

Bidder/Offeror _____

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ATTENTION:

Federal Employer Identification Number or alternate identification number (e.g., Social Security Number) is used for internal processing, including bid tabulation.

Enter ID number here: _____

Pursuant to N.C.G.S. 132-1, 10(b) this identification number shall not be released to the public.

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**ANSON COUNTY BOARD OF EDUCATION
REQUEST FOR PROPOSALS**

#145-2012-010212AUD

TITLE: Independent Audit Services
USING AGENCY: Anson County Schools Board of Education
ISSUE DATE: 01/02/12
ISSUING AGENCY: Anson County Schools Board of Education

Sealed Proposals subject to the conditions made a part hereof will be received until **4:00 PM, January 27, 2012**, for furnishing services described herein.

SEND ALL PROPOSALS DIRECTLY TO THE ISSUING AGENCY ADDRESS AS SHOWN BELOW:

DELIVERED BY US POSTAL SERVICE	DELIVERED BY ANY OTHER MEANS
RFP NO. 145-2012-010212AUD Anson County Schools Attn: Holly Berry, Finance Officer 320 Camden Rd. Wadesboro, NC 28170	RFP NO. 145-2012-010212AUD Anson County Schools Attn: Holly Berry, Finance Officer 320 Camden Rd. Wadesboro, NC 28170

IMPORTANT NOTE: Indicate firm name and RFP number on the front of each sealed proposal envelope or package, along with the date for receipt of proposals specified above.

Bids submitted via telegraph, facsimile (FAX) machine, telephone, and electronic means, including but not limited to e-mail, in response to Request for Proposals **will not** be acceptable.

Direct all inquiries concerning this RFP to:

**Anson County Schools
Attn: Holly Berry, Chief Financial Officer
320 Camden Road
Wadesboro, NC 28170
704-694-4417
berry.holly@anson.k12.nc.us**

NOTE: Questions concerning the specifications in this Request for Proposals will be received until Friday, January 13, 2012 at 4:00 PM. ALL QUESTIONS MUST BE SUBMITTED IN WRITING, EITHER BY FAX OR EMAIL, TO THE ADDRESS OR NUMBER LISTED ABOVE. NO QUESTIONS WILL BE RECEIVED BY TELEPHONE. A summary of all questions and answers will be posted on the Internet as an addendum, located under the RFP # being modified. **It is the offeror's responsibility to assure that all addenda have been reviewed and, if need be, signed and returned.**

Type of Audit

The audit will encompass a financial and compliance examination of the unit's Comprehensive Annual Financial Report (CAFR). [If the unit does not issue a CAFR, the above should be changed to the basic financial statements, supplementary information and compliance reports.] In accordance with the laws and/or regulations of the State of North Carolina, which include requirements for the minimum scope of the audit? The financial and compliance audit will cover federal, state, and local funding sources in accordance with generally accepted auditing standards; Government Auditing Standards; the Single Audit Act of 1984; the Single Audit Act Amendments of 1996; the provisions of OMB Circular No. A-133, Audits of States, Local Governments, and Non-Profit Organizations, including revisions published in Federal Register June 27, 2003; the State Single Audit Implementation Act; and all other applicable laws and regulations.

CONTRACT PERIOD

The Board of Education intends to continue the relationship with the auditor for no less than three years on the basis of annual negotiation after the completion of the first year contract. Each year after negotiation has taken place an annual contract documenting the terms of the audit will be signed. Since one governing board may not obligate future governing boards, the remaining years of the agreement are subject to annual governing board approval. The Anson County Board of Education reserves the right to request proposals at any time following the first year of this contract. Thus, prepare proposals for the following years, with Year one being the only obligated year.

July 1, 2012 to June 30, 2013

July 1, 2013 to June 30, 2014

July 1, 2014 to June 30, 2015

REQUIREMENTS

The audit must be conducted in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; Office of Management and Budget Circular No.A-133, Audits of States, Local Governments, and Non-Profit Organizations; the State Single Audit Implementation Act, and any other applicable procedures for the audit of a government's financial statements prepared in accordance with GAAP.

The Auditor will prepare most year-end adjusting journal entries. The auditor will be ultimately responsible for the preparation, typing, proofing, printing, and copying of the Basic Financial Statement, supplementary information and compliance reports. The Anson County Board of Education will be actively involved in the MD&A, and other schedules section preparation. The auditor will submit a draft of the Financial Statement to be reviewed in detail by the Finance Officer. This draft should be submitted to the Board of Education in time to allow ample review and corrections. **The timing of this should insure final completion of the Financial Statements no later than the annual October 31st deadline.**

The Board of Education prefers interim fieldwork be completed in early June. Yearend fieldwork should begin in mid July and be completed by August 15th. **An agreed upon post-closing trial balance must exist by September 30th.** The Finance Officer will expect a listing of requested information needed for the audit at the preplanning conference, periodic conferences during the conduct of the audit, as well as an exit conference prior to the completion of fieldwork.

