

# REQUEST FOR QUALIFICATIONS STATEMENTS

## RFQ Annual Financial Audit Services

The Taft Independent School District is requesting qualification statements from certified public accounting firms to perform the annual audit for fiscal year 2015-2016.

### I. BACKGROUND INFORMATION

Auditing requirements for Texas public school districts are contained in the Texas Education Agency's 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 109.41.

Taft Independent School District has a membership of 1,078 in grades pre-kindergarten through 12, one high school, one jr. high school, and one elementary. The 2015-2016 fiscal year operating budget is \$11,600,000. The school district expends federal financial assistance for several programs including, but not limited to National School Lunch Program, ESEA Title I Part A - Improving Basic Programs, ESEA Title I Part C - Education of Migratory Children, Title II Part A - Teacher and Principal Training and Recruiting, and other programs.

#### A. Purpose of the Audit

The purpose of the Request for Qualifications Statements is to obtain the services of a certified public accounting firm for the annual audit for fiscal year 2015-2016. The district-wide audit will encompass the general financial statements as required by GASB Statement No. 34 and the Texas Education Agency Financial Accountability System Resource Guide for Taft Independent School District for the fiscal year ending August 31, 2016. 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 statements audit is to determine whether:

1. The financial statements present fairly the financial position, results of operations, and cash flows or changes in Financial position in accordance with generally accepted accounting principles, and
2. The Taft Independent School District has complied with laws and regulations for those transactions and events that may have a material effect on the financial statements.

The 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 significant deficiencies or material weaknesses 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 all 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 will be reported.

As part of the audit of the general-purpose financial statements, transactions and records pertaining to federal programs will be tested for material compliance with federal laws, rules, and regulations and all instances of noncompliance will be reported to the school district. 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.

## B. Independent Auditor

The firm must demonstrate the capability to perform the annual audit in accordance with generally accepted government auditing standards and state board of education auditing rules. Certified public accounting firms that have performed annual audits for similar entities are encouraged to submit a qualifications statement.

## C. Term of the Audit Engagement

The contract for audit services based upon Board of Trustees approval of the Qualifications Statement will be for the fiscal year ending August 31, 2016.

## II. RESPONSE CONTENT

### A. Cover Letter

See conditions for submission of Qualifications Statement Response in Section III.

### B. Technical Component

To describe clearly the certified public accounting firm's understanding of the work to be done, the Offeror 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 nongovernmental engagements;
- 2.) Explain the Offeror's approach 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 multiyear contract;
- 4.) Make a statement concerning the independence of the Offeror, 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;

### C. Management Component

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

- 1.) Provide the name of the external quality control review organization of which the Offeror is a member and the Offeror's length of membership. Also, state the review organizations planned frequency of peer reviews;
- 2.) State whether the firm has received a peer review, the date of the most recent review, in addition, whether an unqualified report was issued in the most recent review;
- 3.) State whether the Offeror is a national, regional or local certified public accounting firm;
- 4.) Provide evidence that the Offeror 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 Offeror 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 courses in governmental accounting and auditing attended by the proposed audit team during the last two years;
- 9.) Provide the names and qualifications of any needed outside specialists and/or consultants (if needed) that will assist the Offeror's staff members;
- 10.) Describe staff rotation plans for audit team members if this is to be a multi-year contract;
- 11.) Describe the level of assistance that will be expected from Taft Independent School District personnel;
- 12.) Provide evidence of the ability to comply with the requirements in Sections II and VI of this Request for Qualifications Statements.

#### D. Task/Activity Plan

The Offeror will specify budgeted hours, timelines & sequence for audit procedures, and names of staff to be assigned.

#### E. Preparation of Financial Statements, Notes to Financial Statements, Copying of Final Audit Report, and Other Reports

Auditor will need to provide 20 original copies of the audit report to the District.

Auditor must provide a data feed file at the end of the audit (after approved by Board of Trustees).

Auditor must prepare SF-SAC to the Federal Audit Clearinghouse.

#### F. Evaluation

Attachment "A" shows the criteria that the District will use to evaluate the Offeror's methodologies, products, and services.

#### G. Insurance

Listed below are the insurance coverage's which the respondent(s) must maintain under any Agreement resulting from this RFQ. Each firm(s) will propose insurance which meets or exceeds the needs of the District. No Agreement will be executed by the District until the respondent(s) satisfies the insurance requirements of the District. The selected respondent(s) will provide the District with a valid Certificate of Insurance with the qualifications before providing any goods or services to the District. The District reserves the right to approve any insurance proposed by the selected respondent.

