

PROPOSAL INSTRUCTIONS AND CONDITIONS
EAST ISLIP UNION FREE SCHOOL DISTRICT
RFP# 011724-1 EXTERNAL AUDITOR

Purpose of the RFP

This request is for the purpose of selecting a qualified and experienced audit firm. The East Islip Union Free School District, hereinafter referred to as "East Islip UFSD" or "District", seeks annual audits for the year ending June 30, 2024, with the option to renew for up to four (4) successive one-year terms. An initial one (1) year contract is contemplated, such contract being subject to the annual review and recommendation of the Superintendent and the Board of Education. The contract may be extended for an additional one-year period not to exceed (4) successive years subject to the approval by the Board of Education.

Notwithstanding the foregoing, the Board of Education reserves the right to terminate this contract for any reason upon thirty (30) days written notice to the successful proposer. In the event that the successful proposer fails to perform its obligations under this Agreement, as determined by the School District, the Board of Education shall have the right to terminate this contract upon seven (7) days written notice to the successful proposer.

The objective of this RFP is to solicit proposals for the provision of professional services for accounting in connection with an annual audit, more fully described below.

Specifically, the individual (firm) selected as a result of this RFP will be expected to perform his/her/its services in accordance with any or all of the terms of the Agreement. As part of the RFP, Proposers should identify in detail the manner in which the services to be required will be accomplished by him/her/it.

Brief Description of the District:

The East Islip Union Free School District is located in Eastern Suffolk County, New York.

BOCES:

The School District is a component school district of the Board of Cooperative Educational Services of Eastern Suffolk.

Board of Education:

The East Islip Board of Education consists of five (5) board members, each elected to a three (3) year term.

Members currently are:

- Michael Dorgan, President
- Stephen Ruland, Vice President
- Jessica Ciampi, Trustee
- Timothy Sassone, Trustee
- Christopher Zachry, Trustee

Management

- Paul M. Manzo, Superintendent
- Stephen Harrison, Assistant Superintendent for Business
- Lisa Belz, Assistant Superintendent for Curriculum & Instruction
- Aileen M. O'Rourke, Assistant Superintendent for Human Resources and Administration
- Anthony Gagliano, Assistant Plant & Facilities Administrator

Budget:

The District's budget for the 2023-2024 school year is \$125,761,934 and was approved by voters on May 16, 2023.

Major revenues for this budget come from the following:

Taxes:	\$74,704,670
State Aid	\$41,313,335
Appropriation of Reserves and Fund Balance	\$4,834,636

Three year history of the number of purchase orders:

2020-2021	2,466
2021-2022	2,656
2022-2023	2,787

Computer systems:

The East Islip UFSD uses nVision for its various accounting and payroll functions. All accounting and payroll operations are performed in-house on district owned computers. The system maintains all journals and ledgers.

Scope and Requirements:

The Annual Audit of all funds of the East Islip UFSD shall be performed in accordance with:

- Generally accepted auditing standards
- Standards for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States
- Standards promulgated by the New York State Comptroller
- Regulations of the Commissioner of Education
- Single Audit Act of 1984 as amended
- Provisions of OMB Circular A-133, *Audits of Institutions of Higher Education and Other Non Profit Institutions*

The audit will include tests of the accounting records of the District and other procedures the successful bidder deems necessary to enable the firm to express an unqualified opinion that the financial statements are fairly presented in all material respects, in conformity with generally accepted accounting principles and to report on the schedule of Federal Financial Assistance and on the District compliance with laws and regulations and its internal controls as required for a Single Audit. If the firm's opinion is other than unqualified, the firm will discuss fully the reasons with the District in advance and provide suggested remedies.

Legal Duties:

The external auditor shall perform its obligations under this engagement in accordance with generally accepted auditing standards customary to the type of audit contemplated and in accordance with applicable law, rules, regulations and ordinances. The services of the external auditor are governed by applicable State and Federal laws and regulations including but not limited to section 2116-a of the New York Education Law and Part 170.12 of the Regulations of the Commissioner of Education. These duties currently are, but may be amended, as follows:

- Perform the annual audit;
- Provide a copy of the audit report to each Board of Education member;
- Present the audit report to the Board of Education; and

- Certify and furnish a copy of the audit report to the Commissioner of Education in a form prescribed by the Commissioner on or before October 30 following the end of the fiscal year audited.