The audit must be completed and reports rendered four months following the fiscal year end (October 31).

A preliminary draft of the audit and required journal entries must be submitted to the Finance Officer and the Superintendent by October 1 for proofing and reconciliation to the Board of Education's records.

Twenty (20) copies of each audit report, management letter, and other applicable reports must be supplied to the Finance Officer within the time frame cited above. In addition, the auditor is responsible for submitting the required two to the staff of the Local Government Commission (LGC). Any other copies required will be charged on an as needed basis in addition to the quoted fee.

The financial audit opinion will cover the financial statements for the governmental activities, the business-type activities, the financial statements of the aggregate discretely presented component units, each major fund, and the remaining fund information, which collectively constitutes the basic financial statements. The combining and individual financial statements, schedules, and related information are not necessary for fair presentation, but will be presented as additional analytical data. This supplemental information, as required by GASB 34, will be subjected to the tests and other auditing procedures applied in the audit of the basic financial statements, and an opinion will be given as to whether the supplemental information is fairly stated in all material respects in relation to the basis financial statements taken as a whole. The auditor shall also express an opinion on the budgetary comparison information for the general fund, the major funds, and any annually budgeted special revenue funds. An opinion will not be given on the Management Discussion and Analysis.

The working papers shall be retained and made available upon request for no less than three years from the date of the audit report. In the event that circumstances arise during the audit that require work to be performed in excess of the original estimates, any additional costs will be negotiated prior to commencement of the work and an amended contract will be approved by the governing board and forwarded to the staff of the LGC for approval.

Audit Contract & Payment of Audit Fee

The audit contract must be approved by the staff of the Local Government Commission. Invoices are subject to approval by the LGC staff and the appropriate Grantor Agency, if applicable, prior to processing by the Board of Education. If grant funds will be used to pay for the audit, the grant agreement may require the Grantor Agency's approval before the invoice may be paid. Interim or progress billings will be accepted up to 75% of the total fee prior to submission of the audited financial statements to the staff of the Local Government Commission and their approval of the audited financial statements.

Other Services

The auditor will prepare, type, and print the audited financial statements (or Comprehensive Annual Financial Report – if applicable). The auditor will submit a draft for review by the Finance Director (or audit committee if applicable). The Finance Director will return the draft with proposed revisions within 10 working days.

Selection Process

Three (3) copies of each section of the proposal should be submitted at the time and place indicated under the section entitled "Time Schedule for Awarding Contract."

Proposals will be submitted in two sections. The first section will be comprised of the audit firm's prior experience and qualifications of its personnel in performing governmental audits. The Finance Office staff will evaluate the auditor/firm on educational and technical qualifications. The top five firms from the first section will have their second section opened and evaluated. The firm best meeting the Anson County Board of Education expectations for experience, audit approach, and cost requirements will be selected.

PLEASE KEEP IN MIND THAT COST, WHILE AN IMPORTANT FACTOR WILL NOT BE A SOLE DETERMINING FACTOR. UNUSUALLY LOW BIDS THAT ARE OBVIOUSLY OUT OF LINE WITH OTHER BIDDERS OR ARE SIGNIFICANTLY LOWER THAN OUR CURRENT FEES WILL RAISE CONCERN. THE LOWEST BID WILL NOT AUTOMATICALLY BE AWARDED PREFERENTIAL CONSIDERATION.

The Board of Education requests that no Anson County Board of Education officials be contacted during this process. The Finance Officer may be contacted only to clarify questions concerning the RFP.

The Board of Education reserves the right to reject any or all bids, waive technicalities, and to be the sole judge of suitability of the services for its intended use and further specifically reserve the right to make the award in the best interest of the Board of Education. Failure to respond to any requirements outlined in the RFP, or failure to enclose copies of the required documents, may disqualify the bid.

SECTION 1 – QUALIFICATIONS

The first section should address the requested information below. The corresponding responses should begin with the number below for the requested information.

