

October 12, 2022

The Brownsville Area School District is requesting proposals for auditing services. Requirements and instructions on how to submit a proposal can be found on the district's website <https://www.basd.org> under the District Information -> Business Office or by emailing a request for the instruction packet to [mllewellyn@basd.org](mailto:mllewellyn@basd.org).

See instructions for delivery requirements that are due no later than 2:00 PM on Tuesday, November 8, 2022.

Contact: Michael Llewellyn  
5 Falcon Drive  
Brownsville, PA 15417  
Phone: (724) 785-2021, extension 3102  
Fax: (724) 785-4333  
Email: [mllewellyn@basd.org](mailto:mllewellyn@basd.org)

Board Secretary  
Jodi Delgado

Brownsville Area School District  
Request for Proposal for Auditing Services

## ***REQUEST FOR PROPOSAL FOR AUDITING SERVICES***

### **Document Purpose**

The purpose of this request for proposal is to provide interested auditing firms with sufficient information to enable them to prepare and submit proposals (i.e. quotations) for consideration by the Brownsville Area School District (BASD) for auditing services for the school fiscal years, 2017-2022. The Auditing Firm will need to supply audit statements in compliance with applicable GASB standards. The work shall satisfy all federal, state and local requirements for an annual Single (if needed)/financial statement audit.

### **BASD Contact**

The point of contact with the Brownsville Area School District is Michael Llewellyn, (724) 785-2021 Ext. 3102.

### **Incurred Proposal Costs**

BASD is not liable for any cost incurred by auditing firms prior to the issuance of an agreement or contract.

### **GASB Compliance**

There must be full compliance of all GASB requirements.

### **Response Date for Proposals**

In order to be considered for selection, Auditing Firm proposals for auditing services must be received in a sealed envelope clearly marked "Auditing Services Request for Proposal" no later than 2:00PM on Tuesday, November 8, 2022 at the Brownsville Area School District, 5 Falcon Drive, Brownsville PA 15417.

### **Qualifications**

The auditors assigned to perform the audit must collectively possess adequate professional proficiency for the task required. The Commonwealth of Pennsylvania has defined qualified auditors to perform Single Audits to be Certified Public Accountants (CPA) or Public Accountants (PA) who are: (1) Registered under Act 140 P.L. 318, May 26, 1947, entitled "The CPA Law", as amended by Act 286, P.L. 1280, dated December 8, 1976; and (2) conforming to the independence requirements and professional standards Promulgated by the Government Auditing Standards, issued by the Comptroller General of the United States.

### **Informality of Bid and Acceptance. Rejection or Selection of Quotation**

The School expressly reserves the right to reject any or all proposals, to waive any informalities or irregularities in the proposals, and to accept that proposal which is in the best interest of the School. All pricing must be held for 60 days. The School Reserves the right to negotiate terms and conditions.

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**Acceptance by the Brownsville Area School District Board of Directors**

The Brownsville Area School District's Board of Directors will consider the auditing proposals at a Regular Board Meeting following the due date of this request for quotation.

In determining the award to the proposing auditing firms, the following will be considered:

1. Evidence in proposal that the submitting firm clearly understands the scope of the audit services to be performed.
2. Technical experience of the firm.
3. Qualifications of the auditing staff.
4. Size and structure of the firm
5. Costs quoted to perform the specified audit services.

**Execution of this "Request for Proposal"**

This "Request for Proposal" shall be executed as follows:

1. As an individual auditor {he/she shall sign the proposal personally}.
2. As a partnership or corporation signed in the name of the firm by a partner.

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**Audit Proposal Instructions**

**General Scope of Work**

The audit will cover all programs of the School including but not limited to the general fund, food service fund, student activity funds, debt service fund, any other miscellaneous funds and Federal programs.

**Non-Federal Programs Scope of Work**

The audit will encompass a financial and internal control audit of the financial records and systems of the school for the school year ending June 30th. The audit report must give an opinion on the fair presentation of the BASD's basic financial statements in accordance with generally accepted accounting principles and must include a review of the internal controls of the school's accounting systems which include a minimum review of the following:

- Board Minutes
- Verification of receipts (review of revenues)
- Expenditures
- Journal entries
- Budget transfers
- Payroll system
- Verifications of assets and liabilities
- Reconciliation of bank statements and investments
- Subsidiary records including insurance

The auditing firm shall provide to the school a Management letter listing recommendations for improvements in BASD's procedures. The Management letter will include specific reasons why the auditing firm is suggesting changes to the procedures. The Management will incorporate the School's response, if applicable.

