

**Sierra County Office of Education**  
**Sierra-Plumas Joint Unified School District**  
**P.O. Box 955**  
**109 Beckwith Road**  
**Loyalton, CA 96118**  
**(530) 993-1660**

**REQUEST FOR PROPOSAL**

**CONTRACT FOR ANNUAL AUDIT**

**DUE DATE: March 1, 2019, 3 P.M.**

**SIERRA COUNTY OFFICE OF EDUCATION  
SIERRA-PLUMAS JOINT UNIFIED SCHOOL DISTRICT**

**REQUEST FOR PROPOSALS**

**1. INTRODUCTION**

This Request for Proposal contains specifications and related documents covering independent audit services for a three-year period beginning with the audit of fiscal year 2018-19.

This RFP and all subsequent modifications thereto are hereby designated as the sole reference and authority for the preparation of proposals. This release of the Request for Proposal supersedes all other documents related to the work to be done. The contents of this RFP and subsequent modifications thereto take precedence over any and all information related to audit services for the County/District obtained from any source, either by verbal or written communications.

This RFP shall not be construed, (1) to create an obligation on the part of the County/District to enter into a contract with any audit firm, or (2) to serve as the basis for a claim for reimbursement for expenditures related to the development of a proposal.

Notwithstanding other provisions of the RFP, Auditors are hereby advised that this request is an informal solicitation of proposals only. It is not intended, nor is it to be construed, as the engaging in formal competitive bidding pursuant to any statute, ordinance, policy or regulation.

Proposals must be presented to Sierra County Office of Education by **3:00 pm, March 1, 2019**, and shall be in a sealed envelope clearly marked **“Audit Proposal”** addressed to **Sierra County Office of Education, Nona Griesert, Business Manager, P.O. Box 955, 109 Beckwith Road, Loyalton, CA, 96118**.

Proposals shall be submitted in accordance with the Request for Proposal (RFP) documents enclosed. Prior year audits are available on the County/District Website, [www.sierracountyofficeofeducation.org](http://www.sierracountyofficeofeducation.org).

The County/District reserves the right to reject any and all proposals or to waive any irregularities therein.

**2. BACKGROUND**

2.1 Overview

Sierra County Office of Education and Sierra-Plumas Joint Unified School District (County/District) serves approximately 420 students in communities located in Sierra County and Plumas County. The County operates a preschool and currently serves three special day students and all of the District’s special education students. The District, a K-12 district, operates schools in Downieville, CA and Loyalton, CA. The County/District are two separate agencies governed by a common board and share staff. For financial reporting purposes, two separate audit reports are required.

The County/District utilizes fund accounting. Each fund is accounted for with a separate set of self-balancing accounts which comprise assets, liabilities, fund balance, revenues and expenses. The General and Fiduciary funds are accounted for using the modified accrual basis of accounting. Encumbrance accounting is utilized for purchase orders, contracts and other commitments for the expenditure of monies.

### 3. INFORMATION AND GENERAL CONDITION

#### 3.1 Preparation of Proposal Documents

All proposals must meet the qualifications and satisfy the requirements set forth in the proposal. Proposals must be presented to Sierra County Office of Education no later than **3:00 pm**, on **Friday, March 1, 2019**, and shall be in a sealed envelope clearly marked "**Audit Proposal**" addressed to **Sierra County Office of Education, Nona Griesert, Business Manager, P.O. Box 955, 109 Beckwith Road, Loyalton, CA, 96118**.

It is the sole responsibility of the person submitting the proposal to see that it is delivered on time. Proposals received after 3:00 pm on March 1, 2019, will be returned to the submitting firm unopened.

#### 3.2 Signature

The proposal must be signed in the name of the Auditor and must bear the signature of the person authorized to sign proposals on behalf of the Auditor.

#### 3.3 Completion of Proposals

Proposals shall be complete in all respects as required by the instructions herein. A proposal may be rejected if it is conditional or incomplete, or if it contains alterations of form or other irregularities of any kind. A proposal will be rejected if, in the opinion of the Business Manager, the information contained therein was intended to erroneously mislead the County/District in the evaluation of the proposal.