1. Indicate the number of people (by level) located within the local office that will handle the audit.
2. Provide a list of the local office's current and prior government audit clients, indicating the type(s) of services performed and the number of years served for each. Responsive firms should include any relevant information regarding audits performed on financial statements prepared under the new reporting model.
3. Indicate the experience of the local office in providing additional services to government clients by listing the name of each government, the type(s) of service performed, and the year(s) of engagement.
4. Describe your audit organization's participation in AICPA-sponsored or comparable quality control programs (peer review). Provide a copy of the firm's current peer review.
5. Describe the professional experience in governmental audits of each senior and higher level person assigned to the audit, the years on each job, and his/her position while on each audit. Indicate the percentages of time each senior and higher-level personnel will be on site. Again, relevant experience with the new reporting model should be clearly communicated.
6. Describe the relevant educational background of each person assigned to the audit, senior level and higher. This should include seminars and courses attended within the past three years, especially those courses in governmental accounting and auditing.
7. Describe the professional experience of assigned individuals in auditing relevant government organizations, programs, activities, or functions (e.g., utilities, solid waste, transit, airports, or health authorities and school systems).
8. Describe any specialized skills, training, or background in public finance of assigned individuals. This may include participation in State or national professional organizations, speaker or instructor roles in conferences or seminars, or authorship of articles and books.
9. Provide names, addresses, and telephone numbers of personnel of current and prior governmental audit clients who may be contracted for a reference.
10. Describe the firm's Statement of Policy and Procedures regarding Independence under Government Auditing Standards (Yellow Book), January 2007 Revision. Provide a copy of the firm's Statement of Policy and Procedures.
11. Is the firm adequately insured to cover claims? Describe liability insurance coverage arrangements.
12. Describe any regulatory action taken by any oversight body against the proposing audit organization or local office.

SECTION 2 – COST ESTIMATE

Proposals should include completed cost estimate sheets and any other necessary cost information in a separate, sealed envelope marked – "Cost Estimate." The Board of Education plans to evaluate the qualifications of all firms submitting proposals before considering the Cost Estimate.

This second section should consist of completed cost estimate sheets, which will include the following information:

1. Type of audit program used (tailor-made, standard government, or standard commercial).
2. Use of statistical sampling.
3. Use of computer audit specialists.
4. Organization of the audit team and the approximate percentage of time spent on the audit by each member.
5. Information that will be contained in the management letter.
6. Assistance expected from the government's staff, if other than outlined in the RFP.
7. Tentative schedule for completing the audit within the specified deadlines of the RFP.
8. Use of internal audit staff (if applicable).

SPECIFIC COST FORMAT

Specify costs using the format below for the audit year July 1, 2012 to June 30, 2013. For the two audit years, which follow, list the estimated costs. The cost for the audit year ending June 30, 2013 is binding, while the second and third years are estimated costs. Cost estimates must indicate the basis for the charges and whether the amount is a "not-to exceed" amount.

- 1) Personnel costs – Itemize the following for each category of personnel (partner, manager, senior, staff accountants, clerical, etc.) with the different rates per hour.
 - a) Estimated hours – categorize estimated hours into the following: on-site interim work, year-end on-site work, and work performed in the auditor's office.
 - b) Rate per hour.
 - c) Total cost for each category of personnel and for all personnel costs in total.
- 2) Travel – itemize transportation and other travel costs separately.
- 3) Cost of supplies and materials – itemize.
- 4) Other/Miscellaneous Costs - completely identify and itemize.
- 5) If applicable, note your method of determining increases in audit costs on a year to year basis.

Please include the Summary of Audit Costs Sheet with your proposal.

TIME SCHEDULE for AWARING the CONTRACT

Please acknowledge the receipt of this request for proposal and your intent to respond with a proposal by January 13, 2012.

Proposals signed by authorized officials will be received by Holly Berry, Finance Officer at (320 Camden Road, Wadesboro, NC 28170) until 4:00 PM on January 27, 2012.

Envelopes containing proposals should be clearly identified on the front with the words "RFP NO. 145-2011-120511AUD". The Finance Office will review the proposals and make a recommendation to the Board of Commissioners on fill in date at which time the contract will be awarded.

Description of the Anson County Schools and Its Accounting System

The Anson County Board of Education is a Local Education Agency empowered by State law with the responsibility to oversee and control all activities related to public school education in Anson County, North Carolina. The Board receives state, local, and federal government funding and must adhere to the legal requirements of each funding entity.

Governmental Funds:

General Fund
State Public School Fund
Capital Outlay Fund
Individual School Fund
Federal Grants
Other Special Revenue

Major Enterprise Funds:

School Fund Services
Individual Instructional School Services
Supplemental Services

Budgeting general fund revenues are estimated at \$4,515,397 in FY 11/12.

Budgets

The unit budgets all funds on the modified accrual basis of accounting as required by North Carolina law. Appropriations are made at the departmental level. The unit also maintains an encumbrance system. Both the budgetary and encumbrance systems are integrated with accounting system to provide easy comparison with actual expenditures.

