

Deadline for Proposals:
Tuesday,
November 27, 2018
2:00 p.m.

REQUEST FOR PROPOSALS

Professional Auditing
Services

Pocantico Hills Central School District

**POCANTICO HILLS CENTRAL SCHOOL DISTRICT
REQUEST FOR PROPOSALS
PROFESSIONAL AUDITING SERVICES**

I. PURPOSE

- A. This Request for Proposals (“RFP”) is designed to comply with General Municipal Law and Board of Education policy requiring the use of a competitive RFP process to select the professional services of professional auditing services.
- B. The Pocantico Hills Central School District, hereinafter referred to as the “District” invites Requests for Proposals from an experienced and qualified firm of certified public accountants (“Firm”) to audit its financial statements for the fiscal year ending June 30, 2019. The audit is to be performed in accordance with generally accepted standards as set forth by the American Institute of Certified Public Accountants, generally accepted government auditing standards set forth for financial audits in the General Accounting Office’s (GAO) Government Auditing Standards (1994) and the provisions of the Amended Single Audit Act (1996) and U.S. Office of Management and Budget (OM) Circular A-133.
- C. Respondents are asked to prepare a proposal including the format for accomplishing the work, the fee required to perform the work, and references listing previous comparable assignments. The District reserves the right to award a contract to the Company whose proposal and any resulting negotiations are deemed to be in the best interest of the District.

II. PROPOSAL REQUIREMENTS

- A. Firms may submit a proposal by **Tuesday, November 27, 2018 at 2 o’clock PM.** Proposals shall be sent to:

Pocantico Hills Central School District
599 Bedford Rd
Sleepy Hollow, NY 10591
Attention: Marianne Heslin

- B. Proposals received after this date and time will be returned unopened to the Company.
- C. Proposals should be submitted in a sealed opaque envelope and clearly marked “REQUEST FOR PROPOSAL: PROFESSIONAL AUDITING SERVICES”.
- D. You must submit one original and six (6) copies of your proposal.
- E. RFPs shall be concise and include the complete submission of the items required in these specifications.
- F. Incomplete submissions may not be considered for award.

III. BACKGROUND

The Pocantico Hills Central School District provides quality educational services to over 300 students in grades Pre-Kindergarten through Grade 8, in one building. The District operates and maintains its own transportation, food service and maintenance programs. The District’s fiscal year begins on July 1 and ends on June 30.

**POCANTICO HILLS CENTRAL SCHOOL DISTRICT
REQUEST FOR PROPOSALS
PROFESSIONAL AUDITING SERVICES**

The District has two bargaining units that cover instructional personnel (approx. 55), and support personnel (approx. 20). The contracts for Superintendent of Schools, administrators and other confidential employees are negotiated separately. Total annual payroll is approximately \$8 million.

The District has a total budget of approximately \$31 million and has a five (5) member Board of Education.

The accounting and financial reporting functions of the District are centralized. The District's accounting and financial reporting functions are computerized and fully integrated. The District's secondary level have recognized Extraclassroom activities.

More detailed information on the District and its finances can be found in the District's latest financial statements and budget documents.

Fund Structure

The District uses the following fund types in its financial reporting:

- General Fund (legally adopted annual budget)
- Special Aid Fund
- School Lunch Fund
- Capital Fund
- Trust and Agency Fund

Budgetary Basis of Accounting

The Pocantico Hills Central School District prepares its budget on a basis consistent with a modified accrual basis of accounting. Appropriations lapse at fiscal year-end and encumbrances are shown as a reservation of fund balance and are honored through subsequent year's expenditures.

Pension and Other Plans

The Pocantico Hills Central School District participates in the NYS and Local Employees' Retirement System and NYS Teachers' Retirement System, both of which are cost sharing multiple-employer, public employee retirement systems. In addition, the District administers IRS Section 403(b) and 125 plans for its employees.

Availability of Prior Audit Reports and Working Papers

Interested responders who wish to review prior years' audit reports and management letters should contact Marianne Heslin in the Business Office, 599 Bedford Rd, Sleepy Hollow, New York, 10591. The District will use its best efforts to make prior audit reports and supporting working papers available to responders to aid their response to this request for proposals.

**POCANTICO HILLS CENTRAL SCHOOL DISTRICT
REQUEST FOR PROPOSALS
PROFESSIONAL AUDITING SERVICES**

IV. SCOPE

Scope of Work to be Performed:

The Pocantico Hills Central School District desires the auditor to express an opinion on the fair presentation of its financial statements in conformity with generally accepted accounting principles. In addition, the auditor is to express an opinion on the fair presentation of the District's Extraclassroom activity funds in conformity with another comprehensive basis of accounting (cash basis).

