

**BERKELEY CHARTER  
EDUCATION ASSOCIATION**

**REQUEST FOR PROPOSALS**

**FOR**

**PROFESSIONAL AUDITING SERVICES**

# Berkeley Charter Education Association

## REQUEST FOR PROPOSALS AUDITING SERVICES

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## **I. INTRODUCTION AND GENERAL INFORMATION**

### **A. General Information and Term of Engagement**

Charter Schools USA, Inc., on behalf of Mevers School of Excellence, is requesting proposals from qualified independent Certified Public Accounting firms to audit its financial statements for the fiscal year ending June 30, 2018, and thereafter subject to an annual renewal of the engagement. This is a Financial Audit as required by South Carolina law (Section 59-40-50(B)(3)).

### **B. Information and Clarification**

All requests for information or clarification regarding this proposal should be addressed to Lindsey Lennon, Controller for Charter Schools USA, Inc., at [lennon@charterschoolsusa.com](mailto:lennon@charterschoolsusa.com).

### **C. Presentation Costs**

The School shall not be liable for any costs, fees or expenses incurred by any firm in responding to the Request for Proposal or any subsequent inquiries or presentation relating to a response.

### **D. Submission of Proposals**

A copy of the proposal shall be e-mailed to Lindsey Lennon and two (2) copies shall be sent to the address below by 5pm on May 18<sup>th</sup>, 2018. The envelope must be marked "Auditing Services- Berkeley Charter Education Association."

The address to mail to is: Charter Schools USA, Inc.  
Attn: Lindsey Lennon  
800 Corporate Drive  
Suite 700  
Fort Lauderdale, FL 33334

## **II. NATURE OF SERVICES REQUIRED**

### **A. General**

The School is soliciting the services of qualified firms of certified public accountants to audit its financial statement for the fiscal year ending June 30, 2018. This audit is to be performed in accordance with the provisions contained in this request for proposal.

### **B. Scope of Work to be Performed**

The School desires the auditor to express an opinion on the fair presentation of its basic financial statements in conformity with accounting principles generally accepted in the United States of America.

### **C. Auditing Standards to be Followed**

To meet the requirements of this Request for Proposal, the audit shall be performed in accordance with

- Generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants
- Generally accepted government auditing standards as promulgated by the General Accounting Office
- The requirements established by the South Carolina Department of State Treasurer
- Other applicable federal, state and local laws or regulations

D. Reports to be Issued

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue the following:

- A report on the fair presentation of the basic financial statements as a whole, in conformity with accounting principles generally accepted in the United States.
- A report on internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards.
- A report on compliance with applicable laws and regulations.
- Any other required reports

In the required reports 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 which could adversely affect the organization's ability to record, process summarize and report financial data consistent with the assertions of management in the financial statements.

Reportable conditions that are also material weaknesses shall be identified as such in the report.

Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the reports on internal controls.

The report on compliance shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall be reported in a separate management letter, which shall be referred to in the report on compliance.

The auditors shall be required to make an immediate, written report of all irregularities and illegal acts of which they become aware to Charter Schools USA and the Board of Directors of the School.

**III. DESCRIPTION OF THE SCHOOL**

A. Name and Telephone Number of Contact Persons

The auditor's principal contact with the Mevers School of Excellence will be Lindsey Lennon, Controller for Charter Schools USA, Inc., (954) 202-3500 ext 1444.

B. Background Information

Mevers School of Excellence was established under Berkeley Charter Education Association. The School was granted a charter by the South Carolina Public Charter School District. The School began operations in August of 2017.

The School's fiscal year begins on July 1 and ends on June 30. Budgets are adopted annually, and expenditures are controlled in accordance with written policies and procedures.

C. Fund Structure

Financial resources are allocated, expended, and accounted for in accordance with accounting practices specified in the South Carolina Department of Education's Financial Accounting Handbook, Funding Manual, the Audit Guide, and the Pupil and Staff Accountability Manual.

**IV. TIME REQUIREMENTS**

A. Time Schedule for Each Fiscal Year's Audit

The School and Auditors will mutually agree on a time table to be developed for the audit of each fiscal year. The schedule shall include dates for completing each of the following steps by the auditors no later than the agreed upon date for each year of the audit. Each of the following shall be completed by the auditor no later than the dates indicated.

1. **Audit Plans:**  
The auditor shall provide a detailed audit plan and a list of all schedules to be prepared by the school by June 30 of each year.
2. **Fieldwork:**  
The auditor shall complete all fieldwork by approximately September 15th of each year. An agreed upon post-closing trial balance must exist by September 30<sup>th</sup>.
3. **Issuance of Reports and Financial Statement Attestation:**  
The auditor shall have ready for publication all reports denoted in Section II.D. of this Request for Proposal by November 1st of each year (this is the due date provided by the South Carolina Public School District).

## **V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION**

### **A. Finance Department Support**

The finance department of Charter Schools USA (CSUSA) will be available during the audit to assist the firm by providing information, documentation and explanations.

### **B. Work Area, Telephones, Photocopying and FAX Machines**

For necessary on-site work, the School, through CSUSA, will provide the auditor with reasonable work space, desks and chairs. The auditor will also be provided with access to telephone lines, photocopying facilities and fax machines at no charge to the auditor.

### **C. Report Preparation**

The auditor will prepare a draft of the financial statements and related notes. The auditor will provide the draft to the Controller and Board for review and approval prior to issuance. Pro forma as and editing will be the responsibility of the Auditor. Report preparation and printing shall also be the responsibility of the Auditor. The Auditor shall be responsible for providing up to 10 copies of the annual financial reports to the School.

