Palermo Union School District

Request for Proposals
For
Auditing Services

Request for Proposals Issued:   Monday, February 3, 2020
Deadline for Responses:   Tuesday, February 25, 2020
REQUEST FOR PROPOSAL FOR AUDITING SERVICES

Palermo Union School District (the “District”) is requesting proposals from interested Certified Public Accountants to perform independent financial audits for the years 2019-20, 2020-21 and 2021-22. Specifically, the District is requesting time and cost proposals for the basic independent audit of all the District’s funds in accordance with generally accepted auditing standards as recommended by the AICPA, the standards applicable to financial audits as contained in the Government Auditing standards, issued by the Comptroller General of the United States; and the Standards and Procedures for Audits of California K-12 in Local Educational Agencies and the Supplemental Audit Guide, issued by the California State Controller. Single audits of federal awards shall be made in accordance with the requirements established by Circular A-133 Audits of State, Local Governments, and Non-Profit Organizations, issued by the U.S. Office of Management and Budget (OMB).

Proposals must conform and be responsive to the applicable audit and accounting guidelines, as indicated herein. Respondents must sign their proposals and complete, sign and submit the District required forms enclosed herewith.

Deadline for receipt of proposals is Tuesday, February 25, 2020 at 4:00 p.m. Please submit one original in a sealed envelope to:

Palermo Union School District
Attn: Ruthie Anaya, CBO
7390 Bulldog Way
Palermo, CA  95968

Proposals received after the deadline will be returned unopened. Proposals missing required information or forms will be deemed nonresponsive, and will not be considered. Proposals received by fax or email will not be accepted.

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 No proposal may be withdrawn for a period of sixty (60) days after the date set for the opening bids.

For additional information, questions, or clarification, please contact Ruthie Anaya at 530-533-4842 ext. 6, or by e-mail at ranaya@palermok8.org no later than Friday, February 21, 2020.
I. BACKGROUND INFORMATION

Palermo Union School District is a K-8 public school district in Butte County, CA, with an enrollment of approximately 1,470 students in preschool through eighth grade. The district is comprised of 5 schools including a K-3 school site, a 4-5 school site, a middle school (grades 6-8), 1 community day school and 1 necessary small school (grades K-3). The district also provides preschool services for approximately 115 students in both part day and full day programs through the California State Preschool Program (CSPP).

The district employs approximately 155 full-time equivalent employees. The General Fund revenues included in the 2019-20 adopted budget totaled $15.7 million. The District budget includes the following funds:

- General Fund
- Capital Facilities Fund
- Child Development Fund
- County School Facilities Fund
- Cafeteria Fund
- Debt Service Fund
- Special Reserve Fund
- Scholarship Fund (73)

The district also maintains student body accounts. The district’s accounting and human resource records are maintained in the Escape financial system. Student attendance is maintained at the school site level and reviewed by the district office using the PowerSchool student information system.

The prior year audit report is available for review on the Palermo Union School District website at [www.palermoschools.org](http://www.palermoschools.org) under the explore/departments/financial data section.

II. NATURE OF SERVICES REQUIRED

Auditors must complete a financial and compliance examination of all funds of the districts in accordance with generally accepted auditing standards as recommended by the AICPA, the standards applicable to financial audits as contained in the Government Auditing standards, issued by the Comptroller General of the United States; and the Standards and Procedures for Audits of California K-12 in Local Educational Agencies and the Supplemental Audit Guide, issued by the California State Controller. Single audits of federal awards shall be made in accordance with the requirements established by Circular A-133 Audits of State, Local Governments, and Non-Profit Organizations, issued by the U.S. Office of Management and Budget (OMB).

A list of the district’s federal and state programs is available upon request.
III. PROPOSAL FORMAT AND CONTENT

Please include the following in your response:

1) **LETTER OF TRANSMITTAL** – Should contain a brief introduction of your firm and your understanding of the audit services to be performed.