#### 3.4 Erasures

The proposal submitted must not contain erasures, interlineations, or other corrections unless each correction is authenticated by signing in the margin immediately opposite the correction the name of the person signing the proposal.

#### 3.5 Examination of Contract Documents

Auditors shall thoroughly examine the contents of the RFP. The failure or omission of any Auditor to receive or examine any contract documents, form, instrument, addendum, or other document shall in no way relieve the Auditor from obligations with respect to the RFP or to the contract to be awarded. The submission of a proposal shall be taken as prima facie evidence of compliance with this Section.

If the Auditor discovers any ambiguity, conflict, discrepancy, omission, or other errors in the RFP, they shall immediately notify the Business Manager of the error and request modification or clarification of the document. Clarifications shall be given by written notice to all Auditors participating in the RFP, without divulging the source of the request. Modifications shall be made by addendum issued pursuant to Section 3.6 below.

If an Auditor fails to notify the Business Manager of an error in the RFP before the date scheduled for submission of proposals, or of any error which reasonably should have been known to them, they shall submit the proposal at their own risk. If the contract is awarded to the Auditor, they shall not be entitled to additional compensation or time by reason of the error or its subsequent detection.

### 3.6 Addenda

The Business Manager may modify this RFP before the date scheduled for submission of proposals by issuance of an addendum to all parties who received the RFP for the purpose of submitting a proposal.

### 3.7 Modification of RFP Response

The Auditor may modify their proposal after its submission by written notice to the Business Manager of withdrawal and re-submission before the date and time specified for receipt of proposals. Modification will not be considered if offered in any other manner.

### 3.8 Withdrawal of Proposal

The Auditor may withdraw their proposal by submitting a written request to the Business Manager at any time before the date and time scheduled for proposal submission. The Auditor may thereafter submit a new proposal before the proposal submission date. Proposals may not be withdrawn after the proposal submission date and time.

### 3.9 Rejection of Proposals

The Business Manager reserves the right to reject any or all proposals received in response to this RFP.

### 3.10 Misunderstandings

The RFP documents will be clarified by the Business Manager upon written request from an Auditor. The Business Manager's decision shall be final in any matter of interpretation of the documents.

### 3.11 Cost of Preparation of Proposals

Costs for developing responses to this RFP are entirely the responsibility of the Contractor and shall not be chargeable to the County/District.

### 3.12 Evaluation of Proposals

Proposals will be evaluated in accordance with the procedures contained in Section 6. During the evaluation, validation and selection process, the Business Manager may request a meeting with an Auditor's representative to request answers to questions or may request that they answer specific questions in writing. The Business Manager may require that Auditor make presentations that are pertinent to the evaluation process. If a question and/or questions are asked by the Business Manager in a meeting and these questions and the answers thereto are pertinent to the proposal documents and the contract to be awarded, the questions and the answers will be sent to the Auditor in writing for verification before they are included in the proposal and/or contract documents.

### 3.13 Award of Contract

If the contract is awarded, it will be to the responsible Auditor whose proposal is deemed to be the best proposal and whose proposal meets the need of the County/District. It is anticipated that the contract will be awarded within the sixty (60) day period that proposals are required to remain open. If award cannot be made within that time, Auditors will be requested in writing to extend the time period during which the Auditor agrees to be bound by their proposal. Written notification will be made to unsuccessful Auditors.

### 3.14 Errors in Proposal

Auditors shall be bound by the terms and conditions of their proposals notwithstanding the fact that errors are contained therein. However, if immaterial errors are found in a proposal, the Business Manager may notify the Auditor that their proposal contains errors and require the Auditor to correct the errors.

### 3.15 Workers' Compensation

In accordance with the provisions of Section 3700 of the Labor Code of the State of California, each Auditor shall sign and file with the County/District a certificate before performing the work.

### 3.16 Contract Documents

Documents included in this RFP are complementary. Work called for by one shall be binding as if called for by all.

