

Hoosick Falls Central School District
P.O. Box 192, 21187 NY 22
Hoosick Falls, NY 12090
518-686-7012

REQUEST FOR PROPOSAL INTERNAL AUDITING SERVICES

Overview

The Hoosick Falls Central School District, hereinafter referred to as “the District”, invites proposals from qualified individuals and accounting firms, hereinafter referred to as “Auditor”, to perform the internal audit function.

In accordance with the District’s policies and procedures, contracts for professional services requiring special skill or training are not subject to competitive bidding requirements of § 103 of General Municipal Law.

1. Purpose

The District requests proposals from qualified individuals and accounting firms interested in providing internal audit functions for the school district. The internal audit function will be performed to ensure that the operating procedures including internal controls are being followed and that expenditures of school district funds are in accordance with laws, regulations, and district policy.

2. Proposal submission

Proposals must be submitted to the Business Office in a sealed envelope on or **before 2:30 pm on February 28, 2023**. There is no expressed or implied obligation for the District to reimburse responding individuals or firms for any expenses incurred in preparing quotations, attending pre-quotation conferences, or interview(s) in responding to this request. Proposals submitted after the stated time and date will not be considered and will be returned to the firm unopened.

3. Scope of the Audit

The special-purpose audit should be conducted in accordance with the following guidance, as applicable: the *Statement on Auditing Standards (SAS) 54, Illegal Acts by Clients; SAS 99, Consideration of Fraud in a Financial Statement Audit; Management Antifraud Programs and Controls* (an attachment to SAS 99). This audit will evaluate the adequacy of the internal financial controls with emphasis on areas vulnerable to fraud and abuse; the adequacy of the District’s current financial policies and procedures; and the adequacy of the District’s financial and auditing organizational structure. The auditor will make use of and build upon the internal control evaluation work done by the Hoosick Falls Central School District’s independent External Auditing CPA firm during that firm’s annual financial statement audit. The objectives of the engagement are:

- Development of a risk assessment of the district’s financial operations, including, but not limited to; review of financial policies, procedures and practices;
- An annual review and update of the risk assessment;
- Annual testing and evaluation of one or more areas of the district’s internal controls, taking into account, control weaknesses, size, and complexity of operations;
- Preparation of Reports which Analyze Significant risk assessment findings, recommend changes for strengthening internal controls and reducing identified risks, and specify timeframes for implementation of such recommendations.

Areas that may be addressed include:

- Certification of Payroll
- Review of Bank Reconciliations and Treasurer's Report
- Payroll Observations
- Review Check Signing Procedures
- Fixed Asset Sampling
- Leave Accruals

In the event the Internal Auditor believes that fraud and/or theft has been or may have been committed by any District employee, including but not limited to the Superintendent of Schools and the administrative staff, then he or she is to immediately notify the President of the Board of Education, who in turn will notify the entire Board. The Board will then review the information and take appropriate action.

An individual or firm can schedule an appointment prior to submission of any proposal to meet with the Superintendent of Schools or designee to review the scope of services provided to the District. Please contact the School Business Administrator at 518-686-7012 ext 1604 between the hours of 8:00 a.m. and 4:00 p.m. to schedule an appointment.

All proposals must be submitted in two parts. Part I must consist of responses to the management and qualifications items. Part II must consist of complete contract cost and pricing information. Incomplete submissions will not be considered for award. Only two copies of each proposal will be needed, one copy titled "ORIGINAL" and the second titled "COPY". Each page of the proposal must state the firm submitting the proposal, the fact that the RFP is being submitted to the Hoosick Falls Central School District, and the page number. All materials submitted in response to the request for quotation shall become the property of the District.

