

JOHNSTON COMMUNITY SCHOOL DISTRICT  
5608 Merle Hay Road, PO#10  
Johnston, IA 50131

**REQUEST FOR AUDIT SERVICES PROPOSAL**

You are hereby notified that the Johnston Community School District will consider proposals for audit services relating to the annual audit for the three fiscal years ending June 30, 2017, 2018 and 2019 with the option of renewals for each of two subsequent years ending June 30, 2020 and 2021. Attached is information relating to minimum specifications of services, proposal content, evaluation criteria and bid sheet for auditing services.

Sealed proposals (2 copies) will be accepted until 4:00 P.M. on June 6, 2017 at the District Office in Johnston located at 5608 Merle Hay Rd, Johnston, Iowa. If mailed, the proposals should be mailed to:

Jan Miller-Hook  
Chief Financial Officer  
Johnston Community School District  
5608 Merle Hay Rd, PO#10  
Johnston, Iowa 50131

Each proposal must be submitted on forms provided with specification packet.

Only proposals received at the location above or mailed to the location above in the time frame given will be considered.

Please mark your reply envelopes: "Request for Audit Services Proposal" and place the name of the firm submitting the proposal on the outside of the envelope as well.

The school district reserves the right to reject any and all proposals and to accept the proposal deemed to be in the best interest of the school district in its sole and absolute discretion.

The contract for services may be awarded at the Board meeting scheduled for June 12, 2017.

Further information may be obtained from Jan Miller-Hook 515-278-0470 ext.1610. An electronic copy of the June 30, 2016 Comprehensive Annual Financial Report is located on Johnston's website at <http://www.johnstoncsd.org/wp-content/uploads/2016/11/Johnston-CSD-2016-Audit-Report.pdf>.

## I. SCOPE OF SERVICES

The District is soliciting the services of qualified certified public accounting firms to provide audit services for the fiscal year ending June 30, 2017 and the four subsequent years. The selected firm will express an opinion on the fair presentation of District's financial statements based on their audit. They will conduct the audit in accordance with auditing standards generally accepted in the United States of America and in accordance with the requirements of the Code of Iowa relating to local government entities, and shall include the District's fiscal year 2016 comparative data in the fiscal year 2017 audited report.

The audit should be conducted in accordance with generally accepted auditing standards; Chapter 11 of the Code of Iowa; financial audit standards contained in Government Auditing Standards, issued by the Comptroller General of the United States; and if applicable, the requirements of the Single Audit Act of 1996 and Office of Management and Budget (OMB) Circular A133, Audits of State and Local Governments and Non-Profit Organizations.

The audit reports should conform to reporting formats specified by the State of Iowa Auditor's office; AICPA Audit Guidelines; Governmental Accounting Standards Board reporting requirements; and the requirements of the Single Audit Act of 1996 and Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments and Non-Profit Organizations.

The audit report should include a management letter, if appropriate, which includes recommendations affecting the financial statements, internal control, accounting systems and legality of actions.

The auditors' services currently anticipated include:

1. Attend pre-audit meeting(s) as required to discuss audit schedule, introduce audit team, discuss work paper requirements and performance of as much pre-audit work as possible. A list of schedules to be prepared and other items required for the audit will be given to the District by June 1<sup>st</sup> each year. Auditing of fiscal year 2017 District records will begin no sooner than August 31 and no later than September 30.
2. Annual audit of the individual financial statements as of June 30, of each year. Auditing firm will compile, type, and duplicate records.
3. Provide a draft copy of audit report to the District. Audit recommendations will be discussed with the Chief Financial Officer/Board Treasurer before the audit report is duplicated.
4. Presentation of the audit report and a verbal explanation of the report to the Audit Committee and the Board of Directors in November. The presentation is based on the draft and made to the Board in November with the final audit acceptance by the Board in December.
5. The auditing firm will provide additional auditing assistance and recommendation for management of the District as requested.
6. The auditing firm may provide an on-site review of the Activity and Nutrition Funds, money management procedures at two (2) different building sites by the District. The auditors will provide written response to the adequacy of said procedures in the management letter to the Superintendent of Schools.