Grants, Entitlements, and Shared Revenues

A copy of the Schedule of Expenditures of Federal and State Awards for the year ended June 30, 2011 is enclosed with this RFP. Also included is a Summary of Auditor's Results showing the major programs for the prior year.

Accounting Records

The Board of Education maintains all its accounting records at the finance office located at 320 Camden Road, Wadesboro, NC 28170. The governmental unit maintains its cash receipts journal, cash disbursements journal, general ledger, and accounts receivable ledger on its AS400 mainframe and an accounting system database developed by Sartox, Inc.

Assistance Available to Auditor

The unit will make available to the auditor sufficient help to pull and re-file records, and prepare all necessary confirmations. The unit's personnel will prepare the following items:

General

1. Balance Sheet for each fund.
2. Revenues, Expenditures, & Transfers for each fund.
3. General Ledger transactions detail report for each account.
4. A copy of the original budget, all amendments, and the final budget as of June 30.
5. A copy of the operating and capital lease schedules itemizing contracts in force during the audit period as well as access to lease files maintained in the finance office.
6. A copy of board policies, including travel and investment policies.
7. Copies of all correspondences with the staff of the Local Government Commission, including semiannual Cash and Investment Reports (LGC-203), unit letters, faxes regarding the audited financial statements and compliance reports for the previous year.
8. Management's Discussion and Analysis.

Cash and Investments

1. All bank reconciliations for each month.
2. List of outstanding checks by account, showing check number, date, and amount.
3. Schedule of all investments for all funds at the audit date, showing book value and estimated market value at fiscal year end.

Receivables

1. Listing of outstanding receivables by account as of the fiscal year end.
2. Listing of outstanding receivables in detail as of the fiscal year end.
3. Schedule of miscellaneous receivables booked as of the fiscal year end.

Other Assets

1. Schedule of insurance coverage.

Capital Assets

1. Printout of all capital asset acquisitions made during the audit year.
2. Printout of all capital asset dispositions made during the audit year.
3. Access to printout containing calculations used in balancing the Capital Assets subsystem to the government-wide statements.
4. Printout of depreciation expense posted for the audit year.

Current Liabilities

1. Schedule of accounts payable including batch printouts.

Long-Term Debt

1. Computation of vested vacation payable as of the audit date.
2. Debt schedule for each debt issue and related payments.

Grants

The following will be compiled for each grant:

1. Grant agreement.
2. Budget.
3. All financial reports.
4. Correspondence with the grantor agency, including monitoring reports.
5. CFDA # and /or pass-through grant #.

Size and Complexity of Unit

Number of employees	490 FT or 803 including substitutes
Frequency of payroll	monthly
Number of payroll direct deposit advises	710

Purchasing

Number of purchase orders issued annually 2,000

Bank Accounts

Number of bank accounts 16

Average monthly activity in main accounts

Number of deposits (Central Depository) 20

Number of checks annually:

Central Depository 4,800

Payroll (direct deposit) 8,200

The following financial applications are on the AS 400 mainframe system:

General Ledger

Accounts Payable

Purchase Orders

Payroll

Accounts Receivable

Capital/Fixed Assets

SUMMARY OF AUDIT COSTS SHEET

1. Base Audit Includes Personnel costs, travel, and on-site work _____

2. Financial Statement Preparation _____

3. Extra Audit Service (\$ per hour) _____

4. Other (explain) _____

TOTAL \$ _____

ANSON COUNTY BOARD OF EDUCATION, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2011

