

Hampton County School District

372 Pine Street East

Varnville, SC 29944

Proposal Title: Financial and Compliance Audit RFP

Issue Date: 4/29/2024

Proposal Number: **2024-005**

Sealed proposals will be received until 12 PM on May 13, 2024

Direct inquiries to: Kathy Culclasure
Chief Finance Officer
Hampton County School District
372 Pine Street East
Varnville, SC 29944
Email: kculclasure@hcsdsc.org

Hand Deliver bids to: Same address as above. Attn: Kathy Culclasure

Telephone Number: (803) 903-1058

Firm Name _____

Address _____

Telephone Number _____ Fax Number _____

Federal ETN or Social Security # _____

I certify that this proposal is made without prior understanding, agreement, or connection with any corporation, firm, or person submitting a proposal for the same services, materials, supplies, or equipment, and is in all respect fair and without collusion and fraud. I agree to abide by all conditions of this proposal and certify that I am authorized to sign this proposal for the offeror.

Authorized Signature _____ Title _____

Name (typed/printed) _____

ARE YOU A SOUTH CAROLINA MINORITY VENDOR? _____ YES _____ NO

REQUEST FOR PROPOSALS INSTRUCTIONS

1. All proposals must be executed and submitted in a sealed envelope. The face of the envelope shall contain the proposal title, the proposal number, and the date and time for the proposal closing. Proposals not submitted in accordance with these instructions will be subject to rejection. Hampton County School District assumes no responsibility for unmarked envelopes being considered for award.
2. All amendments to and interpretations of this solicitation shall be in writing. The school district shall only be legally bound by any amendment or interpretation that is in writing. Should an Offeror find discrepancies or ambiguities in or omissions from the proposal documents, or should he be in doubt as to their meaning, he shall at once, and in any event not later than seven (7) days prior to the proposal due date, notify Hampton County School District who will send written addenda to all Offerors. Should an Offeror desire any explanation regarding the meaning or interpretation of the proposal documents, a request should be made in writing at least seven (7) days before the date established for submission of proposals. Any change made will be in the form of a written addendum to specifications and will be furnished to all Offerors, and its receipt by the Offeror shall be acknowledged on the proposed schedule. It shall be the Offeror's responsibility to make inquiries as to the addenda issued. All addenda shall become a part of the proposal document, and all Offerors shall be bound by such addenda whether or not received by the Offeror.
3. All prices and notations shall be printed in ink or typewritten. Errors shall be crossed out and corrections entered and initialed by the person signing the proposal. Erasures or the use of typewriter correction fluid may be cause for rejections. No proposal shall be altered or amended after the specified time for opening.
4. Offerors are to visibly mark as "**confidential**" each part of their proposal that they consider to be proprietary information.

CONDITIONS

1. Proposals, amendments thereto, or a withdrawal request received after the time advertised for proposal opening will be void regardless of when they were mailed.
2. Prices proposed must be based upon payment in the thirty (30) days after delivery and acceptance. Discounts for payment in less than thirty (30) days will not be considered in making the award. Payment in connection with any discount offered will be computed from the time of acceptance. (Pricing for services like this is usually done periodically, usually monthly)
3. The school district reserves the right to reject any proposal that contains prices for individual items or services that are inconsistent or unrealistic when compared to other prices in the same or other proposals if such action would be in the best interest of the school district. Ambiguous proposals which are uncertain as to terms, delivery, quantity, or compliance with specifications may be rejected or otherwise disregarded. The right is reserved to reject any proposal in which

the delivery time indicated is considered sufficient to delay the operation for which the project or service is intended.

