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**REQUEST FOR PROPOSAL**  
**ANNUAL AUDIT SERVICES**  
**Santa Cruz County Small School Districts**  
**Issued July 10, 2023**

Notice is hereby given that the Santa Cruz County Office of Education, hereinafter referred to as the County Office, pursuant to Education Code Sections 41020 and 84040, et seq., issues a request for proposals (RFP) for furnishing auditing services for the annual Financial Audit of the four (4) small elementary school districts. Proposals must conform with and be responsive to applicable audit and accounting guidelines and regulations and be submitted in the format specified in this document.

An electronic copy must be received by the Santa Cruz County Office of Education by 4:00 p.m., August 10, 2023 and shall be emailed with the subject line clearly marked "Audit Proposal" addressed to the following individuals:

**Liann Reyes, Deputy Superintendent, Business Services**  
[lreyes@santacruzcoe.org](mailto:lreyes@santacruzcoe.org)

**Rebecca Olker, Executive Director, Fiscal Services**  
[rolker@santacruzcoe.org](mailto:rolker@santacruzcoe.org)

The County Office reserves the right to reject any or all proposals or to waive any irregularities therein. No proposal may be withdrawn for a period of sixty (60) days after the receipt of the RFPs.

Each proposal is not to be construed as a bid, but as one of a number of factors to be considered in making the selection of an audit firm, as per Government Code Section 53060.

The RFP is not a low-price competition, but instead will be awarded based upon the most responsible qualified proposal. All small districts will participate in the review process of the RFPs. It is the intent that the four districts will all use the same firm.

For additional information, questions, or clarification, please contact Liann Reyes at 831-466-5602, or by e-mail at [lreyes@santacruzcoe.org](mailto:lreyes@santacruzcoe.org).

Liann Reyes, Deputy Superintendent-Business Services  
Santa Cruz County Office of Education

### **Proposed Timeline**

August 10, 2023, Audit Proposal due to County Office by 4pm

August 28, 2023, Optional interviews may be held for selected firms that passed screening process

September 18, 2023, Districts will finalize their selection and enter into a contract

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**Technical Requirements**

Education Code Sections 41020 and 84040 require that K-12 school districts, community college districts, and county offices of education shall provide for an annual audit of the books and accounts of the district, and the audit shall include all funds of the districts and county offices of education, including student body and cafeteria funds (accounts), and any other funds under the control or jurisdiction of the district or county Board.

Auditors must complete a financial and compliance examination of all funds of the districts in accordance with generally accepted auditing standards as recommended by the AICPA, the standards applicable to financial audits as contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Standards and Procedures for Audits of California K-12 in Local Educational Agencies* and the *Supplemental Audit Guide*, issued by the California State Controller. Single audits of federal awards shall be made in accordance with the requirements established by the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* at 2 CFR 200, issued by the U.S. Office of Management and Budget (OMB).

**Other Requirements**

1. Conduct an annual single audit of all funds of the districts, as appropriate to the district being audited.
2. Conduct a pre-audit conference to discuss timelines and procedures that will be used during the audit. Exit conferences shall be conducted as required to review the draft audit reports and findings. Exit conferences shall be scheduled at least two weeks prior to issuance of the final reports.
3. Audits will be completed and filed no later than December 15 of each year. Auditors are responsible for filing all copies of the audits with the appropriate agencies as identified in the State of California's Audit Guide.
4. Auditors will provide a management letter or copies of all written findings to the Superintendent / Principal of the districts and the Executive Director, Fiscal Services of the County Office at the completion of each phase of fieldwork, detailing all findings and recommendations to date.
5. If a district so requests, an audit manager or partner will present the audit report to the governing board of the school district at a regularly scheduled board meeting no later than January 30 of the fiscal year after the audit year.
6. Auditors will retain working papers for a minimum of three years. Audits are subject to review by various state agencies, such as the Department of Education, State Controller, and the Department of Finance and must be available upon request.
7. The audit manager/partner will be available throughout the year to provide assistance to the school districts to explain audit findings and recommendations, and to discuss accounting concerns that may affect future audits.
8. Auditors shall provide an electronic copy of the final audit report.
9. Per E.C. 41020 (f) the lead audit partner shall not have conducted or reviewed an individual LEA's audit for each of the previous six (6) years.
10. Per E.C. 41020(s) any consultation or management services provided to an individual LEA, by an accounting firm while the firm is under contract to an individual LEA must conform with Government Accounting Standards, Amendment #3.
11. E.C. 14505 requires that contracts for audits must include:
  - a. A provision to withhold 10% of the audit fee until the State Controller certifies that the audit report conforms to the reporting provisions of the audit guide.
  - b. A provision to withhold 50% of subsequent year fees if the prior year audit was not certified.

