

**BENSON PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT 777
BENSON MN 56215**

REQUEST FOR PROPOSAL

FOR

AUDIT SERVICES

PROPOSAL DUE DATE:

March 26, 2024, BY 1:00 PM CENTRAL TIME

REQUEST FOR PROPOSALS AUDIT SERVICES

I. INTRODUCTION

A. General Information

Independent School District (ISD) 777 Benson Public Schools is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending June 30, 2024, with the option of auditing its financial statements for each of the two subsequent fiscal years.

There is no expressed or implied obligation for ISD 777 to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

Any inquiries concerning the request for proposals should be addressed to Dennis Laumeyer, Superintendent, 1400 Montana Ave., Benson, MN 56215 or by e-mail at dlaumeyer@benson.k12.mn.us. ISD 777 reserves the right to reject any or all proposals submitted, and also reserves the right to use price, proposal content, qualifications, experience, fieldwork team proposed, etc., in determining which proposal best meets the needs of ISD 777.

During the evaluation process, ISD 777 reserves the right, where it may serve the best interest of ISD 777, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. At the discretion of ISD 777, firms submitting proposals may be requested to make oral presentations as part of the evaluation process. Not all firms may be asked to make such presentations.

B. Term of Engagement

A three-year engagement is contemplated, subject to the annual review and recommendation of ISD 777, the satisfactory negotiation of terms (acceptable to both ISD 777 and the selected firm), and the concurrence of ISD 777.

II. NATURE OF SERVICES REQUIRED

A. General

ISD 777 is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal year ending June 30, 2024, with the option to audit ISD 777's financial statements for each of the two subsequent fiscal years. These audits are to be performed in accordance with the provisions contained in this request for proposals.

B. Scope of Work to be Performed

ISD 777 desires the auditor to express an opinion on the fair presentation of its general purpose financial statements in conformity with U.S. generally accepted accounting principles.

ISD 777 also desires the auditor to express an opinion on the fair presentation of its combined financial statements and schedules in conformity with U.S. generally accepted accounting principles. General fixed assets testing will be included in our audit.

The auditor will also perform a Single Audit, if required, and report on the Schedule of Federal Financial Assistance and on ISD 777's compliance with laws and regulations and its internal controls as required by the OMB Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards.

In addition, ISD 777 requires a State Legal Compliance Audit conducted in accordance with the provisions of the Minnesota Legal Compliance Audit Guide.

C. Auditing Standards to be Followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in "Government Auditing Standards" issued by the Comptroller General of the United States and provisions of U.S. Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance).

D. Reports to be Issued

All reports required as part of the auditing standards being followed and as part of the audit scope shall be considered part of the audit fee quoted.

The auditors shall be required to make an immediate, written report of all irregularities and illegal acts of which they become aware to ISD 777.

Auditors shall assure themselves that ISD 777 is informed of each of the following:

1. The auditor's responsibility under generally accepted auditing standards in the United States of America
2. Significant accounting policies
3. Accounting estimates and management judgments
4. Significant audit adjustments
5. Other information in documents containing audited financial statements
6. Disagreements with management
7. Consultation with other accountants
8. Major issues discussed with management prior to retention as auditors
9. Difficulties encountered in performing the audit

III. DESCRIPTION OF THE SCHOOL DISTRICT

A. Demographics

Benson Public Schools is a school district that serves approximately 800 students in two buildings. One building is a PreK-5 elementary school, early learning and daycare center. The other building houses the grades 6-12 and an alternative learning center.

B. Financial Data

Total district expenditures in fiscal 2023 were \$16,638,147 in all funds; revenue was \$17,631,838. During fiscal 2023, the district’s expenditures in federal programs totaled \$1,548,247.

C. Availability of Prior Audit Reports and Working Papers

Interested proposers who wish to review prior years' audit reports and management letters should contact Dennis Laumeyer at ISD 777, 1400 Montana Ave, Benson, MN 56215 or by e-mail at dlaumeyer@benson.k12.mn.us. ISD 777 will use its best efforts to make prior audit reports and supporting working papers available to proposers to aid their response to this request for proposals

IV. TIME REQUIREMENTS

A. Proposal Calendar

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

Request for proposals issued	February 19, 2024
Due date for proposals	March 26, 2024
School Board Approval	April 8, 2024
Selected firm officially notified	April 9, 2024

B. Date Final Report is Due

The auditor shall provide all recommendations, revisions and suggestions for improvement to the Director of Finance by October 14, 2024. We would anticipate that by this date, fund balance calculations have been finalized and agreed to by the auditors.

The production of the final report will be the responsibility of the auditor. ISD 777 will require 9 copies of the audit report(s).

The auditor report will be presented to the school board of ISD 777 on November 12, 2024. If the option is exercised to extend engagement, the audit report is expected to be presented to the school board in November of each year.