### 3.17 Related Experience

All Auditors must submit information that indicates specific qualifications to perform the financial and compliance audit services as specified herein. Each Auditor shall submit with their proposal, a list of clients for whom they have performed such services during the past two (2) years. The reference list shall include the names and addresses of each client, the names, titles and telephone number of each client's manager, and the dates the work was performed. During the evaluation and selection process, the Business Manager may contact each of the reference clients. Auditors are hereby advised that the Business Manager maintains the sole and exclusive right to determine whether or not the Auditor can perform the work to be done. This determination will specifically address the level, background and experience of individuals to be assigned to perform the audit services.

### 3.18 Definitions

The term County/District as used in these clauses shall be construed to include the Sierra County Office of Education and Sierra-Plumas Joint Unified School District, their Board of Education, and all employees, officers and agents of County/District.

### 3.19 Covenant Against Contingent Fees

Auditor warrants that no person or selling agency has been employed or retained to solicit or secure the contract to be executed as a result of this Request for Proposal, upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except bona fide established commercial or selling agencies maintained by the Auditor for the purpose of securing business.

For breach or violation of this warranty, the County/District shall have the right to terminate any contract that may be entered into with the Auditor and, in its sole discretion, to deduct from the contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

### 3.20 Non-Discrimination Clause

Auditor shall take action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, sex, ancestry, handicap, age or national origin. Such action shall include, but may not be limited to the following: employment, upgrading, demotion or transfer recruitment or recruitment advertising; layoff or termination; rate

of pay or other forms of compensation; and selection for training including apprenticeship.

Auditor shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by the State of California setting forth the provision of the Fair Employment Practices Act.

3.21 Compliance with Civil Rights

Auditor hereby assures that he will comply with Subchapter VI of the Civil Rights Act of 1964, USC Sections 2000 e through 2000 e (17) to the end that no person shall, on the grounds of race, creed, color, sex, or national origin be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under the Agreement or under any project, program or activity supported by the Agreement.

3.22 Compensation

The County/District shall pay Auditor an amount not to exceed the maximum cost proposed by Auditor for each audit year this Agreement is in effect. Payments shall be made upon receipt of itemized invoices delivered monthly, or less frequently at the option of the Auditor. Payments shall be made at the hourly rates specified in Sections 5.9 of this Request for Proposal for each of the three (3) years. The County/ District shall retain ten percent (10%) of each payment. Such reduction to be held by the County/District until all contract deliverables have been delivered by the Auditor, accepted by the County/District and approved by the State Controller's Office each year the Agreement is in effect.

3.23 Supplemental Compensation and Additional Services

If during the course of the examination, the Auditor finds any unusual item or circumstance that, in their view, warrants an immediate detailed investigation, the same will be reported in writing to the Business Manager. If in the opinion of the Business Manager a more detailed verification is required than that which would be required under ordinary circumstances, written authorization will be provided to the Auditor.

Additional services are not within the scope of services to be performed pursuant to this Agreement. If additional services are required and authorized, the Agreement will be amended to reflect the additional services and supplemental compensation shall be at the hourly rates applicable for the then current audit year.

County/District may also request the Auditor to perform work or render services in addition to those that are usual and customary in making an examination of books and accounts of the County/District. If such work is performed by the Auditor, the Agreement will be amended to reflect the scope of the work to be done. Compensation for such work shall be at the hourly rates applicable to the then current audit year.

3.24 Auditor's Obligation to Perform Work in Accordance with Standards

If the work performed by Auditor is not in accordance with the standards as specified herein, or if the reports submitted by Auditor are not complete, or if the reports are rejected by the California State Department of Education or the State Controller's Office as incomplete, then the Auditor shall be obligated to do whatever is required to correct the reports to meet the requirements as specified in the standards, or as specified by the Department of Education and/or the State Controller's Office, at no cost to the County/ District.

