

LEGAL NOTICE  
REQUEST FOR PROPOSAL – INTERNAL AUDITING SERVICES

The Board of Education of the Somers Central School District in Westchester County (in accordance with Section 104B of Article 5A of the General Municipal Law) hereby invites the submission of Proposals for Internal Auditing Services.

Sealed proposals will be received until 2:00 p.m. on Wednesday, October 13, 2010 at the Business Office, 240 Route 202, Somers, NY 10589 or can be mailed to P.O. Box 620, Lincolndale, NY 10540.

Specification documents are available starting Wednesday, October 13, 2010 between the hours of 9:00 a.m. and 3:00 p.m. at the office of:

Kenneth Crowley, Assistant Superintendent for Business  
240 Route 202  
Somers, New York 10589  
914-277-2410

The Board of Education reserves the right to waive any formalities in or to reject or to accept any or all proposals.

Board of Education  
SOMERS CENTRAL SCHOOL DISTRICT

Kenneth Crowley  
Purchasing Agent

September, 2010

# **Request for Proposals – Internal Auditing Services**

## **PURPOSE OF THE RFP**

As the current Internal Auditor for the Somers Central School District has resigned for health reasons the Somers Central School District is requesting proposals from qualified firms/individuals to provide Internal Auditing Services including risk assessment and internal audits for the 2010/2011 school year with an option to renew for the fiscal years ending June 30, 2012, June 30, 2013, June 30, 2014, and June 30, 2015.

To be considered, the proposal must be received in the Business Office of the Somers Central School District no later than 2:00 pm on Wednesday, October 13, 2010. The Business Office is located at 240 Route 202, Somers, New York 10589 or may be mailed to PO Box 620, Lincolndale, New York 10540. The Board of Education reserves the right to reject any or all proposals submitted.

During the selection process, the District reserves the right, where it may serve the District's best interest, to request additional information or clarification from firms submitting proposals, or to allow corrections of errors or omissions. At the discretion of the District, firms/individuals submitting proposals may be requested to make oral presentations as part of the evaluation process. It is anticipated the selection of a firm will be completed by November/December, 2010.

## **BRIEF DESCRIPTION OF THE DISTRICT**

The Somers Central School District is situated wholly in the Town of Somers. The 2010/11 school budget is \$78,911,066. The Board of Education is comprised of a seven member board of trustees, each elected for a three year term. The District has four school buildings covering grades K-12 and a current total student enrollment of 3,464. Approximately 525 staff are employed by the District.

The District has insurance coverage through the New York Schools Insurance Reciprocal. Employees of the District may be represented by various unions; Teachers – Somers Faculty Association (NYSUT), non-instructional staff – Somers Support Related Professionals (NYSUT), Somers Association of School Administrators. Health/medical coverage is provided to non-instructional and administrative staff by the Putnam Northern Westchester Health Insurance Consortium while the teachers have coverage through the Empire Plan.

**SCOPE OF WORK** – The Internal Auditor will be responsible for 1) conducting internal audits as directed by the Board of Education to include making recommendations for improving internal control; 2) making recommendations to the Board of Education regarding areas for internal audit work; 3) understanding and following the regulations of the Commissioner of Education in both these assignments.

Attached is a contract for Internal Auditing Services that the vendor would be expected to sign. This contract highlights services to be provided, insurance requirements, representations required and other matters related to the services to be provided. Any firm/individual submitting a proposal should familiarize themselves with the contents of this contract.

Work Papers Retention and Access to Work Papers – All working papers and reports must be retained at the Internal Auditor’s expense for a minimum of three years, unless the firm is notified in writing by the District of the need to extend the retention period. The Internal Auditor will be required to make working papers available, upon request, to the District or its designees. In addition, the internal auditor shall respond to the inquiries of any successor Internal Auditor to review working papers relating to the internal control system and any findings or reports issued.

