

CENTRAL UNION SCHOOL DISTRICT

Request for Proposals

Financial Auditing Services

Notice is hereby given that the Central Union School District, hereinafter referred to as the “District”, pursuant to Education Code Section §41020, *et seq.*, invites proposals for furnishing auditing services for annual Financial Audits as specified in the State Controller’s Office Guide, and such other publications on school district audit procedures as have been or shall be issued during the period of any contract awarded pursuant to this Request for Proposals. Such auditing services must be performed in accordance with Government Auditing Standards for financial and compliance audits, as promulgated by the United States Government Accountability Office.

Proposals must be received by the
Central Union School District
by
SEPTEMBER 30, 2019 AT 4:00PM

and shall be in a sealed envelope clearly marked “Audit Proposal” addressed to
Central Union School District
Attn: Tom Addington
15783 18th Avenue
Lemoore, CA 93245

The District reserves the right to reject any or all proposals or to waive any irregularities therein. No proposal may be withdrawn for a period of sixty (60) days after the date set for the opening of proposals.

GENERAL INFORMATION ABOUT CENTRAL UNION SCHOOL DISTRICT

The Central Union School District serves the communities of central Kings County, including Stratford, the Lemoore Naval Air Station and the Santa Rosa Rancheria, located in the southern San Joaquin Valley. The District serves approximately 1850 students in grades K-8; and has maintained an enrollment of approximately 1700 – 1850 over the last five years. These students attend one of the four schools comprising the District.

The District’s 2018-2019 budget includes the following revenues and transfers in:

1. General Fund.....	\$ 37,126,092
2. Cafeteria Fund.....	\$ 1,139,241
3. Deferred Maintenance	\$ 70,111
4. Special Reserve for Postemployment Benefits	\$ 222,960
5. Capital Facilities Fund.....	\$ 16,941
6. County School Facilities Fund.....	\$ 10,837,266

7. Special Reserve Fund for Capital Outlay	\$ 2,667,682
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The District’s 2018-2019 budget includes the following expenditures and transfers out:

8. General Fund.....	\$ 41,092,337
9. Cafeteria Fund.....	\$ 1,187,185
10. Deferred Maintenance	\$ 122,591
11. Special Reserve for Postemployment Benefits	\$ 240,793
12. Capital Facilities Fund.....	\$ 0
13. County School Facilities Fund.....	\$ 666,950
14. Special Reserve Fund for Capital Outlay	\$ 2,667,682

PROPOSAL GUIDELINES

Proposal

The Central Union School District, Lemoore, California requests sealed proposals (“Proposals” or individually, “Proposal”) for performance of the 2019-2020 fiscal year audit for the year ending June 30, 2020 and for an optional term engagement thereafter (“Audit Services”). The Audit Services will also include an audit of all state funded construction projects in accordance with Education Code §41024. Persons or entities submitting Proposals shall hereinafter be referred to as “Participants” or individually as a “Participant.” Proposals shall be irrevocable for sixty (60) days following submission to the District.

Rejection of Proposals

The Board of Trustees reserves the right to reject any or all Proposals, or any or all items of any Proposal, or waive any irregularities of any Proposal.

Award of Contract

No contract awarded pursuant to this Request for Proposals shall be assigned except with approval of the Board of Trustees. Any attempted assignment in violation of this provision shall be voidable at the option of the Board.

Mandatory Documents

This Request for Proposals requires the **mandatory completion** of the following documents, copies of which are included and attached hereto:

1. A **Proposal of Work Plan**, which should describe how the Audit Services will be conducted in order to comply with applicable laws, regulations, and standards described in applicable accounting and auditing literature, including as specified in the first paragraph of this Request for Proposals, set forth above. The proposal a copy of the firm’s most recent governmental peer review report, the related letter of comments, and the firm’s response to the letter of comments.
2. A **Statement of Qualifications**, which shall include all of the following:

- A brief description of the Participant’s system of quality control.
- A description of the Participant’s experience with school district auditing, including with regard to the person(s) who will supervise the Audit Services (“Principals”), and any other employees, members, officers, or other staff who will assist with the Audit Services.
- A description of knowledge and experience with the requirements of the Leroy F. Greene School Facilities Act of 1998.
- A description of the professional education of the Participant’s assigned personnel within the last 2 years, covering school district audit topics.
- A schedule of rates, maximum fees, and the number of hours planned on each phase (Spring and Fall) of the Audit Services.

PLEASE NOTE: The schedule of the maximum fees should show firm quotes for the first year and for each succeeding year for the District.

Please submit two (2) complete copies of the completed Proposal of Work Plan and Statement of Qualifications, and any additional informational documentation you desire to include. All forms must be typewritten or clearly printed in ink. The Statement of Qualifications may be submitted as a separately-created document, as long as all requested information is included and in the same sequence.

Statement of Qualifications – Additional Information

Participants may furnish other information in addition to the required “Statement of Qualifications” information attached to this Request for Proposals. The Board of Trustees is interested in securing the services of an auditing firm that has demonstrated a high level of auditing experience in California school districts, in order to provide a comprehensive and detailed audit of the District’s accounts and records. Selection will be made based on evaluation of all the information supplied in the Statement of Qualifications, and not solely on the basis of lowest price.