4. The award will be made to the responsible CPA firm that submits a responsive proposal that is most advantageous to the school district and meets district standards. All proposers will receive written notification of the results upon approval by the Hampton County School District Board of Trustees. The award will also be posted in the District's Finance Office, along with the posting being made on the District's website.
 - a. The School Board is scheduled to meet on May 21, 2024 and presentations from firms submitting a proposal will be scheduled on that date.
5. Offerors must, upon request of the school district, furnish satisfactory evidence of their ability to furnish products or services in accordance with the terms and conditions of these specifications. Officials of Hampton County School District may make such investigations as deemed necessary to determine the ability of the CPA firm to perform such work. The school district reserves the right to make the final determination as to the firm's ability to provide the service requested herein and to reject any proposal if evidence fails to indicate that the CPA firm is qualified to carry out the requirements of the proposal documents.
6. Each Proposer shall frilly acquaint himself with conditions relating to the scope and restrictions attending the execution of the work under the conditions of this proposal. The failure or omission of a Proposer to acquaint himself with existing conditions shall in no way relieve him of any obligation with respect to this proposal or to the contract.
7. All applicable laws, regulations, ordinances, etc. shall be deemed to be part of these specifications, and the specifications shall be read and enforced as though they were included.
8. Upon award of a contract under this proposal, the person, partnership, association, or corporation to whom the award is made must comply with the laws of South Carolina which require such person or entity to be authorized and/or licensed to do business in this state. Notwithstanding the fact that applicable statutes may exempt or exclude the successful Proposer from requirements that he is authorized and/or licensed to do business in this state, by submission of this signed proposal, the Proposer agrees to subject itself to the jurisdiction and process of the courts of South Carolina as to all matters, and disputes arising or to arise under the contract and the performance thereof, including any questions as to the liability for taxes, licenses, licenses, or fees levied by the State.
9. The successful Proposer shall indemnify and save harmless Hampton County School District and all its agents and employees, from all suits or claims of any character brought by reason of infringing on any patent, trademark, or copyright.
10. The successful Proposer will comply with all Federal and State requirements concerning fair employment and the treatment of all employees, without regard or discrimination by reason of race, color, religion, sex, national origin, or disability.
11. No contract may be assigned, sublet, or transferred without the written consent of the school district.
12. In case of default by the CPA firm, the school district reserves the right to procure audit services from another audit firm if necessary, and the additional cost incurred (if any) will be the obligation of the CPA firm that defaulted on the contract.

13. Any contract entered into by the school district resulting from this proposal notice shall be subject to cancellation at the end of any fiscal or appropriated year if sufficient funds have not been appropriated for the continuation of the contract.
14. Any actual or prospective Proposer who is aggrieved in connection with the solicitation or award of a contract may protest. The protest shall be submitted in writing to the Fiscal Specialist, Mr. Jerold Smart, Hampton County School District at 372 Pine Street East, Varnville, South Carolina, 29944 setting forth the grounds and facts applicable thereto for the protest. A protest must be filed ten (10) days of the date of notification of award or the posting of the Award or the posting of the Intent to Award, whichever is applicable. The filing of a protest shall not stay the solicitation or award of a contract unless fraud has occurred.
15. The school district reserves the right to waive any instruction, condition, or minor specification when considered to be in the best interest of the school district.

Proposal Terms

Proposal Authorization and Acceptance

Proposals must be submitted in accordance with the requirements of this request. The proposal must be signed by an official authorized to bind the offer and must contain a statement to the effect that the proposal is firm for the period of at least 60 days from the deadline to receive proposals. The District reserves the right to accept or reject any or all proposals received as a result of this request and to negotiate with qualified firms. Proposals will not be accepted after the specified deadline.

Confidentiality

Proposals and related documents received as a result of this solicitation will not be made available by Hampton County School District to any person, agency or organization not associated with the selection committee until after an award has been made. However, commercial and/or financial information which is confidential or privileged included in proposals will not be disclosed if such information has been identified by the firm as confidential in an easily recognized way. All firms who wish to have selected information in their proposals remain confidential must visibly mark as "**Confidential**" on each part of the proposal they consider containing proprietary information.

Preparation of the Proposal

All proposals should be complete and must convey all the information requested by the District. If significant errors are found in the firm's proposal, or if a firm's proposal fails to conform to the requirements of this solicitation, the District may elect to reject the proposal.

Oral Presentation

The District may determine that the outcome of the evaluation process indicates that two or more of the proposals are relatively equal. The District may request an oral presentation by the Offerors of these proposals. Such presentations provide an opportunity for the firms to clarify their proposals and to ensure that a thorough mutual understanding exists between the firm(s) and District. The Business Manager will schedule the time and location for these presentations if necessary.

