

SECTION I - INTRODUCTION

INVITATION FOR PROPOSAL

Keystone Oaks School District (the “District”) is soliciting written proposals from interested independent certified public accounting firms known to provide audit services to Pennsylvania school districts. Firms wishing to be considered should send a letter of interest, a history of their firm and résumé of the personnel that would be responsible for providing audit services to the District, a listing of school district references, information that addresses the items that will be used as selection criteria (as found under that heading on page 3), and page 8 of this document to the Keystone Oaks School District by Friday, March 29, 2019 at 3:00 p.m., prevailing time. Proposals should be addressed to Joseph A. Kubiak, Business Manager, 1000 Kelton Avenue, Pittsburgh, PA 15216 with notation on the outside of the envelope that it contains an “Audit Services Proposal”.

Tentative plans call for the Keystone Oaks School District Board of Directors to review the proposals and to take action to award a contract at its regular meeting on Tuesday, April 16, 2019. No proposal may be withdrawn before 90 days after the date scheduled for opening the proposals (March 29, 2019). The District reserves the right to reject any and or all proposals and to waive, at its discretion, any irregularities, mistakes, omissions, or informalities relative thereto.

DISTRICT BACKGROUND

The Keystone Oaks School District is a local governmental unit created by the Commonwealth of Pennsylvania to provide education services to approximately 1,900 students living within a community of approximately 21,000 residents in the Boroughs of Castle Shannon, Dormont, and Green Tree in Allegheny County, Pennsylvania. The District has three elementary schools, one middle school and one high school. The District employs approximately 290 full-time and part-time staff. The District’s 2018-2019 General Fund expenditure budget is \$42,929,629. The Board of School Directors governs the District. The Board meets twice a month, generally on the second and third Tuesday of each month.

TERM OF AGREEMENT

The District is seeking a proposal for auditing services for a three-year period, including fiscal years 2018-2019, 2019-2020, and 2020-2021, subject to annual termination if notification is provided at least ninety days prior to the fiscal year end.

SELECTION CRITERIA

The District will evaluate firms based on the following criteria:

- + Firm’s history and related experience with Pennsylvania school districts.
 - Firm must possess knowledge of the Pennsylvania Department of Education’s (PDE) Manual of Accounting and the Pennsylvania Public School Code.
 - Firm must be thoroughly familiar with regulations, guidelines, bulletins and directives related to school finance issued by PDE and the Pennsylvania Auditor General’s Office.
 - Firm must possess knowledge of Government Accounting Standards Board pronouncements.
 - Firm must possess knowledge of Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Grant Guidance).
- + Firm’s personnel and qualifications; and, identification of those individuals who will be responsible for handling/servicing the account.

- Firm and majority of the personnel assigned to the engagement must be members of the American Institute of Certified Public Accountants (AICPA) and the Pennsylvania Institute of Certified Public Accountants (PICPA).
- Firm membership in the Government Audit Quality Center should be noted. Such membership will be given significant consideration in decision-making.
- Firm must possess the proficiency to provide the services requested herein.
- Firm must have credible experience auditing Pennsylvania school districts with at least one current school district client.
- Firm must not have any obligations or interests that conflict with the best interests of Keystone Oaks School District.
- + References from other Pennsylvania school districts. Three references with the name and phone number of the school district business manager or equivalent position should be provided.
- + Proposed fees annually and throughout the proposed engagement period.
- + Presence in the Keystone Oaks School District community.

TERMS AND CONDITIONS

Please be aware that this is a request for professional services, and not a competitive bid. The District is not required to conduct its request for professional services in accordance with competitive bidding laws. The District will not be liable for any cost(s) incurred by firms prior to the issuance of a signed engagement letter.

SECTION II - SCOPE OF AUDIT SERVICES

This section describes the services the District is soliciting from an auditing firm. Please note that the District expects the audit to be substantially conducted between September 1 and October 31 each year. Timing of the audit work must be coordinated, in advance, with the District's Business Manager. Please detail the anticipated field work dates on page 9 of this package when responding to this proposal. Information necessary for the District to complete its filing of the Annual Financial Report with PDE must be available at least fifteen (15) days prior to the filing deadline. The Business Manager will discuss whether the District intends to utilize the automatic 30-day grace period for filing of the Annual Financial Report. The District will consult with the firm on the completion date for draft copies of the audit report based upon the District's board and committee calendars.

GENERAL AUDIT SERVICES

The firm will provide the following services relative to the annual audit of the District's financial operations:

- + Audit of all funds of the District, including the General Fund, Athletic Fund, Capital Projects Funds (including Capital Reserve Fund in accordance with Municipal Code Section 1431 and any Construction Funds), Debt Service Fund, Food Service Fund, Risk Management Fund, Compensated Absences Fund, OPEB Fund, Non-Expendable and Expendable Trust Funds, and Student Activities Fund.
- + Prepare an auditor's opinion letter on the financial statements and internal control over financial reporting.
- + Compile all financial statements required by PDE and governmental auditing standards, including required supplementary information that is not otherwise prepared by the District.
- + Compile all required notes to the financial statements and required supplementary information.

- + Incorporate the District-prepared Management’s Discussion and Analysis into the final bound audit report. The District will determine the number of bound copies of the report that will be required. The firm will provide all requested copies.
- + Prepare a Management Letter detailing recommendations for improvements in District operations and/or procedures. The information provided in the Management Letter should be written with consideration given to staffing and resource constraints of the District.
- + Provide a listing of District responsibilities (e.g. working papers to be prepared and information to be gathered) no later than July 1 of each year. Audit confirmations will be prepared by the auditor in final form and mailing costs will be borne by the auditor. Prompt communication is expected during the audit period regarding additional information that is needed. Adequate time must be provided for the District to gather such information.

