

**REQUEST FOR PROPOSALS
EXTERNAL AUDITING SERVICES**

A. INTRODUCTION

A. GENERAL INFORMATION

The Lake Shore (Evans-Brant) Central School District (The School District) is requesting proposals from qualified firms of certified public accountants (Auditor) to audit their financial statements for the fiscal years ending June 30, 2019, with the option of auditing the financial statements for each of the four subsequent fiscal years unless otherwise noted within this request for proposals.

The audit will include a Single Audit (where required), conducted in accordance with generally accepted auditing standards; the standards for financial audits contained in **Government Auditing Standards**, issued by the Comptroller General of the United States; the Single Audit Act of 1984, as amended; the provisions of OMB Circular A-133, **Audits of Institutions of Higher Education and Other Non-Profit Institutions**, and guidelines promulgated by the Department of Audit and Control and Education Department of the State of New York.

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

To be considered, two (2) copies of a proposal must be received by **Daniel W. Pacos, Assistant Superintendent for Administration & Finance, Lake Shore Central Schools** prior to the close of business at 4:00 p.m. on **Thursday, April 26, 2018**. The District reserves the right to reject any or all proposals submitted. Proposals submitted will be evaluated by the District's Assistant Superintendent for Administration and Finance and Business Office Staff, the District's Superintendent and members of the Boards of Education including the District's Audit Committee.

During the evaluation process, the District reserves the right, where it may serve the District's best interest, to request additional information and clarifications from proposers, or to allow corrections of errors or omissions. Any such information given, either orally or in writing, is not given in confidence and may be used, or disclosed to others, for any purpose at any time without obligation or compensation and without liability of any kind whatsoever.

At the discretion of the District, firms submitting proposals may be requested to make oral presentations as part of the evaluation process at a time determined by the District.

It is anticipated that the selection of a firm(s) will be completed by June 1, 2018. Following the notification of the selected firm(s), a contract will be executed between the parties as soon as possible thereafter.

B. TERM OF ENGAGEMENT

A multi-year contract is contemplated, said term being subject to the annual review and recommendation of the Assistant Superintendent for Administration & Finance, the Superintendent, the Audit Committee and the Board. The District is requesting proposals for *2018-2019 through 2022-2023*.

II. NATURE OF SERVICES REQUIRED

A. GENERAL

The Districts are soliciting the services of qualified firms of certified public accountants to audit their financial statements for the fiscal year ending June 30, 2019 with the option to audit the District's financial statements for each of the four subsequent fiscal years as outlined above. In no case shall the audit firm's proposals be written to provide or be awarded for fiscal years after the 7/1/22 to 6/30/23 year. These audits are to be performed in accordance with the provisions contained in this request for proposals.

B. SCOPE OF WORK TO BE PERFORMED

You will audit the general purpose financial statements of the District as of June 30, 2019 and for the year then ended. You will also audit the District's Federal Financial Assistance Programs, as required under the Federal Single Audit Act of 1984, as amended.

The audit will be a Single Audit (where required) conducted in accordance with generally accepted auditing standards; the standards for financial audits contained in **Government Auditing Standards**, issued by the Comptroller General of the United States; the Single Audit Act of 1984, as amended; the provisions of OMB Circular A-133, **Audits of Institutions of Higher Education and Other Non Profit Institutions**; OMB Circular A-110, **Uniform Administrative Requirements Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations**; **The Common Rule -- Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments**; OMB Circular A-87, **Cost Principles for State, Local and Indian Tribal Governments**; OMB Circular A-122, **Cost Principles for Non-Profit Organizations**; **Governmental Accounting Standards Board Bulletins** and guidelines promulgated by the Department of Audit and Control and Education Department of the State of New York.

The audit will include tests of the accounting records of the District and other procedures you consider necessary to enable you to express an unqualified opinion that the financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles, all applicable pronouncements as adopted by the Governmental Accounting Standards Board (GASB) including but not limited to GASBs 34, 45, 51, 53 and 54, 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 your opinion is other than unqualified, you will fully discuss the reasons with the District in advance.

C. 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 Assistant Superintendent for Administration & Finance, the Superintendent and the Board (including the Audit Committee) of the District.