Contract Administration

Questions or problems arising after the award of this contract shall be directed to the Fiscal Specialist Hampton County School District, 372 Pine Street East, Varnville South Carolina, 29944.

Default

In case of default by the firm, Hampton County School District reserves the right to purchase services in the open market, charging the firm with any additional costs.

Award

It is the intention of the District to award a contract to the Proposer whose proposal is most responsive to the District's needs while within the available resources. The decision of the District is final, and the District shall not be required to furnish any statement of reasons for disqualification of any proposal or why a proposal was not chosen.

Once a decision has been reached, a Notice of Intent to Award identifying the Proposer to whom the District intends to award a contract shall be mailed to all Proposers. The notice shall also be posted at the Hampton County School District Finance Office for public review.

Non-Appropriation

Any contract entered into by Hampton County School District or its departments, institutions, agencies, political subdivisions or other entities resulting from this request for proposal shall be subject to cancellation without damages or further obligation when funds are not appropriated or otherwise made available to support the continuation of performance in a subsequent fiscal period or appropriated year.

Termination

Subject to the conditions below, the contract may be terminated for any reason by the District providing a 30-day advance notice in writing is given to the firm.

Termination for convenience

In the event that this contract is terminated or canceled upon request and for the convenience of the District without the required thirty (30) days advance written notice, then the District may negotiate reasonable termination costs, if applicable.

Termination for cause

Termination by the District for cause, default, or negligence on the part of the firm shall be excluded from the foregoing conditions; termination costs, if any, shall not apply. The thirty (30) days advance notice requirement is waived and default clause in this proposal shall apply.

REQUEST FOR PROPOSAL FOR FINANCIAL AUDIT
Hampton County School District

Hampton County School District is seeking a certified public accounting firm to provide independent auditing services for the fiscal years ended June 30, 2024, 2025, and 2026. The selection of the audit firm will be made by the Hampton County School District Board of Trustees, and the anticipated award date would be after the May 21, 2024, School Board Meeting contingent upon the business of the School Board.

INSTRUCTIONS TO BIDDER

- The deadline for submission of proposals is 12:00 PM on May 13, 2024. Ten (10) copies of the Proposal are required and should be delivered or addressed to Ms. Kathy Culclasure, Chief Finance Officer, Hampton County School District, 372 Pine Street East, Varnville, South Carolina, 29944. Please indicate on the envelope of the sealed bid that a "**Proposal for Financial and Compliance Audit**" RFP # "**2024-005** " is enclosed. The sealed proposals will be opened promptly at 2:00 P.M. on May 13, 2024 in the Hampton County School District Board Room located at 372 Pine Street East, Varnville, South Carolina 29944. Any proposals received later than the specified time will not be considered and will be returned unopened to the Proposer regardless of when it was mailed. No consideration of an award will be made at the opening of the proposals. Evaluation of each proposal will be made, and the selection of an audit firm will be made by the Hampton County School District Board. The District reserves the right to reject any or all proposals or to cancel this request in its entirety.
- All proposals will be treated as public information unless it is specifically requested that portions of the bid be treated as Trade Secrets under the Freedom of Information Act. The School District will consider all proposals, but individual CPAs operating as sole proprietors are discouraged from proposing.
- Any questions relating to this proposal must be submitted in writing by 4:00 pm on May 07, 2024. Questions can be emailed to kculclasure@hcsdsc.org. All questions and answers will be supplied to all Proposers upon request.
- The contract may be canceled at any time by the District in the event services prove to be unsatisfactory.
- An evaluation will be made by a committee to determine the merit of proposals received in accordance with the evaluation criteria defined herein. The objective of the evaluation committee will be to provide a matrix of selection criteria that may be useful to the Board of Trustees when selecting the winning proposal for audit services. Evaluation criteria will include the following:
 - School District or Governmental Audit Experience
 - Professional Reputation
 - The comprehensiveness of audit work plan
 - Reasonableness of time estimates
 - Qualifications of staff members
 - Past history in meeting the reporting deadlines required by the State Department of Education
 - References of clients and review of the latest peer review report
 - Cost (Cost will be given more importance when all other factors are relatively equal)