## **VI. PROPOSAL REQUIREMENTS**

### **A. Submission of Proposals**

To be considered, two (2) copies of the proposal must be received by Lindsey Lennon, Controller of Charter Schools USA, at 800 Corporate Drive, Suite 700, Fort Lauderdale, FL 33334 by 5pm on Friday, May 18<sup>th</sup>, 2018.

The Proposal shall be signed by a representative who is authorized to contractually bind the firm.

Any questions by prospective audit firms concerning this RFP shall be addressed in writing (can be through e-mail) to the School's contact person, Lindsey Lennon, as soon as possible. No verbal/email communications shall be binding.

Each Proposal shall be prepared simply and economically, providing a straightforward, concise delineation of the firm's capabilities to satisfy the requirements of the Request for Proposal. The emphasis in each Proposal must be on completeness and clarity of content.

### **B. Proposal Format**

The following material should be submitted for a proposing firm to be considered:

1. Title Page:  
Title page showing the Request for Proposals subject; the firm's name; the name, address and telephone number of the contact person, and the date of the proposal.
2. Table of Contents
3. Transmittal Letter:  
A signed letter of transmittal briefly stating the firms understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer.
4. Detailed Proposal:  
The detailed proposal should follow the order set forth in Section VI.C. of this Request for Proposal.

C. Technical Proposal:

1. General Requirements

The purpose of the Technical Proposal is to determine the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the School in conformity with the requirements of this Request for Proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. 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.

The Technical Proposal should address all the points outlined in the Request for Proposals. While additional data may be presented, the following subjects must be included.

2. License to Practice in South Carolina/Other Requirements

An affirmative statement should be included, indicating that the CPA responding to the RFP is properly licensed to practice in the State of South Carolina and in good standing with the South Carolina Association of CPA's and the AICPA.

The firm must be able to conduct financial statement audits in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States (Yellow Book).

3. Firm Qualifications and Experience

The Request for Proposal should state the size of the firm's governmental staff, the location of the office from which the work on this engagement is to be performed and the number and level of the professional staff to be employed in this engagement on a full-time basis and the number and level of the staff to be so employed on a part-time basis.

If the firm is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified, and the firm that is to serve as the principal auditor should be noted, if applicable.

In a joint Request for Proposal, the principal firm should complete and sign the Request for Proposal Signature Page, and the structure, duties and responsibilities of each firm should be clearly delineated.

Each firm is also required to submit a copy of the report on its most recent peer review (must be conducted every 3 years), including the related letter of comments and the firms response to the letter of comments. This should also include a statement whether that peer review included a review of specific local government engagements. Results of peer reviews will be made available for the SC State and Local Government Finance Department to review.

The firm is required to retain all working papers, records and all other documents pertaining to the School audit for a minimum of 5 years after the audit.

The firm is also required to make all working papers and audit materials available to the State Auditor's office upon request. When requested, copies of the audit and originals of all working papers and other pertinent documents shall be delivered to the State Auditor's office.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) 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 three (3) years with state regulatory bodies or professional organizations. The firm shall provide an explanation of all pending, local office litigation as well as all litigation related to the firm's audits of State or Local Government entities.

#### 4. 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 South Carolina. The firm also should provide information on the number of years performing government audits as well as the auditing experience of each person, including information on relevant continuing professional education for the past two (2) years and membership in professional organizations relevant to the performance of this audit. The firm must be able to certify that auditors are receiving appropriate continuing professional education in accordance with GAO standards.

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.

#### 5. Similar Engagements with Other Charter Schools

For the firm's office that will be assigned responsibility for the audit, provide a list of charter school audit engagements performed in the last two years and include the name and phone number of the customer point of contact for each audit engagement.

#### 6. 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 Proposal. In developing the work plan, reference should be made to such sources of information as the School's budget and related materials, organization charts, manuals and programs and financial and other management information systems.

Firms will be required to provide the following information on their audit approach:

- A. Proposed Segmentation of the engagement
- B. Level of staff to be assigned to each proposed segment of the engagement
- C. Type and extent of analytical procedures to be used in the engagement
- D. Approach to be taken to gain and document an understanding of the School's internal control structure
- E. Approach to be taken in determining laws and regulations that will be subject to audit test work
- F. Approach to be taken in drawing audit samples for purposes of testing

7. Identification of Anticipated Potential Audit Problems

The Request for 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 staff of the School or the management company, Charter Schools USA.

D. Price Proposal and Manner of Payment

1. Price Proposal

The price proposal should contain all pricing information relative to performing the audit engagement as described in this request for proposals. The total all-inclusive maximum price proposal is to contain all direct and indirect costs including all out-of-pocket expenses.

2. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement.

**VII. EVALUATION PROCEDURES**

A. Selection of Committee

All responsive Proposals submitted in response to this Request for Proposal will be evaluated by a selection committee. Proposals will be evaluated using the information listed below and shall include, but are not limited to, ability of personnel, experience, ability to furnish the required services, and such factors may be determined by the audit committee to be applicable to its particular requirements.

B. Evaluation Criteria

Proposals will be evaluated in accordance with weighted criteria listed below:

	<u>Point Range</u>
Professional Standing/Ability of personnel	0-25 points
Charter School Experience and Knowledge	0-25 points
Staff Depth/Ability to Perform	0-25 points
Cost of Services	0-25 points
	<hr/>
	100 points