D. 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;
9. Difficulties encountered in performing the audit.

E. SPECIAL SERVICES

1. Should the Board decide to submit a Comprehensive Annual Financial Report (CAFR) to the Government Finance Officers Association (GFOA) and/or the International Association of School Business Officials, the Auditor will be required to assist in the preparation and submission of the necessary documents.

F. OTHER INFORMATION

1. The District has determined that the New York State Department of Education will function as the cognizant agency in accordance with the provisions of the Single Audit Act of 1984, as amended and the U.S. Office of Management and Budget (OMB) Circular A-133, **Audits of Institutions of Higher Education and Other Non-Profit Institutions**.
2. The Schedule of Federal Financial Assistance and related Auditor's Report, as well as the reports on the internal controls and compliance are not to be included with the report on the District's general purpose financial statements, but are to be issued separately.
3. A list of findings and other weaknesses from the Districts' most recent financial statement audits, as well as a list of findings from internal audits conducted during the most recent fiscal period to be audited, are attached to this document.

G. 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 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:

1. Board of Education;
2. New York State Department of Education;
3. U.S. General Accounting Office (GAO);
4. Parties designated by the federal or state governments or by the District as part of an audit quality review process;
5. Auditors of entities of which the District is a sub-recipient of grant funds; and,
6. 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.

III. DESCRIPTION OF THE DISTRICT

A. CONTACT PERSON

The Auditor's principal contact will be:

Daniel Pacos - Assistant Superintendent for Administration & Finance

or a designated representative, who will coordinate the assistance to be provided by the District to the Auditor. An organizational chart/ list of key personnel is attached.

B. BACKGROUND INFORMATION

The Districts are governed by Education Law and other laws of the State of New York. The scope of activities included within the accompanying financial statements are those transactions which comprise District operations and are governed by, or significantly influenced by, the Board of Education.

Essentially, the primary function of the District is to provide education for pupils. Services such as transportation of pupils, administration, finance, food service and plant maintenance support the primary function.

The financial reporting entity includes all funds, account groups, functions and organizations over which the District officials exercise oversight responsibility. Oversight responsibility is determined on the basis of financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

Based on the foregoing criteria, the extraclassroom activity funds are included in the reporting entity. The extraclassroom activity funds represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The extraclassroom activity funds are independent of the District with respect to its financial transactions and the designation of student management.

C. FUND STRUCTURE

The accounts of the District are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. These funds and account groups are based upon the requirements of Generally Accepted Accounting Principles (GAAP) for local governmental units as prescribed by the Governmental Accounting Standards Board (GASB) as well as the Uniform System of Accounts for School Districts (the State System). The operations of each fund are accounted for within a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Governmental resources are allocated to and accounted for in individual funds segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The various funds are grouped in the financial statements in the following fund types and account groups:

1. Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus of the governmental funds is based upon the determination of financial position and changes in financial position. The following are the District's governmental fund types:

- a. General Fund - the general fund is the principal operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. Special Revenue Funds - the special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditure for specified purposes. Special revenue funds include the following funds:
 - 1) Special Aid Fund - the special aid fund is used to account for special operating projects or programs supported in whole, or in part, with Federal funds or State or Local grants.
 - 2) School Lunch Fund – the school lunch fund is used to account for transactions of the District’s lunch and breakfast programs.
- c. Capital Projects Fund - the capital projects fund is used to account for and report financial resources to be used for the acquisition, construction or renovation of major capital facilities or equipment.

2. Fiduciary Fund Types

Fiduciary funds are used to account for assets held by the District in a trustee or custodial capacity:

Trust and Agency Fund - the trust and agency fund is used by the District to account for and report assets held by the District in a trustee capacity, or as custodian or agents for individuals, organizations, private organizations, other governments, and/or funds. These include expendable trusts, non-expendable trusts and agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

3. Account Groups

Account groups are used to establish accounting control and accountability for the District general fixed assets and general long-term obligations. The two account groups are not "funds". They are concerned only with the measurement of financial position and not with the results of operations.

