 **Florence County School District Three**

**Post Office Drawer 1389 – 125 S Blanding Street**

**Lake City, South Carolina 29560**

**Telephone: 843.374.8652 – FAX 843.374.5211**

# **District Seal Blue**

# **REQUEST FOR PROPOSAL**

Florence County School District Three (the District) recognizes its fiscal responsibility to appropriately receipt and expend funds available for the education of our citizens. In order to fulfill this responsibility, we are presenting this request for proposals for *Audit Services* of fiscal year 2014-2015 (with renewal available for fiscal years 2015-2016 and 2016-2017) for your consideration and response.

All proposals must be submitted NOT LATER THAN 2:00 PM, April 20, 2015. Proposals may be mailed or delivered to:

Donna D Sullivan, CGFO

Director of Finance

Florence County School District Three

125 S Blanding Street

PO Box 1389

Lake City, South Carolina 29560

Please indicate on the envelope of the sealed bid that a “Proposal for Audit Services” is enclosed. The sealed bids will be opened promptly at 2:01 PM. Any proposals received after the specified time will not be considered and will be returned unopened to the offeror. No consideration of bid award will be made at the time of the opening. Evaluation of each bid will be made as soon as possible with the award contingent upon approval of the Florence County School District Three Board of Trustees.

Florence County School District Three reserves the right to accept or reject, any or all, responses as a result of this solicitation, to negotiate will all qualified vendors, or to cancel in part or in its entirety this solicitation if it is in the best interest of the District.

All proposals will be treated as public information unless it is specifically requested that portions of the bid be treated as trade secrets under the Freedom of Information Act. These trade secrets must be clearly marked.

Any questions relating to this proposal must be submitted in writing (email is acceptable to [ddsullivan@fsd3.org](mailto:ddsullivan@fsd3.org)) through Friday, April 17, 2015. Questions and answers will be supplied to all bidders upon request.

The 2014-2015 fiscal year is the year to be audited under this contract. The proposal should cover the fiscal years ending June 30, 2015, June 30, 2016 and June 30, 2017 with fees established for each of the three years.

The contract may be canceled at any time by the District in the event the audit contract has been violated or the quality of the audit is unacceptable.

In the case of duplicate, similar or equal proposals, the decision of Florence County School District Three will be final.

This solicitation does not commit the school district to award a contract, to pay any costs incurred in preparation of a proposal, nor to procure any services that may be offered.

## RFP OBJECTIVES

# While specific requirements are provided within the respective sections of this document, the District’s overall objectives for this RFP are to:

# Select a firm that can provide a comprehensive audit of the total financial program of the District.

# Complete the audit is a timely manner in accordance with statutory-required deadlines as outlined by the South Carolina State Department of Education (SDE).

# Establish optimal pricing while getting the most complete audit.

## SECTION I

### General Requirements

* 1. The District requires an audit of its total financial program. Revenues for fiscal year 2013-2014 were:

|  |  |  |
| --- | --- | --- |
| Fund |  | Amount |
|  |  |  |
| General Fund |  | $23,504,146 |
| Special Revenue Fund |  | $9,622,523 |
| Debt Service Fund |  | $678,779 |
| School Building Fund |  | $688 |
| Proprietary Fund |  | $2,586,970 |
| Fiduciary Fund |  | $816,797 |

The District maintains a fiduciary fund primarily for Pupil Activity. The Food Service operations are accounted for as a proprietary fund.

* 1. The District requires a financial and compliance audit. Specifically, the reporting method will be the “single audit concept” as detailed in the U.S. Office of Management and Budget (OMB) Uniform Grant Guidance (2 CFR Part 200), and the South Carolina Department of Education’s (SDE) *Audit Guidelines.* A copy of the SDE’s *Audit Guidelines* can be obtained from the SC Department of Education, Office of Finance, 1429 Senate Street, Columbia, South Carolina 29201 or from their website at <http://ed.sc.gov/agency/cfo/finance/Single-Audit/>.
  2. The proposal should address the fiscal years ending June 30, 2015, June 30, 2016 and June 30, 2017.