The auditor is not required to audit the schedule of federal awards. However, the auditor is to provide an 'in-relation-to' report on that schedule based on the auditing procedures applied during the audit of the financial statements.

Auditing Standards to be Followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with:

Generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, generally accepted government auditing standards set forth in the U.S. General Accounting Office's Government Auditing Standards (2003), the provisions of the Amended Single Audit Act (1996) and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133.

Reports to be Issued

Following completion of the audit of the fiscal year's financial statements, the auditor shall issue:

1. Independent Auditor's Report on Basic Financial Statements with Accompanying Required Supplementary Information and Supplementary Information.
2. Management Discussion and Analysis
3. Statement of Net Assets
4. Statement of Activities
5. Balance Sheet – District Funds
6. A Reconciliation of Fund Balances to Net Assets at bottom of Balance Sheet – District funds or a separate Reconciliation of Balance Sheet - District Funds to the Statement of Net Assets
7. Statements of Revenues, Expenditures, Expenditures and Changes in Fund Balances – District Funds.
8. Reconciliation of District Funds Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities
9. Statement of Fiduciary Net Assets – Fiduciary Funds and Statement of Changes in Fiduciary Net Assets – Fiduciary Funds (if applicable)

**POCANTICO HILLS CENTRAL SCHOOL DISTRICT
REQUEST FOR PROPOSALS
PROFESSIONAL AUDITING SERVICES**

10. Notes to the Financial Statements
11. Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – General Fund
12. Schedule of Change From Adopted Budget to Revised Budget – General Fund
13. Schedule of use of Unreserved Fund Balance - General Fund
14. Schedule of Project Expenditures – Capital Project fund (if applicable)
15. Schedule of Certain Revenues and Expenditures compared to ST-3 Data
16. Combined Balance Sheet – Non-Major District Funds (if applicable)
17. Combined Statement of Revenues, Expenditures, and Changes in Fund Balance – Non-Major District Funds (if applicable)
18. Schedule of Investment in Capital Assets, Net of Related Debt
19. Notes to Schedule of Federal Awards (if applicable)
20. Independent Auditor’s Report on the Internal Control Structure Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards.
21. Independent Auditor’s Report on Compliance Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards.
22. Schedule of Findings and Questioned Costs (if applicable)
23. Independent Auditor’s Report on Internal Control Related to the Financial Statements and Major Program (if applicable)
24. Independent Auditor’s Report on Compliance with Laws, Regulation, and the Provisions of Contracts or Grant Agreements (if applicable)

In the required report(s) on internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization’s ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Reportable conditions that are also material weaknesses shall be identified as such in the report.

Nonreportable conditions discovered by the auditors shall be verbally reported to management.

Irregularities and illegal Acts. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of which they become aware to the Audit Committee of the Board of Education.

**POCANTICO HILLS CENTRAL SCHOOL DISTRICT
REQUEST FOR PROPOSALS
PROFESSIONAL AUDITING SERVICES**

Reporting to the Board of Education. Auditors shall assure themselves that the District's governing board is informed of each of the following:

1. The auditor's responsibility under generally accepted auditing standards.
2. Significant accounting policies.
3. Management judgments and accounting estimates.
4. Significant audit adjustments.
5. Other information in documents containing audited financial statements.
6. Disagreements with management.
7. Management consultation with other accountants.
8. Major issues discussed with management prior to retention.
9. Difficulties encountered in performing the audit.

Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years, unless the firm is notified in writing by the Pocantico Hills Central School District of the need to extend the retention period. The auditor is required to make working papers available, upon request, to the following parties or their designees:

Pocantico Hills Central School District

U.S. Department of Education

U.S. General Accounting Office

Parties designated by the federal or state government or by the Pocantico Hills Central School District as part of an audit quality review process

Auditors of entities of which the District is a subrecipient of grant funds

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

V. TERM OF CONTRACT

The contract period shall be for the fiscal year ending June 30, 2019, with the option to extend the contract for up to five subsequent years. The Board reserves its right, at any time, to cancel such contract for any reason in accordance with the provisions of Section IX.

