

**CLEVELAND HILL
UNION FREE SCHOOL DISTRICT**

105 Mapleview Road
Cheektowaga, New York 14225
(716) 836-7200

**REQUEST FOR PROPOSALS (RFP)
INDEPENDENT EXTERNAL AUDIT SERVICES**

Introduction

1. Statement of Purpose

The Cleveland Hill Union Free School District, hereinafter referred to as "District" invites Proposals to provide external audit services from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending June 30, 2021 and the three succeeding years (2022, 2023, 2024) with the option of one-year extensions, if mutually acceptable each year to the Board and auditing firm. The audit is to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the General Accounting Office's (GAO) Government Auditing Standards (2003), the provisions of the Federal Single Audit Act of 1984, the Single Audit Act Amendments of 1996, and the U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Not-for-Profit Organizations.

The District is required, under Education Law Section 2116-a, the Regulations of the Commissioner of Education Section 170.2(r) and 172.3(d), to secure an annual audit by an independent auditor of all funds including extra-classroom activity funds. The Single Audit Act of 1984 also requires an audit of federal monies received. The school district must adopt a resolution accepting the audit report and shall file a copy of the resolution and the report with the Commissioner of Education by October 15. This request for proposal encompasses all of the aforementioned.

To be considered, an original and six (6) copies of a proposal must be received by the School Business Administrator at 105 Mapleview Road, Cheektowaga, New York 14225 by 3:00 p.m. on Friday, March 12, 2021.

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 clearly and specifically noted in the proposal submitted and confirmed in the contract between the District and the firm selected.

2. Anticipated Time Line:

Release of RFP Specifications	February 12, 2021
Proposals Due	March 12, 2021
Audit Committee Review/Oral Presentations	March 24, 2021
Board of Education Appointment	April 21, 2021

3. District Profile

- A. Enrollment: Approximately 1,350 students, grades Pre-K-12. The District consists of 3 instructional schools all located on the same premises.
- B. Board of Education: 5 members elected for 3-year terms
- C. BOCES: Component of the Erie 1 Board of Cooperative Educational Services
- D. Number of Employees: 274 employees; 3 bargaining units
- E. Budget and Federal Awards: The 2020-2021 approved general fund budget is \$32,692,679. For the same timeframe, the district has federal grants of approximately \$1 million.
- F. Other Operations: The District contracts out its student transportation and food services programs.
- G. Business Office: The Business Office staff consists of the School Business Administrator, District Treasurer, Accounts Payable Clerk, and Payroll Clerk.
- H. Financial Software: WinCap, supported by WNYRIC.
- I. Fiscal Year: July 1 – June 30
- J. Fund Structure: General (A); School Lunch (C); Special Aid (F); Capital (H); Fixed Assets (K); Trust and Agency (TA); Private Purpose Trust (TE); Debt Service (V) and Long-Term Debt (W).
- K. Payroll:
 - 1. Approximately 260 paychecks per pay period; approximately 6,800 paychecks annually.
 - 2. Approximately 204 full-time employees and 35 part-time employees.
 - 3. Up to 35 substitutes, tutors, summer school staff, and other temporary employees.
 - 4. Payroll is processed bi-weekly with 26 pay periods in a fiscal year.
- L. Purchasing:
 - 1. Approximately 1,200 purchase orders annually.
 - 2. Cooperative Bids with Erie 1 BOCES as well as state contract purchases.
 - 3. A monthly average of approximately 120 accounts payable vouchers and checks.
- M. Key Personnel:

Superintendent of Schools	Jon MacSwan
School Business Administrator	Carolyn Robertson
District Treasurer	Frances May
District Clerk	Wendy Limardi
- N. Prior Year Audit: Prior audit reports and financial statements are available for inspection at the District Office or on the District website. An electronic copy may be requested by emailing the School Business Administrator at crobertson@clevehill.org.