### Description of Florence County School District Three

***Background***

Florence County School District Three is the second largest school district in Florence County, South Carolina. The District is approximately 25 miles south of Florence, South Carolina, and serves approximately 3500 students in eight schools, kindergarten through twelfth grade. The District’s budgets include disbursements of over $37 million annually, including payroll for its 650+ employees.

***Financial Information***

The primary sources of funding for the District are local funding through property taxes, funding provided by the State of South Carolina, and funding provided by the federal government.

The District has four major governmental funds consisting of the General Fund, Special Revenue Fund (divided between Special Revenue – Grants and Special Revenue – Education Improvement Act), Capital Projects Fund and Debt Service Fund. The Food Service Fund is treated as a proprietary fund, and Pupil Activity Funds are included as a fiduciary fund.

### Report Requirements

1. All reports should be addressed to the Board of Trustees of Florence County School District Three.
2. The audit work must be performed in accordance with generally accepted auditing standards as established by the American Institute of Certified Public Accountants and generally accepted government auditing standards as established by the United States General Accounting Office Comptroller General of the United States.
3. An opinion on compliance with applicable regulations must be rendered as discussed in the SDE’s *Audit Guide.*

### Time Considerations

1. All proposals must be submitted to Florence County School District Three no later than 2:00 PM, Monday, April 20, 2015.
2. The District may elect to interview representatives from selected firms.
3. The contract should be awarded no later than May 22, 2015.
4. The District’s financial records will be available for interim audit fieldwork.
5. Not later than November 1st, an exit conference must be scheduled with the Director of Finance to review a preliminary draft of the Letter of Recommendations. The District will be given an opportunity to provide written responses to the comments in the letter of recommendations which are to be included in the final draft.
6. Not later than November 1st, a preliminary report in draft format must be delivered to the Director of Finance for review by District staff.
7. The auditor will be expected to make a presentation of the audit report to the full Board of Trustees.
8. During the on-site field work, periodic briefings shall be held with the Director of Finance (schedule to be established with the audit supervisor).
9. Twenty hard copies and an electronic version of the final report must be delivered to the Director of Finance no later than November 16th.

### Contractual Arrangements

1. The 2014-2015 fiscal year is the year to be audited under this contract. The District’s fiscal year begins July 1st and ends June 30th.
2. The contract covers up to three years. The audits will cover fiscal years from July 1, 2014 to June 30, 2015, from July 1, 2015 to June 30, 2016, and from July 1, 2016 to June 30, 2017.

## SECTION II

The following outline suggests how the proposal should be organized to include all information called for in the Request For Proposal.

### Title Page

Show the RFP subject, name of firm, address, telephone number, name of contact person and the date.

### Table of Contents

Include a clear identification of the material by section and page number.

### Letter of Transmittal (limit of one to two pages):

1. Briefly state your understanding of the requested services and make a positive statement of your firm’s ability, willingness and technical competence to perform such services.
2. List the person or persons who are authorized to make presentations for your firm, their titles, addresses, phone numbers and e-mail addresses.
3. State an all-inclusive fee for which the work will be done.

### Profile of the firm:

1. State whether your firm is local, regional or national.
2. Give the location of your office from which the work is to be done and the number of partners, managers, supervisors, seniors and other professional staff employed at that office.

### Summary of proposer’s qualifications:

1. Identify the partner and supervisors who will work on the audit. Resumes for each supervisory person to be assigned to the audit should be included.
2. Describe the firm’s recent audit experience, if any, with public sector clients, especially South Carolina public school districts.
3. Describe the firm’s experience and success with the certificate programs of GFOA and ASBO. Include the name of the governmental entity, date of certificate, contact person at the governmental entity, and their contact information.
4. If other auditors are to participate in the audit, information on those auditors must be provided.

.

