

REQUEST FOR PROPOSALS

PROFESSIONAL INTERNAL AUDITING SERVICES

I. INTRODUCTION

A. GENERAL INFORMATION

The Lake Shore (Evans-Brant) Central School District (The School Districts) is requesting proposals from qualified firms or individuals (Auditor) to perform internal audit functions for the fiscal years ending June 30, 2019 with the option of performing similar services for each of the four subsequent fiscal years.

The internal audit services will be conducted in accordance with generally accepted auditing standards; the standards for auditing contained in **Government Auditing Standards**, issued by the Comptroller General of the United States (“Yellow Book Standards”), or the standards established by the Institute of Internal Auditors (“Red Book Standards”) 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 (Evans-Brant) Central School District** 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 Assistant Superintendent for Administration & Finance and Business Office Staff, the District’s Superintendent, members of the Board of Education and 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, will not be 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 District Audit Committee and final award by the Board of Education.

II. NATURE OF SERVICES REQUIRED

A. GENERAL

The District is soliciting the services of qualified firms or individuals to perform internal auditing services for the fiscal year ending June 30, 2019 as outlined above, with the option to perform similar services for each of the four subsequent fiscal years. 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 services are to be performed in accordance with the provisions contained in this request for proposals.

B. SCOPE OF WORK TO BE PERFORMED

You will complete an initial Risk Assessment for the District in the first year of service, for which you are submitting a proposal.

You will complete an annual Risk Assessment update in each of the subsequent year(s) of service.

For each year of service contained in your proposal, you will identify systems with the greatest risk to the District, and make recommendations for the testing of the systems. A minimum of one system shall be tested each year, in accordance with the NYS Comptroller's Five Point Plan as adopted by the State of New York. Subsequent to testing of systems, a report shall be issued to the Audit Committee and Board of Education that identifies and prioritizes the District's significant risks, outlines the results of the testing and assessments performed on the system, and details recommendations for changes including enhancements or corrective action or any problems noted in the risk assessment. A timeline for implementation of the suggestions shall be given in all instances. The report shall also detail any further testing that is recommended by the Auditor to be performed subsequent to the implementation of the corrective action plan, to mitigate the identified risk.

The internal audit services will be 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; or the standards for internal audits established by the Institute of Internal Auditors 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 various operational systems of the District (i.e.: financial systems, computer security and access systems, extraclassroom activities and school food service including free and reduced price meal application process) and other procedures you

consider necessary to enable you to assess the areas of risk that you have identified for the District.

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 of Education.

D. REPORTING TO THE DISTRICT(S)

Barring the instance of any irregularities and illegal acts by the District's management, the Internal Auditor shall review any and all findings, corrective action plans and relative timelines with the District's management. Only in the instance where the Auditor believes the District's management is involved in irregularities and/or illegal acts, the Auditor shall make their report directly to the District's Audit Committee and Board of Education. An annual report will then be given to the District's Audit Committee for review, prior to acceptance by the Board of Education.

E. ADDITIONAL SERVICES

Should the Board decide to request testing of additional systems, the internal auditor will perform the assessment at an agreed upon rate and time schedule.

F. 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/individual 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. The Office of the New York State Comptroller;
5. Parties designated by the federal or state governments or by the District as part of an audit quality review process;
6. Auditors of entities of which the District is a sub-recipient of grant funds; and,
7. In addition, the internal auditor shall respond to the reasonable inquiries of successor internal auditors, and current or subsequent external auditors and allow them to review working papers relating to matters of continuing accounting significance.

III. DESCRIPTION OF THE DISTRICT

A. CONTACTING THE DISTRICT

The Auditor(s) may contact the following person to request or review the District's prior year financial statements, management letter, and Single Audit Findings and Questioned Costs (if applicable). The designated representative will also coordinate the assistance to be provided by the District to the Auditor.

Lake Shore (Evans-Brant) Central School District
Daniel Pacos – Assistant Superintendent for Administration & Finance
959 Beach Road
Angola, NY 14006-9782
Phone: (716) 926-2221
dpacos@lakeshorecsd.org

B. BACKGROUND INFORMATION

The District is governed by Education Law and other laws of the State of New York. The scope of activities included in the internal audit function include 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 Districts. The Boards of Education exercise general oversight of these funds. The extraclassroom activity funds are independent of the Districts with respect to their 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 Districts' governmental fund types:

- a. General Fund - the general fund is the principal operating fund of each 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 Food Service Fund - the school food service 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 Districts in a trustee or custodial capacity:

Trust and Agency Fund - the trust and agency fund is used by the Districts 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 group 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 Districts prepare their budgets on a basis consistent with generally accepted accounting principles. The budget and accounting policies of the Districts conform to generally accepted accounting principles for local governmental units as prescribed by GASB as well as the NYS Uniform System of Accounts for School Districts.

