

**Putnam/Northern Westchester Board of Cooperative Educational Services
Request for Proposal for Auditing Services**

Purpose of the Request for Proposal (RFP)

Putnam/Northern Westchester Board of Cooperative Educational Services (P/NW BOCES) is soliciting proposals from independent, qualified, and experienced Certified Public Accountants for audit of its financial statements for the year ending June 30, 2010.

A one-year contract with the option of extension by mutual agreement for four additional one-year periods is contemplated, said term being subject to the annual review and recommendation of the Business Official, the Superintendent and the Board.

District Information

(Numbers pertain to the year ended June 30, 2009 unless otherwise noted.)

Number of Students (Alternative Education, Special Education, and Career and Technical Education for the week ending October 31, 2009)	<u>1,675</u>
Number of Permanent Salaried Employees	<u>540</u>
Number of Bargaining Units	<u>3</u>
Number of CoSers	<u>139</u>
Number of Special Aid Grants	<u>26</u>
Dollar amount of Special Aid Grants	<u>5,657,058</u>
Number of Payroll Checks issued	<u>4408</u>
Number of Accounts Payable checks issued	<u>10,027</u>
Number of Extra Classroom activity fund checks issued	<u>33</u>
Number of Purchase Orders issued	<u>5,915</u>
Number of Bank Accounts open at 6/30/09	<u>13</u>
Number of W-2 forms issued for the 2008 calendar year	<u>1,098</u>
Number of 1099 forms issued for the 2008 calendar year	<u>374</u>
Expenditures – General Fund	<u>95,435,376</u>
Special Aid Fund	<u>5,673,828</u>
School Lunch Fund	<u>184522</u>
Capital Fund	<u>1,235,521</u>
School Store Fund	<u>12,038</u>
2008/2009 General Fund Budget	<u>56,534,500</u>

P/NW BOCES maintains its records in compliance with the New York State Uniform System of Accounts for school districts. Activities and balances of the following must be included in the audit:

- Funds and account groups of the Board including:
 - General Fund
 - Special Aid Fund
 - School Store Fund
 - School Lunch Fund

Capital Projects Fund
Risk Retention/Internal Service Fund
Fixed Assets Accounts
Long-term Debt Fund
Trust and Agency Funds including: Private Purpose Trust Funds
Miscellaneous Special Revenue Funds
Permanent Funds
Agency Funds

- Extra Classroom Activity Funds
- Government Grants – Under the Single Audit Act, the Board has approximately 26 grants from federal, state, and local sources that might need to be addressed in an audit year.

Scope and Reporting Requirements

The annual audit of all funds and accounts of the P/NW BOCES shall be performed in accordance with standards and procedures developed by:

- United States General Accounting Office
- Government Accounting Standards Board (GASB)
- American Institute of Certified Public Accountants (AICPA)
- Generally Accepted Auditing Standards (GAAS)
- Standards promulgated by the New York State Comptroller
- Regulations of the Commissioner of Education
- Regulations of the Federal, State, and Local Governments regarding Federal, State, and Local Funds

The audit will include tests of the accounting records of BOCES and other procedures you consider necessary to enable you to express an unqualified opinion that the financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on BOCES compliance with laws and regulations and its internal controls as required for a Single Audit. If your opinion is other than unqualified, you will fully discuss the reasons with us in advance.

Interim fieldwork should be performed throughout the school year.

The audit firm shall provide to P/NW BOCES financial statements and a Management Letter issuing an opinion on the accompanying financial statements that will include a statement of audit discoveries, a description of any material weaknesses in internal control, and recommendations for financial management improvement. The financial statements must include:

Basic Financial Statements

- District-wide
 1. Statement of Net Assets
 2. Statement of Activities
- Fund Financial Statements
 1. Balance Sheet – Governmental Funds
 2. Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

3. Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
4. Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General and Special Aid Funds
5. Internal Service Fund – Statement of Net Assets
6. Internal Service Fund – Statement of Revenues, Expenses, and Changes in Net Assets
7. Internal Service Fund – Statement of Cash Flows
8. Statement of Fiduciary Net Assets
9. Statement of Changes in Fiduciary Net Assets
10. Notes to the Basic Financial Statements

Individual Fund Financial Statements and Schedules

- General Fund
 1. Balance Sheet
 2. Statement of Revenue, Expenditures, and Changes in Fund Balance – Budget and Actual
 3. Schedule of Expenditures and Other Financing Uses Compared to Budget
- Special Revenue Funds
 1. Balance Sheets for the Special Aid Fund, School Lunch Fund, School Store Fund, Special Purpose Fund and Capital Projects Fund.
 2. Statement of Revenues, Expenditures and Changes in Fund Balance for the School Lunch Fund, School Store Fund, Special Purpose Fund, and Capital Projects Fund.
 3. Special Aid Fund Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
 4. Capital Projects Fund – Project-Length Schedule
- Supplementary Information
 1. Analysis of Due to School Districts
- Any additional statements that may become required by a BOCES.