1. **REQUEST FOR AUDIT SERVICES**

A. General Requirements

1. The District requires an audit of its total financial program. Audited revenues (excluding transfers) for all funds for 2021-2022 were as follows:

Fund	Amount
General Fund	\$25,611,244
Special Revenue-Special Projects	\$9,118,277
Special Revenue-EIA	\$2,324,558
Debt Service	\$3,046,944
Capital Projects Fund	\$2,385
Proprietary Fund	\$2,376,586
Fiduciary Fund	\$727,503
Total	\$43,207,497

The Pupil Activity Fund, the fiduciary fund type, is centralized with all disbursements coming from the District's central operating accounts payable account. The District also maintains a Special Revenue Fund for its Food Service Fund. The audited financial statements for the fiscal year ended June 30, 2022, can be found on the District's website under the Finance department.

2. The audit engagement requires the independent auditor to express an opinion on the general-purpose financial statements, report on compliance and internal controls, and to report on compliance with requirements applicable to each major program in accordance with OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations.
3. The Auditor must also adhere to guidelines established by the State Department of Education (SDE) as set forth in the SDE's Single Audit Guide. The Audit Guidelines can be obtained from the SDE's Office of School District Auditing, 1429 Senate Street, Room 403, Columbia, South Carolina, 29201, or by going to their website.

B. Description of Hampton County School District

Background

The District's student enrollment is 2227 in grades k-12. The District operates 6 Elementary, 2 Middle, and 1 High School.

Financial Information

The District has four major governmental funds consisting of the General Fund, Special Revenue Funds, Capital Projects Fund, and the Debt Service Fund. The Food Service Fund is a Proprietary Fund Type and operates as a Special Revenue Fund. The Pupil Activity Fund is a Fiduciary Fund, and it operates as an Agency Fund.

Political Information

The Hampton County School District Board of Trustees is a nine-member body appointed by the delegates. The Board has the decision-making authority to hire management, significantly influence operations, and has accountability for fiscal matters.

C. Assistance Available to Proposer

1. The Finance Office will be available to prepare schedules on a reasonable basis. The staff generally will pull requested documents. Reconciliations of most balance sheet accounts and the balancing of all funds will be completed by the district finance team before any work begins in third week of September.
2. The District is willing to provide a substantial portion of staff time to assist the audit firm through the process. The District expects the audit firm to prepare all of the financial statements including the government-wide financial statements. The required management discussion and analysis will be prepared by the school district upon receiving a draft copy of the audit report.
3. All primary accounting records are maintained in the Finance Office.

D. Report Requirements

1. All reports should be addressed to the Honorable Chairwoman and Members of the Board of Trustees of the Hampton County School District.
2. The audit work must be performed in accordance with generally accepted auditing standards as established by the American Institute of Certified Public Accounts and generally accepted government auditing standards as established by the United States General Accounting Office, Comptroller General of the United States.
3. An audit opinion on the financial statements of the School District, along with an opinion on compliance with applicable regulations must be issued as discussed in the SDE'S Audit Guide.

The reports must include School District comments and responses on all exceptions detailed in the published report. The audited financial statements must be available to be delivered to the School Board by November 19, 2024. The audit report must be electronically delivered to the State Department of Education by December 1st to meet the required statutory deadline. Presentation of the audit report should be made at the last Board Meeting in November unless the Thanksgiving break allows for only one meeting in November. The report can be presented at the first meeting in December if only one meeting takes place in early November.

