

**MURRAY CITY SCHOOL DISTRICT
REQUEST FOR PROPOSAL
AUDITING SERVICES**

**Proposals Must Be Received
No Later Than
December 18, 2023 4:30 pm**

Proposal submissions accepted via email or mail to:

Murray City School District
Attn: Richard E. Reese
5102 South Commerce Drive, Murray, Utah 84107
rreese@murrayschools.org

Proposals received after December 18, 2023 at 4:30 pm will be deemed unresponsive and will not be considered for evaluation.

Information requests regarding this proposal may be made up until December 12, 2023 at 12:00 pm and should be directed to:

Richard Reese, Business Administrator
Phone: 801 264-7415
Email: rreese@murrayschools.org

No other District employee, Board member, or evaluation committee member should be contacted concerning this Request for Proposal during the selection process. Failure to comply with this requirement may result in disqualification.

If the evaluation committee feels an interview would be helpful, a proposing firm may be interviewed in person or over the phone.

A. Purpose of Request for Proposal

The purpose of this request for proposal is to solicit proposals from professional CPA firms for the purpose of providing financial auditing and related services for the District commencing with the year ending June 30, 2024; the first obligation of which would be the attestation engagements due September 15, 2024 for student membership.

The District is required to undergo annual financial and compliance audits by a Certified Public Accountant in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards* and the *State Compliance Audit Guide*. Audit and attestation reports must be submitted to the District's Board of Education and Utah State Board of Education when due.

B. District Information

The District provides educational services to approximately 5,600 students. The District operates 10 schools for K-12 students throughout Murray City. The District's combined annual operating budget is approximately \$74 million. The District receives most of its funding from federal and state grants as well as local property taxes.

The District currently reports the following funds:

Maintenance and Operation Fund (General Fund) (10)
Non K-12 Fund (24)
Pass Through Tax Fund (26)
Capital Projects Fund (30)
Debt Service Fund (31)
School Food Service Fund (51)
Lifetime Insurance Fund (61)
Education Foundation Fund (77)

For more detailed information, please see the District's 2023 annual financial report and 2024 budget posted on the Utah State Auditor's webpage.

The District uses ALIO accounting software.

Richard E. Reese, Business Administrator, is available to coordinate with the CPA firm during the audit period.

C. Eligibility Requirements

In order to be eligible to respond to this RFP, the proposer must meet all of the following qualifications during the proposing and servicing period:

1. Licensed: The proposing firm is properly licensed for practice as a certified public accounting firm in the state of Utah.
2. Independent: The proposer meets the independence requirements of the American Institute of Certified Public Accountants and current *Government Auditing Standards* published by the U.S. Government Accountability Office.
3. Quality Control: The proposer meets the continuing education and external quality control review requirements contained in the current *Government Auditing Standards* published by the U.S. Government Accountability Office. The proposer includes its government audits in its internal inspections and peer reviews.
4. Non-Discrimination: The proposer must comply with all applicable federal, state, and District nondiscrimination requirements.
5. Insured: The proposing firm must be covered by professional liability insurance in the minimum amount of \$1,000,000 per occurrence with a \$1,000,000 annual policy aggregate limit.

D. Selection Criteria

The following criteria and weighting will be used to evaluate the proposal:

1. 5% Responsiveness: The completeness and conformity of the proposal response to the RFP requirements.
2. 35% Experience: This includes but is not limited to the qualifications and work experience of key personnel assigned to the audit; experience in governmental accounting, reporting, and

financial audits; experience with preparing comprehensive annual financial reports (CAFR); experience with preparing annual Form 990s for nonprofit organizations; understanding of compliance audits and attestation engagements; and experience with Utah school districts.

3. 20% Competency and Capacity: The existence of adequate personnel who can reasonably respond to District needs with demonstrated knowledge, skills, and abilities to perform required services competently.
4. 20% Technical: The appropriateness and adequacy of proposed procedures, reasonableness of time estimates and total audit hours, size and structure of the CPA firm, geographic location of key personnel, and appropriateness of assigned staff levels.
5. 20% Fees: The overall cost of the audit and related services.

The responsive and responsible offeror with the highest score justified by the evaluation committee will be awarded a contract.

E. Service Period

If the selected CPA firm performs satisfactorily for the June 30, 2024 audit, it is anticipated that the same firm will be engaged to perform the audit for the following year (for a total of five annual audits) subject to annual evaluation and District Board appropriation.

