

REQUEST FOR PROPOSAL

PROPOSAL DATA

RFP Title: Audit of Laramie County School District # 2
Buyer: Laramie County School District # 2
Buyer Phone: (307) 245-4050
Issue Date: March 28, 2016

PROPOSAL CLOSING

Day/Date: Date: April 25, 2016
Time: Time: 1:00 PM MT
Location: Central Office
311 East 8th Street
P.O. Box 489
Pine Bluffs, WY 82082

This bid has been developed specifically for auditing of the district's and component units' financial statements for the year ended June 30, 2016 and subsequent fiscal years. This bid may not be the same as previous solicitations for this type. Therefore, all bidders are urged to review this bid package in detail before submitting their bid.

The Central Office must receive sealed written replies to this Invitation no later than the date, time and location indicated above. Fax and email replies will not be accepted.

NOTE: This Invitation does not constitute an order for the goods or services specified.

Project: Audit of Financial Statements for Laramie County School District #2 and component units for the year ended June 30, 2016, and subsequent years

Response Due: **April 25, 2016: 1:00 PM MT**

Location: District Administration Building
311 East 8th Street
P.O. Box 489
Pine Bluffs, Wyoming 82082

Owner: Laramie County School District #2

A. General Information

Laramie County School District #2 is requesting proposals from qualified firms of certified public accountants to audit the financial statements of Laramie County School District #2 (LCSD#2) for the year ended June 30, 2016, and subsequent fiscal years. These audits are to be performed in accordance with generally accepted auditing standards; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and so as to satisfy the audit requirements imposed by the Single Audit Act and Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Request for Proposal criteria and specifications, and details may be obtained and downloaded from the LCSD#2 Web Site www.laramie2.org at Departments/Business Services/Request for Proposals.

Any questions, requests for clarification or additional documents regarding this RFP must be submitted in writing no later than April 18, 2016, 1:00 PM. Questions and requests for clarification must be submitted in writing to Misty Gallegos, Business Manager at the Administration Building or via email at misty.gallegos@laramie2.org.

Inspections of LCSD#2 records must be scheduled with Misty Gallegos, prior to April 18, 2016.

LCSD#2 shall not be liable for costs incurred by vendors for proposal preparation, printing, or demonstration. All such costs shall be the responsibility of the vendor. Proposals shall include all charges and applicable taxes, FOB Pine Bluffs, Wyoming.

LCSD#2 reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. 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 LCSD#2 and the firm selected.

It is anticipated the selection of a firm will be completed May 9, 2016 at the regularly scheduled meeting of the Board of Trustees and at such meeting the Chairman of the Board of Trustees will sign the engagement letter.

B. Term of Engagement

A three year engagement is contemplated, subject to the annual review by the Board of Trustees. The actual services requested may vary since LCSD#2 is just above the threshold for Single Audits.

C. Nature of Services Required

a. General

LCSD#2 is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal year ending June 30, 2016, with the option to audit the LCSD#2's subsequent fiscal years. These audits are to be performed in accordance with the provisions contained in this request for proposals.

b. Scope of Work

LCSD#2 desires the auditor to express an opinion on the fair presentation of its governmental activities, its business type activities, each of its major funds, and its aggregate remaining fund information, including the related notes in conformity with generally accepted accounting principles.

LCSD#2 also prepares certain required supplementary information (RSI), such as management's discussion/analysis and budgetary comparison schedules. Although the auditor is not required to audit these schedules, LCSD#2 requires an appropriate review and certain limited procedures for these schedules.

As part of the audit, the auditor will assist with the preparation of the financial statements, schedule of expenditures of federal awards and related notes. Other non-audit services will include the following:

1. Preparation of the trial balance for use during the audit if it is necessary to format the information into a working trail balance based on LCSD#2's chart of accounts.
2. Preparation of cash to accrual entries at June 30, 2016.
3. Conversion from the Fund financial statement so the Statement of Net Assets and Changes in Net Assets based upon the depreciation schedule and debt services schedules.

Management of LCSD#2 will oversee all of these non-audit services and will assist when necessary.

c. 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; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and so as to satisfy the audit requirements imposed by the Single Audit Act and Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The requirement of a Single Audit will be discussed annually with the Business Manager and will not be required if total federal expenditures are under the allowable threshold.

The successful firm will also complete any additional procedures as required by the State of Wyoming, Department of Audit, or the Department of Education.

d. Reports to be Issued

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

1. A report on the financial statements as to whether the financial statements are presented in accordance with accounting principles generally accepted in the United States of America and that our audit was conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*.
2. A report on internal control over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with *Government Auditing Standards*.
3. A report on the fairness of the presentation of the LCSD#2's schedule of expenditures of Federal awards.
4. In the required report[s] on compliance and internal controls, the auditor shall communicate any significant deficiency or material weakness found during the audit.

The reports on compliance and internal controls shall include all instances of noncompliance and the 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 Board of Trustees.

Auditors shall assure themselves that the LCSD#2 Board of Trustees 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. Auditor's judgments about the quality of the entity's accounting principles
6. Other information in documents containing audited financial statements
7. Disagreements with management
8. Management consultation with other accountants
9. Major issues discussed with management prior to retention
10. Difficulties encountered in performing the audit

D. Special Considerations

- a. The Schedule of Expenditures of Federal Awards and related auditor's report, as well as the reports on compliance and internal controls are to be issued as part of the annual financial report for any years LCSD#2 exceeds the required threshold.
- b. A List of Findings and Other Weaknesses from LCSD#2's June 30, 2015, financial statement audit are attached to this document. It is the response of management all issues have been resolved to the extent possible.
- d. LCSD#2 must receive the final audited financial reports by December 1st following the end of the fiscal year in order for LCSD#2 to submit the report to the

Department of Education as required by Wyoming Statutes. The final audited financial report will be presented to the Board of Trustees by the Audit Manager or designee at a work session or regularly scheduled board meeting prior to December 15th following the end of the fiscal year.

E. Working Papers and Access to Working Papers

- a. 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 LCSD#2 of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees.
 1. Wyoming Department of Education
 2. Wyoming Department of Audit
 3. U.S. Government Accountability Office (GAO)
 4. Parties designated by the federal or state governments by LCSD#2 as part of an audit quality review process
- b. In addition, the successful 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.

F. Background

LCSD#2 is a school district located in eastern Wyoming serving about 990 students; kindergarten through seniors. LCSD#2 has four elementary schools and two junior high/high schools.

Records necessary to conduct the year-end audit are generally available for final review on or about August 31st of each year. It is our preference if the audit is completed by October 30th of each year.

Fieldwork will be scheduled at a time that is acceptable to the auditor and LCSD#2.

G. Evaluation Criteria

- a. Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated for both technical qualifications and price. The following represents the principal selection criteria which will be considered during the evaluation process
 1. Mandatory Elements
 - a. The audit firm is independent and licensed to practice in Wyoming
 - b. The firm has no conflicts of interest with regard to any other work performed by the firm for LCSD#2
 - c. The firm adheres to the instructions in this request for proposal on preparing and submitting their proposal
 - d. The firm submits a copy of its last external quality control review report and the firm has a record of quality audit work
 2. Technical Quality
 - a. Expertise and Experience
 1. The firm's past experience and performance on school districts in Wyoming

2. The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation
 3. Audit Approach
 - a. Adequacy of proposed staffing for the engagement
 - b. Adequacy of sampling techniques
 - c. Adequacy of analytical procedures
- b. It is anticipated that a firm will be selected at the regularly scheduled board meeting May 9, 2016, and Taft Love, the Chairman of the Board of Trustee will sign the engagement letter at that meeting
 - c. LCSD#2 reserves the right to reject any and all proposals without prejudice. Submission of a proposal indicated acceptance by the firm of the conditions contained in this request for proposal unless clearly and specifically noted in the proposal submitted and confirmed in the engagement letter of the firm selected

The following material must be received by April 25, 2016, 1:00 PM in a sealed envelope labeled June 30, 2016, Response to Auditing RFP

- A. Firm Qualifications and Experience
 - a. The firm should state the size of their 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
 - b. The firm is 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
 - c. The firms shall also provide information on the results of any federal or state 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 state regulatory bodies or professional organizations
 - d. The firm shall identify the principal supervisory and management staff including engagement partners, managers, other supervisors, and specialists, who will be assigned to this engagement. Indicate whether each such person is a certified public accountant in Wyoming. Provide information on the governmental 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 engagement
 - e. 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. Also indicate how the quality of staff over the next five years will be assured
 - f. Engagement partners, managers, or other supervisory staff and specialists may be changed if those personnel leave the firm or they are promoted. These same

personnel may also be changed for other reasons with the express prior written permission of LCSD#2. However, in either case LCSD#2 retains the right to approve or reject replacements. Other audit personnel may be changed at the discretion of the successful firm provided that replacements have substantially the same or better qualifications or experience

- g. List of other Wyoming school districts the successful firm has audited over the past five years including which engagement partners, managers, or other supervisory staff and specialists were assigned to those engagements

B. Specific Audit Approach

- a. The successful firm should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services in this request for proposal. In developing the work plan reference should be made to such sources of information such as budgets, organizational charts, manuals and programs or other financial and management information
- b. Firms will be required to provide the following information on their audit approach (without dollar amounts)
 - 1. Level of staff and number of hours to be assigned
 - 2. The type and extent of analytical procedures to be used in this engagement
 - 3. Approach to be taken to gain and document an understanding of LCSD#2 internal control structure

C. Identification of Anticipated Potential Audit Problems

- a. The firm 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 LCSD#2 staff

D. Sealed Dollar Bid

- a. The proposal shall include a sealed cost bid for each year of the engagement, beginning with the June 30, 2016 fiscal year. This cost shall be an all-inclusive maximum price submitted by the firm. The costs shall show the breakdown of each component unit for each fiscal year and shall show the adjustment between an audit of governmental entities under *Governmental Auditing Standards* and Single Audits for each fiscal year. Out-of-pocket expenses shall be included in the all-inclusive cost total for each fiscal year.
- b. Anticipated schedule of all audit work from engagement to issuing of financial statements and reports
- c. Include a schedule of rates and fee by level of staff member including partners, managers, specialists and other personnel that will be assigned to this engagement
- d. If it should be necessary for LCSD#2 to request the auditor to render any additional services to either supplement the services in this RFP or to perform additional work as a result of the specific recommendations included in any report issued as a result of this engagement, the such additional work shall be performed only if set forth in an addendum to the engagement letter between LCSD#2 and the successful firm at the same rates set forth in the schedule of fees and expenses included in the sealed dollar cost bid
- e. An engagement letter for the fiscal year ending June 30, 2016 will be included. That letter will assuming the engagement will be a Single Audit