In addition to the duties specifically delegated to the external auditor, the external auditor has the following duties:

- Meet with the audit committee prior to commencing the annual audit;
- Review and discuss with the audit committee any risk assessment of the School District's fiscal operations developed as part of the external auditor's responsibilities under governmental auditing standards for a financial statement audit and federal single audit standards, if applicable;
- Provide a copy of the draft annual audit report and accompanying draft management letter to the audit committee; and
- Work with the audit committee so that it may assist the Board of Education in interpreting the draft annual report and accompanying draft management letter.
- Before the presentation of the final report to the Board of Education, there will be an exit conference with the Audit Committee and the School Assistant Superintendent for Business or his designee at the District Office

Irregularities and Illegal Acts:

Auditors shall be required to make an immediate written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the Superintendent and the Board of Education.

Reporting to the District

Auditors shall insure that the District is informed of each of the following:

1. The Auditor's responsibility under generally accepted auditing standards;
2. Significant accounting policies;
3. Management judgments and accounting estimates;
4. Significant audit adjustments;
5. Other information in documents containing audited financial statements;
6. Disagreements with management;
7. Management consultation with other accountants;
8. Major issues discussed with management prior to retention; and
9. Difficulties encountered in performing the audit.

Special audits or management services shall be performed in accordance with specific guidelines from the Board of Education, Superintendent of Schools or Assistant Superintendent for Business. All working papers associated with this engagement shall be retained for a minimum of three (3) years from the date of the audit report. Further, all

such working papers shall be available for examination by authorized representatives of cognizant agencies, the East Islip UFSD, and subsequent independent auditors.

Annual Audit Timeline Requirements:

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

Each of the following should be completed by the Auditor no later than the dates indicated:

1. Interim work: The Auditor shall complete interim work by May 31st in order to commence detailed audit field work by August 1st.
2. Detailed Audit Plan: The Auditor shall provide the District with both a detailed audit plan and a list of all schedules to be prepared by the district prior to July 1st.
3. Fieldwork: The Auditor shall complete all fieldwork by August 15th.
4. Draft Reports: The Auditor shall have drafts of the audit report(s) and recommendations to management and the Audit Committee available for review by September 22nd.

Auditor's Report:

The firm will type and make copies of all final reports on its premises and deliver twenty (20) copies of all reports to Stephen Harrison, 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 Stephen Harrison, Assistant Superintendent for Business as to the proper promulgation of their reports in writing.

The above shall be presented to the Board of Education at a regularly scheduled public meeting prior to October 15th.

Working Paper Retention and Access to Working Papers:

All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years, unless the firm is notified in writing by the School District of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the School District or its designees. In addition, the auditor shall respond to the responsible inquires of successor auditors to review working papers relating to matters of continuing accounting significance.

THE SELECTION PROCESS

A. Timetable

The School District is expected to undertake the selection process according to the following schedule:

Deadline for submission of proposals:	By January 17, 2024 at 10:00 a.m.
Interview firms and check references:	On or about January 22, 2024
Selection of contractor:	On or about February 8, 2024

B. Proposal Evaluation Criteria

Proposals will be evaluated and scored on the basis of the following criteria:

1. **Experience and Qualifications of the Proposer:** Consideration will be given to proposers demonstrating strong capabilities, experience and reputation in undertakings similar to those described in this RFP, and providing authoritative documentation of their financial soundness and stability. Other consideration includes Auditor's license to practice in the State of New York and an affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in the State of New York.
2. **Ability to Implement Project Promptly:** Preference will be given to proposals demonstrating an ability to carry out the tasks and responsibilities outlined in the proposal in a prompt and efficient manner.
3. **Price:** Consideration will be given to the estimated price of the proposal for the services to be conducted in accordance with the terms of the Agreement.
4. **Firm qualifications and experience:** The proposer should state the size of the firm's school district 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 by level to be employed in this engagement on a full time basis and the number and nature of staff to be employed on a part time basis. Proposer should state whether it participates in a quality control program by their peers.