Workers Compensation - Selected respondent(s) will maintain workers compensation insurance to provide coverage in accordance with the Texas Workers' Compensation Act. General Liability Insurance - Selected respondent(s) will maintain commercial general liability insurance providing coverage for bodily injury, property damage, and personal injury liability in an amount not less than \$1,000,000 per occurrence, with an aggregate of \$2,000,000.

Professional Liability Insurance - Selected respondent(s) will maintain professional liability in an amount of not less than \$1,000,000 per occurrence.

### III. CONDITIONS FOR SUBMISSIONS OF QUALIFICATIONS STATEMENTS

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

- A. Qualifications Statements must include a cover letter clearly stating the name of the firm and the name, address, and telephone number of the Offeror's representative;
- B. Offer must address each of the audit requirements as stated in this Request for Qualifications Statements;

- C. The Taft Independent School District reserves the right to reject any and all Offers, and to negotiate portions thereof. Offers that address only part of the requirements contained in this Request for Qualifications Statements will not be considered;
- D. The Offeror shall furnish such additional information that the district may reasonably require;
- E. The Taft Independent School District will not be liable for any cost incurred in the preparation of Qualifications Statements/Offer Responses;
- F. The Taft Independent School District may ask Offerors to send a representative for an oral interview prior to Board of Trustees approval of an Offer. The Taft Independent School District will not be liable for the costs incurred by the Offeror related to such interview.

#### IV. PROCEDURES FOR SUBMITTING OFFERS

##### A. Delivery

Responses to the Request for Qualifications Statements should be addressed to:

Ivonne Banda, Business Director Taft  
Independent School District  
PO Box 628 Taft, TX 78390

Responses must be received no later than 2:00 p.m., on Friday, April 8, 2016.

**B. Number of Copies of Response**

Submit two (3) original sets of the Offer response. The Offer responses are to be bound. Please submit them in a sealed envelope.

**V. ASSISTANCE TO OFFERORS**

Any person wishing to obtain additional information about the Request for Qualifications or about the operations of the Taft Independent School District may contact Ivonne Banda, Business Director at [ibanda@taftisd.net](mailto:ibanda@taftisd.net)

**VI. STATEMENT OF REQUIREMENTS**

- A. The independent auditor will provide twenty original final audit reports that meet the requirements of the Texas Education Agency's Financial Accountability System Resource Guide.
- B. In the month of November, the preliminary draft of the audit report will be presented to the school district prior to submission of the final draft.
- C. Satisfactory delivery of the services specified by the Request for Qualifications Statements and the engagement letter shall be accomplished no later than the December board meeting of the Board of Trustees.
- D. The independent auditor will be required to present the audit report to the Board of Trustees by the December board meeting.
- E. The independent auditor is strongly encouraged to provide a management letter containing comments oriented toward constructive improvements. Copies of selected working papers will be provided by the Taft Independent School District as provided for in the engagement letter.

**VII. BOARD OF TRUSTEE APPROVAL**

An Offeror may be selected on Tuesday, April 19, 2016, barring decision by the Board of Trustees to reject all Offers submitted.

## Attachment "A"

### **EVALUATION WORKSHEET**

This worksheet is to be used to document the school district's evaluation of the Offerors' 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 Offers.

**In the event that oral interviews are necessary to break a tie or for making final clarification 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 Offerors will be based on the following criteria:**

#### **I. Mandatory Criteria**

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

- A. Must be an independent auditor properly licensed for Certified Public Accounting Practice in Texas,
- 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, and
- D. Must submit an Offer meeting all of the requirements of the Request for Qualifications Statements.
- E. Must be a member of the AICPA Governmental Audit Quality Center (GAQC)

#### **II. Technical Criteria**

Offers that have met each of the criteria in Section 1 above will be evaluated on the following criteria: **Points**

- A. The reputation of the vendor's goods and services (10-25)
- B. The quality of the vendor's goods or services (10-25)
- C. The extent to which the goods or services meet the district's needs (5-10)
- E. The vendor's experience with Texas School District Auditing (10-25)
- F. Any other relevant factors that a private business entity would consider in selecting a vendor (10-15)

**FELONY CONVICTION NOTIFICATION**

State of Texas Legislative Senate Bill No. 1, Section 44.034, Notification of Criminal History, Subsection (a), states, "a person or business entity that enters into a contract with a school district must give advance notice to the district if the person, owner or operator of the business entity has been convicted of a felony. The notice must include a general description of the conduct resulting in the conviction of a felony."

Subsection (b) states, "a school district may terminate a contract with a person or business entity if the district determines that the person or business entity failed to give notice as required by Subsection (a) or misrepresented the conduct resulting in the conviction. The district must compensate the person or business entity for services performed before the termination of the contract."