Principal Contact Person – The School District’s principal contact person shall be Kenneth Crowley, Assistant Superintendent for Business. All correspondence, reports and inquiries shall be directed to that person.

Qualifications and Experience of Firm and its Staff – The proposal should state the size of the firm, the location of the office from which the work is to be performed and the number and nature of the professional staff to be employed in this engagement.

The District is interested in the level and type of internal auditing experience of those persons to be assigned. Brief resumes and listing of governmental or school district contacts to attest to their experience should be included (for those who would be assigned to the Somers CSD). The Board of Education or the District reserves the right to reject staff who they feel do not have appropriate experience or qualifications to conduct the audit.

Inquiries & Submitting Proposals

All inquiries or submittals concerning this RFP should be directed to:

Kenneth Crowley, Assistant Superintendent for Business  
Somers Central School District  
PO Box 620  
Lincolndale, NY 10540  
(914) 277-2410

Requirements for Proposals:

It is understood that the District is not liable for any cost/expenses incurred by the firm/individual prior to the issuance of contract or agreement.

All proposals must be received by the Assistant Superintendent for Business no later than October 13, 2010 at 2:00 p.m. Any proposals received after this deadline will be returned unopened to the firm.

Each firm shall submit one original proposal and two copies to the address listed above.

The envelope shall be labeled “Internal Auditing Proposal”.

1. Each proposal shall include a statement of your understanding of the work to be done.
2. Each proposal shall include a statement explaining why the firm believes itself to be the best qualified to perform the work.

3. Each proposal shall clearly state the fees to be charged to the District per year for the fiscal years ending June 30, 2011; June 30, 2012; June 30, 2013; June 30, 2014 and June 30, 2015. The District is interested in a flat fee. If a response is submitted with an hourly rate, please include the number of hours estimated to be used.
4. The District will make available the original internal auditor risk assessment report and subsequent internal audit reports for use by successful firm.
5. The area of internal audit work for the 2010/2011 school year would revolve around health insurance; reviewing 2009/2010 records to ensure those active and retired employees are contributing the proper amount of their employee contribution for health insurance. This may be expanded to a review of other retired or inactive employees and their COBRA payments to ensure proper amounts are being remitted. The Business Official will work with the successful provider to develop a time schedule for completion of the audit work. It is anticipated that a fully completed report would be available by the end of March 2011.

The Business Office has a small conference room available for use by the Internal Auditor when on-site.

In 2006/07 (the first year of required internal audit works), the District expended \$49,250, in 2009/10 the District expended \$10,011. For the 2010/2011, the District has a budget of approximately \$12,000 for this work.

6. The proposal will include the names and resumes of personnel to be assigned to this audit, including the partner(s) in charge. It is fully expected that the personnel indicated will be those assigned to the project. Please provide an affirmation statement that those assigned have met all the continuing professional education (CPE) requirements necessary to satisfy the United States General Accounting Office (GAO) standards. Also, provide the name(s) of individuals in the firm that will be available throughout the term of the contract for continuing accounting advice and counsel.
7. Each proposal will include a listing of experience in the performance of the requested services for school districts or municipalities in New York State and the years of such experience. Please list school district references and include a contact name and the contact's phone number.
8. Responses to this request for proposal should include an affirmation that there are no conflicts of interest between the firm/individual and the Somers Central School District.

Board of Education Process and Schedule for Selection

THE BOARD OF EDUCATION RESERVES THE RIGHT TO ACCEPT OR REJECT ANY OR ALL PROPOSALS OR ANY PARTS OF PROPOSALS.

Dated September, 2010

# SAMPLE INDEPENDENT CONTRACTOR SERVICES AGREEMENT

This Agreement made this \_\_\_\_\_ by and between \_\_\_\_\_ having offices at \_\_\_\_\_ (hereinafter “Contractor”) and the Somers Central School District, having offices at 240 Route 202, Somers, New York 10589 (hereinafter “School District”).