### 3.25 Insurance and Indemnification

Auditor shall take out and maintain, during the term of the Agreement, such general liability and property damage insurance as is required to protect the Auditor and County/ District from any and all actions, suits or other proceedings which may arise as a result of the work performed by the Auditor pursuant to the Agreement with the County/District. The policy so secured and maintained shall be for not less than \$1,000,000.

Professional liability insurance protecting from claims arising out of the performance of professional services caused by a negligent act, error, or omission of the Auditor, or act for which the Auditor is legally liable, shall be provided in an amount of not less than \$1,000,000. The professional liability insurance shall remain in full force and effect for a period of two years after the termination of this contract.

The Auditor shall furnish to the County/District certificates of such insurance annually on the anniversary of the contract, signed by an authorized representative of the insurance carrier, which shall name the County/District as additional insured and shall be endorsed as follows: "The insurance afforded by this policy shall not be suspended, cancelled, reduced in coverage or limits or non-renewed except after thirty days written notice by certified mail, proof of delivery requested, has been given to the County/District.

Auditor shall hold harmless and indemnify the County/District and all officers, agents and employees of the County/District, from and against any such actions, suits or other proceedings.

### 3.26 Independent Contractor

While performing services pursuant to this Agreement, Auditor is an Independent Contractor and not an officer, agent or employee of the County/District.

### 3.27 Assignment of Contract

The Auditor shall not assign or transfer, by operation of law or otherwise, any or all of their rights, burdens, duties or obligations without the prior written consent of the County/District.

## **STATEMENT OF WORK**

### 4.1 Scope of the Audit Services

Auditors shall submit a proposal to provide the County/District with audit services for a period of three (3) years. Said audit services shall be separate audits for County/District and include all school funds, including, but not limited to General Fund, Special Revenue Funds, Building Funds, Trust Fund, Student Body and Cafeteria Fund, and any other funds under the control or jurisdiction of the County/District. Each audit shall also include an audit of attendance procedures.

### 4.2 Technical Standards

Examination of financial records and statements and audits for compliance shall be made in accordance with the provision of Section 41020 of the Education Code of the State of California as detailed in the publication Standards and Procedures for Audits of California K-12 Local Educational Agencies, and such other publications on school district audit procedures as have been or shall be issued during the period of this contract. The scope of the audit shall not be limited to that provided in the aforementioned publications in the event that in the opinion of the auditor particular circumstances warrant extension thereof.

All audit services shall be performed in accordance with generally accepted auditing standards as specified in the Statements on Auditing Standards, published by the American Institute of Certified Public Accountants, or other appropriate standards that may supersede those previously listed.

In addition, the audit must be in accordance with the requirements established by Single Audit Act of 1984. (P1. 98-502). It is expected that each firm will become familiar with the General Conditions in order to preserve uniformity and to facilitate the awarding of this contract. State and Federal Programs shall be audited for compliance as required by audit thresholds.

#### 4.3 Work To Be Done

4.3.1 Conduct a comprehensive financial audit of all county and school district funds, including, but not limited to General Fund, Special Revenue Funds, Building Funds, Trust Fund, Student Body and Cafeteria Fund, and any other funds under the control or jurisdiction of the County/District. Each audit shall also include an audit of attendance procedures.

4.3.2 Prepare and submit a preliminary audit report prior to conducting exit conferences for each of the audits.

4.3.3 Conduct an exit conference with the business manager.

4.3.4 Prepare written reports relative to any lack of documentation at the conclusion of field audits and prior to exit conferences.

#### 4.4 Staffing

The Auditor shall assign professional staff as appropriate to the conduct of the audits. A manager shall be assigned to coordinate the activities of all Auditor staff and shall be the liaison between the Auditor and the County/District. Supervising auditors shall be Certified Public Accountants, currently licensed in the State of California and shall have at least two (2) years prior experience in auditing school district financial records. The Auditor is responsible for assignment of Auditor personnel.