E. FEDERAL AND STATE FINANCIAL ASSISTANCE

During the fiscal year to be audited, the Districts are expected to receive Federal Financial Assistance as well as State Financial Assistance. Schedules of State and Federal Financial Assistance and files containing grant applications, requests for funds and other related documentation 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 after July 27, 1976 and have not been a member of the System for at least 10 years, who contribute 3% of their salary.

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

It is the responsibility of the Auditor to contact the District directly (see listing of contact persons above) for specific financial information.

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 District will use its best efforts to make prior internal and external audit reports and supporting working papers available to proposers to aid their response to this request for proposals. The District encourages internal and external auditors to share results of their respective risk assessments for the District with each other, but in no way *require* the internal and external auditors to share their assessments if doing so will destroy the auditors' required independence and unpredictability of audit tests and samples. Internal and external auditors are encouraged to share risk assessment results if the exchange will strengthen the internal and/or external audit process for the district. The Internal Auditor shall provide a copy of their risk assessment to the District, along with their evaluation of the risk.

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

District Officials/Audit Committees
And Boards reviews completed: 5/31/18

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 internal auditor selected shall contact the district(s) prior to 9/1/18 to determine a mutually-agreed upon start date.

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 Internal Auditor no later than the dates indicated:

1. Initial Risk Assessment: The Internal Auditor shall complete the initial risk assessment for the district by 12/31/18.
2. Assessment of select system(s): The Internal Auditor shall complete the testing and assessment of the selected system(s) by 4/30/19.
3. Report: The Internal Auditor shall issue a written report with recommendations for improvements and/or corrective action plans by 6/30/19.

In addition, the Internal Auditor will meet with the districts' Audit Committee to review the report and recommendations, prior to acceptance by the Board of Education.

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 internal auditor by providing information, documentation and explanations.

B. ELECTRONIC DATA PROCESSING (EDP) ASSISTANCE

Personnel will be available to provide systems documentation and explanations. The Internal 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 Internal Auditor as mutually agreed to.

D. WORK AREA, TELEPHONES, PHOTOCOPYING AND FAX MACHINE

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

E. REPORT PREPARATION

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

VI. PROPOSAL REQUIREMENTS

A. GENERAL REQUIREMENTS

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

Daniel W. Pacos – Assistant Superintendent for Administration & Finance
Lake Shore Central School District
959 Beach Road Angola, NY 14006-9782
Phone: (716) 926-2221
dpacos@lakeshorecsd.org

2. Submission of Proposals

The following material is required to be received by **Thursday, 4/26/18** for a proposing firm or individual 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 proposer'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 proposer 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 INTERNAL AUDITING SERVICES FOR THE
YEAR(S) ENDING JUNE 30, 2019 TO JUNE 30, 2023.**

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

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

**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 proposers seeking to undertake an internal 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 proposer 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 proposer should provide an affirmative statement that they are independent of the District's business operations as defined by generally accepted auditing standards, the U.S. General Accounting Office's Government Auditing Standards (1994 Revision) and the Institute of Internal Auditors. The proposer should also list and describe its professional relationships involving the District during 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 or create an impairment to the proposer's independence from the District's business operations. If the proposer is a former employee of one of the participating school districts, a period of no less than twelve months shall have elapsed since the proposer completed their employment with the district **before** they may submit a proposal to provide internal auditing services for that district ("Cooling Off Period"). In addition, the proposer shall give the District written notice of any professional relationships entered into during the period of this agreement that might impair their independence.
- 3. Qualifications and Experience: The proposer should state the size of the entity, the size of the internal audit staff, the location from which the work on this engagement is to be

performed and the number and nature of the professional and/or nonprofessional staff to be employed in this engagement.

If the proposer is a joint venture or consortium, the qualifications of each entity comprising the joint venture or consortium should be separately identified and the entity that is to serve as the principal Internal Auditor should be noted, if applicable. The entity is also required to submit a copy of the report on its most recent external quality control/peer review and letter of comment, if any.