The auditing firm shall provide to the Board of Directors a certified audit of the school's financial records encompassing all funds, including the Food Service Fund and the Student Activities Fund. The school's business office shall determine the number of bound copies of the report that the auditing firm shall provide. The basic financial statements must include (or their successors, as determined by GASB):

- Statement of Net Position
- Statement of Activities
- Balance Sheet-Governmental Funds
- Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
- Statement of Revenues, Expenditures and Changes in Fund Balance-Governmental Funds
- Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities
- Statement of Net Position-Proprietary Fund
- Statement of Revenues, Expenses and Changes in Net Position-Proprietary Fund
- Statement of Cash Flows-Proprietary Fund
- Statement of Fiduciary Net Position-Fiduciary Funds
- Statement of Changes in Fiduciary Net Position-Fiduciary Funds
- Notes to Financial Statements
- Required Supplementary Information
- Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-General Fund

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### **Federal Programs Scope of Work-If Needed**

The audit will also encompass a financial and compliance audit as outlined in the Single Audit Act of 1984. For a review of each program's compliance, the Auditing Firm will use the Compliance Supplement for Single Audits of State and Local Governments, and AICPA Audit and Accounting Guide for Audits of State and Local Government Units, Revised 1986, and the POE Audit Guidelines for Single Audit. As required, the Auditing Firm shall design its own procedures to supplement existing audit steps to form an opinion.

In addition to the audit guides, the Auditing firm shall apply its own audit standards and procedures and those developed by the American Institute of Certified Public Accountants (AICPA), "Generally Accepted Auditing Standards", Statement of Auditing Standards (SAS) Number 1. Codification of Auditing Standards and Procedures and those developed by Government Auditing Standards and OMB Circular A-133.

### **Federal Programs Opinion**

The Auditing Firm shall perform sufficient work to issue a report and render an opinion. All audit work, which can be performed on existing records, must be completed in accordance with the pertinent audit guides. Findings shall be made, costs questioned or recommended for disallowance, corrective measures recommended, and a report issued. All reports shall contain the appropriate Opinion or Disclaimer of Opinion in accordance AICPA Audits of States and Local Governments.

### **Single Audit Report Package**

The Single Audit Report Package shall contain a Table of Contents indicating the following sections by page number. All pages must be numbered.

- Management Letter (Includes recommendations and suggestions for changes and improvements in school operations)
- Single Audit Report Distribution List (agencies which will receive the Single Audit Report)
- Transmittal letter
- Opinion on General Purpose Financial Statements
- Basic financial Statements
- Report on Compliance based on an examination of General Purpose Financial Statements performed in accordance with the Standards issued by Government Auditing Standards
- Report on Internal Accounting Controls at the General-Purpose Financial Statement Level
- Opinion on the Schedule of Federal Financial Awards
- Schedule of Federal Financial Awards
- Report on Internal Control (Accounting and Administrative) applicable to each major program
- Report on Compliance with Laws and Regulations Related to Major and Non-Major federal Financial Assistance Programs
- Schedule of Findings and Questioned Costs
- A "Response and Corrective Action Plan" recommendation for each finding and any weaknesses disclosed within the examination
- "Report on the Status of Prior Year's Compliance Findings and Internal Control Weaknesses"
- Signature (An officer of the Auditing Firm shall sign and date the reports.)

### **Retention of Audit Working Papers**

The Auditing Firm shall retain workpapers and reports for a minimum of six (6) years from the date of the audit report. An appropriate Federal or State Agency or the school must make audit workpapers available upon a request.

### **Access to Audit Working Papers**

The school and any appropriate Federal or State Agency shall have free and unrestricted access to the workpapers, records, other supportive documentation and reports prepared, or in the process of being prepared, in connection with the audits performed under this proposal. Free and unrestricted access to and the right to require submittal of the documentation to school or appropriate agency shall exist during the contract term and shall continue for six (6) years from date of submission of the final invoice or until litigation, audit or claim has been fully resolved, if later.

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### **Cost and Pricing Data**

Proposals must include a cost for the audit of both Non-Federal and Federal Programs. These costs must be separate in the case that a Single Audit is not required. Fee structures for staff and costs should be included in the event that the school requests the Auditing Firm to do additional work.

