

Internal Claims Auditor Request for Proposal

CHATHAM CENTRAL SCHOOL DISTRICT
50 WOODBRIDGE AVENUE, CHATHAM, NEW YORK 12037

REQUEST FOR PROPOSAL **INTERNAL CLAIMS AUDITING SERVICES**

Overview

The Board of Education of the Chatham Central School District is accepting proposals from CPA and financial consulting firms as well as qualified individuals to provide claims auditing services for the 2012-2013, 2013-2014 and the 2014-2015 school years. Firms must submit a proposal to us by **Thursday, May 24, 2012 at 10:00 AM.**

The District's fiscal year begins July 1 and ends June 30. The Internal Claims Auditor will be appointed annually (at the first Board of Education meeting in July of each year) by the Board of Education and will serve at the pleasure of the Board.

The Internal Claims Auditor is responsible for formally examining all accounts, charges, claims or demands against the school district. These include, but are not limited to; invoices, reimbursement and payroll claims.

In accordance with the above, the District will require that the selected firm's assigned staff perform this function approximately 15 hours each week for the entire school year. A monthly report must be developed and shared directly with the Board of Education at its monthly meeting, generally held the second Tuesday of each month. Approximately 1 hour each month should be scheduled for reporting to the Board Audit Committee.

Brief Description of the District

Enrollment – 1242 students K-12 (3-Year Enrollment Projections)

BOCES – component of the Rensselaer-Columbia-Greene (Questar III) Board of Cooperative Educational Services

Number of Employees

Total – Approximately 370 Full time and 72 Part time employees

Other Operations

The District provides its own student transportation services and operates its own food service program.

Internal Claims Auditor Request for Proposal

Budget and Federal Awards

The 2012-2013 proposed general fund budget is \$28,297,344. For federal awards, the district was considered a low-risk auditee for the year ended June 30, 2011. It had federal expenditures of \$895,346.

Pension plans

SED certified staff has mandatory or optional membership in the New York State Teachers Retirement System (TRS). All other staff has mandatory or optional membership in the New York State & Local Retirement Systems (ERS).

Description of financial software programs

The District uses the Win-Cap software program for all financial accounting, which is managed locally by Capital Computer Associates, Inc. in Colonie, NY.

Prior audit reports are available for inspection in the District offices.

The district processes approximately 600 claims monthly. This number includes checks paid to vendors, payroll time sheets and extra class activity transactions.

Scope

The auditing process should determine:

- 1) That the proposed payment is for valid and legal purposes;
- 2) That the obligation was approved by an authorized district official;
- 3) That the terms for which payment is claimed were in fact received or, in the case of services, that they were actually rendered;
- 4) That the obligation does not exceed the available appropriation; and
- 5) That the submitted voucher is in proper form, mathematically correct, does not include previously paid charges, and is in agreement with the purchase order.

The following tests should be performed:

- 1) Track the numerical sequence of the checks being approved.
- 2) Prove the mathematical accuracy of all computations, including verification of extensions and additions and the recalculation of any discount.
- 3) Determine that the charges are not duplicates of items already paid.
- 4) Compare vouchers to purchase orders to determine accuracy of payments.
- 5) Ensure vouchers/invoices are properly itemized.
- 6) Validate reimbursement claims against school policy, personnel contracts and state regulations and bid awards. Ensure all detailed necessary to reimburse employees is included with the voucher.
- 7) Ensure receipts are included whenever necessary.
- 8) Ensure Purchasing Agent has approved all applicable claims.
- 9) Compare cash receipts received to general ledger records & statements for all funds.

Internal Claims Auditor Request for Proposal

RFP Requirements

1) *Firm Qualifications and Experience*

Provide affirmative statement that the firm is independent of the District as defined by Generally Accepted Auditing Standards and US GAO Governmental Auditing Standards. State the firm size, size of the governmental auditing staff and name(s) of individual(s) to be assigned weekly to the school.

Provide a listing of references for school districts or other entities for which internal claims auditing services were rendered within the past five years. Include contact name and phone number.

