

**Franklin County Board of Education
190 Kings Daughters Drive Bldg. 300
Frankfort, KY 40601
(502) 695-6700**

-----REQUEST FOR PROPOSAL-----

Reference Number: **AUDIT20**

Title: **AUDIT PROPOSAL**

Date Proposal is Due: **March 19, 2020**

Date RFP Released: **March 3, 2020**

Proposals are requested for audit services, subject to conditions of this request for proposal.

GENERAL CONDITIONS

1. A completed proposal package (with original signatures) must be submitted in an envelope clearly marked on the outside with "**PROPOSAL—AUDIT20**".

Submit proposals to:

Shane Smith
Franklin County Board of Education
190 Kings Daughters Drive Bldg. 300
Frankfort, KY 40601

All sealed proposals must be received no later than 4:00 PM on Thursday March 19, 2020. All risks must be borne by the firm when using the postal service or any other types of contracted delivery service. Postmarks and similar forms of receipt shall not be considered in determining timely receipt of proposals. Telephone, electronic or telegraphic proposals (including fax) will not be accepted.

2. To receive consideration, proposals must be received according to the date/time designated in this RFP, and none will be accepted afterward.
3. **Proposals must be submitted on the forms provided and signed by a partner/principal** of the firm who is authorized to legally bind the firm.
4. Any changes made on the proposal forms (erasures, strikeouts, white-out, etc.) must be clearly initialed.
5. The Board of Education reserves the right to waive defects and informalities in proposals, to reject any

and all proposals, or to accept any proposal as may be deemed to be in its best interest.

6. All proposals shall be effective from the date of opening until the date specified in the special conditions of proposing, and no proposal may be withdrawn prior to that time.
7. All proposals shall remain in effect for one year from the date the proposal is awarded unless otherwise stated on the proposal form.
8. CONFLICTS OF INTEREST:
 - a. KRS 45A.455 prohibits conflicts of interest, gratuities, and kickbacks to employees of the Board of Education in connection with a contract for supplies or services, whether such gratuities or kickbacks are direct or indirect.
 - b. KRS 45A.990 provides severe penalties for violations of the laws relating to gratuities or kickbacks to employees which are designed to secure a public contract for supplies or services.

SPECIAL CONDITIONS

MISCELLANEOUS ITEMS

References: “Client” means the Franklin County Public School District. “Firm” means the accounting firm submitting a proposal.

Contact: Client’s point of contact is Shane Smith, Director of Business & Finance, Franklin County Board of Education, 195 Kings Daughters Drive Bldg. 300, Frankfort, KY 40601. (502) 695-6700.

Price Quote: This request is being considered as a “price quote” rather than a bid, since it is for professional services. Please consider all statements as such.

Recipients of RFP: The intent of this request is to receive proposals from accounting firms licensed in Kentucky. Firm shall be on the Register of the State Board of Accountancy and shall be approved by the State Committee for School District Audits.

Accounts to be Audited: All accounts of the Franklin County Public School District, including school activity funds, shall be included in the audit.

Scope: The scope and nature of the audit shall be as set forth in the Requirements for Local School District Audits approved by the State Committee for School District Audits, in accordance with *Generally Accepted Auditing Standards* (GAAS): *Government Auditing Standards*, issued by the Comptroller General of the United States; and, the provisions of *Office of Management and Budget Circular No. A-133, Audits of States, Local Governments, and Non-Profit Organizations*.

Financial statements presented in the auditor’s report shall comply with generally accepted accounting principles.

Audit Contract: The Independent Auditor’s Contract required by the Kentucky Department of Education shall

be executed at a later date by the firm awarded the engagement.

Term of Agreement: The initial term shall be for the Fiscal 2019-2020 audit. If agreed upon by both parties, this contract may be renewed for additional years subject to approval by the Franklin County Board of Education.

Fiscal 2019 Audit: Enclosed.

FIRM'S RESPONSIBILITIES:

Training: Firm's staff must take advantage of training opportunities for accounting firms conducting audits of Kentucky school districts. Some training opportunities may be provided by the Kentucky Department of Education.

Audit Staffing/Supervision: Firm agrees, within reason that audit personnel named in proposal will participate in the audit. Firm agrees that the majority of audit procedures will be conducted by, or under the direct supervision of, a Certified Public Accountant.