The District shall reserve the right to request copies of any of the working papers prepared in conjunction with the audit engagement at no additional cost to the District. Such working papers shall be provided on a timely basis, regardless of the status of any current agreements between the District and the audit firm.

FEDERAL PROGRAM AUDIT SERVICES

The firm will also provide the following services relative to the District’s federal grant programs, as needed:

- + Determine the need for audit work in accordance with Uniform Grant Guidance and provide such audit work as part of the annual audit of the District’s financial statements.
- + Compile all reports and schedules required by Uniform Grant Guidance, including the Schedule of Expenditures of Federal Awards.
- + Complete the auditor portion of the Single Audit filing with the Federal Audit Clearinghouse and assist with transmission of any other Single Audit filings with oversight agencies.

SECTION III - PROPOSAL INSTRUCTIONS

RESPONSE TO PROPOSAL

A complete response to this request for proposal is required. A valid response will consist of:

- + Completed transmittal form found on page 8 of this document
- + A letter of interest describing the firm’s understanding of the scope of work and committing to completion of the work within the District’s timetable
- + A history of the firm noting its experience with Pennsylvania school districts, size and structure,
- + Résumés of the personnel that would be responsible for servicing the District
- + A listing of school district references including contact information, type of services performed and the length of service with each school district
- + Detail of the firm’s approach to performing the audit, including the type of audit program used; use of statistical sampling; organization of the audit team and estimate of total job hours; presence of the audit partner on the engagement; information provided in any required audit communication; coordination of audit work completed by District staff; and timeline for completion of the audit
- + Fixed fee quote for the engagement found on page 9 of this document. The fee structure should include the cost of performing the services outlined in this request for proposal for the years 2018-2019, 2019-2020 and 2020-2021. The costs for the General Audit Services

and the Federal Program Audit Services should be separately stated. Estimated field work dates and hours required to complete the engagement should be noted.

It should be noted that this solicitation process may not necessarily result in a change in auditors. After the Keystone Oaks School District has reviewed all responses, the Finance Committee of the District may request that a formal proposal be made.

SECTION IV - OTHER INFORMATION

COSTS RELATED TO A RESPONSE TO THIS PROPOSAL

The District will not be liable for any cost incurred in preparation of a response to this proposal. The District reserves the right to conduct interviews of any or all firms submitting proposals prior to selection. The District will not be liable for any costs incurred by the firm in connection with such interview.

RESPONSIVE PROPOSAL

Submission of a proposal will be prima facie evidence that the firm submitting the proposal has full knowledge of the scope, nature, quantity and quality of work to be performed; the detailed requirements of the specifications; and the conditions under which the work is to be performed.

FEE NEGOTIATION

The District reserves the right to conduct pre-contract negotiations with any potential firms that have submitted proposals.

DISTRICT'S RIGHTS IN SOLICITATION

The District reserves the right to reject any and all proposals. The District retains sole discretion to accept the proposal it considers most favorable to its interests, and the right to waive minor irregularities in the proposals. The District further reserves the right to reject all proposals and seek new proposals when such process is in the best interest of the District.

NO ADDITIONAL FEES

The District will not be liable and will not pay for any costs related to the audit that are not included in the proposal. The audit firm will be responsive to the District's requests for miscellaneous payroll tax form processing information and other general accounting and tax matters throughout the year at no additional cost to the District.

ETHICS AND COLLUSION

This request for proposal is not subject to bidding requirements; however, the District intends to adhere to the following guidelines:

Bribery: Any person that attempts to influence a District official to designate such person's firm as the auditor by promising to provide or by providing to such District official any gratuity, entertainment, commission or any other gift, in exchange for a promise to designate that firm shall be disqualified from further consideration and shall be subject to any applicable penalties under the law.

Conflict of Interest: Any firm that knows of any District official having a material direct or indirect financial interest in such firm shall be required to submit a written statement detailing such interest. Failure to disclose a known financial interest shall result in the firm's disqualification from further consideration.

**THIS PROPOSAL
MUST BE RECEIVED IN THE
Keystone Oaks School District Administration Office BY
3:00 p.m.
Friday, March 29, 2019**

TO THE ATTENTION OF:

Joseph A. Kubiak
Business Manager
Keystone Oaks School District
1000 Kelton Avenue
Pittsburgh, PA 15216

NAME OF FIRM/AGENCY: _____

CONTACT PERSON: _____

STREET ADDRESS: _____

CITY/STATE/ZIP: _____

TELEPHONE NUMBER: _____

FAX NUMBER: _____

E-MAIL ADDRESS: _____

NOTE: Return this form as the COVER PAGE of your Proposal.

**Keystone Oaks School District
Response to Proposal for Audit Services**

Fiscal Year	2018-2019	2019-2020	2020-2021
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Fee for General Audit Services			
Fee for Federal Program Audit Services			
TOTAL PROPOSED FEE			
Additional Fees (please detail below)			
Anticipated Field Work Start Date			
Anticipated Field Work Completion Date			
Anticipated Hours for the Engagement			

Details for any additional fees listed above (Please note the hourly rate to be charged and the types of services that would require such additional fees):

Signature _____
 Title _____
 Date _____