### **Unacceptable Work**

If the Auditing Firm's audit reports are determined to be unacceptable by the school, the AICPA Standards or the Standards for Audit of Governmental Organizations, Programs, Activities and Functions and Guidelines for Financial Compliance Audit of Federally Assisted Programs, issued by the Auditor General, the Single Audit Act of 1984, and OMB Circular A-133, the Auditing Firm may, by written request, be required to re-audit at its own expense and submit a revised acceptable audit report. The school has the right to reject the Auditor's audit report for one (1) year after the school has submitted the audit report to State and Federal agencies. If the Auditing Firm fails to comply with any of the terms of this proposal, the school may terminate this contract.

### **Fraud and Illegal Acts**

If, during the course of the examination, the auditors uncover indications of possible fraud or other illegal acts, the auditors shall immediately notify the Board of Directors and appropriate State and Federal agencies in writing. The auditors shall perform sufficient fieldwork to be able to clearly describe and document the situation.

### **Advisory Assistance**

The Auditing Firm shall be available to provide advisory assistance to school administration throughout the school year including but not limited to assistance with audits of State and Federal agencies. The school will maintain its financial records and the Auditing Firm will advise as may be necessary to enable the school to comply with the requirements of regulatory agencies .

The Auditing Firm must provide year-end adjusting journal entries to school business staff assist in reconciling accounts as needed and assist in the preparation of year-end financial statements and Annual Financial Report as needed. The successful firm will clearly understand the School's lean structure and plan accordingly .

### **Information Requested**

In order to facilitate a uniform audit proposal review process and maximize comparability, it is required that the auditing firms submitting proposals organize their proposal in the following manner .

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1. Title Page State that the document is a "Proposal for Auditing Services" and list the following: date, auditing firm name, local address, telephone number, and contact person.
2. Table of Contents - Identify the contents by section and page number.
3. Letter of Transmittal (limit to one or two pages) - Briefly state the Auditor's understanding of the work to be done and make a positive commitment to perform the work within the required time period.
4. Profile of the Auditing Firm -State whether your audit organization is national, regional, or local. Indicate the number and level of people from the closest office that will perform the audit. Provide a reference list of public-school audit clients indicating the type of service performed, years of engagement, contact person and phone number. {Limit to five closest references)
5. Describe your firm's participation in AICPA sponsored quality control programs.
6. Auditors Experience Summary - Describe the public-school audit experience of each person to be assigned to the audit. Include position level held while on each audit. Indicate the time the senior auditor will be on-site.

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**2017-2022**

*(Return this page as Page 1 of your Auditing Services Proposal)*

Name of Auditing Firm \_\_\_\_\_

Address \_\_\_\_\_

Contact Person \_\_\_\_\_

Telephone Number \_\_\_\_\_

FIRST, the undersigned have carefully examined the Request for Proposal for Auditing Services in accordance with the specifications of the proposal submit this proposal and agree to furnish and perform the specified audit services for the school within the time limits specified for the amounts indicated below.

SECOND, the undersigned agree to enter into a written contract to furnish such materials and services as required in the proposal specifications.

THIRD, the following quotation prices are listed as firm for a period of sixty (60) days after the due date of this request for proposal.

FOURTH, the auditing firm agrees to maintain a record of their audit time by Federal Program so that the cost of the audit can be allocated to various Federal Programs.

FIFTH, if the auditing firm in addition to the specified audit services performs services, the auditing firm will supply time records and service descriptions to validate any invoiced charges.

SIXTH, no plea of mistake for this proposal shall be made available to the undersigned auditing firm. No proposal may be withdrawn before sixty (60) days from the due date of this proposal.

SEVENTH, the auditing firm's staffing fee structure, hourly rates and other costs will be as follows:

\_\_\_\_\_  
\_\_\_\_\_

EIGHTH, the auditing firm agrees to do the auditing services for the amounts quoted as follows:

Auditing Services for 2017-2018	\$ _____ Regular	\$ _____ Federal
Auditing Services for 2018-2019	\$ _____ Regular	\$ _____ Federal
Auditing Services for 2019-2020	\$ _____ Regular	\$ _____ Federal
Auditing Services for 2020-2021	\$ _____ Regular	\$ _____ Federal
Auditing Services for 2021-2022	\$ _____ Regular	\$ _____ Federal

Signature \_\_\_\_\_

Date \_\_\_\_\_

Title or Office \_\_\_\_\_