Audit Schedule:

- ***Schools:*** Firm shall obtain Client's list of schools and phone numbers to arrange directly with each school to conduct activity fund audit procedures. These audit procedures shall be conducted at each school (not in the Central Office) and shall take place during the months of May/June.
- ***District:*** Firm shall contact the Director of Finance to arrange a mutually agreeable schedule for conducting the audit. In general, Firm agrees to begin audit fieldwork for the District ***on or before September 1st*** and to complete the audit through the draft stage ***by October 15th*** in order to meet the timeline for the exit conference, presentation of the audit report to the Board of Education, and submission of the audit report to the state. *See below for additional information.*

Client Assistance: At least 3 weeks prior to the start of the District's audit fieldwork, Firm shall provide Client with a complete list of items to be prepared in order to minimize the disruption to Client's business routines. Such client assistance shall include all confirmations to be prepared by Client. For any specific reports Firm wants Client to prepare, an example of such reports ***and the MUNIS report parameters*** must be provided to ensure the appropriate report is prepared.

Client Documents: Documents reviewed during the audit are to be maintained in the same order as found (i.e., alphabetical, numerical, chronological, etc.) and returned promptly to school personnel. Firm shall not remove any original documents from the school or district office.

Management Letter Comments/Internal Control Matters: Firm shall provide Client's Director of Finance with a written draft of the management letter comments and/or internal control matters ***in sufficient time to permit the school district to study and/or investigate the matter(s) and to provide written response to be bound in the final audit report.*** "Sufficient time" shall be considered to be no later than fifteen (15) calendar days after completing audit procedures at schools and, for the audit fieldwork at the district level, at least 14 calendar days prior to the exit conference. ***Firm's failure to comply with this requirement shall significantly affect Client's willingness to extend the audit contract.***

Exit Conference: Firm must schedule an exit conference prior to presenting the audit report to the Board of Education. At the exit conference, the audit partner will present a **draft** of the audit report to the Finance Director. The exit conference will not take place on the same day the audit report is presented to the entire Board of Education. *Firm's failure to comply with this requirement shall significantly affect Client's willingness to extend the audit contract.*

Presentation of Audit Report: The audit partner will present the final bound audit report to the entire Board of Education. The presentation will consist of an explanation of the audit opinion, a brief overview of financial statements, and any other matters considered important.

Bound Audit Report: Firm will deliver 15 copies of the audit report to Client at least ten (10) calendar days prior to the date the audit report is to be presented to the Board of Education. Additional copies of the audit report may be requested later at no additional charge.

Audit Submission: Firm shall submit the audit report and all attachments by the deadline and in the format established by the state (presently required to be submitted electronically).

AUDIT MILESTONES

Months of May/June	School activity fund audit procedures
Within 15 calendar days of completing school activity fund audit procedures	Provide Director of Finance with a written draft of activity fund management letter comments and/or internal control matters
By September 1 st	Begin audit fieldwork at the District level
At least 14 days before exit conference	Provide Director of Finance with a written draft of district-level management letter comments and/or internal control matters
By October 15 th	Provide Director of Finance with a draft of complete audit report
TBD	Exit conference with Finance Director using draft of audit report
At least 10 days before Board meeting	Provide 15 copies of bound audit report to Director of Finance for mailing to Board members
TBD	Present audit report to Board of Education
By November 15 th	Submit audit report to KDE
By March 28 th or no later than 30 days after release of the auditor's report	Submit one (1) copy of Audit Report, along with the Data Collection Form, directly to the Single Audit Clearinghouse, in accordance with OMB Circular A-133

Proposals are to include:

- a) The name of the partner-in-charge and a list of staff persons to be assigned to the audit, their qualifications, their individual CPE related to governmental and school accounting during the past two (2) years.
- b) A copy of the firm's peer review.
- c) Names, addresses and phone numbers of three relevant audited entities whose audits were performed pursuant to government auditing standards and the Single Audit Act. The audits should have been performed within the last five (5) years.
- d) Provide the number of Kentucky Public School District Audits your firm performed for each of the 3 prior years (FY17, FY18, and FY19) and the number that were determined to be "Technically Deficient" or "Unacceptable" by Kentucky Auditor of Public Accounts Desk Review.
- e) An explanation of the proposed technical approach to the audit and estimated time required to complete it.
- f) A list of other governmental audits that the firm is performing that would require use of the same audit staff during the engagement period.
- g) An affirmation of the firm's qualifications and a statement about the manner in which it meets the criteria previously mentioned. Feel free to include additional information that you feel is pertinent.

