

WEST SALEM SCHOOL DISTRICT

REQUEST FOR PROPOSAL AUDIT SERVICES

I. INTRODUCTION

A. General Information

The West Salem School District is requesting proposals from licensed certified public accountant firms to audit its financial statements for the fiscal year ending 6-30-25, with the option of auditing its financial statements for the subsequent two (2) fiscal years. These audits are to be performed in accordance with the provisions included in this request for proposal:

To be considered, two (2) copies of a proposal must be received by the Director of Finance, Shawn Handland, at 405 East Hamlin Street, West Salem, WI 54669 by December 20, 2024. The West Salem School District reserves the right to reject any or all proposals submitted.

The West Salem School District reserves the right, where it may serve the district's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions.

Submission of the proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the West Salem School District and the firm selected.

It is anticipated the selection of a firm will be completed by January 13, 2025. Following the notification of the selected firm, it is expected a contract will be executed between both parties by January 31, 2025.

B. Term of Engagement

A three (3) year contract with annual renewals is contemplated, subject to satisfactory negotiation of terms and the concurrence of the Board of Education.

II. NATURE OF SERVICES REQUIRED

A. Scope of Work to be performed

The auditor will express an opinion on the fair presentation of its financial statements in conformity with generally accepted accounting principals.

The financial and compliance audit will involve all the School District's funds and accounts. The auditor is required to analyze and apply audit procedures to the supplementary information in order to comply with reporting requirements as prescribed by Wisconsin Department of Public Instruction and the *State of Wisconsin Single Audit Guidelines*, issued by the Wisconsin Department of Administration.

A membership audit of the third Friday of September and the second Friday in January Membership Reports, if required by the Department of Public Instruction.

Provide unlimited consultation during the year.

B. Auditing Standards

To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the *Government Auditing Standards*, issued by the Comptroller General of the United States; *Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments and Non Profit Organizations*; and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration.

C. Reports

The auditor shall submit to the West Salem School District Board the following reports, with copies of each for transmittal to the Department of Public Instruction and other agencies as required:

1. Department of Public Instruction form PI 1506 AC internet filing and audit statements.
2. Independent Auditors Report on financial statements of the governmental activities, each major fund, and the aggregate remaining fund information.
3. Independent Auditor's Report on Compliance and Internal Controls over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
4. Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with *OMB Circular A-133* and the *State Single Audit Guidelines*.

5. Current Year Findings and Questioned Costs.
6. Status of Prior Year Findings and Questioned Cost
7. A management letter, with appropriate recommendations, commenting on material weaknesses in internal accounting control, reportable conditions, and identifying possible noncompliance with finance related legal provisions.
8. State Aid Membership audit reports as required by the Department of Public Instruction.
9. Irregularities and illegal acts. Auditors are required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the following parties:
 - a. Superintendent of Schools
 - b. Business Office Manager/Director of Finance
 - c. Board President

In the required report(s) on internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial statement. In Addition, the following conditions shall be considered reportable:

- Reportable conditions that are also material weaknesses shall be identified as such in the report
- Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the report(s) on internal controls
- The report on compliance shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall be reported in a separate management letter, which shall be referred to in the report on compliance

A minimum of 12 copies of each audit report is required.

D. Working Paper Retention and access to Working Papers

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 West Salem School District of the need to extend the retention period.

The auditor will be required to make working papers available, upon request, to the following parties or their designees:

West Salem School District
Wisconsin Department of Public Instruction
U.S. General Accounting Office (GAO)
Parties designated by the federal or state governments or by the
West Salem School District as part of an audit quality review
process audit

In addition, the firm shall respond to the reasonable inquiries of successor Auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

E. Timing, Location, and Conduct of Audit Work

In addition to time requirements established by the Department of Public Instruction, the following conditions shall apply:

1. The District, expects to receive prior to June 30th of each year, a list of schedules to be prepared and other items required for the audit.
2. Pre-closing, interim, tests and procedures shall be conducted at a mutually agreeable time.
3. The final onsite audit will be scheduled in late July or early August. The audit will be conducted on district premises. The District will provide space deemed adequate by the auditor to efficiently conduct the audit.
4. Adjusted trial balance figures are required by the third Friday of August. Prior to completion of the onsite audit, the auditor will meet with the Director of Finance to review adjusting journal entries, certify data for submission of the PI-1505AC, and review any adjustments or concerns that might effect the district's completion of the PI-1505SE.
5. Audits of individual activity funds shall be conducted within 4 weeks of receipt of the year-ending bank statements.
6. Report completion and an exit conference are required by October 15th of each year.

