

CHAPPAQUA CENTRAL SCHOOL DISTRICT

REQUEST FOR PROPOSALS CCSD RFP # 2019-4

EXTERNAL AUDITING SERVICES

March 2019

CHAPPAQUA CENTRAL SCHOOL DISTRICT REQUEST FOR PROPOSAL

CCSD RFP # 2019-4 EXTERNAL AUDITING SPECIFICATIONS

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Overview

The Chappaqua Central School District is accepting proposals from CPA firms to provide external auditing services. Firms must submit a proposal to us by 2 p.m. on Wednesday, April 24, 2019. The Board of Education is required under Education Law Section 2116-a, Regulations of the Commissioner Section 170.2(r) and Section 172.3(d), and Chapter 263 of the Laws of 2005 to secure an annual audit by an independent auditor for all funds plus Extraclassroom Activity Funds. The Single Audit Act of 1984 also requires an audit of federal monies received when the total amount allocated to the school district exceeds \$500,000. The District meets this threshold and therefore will require this audit.

The District's fiscal year begins July 1 and ends June 30th. Commissioner's Regulations require the Independent Auditor's report to be filed by October 15th.

This request for proposal is for the annual audit of all funds of the district for the year ending June 30, 2020 (**Note: an external auditor was appointed for year ending June 30, 2019**), June 30, 2021, June 30, 2022, June 30, 2023 and June 30, 2024 and the Single Audit for grant cycle ending August 31 of each of the years mentioned above.

In accordance with the above, the District will require that the selected firm's assigned staff perform preliminary audit work (e.g. testing of transactions) for approximately 2 business days prior to the close of the fiscal year. Final fieldwork shall begin no sooner than July 25th and conclude no later than August 15th annually, or on a date mutually agreed to. It is estimated that the actual time in the District will be 5 days during July and August.

The firm will type and make copies of all reports on its premises and deliver 25 copies of all reports to the Assistant Superintendent for Business. The annual audit report's letter to management shall be attached to, or included in, the same binder with the financial statements. The firm shall advise the Assistant Superintendent for Business as to the proper promulgation of their reports in writing. The report shall be presented to the Board of Education at a regularly scheduled public meeting. It is anticipated that the Board of Education, District officials and community members will be at the public meeting. The firm shall also be required to meet with the school district's audit committee at least twice during the fiscal year, once prior to the audit and once after the audit.

Scope

The Chappaqua Central School District maintains its records in compliance with the New York State Uniform System of Accounts for School Districts.

There are three major areas of audit:

1. **The funds and account groups of the Board:**

Funds:

- General Fund
- Special Revenue Fund: Special Aid Fund
 School Lunch Fund
- Debt Service Fund
- Capital Projects Fund
- Trust & Agency Funds: Expendable Trust Funds
 Nonexpendable Trust Funds
 Agency Funds

Account Groups:

- General Fixed Assets Accounts

2. **Extraclassroom Activity Funds:**

Extraclassroom Activities are organizations of students within a school district, which finance their operations from sources other than taxation or charges of a Board of Education. The monies raised by these activities are known as Extraclassroom Activity Funds. These funds are operating in the Middle/High Schools.

3. **Single Audit:**

Federal grants.

The payroll, human resources, and financial records of the Board of Education are maintained on the Finance Manager Management System.

This audit will be GASB 34, 45 and 75 compliant and made in accordance with generally accepted auditing standards and the New York State Education Department's Minimum Program

for Audit. The Single Audit will include those requirements defined in OMB Circular A-128, “Audits of State and Local Governments.”