Selection Criteria

The criteria to be used by the Board of Trustees in selecting the auditor will be as follows:

1. Only firms licensed by the California Board of Accountancy and listed on the State Controller’s Office directory of qualified certified public Accountants will be eligible for consideration. The firm must be able to demonstrate that it has operated as a business entity for a minimum of five years and must employ a professional (accountant) staff of no fewer than five.
2. The principal officers of the firm and the person(s) who will manage this audit (“audit manager”) must be members of the California Society of Certified Public Accountants and the American Institute of Certified Public Accountants (AICPA). It is also desirable that the firm (or a firm staff member) be involved with the AICPA peer review program and/or be a member of the Government Financial Officer Association (GFOA) and on the GFOA list to receive regular notices.
3. The firm and its staff assigned to perform the Auditing Services must have substantial experience performing public school audits and must be able to demonstrate strong

knowledge of California school finance. It is desirable that the audit manager have had experience auditing school district within the last four years. Proposals should address such experience.

4. A record of completing audits on time, proceeding through the Proposal of Work Plan in an organized and efficient manner, and working with school district staff in a reasonably harmonious relationship.
5. A knowledge of audit procedures for state funded construction projects.
6. The final evaluation process will include obtaining references from current and former school district audit clients as a means of verifying that the Participant meets the qualifications and criteria set forth in this Request for Proposals.

Scope of Audit Services

Education Code §41020 requires that school districts shall provide for an audit of the books and accounts of the district and the audit shall include all funds of the district, including student body, and any other funds under the control or jurisdiction of the district.

The Audit Services shall be performed in accordance with generally accepted auditing standards and shall include, to the extent applicable, the audit procedures required by the State Controller’s Office of the State of California as detailed in the Controller’s publication, “Standards and Procedures for Audits of California K-12 Local Educational Agencies,” and such other publications on school district audit procedures of the Controller’s Office as have been or shall be issued during the period of any contract awarded pursuant to this Request for Proposals. The scope of the Audit Services shall not be limited to that provided in the aforementioned publications if, in the opinion of the District, particular circumstances warrant extension thereof. The Audit Services shall include all funds of the District including, but not limited to:

Cafeteria Fund	Special Reserve Fund – Post Employment
Capital Facilities Fund	Benefits
Deferred Maintenance Fund	Special Reserve Fund – For Capital Outlay
General Fund	Special Reserve Fund – For Other than Capital Outlay

Work to be Performed:

1. Conduct a comprehensive financial and compliance audit of the General, other funds, as required by the State of California (“State audit”).
2. Conduct a comprehensive financial and compliance audit as required under the Federal Single Audit Act (“Federal audit”).
3. Conduct a comprehensive audit for all state funded construction projects as required by Education Code §41024 (“SFP audit”).
4. For the State audit, the Federal audit and the SFP audit, prepare and submit 5 copies each of a preliminary audit report for review by the District, and meet to review each report prior to conducting an exit conference.

5. For the State audit, the Federal audit and the SFP audit, prepare a final audit report consistent with the terms and provisions of this Request for Proposals.
6. Conduct an exit conference with appropriate personnel of the District after each audit period (Spring and Fall). Representatives of Business Services will attend all of the exit conferences.

Statement and Reports

Financial statements incorporated into each audit report shall be prepared in accordance with applicable guidelines as specified in this Request for Proposals.

Reports of examination of financial statements must state the scope of the examination and that the audit was performed in accordance with generally accepted auditing standards and must include an opinion as to whether the statements conform to generally accepted accounting principles. Reports of compliance must include a statement that the examination was conducted in accordance with applicable auditing standards. The audit reports must state whether the examination disclosed instances of significant noncompliance with laws and regulations. Findings of non-compliance or ineligible expenditures must be presented in enough detail for management of the District to be able to understand the findings and implement corrective action.

The audit reports must include an appropriate opinion relative to the financial and/or compliance portions of the audit. Twenty (20) bound copies of each audit report, one unbound copy, and one printable CD file shall be provided to the District no later than December 31 of each year, unless a written request for delay is approved by the State Controller’s Office. A copy of the audit reports, relative to the District, must be filed with the following agencies:

- One copy State Department of Education-Audit Bureau
- One copy State Department of Finance
- One copy Controller State of California
- One copy Kings County Office of Education

GENERAL REQUIREMENTS

Equal Opportunity

The Participant must be an Equal Opportunity Employer, and shall be in compliance with the Civil Rights Act of 1964, the State Fair Employment Practice Act, and all other applicable Federal and State laws and regulations relating to equal opportunity employment, including Executive Order No. 11246 of September 24, 1965.

Errors and Omissions

If a Participant discovers any ambiguity, conflict, discrepancy, omission, or other error in the RFP, the Participant shall immediately notify the District of such error in writing and request clarification or modification of the document. Modifications will be made by addenda. Such clarification shall be given by written notice to all parties who have been furnished a copy of this Request for Proposal for purposes of submitting a Proposal.