2) *Firm Staff*

Provide brief resumes (including governmental auditing experience) of the individuals who will be assigned to the district. Indicate whether each of the individuals who will be conducting the internal claims audit is registered and licensed to practice as a certified public accountant in New York State. This is not a requirement of the position, but preference may be given to licensed individuals.

Provide a listing of any memberships the aforementioned individuals hold in professional associations or committee/subcommittees on which they may serve.

The Board of Education reserves the right to reject staff who they feel do not have appropriate experience or qualifications to conduct the claims audit.

3) *Internal Claims Audit Time Requirements*

The district requires, on the average, 15 hours per week for the entire school year. All claims must be audited at the district during normal business hours (8am to 4pm) Monday thru Friday. No source documents or copies of source documents can be removed from the district premises.

4) *Internal Claims Audit Reports*

A monthly report must be completed and presented to the Board of Education at the monthly Board Meeting. Areas to be covered in the report include:

- A. Purchasing
- B. Travel and Conferences
- C. Utilities
- D. Capital
- E. Federal
- F. Payroll
- G. *Extra Class Activity*

Each section must include:

Internal Claims Auditor Request for Proposal

- A. The discovered condition;
- B. Internal Auditor recommendation;
- C. Corrective action plan; and
- D. Results of the corrective action plan.

Requirements for Proposals and Description Process

- 1) Chuck Snyder, School Business Administrator, must receive all proposals no later than **Thursday, May 24, 2012 at 10:00 AM**. All proposals received after this deadline will be returned to the firm.
- 2) Each firm shall submit 5 copies, one original and one digital copy (preferred but not required) of the proposal to the following address:
Chuck Snyder
Interim School Business Administrator
Chatham Central School District
50 Woodbridge Avenue
Chatham, New York 12037
snyderc@chatham.k12.ny.us
- 3) All proposals and accompanying documentation become the property of the Chatham Central School District. The District shall not divulge any information presented in the RFP to anyone outside the District without the written approval of the firm.
- 4) Any contract agreed to under this Request for Proposal is subject to termination by either party with thirty (30) days written notice. In the event of termination of the contract, the District's responsibility shall be to pay for unpaid services performed and authorized costs incurred by the Auditor.
- 5) **The Board of Education reserves the right to accept or reject any or all proposals or any part of the proposal.** After a review process, the Board of Education will appoint an independent auditor.
- 6) All inquiries concerning this RFP should be directed to Chuck Snyder, Interim School Business Administrator at, 518-392-1511.

Fees

Each proposal will clearly state the annual fees to be charged to the District for the weekly audit of all claims of the District for the years ended June 30:

Annual Rate	
\$ _____	2012-13 (July through June)
\$ _____	2013-14 (July through June)
\$ _____	2014-2015 (July through June)

This fee should be a flat annual rate and include all necessary expenses.

Internal Claims Auditor Request for Proposal

An hourly rate should also be given in the event that additional time need be added to the contract.

Additional Hourly Rate

\$ _____ 2012-13 (July through June)
\$ _____ 2013-14 (July through June)
\$ _____ 2014-2015 (July through June)

Criteria for Evaluation of Proposals

The Board of Education, in consultation with the Audit Committee, is responsible for establishing the criteria of the evaluation. Some elements included in this evaluation (not necessarily in order):

- 1) Prior claims auditing experience
- 2) Knowledge of NYS Education Department Laws and Regulations governing school district procurement and payment processes
- 3) Reference checks
- 4) The clarity of the firm's proposal
- 5) The fees to be charged

The District's Audit Committee will review proposals. This Committee is comprised of two board members and one community member. The School Business Administrator may also review proposals.

Respondents to the request for proposal may be requested to spend between 45 minutes to 1 hour with the Audit Committee to present their proposal and answer questions during May. A mutually agreeable date and time will be established.

Acceptance of a proposal is intended at the June 5th Board of Education meeting.

We thank you for your interest and look forward to receiving your proposal and possibly working with you during the period of engagement.

Attached is a copy of the job description for the internal claims auditor position.