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A.	Proposed Audit Fee:
<p>The Accounting Firm of _____, submits the following proposed fee for the audit of Franklin County Public Schools for:</p> <p style="padding-left: 40px;">Fiscal Year Ending June 30, 2020 – Audit Fee Not to Exceed \$ _____</p>	

B.	Required Information:
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a.	<p>Name of Partner-In-Charge:</p> <p>Years of Public Accounting Experience:</p> <p>Years of School Audit Experience:</p>
	<p>Name of Additional Staff Assigned to Audit:</p> <p>Title:</p> <p>Is this person a CPA?</p> <p>Years of Public Accounting Experience:</p> <p>Years of School Audit Experience:</p> <p>Separate Schedule Attached of School and Governmental Related CPE? YES / NO <i>(Circle One)</i></p> <p>If NO, please attach an explanation.</p>
	<p>Name of Additional Staff Assigned to Audit:</p> <p>Title:</p> <p>Is this person a CPA?</p> <p>Years of Public Accounting Experience:</p> <p>Years of School Audit Experience:</p> <p>Separate Schedule Attached of School and Governmental Related CPE? YES / NO <i>(Circle One)</i></p> <p>If NO, please attach an explanation.</p>

	<p>Name of Additional Staff Assigned to Audit:</p> <p>Title:</p> <p>Is this person a CPA?</p> <p>Years of Public Accounting Experience:</p> <p>Years of School Audit Experience:</p> <p>Separate Schedule Attached of School and Governmental Related CPE? YES / NO (Circle One)</p> <p>If NO, please attach an explanation.</p>
	<p>Name of Additional Staff Assigned to Audit:</p> <p>Title:</p> <p>Is this person a CPA?</p> <p>Years of Public Accounting Experience:</p> <p>Years of School Audit Experience:</p> <p>Separate Schedule Attached of School and Governmental Related CPE? YES / NO (Circle One)</p> <p>If NO, please attach an explanation.</p>
	<p>Name of Additional Staff Assigned to Audit:</p> <p>Title:</p> <p>Is this person a CPA?</p> <p>Years of Public Accounting Experience:</p> <p>Years of School Audit Experience:</p> <p>Separate Schedule Attached of School and Governmental Related CPE? YES / NO (Circle One)</p> <p>If NO, please attach an explanation.</p>
	<i>Please attach separate sheet if additional space is required.</i>
b.	<p>Copy of Peer Review Attached? YES / NO (Circle One)</p> <p>If NO, please attach an explanation.</p>
c.	<p>Is the Proposed Technical Approach and Estimated Time Required to Complete Audit Attached? YES / NO (Circle One)</p> <p>If NO, please attach an explanation.</p>
d.	<p>Relevant Audited Entities as References:</p>
	<p>Organizations Name:</p> <p>Contact Person:</p> <p>Address:</p> <p>Phone Number:</p>
	<p>Organizations Name:</p> <p>Contact Person:</p> <p>Address:</p> <p>Phone Number:</p>

	Organizations Name: Contact Person: Address: Phone Number:
e.	Number of Kentucky School District Audits Performed for years ending June 30, 2017.
	Number determined to be "Technically Deficient" _____
	Number determined to be "Unacceptable" _____
	Number of Kentucky School District Audits Performed for years ending June 30, 2018.
	Number determined to be "Technically Deficient" _____
	Number determined to be "Unacceptable" _____
	Number of Kentucky School District Audits Performed for years ending June 30, 2019.
	Number determined to be "Technically Deficient" _____
	Number determined to be "Unacceptable" _____
f.	List of Other Governmental Audits that the Firm will be Performing Requiring the use of the Same Audit Staff:
	1. _____
	2. _____
	3. _____
	4. _____
	5. _____
	6. _____
	7. _____
	8. _____
	9. _____
	10. _____
g.	Is the Firm's Affirmation of Qualifications and Statement About the Manner in Which You Will Meet the Criteria Attached? YES / NO <i>(Circle One)</i> If NO, please attach an explanation.

By signing below it is understood that I have read and agree to all General Conditions, Special Conditions and the Requirements for Local School District Audits and that the fee proposed represents the maximum payment that will be due from Franklin County Public Schools in the event our proposal is accepted. Travel expenses and other incidental costs have been factored into this proposed audit fee.

Firm Name _____

Address _____

Telephone: _____

Partner's Signature _____

Partner's Name (Printed) _____ **Date** _____