#### 4.5 Audit Reports

Each report must include an opinion relative to the financial and/or compliance portions of the audit. Twelve (12) copies of the County's audit report shall be addressed to the attention of **Sierra County Board of Education** and twelve (12) copies of the District's audit report shall be addressed to the attention of **Sierra-Plumas Joint Unified School District Board of Education**. The reports shall be delivered to **Nona Griesert, Business Manager**, by no later than December 10 of each year. A copy of the audit shall be filed by the Auditor with each of the following agencies:

One copy      State Controller's Office, Division of Audits

One copy      California Department of Education, School Fiscal Services Division

Two copies    Federal Audit Clearinghouse, Bureau of the Census

#### 4.6 Statements and Reports

All financial statements incorporated into each audit report shall be made pursuant to applicable guidelines as specified in subsection 4.2 of this Statement of Work.

Reports on the audit of financial statements must state the scope of the audit and that the audit was

performed in accordance with generally accepted auditing standards and must include an opinion as to whether the statements conform to generally accepted accounting principles.

Reports of compliance must include a statement that the audit was conducted in accordance with applicable auditing standards. The audit report must state whether the audit disclosed instances of significant noncompliance with laws and regulations. Findings of noncompliance or ineligible expenditures must be presented in enough detail for management of the school district to be able to understand the findings and implement corrective action.

#### 4.7 Statement of Findings

The audit shall include a statement of findings and recommendations affecting the financial statements, internal control, accounting, accounting systems, legality of actions, other instances of noncompliance with laws and regulations, and any other material information.

Prior to the submission of the final draft of the audit report, the Auditor shall meet with the business manager of the County/District to discuss and clarify potential findings.

#### 4.8 Working Papers

Working papers shall be retained by the Auditor for a period of three (3) years, unless otherwise specified by the County/District. Such working papers shall be available for review and audit by the County/District, representatives of the Federal and/or State governments and other individuals designated by the County/District.

#### 4.9 Resources to be Provided by the County/District

4.9.1 Prior Year's Records - Copies of prior year's financial statements, budgets and copies of the prior year's audit reports are available and shall be provided to the Auditor. The prior year audits were performed by SingletonAuman PC, Susanville, California. Copies of these reports are available in the office of the Business Manager, (530) 993-1660 and on County/District website, [www.sierracountyofficeofeducation.org](http://www.sierracountyofficeofeducation.org).

4.9.2 Staff Assistance - The County/District shall assign appropriate staff to assist the Auditor by providing required information and explanations. Staff of the Business Service department will be assigned as needed to assist the Auditor in field work and to provide information which is pertinent to the work of the Auditor.

4.9.3 Working Space - The County/District shall provide Auditor with working space. Requests for space shall be directed to the attention of the Business Manager four (4) weeks prior to the time the space will be required.

### **5. PROPOSAL RESPONSE REQUIREMENTS**

#### 5.1 General

All proposals shall be submitted in the format as specified. Provide a complete response to each request for information. Responses to this Section of the Request for Proposal will be used by the Business Manager to determine the successful Auditor.

## 5.2 Title Page

Indicate the Request for Proposal Title being provided, the name of the firm, local address, the name of the firm's contact person for the purpose of this RFP, the telephone number of the contact person and the date.

## 5.3 Table of Contents

Include a clear identification of the material included in the firm's response by section and by page number.

## 5.4 Letter of Transmittal

Summarize understanding of the work to be done. Indicate the names of the persons who will be authorized to make representations on the part of the firm, their titles, addresses and telephone numbers. The person and/or persons authorized to execute the contract on the part of the firm shall sign the transmittal letter.

## 5.5 Profile of Auditor

5.5.1 State whether the firm is local, regional, national or international.

5.5.2 State the location of the office from which the work will be done if the firm is awarded the contract, the number of partners, managers, senior auditors, supervisors and other professional staff employed at this office.

5.5.3 Discuss this office's experience in auditing computerized systems, particularly those of county office of education (COE) and school districts, including the number and classifications of personnel skilled in computer related audit services.

## 5.6 Auditor's Staffing and Qualifications

5.6.1 Indicate the name of the person who will manage the audit services as specified in this Request for Proposal. Provide a brief resume of the manager's background, training and experience. Specifically discuss the manager's experience in managing COE and school district audits of the size and scope as specified herein.

