

Whitley County Board of Education

300 Main Street
Williamsburg, KY 40769
(606) 549-7000
Fax: (606) 549-7006

John Siler, Superintendent

Paula Rickett, Deputy Superintendent
Brenda Hill, Board Chair
J.E. Jones, Board Vice Chair

Board Members

Kenneth Carr
Brenda Rose
Paula Grubb

TO: Managing Partner

FROM: Alicia Logan, Finance Officer
Whitley County Board of Education

SUBJECT: **Professional Auditing Services**

DATE: March 29, 2023

The Whitley County Board of Education is soliciting proposals from qualified firms of certified public accountants to audit the Board's financial statements for the fiscal year ending June 30, 2023. The option of auditing the Whitley County Board of Education's financial statements for additional years is included in this request for proposal.

Enclosed is the RFP package that is to be completed and returned to Alicia Logan at the Whitley County Board of Education, 300 Main Street, Williamsburg, Kentucky 40769, **by 2:00 p.m. on April 25, 2023.**

The state's requirements for auditing school districts in 2023 are not yet available. Requirements that were in place for 2022 can be found on the Kentucky Department of Education's web site. You may direct questions concerning these requirements to the Kentucky Department of Education by calling (502) 564-3846.

Information about your firm's qualifications to conduct the audit will be considered in the awarding of the audit contract. Please include a listing of audits of Kentucky Boards of Education that have been performed in recent years. In addition, please include qualifications and experience of your staff that would most likely work on this engagement. Finally, include any information about your firm's most recent peer review, as well as any disciplinary action taken against your firm in the past three (3) years by the Kentucky State Board of Accountancy.

Should you have any questions about this RFP, please feel free to contact me at (606) 549-7000. Please be sure all of the required documents are returned **by 2:00 p.m. on April 25, 2023.**

Whitley County Board of Education

300 Main Street
Williamsburg, KY 40769
(606) 549-7000

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

Reference Number: **AUDIT 23** Title: **AUDIT PROPOSAL**

Date Proposal is Due: **April 25, 2023 at 2:00 p.m.** Date RFP Released: **March 29, 2023**

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 to the above address in an envelope clearly marked on the outside with **“Audit Proposal 2023: Attention Alicia Logan”**.
2. To receive consideration, proposals must be received according to the date/time designated in this RFP, and none will be accepted afterward. No proposal will be accepted by fax or any electronic method.
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 (erasure, 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. Proposals will be evaluated using the following criteria: qualifications of audit team, audit approach, responsiveness to the RFP, references, quality of prior audit reports, timeliness, experience and fee. Price will not be the only consideration.

8. All proposals shall remain in effect for one year from the date the proposal is awarded unless otherwise stated on the proposal form. If agreed upon by both parties, this contract may be renewed annually.

9. It is to be understood that the proposing firm, if awarded the contract, agrees to protect, defend, and save harmless the Board of Education from any suits or demands for payment that may be brought against it for the use of any patented material, process, article or device that may enter into the manufacture, construction, or form a part of the work covered by the contract. The proposing firm further agrees to indemnify and save harmless the Board of Education from suits or actions of every nature and description brought against it for, or on account of, any injuries or damages received or sustained by any party or parties by, or for, any of the acts of the proposing firm, its servants, or agents.

10. 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.

11. The audit firm must establish a mutually agreeable schedule for auditing the accounts with the Finance Officer and the Superintendent. In general, the audit firm agrees to begin audit fieldwork at the schools in July and to begin the remainder of the school district the middle of August of each year audited and further agrees to complete the audit in sufficient time to present the audit report to the state on or before the deadline, as required by state regulations.

SPECIAL CONDITIONS

MISCELLANEOUS ITEMS:

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

Contact: Client’s point of contact is Alicia Logan, Finance Officer/Treasurer, Whitley County Board of Education, 300 Main Street, Williamsburg, KY 40769. (606) 549-7000, ext. 2018.

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 Whitley County 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, the Kentucky Department of Education, and the Single Audit Act. The audit will be conducted in compliance with KRS 156.255 – 156.295 and other applicable sections of the Kentucky Revised Statutes.

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.

Term of Agreement: The initial term shall be for the fiscal 2022-23 audit. If agreed upon by both parties, this contract may be renewed annually subject to approval by the Whitley County Board of Education.

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: Firm shall contact the Finance Officer/Treasurer to arrange a mutually agreeable schedule for conducting the audit. In general, Firm agrees to begin audit fieldwork at the schools in July and for the District in August and to complete the audit through the draft stage **by September 30th** 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. Include in your proposal the number of days estimated to complete the field work in the Central Office and the number of days at each school location. Also, please indicate if the days in the Central Office will be consecutive. Be specific on proposed dates for field work in the Central Office and in the schools. It is preferred that the audit report be presented to the Board at the October board meeting. The regular November board meeting would be past the November 15th due date for submission of the audit report.

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 Finance Officer/Treasurer 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 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 at least one week 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. All significant audit findings will be presented in writing at the exit conference. District responses to any recommendations contained in an auditor's letter to management will be included in the final audit document.