- a. General Fixed Assets Account Group - the general fixed assets account groups is used to account for land, buildings, improvements and equipment used by the District for school purposes.
- b. General Long-Term Debt Account Group - the general long-term debt account group is used to account for long-term debt and other obligations of the District. Long-term indebtedness includes obligations such as bonds, bond anticipation notes and capital notes. Other obligations include unbilled retirement liabilities and vested or accumulated vacation and/or sick leave which will be funded in future budgets.

D. BUDGETARY BASIS OF ACCOUNTING

The District prepares its budget on a basis consistent with generally accepted accounting principles. The budget and accounting policies of the District conform to generally accepted accounting principles for local governmental units as prescribed by GASB as well as the State System.

E. FEDERAL AND STATE FINANCIAL ASSISTANCE

During the fiscal year to be audited, the District is expected to receive Federal Financial Assistance as well as State Financial Assistance. Schedules of State and Federal Financial Assistance are available upon request.

F. PENSION PLANS

The District participates in the New York State and Local Employees' Retirement System and the New York State Teachers' Retirement System. These are cost sharing multiple public employer retirement systems.

Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law. The Systems offer a wide range of plans and benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after ten years of credited service.

The New York State Retirement and Social Security Law provides that all participants in each System are jointly and severally liable for any actuarial unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Systems. The Systems are non-contributory except for employees who joined the System(s) after July 27, 1976 and have not been a member of the System for at least 10 years, who contribute 3% of their salary and for employees who joined the Systems after January 1, 2010 who contribute 3% of their salary (ERS) or 3.5% of their salary (TRS).

G. COMPONENT UNITS

The District is defined, for financial reporting purposes, in conformity with the GASB's Codification of Governmental Accounting and Financial Reporting Standards Section 2100.

H. JOINT VENTURES

The District is a component district of the Board of Cooperative Educational Services Second Supervisory District of Erie, Chautauqua and Cattaraugus Counties (Erie 2-Chautauqua-Cattaraugus BOCES), which is comprised of 27 component school districts. The BOCES is a joint venture in which the participating Districts have an ongoing financial responsibility with no equity interest. No single participant controls the financial or operating policies of the BOCES. BOCES was formed under State law for the purpose of providing shared educational programs and instruction in subjects approved by the State Education Commissioner. The BOCES governing board is elected based on the vote of members of the participating districts' boards of education. BOCES charges the districts for program costs based on participation and for administrative costs.

I. MAGNITUDE OF FINANCE OPERATIONS

Please refer to the attached organizational chart/listing of key district personnel, to assess the District's finance operations.

J. COMPUTER SYSTEMS

The District utilizes the WinCap (Harris Computer) accounting software programs for the various accounting, human resources and payroll functions. All accounting and human resource operations are performed in-house on computers, and the Districts utilizes the Erie 2 BOCES' Central Business Office staff members to complete the functions on the District's payroll. Individual reports are available on-line on an ad hoc basis. The system maintains all journals and ledgers. Maintenance and support of the programs is provided by the Western New York Regional Information Center at Erie 1 BOCES in West Seneca, NY.

K. AVAILABILITY OF PRIOR REPORTS AND WORK PAPERS

The Districts will use their best efforts to make prior audit reports and supporting working papers available to proposers to aid their response to this request for proposals.

IV. TIME REQUIREMENTS

A. PROPOSAL CALENDAR

The following is a list of key dates, up to and including the date, when proposals are due to be submitted:

Request for proposal issued: 3/9/18
Due date for proposals: 4/26/18

B. NOTIFICATION AND CONTRACT DATES

Selected firm(s) notified: 6/1/18
Contract date: 7/1/18

C. DATE AUDIT SHALL COMMENCE

To be determined. The District will have all records ready for audit and all management personnel available to meet with the firm's personnel as of August 1. (See District's attached Closing Procedure Document for details).

D. SCHEDULE FOR THE 2018-2019 FISCAL YEAR AUDIT

(A similar time schedule will be developed for audits of future fiscal years if the District exercises its option for additional audits).

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 **6/30** in order to commence detailed audit field work by **8/9**.
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 **6/30**.
3. Fieldwork: The Auditor shall complete all fieldwork by **8/20**.
4. Draft Reports: The Auditor shall have drafts of the audit report(s) and recommendations to management available for review by the Business Official by **9/7**.