E. Time Considerations

1. All proposals must be submitted to Hampton County School District no later than 12:00 p.m. on May 13, 2024.

2. The District may elect to interview representatives from selected firms.
3. The contract should be awarded by the end of May 22, 2024.
4. The District's financial books will be available for audit by the third week of September of each year. All audit work should commence in September including all compliance work. The client will assist with confirmations and other items that may be needed before the audit fieldwork begins in mid-September.
5. Prior to the audit commencing, a formal opening audit conference will be held with key finance personnel. The audit scope, audit work timeline, basis of tests to be performed, and finding resolution procedures will be discussed.
6. The audit firm must have an exit conference on the last day of field work to discuss the report and any audit findings. The District will be given an opportunity to provide written responses to the comments in the management letter which are to be included in the final draft.
7. The Board will expect the auditor to make a presentation of the audit report to the full Board at a regular scheduled public meeting of the Hampton County School District Board of Trustees as discussed in D-3 above.
8. During the on-site work, periodic briefings should be held with the Chief Finance Officer

F. Contractual Arrangement

1. 2023-2024, 2024-2025, 2025-2026 are the years to be audited under this contract. Our fiscal year begins July 1 and ends on June 30.

II. INFORMATION TO BE PROVIDED BY THE PROPOSER

A. Title Page

1. Show the RFP subject, the name of your firm, address, telephone number, name of contact person, and date.

B. Table of Contents

1. Include a clear identification of the material by section and page number.

C. Letter of Transmittal (Limit to one or two pages)

1. Briefly state your understanding of the requested services and make a positive statement of your firm's ability, willingness, and technical competence to perform such services.
2. Please list the person or persons who are authorized to make presentations for your firm, their titles, addresses, and phone numbers.

D. Firm Profile

1. Describe the accounting firm in detail including the number of years in business and the number and type of staff members.
2. Give the location of the office performing the work and the number of partners, managers, supervisors, seniors, and other professional staff employed at the office that will be in charge of the audit.

E. References

Provide a list of at least three clients, preferably school districts, for which recent, preferable prior three years, audits have been completed that are similar to the financial audit described in this solicitation. References are to include the name, contact person, telephone number, and address of auditee.

F. Summary of Proposer's Qualifications

Identify the partner, supervisors, and other auditors who will work on the audit. Resumes for each staff person anticipated to work on this audit engagement must be included in the proposal. The audit manager or the auditor in charge of field work must be identified, along with the partner or principal in charge of the audit. Staff members with experience should not be listed to benefit the proposal submitted if they will not be working on Hampton County School District's audit.

G. Scope of Financial Audit

Clearly describe the scope of the required services to be provided. Since the requested services include both an examination of the financial statements and compliance with applicable laws and regulations, define the scope of the services to be provided in terms of the matters discussed in the following subsections.

1. Financial Audit. State that the examination will be made in accordance with generally accepted auditing standards.
2. Compliance Audit. State that in accordance with generally accepted auditing standards, the Proposer will select the necessary procedures to test compliance and express an opinion regarding compliance with specified laws, regulations, and contracts.

H. Additional Data

Provide additional information considered essential to the proposal which has not been specifically requested.

I. Approach to the Examination

Submit a work plan to accomplish the scope defined in Section II-G of these guidelines. The work plan should include time estimates for each significant segment of the work and staff level to be assigned. Staff members working on the account must be named with information on their work history. The audit work plan should demonstrate the auditor's understanding of the audit requirements.

J. Compensation

Estimate the total hours, the estimated out-of-pocket costs, and all-inclusive maximum fees for which the requested work will be performed. Individuals that will be working on the engagement should be listed with a brief background that includes both academic and real work experience. State the hourly rate to be charged for each staff classification. Fees for subsequent years should be included with a firm not-to-exceed amount.

K. Additional Information:

Provides answers to the following questions:

1. What are the advantages of using your accounting firm?
2. What is the range of management and other consulting services you can offer without affecting independence?
3. What type of support services (newsletter, industry programs, etc.) and informative consultation can your firm provide?
4. Is your firm independent of the District?
5. Is your firm a member of the South Carolina Association of Certified Public Accountants and the American Institute of Certified Public Accountants?
6. When your firm was last peer-reviewed and what was the nature of the report rendered? Please include a copy of the firm's last peer review.
7. Does your firm have a record of substandard work?
8. How can your firm help the District improve its financial performance?

111. WORKING PAPERS

Working papers shall be retained by the successful Proposer for five (5) years. The working papers must be made available for examination by representatives of the State Department of Education, the State Auditor's Offices, and other District Auditors. In addition, the successful Proposer must make all working papers physically available at the audit site to the auditor who audits the subsequent contract period without charging for the time spent getting the files in order or spending time with the subsequent auditor.