### Scope Section:

Clearly describe the scope of the required services to be provided. Since the requested services include both an examination of the financial statements and compliance with applicable laws and regulations, define the scope of the services to be provided in terms of the matters discussed in the following subsections:

1. *Financial Audit*. State whether the examination will be made in accordance with generally accepted auditing standards.
2. *Compliance Audit*. State that in accordance with generally accepted auditing standards, the proposer will select the necessary procedures to test compliance and express an opinion regarding compliance with specified laws, regulations, and contracts.

### Approach to the examination:

Submit a work plan to accomplish the scope defined in Section II – F of these guidelines. The work plan should include time estimates for each significant segment of the work and staff level to be assigned. Where possible, individual staff members should be named and their titles provided. The planned use of specialists should be clearly stated. The audit work plan should demonstrate the auditor’s understanding of the audit requirements.

### Compensation:

1. Estimate the total hours, estimated out-of-pocket costs, and the resulting all-inclusive maximum fees for which the requested work will be done. State the hourly rate to be charged for each staff classification. Fees for subsequent years should be included with a firm not-to-exceed amount.
2. List the average hourly rate of the firm. Adjustments may be negotiated for changes in South Carolina or federal requirements or for services in addition to the base audit. These adjustments will be billed at the average hourly rate proposed by the firm. Additional services will be approved by the Director of Finance prior to the performance of the services.

### Additional Information:

Provide answers to the following questions:

1. What are the advantages of using your accounting firm?
2. What is the range of management and other consulting services you can offer without affecting your independence?
3. What type of support services and information consultation can your firm provide?
4. Is your firm independent of the District?
5. Is your firm a member of the SEC Practice Section of the AICPA Division of Firms?
6. When was your firm last peer reviewed, and what was the nature of the report rendered?
7. Does your firm have a record of substandard work?
8. How can your firm help the District improve its financial performance?

***All offerors must visibly mark as “Confidential” each part of their proposal which they consider to contain proprietary information.***

## SECTION III

***Evaluation of Proposals.*** The District reserves the right to reject any and all proposals submitted and/or to request additional information from proposers. The award will be made to the firm which, in the opinion of the District, is the best qualified.

Evaluation considerations will include the following:

### Mandatory Criteria

Affirm the proposer is a properly licensed certified public accountant, or a licensed public accountant who was licensed on or before December 1, 1970.

Affirm that the proposer meets the independence standards of the GAO’s *Government Auditing Standards, Standards for Auditing of Governmental Organizations, Programs, Activities, and Functions (as revised)* by the Comptroller General of the United States.

Affirm that the proposer does not discriminate in employment of persons upon the basis of race, color, creed, national origin, sex, age, or physical handicap.

Affirm that the proposer does not have a record of substandard work.

Affirm that the audit will be completed by November 1st.

Provide a copy of the most recent peer review report.

### Technical Factors

Responses to the proposal must clearly state an understanding of the work to be performed. As a result, evaluators will consider:

1. Comprehensiveness of audit work plan.
2. Reasonableness of time estimates.
3. Location of the firm and its branches.
4. Timeliness of expected completion.
5. Technical experience of the firm.
6. Qualifications of the staff.
7. Experience with school district audits and comprehensive financial reports.
8. Cost – while not a sole factor, cost will be given more importance when all other factors are relatively equal. Any offer that is unclear as to the total annual cost per year to the District will be rejected.

## SECTION IV

***Contractual Arrangements.*** The proposal must specify the maximum fee applicable to the audit of the financial statements for each of the three years under consideration.

An award letter will be issued by the District to the successful proposer. The award letter will specify the maximum fee to be paid by the District for performance of the proposed audit as set forth in the successful proposal and will be for the fiscal year ended June 30, 2015.

The contract may be renewed for the succeeding fiscal years ending June 30, 2016 and 2017.

Any expansion of services beyond the maximum fee of the audit must have the prior written approval of the Director of Finance.

## SECTION V

***Working Papers.*** Working papers shall be retained by the successful proposer for five (5) years. The working papers must be made available for examination by representatives of the State Department of Education, the State Auditor’s Offices and other District auditors. In addition, the successful proposer must make all working papers physically available at the audit site to the auditor who audits the subsequent contract period.