E. ENTRANCE CONFERENCES, PROGRESS REPORTING AND EXIT CONFERENCES

(A similar time schedule will be developed for audits of future fiscal years if the District exercises its option for additional audits).

At a minimum, the following conferences should be held as indicated on the schedule at mutually convenient times:

Entrance conference with the District Audit Committee, all key finance department personnel and department heads of key offices or programs as determined by the Assistant Superintendent for Administration & Finance. The purpose of this meeting will be to discuss prior audit problems and the interim work to be performed. This meeting will also be used to establish overall liaison for the audit and to make arrangements for work space and other needs of the Auditor.

Progress conference will be held as needed with the Assistant Superintendent for Administration & Finance and department heads of key offices or programs. The purpose of this meeting will be to summarize the results of the preliminary review and to identify the key internal controls or other matters to be tested.

Exit conference with the Assistant Superintendent for Administration & Finance, the Superintendent and department heads of key offices or programs, as needed. The purpose of this meeting will be to summarize the results of the field work and to review significant findings.

In addition, the Auditor will meet with the District's Audit Committee to review the final audit report and management letter, prior to acceptance by the Board of Education.

F. DATE FINAL REPORT IS DUE

The Auditor shall prepare the financial statements, notes and all required supplementary schedules and statistical data. The Auditor shall also provide all recommendations, revisions and suggestions for improvement to the Assistant Superintendent for Administration & Finance. The Assistant Superintendent for Administration & Finance will complete a review of the draft report of the audited financial statements as expeditiously as possible. During that period, the Auditor should be available for any meetings that may be necessary to discuss the audit reports. Once all issues for discussion are resolved, the final signed report shall be prepared in time for the timely acceptance by the Board and its subsequent delivery to the New York State Education Department by the statutory deadline of **October 15th**. It is the responsibility of the auditor to confirm the individual school district deadline dates for the inclusion of the final audit report and management letter in the school district's September Board Meeting Agenda packet.

The final report and two signed copies should be delivered to the Assistant Superintendent for Administration & Finance at the District's Administrative Offices. The Auditor will also forward an electronic copy of the reports in pdf format to the Assistant Superintendent for Administration & Finance.

V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

A. FINANCE DEPARTMENT AND CLERICAL ASSISTANCE

The finance department staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of the District. The Auditor will be responsible for providing draft copy of letters and memoranda.

B. ELECTRONIC DATA PROCESSING (EDP) ASSISTANCE

Personnel will be available to provide systems documentation and explanations. The Auditor will be provided computer time and access to the District computer hardware and software on mutually agreed terms.

C. SCHEDULES TO BE PREPARED BY SCHOOL DISTRICTS' STAFF

The staff of the District will prepare those schedules for the Auditor as mutually agreed to.

D. WORK AREA, TELEPHONES, PHOTOCOPYING AND FAX MACHINE

The District will provide the Auditor with reasonable work space, desks and chairs. The Auditor will also be provided with access to telephone lines, photocopying facilities, FAX machines and network/internet access for District related business use only.

E. REPORT PREPARATION

Report preparation, editing and printing shall be the responsibility of the Auditor.

VI. PROPOSAL REQUIREMENTS

A. GENERAL REQUIREMENTS

1. Inquiries

Inquiries concerning the request for proposals and the subject of the request for proposals must be made to:

**Daniel Pacos, Assistant Superintendent for Administration & Finance
Lake Shore Central School District
959 Beach Road Angola, NY 14006-9782
Phone: (716) 926-2221**

2. Submission of Proposals

The following material is required to be received by **Thursday, 4/26/18** for a proposing firm to be considered:

- a. The proposer shall submit two (2) copies of the Technical Proposal which should include the following:

Title page showing the request for proposals subject, the firm's name; the name, address and telephone number of the contact person; and the date of the proposal.

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Transmittal Letter - A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for services to be rendered.

Detailed Proposal - The detailed proposal should follow the order set forth in Section VI.B. of this request for proposals.

- b. The proposer shall submit two (2) copies of a dollar bid in a separate envelope marked as follows:

DOLLAR COST BID PROPOSAL FOR LAKE SHORE CENTRAL SCHOOL DISTRICT PROFESSIONAL AUDITING SERVICES FOR THE YEAR(S) ENDING JUNE 30, 2019 TO JUNE 30, 2013.

