

The La Pryor Independent School District has issued a Request for Qualifications (RFQ) for Professional Auditing Services and would like to invite you to review the material on **RFQ 18-1001 PROFESSIONAL AUDITING SERVICES** to see if you would like to respond. A copy of the proposal may be downloaded from our website at www.lapryor.net.

Questions regarding the specifications package should be directed to Mr. Matthew A. McHazlett, Superintendent of Schools at (830) 365-4000 or by e-mail, matthew.mchazlett@lapryor.net

Please note that only sealed proposals will be accepted, no faxed or emailed responses will be accepted. The deadline for this RFQ is Monday, October 29, 2018 with a cut off time of 3:00 p.m. CST.

Thank you,
Rebecca Garcia
Business Manager
La Pryor ISD
Direct Line: (830) 365-4000 ext. 104
e-mail: becky.garcia@lapryor.net



The Board of Trustees of the La Pryor ISD is requesting qualifications for:

PROFESSIONAL AUDITING SERVICES

RFQ: 18-1001

RELEASE DATE: MONDAY, OCTOBER 15, 2018

DUE DATE: MONDAY, OCTOBER 29, 2018

CUT OFF TIME: 3:00 P.M., CST

Proposals will be accepted until 3:00 p.m., CST on Monday, October 29, 2018, and should be addressed as:

PROFESSIONAL AUDITING SERVICES: RFQ 18-1001

Attn: Matthew A McHazlett, Superintendent

La Pryor ISD

311 E. Hwy 57

La Pryor, Texas 78872

Properly sealed and marked proposals shall be received no later than the date and time stated above at the Superintendent's Office located at 311 E. Hwy 57, La Pryor, Texas 78872. Proposals received after opening time will not be considered and will be returned unopened. The Board of Trustees reserves the right to reject any/or all RFQs.

Questions regarding this specifications package should be directed to Matthew A. McHazlett, Superintendent, 311 E. Hwy 57, La Pryor, Texas 78872, Phone: (830) 365-4000, Fax: (830) 365-4006, email: matthew.mchazlett@lapryor.net.

A COPY OF THE PROPOSAL MAY BE DOWNLOADED FROM OUR WEBSITE AT www.lapryor.net.

**REQUEST FOR QUALIFICATIONS
FOR
PROFESSIONAL AUDITING SERVICES
18-1001**

**LA PRYOR
INDEPENDENT SCHOOL DISTRICT**

**311 E. HWY 57
LA PRYOR, TEXAS 78872**

**Proposals Due by 3:00 p.m.
Monday, Oct. 29, 2018**

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REQUEST FOR QUALIFICATIONS
PROFESSIONAL AUDITING SERVICES
LA PRYOR ISD

The La Pryor ISD is requesting proposal qualifications from public accounting firms for Professional Auditing Services.

I. INTRODUCTION

A. GENERAL INFORMATION

Auditing requirements for Texas public school districts are contained in the Texas Education Agency Financial Accountability System Resource Guide 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.

La Pryor Independent School District has a membership of about 500 students in grades pre-kindergarten through 12, on two campuses. The 2017-2018 total budget was \$ 8,256,852. The school district's major fund types and correlated revenue and expenditure estimates are found in Appendix B

The La Pryor Independent School District uses the TxEIS for its business operations. This software system is supported by the Region 20 Education Service Center in San Antonio. There are currently 5 bank accounts for the District. They are the General Operating Fund, Payroll, Interest and Sinking, Tax Office and Lone Star Account.

There is no expressed or implied obligation for the La Pryor ISD to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

Copies of a proposal must be received by Matthew A. McHazlett; Superintendent of Schools at La Pryor ISD by 3:00 p.m., Monday, October 29, 2018 office located at 311 E. Hwy 57, La Pryor, Texas 78872. La Pryor ISD reserves the right to reject any or all qualification proposals submitted. Qualification proposals submitted will be evaluated by a committee.

During the evaluation process, La Pryor ISD reserves the right to request additional information or clarification from proposers or to allow corrections of errors or omissions. At the discretion of LPISD, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

La Pryor ISD reserves the right to retain all qualification proposals submitted and to use any ideas in a proposal regardless of whether the proposal is selected.

Submission of a qualification proposal indicates acceptance by the firm of the conditions contained in this Request for Qualifications unless clearly and specifically noted otherwise in the proposal submitted and confirmed in the contract between La Pryor ISD and the firm selected.