**Statement of Qualifications**

Accounting firms submitting proposals shall also furnish information required on the Statement of Qualifications Form (Attachment B) attached to this proposal. In order to secure a comprehensive and detailed audit of the accounts and records of the school districts, submitting firms must demonstrate significant successful auditing experiences in California school districts. Selection will be made based on an evaluation of the entire information supplied in the statement of qualifications and not solely on the basis of the lowest bid. Firm organizational structure will be evaluated with respect to ability to meet deadlines and ability to meet other consulting needs of the district (i.e., staff training, board presentations, etc.).

**Proposal Submission**

Proposals must be presented to the Santa Cruz County Office of Education by 4:00 p.m., Thursday, August 10, 2023, and shall be emailed with a subject line clearly stating "Audit Proposal" addressed to the email addresses noted above.

The Proposal shall be submitted on the form attached to this request. Please submit one copy of your completed attached form, your "Statement of Qualifications," and any additional documentation you wish to include:

**Additional Information**

The proposal information packet includes:

- Request for Proposal
- General Conditions
- Proposal Form (Attachment A)
- Statement of Qualifications (Attachment B)
- Audit References (Attachment C)
- Listing of Number of School Sites and Number of Funds (Attachment D)

Note: Copies of prior year audit reports are on file and available for review at the County Office.

**REQUEST FOR PROPOSALS**  
**ANNUAL AUDIT SERVICES**  
**Santa Cruz County Small School Districts**

1. All proposals must be submitted upon forms furnished by the Santa Cruz County Office of Education.
2. Potential audit firms may be selected for an interview with the Audit Committee scheduled on August 28, 2023. A committee will conduct interviews and summarized results will be provided to districts for their decision-making.
3. The costs for developing the response to this RFP are entirely the responsibility of the audit firm and shall not be charged.
4. The audit firms may be required to show financial resources necessary to complete this contract.
5. The successful audit firm may not assign the contract to any other party or parties.
6. The successful audit firm must provide proof of error/omission insurance.
7. In accordance with the provisions of Section 3700 of the Labor Code of the State of California, each audit firm shall sign and file with the county office and/or school district the following certificate before performance of the work to be done:

“I am aware of the provisions of Section 3700 of the Labor code which require every employer to be insured against liability for workers’ compensation or to undertake self-insurance in accordance with the provisions of the code, and I will comply with such provision before commencing the work to be done under the contract”
8. The documents associated with this proposal shall be considered a part of the awarded contract. The documents involved are the Notice, Request for Proposals, General Conditions, Proposal Form, Statement of Qualifications, Audit Agreement, and other documents such as addendums if needed.
9. Subject to the agreement by the successful audit firm and the school districts, the districts retain the option, if exercised annually by February 15, to extend this contract for a one-year period on a year-by-year basis.
10. The Deputy Superintendent of the Santa Cruz County Office of Education coordinates the request for proposals on behalf of the Santa Cruz County Small School districts and reserves the right to accept or reject any all proposals, or to waive any irregularity therein. All agencies listed in Attachment A will agree upon a single audit firm of their choice and award the audit contracts.

**REQUEST FOR PROPOSAL  
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Santa Cruz County Small School Districts**

**General Conditions**

Submitted herewith is our proposal to perform the annual Financial and Compliance Audit for the specified school districts within the County of Santa Cruz for 2023-24, 2024-25, and 2025-26 the school years.

We propose to conduct the prescribed audit and submit the audit report in compliance with generally accepted auditing standards as recommended by the AICPA, the standards applicable to financial audits as contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, and the Supplemental Audit Guide*, issued by the California State Controller, and the Uniform Administrative Requirements, Cost Principles, and *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* at 2 CFR 200 issued by the U.S. Office of Management and Budget (OMB).

The scope of the audit shall not be limited to that provided in the aforementioned publications in the event that in the opinion of the AUDITOR particular circumstances warrant extension thereof.

The audit shall include all funds of the district, but not limited to General Fund, Special Revenue Funds, Enterprise Funds, Trust Funds, Building Funds, Bond Interest and Redemption Funds, Fixed Asset and long-term Debt Account Groups, Student Body and Cafeteria Funds, Enterprise Funds, Foundation Funds, and any other funds under the control or jurisdiction of the Board. Each audit shall also include an audit of attendance procedures.

The audit shall be supervised by a Certified Public Accountant or Public Accountant licensed by the State Board of Accountancy.