The auditors' reporting responsibilities will include the following deliverables:

1. The “Independent Auditors’ Report” which expresses an opinion on the financial statements, including assessing the accounting principles used and significant estimates made by management.
2. A report on the design and operation of the internal control structure, which includes (a) the scope of work in obtaining an understanding of the internal control and in assessing the control risk and (b) any reportable conditions which could adversely affect the processing and recording of financial data consistent with the assertions of management.
3. A report on any material misstatements presented in the financial statements.
4. A report on compliance with federal and/or state laws and regulations.
5. Twenty copies of the final Audit report will be submitted to the District prior to the board meeting in December. Three copies, including the management letter, a detailed per diem audit bill and a copy of the news releases shall be filed with the Auditor of State. A final pdf document of the audit needs to be sent to the District as well.
6. Notification to the District whenever service requests by the District are deemed to be out of scope for the auditing engagement. Said notification shall include cost for performing the additional services and request for approval prior to proceeding.
8. The District requires a CAFR (Comprehensive Annual Financial Report), and has received both the ASBO and GFOA awards for years. The auditing firm will write responses to ASBO/GFOA questions and will implement changes to the report as required by ASBO/GFOA
9. The District’s business office will be available during regular office hours to locate material and explain procedures. The District will provide space for auditors’ use.

## **II. SCHEDULE FOR THE AUDIT**

It is anticipated that a pre-audit meeting may place in May or June each year to introduce the team, develop a work plan and make determinations relative to what tasks can be performed prior to the final field work to optimize District staff and auditor resources in completing the audit if the District desires.

The District will have the audit work papers completed no later than August 29 of each year in order for the auditors’ field work to begin. The audit report will be presented to the Finance Committee at the November meeting based on the draft with final audits given to the Board in December prior to the December board meeting.

## **III. TERM OF ENGAGEMENT AND PAYMENT**

A potential five (5) year engagement is contemplated. The Board of Education understands the need for a commitment from both parties to more than a single year’s arrangement. It is the intention of the Board of Education to enter into an agreement which covers the next three (3) fiscal year audits plus the option of renewals for each of two subsequent years. Therefore, the Board of Education requests proposals for five (5) years. It must be understood that this agreement can be terminated; however, after thirty (30) days written notice from either party for future years.

Payment for services, in each year, will be made 50% following field work and 50% after receipt of the finished report.

## **IV. PROPOSAL CONTENT**

In order to evaluate your firm’s qualifications to perform this service, proposals shall include the following information in the response to this RFP:

1. Resources and expertise for serving the District including:
  - a. The resources and organization of the office that would serve the District
  - b. That office's experience in dealing with government industry
  - c. Size of your practice in the office that would serve the District
  - d. Size of school district practice
  - e. Reference list, including contact names, addresses, phone numbers and years of engagement. (List major government clients, including all school districts, served.)
2. Identify the individuals (partner, manager and senior) who would serve the District for audit services. Provide a summary of each individual's background, school district experience, years of experience, role in the proposed engagement, office location, the number of continuing education hours related to school district accounting and reporting matters received during the past twelve months, attendance at the State Auditor's Seminar for school district audits during the past twelve months, etc. The on-site in charge accountant must be a CPA.
3. Describe the availability of individuals within the firm who are primarily involved in school district auditing and reporting and with whom the audit team may consult.
4. Describe your understanding of the scope of services to be provided, including a proposed timeline for completion of the work.
5. Describe the approach that would be followed in conducting the audit. The number of hours required to complete the audit by partner, manager, senior, etc. should be provided.
6. Describe efficiencies implemented in the audit process.
7. Describe other services your firm has provided beyond basic audit services (e.g. consulting services and client continuing education as they relate to the government industries).
8. Describe the firm's system of quality control to ensure the audit is adequately performed.
9. Describe how your firm will keep the District informed of industry and operational issues affecting the District.
10. Give examples of formal client communication mechanisms available, including the types and format of work documents that you would expect the District to have available for performance of this work.
11. Describe your policy on notification of changes in key personnel.
12. Provide a listing of clients whom your firm has assisted in obtaining the Certificate of Achievement for Excellence in Financial Reporting from the Government Financial Officers Association, including the number of years such certificate has been received. Provide a listing of clients whom your firm has assisted in publishing the comprehensive annual financial report of the ASBO Certificate of Excellence Program, including the number of years of participation in such program.
13. Detailed cost proposal for performing the audit in accordance with requirements of the RFP, indicating a total firm price by year that includes all expenses.
14. Please submit a list of workpapers that you will require the client to prepare before the audit is performed.