The reporting requirements are as follows:

1. The Minimum Audit Schedules of the New York State Education Department. This includes Schedules 1 through 4 plus Supplemental Schedules SS1 through SS6. These schedules are due to State Education Department by October 15th.
2. An audit opinion with accompanying financial statements and notes for all funds and account groups of the Board.
3. An audit opinion with accompanying financial statements and notes for the Extraclassroom Activity Funds.
4. An audit opinion with accompanying financial statements and notes for Single Audit programs.
5. Reports to be issued – following completion of the audit of the fiscal year’s financial statements, the auditor shall issue:
 - a. Financial Statements and Supplementary Information with Independent Auditors’ Report and Management’s Discussion and Analysis.
 - b. Statement of Net Assets
 - c. Statement of Activities
 - d. Balance Sheet – Governmental Funds
 - e. Statement of Fiduciary Net Assets – Fiduciary Funds and Statement of Changes in Fiduciary Net Assets – Fiduciary Funds (if applicable)
 - f. Reconciliation of Governmental Funds Balance Sheet to the Government-wide Statement of Net Assets – Governmental Activities
 - g. Statements of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
 - h. Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
 - i. Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual General and Special Aid Funds
 - j. Notes to the Financial Statements
 - k. Comparative Balance Sheet – General Fund
 - l. Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund
 - m. Schedule of Revenues and Other Financing Sources Compared to Budget
 - n. Schedule of Expenditures and other Financing Uses Compared to Budget
 - o. Comparative Balance Sheet – Capital Project Fund
 - p. Comparative Statement of Revenues, Expenditures and Changes in Fund Balance – Capital Projects Fund
 - q. Project-Length Schedule Inception of Project – Capital Project Fund
 - r. Comparative Balance Sheet – Special Aid Fund

- s. Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Special Aid Fund
 - t. Combining Balance Sheet – Non-Major Governmental Funds
 - u. Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Non-Major Governmental Funds
 - v. Comparative Balance Sheet – School Lunch Fund
 - w. Comparative Statement of Revenues, Expenditures and Changes in Fund Balance – School Lunch Fund
 - x. Comparative Balance Sheet – Special Purpose Fund
 - y. Comparative Statement of Revenues, Expenditures and Changes in Fund Balance – Special Purpose Fund
 - z. Comparative Balance Sheet – Debt Service Fund
 - aa. Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance – Debt Service Fund
 - bb. Analysis of Change from Adopted Budget to Final Budget – General Fund
 - cc. Schedule of Certain Revenues and Expenditures Compared to ST-3 Data – General Fund
 - dd. Schedule of Invested in Capital Assets, Net of Related Debt
 - ee. Notes to Schedule of Federal Awards
 - ff. GASB 45 Related Reporting
- 6. A management letter, which will include a summation statement of audit findings, a description of any material weaknesses in internal control, and recommendations for financial management improvement.
 - 7. A presentation of the above to the Audit Committee of the Board.
 - 8. A presentation of the above to the Board of Education at a regularly scheduled public meeting.

Interim fieldwork should be performed in preparation for year-end closing, and should test existing internal control procedures to such an extent that the independent auditors can place reliance on the internal control in developing their judgment on the final statements.

All working papers associated with this engagement shall be retained for a minimum of three years from the date of the audit report. Further, all such working papers shall be available for examination by authorized representatives of concerned agencies, the Chappaqua Central School District and subsequent independent auditors.

Audit Performance – Time Line

The conduct of the audit according to a pre-established time plan is important to both the District and the Auditor. The District's goal is to file all of the audited annual reports with the New York State Education Department (NYSED) by the statutory deadline of October 15th. The commitment of the auditor will be to deliver such reports in a timely manner.

A similar time schedule will be developed for audits in future fiscal years should the District wish to exercise its option for additional audits. Mutually acceptable time frames will be decided in advance. However, for critical phases of the work, the District has elected to specify certain dates. Each of the following will be completed no later than the date indicated:

1. Engagement Letter

Upon acceptance of a proposal and notification to the selected firm, a written engagement letter will be signed by the District. In future years, the engagement letter should be delivered to the District ninety (90) days prior to July 1 for the ensuing fiscal year. The District retains the right to terminate the contract at any time by providing sixty (60) days notice. At the reorganization meeting held each July, an external auditor will be appointed for the ensuing fiscal year.