5. Number of New York State school districts that the firm has audited. In addition, provide the number of Suffolk County school districts that the firm has audited. Include the total years of service for each Suffolk County school district listed. List the engagements performed in the last five (5) years that are similar to that described in this RFP. These engagements should indicate the scope of the work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.
6. **Specific Audit Approach:** The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required by this RFP. In developing the work plan, reference should be made to such sources of information as the District budget and related materials, organizational charts, manuals and programs, and financial and other management information charts.
7. **Other professional services:** Include any services that will be performed for this District in addition to or in conjunction with the School District financial audit.

RFP PROCEDURES

A. Information and Documents

All inquiries regarding this RFP should be directed to:

Jenny Bejarano, Purchasing Agent
EAST ISLIP UNION FREE SCHOOL DISTRICT
1 Craig B. Gariepy Avenue
Islip Terrace, New York 11752
E-mail: Jenny.bejarano@eischools.org

Any question submitted by an individual or firm regarding this RFP must be directed, in writing, to Jenny Bejarano, Purchasing Agent. All questions must be submitted by January 08, 2024. Written response, together with original inquiry, will be forwarded to all individuals or firms receiving this RFP.

B. Submission of Proposals

All proposals must be received by the Purchasing Agent no later than January 17, 2024. at 10:00 a.m. Any proposals received after this time will be returned unopened to the firm.

Each **firm** shall submit one (1) proposal and nine (9) copies to the following:

Jenny Bejarano, Purchasing Agent
East Islip Union Free School District
1 Craig B. Gariepy Avenue
Islip Terrace, New York 11752

The envelope should be marked "**PROPOSAL FOR RFP# 011724-1-EXTERNAL AUDITOR**". All proposals and accompanying documents shall become the property of East Islip UFSD. The District shall not divulge any information presented **in** the RFP to anyone outside the District without the written approval of the firm or as required by law.

C. Modification or Withdrawal of Proposals

Any proposal may be withdrawn or modified by written request of the proposer, provided that such request is received by the Assistant Superintendent for Business at the above address prior to the date and time set for receipt of proposals.

D. Right to Reject Proposals

This RFP does not commit the School District to award a contract, pay any cost incurred in the preparation of a proposal in response to this RFP, or to procure or contract for services. The School District intends to award a contract on the basis of the best interest and advantage to the School District, and reserves the right to accept or reject any or all proposals received as a result of this RFP, to negotiate with all qualified proposers, or to cancel this RFP in part or in its entirety, if it is in the best interest of the School District to do so. The School District may select as the successful proposer that proposal which, in the School District's sole discretion and with whatever modifications the School District and the proposer may mutually agree upon, best meets the School District's requirements whether or not that proposal is the lowest priced. No proposer shall have any legal, equitable, or contractual rights of any kind arising out of its submission of a proposal except as and to the extent that the School District, in its sole discretion, shall enter into a contract with the proposer that it selects as the successful vendor.

PROPOSAL FORMAT AND CONTENTS

Proposals must be submitted in the format outlined in this section. Each of the described parts and sections must be completed in full (except those sections described as optional). Each proposal will be reviewed to determine if it is complete prior to actual evaluation. The School District reserves the right to eliminate from further consideration any proposal deemed to be non-responsive to the requests for information contained herein. Each of the parts and sections described below should begin on a separate page, and each page should state the name of the proposer in the upper right hand corner.

A. Proposer Background and Qualifications

The first page of the dollar cost bid should include:

1. The name of the firm, certification that the person signing the proposal is entitled to represent the firm and submit the proposal, and is authorized to sign the contract with the District.
2. A total All-Inclusive Maximum price shall be provided for the costs of the auditing services performed for the term of this and any renewals. This fee should be a flat annual rate and include necessary expenses. The fee should also cover follow up work, rectifying deficiencies and consultation with all appropriate governmental, non-governmental and regulatory agencies, as appropriate and provide for advice and counsel to the staff throughout the terms of this contract.

