

**Chappaqua Central School District
Westchester County, New York**

**Request for Proposal
CCSD RFP# 2022-03**

Internal Auditing Services

Request for Proposal Due by July 14, 2022

Request for Proposal - Internal Auditing Services

I. INTRODUCTION

A. General Information

The Chappaqua Central School District, Westchester County, New York (hereafter known as the “District”) is requesting proposals from firms or individuals (hereafter known as the “firm”) who are qualified to provide Internal Auditing Services for the fiscal years 2022-23, 2023-24, & 2024-25.

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

Firms interested in submitting a proposal should send it to: Andrew Lennon, Assistant Superintendent for Business, Education Center, Chappaqua Central School District, PO Box 21, Chappaqua, NY 10514.

To be considered, one original plus two (2) copies of the proposal must be received by the Assistant Superintendent of Business by 2:00 PM on July 14, 2022. Each page of the proposal must state the name of firm submitting the proposal and the page number. Additionally, an electronic copy of the proposal in .pdf format shall be emailed to anlennon@chappaquaschools.org. All materials submitted in response to this request shall become the property of the District. The District reserves the right to reject any or all proposals submitted.

During the evaluation process, the District reserves the right, where it may serve the District's best interest, to request additional information or clarifications from firms, or to allow corrections of errors or omissions. At the discretion of the District, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The District 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 any and all such exceptions are clearly and specifically noted in the proposal submitted and confirmed in the contract between the District and the firm selected.

As part of the engagement, representatives of the firm familiar with the engagement may be required to attend night meetings with any of the following: district personnel, Board of Education, Audit Committee, or external auditor. The cost of the first three meetings in year one, two meetings in year two and two meetings in year three shall be included in the cost of the initial risk assessment. Additional meetings during the first year or any meetings in subsequent years shall be billed at the per-hour rate.

B. Terms of Engagement

A three-year fee schedule should be proposed, subject to annual review and concurrence of the District's Board of Education, and the annual availability of an appropriation. All fees must be all inclusive. Fees shall be submitted as follows: fixed price for the initial risk assessment and a per-hour

rate for all additional work for year one and a per-hour rate for subsequent years. All rates must include any expenses incurred by the firm. There will be no billing allowed for expenses incurred.

The auditor as well as the District shall have the option to cancel the engagement for the school year(s) 2022-23 and 2023-24, provided that thirty days written notice is given to the other party or at the pleasure of the Board of Education.

II. NATURE OF SERVICES REQUIRED

1. Scope of Work

The development of risk assessment (including policies and procedures and testing of internal controls) of school district operations. The firm must develop and document a comprehensive understanding of the internal controls of the school district, make recommendations for improving said controls, test the controls and provide reports to the Board of Education. (The regulations of the Commissioner of Education in this regard must be understood and followed). Required tasks are to be performed in accordance with the International Standards for the Professional Practice of Internal Auditing promulgated by the Institute of Internal Auditors.

2. Intensive Review

At various times, specific areas should be targeted for intensive review at the quoted per-hour rate, at the request of the Board of Education.

3. Internal Controls Advisor

The Internal Auditor shall provide advice and counsel to the district on all matters of internal controls on an ad-hoc basis at no cost to the district not to exceed eight (8) hours annually.

4. Work Papers

All working papers and reports must be retained, at the Internal Auditor's expense, for a minimum of three (3) years, unless the firm is notified in writing by the District of the need to extend the retention period. The Internal Auditor will be required to make working papers available, upon request, to the district or its designees. In addition, the internal auditor shall respond to the inquiries of any successor Internal Auditor to review working papers relating to the Internal Control system and any findings or reports issued.

