



SOUTHERN LEHIGH SCHOOL DISTRICT
5775 MAIN STREET, CENTER VALLEY, PENNSYLVANIA 18034
Telephone: 610-282-1030 Fax: 610-282-2462

Request for Proposal

AUDIT SERVICES

April 5, 2023

**AUDIT SERVICES FOR THE FISCAL YEARS ENDING
JUNE 30, 2023, 2024, 2025
AND TWO ONE-YEAR OPTIONS TO EXTEND THE AGREEMENT**

COMPLETE RFP CAN BE FOUND ONLINE AT www.slsd.org/BusinessServices

The Southern Lehigh School District (District) is requesting proposals from qualified Audit Firms to serve as Auditors for the District.

There is no expressed or implied obligation for the District to reimburse responding persons/Vendors for any expenses in preparing proposals in response to this request.

During the evaluation process, the District reserves the right, where it may serve the District's best interest, to reject any or all proposals, request additional information, negotiate rates or request clarification from proposers, or allow corrections to submit or omissions.

SUBMISSION OF PROPOSALS

The vendor shall submit three (3) signed copies (1 original, 2 photocopies) of the completed Proposal in a sealed envelope clearly marked "AUDITOR RFP".

**Proposals are due by 2:00 p .m. -Friday, May 5, 2023
Mail or deliver the proposal to the following address:**

**SOUTHERN LEHIGH SCHOOL DISTRICT
Louis J. Pepe, MBA, PCSBA, SFO
Director of Business Services
Administrative Building
5775 Main Street
Center Valley, PA 18034**

For consideration, the District must receive the proposal by 2:00 p .m. -Friday, May 5, 2023. Proposals should be submitted to Louis J. Pepe, MBA, PCSBA, SFO Director of Business Services of Southern Lehigh School District, 5775 Main Street, Center Valley, PA 18034.

BACKGROUND

The Southern Lehigh School District is comprised of two elementary schools (K-3), one intermediate school (4-6), one middle school (7-8), and one high school (9-12). The district serves 3150 students and employs 425 staff members. The schools play a significant role in the community and have been recognized for innovative programs for students.

The District's 2022-2023 general Fund expenditure budget is \$71,967,177.

The authority to establish, equip, furnish, operate, and maintain the public schools of Southern Lehigh School District is vested in the Board of School Directors (9 members), which is a body corporate and is constituted and governed by Title 24 of the Pennsylvania Statutes, the Public School Code of 1949 as amended, Article III of the Pennsylvania Constitution and applicable federal and state laws and regulations.

TERM OF ENGAGEMENT

Services are sought for a three-year period with respect to fiscal years ending on June 30, 2022-2023, 2023-2024, and 2024-2025; and two one-year options to extend the agreement commencing upon approval and subject to annual review and concurrence by the Board of Education of the District.

INVITATION FOR PROPOSAL

The Southern Lehigh School District (SLSD) is requesting proposals from independent certified public accounting firms to provide audit services to the school district beginning with the fiscal year ending June 30, 2023 as follows:

- Three Year Initial Term: Fiscal years ending June 30, 2023, 2024, and 2025
- Two one-year options: Fiscal years ending June 30, 2026, and 2027

The Request for Proposal for Audit Services may be obtained via email request to pepel@slsd.org or found online at www.slsd.org under Business Services.

If necessary, addendums to this RFP will be issued. Firms that have registered to receive this RFP will receive all addendum announcements. Addendum receipt will be confirmed by the return of the RFP Addendum Confirmation document, which will be forwarded with any addenda announcements.

To be considered, the proposal must be received by the District by 2:00 p .m. -Friday, May 5, 2023. As indicated, proposals should be submitted to Louis J. Pepe, MBA, SFO, PCSBA, Director of Business Services of Southern Lehigh School District, 5775 Main Street, Center Valley, PA 18034.

ELECTRONIC PROPOSALS WILL NOT BE ACCEPTED

Clearly write **"AUDIT SERVICES PROPOSAL"** in the subject line. Proposals will be reviewed at the School District starting on Monday, May 8, 2023.

FAXED PROPOSALS WILL NOT BE ACCEPTED

Respondents to this RFP are hereby notified that all proposals submitted and information contained therein and attached thereto will not become public information until the selection of the successful respondent. All firms furnished a copy of this RFP, **but those who decide not to offer a Proposal to SLSD are requested to submit a negative reply.** Specific comments and observations are encouraged.