Scope of Work to be Performed

A. Overview of Services:

1. Perform an audit of the District's basic financial statement in accordance with the provisions referred to in Item 1 of this RFP.
2. Perform a single audit of the District's Federal Financial Awards in accordance with the provisions referred to in Item 1 of this RFP.
3. Perform an audit of the District's Extraclassroom Activity Funds.
4. Compile the District's basic financial statements in compliance with generally accepted accounting principles and the standards as set forth by the New York State Department of Education.
5. Compile the District's Extraclassroom Activity Fund Financial Statement (on a cash basis).
6. Compile the District's Schedule of Expenditures of Federal Awards.
7. Compile the Data Collection Form for submission to the Single Audit Clearinghouse.
8. Review and provide editorial comments to the District's Management Discussion and Analysis.
9. Prepare a written report to the Board of Education on matters to be communicated to the audit committee (SAS 61 as amended by SAS's 89 &90).
10. Prepare a written management letter to the Board of Education
11. Meet with the District's Audit Committee and the Board of Education and review the current year financial statements and trends.
12. Be prepared to address routine accounting and auditing inquiries throughout the year including applicability of Government Accounting Standards Board ("GASB").

B. Working Paper Retention and Access:

1. All working papers in 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 District of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:
 - i. District;
 - ii. U.S. Department of Education;
 - iii. U.S. General Accounting Office (GAO);
 - iv. Parties designated by the federal or state governments or by the District as part of an audit quality review process (this includes the New York State Comptroller and the New York State Department of Education);
 - v. Auditors of entities of which the District is a subrecipient of grant funds;and

- vi. Other parties as deemed appropriate or necessary by the District.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

C. Fieldwork:

1. Shall be performed at mutually agreed upon times.
 2. Interim fieldwork may be performed for approximately 1-3 days in May or June.
 3. Final fieldwork shall begin after July 15 and no later than August 15 and conclude no later than August 31 annually.
 4. The District requests that the staff assigned to perform interim audit work prior to June 30 will be the same staff to complete the fieldwork after year end.
 5. The final audit report is due one week prior to the Board of Education's first meeting in October each year. The auditor is expected to present the financial statements and any findings to the Board at this meeting.
- D. Any contract agreed to under this Request for Proposal is subject to termination by either party with thirty (30) days written notice. In the event of termination of the contract, the District's responsibility shall be to pay for unpaid services performed. Or, upon mutual agreement this contract may be extended in one-year increments. The total length of the contract shall not exceed five years.

Proposal Requirements

A. Transmittal Letter:

Include a signed letter of transmittal briefly stating the firm's understanding of the work to be done, the commitment to perform the work within the time period, a statement that the proposal is a firm and irrevocable offer, and certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with the District.

B. Firm Qualifications and Experience:

1. Provide affirmative statement that the firm is independent of the District as defined by Generally Accepted Auditing Standards and US GAO Governmental Auditing Standards.
2. State the firm size, size of the governmental auditing staff and location of the office from which the work on this engagement is to be performed.
3. Submit a copy of the firm's most recent external quality control peer review report and letter of comments and state whether it included a review of specific government engagements.
4. Provide a description of any regulatory action taken within the last 5 years by an oversight body, such as the State Education Department or Internal Revenue Service, against the firm or staff members.
5. Provide a listing of references from school districts for whom services were rendered within the past five years. Include contact name and phone number.

C. Partner, Manager and Supervisory Staff Qualifications and Experience:

1. Identify supervisory and management staff, including engagement partners, managers, other supervisors and specialists who would be assigned to the engagement.
2. Indicate whether each such person is registered or licensed to practice as a certified public accountant in New York State.
3. Provide information on the government auditing experience of each person education and membership in professional organizations relevant to the performance of this audit.
4. The Board of Education reserves the right to reject staff who they feel do not have appropriate experience or qualifications to conduct the audit.