5.6.2 Indicate the names of supervising auditors who will be assigned to the audit of the County/District. Provide a brief resume of the supervisors' background, training and experience in supervising audits of the size and scope of the audits as specified herein.

5.6.3 Indicate the levels and titles of other auditors who will be assigned to perform services under the contract. Include a job description that describes the types of experience, background and training required for each of the classifications proposed.

## 5.7 References

Provide a list of clients for whom your firm has provided related auditing services in the past two (2) years. Indicate the scope of the audits performed for each of the reference clients. Include the name of the client, address, telephone and the name of each client's manager. Also include the names of individuals serving for the Auditor and their roles.

5.8 Auditor's Approach to the Audits

Prepare a work plan to accomplish the auditing services as specified in this Request for Proposal. The work plan shall include time estimates for each significant segment of the work; the number of staff to be assigned, including supervisors where appropriate; the level of each of the staff members to be assigned; and any specialists who will be assigned.

5.9 Costs of the Services - All County/District Funds

State the maximum annual cost for the audit of all funds of the school district as detailed in Attachment A for the first year services to be provided and each of the two (2) years thereafter. Costs as specified in this Section shall be based upon the scope of the work as specified herein. It is understood that if the scope of the work is increased and/or decreased the maximum costs as proposed will be adjusted upwards and/or downwards as appropriate. The supporting data for the maximum costs of the audit services shall include the hours each of the staff will be assigned, and the hourly rate applicable to each level of staff assigned.

5.10 Additional Information

The preceding sections shall contain only the information requested. If Auditor desires to present additional information, such additional information shall be presented in this Section of the RFP. If there is no additional information to present, indicate "There is no additional information to present."

5.11 Assurances

Auditor certifies that Auditor is a certified public accountant licensed by the State Board of Accountancy.

Auditor certifies that Auditor meets the independence standards of the most recent edition of the GAO Government Auditing Standards.

Auditor understands that the primary purpose of the audit as specified herein is to express an opinion on the financial statements that such an audit is subject to the inherent risk that errors or fraud may not be detected. If conditions are discovered which lead to the belief that material errors or fraud may exist, or if any other circumstances are encountered that require extended services, the Auditor will promptly advise the County/District. No extended services will be performed unless they are authorized by the County/District and the agreement covering the work to be done has been amended to reflect such extended services.

Auditor shall certify that in accordance with auditing standards and other applicable guidelines and regulations, the Auditor will select the necessary procedures to test compliance and to disclose noncompliance with specified laws, regulations and contracts.

ATTACHMENT A

<u>CLASSIFICATION</u>	<u>HOUR</u>	<u>RATE</u>
Firm Partner	_____	_____
Managing Accountant	_____	_____
Supervising Accountant	_____	_____
Junior Accountant	_____	_____
Administrative	_____	_____

The undersigned agrees to perform the audit specified at a total cost not to exceed (except in cases where the Audit Committee request work to be performed beyond the scope of this agreement in which case additional compensation will be mutually agreed upon in writing):

**Sierra County Office of Education**

- A. \$ \_\_\_\_\_ for the fiscal year beginning July 1, 2018, and ending June 30, 2019
- B. \$ \_\_\_\_\_ for the fiscal year beginning July 1, 2019, and ending June 30, 2020
- C. \$ \_\_\_\_\_ for the fiscal year beginning July 1, 2020, and ending June 30, 2021

**Sierra-Plumas Joint Unified School District**

- A. \$ \_\_\_\_\_ for the fiscal year beginning July 1, 2018, and ending June 30, 2019
- B. \$ \_\_\_\_\_ for the fiscal year beginning July 1, 2019, and ending June 30, 2020
- C. \$ \_\_\_\_\_ for the fiscal year beginning July 1, 2020, and ending June 30, 2021

Name of Accounting Firm: \_\_\_\_\_

Signature: \_\_\_\_\_

Date \_\_\_\_\_ Title \_\_\_\_\_