Special audits or management services shall be performed in accordance with specific guidelines from the NYS Education Department, the Board of Education or Superintendent of Schools and will meet the requirements defined in OMB Circular A-133, “Audits of State and Local Governments”.

The district will require that the selected firm’s assigned staff perform preliminary audit work for approximately five workdays prior to the close of the fiscal year. P/NW BOCES’ fiscal year ends June 30th. The Commissioner’s regulations require the Independent Auditor’s report to be filed by October 1st. Therefore, fieldwork shall begin not later than August 16th and end on or before August 27th and the audit firm shall provide the audit reports and accompanying financial statements to P/NW BOCES on or before September 15th. The audit must be scheduled on consecutive days agreeable to the Business Office. The audit firm will provide at least 40 copies of all reports to the Director of Business Affairs. The management letter should be included in the binder with the financial statements. The audit firm shall present its findings to the Board of Education at a regularly scheduled public meeting.

Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the Business Official, the Superintendent and the Board.

All working papers associated with this audit shall be retained by the audit firm for a minimum of six years from the date of the audit report. Further, all such working papers shall be available for examination by authorized representatives of cognizant agencies, P\NW BOCES and subsequent independent auditors for a period of six years from the date of submission of the final invoice or until litigation, audit or claim has been fully resolved, if later.

BOCES currently expects to prepare one or more official statements in connection with the sale of debt securities which will contain the general purpose financial statements and the Auditor's report thereon. The Auditor shall be required, if requested by the fiscal advisor and/or underwriter, to issue a "consent and citation of expertise" as the Auditor of record for BOCES.

The Auditor will be expected to provide timely information and recommendations concerning any changes in GASB pronouncements, or changes in accounting principles or formats used by the appropriate governing agency.

Proposal

In order to facilitate a uniform audit proposal review process and maximize comparability, the proposal for audit services must clearly state the following information and be organized in the following manner:

Cover page - The title page should state that the document is a ***Proposal for Audit Services*** and list the date, audit firm name, contact person, local address, telephone number, and e-mail address.

Page Two – Table of Contents to identify the contents by section and page number.

Body of the Proposal

- Statement of your understanding of the work to be done
- Profile of the audit firm including size and location(s).
- Number and level of personnel to be assigned to this audit, including the names and NYS CPA license numbers of the partner(s) in charge. Please provide an affirmation statement that those assigned will have met all the continuing professional education (CPE) requirements necessary to satisfy the standards of the United States General Accounting Office (GAO) and New York State Education Department. An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in the State of New York. Also provide the names of individuals in the firm that will be available throughout the term of the contract for continuing advice and counsel. P/NW BOCES and its Board reserves the right to reject staff who they feel do not have appropriate experience or qualifications to conduct the audit.
- Describe your firm's approach to the audit including:
 - Type of audit program used
 - Use of statistical sampling

Use of computer audit specialists

Organization of audit team

Approximate time to be spent on audit both at P/NW BOCES and in your office

Provide a tentative audit activity schedule for the 6/30/10 audit.

- A listing of experience in the performance of the requested services for BOCES and/or school districts in New York State and the years of such experience. A listing of government or school district contacts to attest to the firm's experience should be included. Please include the contacts' telephone numbers and the years of engagement.
- An affirmation by the auditor that there are no conflicts of interest between the firm and P/NW BOCES.
- A copy of the firm's last external quality control/peer review report
- A statement explaining why the firm believes itself to be best qualified to perform the engagement
- A statement that the proposal is a firm and irrevocable offer for services to be rendered.
- A sample management letter
- A sample records request letter

Attachment A

- Please fill in the lines on Attachment A of the RFP with the appropriate information.
- Indicate fees for the requested services for each of the years ended June 30, 2010, 2011, 2012, 2013 and 2014. The base fee for auditing services shall include the costs of performing the aforementioned activities and should be a flat annual rate that should include necessary expenses such as reproduction costs for general distribution of reports. Out-of-pocket expenses for the firm personnel (e.g., travel, lodging and subsistence) will be the responsibility of the Auditor and should be considered and included when determining the all-inclusive maximum price for the year. The base fee should also include follow up work, reconciling differences with other agencies, adjusting journal entries, and provide for advice and counsel to the Board's staff throughout the term of the contract. Each proposal will also state the basis on which special audit or management services will be billed.