Out of Pocket Expenses included in the Total All-Inclusive Maximum price, (i.e. travel, lodging, postage and subsistence) will be the responsibility of the Auditor. All estimated out-of-pocket expenses should be included in the Total All-Inclusive Maximum Price for each year. A statement must be included in the dollar cost proposal stating the Auditor will not seek reimbursement for travel, lodging, subsistence, or out of pocket costs incurred in connection with the audit of district finances.

It is understood and agreed that the total All-Inclusive Maximum price represents the total annual cost for the auditing services provided hereunder as described in this Request for Proposals. In the event that the cost of providing such services is less than the amount proposed by the successful proposer, the successful proposer shall, at the School District's sole option, either provide a refund in the amount of the difference between the actual cost of the audit and the amount proposed or a credit in the same amount toward the cost of the following year's audit.

3. Hourly Rates by partner, Specialist, Supervisory, and Staff level and the Times/Hours anticipated for each.

The second page of the dollar cost proposal should include:

1. A schedule of professional fees and expenses that support the Total All-Inclusive Maximum price.
2. Names and resumes of personnel to be assigned to this audit, including the partner in charge. It is fully expected that the personnel indicated will be those assigned to the project.

Please provide an affirmation statement that those assigned have met all continuing professional education (CPE) requirements necessary to satisfy the United States General Accounting Office (GAO) standards.

3. Name(s) of individuals in the firm that will be available throughout the term of the contract for continuing advice and counsel.
4. Listing of experiences in the performance of the requested services for school districts or municipalities in New York State, and the years of such experience.
5. (Optional) include any additional information about the audit team, its personnel, financial condition, or qualifications regarded as being pertinent.

Conflicts of Interest:

Responses to this RFP should include an affirmation by the Auditor that there are no conflicts of interest between the firm and the East Islip UFSD.

Rates for Additional Professional Services:

If it should become necessary for the District to request the Auditor to render any additional services to either supplement the services requested in the RFP or perform additional work as a result of the specific recommendations provided in any report issued in this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the District and the firm. Any such additional work agreed to between the District and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the dollar cost bid.

Specific Audit Approach:

The proposal shall set forth a Work Plan to perform the services required in the request for proposal, including an explanation of the audit methodology to be followed. In developing the work plan, reference should be made to such sources of information as the District budget and related materials, organizational charts, manuals and programs, and financial and other management information services. Proposers will be required to provide the following information on their audit approach:

1. Information regarding the ability and scope for testing of controls and processes of financial accounting software.
2. Proposed segmentation of the engagement.
3. Level of staff and number of hours to be assigned to each proposed segment of the engagement. No dollar amounts should be included in the technical proposal.
4. Approach to the methodology of sampling and the extent any statistical sampling is to be used in this audit.
5. Type and extent of analytical procedures to be used in the engagement.
6. Approach to be taken to gain and document an understanding of the District's internal control structure.
7. The approach to be taken in determining laws and regulations that will be subject to audit test work.
8. Approach to be taken in drawing audit samples for the purpose of tests of compliance.

Report Format:

The proposal should include sample formats for required reports. These formats should meet or exceed New York State Department of Education requirements.

Board of Education Process:

The East Islip 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 will be kept on file in the East Islip UFSD Business Office.

B. Form of Proposal

Proposals submitted pursuant to this RFP shall include the proposer's cost to perform the services set forth herein. Proposers are requested to avoid the use of sliding scale

percentage proposals and are encouraged to supply a proposal based upon an annual flat fee including necessary expenses. The proposed annual flat fee should also include costs for follow-up work and for providing advice and counsel to School District staff throughout the term of this contract.

C. Form of Agreement

The successful proposer shall be required to execute a written agreement which shall incorporate the terms and conditions of this RFP. The written agreement will be completed upon award of the RFP.