The engagement letter that the auditor provides to the District should include an understanding of the following: 1) The auditor will notify NYSED if the District terminates an audit prematurely; 2) The District will notify NYSED if the auditor resigns from the audit prematurely; and 3) The auditor will notify NYSED and the NYS Office of the Comptroller of any suspected fraud.

2. Review of Predecessor Workpapers (March – May)

An auditor new to the District will be required to initiate contact with the predecessor auditor to review the prior year's workpapers, reports and other matters of continuing accounting significance. The District will give proper notification to the predecessor auditor that this review is to take place. The successor auditor will be expected to provide the proper documents to the District to allow for such notification.

3. Entrance Conference (March – May)

A meeting to begin the first phase of the audit will be scheduled with the Assistant Superintendent for Business. The purpose of the meeting will be to discuss the nature and timing of all of the work to be performed, agree on mutually acceptable timeframes, establish an overall liaison for the audit, discuss prior and current audit issues, review the prior year management letter and corrective actions taken by the District, and to make arrangements for workspace needs. At the discretion of the Assistant Superintendent for Business, key finance or other program and administrative personnel may be included in the meeting.

4. Preliminary Fieldwork (April – June)

Fieldwork to be conducted during the interim will consist of planning all of the components of the audit for both financial statements and federal award programs. Areas to be covered include understanding the control environment, performing an audit risk assessment, testing internal controls for effectiveness, preliminary analytical procedures, materiality, compliance requirements and follow-up on any findings or recommendations from previous audits. The District requires that the staff assigned to perform preliminary fieldwork be the same staff to complete final fieldwork.

5. Pre-Audit Conference with the Audit Committee (May – June)

After completion of preliminary fieldwork, a meeting with the Audit Committee will be held. The purpose of this meeting will be to review and discuss the risk assessment of the District's fiscal operations for both financial and single audit purposes. The auditor will summarize the results of the preliminary review and work performed to date and discuss potential risks associated with the controls tested. The External Auditor may wish to address with the Audit Committee the nature of any reports issued during the year by the Internal Auditor.

6. Audit Fieldwork and Informal Exit Conference (July – August)

All fieldwork should be completed during this time. An exit conference with the Superintendent, Assistant Superintendent for Business and key Business Office personnel will be held on the last day of fieldwork. This date should be communicated as soon as it becomes known to the auditors. The purpose of the meeting will be to summarize the results of the fieldwork and to review all of the findings.

7. Draft Report of Basic Financial Statements and Notes (Due by September 5)

After completion of fieldwork and the preparation of draft financial statements and footnotes, the District will receive a copy of this report. This will allow District management to review the financial statements and provide initial comment and to complete its preparation of Management Discussion and Analysis (MD&A). It is understood that the MD&A is a District prepared document and the auditors are limited in the advice they can offer regarding its content. When the MD&A has been completed it will be provided to the auditor for final review.

8. Formal Exit Conference (On or about September 15)

A meeting with the Audit Committee will be set to receive and review the draft annual audit reports, management letter, communication to the Audit Committee/ Board of Education and the Data Collection Form. The auditor will provide 12 copies for this meeting. The auditor will give an overview of the financial statements and give a report on its findings as illustrated in the Management Letter. The Audit Committee will provide a recommendation to the Board of Education for acceptance of the annual audit report. After the Audit Committee has provided this review, management of the District will sign and return to the auditor a representation letter.

9. Delivery of Final Reports (September 15 – October 10)

Once all open issues involving the audit reports have been resolved, the Assistant Superintendent for Business will provide final approval to the auditor. Final printing and processing will be the responsibility of the auditor. Final signed copies of all reports are to be delivered within three (3) days of final approval to the Assistant Superintendent for Business in care of the District's Administrative Offices.

10. Final Board of Education Presentation (October)

The auditor will attend a meeting of the Board of Education for a public presentation on the annual audit. After this presentation a resolution will be adopted accepting the audit report and filed with the Commissioner of Education.