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

Indicate the proposer's experience in dealing with the Governmental Finance Officers Association, the New York State Association of School Business Officials, the International Association of School Business Officials, Erie County Association of School Boards, Chautauqua County School Boards Association, The New York State School Boards Association and the National School Boards Association.

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

4. 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 information on prior internal auditing experience of each person, information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of internal audits.

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

5. Prior Engagements with the District(s): List separately all engagements within the last five years, ranked on the basis to total staff hours, for the District(s) 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.

6. **Similar Engagements With Other School Districts:** For the firm's office that will be assigned responsibility for the internal audit, list the engagements (maximum - 5) performed in the last five years that are similar to the engagement described in this request for proposal (if any). These engagements should be ranked on the basis of total staff hours, and include the name and telephone number of the principal client contact.
7. **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. Type of analytical procedures to be used in the engagement
 - d. Approach to be taken to gain and document an understanding of the District's internal control structure
 - e. Approach to be taken in testing compliance with laws and regulations
 - f. Approach to be taken in drawing audit samples for purposes of tests of compliance
8. **Identification of Anticipated Potential Audit Problems:** The proposal should identify and describe any anticipated audit problems, the proposer's approach to resolving these problems and any special assistance that will be requested from the District(s).
 9. **Report Format:** The proposal should acknowledge that a final written report will be issued upon completion of the internal audit work. The report shall include the results of the risk assessment, a prioritized list of identified risks, a description on the system tested, the results of the testing, a corrective action plan for improvement including timelines for implementation and further testing that would serve to mitigate the associated risk(s). A sample report is not required to be submitted as part of the proposal.
 10. **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 for District Risk Assessment

The dollar cost bid should contain all pricing information relative to performing the initial and subsequent annual risk assessments as described in this request for proposal. The total all-inclusive maximum price bid is to contain all direct and indirect costs including all out-of-pocket expenses.

It is mutually understood that the school district(s) and the Internal Auditor will negotiate the price for the system testing and assessment for each year, once it has been determined which system(s) will be analyzed. This portion of the service fee will be negotiated prior to the commencement of testing and assessment.

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 proposer;
 - 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 and each of the subsequent risk assessments.
- ### 2. Rates by Partner, Specialist, Supervisory and Staff Level Times Hours Anticipated for each.

The second page of the dollar cost bid should include a schedule of professional fees and expenses that supports the total all-inclusive maximum price. The cost of special services described in Section II.E of this request for proposal should be disclosed as separate components of the total all-inclusive maximum price. This will also serve as a guide for estimating costs of systems testing and assessments.

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

Out-of-pocket expenses for the proposer (e.g., travel, lodging and subsistence) will be the responsibility of the Internal 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 Internal Auditor will not seek reimbursement for travel, lodging, subsistence, or other out-of-pocket costs incurred in connection with the completion of the District's risk assessment and internal audit 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 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 proposer possesses qualifications commensurate with duties of an internal auditor
- b. the proposer meets independence standards, including having no conflict of interest with regard to any other work performed by the proposer for the District;
- c. the proposer submits a copy of its last external quality control/peer review report and the proposer has a record of quality internal audit work; and,
- d. the proposer adheres to the instructions in this request for proposal on preparing and submitting the proposal.

2. Technical Criteria

a. Expertise and Experience

- the proposer's past experience and performance on comparable school district engagements;
- the quality of the proposer's personnel (if any) to be assigned to the engagement and the quality of the proposer's management support personnel to be available for technical consultation; and,

3. Cost Criteria

**COST WILL NOT BE THE PRIMARY FACTOR IN THE SELECTION
OF AN INTERNAL AUDITOR**

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 Districts may, at their discretion, request any or all proposers to make oral presentations. Such presentations will provide proposers with an opportunity to answer any questions the Districts may have on their proposal. Not all proposers may be asked to make such oral presentations.

D. FINAL SELECTION

The Boards will select their Internal Auditor based upon the recommendation of the Superintendents after a review and recommendation from the respective Board Audit Committees. It is anticipated that selection will be made by **4/30/18**. Following notification of the Internal Auditor selected, it is expected that contracts will be executed between the parties effective **7/01/18**.

E. RIGHT TO REJECT PROPOSALS

Submission of proposal indicates acceptance by the proposer of the conditions contained in this request for proposal. This acceptance shall be confirmed in the contract between the proposer and 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