F. Right of Rejection

Murray City School District Board of Education reserves the right to reject any and all proposals or to waive any non-statutory informality. The District further reserves the right to make the award deemed by the Procurement Officer of the District to be in the best interest of the District. The Board's decision to accept or reject a proposal shall be final.

G. Retention of Records

Records, work papers, etc. of the District's audit must be kept and maintained by the CPA firm for a period of no less than six (6) years from the date of the auditor's report.

H. Addendum to RFP

If it becomes necessary to revise this RFP in whole or in part, an addendum will be provided to all CPA firms on record who received the original RFP.

I. Firm Proposal

Proposals must be signed by an official of the CPA firm authorized to bind the firm and conditions must be fixed for a period of sixty (60) days from the date of receipt.

J. State Compliance Audits, and Compliance Attestation Engagements

In addition to an annual financial statement audit, the District will need annual audits as required by the *State Compliance Audit Guide*. Also, the District will need the selected CPA firm to provide reports as required by the *Guide for Agreed-Upon Procedures Engagements for Local Education Agencies and Community-Based Organizations*.

K. Reports

The selected CPA firm will be required to submit the following reports as demonstration of its work:

1. Independent auditor's report on the basic financial statements, required supplementary information, and supplementary information for the year ending June 30 (due November 30).
2. State compliance audit reports for the year ending June 30 (due November 30).
3. State compliance attestation engagement reports for –
 - a. Student membership data for the year ended June 30 (due September 15).
 - b. Fall enrollment count and student transfer documentation as of October 1 (due November 1).
4. The annual financial reporting package(s) is to include the following:
 - a. Independent Auditor's Report
 - b. Management's Discussion and Analysis
 - c. Basic Financial Statements
 - d. Required Supplementary Information
 - e. Combining and Individual Fund Statements and Schedules (Major and Nonmajor Funds)
 - f. Other Information (Comparative Statements and Property Tax Information)
 - g. Reports on Compliance and Internal Controls (*Government Auditing Standards* Reports, and *State Compliance Audit Guide* Reports)

All of the above reporting deadlines must be met by the CPA firm in order for the District to comply with federal and state requirements and USBE rules.

L. Audit Work Timeline

This request for proposal is for audit and related services beginning with the District's fiscal year ending June 30, 2024. Therefore, the engagement team must be available for work beginning with the student membership report.

As part of the tests performed, the CPA firm shall visit and review financial transactions and controls of three to four individual schools each year. School visits assist the District in the instruction of school personnel in proper financial procedures and controls. A summary of findings and concerns at the school will be provided to the principal at the end of the visit. A copy of this summary will also be provided to the District's Business Administrator.

All adjusting entries as a result of this audit are to be provided to the Business Administrator by the middle of September of each year in order to allow time for the District's preparation and submission of its Annual Financial Report (AFR) and Annual Program Report (APR) to the Utah State Board of Education (USBE).

The audit timeline for the audit team is as follows:

1. School financial visits and review of transactions and controls and reporting – as desired by the CPA firm between April and August.
2. Student membership testing and reporting – as desired by the CPA firm between April and August.
3. Tests of transactions – as desired by the CPA firm.
4. Tests of balances – August.
5. Final numbers agreed to by District and CPA firm – September.
6. Review of AFR and APR – September.
7. Fall enrollment counts and transfer student testing and reporting – October.
8. Provide draft financial report, compliance audit reports and schedules, and any findings or deficiencies for management review by October.
9. Final report is due to Board (5 bound copies plus PDF) – November/December.

M. Assistance

In addition to the above, it is requested that the CPA firm give assistance to the District in the following ways:

1. Keep District abreast of changes in GAAP before those changes are effective so the District can make adequate changes and preparations for proper budgeting and reporting. The District expects the CPA firm to be proactive in this advisory role.
2. Assist with drafting District's basic financial statements and related notes, schedules, and information.
3. Offer assistance, if needed, on proper preparation of the AFR and APR.
4. Give assistance with periodic investigation and questions about proper accounting, budgeting, and auditing practices.
5. Assist the District, if needed, with state and/or federal agency audits.
6. Assist with the preparation of schedule of expenditures of federal awards.
7. Serve as a resource for questions relating to various District financial operations.