- c. Proposers should send the completed proposal consisting of the two separate envelopes to the following:

**Daniel Pacos, Assistant Superintendent for Administration & Finance
Lake Shore Central School District
959 Beach Road Angola, NY 14006-9782**

*** Proposals may be submitted electronically. If submitting electronically, submit ONE file in pdf format for Technical Proposal, and ONE file in pdf format for the dollar bid proposal. Electronic proposals should be e-mailed to: dpacos@lakeshorecsd.org prior to the deadline for submission of proposals.**

B. TECHNICAL PROPOSAL (NO DOLLARS SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL)

1. General Requirements: The purpose of the Technical Proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the District in conformity

with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The Technical Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposals requirements.

The Technical Proposal should address all the points outlined in the request for proposals (excluding any cost information which should only be included in the sealed dollar cost bid). The Proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals. While additional data may be presented, the following subjects, items Nos 2 through 11, must be included. They represent the criteria against which the proposal will be evaluated.

2. Independence: The firm should provide an affirmative statement that is independent of the District as defined by generally accepted auditing standards and the U.S. General Accounting Office's Government Auditing Standards (1994 Revision). The firm should also list and describe the firm's professional relationships involving the District for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit. In addition, the firm shall give the District written notice of any professional relationships entered into during the period of this agreement.
3. License to Practice in the State of New York: 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.
4. Firm Qualifications and Experience: The proposer should state the size of the firm, 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 to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal Auditor should be noted, if applicable. The firm is also required to submit a copy of the report on its most recent external quality control/peer review, with a statement whether that quality control/peer review included a review of specific school district engagements.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years with state regulatory bodies or professional organizations.

Indicate the firm's experience in dealing with the Governmental Finance Officers Association, the New York State Association of School Business Officials, and the International Association of School Business Officials.

Describe any periodical or occasional publications produced by the firm in the school district accounting and auditing area.

Describe the firm's experience in assisting school districts in communication with rating agencies and preparation of official statements.

5. Partner, Supervisory and Staff Qualifications Experience: Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether each such person is registered or licensed to practice as a certified public accountant in the State of New York. Provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. Indicate how the quality of staff over the term of the agreement will be assured.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the District. However, in either case, the District retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for proposal can only be changed with the express prior written permission of the District, which retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

6. Prior Engagements with the District: List separately all engagements within the last five years, ranked on the basis to total staff hours, for the District by type of engagement (i.e., audit, management advisory services, other). Indicate the scope of work, date, engagement partners, total hours, the location of the firm's office from which the engagement was performed and the name and telephone number of the principal client contact.
7. Similar Engagements With Other School Districts: For the firm's office that will be assigned responsibility for the audit, list the engagements (maximum - 5) performed in the last five years that are similar to the engagement described in this request for proposal.

These engagements should be ranked on the basis of total staff hours, and include the name and telephone number of the principal client contact.

8. **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 in Section II of this request for proposal. 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 systems.

Proposers will be required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement
 - b. Level of staff and number of hours to be assigned to each proposed segment of the engagement - **NO DOLLARS SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL**
 - c. Sample sizes and the extent any statistical sampling is to be used in the engagement
 - d. Extent of use of EDP software in the engagement
 - e. Type and extent of analytical procedures to be used in the engagement
 - f. Approach to be taken to gain and document an understanding of the District's internal control structure
 - g. Approach to be taken in determining laws and regulations that will be subject to audit test work
 - h. Approach to be taken in drawing audit samples for purposes of tests of compliance
9. **Identification of Anticipated Potential Audit Problems:** The proposal should identify and describe any anticipated audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the District.
 10. **Report Format:** The proposal should include sample formats for required reports. These reports should equal or exceed New York State Department of Education requirements.
 11. **Other Information:** Provide any other information that you believe will assist the Districts in making their selections. Such information may be in this last section of the proposal or may be represented in one or more appendixes.

C. DOLLAR COST BID

1. **Total All-Inclusive Maximum Price**

The dollar cost bid should contain all pricing information relative to performing the audit engagement as described in this request for proposal.

The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses.

The District will not be responsible for expenses incurred in preparing and submitting the technical proposal or the dollar cost bid. Such costs should not be included in the proposal.