III. DESCRIPTION OF THE GOVERNMENT

A. Basic Information

The Internal Auditor's principal contacts with the District:

Andrew Lennon – Assistant Superintendent
Cathy Lynch - Treasurer

B. Background Information

The District:

Adopted 2022-23 budget: \$133,963,422

Financial statements, labor contracts and other information is available at the following website:

<https://www.chappaquaschools.org/district/departments/business-office/financial-and-legal-information-budgets-audits-employee-contracts>

Schools: 1 high school, 2 middle schools and 3 elementary schools

Enrollment: 3580 students

The fiscal year of the District is July 1 through June 30.

C. Fund Structure

The District utilizes the following fund types in its financial reporting:

- General Fund
- Special Aid Fund
- School Lunch Fund
- Capital Fund
- Special Purpose
- Extraclassroom Activity
- Fixed Assets

D. Budgetary Basis of Accounting

The District prepares its budgets on a basis consistent with generally accepted accounting principles for local government units and the uniform system of accounts as prescribed by the State of New York.

E. Grants

The District receives Federal and State grants as well as various grants from other organizations (PTA, Foundation, gifts, etc). If more detailed information is required, you must contact the Assistant Superintendent for Business prior to submitting your proposal.

F. Pension Plans

The District participates in the following pension plans:

- New York State and Local Employees Retirement System
- New York State Teachers Retirement System

These are cost sharing multiple employer retirement systems. A separate publicly available report is issued.

G. Magnitude of Finance Operations

The District's Business Office staffing breakdown is listed below:

Business Official: 1

Treasurer: 1

Accountant: 1

Payroll: 2
Accounts Payable: 1
Purchasing Agent: 1
Benefits: 1
Support Staff: 2.71

H. Financial Software:

The financial software utilized by the District is nVision by Finance Manager.

I. Availability of Prior Audit Reports

Interested firms who wish to review prior years audit reports (external, internal and /or OSC) and management letters should refer to the website referenced in B. above.

IV. INTERNAL AUDIT SCHEDULE

A. Internal Control System

It is the responsibility of the internal auditor to develop a comprehensive understanding of the internal control system. In doing so, the system must be documented and made available for periodic review by the Board of Education and or its designee. This initial review and documentation must be included in the fee.

V. ASSISTANCE TO BE PROVIDED TO THE INTERNAL AUDITOR

The business office department staff and responsible management personnel will be available to assist the auditor by providing information, documentation, various workpapers and explanations. It should be noted that the business office takes pride in their work and will make every attempt to provide workpapers that are requested in a timely fashion. Report preparation, editing and printing shall be the responsibility of the Internal Auditor.

VI. PROPOSAL REQUIREMENTS

- **Inquiries:** General inquiries concerning the request for proposals and the subject of the request for proposals must be made via e-mail to:
Andrew Lennon, Assistant Superintendent for Business
anlennon@chappaquaschools.org
- **Proposal: Please include the following in your proposal (see subsequent paragraphs for more detail):**
 - Title Page showing the RFP's subject; the firm's name; the name, address and telephone number of a contact person; and the date of the proposal.

- A signed letter of transmittal briefly stating the firm's understanding of the work to be done, a 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 offer for the years 2022-23, 2023-24, and 2024-25.
- A copy of the Firm's External Quality Review Report.
- A brief narrative detailing the firm's history including location, size and date of inception.
- A brief biography of all partners.
- A brief biography of all partners and staff members that may or will be assigned to the district.
- A current list of school district audits/or internal control assignments (special engagements) performed by the firm.
- A list of contacts in each school district including name, telephone number and email address.
- Any reports issued by the New York State Comptroller's office indicating negative findings on previous or current audits (including special engagements).
- A sample risk assessment report.
- **Independence:** The firm should provide an affirmative statement that it is independent of the District as defined by the U.S. General Accounting Office's Government Auditing Standards.

The firm should also list and describe the firm's professional relationships involving the District or current Board of Education Members for the past five (5) years (if any), 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 the District written notice of any such professional relationships entered into during the period of this agreement.

- **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 professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis. In addition, the proposal should clearly state that the firm is registered with the NYS Education Department and indicate that all CPAs licensed to practice in New York have completed the required continuing professional education (CPE).