Contacts for Information

Participants may contact Superintendent Tom Addington for visits to the District for purposes of familiarization and evaluation of the current processes or to obtain any additional information needed.

Extra Work

No bill or claim for work or materials outside the scope of this Request for Proposals shall be allowed or paid unless the doing of such extra work or the furnishing of such extra materials shall have been authorized in writing by the District.

The District shall have the right to make any changes to the scope, nature, or dimension of the Audit Services, as may be hereafter determined to be necessary, either before or after commencement, and such changes shall in no way affect or void the obligations of any contract awarded pursuant to this Request for Proposals. If such changes result in a change to the cost of the work, an equitable adjustment of fees shall be made by the District to cover said cost.

Indemnity

If awarded a contract, the Participant shall be required to indemnify, defend, and hold harmless the District from and against all losses, claims, demands, payments, suits, actions, recoveries and judgments of every nature and description, including reasonable attorneys' fees, resulting directly or indirectly from any act or omission of the Participant or the Participant's agents, representatives, officers, or employees, in carrying out the Participant's obligations, work or in consequence of any negligence or carelessness in guarding the same.

Disposition of Proposals

All materials submitted in response to this Request for Proposals will become the property of the District, and will be provided or returned to the Participant only at the District's option and at the Participant's expense. Original materials shall be retained for official files and will become a public record after the date and time for submission of proposals as specified. However, confidential financial information submitted in support of the requirement will be returned upon request.

Working Papers

If awarded a contract pursuant to this Request for Proposals, working papers shall be retained by the Participant for a period of seven (7) years, unless otherwise specified by the District. Such working papers shall be available for review and audit by the District, representatives of the Federal and/or State governments, and other individuals designated by the District.

PROPOSAL OF WORK PLAN

Submitted herewith is our proposal to perform the Audit Services, including the annual audit (“audit”) for the Board of Trustees of Central Union School District beginning with the school year 2019-2020.

We propose to conduct the audit and submit an audit report (“audit report”) in compliance with the instructions prepared by the Audits Division, State Controller’s Office, State of California, in their publication, “Standards & Procedures for Audits of California K-12 Local Educational Agencies.”

Fees

It should be noted that the State requires the District to withhold 10% of the audit fees. The 10% will be released after the District receives a letter from the State directing the District to do so.

Peer Review Report

The proposal must include a copy of the firm’s most recent governmental peer review report, the related letter of comments, and the firm’s response to the letter of comments.

Financial Consideration

Proposed below is the maximum fee to be charged for the Audit Services described in the Request for Proposals, including out-of-pocket expenses, for a two-year and four-year engagement:

Basic Audit	Fiscal Year 2019-2020	Fiscal Year 2020-2021	Fiscal Year 2021-2022	Fiscal Year 2022-2023
Two Year Engagement				
Four Year Engagement				

The hourly rates on which the Audit Services proposed are based and upon which any early termination billings would be based are as follows:

Partner.....\$ _____
 Audit Manager\$ _____
 Senior Accountant.....\$ _____
 Junior Accountant\$ _____
 Clerical.....\$ _____

Proposal Signee

If the Proposal is submitted by an individual or an individual doing business under a firm name, the Proposal must, in addition to the firm name, be signed by the individual. If the Proposal is submitted by a partnership, the Proposal should be signed on behalf of the partnership by one of

the partners. If the Proposal is submitted by a corporation, the Proposal should be signed by an officer authorized to execute a Proposal on behalf of the corporation.

Award and Length of Audit Contract

The Board of Trustees will award a two-year contract, renewable annually for up to a total engagement of four years.

Signature

Signature below indicates acceptance/compliance with all requirements, criteria, and terms outlined in this Request for Proposals. Exceptions (if any)_____

The representations made herein are made under penalty of perjury.

Attested on this the _____ day of _____ 2019, State of California

Authorized Signatory

Name of Firm

Title of Signatory

Address

Area Code – Telephone Number
Code

City State Zip

Area Code – Fax Number

Email Address

STATEMENT OF QUALIFICATIONS

Name of Firm: _____

Address: _____

Telephone: _____

FAX No: _____

E-Mail: _____

Size and organizational structure of the firm:

Name and title of person(s) who will have primary responsibility for the audit:

Names and classifications of all personnel who will be assigned to the audit:

Name	Classification
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

List of California and other school district audits the firm has performed or is under contract to perform (if the firm has more than one office, indicate those audits performed by the office)

located in or closest to Kings County (the “local office”), and fiscal year(s) audited). Include the name and contact information for the school district individuals familiar with the firm’s work.

List other governmental agency audits performed by the firm or now under contract to perform (if the firm has more than one office, indicate those audits performed by the local office and fiscal year(s) audited).

Indicate the experience of each of the firm’s staff members who will be assigned to this audit in the areas of California and other school district audits or governmental agency audits.

Additional comments regarding the firm’s qualifications.

Describe how the firm will conduct the 2019-20 Audit Services, in a manner that will meet all legally required timelines.

NOTE: If attachments are required, clearly identify the Statement of Qualifications that the attachment refers to.

Name of Accounting Firm

By:

Title:

Date: