

Rosholt School District

REQUEST FOR PROPOSAL AUDIT SERVICES RFP #24-02

I. INTRODUCTION

A. General Information

The Rosholt School District (District) is requesting proposals from licensed certified public accountant firms to audit its financial statements for the fiscal year ending June 30, 2024, with the option of auditing its financial statements for the subsequent two (2) fiscal years. These audits are to be performed in accordance with the provisions included in this request for proposal:

To be considered, a proposal must be received by Rachel Ploetz, Business Office Manager, 346 W. Randolph Street, Rosholt, WI 54473 by 4:00 pm on Thursday, February 15, 2024. The District reserves the right to reject any or all proposals submitted.

The District reserves the right, where it may serve the district's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. At the discretion of the District, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

Submission of the 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.

It is anticipated the selection of a firm will be completed by February 19, 2024 at the board meeting. Following the notification of the selected firm, it is expected a contract will be executed between both parties as soon as reasonably practicable.

B. Term of Engagement

A three (3) year contract upon approval by the Board of Education.

II. NATURE OF SERVICES REQUIRED

A. Scope of Work to be Performed

The auditor will express an opinion on the fair presentation of its financial statements in conformity with generally accepted accounting principles.

The financial and compliance audit will involve all the District's funds and accounts. The auditor is required to analyze and apply audit procedures to the supplementary information in order to comply with reporting requirements as prescribed by Wisconsin Department of Public Instruction and the *State of*

Wisconsin Single Audit Guidelines, issued by the Wisconsin Department of Administration.

An onsite audit of the District's activity fund's statement of receipts, disbursements and fund balances (cash basis) is required. A separate activity fund report is required.

A membership audit of the third Friday of September and the second Friday in January Membership Reports will be performed, if required by the Department of Public Instruction.

The auditors will also provide capital asset depreciation services for an additional fee.

The auditor(s) will provide unlimited consultation during the year. This service to be included in the total annual cost. Consultation may include payroll, accounts payable, bi-weekly, quarterly, and annual reporting, procedures, and any other questions that help improve the financial management of District funds.

B. Auditing Standards

To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the *Government Auditing Standards*, issued by the Comptroller General of the United States; *Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments and Non Profit Organizations*; and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration and any other standards required by state and federal governmental units.

C. Reports

The auditor shall submit to the District the following reports, with copies of each for transmittal to the Department of Public Instruction and other agencies as required:

1. Department of Public Instruction form PI 1506 AC internet filing and audit statements;
2. Independent Auditors Report on financial statements of the governmental activities, each major fund, and the aggregate remaining fund information;
3. Independent Auditor's Report on Compliance and Internal Controls over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*;
4. Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with *OMB Circular A-133* and the *State Single Audit Guidelines*;
5. Current Year Findings and Questioned Costs;

6. Status of Prior Year Findings and Questioned Cost;
7. A management letter, with appropriate recommendations, commenting on material weaknesses in internal accounting control, reportable conditions, and identifying possible noncompliance with finance related legal provisions;
8. Student Activity Funds Audit Report
9. State Aid Membership audit reports as required by the Department of Public Instruction.
10. Auditors are 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 following parties:
 - a. District Administrator
 - b. Business Office Manager
 - c. Board President

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 statements.

An electronic copy of each audit report is required.

D. 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 five (5) years, unless the firm is notified in writing by the District 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:

Rosholt School District
 Wisconsin Department of Public Instruction
 U.S. General Accounting Office (GAO)
 Parties designated by the federal or state governments or by the Rosholt School District as part of an audit quality review process audit

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.

E. Timing, Location, and Conduct of Audit Work

In addition to time requirements established by the Department of Public Instruction, the following conditions shall apply:

1. The District expects to receive prior to June 1st of each year, a list of schedules to be prepared and other items required for the audit.
2. Pre-closing, interim, tests and procedures shall be conducted at a mutually agreeable time.
3. The final onsite audit will be scheduled after consultation with the Business Office Manager. The audit will be conducted on district premises. Partial or total audits can be completed off premises with district approval. The District will provide space deemed adequate by the auditor to efficiently conduct the audit.
4. Prior to completion of the onsite audit, the auditor will meet with the Business Office Manager to review adjusting journal entries, certify data for submission of the PI-1505AC, and review any adjustments or concerns that might affect the district completion of the PI-1505SE.
5. Report completion, including adjusting entries, and an exit conference are required within two weeks after the onsite audit that provides ample time for the District's Business Office Manager to complete required state or federal reports contingent upon the results of the audit.
6. Prior to submission of the completed report, the auditor will be required to review a draft of the proposed report and management letter with the Business Office Manager. The management letter will be sent to the Business Office Manager.
7. The financial audit reports must be submitted to the District no later than November 15th of each year. The financial Audit Statement must be submitted to the Department of Instruction by December 1st of each year. If the timeline is not met, the contract between the District and the audit firm is void.
8. The auditor will present the financial statement and management letter at a meeting of the School Board if requested.

III. DESCRIPTION OF THE GOVERNMENT

A. Principal Contact

The auditors will report to the President of the School Board and/or their designee and will receive information from the Business Office Manager or a designated representative, who will coordinate the assistance to be provided by the District to the auditor.

B. Background Information

Rosholt School District is a Grade PK-12 School District consisting of one High School, one Middle School, one Elementary School (total enrollment is approx. 475 students). The District General Fund budget is approximately \$9,600,000 and

the All-Fund budget is approximately \$11,200,000.

The Business Office personnel consist of the Business Office Manager and the District Administrative Assistant.

The District uses the modified accrual accounting system designed by the Wisconsin Department of Public Instruction (WUFAR Accounting System). The District utilizes Skyward financial management and student management software.

IV. TIME REQUIREMENTS

A. Proposal Calendar

The following is an estimate of key dates up to and including the date proposals are required to be submitted:

Requests for proposals issued	January 17, 2024
Due Date for proposals	February 15, 2024 at 4:00 pm

B. Notification

The selected audit firm will be notified by the District on or about the week of February 19, 2024. Those audit firms not selected will be notified by the District on or about February 23, 2024 of non-selection.

C. Date Audit May Commence

The District will have all records, posted statements, bank reconciliations, and other necessary reports ready for audit and all management personnel available to meet with the firm's personnel at an agreed upon time between the audit firm and Business Office Manager.

V. PROPOSAL REQUIREMENTS

A. General Requirements

1. Inquiries concerning the request for proposals and the subject of the request for proposals must be made to:

Rachel Ploetz, Business Office Manager
Rosholt School District
346 W. Randolph Street
Rosholt, WI 54473
(715) 677-4541 x302
raploetz@rosholt.k12.wi.us

B. Format for RFP

The following material is required to be received by February 15, 2024 at 4:00 pm for a proposing firm to be considered:

- a. Two copies to include the following:
 - i. Title page showing the request for proposal's subject; the firm's name, address and telephone number of a contact person; and the date of the proposal.
 - ii. Table of Contents
 - iii. A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement of why the firm believes itself to be the best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for sixty days.
 - iv. Detailed Proposal as outlined below in part V(C-D) of this RFP.
- b. The proposer shall submit two (2) copies of the proposal
- c. Please send the completed proposal to the following address:

Rachel Ploetz, Business Office Manager
Rosholt School District
346 W. Randolph Street
Rosholt, WI 54473
(715) 677-4541 x302
raploetz@rosholt.k12.wi.us

C. Technical Proposal

1. General Requirements

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 proposal requirements. As such, the substance of proposals will carry more weight than their form or manner of presentation.

While additional data may be presented, the following subjects, items No. 2 through 9, must be included. The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals. They represent the criteria against which the proposal will be evaluated.

2. Independence

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

should also list and describe the firm's professional relationships involving the District or any of its agencies for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

3. License to Practice in Wisconsin.

An affirmative statement should be included indicating that the firm and all assigned key professional staff are properly licensed to practice in Wisconsin.

4. Firm Qualifications and Experience

The proposal should state the size of the firm, the size of the firm's government 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 of the staff to be employed on a part-time basis.

The firm shall provide information on the results of the most recent peer review and the results of any Federal or State reviews of its audits during the past five (5) 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 five (5) years with state regulatory bodies or professional organizations.

5. Partner, Supervisory and Staff Qualifications and Experience

The firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement and indicate whether each such person is licensed to practice as a certified public accountant in Wisconsin. The firm also should provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past five (5) years and membership in professional organizations relevant to the performance of the audit.

The firm should 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. The firm also should 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.

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

6. Prior Engagements with District

The firm should list separately all engagements within the last five years for the District by the type of engagement (i.e. audit, management advisory services, other). For each engagement, the firm should indicate the scope of work, date, engagement partners, total hours, the location of the firm's office from which the engagement was performed, and the name and telephone number of the principal client contact.

7. Similar Engagements with Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum of ten) performed in the last five years that are similar to the engagement described in this request for proposals. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

8. 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.

Firms are 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
- c. Sample sizes and the extent to which statistical sampling is to be used in the engagement
- d. Type and extent of analytical procedures to be used in the engagement
- e. Approach to be taken to gain and document an understanding of the District's internal control structure
- f. Approach to be taken in determining laws and regulations that will be subject to audit test work

9. 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.

D. Total Cost of Annual Audit

1. **Total All-Inclusive Maximum Price**

The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses. This means costs incurred due to questions, consultations, accounting, etc. concerning school financial matters conducted throughout the fiscal year, are included in the all-inclusive price for that fiscal year. During the contract period, the district is not responsible for additional burdens and subsequent costs incurred by other governmental mandates and reporting during the contract period.

The District will not be responsible for expenses incurred in preparing and submitting the proposal.

The firm should include the following information regarding cost of audit:

- a. 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.
- b. A fixed price consistent with auditing standards at that time for the 2024-2025, 2025-2026 and 2026-2027 engagements.
- c. A fee amount shall be specified for each fiscal year.
- d. List the membership audit fee separately from the regular audit.
- e. The all-inclusive fee specified above shall include the cost for the year-end adjusting entries and all other services in closing the fiscal year.

2. Cost Breakdown

Rates by partner, specialist, supervisory and staff level times hours anticipated for each. This response should include a schedule of professional fees and out-of-pocket expenses. Please include any additional costs should the board request an auditor presentation of the final audit for any given year.

3. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the agreement and out-of-pocket expenses incurred in

accordance with the firm's dollar cost bid proposal. Interim billings shall cover a period of not less than a calendar month. Ten percent (10%) will be withheld pending delivery of the firm's final reports.

VI. EVALUATION PROCEDURES

A. Administrative Review

Proposals submitted will be evaluated by the Business Office staff and rated using the criteria outlined in VI(B).

B. Evaluation of Proposals

The following is intended to give a brief description of the criteria that will be used in the evaluation of the proposals. The evaluator(s) will compare the relative merits of alternative audit approaches and will assess the hours required by staff level to complete the various segments of the audit as well as determine if the experience of assigned staff is adequate for the type of audit desired.

Technical & Financial Criteria	Points Possible
a) Timely Submission of RFP to the District & Format	10
b) Statement of Independence	10
c) Firm & Staff Experience Auditing School Districts	20
d) Reference Checks from Other Districts	20
e) Audit Approach, Sampling Methodology	20
f) Total Price and Expense Breakdown of Services/Fees	15
g) Anticipation and Communication of Pre-Audit Issues	5

Total: 100

VII. GENERAL PROPOSALS CONDITIONS

- A. No proposal may be withdrawn for a period of sixty days from the date of receipt.
- B. The Board reserves the right to accept or reject any or all proposals and to waive any informality in the proposal process. Furthermore, we reserve the right to select the proposal considered to be in the best interest of the District and to negotiate any modifications to the proposal deemed appropriate.
- C. All proposals are to be signed by an authorized representative of the firm.
- D. Provide a statement regarding the firm's ability to assure the District of its ability to maintain reasonable continuity in the assignment of audit staff on a year-to-year basis.
- E. Provide a minimum of three references with the following information: name and title of a contact, name of the organization, address and telephone number, scope and date of work performed.
- F. Include an additional services quote for capital asset depreciation services.