Tentative plans call for the Southern Lehigh School District Board of School Directors to review the proposals at its Board Workshop Meeting on Monday, May 8, 2023, and to take action to award a contract at its Regular Board Meeting on Monday, May 22, 2023.

The Southern Lehigh School District reserves the right to reject any or all proposals and to waive, at its discretion, any irregularities, mistakes, omissions, or informalities relative thereto.

SPECIFICATIONS FOR PROPOSAL

Term of Agreement

The Southern Lehigh School District is requesting proposals to provide audit services beginning with the fiscal year ending June 30, 2023 as follows:

- Three Year Initial Term: Fiscal years ending June 30, 2023, 2024, and 2025
- Two one-year options: Fiscal years ending June 30, 2026, and 2027

Cost and Pricing Data

Proposals must be for a total amount for the audit of both Non-Federal and Federal Programs. Fee structures for staff and related costs should be included in the event that the school district requests the Audit Firm to do additional work.

Statement of Qualifications

The auditors assigned to perform the audit must collectively possess adequate professional proficiency for the task required.

The Commonwealth of Pennsylvania has defined qualified auditors to perform Single Audits to be Certified Public Accountants (CPA) or Public Accountants (PA) who are: (1) Registered under Act 140 P.L. 318, May 26, 1947, entitled "The CPA Law", as amended by Act 286, P.L. 1280, dated December 8, 1976; and (2) conforming to the independence requirements and professional standards promulgated by Government Auditing Standards, issued by the Comptroller General of the United States.

Eligible accounting firms shall meet the following specifications:

- a. Shall be Certified Public Accountants (CPA) or Public Accountants (PA) who are registered under Act 140 P.L. 318, May 26, 1947, entitled "The CPA Law," as amended by Act 286, P.L. 1280, dated December 8, 1976; and (2) conforming to the independence requirements and professional standards promulgated by the GAO Audit Standards;
- b. Free from obligations or interests that conflict with the best interests of the Southern Lehigh Area School District
- c. Professional capability and capacity to proficiently provide the service and support as requested herein on a timely basis;

- d. Experience auditing Pennsylvania school districts;
- e. Shall be familiar with the Pennsylvania School Systems Manual of Accounting and Related Financial Procedures, the PA Public School Code of 1949, as amended; and with the Federal and State Single Audit Act regulations and guidelines and recent bulletins and directives related to school finance issued by the Pennsylvania Department of Education (PDE) and the PA Auditor General's Office;
- f. Knowledgeable of the regulations and accounting statements of the Governmental Accounting Standards Board and the OMB Omni Circular, Uniform Grant Guidance, Administrative Requirements, Cost Principles, and Audit Requirements;
- g. At least two Pennsylvania public school districts as current clients; the response will include a listing of current and recent clients;
- h. Experience in Single Audit requirements;
- i. Shall be knowledgeable of the regulations and accounting statements of the Governmental Accounting Standards Board. The District prepares its audited annual financial statements in compliance with GASB Statements applicable to State and Local Governments such as GASB #68 and #75. Therefore, the District's audit firm will need to provide audit services that assist the District with compliance. The proposal shall indicate the firm's knowledge and experiences with the above-mentioned GASB Statement audited statements with other governmental entities.

SCOPE OF AUDIT

General Scope of Work

The audit will cover all programs of the School District including but not limited to the general fund, food service fund, athletic fund, student activity funds, capital reserve fund, debt service fund, construction funds, and Federal programs. All final statements must be prepared by the audit firm in a manner both consistent and compliant with GASB, the State of Pennsylvania, and PDE guidance.

The District funds to be audited are as follows:

- General Fund
- Capital Projects Fund
- Bond Funds
- Debt Service Fund
- Proprietary Funds
- Food Service Fund
- Net Pension Liability and Health Insurance Premium Assistance, and (OPEB)
- Fiduciary/Custodial Fund
- Any other operating funds of the Southern Lehigh School District that are normally required to comply with Federal and State guidelines including but not limited to Student Activities

The audit shall be completed no later than December 1st of each year with a School Board presentation of the final audit at the December/January Board Workshop meeting (unless rescheduled by district officials).