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 10 copies of the audit report to Client at least seven (7) 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).

Schedules, Forms, and Reports: Firm shall be responsible for preparing the Schedule of Federal Financial Assistance, the Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations (Form SF-SAC), and such other forms and schedules as may be required for the audit of a public school district.

Management Discussion & Analysis The auditors will work closely with the Finance Officer on the MD&A report.

Progress Billings: Firm may submit progress billings not to exceed 50% of the audit fee. Client will pay such progress billings upon approval by the Whitley County Board of Education under its normal payment approval process. Final payment for services rendered shall not be made until the audit is received and accepted by the Whitley County Board of Education and the State Committee for School District Audits.

At times, during the year, questions may arise and auditor may need to be contacted to answer questions on proper handling of situations or general questions. Please include in your proposal any costs associated with phone calls, questions, etc. or any costs that may incur beyond the base proposal price.

AUDIT MILESTONES

Months of May/June	School activity fund tentative audit schedule agreed upon
By July 25 th	Whitley County School District statutory submission of financial information
August	Begin audit fieldwork at the District level
At least 14 days before exit conference	Provide Finance Officer/Treasurer with a written draft of management letter comments and/or internal control matters
Prior to exit conference	Provide Finance Officer/Treasurer with a draft of complete audit report
At least 14 days prior to presentation to the Board of Education	Exit conference with Finance Officer and Superintendent using draft of audit report

At least 7 days before Board meeting

Provide 10 copies of bound audit report and electronic copy to Finance Officer/Treasurer for distribution to Board Members

Preferably at the regular October Board Meeting

Present audit report to Board of Education

By November 15th

Submit audit report to KDE

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, including any internal audits, 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 (FY 20, FY 21, and FY 22) 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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-----AUDIT PROPOSAL FORMS-----

Reference Number: **AUDIT 23** Title: **AUDIT PROPOSAL**

Date Proposal is Due: **April 25, 2023 at 2:00 p.m.** Date RFP Released: **March 29, 2023**

A. Proposed Audit Fee:

The Accounting Firm of _____, submits the following proposed fee for the audit of Whitley County School District for:

Fiscal Year Ending June 30, 2023 – Audit Fee Not to Exceed \$ _____

Fiscal Year Ending June 30, 2024 – Audit Fee Not to Exceed \$ _____

Fiscal Year Ending June 30, 2025 – Audit Fee Not to Exceed \$ _____

Fiscal Year Ending June 30, 2026 – Audit Fee Not to Exceed \$ _____

B. Partner Information:

Name of Partner-In-Charge: _____

Years of Public Accounting Experience: _____

Years of School Audit Experience: _____

COMPLETION OF THIS FORM IS MANDATORY

C. Audit Personnel Information Sheet

Name					
Title					
Is This Person a CPA?					
Years of Public Accounting Experience					
Years of School Audit Experience					
Will this person be involved in the audit of the Whitley County School District?					

D. Copy of Peer Review Attached? YES / NO (Circle One)
 If NO, please attach an explanation.

E. Is the Firm’s Statement of Qualifications attached? YES / NO (Circle One)
 If NO, please attach an explanation.
(Statement of qualifications should address qualifications as outlined in KDE’s audit contract requirements: competence, independence, continuing professional education, in addition to the external peer review.)

F. Is the Proposed Technical Approach and Estimated Time Required to Complete Audit Attached? YES / NO (Circle One)
 If NO, please attach an explanation.

COMPLETION OF THIS FORM IS MANDATORY

G. List Three (3) References (Preferably Kentucky School Districts):

1. Audited Organizations Name: _____

Contact Person: _____

Address: _____

Phone Number: _____

2. Audited Organizations Name: _____

Contact Person: _____

Address: _____

Phone Number: _____

3. Audited Organizations Name: _____

Contact Person: _____

Address: _____

Phone Number: _____

COMPLETION OF THIS FORM IS MANDATORY

**H. Number of Kentucky School District Audits Performed for year
Ending June 30, 2022:** _____

Number determined to be "Technically Deficient" _____

Number determined to be "Unacceptable" _____

**Number of Kentucky School District Audits Performed for year
Ending June 30, 2021:** _____

Number determined to be "Technically Deficient" _____

Number determined to be "Unacceptable" _____

**Number of Kentucky School District Audits Performed for year
Ending June 30, 2020:** _____

Number determined to be "Technically Deficient" _____

Number determined to be "Unacceptable" _____

**I. 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. _____

COMPLETION OF THIS FORM IS MANDATORY

ACKNOWLEDGEMENT OF GENERAL AND SPECIFIC CONDITIONS

Reference Number: **AUDIT 23**

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 the Whitley County Board of Education in the event our proposal is accepted. Travel expenses and other incidental costs have been factored into this proposed audit fee.

Firm Name _____

Address _____

Contact Information _____

Partner's Signature _____

Partner's Name (Printed) _____

Telephone _____ Date _____

COMPLETION OF THIS FORM IS MANDATORY