2) **MANDATORY QUALIFICATIONS OF THE AUDITOR** – Please provide the following with respect to your firm’s qualifications:
   - An affirmation that your firm is properly licensed for practice as a Certified Public Accountant.
   - An affirmation that your firm meets the independence requirements of the Standards for Audit of Governmental Organizations, Programs, Activities and Functions published by the U.S. General Accounting Office.
   - An affirmation that your firm does not have a record of substandard audit work.

3) **PROFESSIONAL SERVICES AND COST QUOTATION** – Please furnish your cost quotation for the audit on Attachment A. Your cost proposal should include both direct and indirect costs, including projected out of pocket expenses.

4) **STATEMENT OF QUALIFICATIONS** – Please complete the attached Statement of Qualifications on Attachment B.

5) **RESUMES** of principals and key staff who will perform the audits.

6) **REFERENCES** – please provide three references for like audits performed for school districts of a comparable size and financial structure to Palermo Union School District.

7) **LEGAL/REGULATORY** – please indicate in your response if there is or has been any pending or recent litigation against your firm and whether there is any pending or recent disciplinary matter(s) involving your firm by a state or federal regulatory agency.

8) **SUMMARY RATIONALE FOR SELECTION** – please provide a brief summary statement to support your firm’s selection as auditor.
IV. OTHER REQUIREMENTS

1) The prospective Contractor’s total contract bid price must separately state the cost by fiscal year 2019-20, 2020-21 and 2021-22. The total cost must be an exact amount and must not be conditioned. However, if substantial changes should occur in the District’s operations during the contract years, such as the introduction of a new program, the Contractor may then modify the fee estimated to include the cost of performing additional procedures.

2) The successful audit firm may not assign the contract to any other party or parties.

3) The documents associated with this proposal shall be considered a part of the awarded contract. The documents involved are the Request for Proposals, Proposal Form (Attachment A), Statement of Qualifications (Attachment B), Audit Agreement, and other documents such as addendum, if needed.

4) Schedule a pre-audit conference to discuss timelines and procedures that will be used during the audit. Exit conferences shall be conducted as required to review the draft audit reports and findings. Exit conferences shall be scheduled at least two weeks prior to issuance of the final reports.

5) Audits will be completed and filed no later than December 15 of each year. Auditors are responsible for filing all copies of the audits with the appropriate agencies as identified in the State of California’s Audit Guide.

6) If the district so requests, an audit manager or partner will present the audit report to the governing board of the school district at a regularly scheduled board meeting no later than January 30 of the year.

7) Auditors will retain working papers for a minimum of three years. Audits are subject to review by various state agencies, such as the Department of Education, State Controller, and the Department of Finance and must be available upon request.

8) The audit manager/partner will be available throughout the year to provide assistance to the school districts to explain audit findings and recommendations, and to discuss accounting concerns that may affect future audits.

9) Auditors shall provide copies up to the number requested of the final audit report, one unbound master copy to be used for additional reproduction, and an electronic file.
V. EVALUATION OF PROPOSALS

Proposals will be evaluated by district personnel familiar with the requirements of this RFP and the needs of the district, with an estimated response/award of a contract in mid-March. The proposals will be evaluated according to the following criteria using a form similar to the form provided herewith as Attachment C;

- Thorough and complete response to the requirements of the RFP
- Technical experience of the firm; experience in providing like audit services to school districts
- Qualifications of principals and staff who will perform the audit; education and training
- Cost proposal
- Other considerations that may be deemed relevant by the District

VI. AWARD OF CONTRACT

The term of any contract awarded pursuant to this RFP will be three years, with an option of renewal for an additional two years upon mutual agreement of the parties, on the same terms and conditions as that of the original term.

This RFP is not to be construed as a guaranteed award of business or contract. Notwithstanding the issuance of this RFP, the District retains the option, at its sole discretion, not to award any contract for the performance of auditing services, in whole or in part, pursuant to this RFP.