**POCANTICO HILLS CENTRAL SCHOOL DISTRICT
REQUEST FOR PROPOSALS
PROFESSIONAL AUDITING SERVICES**

PROPOSAL REQUIREMENTS

General Requirements

1. Inquiries

Inquiries concerning the Request for Proposals and the subject of the Requests for Proposals must be made to:

Marianne Heslin
Assistant Superintendent for Business and Operations
Pocantico Hills Central School District
599 Bedford Rd
Sleepy Hollow, NY 10591
914-631-2440 x709
mheslin@pocanticohills.org

2. Submission of Proposals

The following material is required to be received by 2:00 p.m. on November 27, 2018, for a proposing firm to be considered.

a. A master copy (so marked) of a Technical Proposal and SIX copies to include the following:

i. Title Page

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

ii. Table of Contents

iii. Transmittal Letter

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

iv. Detailed Proposal

The detailed proposal should follow the order set forth in Section VI B of this Request for Proposals.

b. The proposal shall submit an original and SIX copies of a dollar cost bid in a separate sealed envelope marked as follows:

SEALED DOLLAR COST BID PROPOSAL
FOR
POCANTICO HILLS CENTRAL SCHOOL DISTRICT
FOR
PROFESSIONAL AUDITING SERVICES

**POCANTICO HILLS CENTRAL SCHOOL DISTRICT
REQUEST FOR PROPOSALS
PROFESSIONAL AUDITING SERVICES**

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

Pocantico Hills Central School District
599 Bedford Rd
Sleepy Hollow, NY 10591
Attention: Marianne Heslin

Technical Proposal

The purpose of the Technical Proposal is to demonstrate the qualifications, competence, and capacity of the firms seeking to undertake an independent audit of the Pocantico Hills Central School District in conformity with the requirements of this Request for Proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The Technical Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the Request for Proposals requirement.

THERE SHOULD BE NO DOLLAR UNITS OR TOTAL COSTS INCLUDED IN THE TECHNICAL PROPOSAL DOCUMENT.

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 straight forward, 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 must be included. They represent the criteria against which the proposal will be evaluated.

Independence

The firm should provide an affirmative statement that it is independent of the Pocantico Hills Central School District as defined by generally accepted auditing standards/the U.S. General Accounting Office's Government Auditing Standards (1994).

Firm Qualifications and Experience

The proposer should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.

The firm shall also provide information on the results of any federal or state desk review or field reviews of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with the state regulatory bodies or professional organizations.

Partner, Supervisory and Staff Qualifications and Experience

**POCANTICO HILLS CENTRAL SCHOOL DISTRICT
REQUEST FOR PROPOSALS
PROFESSIONAL AUDITING SERVICES**

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

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

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

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

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

Similar Engagements with Other School Districts

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum-5) performed in the last five years that are similar to the engagement described in the Request for Proposals.

Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

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 Proposals. In developing the work plan, reference should be made to such sources of information as the District's budget and related materials, organizational chart, 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

**POCANTICO HILLS CENTRAL SCHOOL DISTRICT
REQUEST FOR PROPOSALS
PROFESSIONAL AUDITING SERVICES**

- c. Sample size and type and extent of testing
- d. Approach to be taken to gain and document an understanding of the District's internal control structure.
- e. Approach to be taken in determining laws and regulations that will be subject to audit test work.
- f. Approach to be taken in drawing audit samples for purposes of tests of compliance.

Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the District.

Report Format

The proposal should include sample formats for required reports.

Sealed Dollar Cost Bid

Total All-Inclusive Maximum Price

The sealed dollar cost bid should contain all pricing information relative to performing the audit engagement as described in this Request for Proposals. The total-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses.

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

1. The first page of the sealed dollar cost bid should include the following information:
 - a. Name of firm
 - b. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with the District.
 - c. A total All-Inclusive Maximum Price for the June 30, 2019 engagement.
 - d. A total All-Inclusive Maximum Price for a June 30, 2020 engagement.
 - e. A total All-Inclusive Maximum Price for a June 30, 2021 engagement.
 - f. A total All-Inclusive Maximum Price for a June 30, 2022 engagement.
 - g. A total All-Inclusive Maximum Price for a June 30, 2023 engagement.
2. Rates by Partner, Specialist, Supervisory and Staff Level Times Hours Anticipated for Each.

**POCANTICO HILLS CENTRAL SCHOOL DISTRICT
REQUEST FOR PROPOSALS
PROFESSIONAL AUDITING SERVICES**

3. Rates for Additional Professional Services
4. 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.

FINAL SELECTION

- A. Board of Education will approve a firm based upon the recommendation of the Superintendent and the Assistant Superintendent for Business and Operations.
- B. Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this Request for Proposals unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the District and the firm selected.

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

VI. INTERVIEW

The selection process may include an interview(s) with any combination of the Assistant Superintendent for Business and Operations, Superintendent of Schools, and the Board of Education, or their designees. The potential timeframe for interviews, which may include evening interviews, is detailed in Section XI. Firms should be prepared to be interviewed at any point during this period. Advance notice will be given to the firm of the selected date and time.

