

Jarrell Independent School District

512.746.2124 312 N. Fifth Street | Jarrell, Texas 76537 Superintendent: Dr. Bill Chapman 512.746.2518 fax

The Jarrell Independent School District (JISD) is requesting proposals from public accounting firms to perform the annual financial audit for fiscal year 2014-2015. The award for these services will be based on whatever is in the best interest of JISD. JISD reserves the right to not award a contract.

I. BACKGROUND INFORMATION

Auditing requirements for Texas public school districts are contained in the *Texas Education Agency (TEA) Financial Accountability System Resource Guide (FASRG)* which is the authoritative document adopted by reference as a rule of the State Board of Education, through Title 19, Texas Administrative Code, Section 109.61.

Jarrell ISD has an approximate enrollment of 1,300 in grades pre-kindergarten through 12. There is one regular education high school, one regular education middle school, one regular education intermediate school, and one regular education elementary school. The adopted 2014-2015 general fund expenditure budget was \$12,883,040 and the expenditure budget for general fund, food service fund and the debt service fund combined was \$16,445,729. Jarrell ISD also has several special revenue and agency funds. Jarrell ISD also expends funds from ESEA Title I Part A - Improving Basic Programs, IDEA-B, Title II, and Title III.

A. Purpose of the Audit and Agreed-Upon Procedures

The purpose of this Request for Proposal is to obtain the services of an independent public accounting firm for the annual financial audit.

The organization-wide audit will encompass the basic financial statements for government-wide and fund financial statements, required supplementary information, and other schedules for JISD for the fiscal year ending June 30, 2015. The audit is to be performed in accordance with generally accepted government auditing standards contained in the TEA FASRG.

The financial statement audit is to determine whether (1) the financial statements present fairly the financial position, results of operations, and cash flows or changes in financial positions in accordance with generally accepted accounting principles, and (2) whether JISD has complied with laws and regulations for those transactions and events that may have a material effect on the financial statements. The financial related audit will also include determining whether (1) financial reports and related items are fairly presented, (2) financial information is presented in accordance with established or stated criteria, and (3) Jarrell ISD has adhered to specific financial compliance requirements.

As part of the audit of the basic financial statements, the annual audit will also include obtaining an understanding of Jarrell ISD's internal control and reporting any reportable conditions relating to the internal control systems coming to the attention of the auditors. To comply with *Office of Management and Budget Circular A-133*, a study and evaluation of internal control will include internal accounting and administrative controls for major federal financial assistance programs, in accordance with standards for

risk assessment for major federal financial assistance. Any material weakness noted during the study and evaluation of internal accounting and administrative controls and other kinds of noncompliance and questioned costs will be reported in accordance with the Single Audit Act.

Additionally, the audit will include the performance of certain audit procedures for the purpose of reviewing the accuracy of fiscal information provided by Jarrell ISD through the Public Education Information Management System (PEIMS), as required by Section 44.008(b) of the Texas Education Code.

B. Independent Auditor

The proposer must demonstrate the capability to perform the annual financial audit and the agreed-upon procedures in accordance with generally accepted government auditing standards and State Board of Education auditing rules and requirements. Public accounting firms that have performed annual audits for similar entities are encouraged to respond with a proposal.

Pursuant to the State of Texas Legislative Senate Bill No. 1, Section 44.034, Notification of Criminal History, the undersigned affirms this firm is not owned or operated by anyone who has been convicted of a felony. This statement is not required of a publicly held corporation.

C. Term of the Audit Engagement

The contract for audit services based upon Board of Trustees approval of the proposal will be for the fiscal year ending June 30, 2015. Jarrell ISD may request to extend this agreement, on an annual basis following satisfactory delivery of the services specified in the proposal and engagement letter.

D. Dispute Resolution

Disputes concerning the terms of contracted services that cannot be resolved will be brought before an independent mediation center located within Williamson County, Texas, whose decision will be binding upon both parties.

II. **PROPOSAL CONTENT**

A. Cover Letter

See conditions for submission of proposal in Section III.

B. Technical Component

To describe clearly the public accounting firm's understanding of the work to be done, the proposer will:

1. Provide a definition of the term "Statements on Auditing Standards" agreed-upon procedures with clear distinctions between these standards and generally accepted auditing standards for auditing engagements;

2. Explain the proposer's approaches to performing an annual audit and/or agreed-upon procedures, including the methodology, nature timing and extent of audit and/or procedures to be performed;
3. Describe how the approach to performing the audit and/or agreed-upon procedures would be affected if this were a multiyear contract; and
4. Make a statement concerning the independence of the proposer, including direct and indirect financial interest and the relationship of the proposed audit team to employees of Jarrell ISD and any of Jarrell ISD's Board members.