VII. QUESTIONS AND UPDATES

Questions regarding this RFP may be submitted by email only to Ruthie Anaya at ranaya@palermok8.org. The deadline to email questions regarding this RFP is Friday, February 21, 2020. Responses will be provided to individual queries as soon as possible after receipt.

VIII. BID SUBMISSION

Sealed proposals must be presented to the Palermo Union School District by 4:00 p.m., Tuesday, February 25, 2020, and shall be in a sealed envelope clearly marked “Audit Proposal” addressed to the Palermo Union School District, 7390 Bulldog Way, Palermo, CA 95968 Attn: Ruthie Anaya. The Proposal shall include all items as outlined in Section III – Proposal Format and Content of this document.

Proposals received after the deadline will be returned unopened. Proposals missing required information or forms will be deemed nonresponsive, and will not be considered. Proposals received by fax or email will not be accepted.
REQUEST FOR PROPOSAL
ANNUAL AUDIT SERVICES
AUDITOR PROPOSAL FORM
Palermo Union School District

Submitted herewith is our proposal to perform the annual Financial and Compliance Audit for the Palermo Union School District for the school years 2019-20, 2020-21 and 2021-22.

We propose to conduct the prescribed audit and submit the audit report in compliance with generally accepted auditing standards as recommended by the AICPA, the standards applicable to financial audits as contained in the Government Auditing Standards, issued by the Comptroller General of the United States; and the Standards and Procedures for Audits of California K-12 in Local Educational Agencies and the Supplemental Audit Guide, issued by the California State Controller. Single audits of federal Governments, and Non-Profit Organizations, issued by the U.S. Office of Management and Budget (OMB).

The scope of the audit shall not be limited to that provided in the aforementioned publications in the event that in the opinion of the AUDITOR particular circumstances warrant extension thereof.

The audit shall include all funds of the district, but not limited to General Fund, Child Development Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds, Fixed Asset and long-term Debt Account Groups, Student Body and Cafeteria Funds, and any other funds under the control or jurisdiction of the Board. The audit shall also include an audit of attendance procedures.

The audit shall be supervised by a Certified Public Accountant licensed by the State Board of Accountancy.

The undersigned agrees to perform the audits specified at a total cost not to exceed the amount indicated, including all costs of conducting the audit, and also including the appropriate number of copies of the audit report, unless circumstances disclosed by the audits indicate that more detailed verification is required, in addition to that which would be sufficient under ordinary circumstances. In this case a negotiated rate of compensation will be agreed upon prior to commencement of the additional verification.

The audit shall be performed in accordance with the requirements outlined in the Audit Agreement and shall be performed by personnel identified in the Statement of Qualifications.

Name of Accounting Firm: ________________________________ Date: ____________________

By: ________________________________ Title: ________________________________
REQUEST FOR PROPOSAL

ANNUAL AUDIT SERVICES

Palermo Union School District

Proposal Form (Attachment A)

Submitted herewith is our proposal to perform the annual audit for the Board of Trustees of the Palermo Union School District for the fiscal years 2019-20, 2020-21 and 2021-22.

We propose to conduct the audit and submit the audit report in compliance with generally accepted auditing standards. The following is a list of personnel, by classification, who will be assigned to this audit.

<table>
<thead>
<tr>
<th>Classification</th>
<th>Estimated Hours</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partner</td>
<td></td>
<td></td>
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<tr>
<td>Audit Manager</td>
<td></td>
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<tr>
<td>Audit Senior</td>
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<tr>
<td>Staff Accountant</td>
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</table>

The undersigned agrees to perform the audit specified and, upon completion, provide seven (7) bound copies and one (1) unbound copy of the audit report to the District. The total fee for this service, including all costs of conducting the audit, is presented below:

<table>
<thead>
<tr>
<th>2019-20 Cost</th>
<th>2020-21 Cost</th>
<th>2021-22 Cost</th>
</tr>
</thead>
<tbody>
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</tbody>
</table>

The audit will be performed in accordance with the requirements outlined in the “Request for Proposal” and will be performed by the personnel identified in the “Statement of Qualifications”.