N. Other Items

1. Professional Standards: The CPA firm must perform all audit and accounting work in accordance with professional standards. If the CPA firm's work and/or reports are determined to be unacceptable by the District, federal or state agencies, or other entities and/or persons assigned to oversee the compliance of such work with appropriate professional standards, the work, at its own expense, and submit revised acceptable reports.
2. Fraud or Illegal Acts: If, during the course of any audit or accounting procedure for the District, the CPA firm uncovers indications of possible fraud or other illegal acts, the CPA firm shall immediately notify the appropriate persons within the District and other appropriate state and federal agencies in writing. The CPA firm shall perform sufficient fieldwork to be able to clearly describe and document the situation.
3. Retention and Access to Workpapers: The CPA firm shall retain workpapers and reports for a minimum of six (6) years from the date of the audit report. Appropriate federal or state agencies and the District shall have free and unrestricted access to the workpapers, records, other supportive documentation and reports prepared, or in the process of being prepared, in connection with the services performed under this proposal. This free and unrestricted access shall exist during the service term and shall continue for six (6) years from the date of submission of the final invoice or until litigation, audit or claim has been fully resolved, if later.
4. Appropriate Confidentiality of Information: The District will provide access to all of its legally open records to the selected CPA firm for audit. However, it is expected that the CPA firm will keep findings, questioned costs, management letter comments, and other sensitive comments confined to its official reports. Confidentiality of personal information (e.g. social security numbers, birthdates, personal addresses or phone numbers of employees, etc.) is expected and required. The District views the CPA firm as a partner in its obligation to maintain public trust and fiscal responsibility.

O. Proposal Outline

The audit proposal can best be outlined as follows:

SIZE AND STRUCTURE OF FIRM

Please describe the size and structure of your firm. Include any available resources that may be of benefit to the District. Also describe the geographic location of key personnel and the responsible office. Describe the competencies and capacities of audit team members in meeting District needs.

EXPERIENCE-LOCAL GOVERNMENTAL AUDITS AND SCHOOL DISTRICT AUDITS

Please list the institutional experience of your firm with local governmental audits and Utah school district audits. For up to five (5) local governments (including Utah school districts), list the name of the client, location, contact, phone number, years of service, and size in overall revenues for reference purposes. Provide any experience where your firm would give value added services to the District.

KEY PERSONNEL SUMMARY

Please list the key personnel who will be assigned to work directly on the District audit. (This list is to include the audit partner, audit manager, field supervisors, and other professionals.) Summarize their work experience and qualifications relevant to the auditing of school districts and local governmental agencies and their continuing education relevant to school districts or government auditing. Please indicate who will be working on-site.

PEER QUALITY REVIEW

Please attach a copy of your most recent peer quality review.

AUDIT WORK PLAN

Submit a general audit work plan to accomplish the scope defined in this Request for Proposal. The audit work plan should demonstrate the proposer's understanding of the audit requirements and the audit tests and procedures to be applied in completing the audit plan.

Include in the audit work plan the state compliance areas as required by the *State Compliance Audit Guide*.

The plan should detail the expected number of audit hours by staff level. The planned use of specialists should also be specified.

The audit team will visit one-third of the individual schools each year on a rotating basis. During these visits, tests of controls and tests of financial transactions should be planned. Include a list of procedures that will be performed during school visits.

List any test work, audit methodologies or staffing, you believe is necessary that may not be specifically outlined in this Request for Proposal and how your firm structures the audit process of school districts that set you apart as a firm.

FEES

Supply an itemization of fees for the year ending June 30, 2024 for each of the following services:

1. Audit of basic financial statements (including advisory services and assistance with preparation of financial statements and related notes, schedules, and information),
2. Attestation engagement for fall enrollment and transfer student documentation,
3. Attestation engagement for student membership,
4. State compliance audit, and
5. Annual visits to the schools.
6. Preparation of Form 990 for the Murray Education Foundation.

Provide billing rates, estimated number of billing hours, other billable expenses and a not-to-exceed fee for the year ending June 30, 2024 inclusive of travel, per diem, and all other out-of-pocket expenses.

As noted in this Request for Proposal, it is expected that if the selected CPA firm performs satisfactorily for the June 30, 2024 audit, it will be engaged to perform the audit for the following year, subject to annual evaluation, for a maximum of five (5) years.