C. Management Component

The proposer will furnish satisfactory evidence of capability to provide in a professional and timely manner the services stated in the Request for Proposal. To meet this requirement:

1. Provide the name of the external quality control review organization of which the proposer is a member and the proposer's length of membership. Also, state the review organization's planned frequency of peer reviews;
2. State whether the firm has received a peer review and whether in the most recent review an unqualified report was issued;
3. State whether the proposer is a national, regional or local public accounting firm;
4. Provide evidence that the proposer has experience in performing school district/government audits. List current and past audit clients along with the names and telephone numbers of contact persons and number of years audit services were provided. State the average daily attendance of the public schools on the list;
5. State whether the proposer is currently under the terms of a public or private reprimand by the Texas State Board of Public Accountancy and/or licensing boards of other states;
6. Describe the proposed audit team, in terms of job positions in the firm;
7. List names of staff member(s) who will direct the overall audit throughout the duration of the engagement as well as those staff members who will be responsible for planning, directing, and conducting substantial portions of the fieldwork or reporting on this audit engagement. Include the educational background of all staff members named and professional licenses held;
8. Describe continuing professional education in governmental accounting and auditing received by the proposed audit team during the last two years;
9. Provide the names and qualifications of any needed outside specialists and consultants that will assist the proposer's staff members;
10. Describe staff rotation plans, if any, for audit team members if awarded a multiyear contract;
11. Describe the level of assistance that will be expected from JISD personnel; and

12. Provide evidence of the ability to comply with the requirements in Sections II and VI of the Request for Proposal.

D. Task/Activity Plan

The proposer will specify detailed budgeted hours by staff level for each proposal to coincide with estimated fees, time lines and sequence for audit procedures, and names of staff to be assigned. A comparison of budgeted versus actual hours will be presented by the proposer to the District at the submission of the final bill for the audit. Provide a listing of the specific activities expected, the estimated length of time to complete the activities, and location of the activities. Also provide the methods and availability of communications between Jarrell ISD and proposer’s audit team members.

E. Estimated Fees

State the estimated fees for the annual audit for the fiscal year ending June 30, 2015. Also state estimated fees for the subsequent four years, under current existing conditions, if Jarrell ISD were to request an extension of the contract.

Fiscal Year	Annual Financial Audit Estimate
2014-2015	\$
2015-2016	\$
2016-2017	\$
2017-2018	\$
2018-2019	\$

Jarrell ISD will pay audit fees as agreed upon in the engagement letter. The District will not pay for travel fees over and above the estimates. All fees are to be included in the estimates above.

If future audit and/or agreed-upon procedures are required that may render the estimate to be higher, the public accounting firm will notify Jarrell ISD in writing immediately and a related change order must be issued to adjust the estimated fee.

F. Evaluation

Criteria used to evaluate the proposer's methodologies, products, and services are shown in Attachment A.

III. CONDITIONS FOR SUBMISSIONS OF PROPOSAL

All proposals in response to this request must meet the following conditions to be considered:

- A. Proposal must include a cover letter clearly stating the name of the firm and the name, address, and telephone number of the proposer's representative;
- B. Proposal must address each of the audit requirements as stated in this Request for Proposal;
- C. Jarrell ISD reserves the right to reject any and all proposals, and to negotiate portions thereof. Proposals that address only part of the requirements contained in this Request for Proposal will not be considered;
- D. Jarrell ISD reserves the right to select any proposal, considering the quoted estimated fee and other factors;
- E. The proposer shall furnish such additional information that Jarrell ISD may reasonably require;
- F. Jarrell ISD will not be liable for any cost incurred in the preparation of proposals; and
- G. Jarrell ISD may ask proposers to send a representative for an oral interview prior to Board of Trustee approval of a proposal. Jarrell ISD will not be liable for the costs incurred by the proposer in connection with such interview.

IV. PROCEDURES FOR SUBMITTING PROPOSALS

- A. Delivery

Responses to the request for proposal should be addressed to:

Jarrell Independent School District
Attn. James Garrett
P. O. Box 9
Jarrell, Texas 76537

Proposals must be received no later than 10:00 AM, Monday, April 27, 2015.

- B. Number of Copies of Proposal

Submit five (5) copies of the proposal(s). The proposals are to be bound and sealed.

V. ASSISTANCE TO PROPOSERS

Any person wishing to obtain additional information about the request for proposal or about the operations of the Jarrell ISD may contact the individual mentioned above in Section IV.