VII. TERMINATION OF CONTRACT

Any contract awarded under this Request for Proposal is subject to termination by either party, for any reason, upon thirty (30) days written notice to the other party. In the event of termination of the contract, the District's responsibility shall be limited to payment for services performed until the date of termination.

VIII. RIGHTS

The Board of Education reserves the right to:

- A. Request additional information from any company who submits a valid proposal.
- B. Negotiate with one or more of the finalists, the fees and terms of the engagement.
- C. Reject, without prejudice and for any reason, any and all RFPs or any parts of any proposals.
- D. Reject staff assigned who the District believes does not have the appropriate experience or qualifications or for any other valid reason.

**POCANTICO HILLS CENTRAL SCHOOL DISTRICT
REQUEST FOR PROPOSALS
PROFESSIONAL AUDITING SERVICES**

- E. Select the individual or company that, in its opinion, best meets the District's needs. This is not necessarily the company whose fees are the lowest.

IX. TIMELINE

The proposed timeline for review of the RFP and selection of a Firm is as follows:

- Distribution of RFP: October 31, 2018
- RFPs Due to the District: November 27, 2018, 2:00 p.m.
- Evaluation of RFPs: December 2018
- Interviews: January 2019
- Final Selection: January 2019

X. CRITERIA FOR SELECTION

RFPs will be evaluated using the following criteria (total 100 points available):

- A. Apparent understanding of tasks required – maximum 10 points
- B. Technical approach – maximum 10 points
- C. Qualifications of personnel – maximum 20 points
- D. Personnel organization and availability – maximum 15 points
- E. Related experience of the firm - maximum 15 points
- F. Cost - maximum 30 points

XI. INDEMNIFICATION

The successful firm shall defend, indemnify and save harmless the District, its employees and agents, from and against all claims, damages, losses and expenses (including without limitations, reasonable attorneys' fees) arising out of, or in consequence of, any negligent or intentional act or omission of the successful Proposer, its employees, or agents, to the extent of its or their responsibility for such claims, damages, losses and expenses.

XII. INSURANCE REQUIREMENTS

If this RFP results in a contract between the District and the company, the company will be **required** to agree to the terms below and provide evidence of minimum insurance of the types and the amounts listed.

- A. Notwithstanding any terms, conditions or provisions, in any other writing between the parties, the consultant hereby agrees to effectuate the naming of the Pocantico Hills Central School

**POCANTICO HILLS CENTRAL SCHOOL DISTRICT
REQUEST FOR PROPOSALS
PROFESSIONAL AUDITING SERVICES**

District as an additional insured on the consultant's insurance policies, with the exception of workers' compensation, N.Y. State disability and professional liability. If the policy is written on a claims-made basis, the retroactive date must precede the date of the contract

- B. The policy naming the district as an additional insured shall indemnify the district for any applicable deductibles and self-insured retentions.
- C. Required Insurance (minimum):
1. **Commercial General Liability Insurance**
 - a. \$1,000,000 per occurrence/ \$2,000,000 aggregate.
 2. **Workers' Compensation and N.Y.S. Disability**
 - a. Statutory Workers' Compensation, Employers' Liability and N.Y.S. Disability Benefits Insurance for all employees. Proof of coverage must be on the approved specific form, as required by the New York State Workers' Compensation Board. ACORD certificates are not acceptable.
 - b. A self-employed person and certain partners and corporate officers are excluded from the definition of "employee" pursuant to Workers' Compensation Law Section 2 (4). As such, individuals in such capacity are excluded from Workers' Compensation Law coverage requirements. A person seeking an exemption must file a CE-200 form with the state. The form may be completed and submitted online: http://www.wcb.state.ny.us/content/ebiz/wc_db_exemptions/requestExemptionOverview.jsp
 3. **Professional Errors and Omissions Insurance**
 - a. \$2,000,000 per occurrence/ \$2,000,000 aggregate for the professional acts of the company performed under the contract for the district. If written on a "claims-made" basis, the retroactive date must pre-date the inception of the contract or agreement. Coverage shall remain in effect for two years following the completion of work.
 4. **Excess Insurance**
 - a. \$1,000,000 each occurrence and aggregate. Excess coverage shall be on a follow-form basis
- D. Company acknowledges that failure to obtain or maintain such insurance on behalf of the district constitutes a material breach of contract. The company must provide the district with a certificate of insurance, evidencing the above requirements have been met, prior to the award of the contract. The failure of the district to object to the contents of the certificate or the absence of same shall not be deemed a waiver of any and all rights held by the district.
- E. The district is a member/owner of the NY Schools Insurance Reciprocal (NYSIR). The company further acknowledges that the procurement of such insurance as required herein is intended to benefit not only the district but also the NYSIR, as the district's insurer.