audit function
- Knowledge and experience in Westchester County school districts
- Ability to respond quickly to issues that may arise
- Audit approach, type of program, and time frame
- Professional fees

The Audit Committee will review qualifications of the proposals. Firms with unacceptably low technical qualifications will be eliminated from further considerations.

The District reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

ORAL PRESENTATION

During the evaluation process, the District may request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions on a firm's proposal.

FINAL SELECTION

The award process will include an interview with the District's Audit Committee and if required, the Board.

The Board of Education may select a firm based upon the recommendations of the Audit Committee. It is anticipated that a firm will be selected within forty-five (45) days of the opening of the proposals. Following notification of the firms selected, it is expected that a contract will be executed between both parties. The District reserves the right without prejudice to reject any and all proposals.

TERM OF CONTRACT/FORM OF CONTRACT

Contract Period: upon award through June 30, 2024. This contract shall be for one (1) year, with the option to renew for additional one year periods, not to exceed three (3) years, upon approval of the Board of Education for each year, at its sole discretion.

By submission of a proposal, the proposer understands and agrees that the terms and conditions set forth in the within RFP shall be incorporated into the form of Agreement between the Board of Education and the successful proposer. Said Agreement is subject to review and approval of the District's legal counsel.

TERMINATION OF CONTRACT

Any contract agreed to under this RFP is subject to termination by the District 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 successful proposer.

INDEMNIFICATION

The following clause shall be included in any agreement between the District and the successful proposer:

The successful proposer shall defend, indemnify and save harmless the District, its officers, employees and agents, from and against all claims, damages, losses and expenses (including without limitations, reasonable attorneys' fees) arising out of, or in consequence of, any negligent or intentional act or omission of the successful proposer, its employees or agents, to the extent of its or their responsibility for such claims, damages, losses and expenses.

INSURANCE REQUIREMENTS

- Notwithstanding any terms, conditions or provisions, in any other writing between the parties, the proposer hereby agrees to effectuate the naming of the District as unrestricted additional insured on the proposer's insurance policies, with the exception of workers' compensation and professional liability. If the policy is written on a "claims-made" basis, the retroactive date must precede the date of the contract.
- The policy naming the District as an additional insured shall:
 - Purchase an insurance policy from an A.M. Best rated "secured" New York State licensed insurer
 - Contain a 30-day notice of cancellation
 - State that the organization's coverage shall be primary coverage for the District, its Board, employees and volunteers
 - The District shall be listed as an additional insured by using endorsement CG 2026 or broader. The certificate must state that this endorsement is being used. If another endorsement is used, a copy shall be included with the certificate of insurance.
- The proposer agrees to indemnify the District for any applicable deductibles.
- Required Insurance:
 - **Commercial General Liability Insurance**
\$1,000,000 per occurrence, \$2,000,000 aggregate
 - **Automobile Liability**
\$1,000,000 combined single limit for owned, hired and borrowed and non-owned motor vehicles
 - **Workers' Compensation and New York State Disability**

Statutory Workers' Compensation, Employers' Liability and New York State Disability Benefits Insurance for all employees

- **Professional Errors and Omissions Insurance**
\$1,000,000 per occurrence, \$2,000,000 aggregate for the professional acts of the consultant performed under the contract for the District. If written on a "claims-made" basis, the retroactive date must pre-date the inception of the contract or agreement. Coverage shall remain in effect for two years following the completion of work.
- **Excess Insurance**
On a "follow-form" basis, with limits of \$3,000,000 each occurrence and aggregate.
- Proposer acknowledges that failure to obtain such insurance on behalf of the District constitutes a material breach of contract. The proposer is to provide the District with a certificate of insurance evidencing the above requirements have been met prior to the commencement of work or use of facilities. The failure of the District to object to the contents of the certificate of the absence of same shall not be deemed a waiver of any and all rights held by the District.

ADDITIONAL INFORMATION FOR THE INTERNAL AUDITOR PROPOSAL

Accounting Funds:

- General Fund
- Special Revenue Fund: Special Aid Fund
 School Lunch Fund
- Capital Projects Fund
- Account Groups: General Fixed Assets Accounts
- Extra-classroom Activity:

Grants: The District receives Federal and State grants as well as various grants from other organizations (PTA, Foundation, gifts, etc.)

Purchasing: -Approximately 1900 purchase orders annually, including but not limited to:
 -BOCES Cooperative Bids
 -New York State Purchasing Contracts
 -District Bids and Requests for Proposals

Budget: -General Fund Budget for the 2023-2024 School Year is approximately \$265,969,821.
 -Federal Funds are dependent on Allocations
 -Approximately \$0.00 of activity is expected in the Capital Fund during the 2023-2024 School Year.

Current Auditing: Claims Auditor:
External Auditor: EFPR

Financial Software: nVision by Finance Manager

NAME & ADDRESS OF PROPOSER: _____
(please print)

FEDERAL EMPLOYEE ID # _____

TELEPHONE NUMBER: () _____

FAX NUMBER () _____

EMAIL ADDRESS _____

SIGNATURE & TITLE _____
(signature)

(please print name)

Date

NO CONTRACT BECOMES BINDING UNTIL THE NECESSARY FUNDS HAVE BEEN APPROVED FOR THE FISCAL YEAR DURING WHICH THE CONTRACT IS IN EFFECT.