

**NEW BEDFORD ACADEMY
REQUEST FOR PROPOSALS
FOR AUDIT SERVICES
MAY 16, 2018**

I. ORGANIZATION

The Board of Directors for the New Bedford Academy (NBA), Lambertville, Michigan.

II. REPORTING RELATIONSHIP

The NBA Auditor is responsible to the NBA Board of Directors of Lambertville, Michigan.

The New Bedford Academy is a tuition-free Kindergarten through eighth-grade public school academy, authorized by Ferris State University.

III. RESPONSIBILITIES OF THE POSITION

The required services involve delivery of high quality audit services to the NBA Board of Directors. The work involves the review, interpretation of federal, state and local laws and regulations, preparation and filing of local, federal and state reports, and audit and financial advice as it relates to matters of NBA. The NBA auditor offers a full range of audit services to be expected by a growing, diverse public school academy. The NBA Board of Directors Auditor is directly responsible to the NBA Board of Directors, and also works closely with NBA's Education Service Provider.

The NBA Board of Directors meets monthly with meetings scheduled on the second Monday of each month. The Auditor may be required to attend NBA Board of Directors meetings when requested. The auditor may be required at special call meetings.

IV. PURPOSE

The Board of Directors for the NBA of Lambertville, Michigan is seeking proposals for the selection of an independent audit firm to provide services to NBA for Fiscal Year 2019.

V. SUBMISSION OF PROPOSALS

Proposals must be submitted to:
New Bedford Academy Board of Directors
6315 Secor Road

Lambertville, MI 48144

Eight (8) copies of the proposal must be received at the above address **no later than June 1, 2018 at 4:00 p.m. (Eastern)**.

Invitation to Submit Proposal

The New Bedford Academy Board of Directors invites independent certified accounting firms to submit audit proposals to provide audit services for **fiscal year 2019**.

Any inquiries regarding the NBA or this proposal should be directed to:

Sidney L. Faucette
School Rescue LLC
sidfaucette@schoolrescue.com
(734) 854-KIDS

PROPOSAL CONTENTS AND FORMAT

To maintain comparability, it is requested that proposals are organized in the manner prescribed below.

1. Title Page

Include the firm's name, address, name and telephone/fax of contact person.

2. Table of Contents

Include a table of contents identifying sections and/or page numbers.

3. Letter of Transmittal

Include a statement of your understanding of the work to be done and briefly describe your audit approach applied to reach the objective. State names or the person(s) who will be authorized to make representations for the firm, their titles, addresses and phone numbers.

4. Profile of the Firm

Provide an overview of your business, size, experience and key personnel (as required). Please provide a list of clients who may be contacted for references.

5. Summary of Firm/Auditor's Qualifications

Identify the personnel who will work on the audit, including staff from other than the local office. Resumes for each person to be assigned to the audit should be included (the resumes may be included as an appendix).

6. Services to be Provided

Express agreement to meet the requirements of the engagement as stated in the "Scope of Audit" and "Services Required" sections of these guidelines. Provide descriptions of the audit approach and illustrations of the procedures to be employed. Provide a tentative schedule for performing key phases of the audit and the amount of time required to accomplish these phases.

7. Timing of the Audit

Please provide the approximate timing of the audit so as to meet in-house, Authorizer, local, state and federal government deadlines.

8. Fee Structure

Provide proposed fee, itemizing a basic audit service, audit of federal grant programs, and any other specific services. The fee should include out-of-pocket expenses, including report production costs.

Base Audit Report, including Management Letter: \$ _____

Federal Programs Audit (if Applicable): \$ _____

Other \$ _____

9. References

List a minimum of five (5) references, including the following information:

- School Name
- Address
- School Contact: Name and Role
- Email Address
- Telephone Numbers: Office and Mobil

10. Additional Information

Since data not specifically requested should not be included in the foregoing sections, give any additional information considered essential to the proposal in this section. If there is no additional information, please note: "There is no additional information to present."

