**KATHERINE ANNE PORTER CHARTER SCHOOL**

**PROFESSIONAL ANNUAL AUDITING SERVICES**

QUOTES shall be submitted to:

Front Office

Coni Wilson

Superintendent

PO Box 2053

Wimberley, TX 78676

515.847.6867

cwilson@kapschool.org

# QUOTE REQUEST for

# ANNUAL FINANCIAL AUDIT

Katherine Anne Porter Charter School is requesting quotes from public accounting firms to perform the annual audit for fiscal year 2015-2016.

# BACKGROUND 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 Title19, Texas Administrative Code,Section109.61.

The following is some information about the KATHERINE ANNE PORTER CHARTER SCHOOL (“the District") that will assist in the preparation of the quote:

* Charter issued in 1998
* Grades 9-12
* Annual budget of approximately $1.9 million
* Approximately 165 students
* Approximately 30 faculty and staff

# Purpose of the Quote

The purpose of the QUOTE is to obtain the services of a public accounting firm for the annual audit for fiscal year 2015-2016 with optional renewal terms. The organization-wide audit will encompass the financial statements as required by GASB Statement No. 34 and the *Texas Education Agency Financial Accountability System Resource Guide* for the District. The audit is to be performed in accordance with generally accepted auditing standards and 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 cashflows or changes in financial position in accordance with generally accepted accounting principles, and (2) whether the District 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 significant deficiencies or material weaknesses relating to the internal control systems coming to the attention of the auditors.

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 incompliance with the Single Audit Act.

As part of the audit of the 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.

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 the Texas Education Code. The audit will include procedures applicable to compensatory education funds as required by Module 9 of the Financial Accountability System Resource Guide, if required.

# Other Requirements

The accounting firm should provide an annual audit report in a form acceptable to the Texas Education Agency and within the time frame stipulated in TEC 21.256 (d) of 150 days subsequent to the close of the fiscal year for which the audit was made.

The Financial Committee would expect to meet with the auditor(s) at least annually. The meeting would be called by the Committee.

Financial statements developed by the Auditor must be in a form that complies with the requirements for the GFOA Certificate of Achievement, the ASBO Certificate of Excellence, and the Texas Education Agency.

All working papers and reports must be retained, at the auditor's expense, for a minimum of five(5)years, unless the firm is notified in writing by the District of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to auditors from the Texas Education Agency, The General Accounting Office, or other applicable governmental agencies; they are not otherwise considered to be records open to the general public.

# Independent Auditor

The interested accounting 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.  The audit firm must be able to show proof they are a member of the AICPA Government Audit Quality Center (GAQC) as required per Texas Administrative Code 109.23. Public accounting firms that have performed annual audits for similar entities are encouraged to file a proposal.

# 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 August 31, 2016, with optional renewal term(s).

# QUOTE CONTENT

* 1. **CoverLetter**

State the relevant facts and the firm’s history and capacity to comply with the request.

# Technical Component

To describe clearly the public accounting firm's understanding of the work to be done, the interested accounting firm 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 interested accounting firm's approaches to performing an annual audit, including the methodology, nature, timing and extent of audit procedures to be performed;
    3. Describe how a Charter School Audit differs from an Independent School District Audit;
    4. Describe how the Financial Accounting System Resource Guide (FASRG) criteria and charter specific modules will be utilized.
    5. Make a statement concerning the independence of the interested accounting firm, 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.

# Management Component

The interested accounting firm will furnish satisfactory evidence of capability to provide in a professional and timely manner the services stated in the QUOTE. To meet this requirement:

* + 1. State whether the interested accounting firm is a national, regional or local public accounting firm;
    2. Provide evidence that the interested accounting firm has experience in performing public Charter School District 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.
    3. State whether the interested accounting firm is currently under the terms of a public or private reprimand by the Texas State Board of Public Accountancy and licensing boards of otherstates;
    4. Describe the interested accounting firm's level of participation in and communication with such organizations as the Texas Education Agency, Texas Association of School Business Officials, and Texas Charter School Association;
    5. Describe the proposed audit team, in terms of job positions in the firm;
    6. 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 back ground of all staff members named and professional licenses held;
    7. Describe staff rotation plans for audit team members if this is to be a multiyear contract;
    8. Describe the level of assistance that will be expected from District personnel.

# Task/Activity Plan

The interested accounting firm will specify budgeted hours, timelines and sequence for audit procedures, and names of staff to be assigned.