V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

A. Business Office Staff Assistance

ISD 777's business office staff and responsible management personnel will be available during the audit process to assist the firm by providing information, documentation and explanations. In addition, clerical support will be made available to the auditor for the preparation of routine confirmation letters.

B. Statements and Schedules to be Prepared by the Staff of ISD 777

ISD 777's business office staff will prepare work papers and schedules for the auditors prior to and during final fieldwork. Specifically, ISD 777 anticipates completing work papers on cash, accounts payable, accounts receivable, pre-paid items, salaries and benefits payable, vacation, severance and sick leave. Withholdings will be reconciled to the general ledger at June 30th. ISD 777 will provide financial, revenue and expenditure reports, as required.

C. Report Preparation

Report preparation shall be the responsibility of the audit firm. Editing, printing and reproduction of distribution copies shall also be the responsibility of the audit firm.

VI. PROPOSAL REQUIREMENTS

A. Basic Firm Information

The proposal should state the size of the firm, the size of the firm's governmental 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 nature of the staff to be so employed on a part-time basis.

If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal auditor should be noted, if applicable.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.

The firm shall also provide information on the results of any federal or state desk review of its audits during the past three (3) 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 three (3) years with state regulatory bodies or professional organizations.

B. Partner, Supervisory and Staff Qualifications and Experience

The firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement and indicate whether each such person is licensed to

practice as a certified public accountant in Minnesota. The firm should also provide information on the governmental auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

The firm should provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. The firm also should indicate how the quality of staff over the term of the agreement would be assured.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of ISD 777. However, in either case, ISD 777 retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for proposals can only be changed with the express prior written permission of ISD 777, which retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

C. Similar Engagements with Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum of 5) performed in the last five years that are similar to the engagement described in this request for proposals. These engagements should be ranked on the basis of total staff hours.

Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

D. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this request for proposals. In developing the work plan, reference should be made to such sources of information as ISD 777's budget and related materials, organizational charts, manuals and programs, financial and management information systems.

Proposers will be required to provide the following information in their audit approach:

1. Proposed segmentation of the engagement
2. Level of staff and number of hours to be assigned to each proposed segment of the engagement
3. Sample sizes and the extent to which statistical sampling is to be used in the engagement
4. Extent of use of MIS software in the engagement
5. Type and extent of analytical procedures to be used in the engagement
6. Approach to be taken to gain and document an understanding of ISD 777's internal control structure

7. Approach to be taken in determining laws and regulations that will be subject to audit test work
8. Approach to be taken in drawing audit samples for purposes of tests of compliance
9. Estimated number of days required to complete fieldwork

D. Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from ISD 777.

E. Report Format

The proposal should include sample formats for required reports, including representative samples of management reports typically issued as a result of the engagement.

F. Total All-Inclusive Maximum Payment

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

G. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost bid proposal. Interim billings shall cover a period of not less than a calendar month.

I. Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in the request for proposals unless clearly and specifically noted in the proposal submitted and confirmed in the contract between ISD 777 and the firm selected.

ISD 777 reserves the right without prejudice to reject any or all proposals. Any contract awarded will be made to the independent auditor, who, based on the evaluation of all responses, applying all criteria and oral interviews, if necessary, is determined to be the best qualified to do the audit.

BENSON PUBLIC SCHOOLS
Independent School District No. 777
Benson, MN 56215

REQUEST FOR PROPOSALS
for
Annual Auditor Services

RESPONSE FORM – Page 1

Proposals Due: March 26, 2024, in a sealed envelope labeled “Audit Services Proposal” in the lower left-hand corner of the envelope, at the District Office of ISD 777, located at 1400 Montana Ave, Benson, MN 56215. Mailed bids should be sent to ISD 777, Attn: Dennis Laumeyer, 1400 Montana Ave, Benson, MN 56215.

Proposal Submitted By:

Firm Name: _____

Address _____

City, State, Zip _____

Representative:
Name _____

Phone _____

Cell _____

Fax _____

Statement of Assurance:

In submitting this proposal, I hereby indicate that I have read, understand, and agree to comply with the information, requests and timelines contained in ISD 777’s Request for Proposal for Annual Audit Services. I further agree that I will perform the 2019-2024 annual audit for the quoted fee(s) outlined on page 2 of the Response Form.

Signed _____ Date _____

BENSON PUBLIC SCHOOLS
 Independent School District No. 777
 Benson, MN 56215

REQUEST FOR PROPOSALS
 for
 Annual Auditor Services

RESPONSE FORM – Page 2

Schedule of Professional Fees and Expenses

	2023-24	2024-25	2025-26
Audit of General Purpose Financial Statements			
Single Audit, Compliance Audit and Evaluation of Internal and Administrative Controls			
Minnesota Legal Compliance Audit			
Out of Pocket Expenses			
Other – Please Specify			
Total Maximum Price Audit			
Hourly Rates			
• Partner			
• Manager			
• Specialist			
• Supervisor			
• Staff			

Signed _____ Date _____