11. Single Audit (January)

A single audit is requested for the fiscal years ending as described. The audit shall be performed in accordance with generally accepted auditing standards, as promulgated by the American Institute of Certified Public Accountants (AICPA); the *AICPA Audits of State and Local Governmental Units* audit and accounting guide; and the *Government Auditing Standards*, published by the U.S. General Accounting Office. Federal compliance test work will be done in accordance with the Single Audit Act Amendments of 1996 and Office of Management and Budget Circular A-133, Audits of State, Local Governments, and Not-For-Profit Organizations.

The audit must be completed, and the audit report and required OMB reports issued within 30 days after the release of the financial statements of each year. The auditor must deliver signed copies of the report and required OMB reports to the Assistant Superintendent of Business and along with filing instructions by the above-mentioned date of each year.

The auditor will be involved in drafting, typing, and printing of the financial statements and OMB reports

RFP Requirements

Your proposal should clearly state the following:

1. Qualifications and experience of the firm

Firms submitting proposals should be of a sufficient size to ensure stability and responsiveness during the engagement. Firms submitting proposals shall provide information about their size as well as their local government and school district experience. The firm must be independent and licensed to practice in New York State and must be located within 100 miles of the District. The staff must be available for face-to-face meeting with staff, Board of Education or Audit Committee when requested. A listing of local government and school district references is requested.

2. Qualifications and experience of the firm's staff

The district is interested in the level and type of government auditing experience of those persons to be assigned as auditor(s) and/or manager. Brief resumes and

listing of governmental or school district contacts to attest to their experience should be included. The Board of Education or the District reserves the right to reject staff who they feel do not have appropriate experience or qualifications to conduct the audit.

Names and resumes of personnel to be assigned to this audit, including the partner(s) in charge. It is fully expected that the personnel indicated would be those assigned to the project. Please provide an affirmation statement that those assigned have met all the continuing professional education (CPE) requirements necessary to satisfy the United States General Accounting Office (GAO) standards. Also, provide the name(s) of individuals in the firm that will be available throughout the term of the contract for continuing advice and counsel.

3. Proposed fee structure

Each proposal will clearly state the fees to be charged to the District for the annual audit of all funds of the District for the year ending June 30, 2020 **(Note: an external auditor has been appointed for year ended June 30, 2019, June 30, 2021, June 30, 2022, June 30, 2023 and June 30, 2024 and the Single Audit for grant cycle ending August 31 of each of the years mentioned above.**

This fee should be a flat annual rate and include necessary expenses. The fee should also cover follow-up work and provide for advice and counsel to the staff throughout the term of this contract.

Each proposal will also state the basis on which special audit or management or services fees will be billed.

This fee should also include the meetings with the Audit Committee and Board of Education as referenced in the “Overview”.

4. A listing of experience in the performance of the requested services for school districts or municipalities in New York State and the years of such experience.
5. Responses to this request for proposal should include an affirmation (by completing the attached “”Proposal Certification/Non Collusive Certification” form by the auditor that there are not conflicts of interest between the audit firm and the Chappaqua Central School District.
6. The Board of Education reserves the right to withdraw from a contract entered into as a result of this proposal.

Evaluation of Proposals

THE BOARD OF EDUCATION RESERVES THE RIGHT TO ACCEPT OR REJECT ANY OR ALL PROPOSALS OR ANY PARTS OF PROPOSALS.

The original copy of all proposals received will be kept on file in the office of the Assistant Superintendent for Business.

Copies will be distributed as follows: Superintendent of Schools, Audit Committee members, and Assistant Superintendent for Business.

Week beginning May 6, 2019: Meet to consider all proposals

Week beginning May 13, 2019: Interview firms, and check references

Week beginning May 27, 2019: Meet to prepare recommendation

June 2019: Board of Education appoints Independent Auditor

Scoring criteria

- Qualifications – experience of firm, size and experience of staff, educational background, specialized skills
- Number of people, by level, that would be assigned to the audit, and their government auditing experience
- Number of New York State school districts that the firm has audited, including total years of service
- Results of Peer Review
- Audit approach – type of audit program, use of district's staff, time frame
- Fee Structure

Results and Contract Award Process

It is the intent of the Board of Education to award a contract for auditing services within a reasonable time after the RFP deadline. All respondents shall receive a letter informing of the Board's award. An award by the Board of Education shall be subject to successful contract negotiations.

