

**REQUEST FOR PROPOSAL
FOR
AUDIT SERVICES**

**Montgomery Area School
District**

**Administration Building
Attn: Grant Evangelisti, Business
Manager
120 Penn Street
Montgomery, PA
17752**

**PROPOSALS DUE
Friday, March 30, 2018, 3:00 p.m.**

1. Invitation for Proposal

The Montgomery Area School District is soliciting proposals from independent certified public accounting firms to provide audit services to the school district beginning with the fiscal year ending June 30, 2018 as follows:

- Three (3) Year Option: Fiscal years ending June 30, 2018, 2019, and 2020

Each firm interested in submitting a proposal shall be provided an opportunity to discuss the Request for Proposal for Audit Services with the Business Manager by contacting Grant Evangelisti (570)-547-1608 or gevangelisti@montasd.org.

All proposals must be received by **Friday, March 30, 2018 at 3:00 p.m.** Please note that the physical address for hand-delivery of proposals is 120 Penn Street, Montgomery, PA 17752.

Proposals should clearly indicate "AUDIT SERVICES PROPOSAL" on the outside of the envelope.

Tentative plans call for the Montgomery Area School District Board of School Directors to review the proposals and to take action to award a contract at its Regular Board Meeting on **Tuesday, April 17, 2018.**

The Montgomery Area School District Board of School Directors reserves the right to reject any or all proposals and to waive, at its discretion, any irregularities, mistakes, omissions, or informalities relative thereto.

The Request for Proposal for Audit Services and specifications may be obtained by visiting www.montasd.org/business-office or from the District's homepage → select Departments tab → select Business Office from the dropdown.

2. Specifications for Proposal

Term of Agreement

The Montgomery Area School District's fiscal year ends on June 30. Records necessary to conduct the year-end audit are generally available for final review on or about August 31 of each year. The audit must be completed by October 31 of each year and financial statements received by November 30.

The Montgomery Area School District is requesting proposals to provide audit services to the school district beginning with the fiscal year ending June 30, 2018.

- Three (3) Year Option: Fiscal years ending June 30, 2018, 2019, and 2020

Qualifications

Eligible accounting firms shall meet the following specifications:

- a. Free from obligations or interests that conflict with the best interests of Montgomery Area School District;
- b. Successfully complied currently in conformity with the membership requirements of the Private Companies Practice Section of the American Institute of Certified Public Accountants quality control program; (or comparable quality control program);
- c. Professional capacity and proficiency to provide the services requested herein on a timely basis;
- d. Credible experience auditing Pennsylvania school districts;
- e. Familiar with the Pennsylvania School Systems Manual of Accounting and Related Financial Procedures, the PA Public School Code of 1949, as amended; and with the Federal and State Single Audit Act regulations and guidelines and recent bulletins and directives related to school finance issued by the Pennsylvania Department of Education (PDE) and the PA Auditor General's Office;
- f. Knowledgeable of the regulations and accounting statements of the Governmental Accounting Standards Board and the OMB Omni Circular, Uniform Grant Guidance: Administrative Requirements, Cost Principles and Audit Requirements;
- g. At least two (2) Pennsylvania public school districts as current clients; response will include a listing of current and recent clients;
- h. Experience in Single Audit requirements;
- i. Member of the AICPA Government Audit Quality Center.

Scope of Audit

The District funds to be audited are as follows:

- General Fund
- Capital Reserve Fund
- Capital Projects Fund
- Debt Service Fund
- Proprietary Funds
 - Food Service Fund
- Fiduciary Funds
 - Scholarship Funds
 - Student Activity Funds

The auditor shall observe the adequacy of the District's systems of internal control. Any material weaknesses shall be noted and appropriate recommendations shall be reviewed with the Business Manager and the Superintendent and shall be included in a Management Letter to the Montgomery Area School District Board of School Directors.

The audit shall be completed no later than October 31 of each year.

The audit shall comply with the Single Audit Act implemented by the Federal Office of Management and Budget, Uniform Grant Guidance, in accordance with the Omni Circular, and any subsequent announcements, as applicable.

The District shall reserve the right to request copies of any of the working papers prepared in conjunction with the audit engagement at no additional cost to the District. Such working papers shall be provided on a timely basis, regardless of the status of any current agreements between the District and the audit firm.

Audit confirmations (legal, financial, and others) will be prepared by the auditor in final form and mailing costs will be borne by the auditor.