D. 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 in this RFP. In developing the work plan, reference should be made to such sources of information as the District's

budget and related materials, organizational chart, programs, and financial and other management information systems. Proposers are asked to provide the following information on their audit approach:

1. Level of staff and number of hours to be assigned to each proposed segment of the engagement.
2. Sample size and the extent to which statistical sampling is to be used in the engagement.
3. Type and extent of analytical procedures to be used in the engagement.
4. Approach to be taken to gain and document an understanding of the District's internal control structure.
5. Approach to be taken in determining laws and regulations that will be subject to audit test work.
6. Approach to be taken in drawing audit samples for purposes of tests of compliance.

E. Fees:

1. Each proposal will clearly state the fees to be charged to the District for the annual audit of all funds of the District for each of the years ended June 30, 2021 through June 30, 2024.
2. This fee should be a flat annual rate and include all necessary expenses to perform the services described in this RFP, encompassing the audit of the general-purpose financial statements, the audit of the extraclassroom activity fund, and the single audit.
3. Each proposal will also state the basis on which special audit fees may be billed.

Proposal Submission

- A. Each firm shall submit one original proposal and six (6) copies to the following address:
- Cleveland Hill Union Free School District
Attn: Carolyn Robertson, School Business Administrator
105 Mapleview Road
Cheektowaga, NY 14225
- B. Include a completed and executed copy of APPENDIX A: PROPOSER GUARANTEE/WARRANTIES.
- C. The envelope must be clearly labeled "External Audit Proposal".
- D. All proposals must be received by the School Business Administrator at the address above no later than 3:00 p.m. on Friday, March 12, 2021. Any proposals received after this deadline will be returned unopened to the firm.
- E. All proposals and accompanying documentation shall become the property of the District. The District shall not divulge any information presented in the RFP to anyone outside the District without the written approval of the firm.
- F. The District reserves the right to amend the RFP. If it becomes necessary to revise any part of the RFP, an addendum will be provided to all prospective applicants who received the RFP. It is the responsibility of the applicants to ensure that they have responded to all addendums before submission of the RFP.
- G. There is no expressed or implied obligation for the District to reimburse responding firms for any expenses incurred in preparing proposals or attending interview(s) in responding to this request.

Evaluation and Selection Process

- A. The Board of Education, acting as the Audit Committee, is responsible for establishing the criteria of the evaluation. Some elements included in this evaluation (not necessarily in order):
 - 1. Qualifications - experience of firm, size and experience of staff, educational background, specialized skills, etc.
 - 2. Reference checks
 - 3. The clarity of the firm's proposal
 - 4. Audit approach
 - 5. The fees to be charged
 - 6. The firm's past performance on meeting deadlines
 - 7. Result of peer review
- B. The District's Audit Committee, which is comprised of the Board of Education as a whole, and District Management will review proposals.
- C. 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 proposals, 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.
- D. Formal acceptance of a proposal is intended no later than the April 21, 2021 Board of Education meeting.
- E. The District reserves the right to reject without prejudice any and all quotations received under this Request for Proposal.

Questions Concerning the RFP:

All contacts with District personnel concerning the contents of this RFP must be through Carolyn Robertson, School Business Administrator, at 716-836-7200 ext.8582, or crobertson@clevelandhill.org. To the extent possible all questions should be submitted in writing, citing a particular RFP section, prior to any formal conference. Answers to all questions of a substantive nature will be addressed in writing.

We thank you in advance for your interest in serving our district and look forward to receiving your proposal.

Cleveland Hill Union Free School District

APPENDIX A

PROPOSER GUARANTEES / WARRANTIES

- A. The Proposer certifies it can and will provide and make available, as a minimum, all services set forth in the Overview of Services Required.
- B. The Proposer has read all contractual requirements as described in the Request for Proposal and agrees that the rights and prerogatives as detailed are retained by Cleveland Hill Union Free School District.
- C. The Proposer agrees to be bound by the contractual requirements as delineated in the Request for Proposal.
- D. The Proposer warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof.
- E. The Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the Cleveland Hill Union Free School District.
- F. The Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Submitted by:

Signature of Official: _____

Name (typed or printed): _____

Title: _____

Firm: _____

Date: _____