THIS NOTICE IS NOT REQUIRED OF A CERTIFIED PUBLICLY-HELD CORPORATION, BUT THE COMPANY REPRESENTATIVE MUST CHECK OFF A SELECTION BELOW (A, B, OR C)

**I, the undersigned agent for the firm named below, certify that the information concerning notification of felony convictions has been reviewed by me and the following information furnished is true to the best of my knowledge.**

**VENDOR'S NAME:** \_\_\_\_\_

**AUTHORIZED COMPANY OFFICIAL'S NAME (PRINTED):** \_\_\_\_\_

**AUTHORIZED COMPANY OFFICIAL'S NAME (SIGNATURE):** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**PLEASE CHECK OFF A SELECTION BELOW\*\*\*\*\***

- A. My firm is a certified publicly held corporation; therefore, this reporting requirement is not applicable.
- B. My firm is not owned and/or operated by anyone who has been convicted of a felony.
- C. My firm is owned or operated by the following individual(s) who has/have been convicted of a felony.

Name of Felon(s): \_\_\_\_\_

Details of Conviction(s): \_\_\_\_\_

TO BE FILLED IN BY OFFEROR AND SUBMITTED WITH PROPOSAL

Is this proposal in conformance with the enclosed specifications?

Yes \_\_\_\_\_ No \_\_\_\_\_

If the answer is no, offeror must identify and explain each exception taken, with reference to each page and paragraph to which the exception will apply. It should be understood that if no exception is taken the vendor shall supply all items as specified at the time of sale. Failure to indicate any difference in products offered proposed in this proposal may be deemed sufficient grounds for rejection of a vendor's proposal.

Comments:

Company Name: \_\_\_\_\_

Date: \_\_\_\_\_

For further information, please contact:

Ivonne Banda, Business Director Taft  
Independent School District  
P0 Box 628 Taft, Texas 78390  
*Phone (361) 528-2636 ext. 2231*  
*Fax (361) 528-3440*  
[ibanda@taftisd.net](mailto:ibanda@taftisd.net)

According to the Texas Education Code, Subchapter B, Section 44.03 1 (b). in determining to whom to award a contract, the district will consider the following:

- (A) The reputation of the vendor's goods or services;
- (B) The quality of the vendor's goods or services;
- (C) The extent to which the goods or services meet the district's needs;
- (D) The vendor's past relationship with the district;
- (E) The impact on the ability of the district to comply with the laws and rules relating to historically underutilized business and;
- (F) Any other relevant factors that a private business entity would consider in selecting a vendor.

**NON-COLLUSION STATEMENT & SIGNATURE SHEET**

The undersigned affirms that he/she is duly authorized to execute this contract, that this company, corporation, firm, partnership or individual has not prepared this proposal in collusion with any other Offeror, 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.

Further, I affirm that prior to or after the opening of this proposal, I (or any representative of my company) will not discuss the contents of this proposal with any person affiliated with Taft Independent School District, other than Taft Independent School District Designee prior to the awarding of this proposal. I understand that failure to observe this procedure may cause my proposal to be rejected.

I also affirm that no officer, or stockholder of the offeror (bidder) is a member of the staff, or related to any employee of the Taft Independent School District except as noted herein

By signing this proposal, vendor makes the assurance that vendor has not been debarred or suspended from conducting business with the U. S. Government according to Executive Order 12549 entitled "Debarment and Suspension."

I, \_\_\_\_\_, have read the standard terms and conditions and requirements, *(Print/Type Name of Company Officer)* (Pages 1-6), I fully understand them, and will fully execute them if I am awarded a contract under this RFQ.

I have represented the truth concerning the felony conviction notification. I have checked off one of the three statements on page 7, and have signed the form.  
I fully understand the proposal specifications (pages 2-9).

COMPANY \_\_\_\_\_ EMPLOYER I. D. No. \_\_\_\_\_

ADDRESS \_\_\_\_\_ CITY, STATE, ZIP CODE \_\_\_\_\_

AREA CODE/TELEPHONE/FAX \_\_\_\_\_ EMAIL \_\_\_\_\_

\_\_\_\_\_  
SIGNATURE TITLE DATE

\*The signing of this page indicates understanding and acceptance of this proposal's terms and conditions.

**If you intend to submit a statement of qualifications response, please fill out this form and email to Ivonne Banda at [ibanda@taftisd.net](mailto:ibanda@taftisd.net)**

CPA Company Name \_\_\_\_\_

Address \_\_\_\_\_

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

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

Fax Number \_\_\_\_\_

Contact Name \_\_\_\_\_

Email Address \_\_\_\_\_

Please email this document to [ibanda@taftisd.net](mailto:ibanda@taftisd.net) to ensure you receive any addendums.