Advisory Assistance

The audit firm shall be available to provide advisory assistance to the District's administration throughout the school year including, but not limited to, assistance with preparing the conversion of modified accrual financial statements to the full accrual basis of accounting. The school district will maintain its financial records and the audit firm will advise as may be necessary to enable the school district to comply with the requirements of all State and Federal regulatory agencies.

The audit firm shall provide year-end adjusting journal entries to the District's business office staff, assist in reconciling accounts as needed, and assist in the preparation of year-end financial statements and the Annual Financial Report as needed.

SELECTION PROCESS

The informality of Bid and Acceptance, Rejection or Selection of Quotation

The School District expressly reserves the right to reject any or all proposals, to waive any informalities or irregularities in the proposals, and to accept that proposal which is in the best interest of the School District. All pricing must be held for 60 days. The District reserves the right to negotiate terms and conditions.

Acceptance by the District

The School Board will consider the auditing proposals at a regularly scheduled meeting following the due date of this request for quotation. An interview with the review team may be required.

In determining the selected audit firm, the following criteria will be evaluated and considered:

1. Evidence in the proposal that the submitting firm clearly understands the scope of the audit services for The Southern Lehigh School District.
2. Firm's familiarity with regulations, guidelines, bulletins, and directives related to school finance issued by PDE and the Pennsylvania Auditor General's Office, and the Government Accounting Standards Board.
3. Technical experience in the firm and ability to provide appropriate guidance throughout the year as evidenced by sample audit reports of other school districts, which may be submitted with the proposal.
4. Qualifications of the audit staff who will be responsible for handling/servicing the account to include resumes and identification of the Managing Partner responsible for Public Presentation of the Audit.
5. Size and structure of the firm necessary to meet the needs presented in the scope of the audit to include timelines presented.
6. Demonstrated success with other PA School Districts as defined through positive references and no additional fees beyond the engagement letter.
7. Costs quoted to perform the specified audit services.

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.

PROPOSAL SUBMISSION

1. Brief statement of understanding of the work to be completed and a positive commitment to perform the work within the specified time.
2. Presentation of names of the individuals who will be authorized to make representations on behalf of the audit firm, including title, address, and telephone number of each.
3. Explanation of the size and structure of your firm. State whether the organization is national, regional, or local.
4. List the number of people, individual experience level, and qualifications of the individuals expected to conduct the audit for the District. A resume for each individual is required. Describe the experience of the senior auditor who will be assigned to the audit and the expected percentage of time that individual will be onsite.
5. Reference list of public school district audit clients including the types of services performed and the length of service with each district.
6. The level of the firm's technical experience in preparing school audit reports.
7. The firm's approach to performing the audit to include at least the following: (1) type of audit program/software(s) used; (2) use of statistical sampling; (3) organization of the audit team and estimate of total job hours; (4) management letter; (5) level of assistance expected from District staff; and (6) timeline for conducting the audit.
8. The annual fixed fee quote of the audit for the initial three-year period (2022-23, 2023-24, and 2024-25).
9. The proposer shall furnish the district with such additional information as the district may reasonably require.

Please direct any questions to Louis J. Pepe at 610-282-1030 or pepel@sbsd.org. Proposals should be clearly labeled as follows:

Louis J. Pepe, SFO
Director of Business Services
Administrative Building
5775 Main Street
Center Valley, PA 18034

Re: Audit Services

Request for Proposal for Audit Services
SOUTHERN LEHIGH SCHOOL DISTRICT
Response Form

(Return this form as the Cover Page of your Audit Services Proposal)

Name of Audit Firm _____

Address _____

Contact Person _____

Telephone Number _____

Email Contact _____

Website Address _____

1. The undersigned has carefully examined the Request for Proposal for Audit Services in accordance with the specifications set forth, and; agrees to furnish and perform the specified audit services for the Southern Lehigh School District (the "District") within the time limits specified for the amounts indicated.
2. The quotation prices listed represent the firm's commitment for a period of sixty days from the due date of this Request for Proposal.
3. The audit firm agrees to perform audit services as specified in the scope of services for the amounts quoted as follows:
4. Initial Three-Year Period:
 Audit Services for 2022-23 \$ _____
 Audit Services for 2023-24 \$ _____
 Audit Services for 2024-25 \$ _____
5. The audit firm's staffing fee structure, hourly rates, and other costs (in the event additional services are requested) will be as follows: Please attach sheet
6. Signature _____
7. Printed Name _____
8. Title or Office _____