## V. EVALUATION

It is imperative that your proposal be responsive to the data requested as the proposal will be evaluated by the District based upon the following areas:

A. Cost

1. Overall cost, including out-of-pocket expenses for the performance of the audit as detailed on the bid sheets.

B. Qualifications

1. Organization structure and size of the office performing the work
2. Auditor's experience in providing services of this scope
3. Qualifications of the audit team and number of the individuals experienced in governmental auditing
4. Understanding of work and the timetable to complete engagement
5. Reference checks

## **VI. MISCELLANEOUS**

1. District will not reimburse responding firms for any expenses incurred in preparing proposals in response to this request or accommodating District requests for meeting to further discuss the proposals.
2. Only proposals received at the location described on the front page and in the time frame given will be considered. The provided Bid sheet must be submitted.
3. The engagement may be terminated by the District by giving the other party written notice of the termination not less than thirty (30) days prior to the effective date of termination. The District reserves the right to reject any and all proposals received or any portion thereof. The successful Proposer's proposal is subject to approval by the Board of Directors of the District and will be effective only when such approval is received.
4. The District reserves the right to further investigate any response(s) given and to interview any or all person(s) who submit a response.
5. Please provide a copy of any engagement letter to be signed with the successful Proposer.

**BID SHEET**  
**RFP – AUDIT SERVICES**

1. Base Proposal:

Maximum fee, including out of pocket expenses, for auditing the financial records of the Johnston Community School District for the fiscal year ending June 30, 2017.

A. Amount \$ \_\_\_\_\_

B. Additional help that may be requested during the school year at  
\$ \_\_\_\_\_ per hour.

C. Estimated starting date of field work: \_\_\_\_\_

Estimated conclusion date: \_\_\_\_\_

Estimated deliver date of finished report: \_\_\_\_\_

2. Future Proposal

Although auditors are employed on an annual basis, a proposal for a subsequent period will be a factor in the award of the contract. The subsequent year approvals are contingent upon the auditing firm complying with specifications during the prior year.

Maximum fee, including out of pocket expenses, for auditing the financial records of the Johnston Community School District for the fiscal year ending June 30, 2018.

A. Amount \$ \_\_\_\_\_

B. Additional help that may be requested during the school year at  
\$ \_\_\_\_\_ per hour.

Maximum fee, including out of pocket expenses, for auditing the financial records of the Johnston Community School District for the fiscal year ending June 30, 2019.

A. Amount \$ \_\_\_\_\_

B. Additional help that may be requested during the school year at  
\$ \_\_\_\_\_ per hour.

Maximum fee, including out of pocket expenses, for auditing the financial records of the Johnston Community School District for the fiscal year ending June 30, 2020.

A. Amount \$ \_\_\_\_\_

B. Additional help that may be requested during the school year at

\$ \_\_\_\_\_ per hour.

Maximum fee, including out of pocket expenses, for auditing the financial records of the Johnston Community School District for the fiscal year ending June 30, 2021.

A. Amount \$ \_\_\_\_\_

B. Additional help that may be requested during the school year at  
\$ \_\_\_\_\_ per hour.

The school district reserves the right to accept or reject any or all proposals or any portion thereof or resubmit an invitation for new proposals and to waive informalities. The school district may accept a proposal other than the lowest priced proposal if, in the school district's judgment, a particular auditing firm may better serve the needs of the school district.

Return all bids by 4:00 p.m., June 6, 2017 to:

Jan Miller-Hook  
Chief Financial Officer  
Johnston Community School District  
5608 Merle Hay Rd, PO#10  
Johnston, Iowa 50131

\_\_\_\_\_  
Name of Firm

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
Telephone Number

\_\_\_\_\_  
City, State, Zip

\_\_\_\_\_  
Date