Submitting Proposal

Please submit your written proposal (one original and nine copies), in a sealed envelope no later than 10:00 AM on Wednesday, December 16, 2009 to:

Mr. Mike Feldman
Bookkeeper
Putnam/Northern Westchester BOCES
200 Boces Drive
Yorktown Heights, NY 10598

- The envelope shall be labeled "Audit Proposal".
- Any proposals received after this deadline will be returned to the firm unopened.

- All proposals and accompanying documentation become the property of P/NW BOCES. Any information received during the proposal process either orally or in writing, is not given in confidence and may be used, or disclosed to others, for any purpose, at any time without obligation, compensation or liability of any kind.
- Firms submitting proposals should be of sufficient size to ensure stability, responsiveness and timeliness during the engagement.
- The school district is not liable for any cost incurred by audit firms prior to the issuance of an agreement or contract.
- At the discretion of BOCES, firms submitting proposals may be requested to make oral presentations as part of the evaluation process at a time determined by BOCES.

Procedures Subsequent to Receipt of Proposals

- On December 16, 2009 after 10:00 AM, all proposals will be logged, opened and preliminarily reviewed.
- References will be checked.
- There will be a meeting to consider the proposals. This contract will be awarded in the best interest of P\NW BOCES and will not necessarily be awarded to the lowest proposal. Other factors such as experience, size and structure of the firm and qualifications of the audit staff will be considered.
- During the evaluation process, BOCES reserves the right, when it may serve BOCES best interest, to request additional information and clarification from prospective audit firms, or to allow corrections of errors or omissions.
- A recommendation will be made to the Board.
- The Board reserves the right to accept or reject any or all proposals or any parts of proposals
- It is anticipated that the Board will appoint an independent auditor at its meeting on January 19, 2010. Should that meeting be cancelled, the Board will appoint an independent auditor at its meeting on February 23, 2010.
- Following the notification of the selected firm, a contract will be executed between both parties.
- Payment will be made to the firm which receives the award resulting from this proposal on an as completed basis; i.e., 50% to be paid upon 50% completion, 40% to be paid upon completion of field work and the remaining 10% to be paid after receipt of the reports by the Business Office and presentation of reports to the Board.
- If the audit firm fails to comply with any of the terms of this proposal, P\NW BOCES may terminate this contract.
- BOCES reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

Newspaper ad

The Putnam/Northern Westchester (P\NW) BOCES is soliciting proposals from independent Certified Public Accountants for its annual audit for the fiscal years ending June 30, 2010, 2011, 2012, 2013 and 2014. The audit will include all funds of the Board. The audit must be conducted in accordance with GAAS, GASB, New York State Education Department, standards promulgated by the New York State Comptroller, and regulations of federal, state, and local governments regarding their funds. Financial statements with opinions expressed thereon, a management letter, and presentation of both are required. The P\NW BOCES is an Equal Opportunity Employer. For further information or a copy of the Request for Proposal (RFP) contact Mike Feldman at (914) 248-2319. All proposals must be submitted no later than 10:00 AM on Wednesday, December 16, 2009 to:

Mike Feldman
Bookkeeper
Putnam/Northern Westchester BOCES
200 Boces Drive
Yorktown Heights, NY 10598

Putnam/Northern Westchester BOCES

**Request for Proposal for Auditing Services
For the fiscal years ended June 30, 2010, 2011, 2012, 2013 and 2014**

Attachment A

The undersigned has carefully examined the Request For Proposal (RFP) for Auditing Services and in accordance with the specifications of the RFP submit this proposal and agree to furnish and perform the specified audit services for the school district within the time limits specified for the amounts indicated below.

The undersigned agrees to enter into a written contract to furnish such materials and services as required in the proposal specifications.

The following quotation prices are listed as firm for a period of sixty (60) days after the due date of the RFP and may not be withdrawn before sixty (60) days after the due date of the proposal for any reason including mistake.

The audit firm agrees to perform the auditing services specified in this RFP for the amounts quoted as follows:

Audit of the fiscal year ended June 30, 2010	\$ _____
Audit of the fiscal year ended June 30, 2011	\$ _____
Audit of the fiscal year ended June 30, 2012	\$ _____
Audit of the fiscal year ended June 30, 2013	\$ _____
Audit of the fiscal year ended June 30, 2014	\$ _____

If the audit firm, in addition to the specified audit services performs other requested services, the audit firm will supply time records and service descriptions to validate any invoiced charges. In calculating fees for additional management services, the audit firm's staffing fee structure, hourly rates and other costs will be as follows:

Name of firm _____

Printed name and title of person signing _____

Signature _____ Date _____