During a Special Board Meeting the LPISD Board of Trustees will open, review and select a firm.

B. Terms of Engagement

The contract for audit services is based upon the Board of Trustees approval of the qualifications of auditing firm. This will be for the fiscal year ending August 31, 2018. The La Pryor ISD may request to extend this agreement up to three years through fiscal year August 31, 2021, following satisfactory delivery of the services specified in the proposal and engagement letter.

C. Independent Auditor

The proposer must demonstrate the capability to perform the annual audit in accordance with generally accepted government auditing standards and state board of education auditing rules. Public accounting firms that have performed annual audits for similar entities are encouraged to file a proposal.

D. Dispute Resolution

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

II. NATURE OF SERVICES REQUIRED

A. General

La Pryor ISD is soliciting the services of qualified firms of public accountants to audit La Pryor ISD.

These audits are to be performed in accordance with the provision contained in this request for proposals.

B. Scope of Work to be Performed

The purpose of the Request for Qualifications is to obtain the services of a public accounting firm for Professional Auditing Services. The annual audit is for fiscal year 2018. The organization-wide audit will encompass the general purpose financial statements, combining statements and other schedules for the La Pryor ISD for the fiscal year ending August 31, 2018. The audit is to be performed in accordance with generally accepted government auditing standards contained in the Texas Education Agency Financial Accountability System Resource Guide.

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 the La Pryor ISD 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) the school district has adhered to specific financial compliance requirements.

As a part of the audit of the general purpose financial statements, the annual audit will also include obtaining an understanding of the school district's internal control and reporting any reportable conditions relating to the internal control systems coming to the attention of the auditors. The audit will

be conducted in accordance with auditing standards generally accepted in the United States of America, (GAAP), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller of the United States and in conformity with the provisions of the Single Audit Act and 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 non-compliance 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 the district through the Public Education Information Management System (PEIMS), as required by Section 44.008(b) of the Texas Education Code.

C. Reports to be issued: Following the completion of the audit, the auditor shall issue:

- i. Schedule of expenditures of federal awards
- ii. Combining Non-Major Governmental Funds statements
- iii. Combining Non-Major Special Revenue Funds statements
- iv. Schedule of Delinquent Taxes Receivable
- v. Schedule of Expenditures for Computation of Indirect Cost
- vi. Budgetary Comparison Schedule – Child Nutrition Program
- vii. Budgetary Comparison Schedule – Debt Service Fund

Other Reports:

Prepare and submit electronically to TEA, a GASB data feed in the electronic format specified by TEA, by the date stipulated by TEA

Prepare and submit electronically to TEA, an electronic version (PDF format) of the report issued in connection with the audit by the date stipulated by TEA.

D. Working Paper Retention and Access to Working Papers

All working papers and report must be retained, at the auditor's expense, for a minimum of three (3) years unless the firm is notified in writing by La Pryor ISD of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:

La Pryor Independent School District (LPISD)

III. REQUEST FOR QUALIFICATIONS PROPOSAL CONTENT

A. Cover Letter

See conditions for submission of proposal in Section V.

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 "generally accepted government auditing standards" with clear distinctions between these standards and generally accepted auditing standards for non-governmental engagements;
2. Explain the proposer's approaches to performing an annual audit, including the methodology, nature, timing and extent of audit procedures to be performed;
3. Describe how the approach to performing the audit would be affected if this were a multi-year 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 the district and any of the board members.
5. Indicate the nature and level of telephone consultation available to the school district. The school district needs periodic technical consultation and expects that consideration be given for such support when calculating proposed audit costs.

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 for audit team members if this is to be multi-year contract;
11. Describe the level of assistance that will be expected from La Pryor ISD 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 budgeted hours, time lines and sequence for audit procedures, and names of staff to be assigned.

E. Estimated Fees

Below state the estimated fees for the annual audit for the fiscal year ending August 31, 2018. Also state estimated fees for the subsequent three years, under current existing conditions, if the La Pryor ISD were to request an extension of the contract.

1. 2018 Fiscal Year \$
2. 2019 Fiscal Year \$
3. 2020 Fiscal Year \$
4. 2021 Fiscal Year \$

The La Pryor ISD will pay audit fees as agreed upon in the engagement letter. The School Board expects very close similarity between the fees ultimately stated in the engagement letter and those expressed in this proposal.