Please include with your proposal:

1. A brief resume of key personnel who would be involved in the NBA audit.
2. A summary of the tasks, if any, by NBA with respect to secretarial work, preparation of summaries, search for documents, and any other tasks necessary to expedite completion. Also, describe the type and amount of assistance to be required of NBA and its employees.

VI. SCOPE OF THE AUDIT

The annual audit shall consist of an examination of General Purpose Financial Information for NBA for the fiscal year 2019 and schedules included in the NBA's Annual Financial Report. All audits shall be made by independent auditors in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, the audits of NBA need to be based upon the additional requirements of the Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local*

Governments, and Non-Profit Organizations. The audit shall include a review of accounting procedures and the system of internal accounting control to ensure that there is effective control over revenues, expenditures, assets, and liabilities and that there is a proper accounting of resources, liabilities, and accounting operations.

The examination shall be sufficient in scope so as to render an opinion on the fairness of the representations contained in the individual and combined balance sheets and related statements of revenue and expenditures, and changes in fund equity for the year ended in accordance with generally accepted accounting principles for state and local governments.

All audit work must be performed by audit staff of the proposing firm; no audit work is to be performed by subcontractors.

Reports Required

The auditor shall prepare the following printed and bound reports:

A. Annual Financial Report:

Basic financial statements including all applicable government wide and fund financial statements, including all required and supplementary information, consistent with prior years.

1. Three (3) preliminary drafts
2. Ten (10) final bound copies
3. One (1) master unbound set (PDF)

B. Annual Financial Report:

Prepared for submission to the Michigan State Department of Education, Intermediate School District/Regional Education Service Agency (as applicable), and Ferris State University Charter Schools Office.

C. Annual Financial Report for Publication:

The report must be provided in PDF format for publication in the local newspaper (as applicable).

D. Communication from Auditor to the NBA Board of Directors:

The purpose of the letter/correspondence shall be to make known recommendations of the auditor which, if implemented, would in the auditor's opinion, increase efficiency and improve internal accounting control as they relate to the business operations essential to NBA. All comments and recommendations shall be discussed with, and a draft of the letter provided to The Board Treasurer, or his designee, prior to issuance.

1. Ten (10) printed and bound copies
2. One (1) master unbound set

E. All Additional Reports:

As may be required to be submitted, to the Michigan State Board of Education and any other regulatory agencies.

- F. Annual Federal Financial Compliance Report for NBA consistent with prior year reports (as applicable).

Tentative drafts of all reports shall be submitted to The Board Treasurer or his designee for business prior to final preparation. A meeting shall be held to review these tentative drafts within ten days after receipt. The final audit reports shall be completed no later than October 1, 2019 (for fiscal year 2019 audit) unless by mutual agreement an earlier date is determined.

Audit work papers shall remain in the custody of the auditor; however, the NBA Board of Directors and succeeding independent auditors shall be given access to audit work papers and shall have the right to copy such work papers pertaining to audits for the fiscal year 2019 for a period of up to seven years after the audits have been completed.

Expectations

1. The selected auditor shall conduct audit examination(s) and prepare audit reports in a manner to follow the requirements of:
 - Current Michigan Audit Guidance for public schools
 - Manual for Local School Systems and Public School Academies
 - The Office Management and Budget Circular A-133, audit requirements to satisfy all state and federal reports.
 - Statutes and regulations relevant to financial audit of public school academies in Michigan.
 - Any other Federal, State, or Local requirements for Michigan Public School Academy audits.
2. The Auditor shall be available to present the audit at a regularly scheduled meeting of the Board of Directors if requested.
3. The auditor shall keep the NBA Board of Directors apprised of any and all changes in accounting and reporting requirements.
4. The auditor shall serve as a resource and be available for consultation on accounting and internal control issues throughout the fiscal year.
5. No part of the audit, except the printing, may be subcontracted.
6. A senior field auditor must be on-site during the audit.