IV. EVALUATION OF PROPOSALS

The district reserves the right to reject any and all proposals submitted and to request additional information from proposers. The award will be made to the firm which, in the opinion of the District, is the best qualified.

A. Mandatory Criteria

1. Affirm the Proposer is a properly licensed certified public accountant.

2. Affirm that the Proposer meets the independence standard of the GAO's Government Auditing Standards, Standards for Audit of Governmental Organizations, Programs, Activities, and Functions by The Comptroller General of the United States.
 3. Affirm that the Proposer does not discriminate in the employment of persons upon the basis of race, color, creed, national origin, sex, age, or physical handicap.
 4. Affirm that the Proposer does not have a record of substandard audit work.
 5. Affirm that the financial audit and the procurement audit will be presented to the Board by December 1, of each year.
- B. Technical Factors

Responses to the proposal must clearly state an understanding of the work to be performed. As a result, evaluators will consider:

1. Comprehensiveness of audit work plan.
 2. References
 3. Reasonableness of time estimates.
 4. Technical experience of the Firm.
 5. Qualifications of Staff.
 6. Cost. Any offer that is unclear as to the total annual cost to the District shall be rejected. For evaluation purposes, costs must be provided in the format shown in Exhibit I.
- C. Considerations and Requirements
- i. All proposals must be submitted to Hampton County School District no later than 12:00 p.m. on May 13, 2024.
 - ii. The District may elect to interview representatives from selected firms.
 - iii. The contract should be awarded on or before May 22, 2024.
 - iiii. Prior to the audit commencing, a formal opening audit conference will be held with the Superintendent and Chief Finance Officer. The audit scope, audit work timeline, basis of tests to be performed, and finding resolution procedures will be discussed.
 - lv. Not later than November 1, of each year, an exit conference must be scheduled with the Superintendent and the Chief Finance Officer to review a preliminary draft of the Management Letter. The District will be given an opportunity to provide written responses to the comments in the management letter which are to be included in the final draft.
 - lvi. The Board will expect the auditor to make a presentation of the report to the full Board at a regularly scheduled public meeting of the Hampton County School District Board of Trustees as discussed previously.
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- lvii. During the on-site work, periodic briefings should be held with the Superintendent and Chief Finance Officer.

8. When working in an area, an entrance conference, periodic briefings, and exit conference should be held with the responsible administrator.

v. Contractual Arrangement

- vi. 2023-2024, 2024-2025 and 2025-2026 are the years to be audited under this contract. Our fiscal year begins July 1 and ends on June 30. The School District can end the contract should sufficient cause exist. An audit engagement letter must be issued at the time an award is made to reflect the scope and responsibilities of the auditor and auditee.

2. Working papers will be retained by the successful firm for five years after the completion of each audit. The working papers must be made available for examination without charge to the District. Submit a work plan and time estimates for each significant segment of the work to be completed and the qualifications of the staff to be assigned to each segment. Individual staff members that will work on the audit must be named, along with the experience each member has. The audit manager and audit partner/shareholder that will be working with the school district must be named with the client expectation that these individuals will not change unless either one of them leaves the audit firm.

EXHIBIT 1
COST PROPOSAL

Any offer that is unclear as to the total annual cost to the district shall be rejected. For evaluation purposes, costs must be provided in the following format:

Financial and Compliance Audit

<u>OFFER</u>	<u>COST NOT TO EXCEED</u>
1st year FY 2024	\$ _____
2nd year FY 2025	\$ _____
3rd year FY 2026	\$ _____
Total (3 years)	_____

All firms proposing are to furnish on letterhead a separate page with a detailed cost breakdown that includes the hourly rates of each audit team member, out-of-pocket expenses, etc. The following statement must be made and signed by the managing partner or managing shareholder of the CPA firm proposing the audit engagement.

My signature below confirms that the firm which I represent will deliver the proposed financial and procurement audit for the amounts listed and that the fees quoted include all work necessary to audit all funds, including grants and other special funds.

Company Name _____

Authorized Signature _____

Date _____