Mailing Instructions

All proposals must be received by the Assistant Superintendent for Business no later than Wednesday, April 24, 2019 at 2 p.m. Any proposals received after this deadline will be returned unopened to the firm.

Each firm shall submit one original proposal and 11 copies to the following address:

**John L. Chow
Assistant Superintendent for Business
Chappaqua Central School District
66 Roaring Brook Road
Chappaqua, New York 10514**

The envelope shall be labeled “CCSD RFP #2019-4: External Audit Proposal”.

All proposals and accompanying documentation become the property of the Chappaqua Central School District. The district shall not divulge any information presented in the RFP to anyone outside the District without the written approval of the firm.

Questions concerning this request for proposal may be directed to:

John L. Chow
(914) 238-7200 ext 1006/jochow@ccsd.ws

CCSD RFP # 2019-4: EXTERNAL AUDITING SERVICES
PROPOSAL CERTIFICATION/NON COLLUSIVE CERTIFICATION

FIRM NAME _____

BUSINESS ADDRESS _____

TELEPHONE NUMBER _____ DATE OF RFP _____

I. General rfp Certification – The submitting firm certifies that he/she will furnish, at the prices herein quoted, the material, equipment, and/or services as proposed on this bid.

II. Non-Collusive Certification

By submission of this request for proposal, the submitting firm certifies that he/she is complying with Section 103-d of the General Municipal Law as follows:

1. Statement of non-collusion in bids and proposals to political subdivision of the state. Every bid or proposal hereafter made to a political subdivision of the state or any public department, agency or official thereof where competitive bidding is required by statute, rule, regulation, or local law, for work or services performed or to be performed or goods sold or to be sold, shall contain the following statement subscribed by the bidder and affirmed by such bidder as true under the penalties of perjury:
Non-collusive bidding certification.

“(a) By submission of this RFP, each submitting firm and each person signing on behalf of any firm certifies, and in the case of a joint bid each party thereto certifies as to its own organization, under penalty of perjury, that to the best of knowledge and belief:

- (1) The prices in this RFP 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 firm or with any competitor; and
- (2) Unless otherwise required by law, the prices which have been quoted in this RFP have not been knowingly discussed by the firm and will not knowingly be disclosed by the firm prior to opening directly or indirectly, to any other firm or to any competitor;
- (3) No attempt has been made or will be made by the firm to induce any other person, partnership or corporation to submit or not to submit a bid for the purpose of restricting competition.”

“(b) A RFP shall not be considered for award nor shall award be made where (a) (1), (2) and (3) above have not been complied with; provided, however, that if in any case the firm cannot make the foregoing certification, the firm shall so state and shall furnish with the RFP a signed statement which sets forth in detail the reasons therefore. Where (a) (1), (2), and (3) above have not been complied with, the RFP shall not be considered for award nor shall any award be made unless the head of the purchasing unit of the political subdivision, public department, agency or official thereof to which RFP is made, or his designee, determines that such disclosure was not made for the purpose of restricting competition.

The fact that a firm (a) has published price lists, rates, or tariffs covering items being procured, (b) has informed prospective customers of proposed or pending publication of new or revised price lists for such items, or (c) has sold the same items to other customers at the same prices being proposed, does not constitute, without more, a disclosure within the meaning of subparagraph one (a).

2. Any RFP submission hereafter made to any political subdivision of the state of any public department, agency or official thereof by a corporate firm for work or services performed or to be performed or goods sold or to be sold, where competitive bidding is required by statute, rule, regulation, or local law, and where such RFP submission contains the certification referred to in subdivision one of this section, shall be deemed to have been authorized by the board of directors of the RFP, and such authorization shall be deemed to include the signing and submission of the RFP and the inclusion therein of the certificate as to non-collusion as the act and deed of the corporation.”

Authorized Signature _____

Title _____