PART I – Management and Qualifications

In setting forth its qualifications, each individual or firm submitting a proposal shall:

- A. Provide evidence of an individual's credentials and qualifications in the area of internal auditing and if a firm be either a New York State licensed Certified Public Accounting Firm, or a licensed Certified Public Accountant in accordance with the New York State Education Department, Office of the Professions as a partner or officer of the firm.
- B. Describe the individual's or firm's experience and expertise focusing on internal controls.
- C. State the name(s) of the officer(s) and associate(s) in the firm.
- D. State the names and credentials of all partners, associates, and accountants that might be assigned to this engagement and provide their resumes.
- E. Identify the nature of any potential conflict of interest the individual or firm might have in providing these services to the district.
- F. Provide a comprehensive description of your approach to fulfilling the requirements of the RFP. For example, describe forensic auditing techniques, data analysis techniques,

use of Information Technology (IT) specialists to perform IT assessments and other auditing procedures, the type and extent of sampling to be employed, etc.

- G. Provide a copy of the individual's or firm's latest peer review.
- H. Provide any other information that might be beneficial to the District.
- I. Provide a detailed schedule for completing the audit.
- J. Provide three references that can be contacted on you or your firm's behalf.

PART II – Cost:

State the rates at which the services of all partners, managers, senior accountants, staff accountants, or other personnel that would be provided to the District. In addition, state which partners and/or staff are expected to perform the services. Please include:

- A. For each partner, manager, or staff whose resume is provided, the regular hourly rate and the hourly rate you are quoting.
- B. For each work plan item include the estimated number of hours for each employee type.
- C. The total cost for the engagement for a school fiscal year, including travel and other incidental costs.
- D. Each proposal will clearly state the fees to be charged for the school year:
July 1, 2023 to June 30, 2024 _____
July 1, 2024 to June 30, 2025 _____
July 1, 2025 to June 30, 2026 _____
- E. Each proposal will clearly state the basis on which special audit or management services will be billed.

3. Background

Enrollment – 1,100 students K-12

Board of Education – 7 members elected for 3 year terms

BOCES – non-component of the Rensselaer-Columbia-Greene (Questar III) Board of Cooperative Educational Services.

General Fund Budget – The 2022--2023 approved general fund budget is \$25,348,933

Pension Plans – SED certified staff has mandatory or optional membership in the New York State Teachers Retirement System (TRS). All other staff has mandatory or optional membership in the New York State & Local Retirement Systems (ERS).

Description of Financial Software Programs – The District uses the WinCap Accounting software program for all financial accounting, which is managed locally by NERIC in Albany, NY.

Accounting Funds: General Fund; Special Aid Fund; School Lunch Fund;

Debt Service Fund; Miscellaneous Special Revenue;
Capital Fund;

Checks Processed: An average of 2,700 accounts payable vouchers

Payroll Checks:

- Approximately 118 Full-time equivalent instructional employees
- Approximately 220 total staff full-time and part-time combined.
- Payroll processed every two weeks
- Approximately 946 checks and 5,474 direct deposit vouchers annually

Purchasing:

- Approximately 1325 purchase orders annually

4. Interview

The award process may include an interview with administration and the Board of Education.

5. Evaluation and Selection Process

- A. Opening of Proposals – At the designated time and date, the Business Office shall open and list the proposals for the record. Responses received after **2:30 pm on February 28, 2023** shall be returned unopened.
- B. Evaluation – During the evaluation phase, proposals are reviewed by the School Business Administrator to determine which proposals address all the requirements of the RFP, and to technically review the proposals.

The Audit proposals, as determined by the School Business Administrator using the stated criteria, will be presented to the District's Audit Committee for review. Interviews may be scheduled for the Auditor to meet with the Audit Committee.

Final award of the contract shall be made by the Board of Education after considering the recommendations of the Audit Committee.

6. Termination of Contract

Any contract agreed to under this Request for Proposal is subject to termination by either party with thirty (30) days written notice. In the event of termination of the contract, the District's responsibility shall be to pay for unpaid services performed and authorized costs incurred by the Auditor.

7. Right to Reject Requests for Proposal

The District reserves the right to reject without prejudice any and all quotations received under this Request for Proposal.