Name of Accounting Firm: ___________________________ Date: __________________

By: ___________________________________ Title: ___________________________________
REQUEST FOR PROPOSAL
ANNUAL AUDIT SERVICES
Palermo Union School District

Statement of Qualifications (Attachment B)

1. Name of Firm:

2. Address:

3. Telephone Number: __________________ Fax No.: __________________

4. Name of Partner(s) who will have primary responsibility for the audit:

   

6. Names of Personnel with their classifications who will be assigned to the audit

   Name | Classification | Hourly Rate
   -----------------------------------------
   |             |              |
   |             |              |
   |             |              |
   |             |              |

   Please include resumes of staff, including school district auditing experience.

7. Provide a sample audit contract

8. List other governmental agency audits performed by the firm or now under contract to perform (indicate those audits performed by the local office):
9. List any California school district audits performed by your firm that were not certified by the Office of the State Controller, and include the reason:

10. Provide a work plan including time estimated by month and completion dates for each significant segment of the work and staff level to be assigned.

<table>
<thead>
<tr>
<th>Month</th>
<th>Time Estimate</th>
<th>Staff to be assigned</th>
</tr>
</thead>
<tbody>
<tr>
<td>May/June</td>
<td></td>
<td></td>
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<tr>
<td>July</td>
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<tr>
<td>August</td>
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<td>September</td>
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<tr>
<td>October</td>
<td></td>
<td></td>
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<tr>
<td>November</td>
<td></td>
<td></td>
</tr>
<tr>
<td>December</td>
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</tbody>
</table>

11. Please provide a copy of the Audit Preparation Package you provide clients in preparation of the actual audit.

12. Is your firm a member of the American Institute of Certified Public Accountants?

13. Does your firm have malpractice insurance coverage? If so, please provide the liability limits for which you are insured.

14. Please provide a copy of your most recent Peer Review report.

Name of Accounting Firm: ____________________________ Date: _________________

By: ____________________________ Title: ____________________________
**Proposal Evaluation Sheet (Attachment C)**

*Informational – For District Use Only*

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Thorough and complete response to the requirements of this RFP</strong></td>
<td></td>
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<tr>
<td>- Clear, demonstrated understanding of the work to be performed</td>
<td>35 pts.</td>
</tr>
<tr>
<td>- Appropriateness/adequacy of proposed procedures</td>
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<tr>
<td>- Appropriateness of assigned staff levels</td>
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<tr>
<td>- Timeliness of expected completion</td>
<td></td>
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<tr>
<td>- Nature and quality of engagements recently completed</td>
<td></td>
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<tr>
<td><strong>B. Technical Experience of the firm</strong></td>
<td></td>
</tr>
<tr>
<td>- Auditing of the type(s) under consideration</td>
<td>15 pts.</td>
</tr>
<tr>
<td>- Auditing local governments</td>
<td></td>
</tr>
<tr>
<td>- Auditing similar entities/public school districts</td>
<td></td>
</tr>
<tr>
<td><strong>C. Qualifications of principals and staff</strong></td>
<td></td>
</tr>
<tr>
<td>- Position in the firm and years/types of experiences</td>
<td>15 pts.</td>
</tr>
<tr>
<td>- Education/continuing ed/training during the last three years</td>
<td></td>
</tr>
<tr>
<td><strong>D. Cost Proposal</strong></td>
<td></td>
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<tr>
<td>- Firm’s value proposition</td>
<td>30 pts.</td>
</tr>
<tr>
<td><strong>E. Other</strong></td>
<td></td>
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<tr>
<td>- Additional considerations or experience deemed relevant</td>
<td>5 pts.</td>
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<tr>
<td>- Familiarity with Palermo Union School District</td>
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<tr>
<td>- Proximity to Butte County</td>
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<tr>
<td>- Size and structure of the firm</td>
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</tbody>
</table>