The first page of the dollar cost bid should include the following information:

- a. Name of firm;
 - b. 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;
 - c. A Total All-Inclusive Maximum Price for the initial engagement and each of the subsequent years.
2. Rates by Partner, Specialist, Supervisory and Staff Level, multiplied by Hours Anticipated for Each

The second page of the dollar cost bid should include a schedule or professional fees and expenses that supports the total all-inclusive maximum price. The cost must be disclosed as separate components of the all-inclusive price.

3. Out of Pocket Expenses Included in the Total All-Inclusive Maximum Price

Out-of-pocket expenses for the firm personnel (e.g., travel, lodging 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 bid stating the Auditor will not seek reimbursement for travel, lodging, subsistence, or other out-of-pocket costs incurred in connection with the audit of the District's finances separate from the Total All-Inclusive Maximum Price.

4. 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 this RFP or to perform additional work as a result of the specific recommendations included in any report issued on 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.

5. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost bid proposal. Interim billing shall cover a period of not less than a calendar month.

VII. EVALUATION PROCEDURES

A. EVALUATIONS

Proposals submitted will be evaluated by the Assistant Superintendent for Administration & Finance, the Superintendent and the Board of Education including their respective Audit Committee.

B. EVALUATION CRITERIA

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications and price. The following represent the principal selection criteria which will be considered during the evaluation process.

1. Mandatory Criteria
 - a. the audit firm is independent and licensed to practice in the State of New York;
 - b. the firm meets independence standards, including having no conflict of interest with regard to any other work performed by the firm for the District;
 - c. the firm submits a copy of its last external quality control/peer review report and the firm has a record of quality audit work; and,
 - d. the firm adheres to the instructions in this request for proposal on preparing and submitting the proposal.
2. Technical Criteria
 - a. Expertise and Experience
 - the firm's past experience and performance on comparable school district engagements;
 - the quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation; and,
 - the firm's record of meeting the continuing education requirements as set forth in publications of New York State Board of Regents, the AICPA and Government Auditing Standards.
 - b. Audit Approach
 - the adequacy of proposed staffing plan for various segments of the engagement;

- the adequacy of sampling techniques; and
- the adequacy of analytical procedures

3. Cost Criteria

COST WILL NOT BE THE PRIMARY FACTOR IN THE SELECTION OF AN AUDIT FIRM

The District reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

C. ORAL PRESENTATIONS

During the evaluation process, the District may, at its discretion, request any or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the District may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

D. FINAL SELECTION

The Board will select firm(s) based upon the recommendation of the Superintendents and Board Audit Committee. It is anticipated that the firm will be selected **by May 1, 2018**. Following notification of the firm(s) selected, it is expected that contracts will be executed between the parties effective **7/01**.

E. RIGHT TO REJECT PROPOSALS

Submission of proposal indicates acceptance by the firm of the conditions contained in this request for proposal submitted and confirmed in the contract between the District.

The District reserves the right without prejudice to reject any or all proposals.

Organizational Chart/ List of Key Personnel

Board of Education Members:

Jennifer Michalec – President
Carla Thompson – Vice President
Kathleen Chiavetta
William Connors, Jr.
Jennifer Farrell
Michael Franey
Gifford Swyers

Audit Committee Members:

Sheila Halloran
Paul Michalec
Thomas George

Superintendent of Schools:

James E. Przepasniak

Assistant Superintendent for Administration & Finance:

Daniel W. Pacos

Assistant Superintendent for Instruction:

Melissa Bergler

Treasurer

Nadine Kaczmariski

Business Office Staff:

Suzanne Kowal – Secretary to the Assistant Superintendent for Administration & Finance
Jeanne Dillon – Accounts Payable/Purchasing Assistant
Kathleen Headley – Human Resources and Employee Benefits
Michelle Hy – Bldg & Grounds Secretary, Workers Comp & Disability Insurance
Carrie Slotman – Secretary to the Assistant Superintendent for Instruction

Erie 2 BOCES Central Business Office Staff:

Tracy Smith-Dengler – Business Manager
Todd Lasch – Payroll Processing
Lisa Morse – General Ledger & Grants Administration