VI. STATEMENT OF REQUIREMENTS

- A. The independent auditor will be responsible for the completion and printing of a written audit report that meets the requirements of TEA’s FASRG. The proposer will provide the school district with an electronic file in a mutually agreeable format of the final report in addition to the copies mentioned above.
- B. JISD will require the independent audit firm to review a draft of the AFR for accuracy and compliance to the requirements of TEA. JISD requires all changes to be submitted on or before **November 2, 2015**.
- C. Satisfactory delivery and presentation, in person, of the annual financial audit services shall be accomplished no later than the **November 9, 2015** meeting of the Board of Trustees.
- D. The independent auditor is encouraged to provide a management letter containing comments oriented toward constructive improvements. Copies of selected audit working papers will be provided as requested by JISD and as provided for in the engagement letter.
- E. JISD will require the independent audit firm to submit all required data electronically to TEA and to the Office of Management and Budget, Federal Audit Clearinghouse according to applicable deadlines.

VII. BOARD OF TRUSTEE APPROVAL

A proposal will be selected on or before a **May 2015 Board Meeting**, (regular monthly meeting is the second Monday of the month or a special called meeting if necessary) barring decision by the Board of Trustees to reject all proposals submitted.

Attachment A

EVALUATION WORKSHEET

This worksheet is to be used to document the school district's evaluation of the proposers' qualifications. Points within the ranges specified are to be assigned to the below-listed criteria as a means for quantifying the relative strengths and weaknesses of the various proposals.

In the event that oral interviews are utilized in the evaluation process, additional points may be awarded. It should be understood that while the total score is a significant factor, the requester of the services reserves the right to consider other factors in making a final selection.

PROFESSIONAL QUALIFICATIONS

The evaluation of professional qualifications of the proposers will be based on the following criteria:

I. Mandatory Criteria

Proposals will not be considered for further evaluation unless there is compliance with all of the following criteria. The proposer:

- A. Must be an independent auditor properly licensed for public practice.
- B. Must meet the independence standards of Government Auditing Standards, 2007 Revision, United States General Accounting Office (GAO).
- C. Must not have a record of substandard work.
- D. Must submit a proposal meeting all of the requirements of the Request for Proposal.

II. Technical Criteria	POINTS
Proposals, which have met each of the criteria in Section I above, will be evaluated on the following criteria:	
A. Technical experience of the firm:	20
1. Auditing experience in Texas public schools (0-15)	
2. Auditing experience in government entities (0-5)	
B. Characteristics of the staff, including consultants to be assigned to the audit:	35
1. Size and structure of the firm, including audit staff positions (0-5)	
2. Qualifications of supervisory personnel, consultants, and the field audit team (0-15)	
• Education, including continuing education courses taken during the past two years	
• Years and types of experience	
3. General direction and supervision to be exercised over the audit team by the firm's management personnel (0-15)	
C. Clear understanding of the work to be performed:	<u>15</u>
1. Comprehensiveness of the audit work plan (0-5)	
2. Realistic time estimates of each major segment of the work plan, and the estimated number of hours for each staff level including consultants assigned (0-10)	
Total Technical Points	70
III. <u>Cost Criteria</u>	
Cost of the audit (0-15)	<u>15</u>
Total Technical and Cost Points	85
IV. <u>Oral Interviews (If Necessary)</u>	
Interview Points Awarded (0-15)	<u>15</u>
Total Points	<u>100</u>

Jarrell Independent School District
P. O. Box 9
Jarrell, Texas 76537

REQUEST FOR PROPOSAL
Annual Financial Audit

SIGNATURE PAGE: THIS PAGE MUST BE COMPLETED AND RETURNED WITH YOUR PROPOSAL

NON - APPROPRIATION OF FUNDS

In the event funds are not appropriated by the JISD's governing body in any fiscal period for payments due under **RFP#**____, then the Chief Financial Officer, or designee, will immediately notify the successful bidder(s), or their designee(s), of such occurrence and this contract will terminate on the last day of the fiscal period for which appropriations were received without penalty or expense to JISD of any kind whatsoever, except as to the portions of the contract or other payments herein agreed upon for which funds will have been appropriated and budgeted or are otherwise available.

The undersigned affirms that they are duly authorized to execute this contract, that this company, corporation, firm, partnership or individual has not prepared this bid in collusion with any other Bidder, and that the contents of this bid as to prices, terms or conditions of said bid have not been communicated by the undersigned nor by any employee or agent to any other person engaged in this type of business prior to the official opening of this bid.

Also, pursuant to the State of Texas Legislative Senate Bill No. 1, Section 44.034, Notification of Criminal History, the undersigned affirms this firm **is**____/**is not**___ owned or operated by anyone who has been convicted of a felony. This statement is not required of a publicly-held corporation.

NAME OF COMPANY_____

NAME OF REPRESENTATIVE (Type or Print)_____

AUTHORIZED SIGNATURE_____

TITLE_____

ADDRESS_____

CITY, STATE_____ **ZIP**_____

PHONE _____ **FAX** _____

DATE_____ **EMAIL** _____