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Expenditures
FEDERAL GRANTS			
<u>U. S. Department of Agriculture</u>			
Passed-through the N.C. Department of Public Instruction:			
<u>Child Nutrition Cluster:</u>			
Non-Cash Assistance (Commodities):			
National School Lunch Program	10.555	-	\$ 132,924
Cash Assistance:			
School Breakfast Program	10.553	-	419,704
National School Lunch Program	10.555	-	1,101,994
Total for Child Nutrition Cluster			<u>1,654,622</u>
Fresh Fruit and Vegetable Program	10.582	-	<u>16,702</u>
Total U.S. Department of Agriculture			<u>1,671,324</u>
<u>U.S. Department of Education</u>			
Cash Assistance			
Passed-through the N.C. Department of Public Instruction:			
<u>Title I, Part A Cluster:</u>			
Grants to Local Educational Agencies (Title I, Part A of ESEA)	84.010	PRC 050	1,220,873
ARRA - Grants to Local Educational Agencies, Recovery Act	84.389	PRC 141	374,810
Total Title I, Part A Cluster			<u>1,595,683</u>
ARRA - Education Stabilization Funds	84.394	PRC 140	<u>1,255,168</u>
<u>School Improvement Cluster:</u>			
Grants to Local Education Agencies (Title I, Part A of ESEA) -			
School Improvements	84.010	PRC 105	73,643
School Improvement Grant 1003(G)	84.010A	PRC 117	34,784
ARRA-School Improvements Grants (Title I)	84.388	PRC 142	65,008
ARRA - School Improvement 1003(G)	84.388	PRC 143	624,921
Total School Improvement Cluster			<u>798,356</u>
Safe and Drug Free Schools and Communities - Title IV, Part A	84.186	PRC 048	<u>8,608</u>
<u>Special Education Cluster:</u>			
State Improvement	84.027	PRC 082	2,586
Grants to States (IDEA, Part B) - Education of the Handicapped	84.027	PRC 060	554,998
Special Needs Targeted Assistance (IDEA VI-B)	84.027	PRC 118	8,951
Preschool Grants (IDEA Preschool) - Capital Building and			
Improvement	84.173	PRC 044	26,851
Preschool Grants (IDEA Preschool) - Preschool Handicapped	84.173	PRC 049	41,102
ARRA - Grants to States (IDEA, Part B)	84.391	PRC 144	378,881
ARRA - Preschool Grants (IDEA, Preschool)	84.392	PRC 145	22,660
Total Special Education Cluster			<u>1,036,029</u>

ANSON COUNTY BOARD OF EDUCATION, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards (Continued)
For the Year Ended June 30, 2011

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Expenditures
Career and Technical Education - Basic Grants to States Program Development	84.048	PRC 017	\$ 65,671
<u>Educational Technology State Grants Cluster:</u>			
Education Technology State Grant (Enhancing Education through Technology Program)	84.318	PRC 107	1,614
ARRA - Education Technology State Grant (Enhancing Education through Technology Program)	84.386	PRC 146	22,441
Total Education Technology State Grants Cluster			<u>24,055</u>
ARRA - Race To The Top (RTTT)	84.395	PRC 156	39,122
Vocational Education - Tech Prep Education	84.243	PRC 023	42,094
Reading First State Grants	84.357	PRC 106	39,515
Teacher Quality Enhancement	84.367	PRC 103	287,506
Comprehensive School Reform Demonstration	84.365	PRC 111,104	19,479
21st Century Community Learning	84.287C	PRC 110	284,565
21st Century Community Learning (Summer Program)	84.287C	PRC 113	31,986
Smaller Learning Communities Program	84.215L	PRC 330	186,950
			<u>931,217</u>
Total U.S. Department of Education			<u>5,714,787</u>
<u>U.S. Department of Defense</u>			
Direct Program:			
ROTC	None	PRC 301	128,710
<u>U.S. Department of Justice</u>			
Passed-through the N.C. Department of Crime Control and Public Safety:			
Governor's Crime Commission Grant (Relevance and Relationships)	16.738	PRC 340	69,370
Total federal assistance			<u>7,584,191</u>
STATE GRANTS:			
Cash Assistance			
<u>N.C. Department of Public Instruction:</u>			
State Public School Fund (SPSF)	N/A	N/A	23,279,572
Driver Training - SPSF	N/A	PRC 012	79,277
School Technology Fund - SPSF	N/A	PRC 015	31,433
Vocational Education			
State Months of Employment	N/A	PRC 013	950,123
Program Support Funds	N/A	PRC 014	287,046
<u>N.C. Department of Health and Human Services:</u>			
Passed-through Anson County:			
More at Four Pre-Kindergarten Program	N/A	PRC 413	125,137

ANSON COUNTY BOARD OF EDUCATION, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards (Continued)
For the Year Ended June 30, 2011

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Expenditures</u>
<u>N.C. General Assembly:</u>			
Dropout Prevention	N/A	PRC 419	\$ 126,506
<u>N.C. Department of Agriculture:</u>			
State Kindergarten Breakfast Program	N/A	N/A	8,164
Passed-through Anson County:			
Public Building Capital Fund - lottery funds	N/A	PRC 076	<u>265,039</u>
Total N.C. Department of Public Instruction - cash assistance			<u>25,152,297</u>
Noncash Assistance			
<u>N.C. Department of Public Instruction:</u>			
State Buses Appropriation	N/A	N/A	158,554
Textbooks	N/A	PRC 130	<u>38,197</u>
Total N.C. Department of Public Instruction - noncash assistance			<u>196,751</u>
Total State assistance			<u>25,349,048</u>
Total federal and State assistance			<u>\$ 32,933,239</u>