3. Audit Standards

The examination of the District's records shall be done in accordance with generally accepted audit standards, as adopted by the AICPA and GASB Statement No. 1, "Codification of Auditing Standards and Procedures", for state and local governments.

4. Form of Proposal

Proposals shall be presented as follows:

- a. Brief statement of understanding of the work to be done and a positive commitment to perform the work within the specified time period.
- b. Presentation of names of the individuals who will be authorized to make representations on behalf of the audit firm, including title, address, and telephone number of each.
- c. Explanation of the size and structure of your firm. State whether the organization is national, regional or local.
- d. Listing of the number of people, individual experience level, and qualifications of the individuals that are expected to conduct the audit for the District. A resume for each individual is suggested. Describe the experience of the senior auditor who will be assigned to the audit and the expected percentage of time that individual will be on-site.
- e. Reference list of public school district audit clients including the types of services performed and the length of service with each district.
- f. The level of the firm's technical experience in preparing school audit reports.
- g. The firm's approach to performing the audit to include at least the following: (i) type of audit program used, (ii) use of statistical sampling, (iii) organization of the audit team and estimate of total job hours, (iv) management letter, (v) assistance expected from District staff, and (vi) timeline for conducting the audit.
- h. Listing of the firm's involvement on committee's and client provided trainings.
- i. The fixed fee quote for the audit for the three (3) year option (2017-18, 2018-19, and 2019-20 school years)

5. Evaluation of Proposal

Proposals will be evaluated using the following criteria:

- a. Audit experience with Pennsylvania public school districts
- b. Technical experience of the audit firm
- c. Experience and professional qualifications of the audit team
- d. Location of firm's office to the District
- e. Cost of the audit services
- f. Other supportive considerations as documented by the firm submitting the proposal

6. Additional Information

- a. The District will not be liable for any cost incurred in the preparation of proposals.
- b. The submission of a proposal shall be prima facie evidence that the firm submitting the proposal has full knowledge of the scope, nature, quantity and quality of work to be performed; the detailed requirements of the specifications; and the conditions under which the work is to be performed.
- c. The firm submitting the proposal shall furnish the District such additional information as the District may reasonably require.
- d. The District will not be liable and will not pay for any costs not included in the proposal. Specifically, it will not be subject to any fees for "extra work."
- e. The audit firm will be responsive to the District's requests for miscellaneous payroll tax form processing information and other general accounting and tax matters throughout the year at no additional cost to the District.
- f. The District reserves the right to conduct interviews of any or all firms submitting proposals prior to selection. The District will not be liable for any costs incurred by the firm in connection with such interview (i.e., travel, reproduction costs etc.). Interviews will be conducted within 30 days of RFP submission deadline if necessary.

- g. The District reserves the right to conduct pre-contract negotiations with any potential firms that have submitted proposals.
- h. The District reserves the right to reject any and all proposals. It retains sole discretion to accept the proposal it considers most favorable to its interest, and the right to waive minor irregularities in the proposals. The District further reserves the right to reject all proposals and seek new proposals when such a process is in the best interest of the District.
- i. The audit proposal may not be withdrawn for a period of ninety (90) days from the date the proposals are opened. A response form is attached to this Request for Proposal for Audit Services.
- j. The District audit reports for the past four (4) years may be viewed at www.montasd.org/business-office or from the District's homepage → select Department tab → select Business Office from the dropdown.

Request for Proposal for Audit Services

MONTGOMERY AREA SCHOOL DISTRICT

Response Form

(Return this form as the Cover Page of your Audit Services Proposal)

Name of Audit Firm _____

Address _____

Contact Person _____

Telephone Number _____

E-mail Address _____

Web Site Address _____

FIRST, the undersigned have carefully examined the Request for Proposal for Audit Services in accordance with the specifications of the proposal and agree to furnish and perform the specified audit services for the Montgomery Area School District (the "District") within the time limits specified for the amounts indicated below.

SECOND, the following quotation prices are listed as firm for a period of ninety (90) days after the due date of this Request for Proposal.

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

FOURTH, the audit firm agrees to do the audit services for the amounts quoted as follows:

Three (3) Year Option:

Audit Services for 2017-18 \$ _____

Audit Services for 2018-19 \$ _____

Audit Services for 2019-20 \$ _____

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

Signature _____

Date _____

Printed Name _____

Title or Office _____