The undersigned agrees to perform the audits specified at a total cost not to exceed the amount indicated, including all costs of conducting the audit, and also including the appropriate number of copies of the Audit Report, unless circumstances disclosed by the audits indicate that more detailed verification is required, in addition to that which would be sufficient under ordinary circumstances. In this case a negotiated rate of compensation will be agreed upon prior to commencement of the additional verification.

The audit shall be performed in accordance with the requirements outlined in the Audit Agreement and shall be performed by personnel identified in the Statement of Qualifications. The firm will enter into individual agreements with each participating school district.

I understand the audit contract may be awarded to any number of individual school districts. Each district awarding a contract is to be invoiced separately for work performed according to the compensation terms of the sample *Audit Agreement* included with this proposal.

**Name of Accounting Firm:** \_\_\_\_\_ **Date** \_\_\_\_\_

**By:** \_\_\_\_\_ **Title** \_\_\_\_\_

**REQUEST FOR PROPOSAL  
ANNUAL AUDIT SERVICES  
Santa Cruz County School Districts and Office of Education**

**Proposal Form  
(Attachment A)**

<b>District</b>	<b>2023 Enrollment</b>	<b>Estimated Hours</b>	<b>2023-24 Cost</b>	<b>2024-25 Cost</b>	<b>2025-26 Cost</b>
<b>Bonny Doon Elementary School District</b>	115				
<b>Happy Valley Elementary School District</b>	120				
<b>Mountain Elementary School District</b>	160				
<b>Pacific Elementary School District</b>	154				

**REQUEST FOR PROPOSAL  
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Santa Cruz County Small School Districts**

**Statement of Qualifications  
(Attachment B)**

- 1. **Name of Firm:** \_\_\_\_\_
- 2. **Address:** \_\_\_\_\_
- 3. **Telephone #:** \_\_\_\_\_ **Fax #.:** \_\_\_\_\_ **Email:** \_\_\_\_\_
- 4. **Name of Partner(s) who will have primary responsibility for the audit:**  
\_\_\_\_\_

6. **Names of Personnel with their classifications who will be assigned to the audit**

Name	Classification	Hourly Rate
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Please include resumes of staff, including county offices and school district auditing experience.

- 7. **Provide a sample audit contract**
  
  
  
  
  
  
  
  
  
  
- 8. **List other governmental agency audits performed by the firm or now under contract to perform (indicate those audits performed by the local office):**

**Statement of Qualifications  
(Attachment B)**



9. **List any California school district audits performed by your firm that were not certified by the Office of the State Controller, and include the reason:**
  
10. **Provide a copy of the most recent peer review team's independent report.**
  
11. **Provide a work plan including time estimated and completion dates for each significant segment of the work and staff level to be assigned. Additional paper may be used.**
  
12. **Provide a calendar of key audit functions and approximately when they will be performed.**
  
13. **Describe additional services your firm is able to provide, e.g., training and workshops, management assistance, non-profit tax returns. Please include your firm's fee schedule for additional services.**
  
14. **Please provide a copy of the Audit Preparation Package you provide clients in preparation of the actual audit.**

### **Statement of Qualifications**

(Attachment B)

15. **Additional comments regarding the firm's qualifications:**

Name of Accounting Firm: \_\_\_\_\_ Date \_\_\_\_\_

By: \_\_\_\_\_ Title \_\_\_\_\_

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**Audit References**

(Attachment C)

Firms must be able to present evidence of satisfactory experience in providing audit services. List references for educational or governmental entities that can be contacted for an assessment of past client satisfaction. Note how long each reference has been using your firm's auditing services.

Name of Entity: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone No: \_\_\_\_\_ Email: \_\_\_\_\_

Number of Years Using Your Firm's Services: \_\_\_\_\_

Name of Entity: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone No: \_\_\_\_\_ Email: \_\_\_\_\_

Number of Years Using Your Firm's Services: \_\_\_\_\_

Name of Entity: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone No: \_\_\_\_\_ Email: \_\_\_\_\_

Number of Years Using Your Firm's Services: \_\_\_\_\_

**ANNUAL AUDIT SERVICES**  
**Santa Cruz County Small School Districts**

**List of School Site & Number of Funds**  
(Attachment D)

<b>District</b>	<b>Number of School Sites</b>	<b>Number of Funds</b>
<b>Bonny Doon Elementary School District</b>	1	5
<b>Happy Valley Elementary School District</b>	1	6
<b>Mountain Elementary School District</b>	1	6
<b>Pacific Elementary School District</b>	1	9