7. Prior to submission of the completed report, the auditor will be required to review a draft of the proposed report and management letter with the Director of Finance. The management letter will be sent to the Director of Finance.
8. The financial audit reports must be submitted to the District no later than December 1st of each year. The financial Audit Statement must be submitted to the Department of Instruction by December 15th.
9. The District may request the auditor to present the financial statement and management letter at a meeting of the Finance Committee or School Board.

III. DESCRIPTION OF THE GOVERNMENT

A. Principal Contact

The auditors will report to the District Administrator and will receive information from the Director of Finance or a designated representative, who will coordinate the assistance to be provided by the School District to the auditor.

B. Background Information

The West Salem School District is a K-12 district consisting of 1 Elementary School, 1 Middle School, and 1 High School. The District General Fund budget is approximately \$28 million and the All-Fund budget is approximately \$38 million.

The Business Office personnel consists of the Director of Finance, Director of Human Resources, District Accountant, and Accounts Receivable/Accounts Payable Specialist. The Superintendent, District Office Administrative Assistant and School Board/Superintendent Executive Assistant comprise the remainder of the District Office staff.

The District uses the modified accrual accounting system designed by the Wisconsin Department of Public Instruction (WUFAR Accounting System). The District utilizes the Skyward financial software package.

IV. TIME REQUIREMENTS

A. Proposal Calendar

The following is a list of key dates up to and including the date proposals are required to be submitted:

| | |
|-------------------------------|-------------------|
| Requests for proposals issued | November 20, 2024 |
| Due Date for proposals | December 20, 2024 |

B. Notification and Contract Dates

| | |
|------------------------|------------------|
| Selected firm notified | January 31, 2025 |
| Contract date | March 1, 2025 |

C. Date Audit May Commence

The West Salem School District will have all records, posted statements, bank reconciliations, and other necessary reports ready for audit and all management personnel available to meet with the firm's personnel as of the last week in July.

V. PROPOSAL REQUIREMENTS

A. Submission of Proposals

The following material is required to be received by December 20, 2024 for a proposing firm to be considered:

1. Title page

Title page showing the request for proposal's subject; the firm's name, address and telephone number of a contact person; and the date of the proposal.

2. Table of Contents

3. Transmittal Letter

A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement of why the firm believes itself to be the best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for sixty days.

B. Detailed Proposal

1. General Requirements

The proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposal requirements.

While additional data may be presented, the following subjects, items No. 2 through 10, must be included. The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals. They represent the criteria against which the proposal will be evaluated.

2. License to Practice in Wisconsin.

An affirmative statement should be included indicating that the firm and all assigned key professional staff are properly licensed to practice in Wisconsin.

3. Firm Qualifications and Experience

The proposal should state the size of the firm, the size of the firm's government audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis. And the number of the staff to be employed on a part-time basis.

The firm shall provide information on the results of the most recent peer review and the results of any Federal or State reviews of its audits during the past five (5) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past five (5) years with state regulatory bodies or professional organizations.

4. Similar Engagements with Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements performed in the last five years that are similar to the engagement described in this request for proposals. Indicate the scope of work and the name and telephone number of the principal client contact.

C. Dollar Cost Bid

1. Total All-Inclusive Maximum Price

The dollar cost bid should contain all pricing information relative to performing the audit engagement as described in this request for proposals. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses.

The West Salem School District will not be responsible for expenses incurred in preparing and submitting the technical proposal or the dollar cost bid. Such costs should not be included in the proposal.

The dollar cost bid sheet should include the following information:

- i. Name of Firm
 - ii. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid and authorized to sign a contract with the West Salem School District.
 - iii. A fixed price consistent with auditing standards at that time for the 2025, 2026 and 2027 engagements.
2. Rates by Partner, Specialist, Supervisory and Staff Level Times Hours Anticipated for Each

The dollar cost bid should include a schedule of professional fees and expenses.

3. Out-of-Pocket Expenses Included in the Total All-Inclusive Maximum Price

D. Final Selection

The West Salem School District Board of Education will select a firm based upon the recommendation of administration. It is anticipated that a firm will be selected by January 31, 2025. Following notification of the firm selected, it is expected a contract will be executed between both parties by March 1, 2025.

E. Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals unless clearly and specifically noted in the proposal submitted and confirmed in the contract between West Salem School District and the firm selected.

The West Salem School District reserves the right without prejudice to reject any and all proposals