Records of the NBA shall be audited on site at a space provided by the Academy or at a location off site upon approval of the Board. Records shall be returned to the office from which the material was provided.

Qualifications

Proposals will be accepted from an auditor and/or audit firm with demonstrated experience and competency in public school auditing. The minimum qualifications for firms submitting proposals are:

1. The audit shall be conducted by or under the supervision of a licensed Certified Public Accountant experienced and knowledgeable in Michigan school auditing.
2. The audit firm must have demonstrated efforts to keep its staff current in the industry and in governmental organizations.
3. The auditor and/or audit firm shall not have a record of substandard work. The proposal must disclose any enforcement action to which the firm has been subject during the past five years.
4. The auditor and/or audit firm must provide the names, titles, addresses and phone numbers of at least three clients for whom the auditor and/or firm has performed audits within the last three years similar in scope and reporting as required by NBA.
5. The Board reserves the right to terminate the Contract for just cause upon ten (10) days' written notice to the auditor without any penalties. For purposes of this contract, just cause may include, but is not necessarily limited to, any of the following:
 - A. The auditor's entry into liquidation, receivership or dissolution, its filing for bankruptcy or insolvency, or the assignment of its assets for the benefit of its creditors;
 - B. The auditor's failure to pay staff, or failure to provide sufficient staff or sufficient supplies for the job;
 - C. The auditor's disregard of applicable laws, ordinances or the instructions of the Board;
 - D. The auditor's failure, for any reason, to maintain the level of service required by the Board; or
 - E. Any other failure on the part of the auditor to perform or adhere to any of its obligations under the Contract.
6. Proposals will be considered only if made without any connection with any other person or firm submitting a proposal, if in all respects fair and without collusion and if no member of the Board is directly or indirectly interested in the proposal or in any portion of the profits thereof.
7. The firm may withdraw or change a proposal if written notice of the withdrawal or change is received by the Board before the latest time specified for submission of proposals. Any change may be made only by substitution of another proposal.

8. Proposals received after the time specified in the Request for Proposal (RFP) will not be considered and shall be returned to the auditor/audit firm.

VII. SUBMISSION SCHEDULE

All proposals must be received no later than 4:00 p.m., Eastern Standard Time (EST), June 1, 2018 to:

New Bedford Academy Board of Directors
6315 Secor Road
Lambertville, MI 48144

Proposals must be in a sealed envelope clearly marked “**NBA Auditor Response to Proposal, Name of Audit Firm.**” Eight (8) copies of the complete proposal are required. The Audit Proposal must conform to the presentation format outline included in this packet.

Evaluation of Proposals

The proposals will be reviewed and evaluated by the NBA Board of Directors. The top candidates may be invited to participate in oral interviews. The proposals will be evaluated on the following criteria:

1. Understanding of the audit engagement
2. Accessibility and ability to respond to NBA needs in a timely manner
3. Acceptability of audit approach
4. References of firm
5. Qualifications and technical experience of firm in Public School Academy audits
6. Qualifications of assigned individuals in Public School Academy audits
7. Audit schedule
8. Fees

NBA reserves the right to reject any and all proposals submitted, and to ask for more details or further clarification of any proposal, and select the proposal that best meets the needs of NBA. The Board reserves the right to reject any or all proposals or any part thereof, to waive immaterial technicalities in the quoting, and to accept the proposal deemed most favorable to the Board after all proposals have been examined and evaluated.

Requests for Proposals will be held without right of withdrawal until September 1, 2018, when it is anticipated the Board has reviewed or acted on the proposal.

VIII. PROPOSED CALENDAR

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| <i>May 14, 2018</i> | Board authorizes advertisement of RFP |
| <i>May 18, 2018</i> | Advertisement starts. (NBA website and area Newspaper) |
| <i>June 1, 2018</i> | Due date for proposals at 4:00 p.m. (EST). |
| <i>June 4, 2018</i> | Proposer packets distributed to Board for independent review. |
| <i>June 11, 2018</i> | Selection of Independent Auditor (Anticipated). |