If the firm is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal in this engagement should be noted, if applicable.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits/special engagements during the past three (3) years. 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.

- **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 such person is licensed to practice as certified public accountant in New York State. The firm also should provide information on the school district auditing (both external and internal) experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit. The firm should provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. The firm also should indicate how the quality of staff over the term of the agreement would be assured.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the District. Staff personnel may be changed at the discretion of the contractor provided that replacements have substantially the same or better qualifications and relevant work experience.

- **Similar Engagements with Other Government Entities:** For the firm's office that will be assigned responsibility for the engagement, 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 proposals. The firm should also provide a list of any school district engagements in New York that were either added or dropped in the last three years.
- **Specific Approach:** The proposal should set forth a work plan, including an explanation of the methodology to be followed, to perform the services required in this request for proposal. In developing the work plan, reference should be made to such sources of information as District's budget and related materials, financial and other management information systems.
- **Report Forma:** The proposal should include two actual client reports.
- **Manner of Payment:** Approximately 30 days after services are rendered, original invoice submitted and approved, and if required reports are received by the district when required.

* NOTE: All pertinent information must be included in a one or two page executive summary at the beginning of the proposal.

VII. RIGHTS RESERVED

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the District and the firm selected.

The District reserves the right to amend any segment of the RFP prior to announcement of the successful vendor. In such an event, all responding vendors will be afforded the opportunity to revise their proposal to accommodate the RFP amendment. The District also reserves the right without prejudice to reject any or all proposals, or parts of proposals, to waive any informalities therein, to extend proposal due dates, or to cancel this solicitation for proposals if it is considered to be in the best interest of the School District.

VIII. NONCOLLUSION

You must complete the Affidavit of Noncollusion (Attachment B) and include it with your proposal.

IX. PRICING

A pricing sheet is included as Attachment C.

X. RFP

Proposal must be received by 2:00 PM on July 14, 2022 at:

Chappaqua Central School District
Education Center
66 Roaring Brook Road
Chappaqua, NY 10514

Each proposal must include the following documents:

1. Items requested in Section VI.
2. Executed Attachment B
3. Completed Attachment C

All prospective firms considering submitting a proposal should email Andrew Lennon, Assistant Superintendent for Business in advance to ensure receipt of notifications or updates pertaining to this RFP.

Attachment A
(Intentionally left blank)

Attachment B

NON-COLLUSIVE BIDDING CERTIFICATION

By submission of this bid, each bidder and each person signing on behalf of any bidder certifies, in the case of a joint bid each party thereto certified as to its own organization, under penalty of perjury, that to the best of his knowledge and belief:

1. The prices in this bid have been arrived at independently without collusion, consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any other bidder or with any competitor;
2. Unless otherwise required by law, the prices which have been quoted in this bid have not been knowingly disclosed by the bidder and will not knowingly be disclosed by the bidder prior to opening, directly or indirectly, to any other bidder or to any competitor; and
3. No attempt has been made or will be made by the bidder to induce any other person, partnership or corporation to submit or not to submit to bid for the purpose of restricting competition.

(Name of Bidder/Company)

(Name of Company Official - *See below)

(Date)

*Article IX, Section 139-d of NYS Finance Law provides that any bid made to the State or any public department, agency, or official thereof by a corporate bidder, where competitive bidding is required by statute, rule or regulation, and where such bid contains a signed certification of non-collusive bidding is deemed to have been authorized by the board of directors of the bidder, and is deemed to include the signing and submission of the bid and the certificate as to non-collusion as the act and deed of the corporation.

Attachment C

I. Risk Assessment (Year One 2022-23):

Estimated Hours	Fixed Fee

II. Hourly Rates for Risk Assessment Updates and Internal Audits (please only fill in the applicable boxes):

	Year One (2022-23)	Year Two (2023-24)	Year Three (2024-25)
Quality Assurance Partner			
Engagement Partner			
Audit Manager			
Audit Supervisor			
Associates			