F. References

Provide a list of your five public sector clients, including contact persons and telephone numbers.

G. Evaluation

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

IV. PROCEDURES FOR SUBMITTING PROPOSALS

A. Delivery

Mail Delivery

Responses to the request for qualifications should be addressed to:

Mr. Matthew A. McHazlett, Superintendent of Schools
La Pryor Independent School District
311 E. Hwy 57
La Pryor, Texas 78872
(830) 365-4000

Proposals must be received no later than 3:00 p.m., Monday, Oct. 29, 2018.

B. Number of Copies of Proposal

Submit ten (10) copies of the proposal. The proposals are to be bound and sealed.

V. 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 Qualifications;

C. The La Pryor 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 may not be considered;

D. The La Pryor 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 the district may reasonably require;

F. The La Pryor ISD will not be liable for any cost incurred in the preparation of proposals; and

G. The La Pryor ISD may ask proposers to send a representative for an oral interview prior to Board of Trustee approval of a proposal. The La Pryor ISD will not be liable for the costs incurred by the proposer in connection with such interview.

VI. ASSISTANCE TO PROPOSERS

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

VII. STATEMENT OF REQUIREMENTS

A. The independent auditor will provide twelve (12) copies of the written audit report that meets the requirements of Texas Education Agency Financial Accountability System Resource Guide. The proposer will specify the amount included in the total estimated audit fee for printing 12 copies of the audit report and allow the school district to make other arrangements for printing copies of the audit report. In the event the school district makes other arrangements for printing copies of the audit report, the proposer will provide the school district one (1) electronic copy of the final report in lieu of 12 copies mentioned above.

B. Satisfactory delivery of the services specified by the request for proposal and the engagement letter shall be accomplished no later than two weeks prior to the presentation of the audit to the Board of Trustees as specified below.

C. The independent auditor will be required to present the audit report to the Board of Trustees at the December, 2018 board meeting.

D. The independent auditor is strongly encouraged to provide a management letter containing comments oriented toward constructive improvements. Copies of selected audit working papers will be provided as requested by the La Pryor ISD and as provided for in the engagement letter.

VIII. BOARD OF TRUSTEE APPROVAL

The Board of Trustees reserves the right to reject any and/or all proposals.

Faxed and emailed copies **will not** be accepted.

Attachment A
EVALUATION WORKSHEET

This worksheet is to be used to document the school district's evaluation of the proposers' qualifications. It should be understood that while the stated criteria will be significant factors of determination, 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, 1994 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

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;
 - 1. Auditing experience in small Texas public schools
- B. Characteristics of the staff, including consultants to be assigned to the audit and trainees participating in the audit;
 - 1. Size and structure of the firm, including audit staff positions
 - 2. Qualifications of supervisory personnel, consultants, and the field audit team
 - a. Education, including continuing education courses taken during the past two year's
 - b. Years and types of experience
 - 3. General direction and supervision to be exercised over the audit team by the firm's management personnel (Will a principal partner be part of the audit team?)

- C. Clear understanding of the work to be performed:
 - 1. Comprehensiveness of the audit work plan
 - 2. Length of time audit team will spend on-site
- 3. Realistic time estimates of each major segment of the work plan, and the estimated number of hours for each staff level including consultants assigned

III. Cost Statement

Cost of the audit

IV. Oral Interviews (If Necessary)

Familiarity with the TxEIS software system

DECLARATION OF COMPLIANCE

The undersigned affirms that they are duly authorized to execute this contract, that this company, corporation, firm, partnership or individual has not prepared this proposal in collusion with any other proposer, and that the contents of this proposal as to prices, terms or conditions of said proposal 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 proposal.

Pursuant to the State of Texas Legislative Senate Bill No. 1, Section 44.043, 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 by a publicly-held corporation.

Also, pursuant to the Texas Education Agency Financial Accountability System Resource Guide, Item I. Procurement and Suspension and Debarment Compliance requirements under Federal statutes, the undersigned affirms this firm **is** _____/**is not** _____ suspended or debarred from participation in federal contracts when expenditures to the vendor are in excess of \$25,000 in the aggregate over a twelve month period.

COMPANY _____

SIGNATURE OF PERSON RESPONSIBLE FOR PROPOSAL _____

NAME (TYPE OR PRINT) _____ TITLE _____

PHONE _____ FAX _____ E-MAIL _____

DATE _____ FEDERAL ID# OR SOCIAL SECURITY _____