# CONDITIONS FOR SUBMISSION OF PROPOSAL

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

* 1. Qualifications must include a cover letter clearly stating the name of the firm and the name, and telephone number of the interested accounting firm's representative;
  2. Qualifications must meet each of the audit requirements as stated in this QUOTE.
  3. The District reserves the right to reject any and all qualifications, and to negotiate portions thereof. Qualifications that meet only part of the requirements contained in this QUOTE will not be considered;
  4. The District reserves the right to select any proposal, considering the quoted estimated fee and other factors;
  5. The interested accounting firm shall furnish such additional information that the District may reasonably require;
  6. The District will not be liable for any cost incurred in the preparation of qualifications;
  7. The District and interested accounting firms may enter into discussions and revisions of proposal, as necessary. Discussions/negotiations may be conducted with interested accounting firms who are deemed to be within the final competitive range; however, Charter School reserves the right to award a contract without discussions/negotiations. The best and final proposal may be required as early as 24 hours after completion of negotiations or discussions.
  8. QUOTES must be signed by an authorized individual to contractually bind their firm when submitting the QUOTE. Failure to sign the QUOTE will be considered as a mistake and will be rejected as "non-responsive."
  9. By submitting a QUOTE, the interested accounting firm affirms that its company, corporation, firm, partnership or individual has not prepared this proposal in collusion with any other bidder and that the contents of this proposal as to prices, terms, or conditions have not been communicated by the undersigned or by any employee or agent to any other person or firm engaged in this type of business prior to the opening of this QUOTE.
  10. Upon notification of potential selections for award, the person or entity submitting this proposal must give notice to the district if the person or an 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 this conviction of a felony (this requirement does not apply to a publicly held corporation).

# PROCEDURESFOR SUBMITTINGPROPOSALS

* 1. **Delivery**

Responses to the QUOTE should be addressed to:

Coni Wilson

Superintendent

PO Box 2053

Wimberley, TX 78676

515.847.6867

Or emailed to:

cwilson@kapschool.org

Proposals must be received no later than 1:00 PM, Wednesday, October 19, 2016. QUOTES received at the Charter School front office or via email after the time and date specified above will not be considered.

# Number of Copies Qualifications

Submit one original and two copies of the proposal, if mailing quote.

ASSISTANCE TO PROPOSERS

Any person wishing to obtain additional information about the QUOTE or about the operations of the District may contact:

Coni Wilson

Superintendent

PO Box 2053

Wimberley, TX 78676

515.847.6867

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# STATEMENT OF REQUIREMENTS

* 1. It is anticipated that the Comprehensive Annual Financial Report (CAFR) will be prepared and presented as the Annual Financial Report.
* The independent auditor will provide the written audit report that meets the requirements of *Texas Education Agency (TEA) Financial Accountability System Resource Guide,* separately issued Single Audit Report if needed, including the Schedule of Expenditures of Federal Awards, SF-SAC Data Collection Form and assist in the review of the CAFR.
* Satisfactory delivery of the services specified by the QUOTE shall be accomplished no later than December 15, 2016.
* The independent auditor will be required to present the audit report to the Board of Trustees prior to the TEA submission date of January 28, 2017.
* If applicable, the independent auditor will be required to provide a management letter containing comments oriented toward constructive improvements. Copies of selected audit working papers will be provided as requested by the District and as provided for in the engagement letter. If a management letter is issued, the auditor will provide the District ten(10) copies.

# EVALUATION WORKSHEET ATTACHMENT

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 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.

PROFESSIONALQUALIFICATIONS

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

1. Mandatory Criteria

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

* 1. Must submit a proposal meeting all of the requirements of the quote

on or before 1:00 P. M., October 19, 2016. Late proposals will not be considered.

* 1. Must be an independent auditor properly licensed for public practice.
  2. Must meet the independence standards of Government Auditing Standards, 1999 Revision, United States General Accounting Office (GAO).
  3. Must not have a record of substandard work to be verified via references submitted.

1. Technical Criteria

Proposals which have met each of the criterion Section I above will be evaluated on the following criteria:

* 1. Technical experience of the firm:
     1. Auditing experience in Texas Charter School entities (0-10points)
     2. Auditing experience in Texas public schools (0-10points)
  2. Characteristics of the staff, including consultants, to be assigned to the audit:
     1. Size and structure of the firm, including audit staff positions (0-5points)
     2. Qualifications of supervisory personnel, consultants, and the field audit team (0-20points)
        + Education, including continuing education courses taken during the past

two years

* + - * And types of experience
    1. General direction and supervision to be exercised over the audit team by the firm's management personnel (0-15points)
    2. Firm level of participation in and communication with such organizations as the Texas Education Agency, Texas Association of School Business Officials, and TCSA (0-15points)
  1. Clear understanding of the work to be performed:
     1. Comprehensiveness of the audit work plan (0-5points)
     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 points)

1. Professional Fees

Professional fees of the audit (0-25points)

1. Oral Interviews (If Necessary) Interview(0-15points)