## WITNESSETH:

1. Services. The School District hereby engages the Contractor to perform the following services:

Internal Auditor for the Somers Central School District

Contractor represents that he has the requisite knowledge and skills to provide all such services. Terms and conditions set forth in the Request for Proposal for Internal Auditing Services by Somers Central School District are incorporated, by reference, herein.

2. Compensation. The School District shall pay the Contractor as follows:

\_\_\_\_\_

The above compensation is inclusive of all of Contractor’s expenses, including, without limitation, for such things as travel, copying expenses, postage and telephone.

3. Duration. This Agreement shall be in full force and effect commencing on for the 2010/2011 school year with an option to renew for the fiscal years ending June 30, 2012, June 30, 2013, June 30, 2014, and June 30, 2015.
4. Independent Contractor Status. Contractor enters into this Agreement and will remain throughout the term hereof an Independent Contractor. Contractor shall not be entitled to any rights or benefits afforded to the School District’s employees, including, without limitation, disability or unemployment insurance, worker’s compensation, medical insurance, sick leave or any other employment benefit. Contractor is responsible for providing, at Contractor’s sole expense, disability, unemployment, worker’s compensation and all other forms of insurance, training, permits and licenses for Contractor and for Contractor’s employees, if any. Contractor shall be responsible for paying, when due, all income or other taxes incurred as a result of the compensation paid by the School District to Contractor for services under this Agreement.
5. Principal Contact Person. The School District’s principal contact person shall be Kenneth Crowley, Assistant Superintendent for Business, and all correspondence, reports and inquiries regarding this Agreement shall be directed to that person.
6. Confidential Information. Contractor understands that in performing this Agreement he/she/it may have access to confidential information in possession of the School District or others, including, but not limited to names, facts or information about individuals, businesses and families. Contractor may also have access to confidential information potentially including student directory, personnel information and records, sensitive, confidential or internal School District matters and other protected information. It is agreed that the definition of confidential information includes all documentary, electronic or oral information made known to Contractor through any activity related to this Agreement. Contractor agrees not to reveal any confidential information and understands

- that any such disclosure shall be considered a breach of this Agreement. Contractor agrees that if he/she/it receives a subpoena for divulgence of confidential information, he/she/it shall notify the School District prior to divulging the same. This section shall survive termination of this Agreement.
7. Termination. This Agreement may be terminated by either party upon thirty (30) days written notice to the other party. Upon such termination, Contractor shall be paid for all work performed in accordance with this Agreement through the date of termination. It shall not be entitled to any additional payments, whether on account of lost profits or otherwise.
  8. Insurance. Contractor shall maintain, in full force and effect, during all times this Agreement is in force, the professional liability insurance in amount of \$1,000,000 per occurrence and \$2,000,000 in the aggregate. All such insurance shall reflect that the School District is an additional insured thereunder and the School District shall receive no less than 15 days written notice in the event of the termination thereof. Contractor shall provide the School District with a Certificate of Insurance reflecting the information set forth in this paragraph.
  9. Contractor Records. Contractor shall be required to file periodic reports on a quarterly basis.
  10. Fingerprinting. Contractor acknowledges and agrees that he/she or its employees may be subject to fingerprinting and a criminal history record check as may be required by the Education Law of the State of New York. In such event, Contractor agrees to cooperate with the School District and to complete any and all necessary forms or procedures, all at no cost or expense to the School District.
  11. Indemnification. Contractor shall indemnify, defend and hold the School District, its employees, officers, agents and Board of Education harmless from any claims, liabilities, suits, proceedings and actions, of whatever name or nature as the same may relate, in any manner, to the services provided by Contractor and its personnel to the School District pursuant to this Agreement. Said indemnification and defense shall apply to any claim, liability, suit, proceeding and action in which the School District, its employees, officers, agents and Board of Education may be named as a party, notwithstanding that the Contractor may deem said claim, liability, suit, proceeding or action frivolous or without merit.
  12. No Assignment. Contractor may not assign this Agreement or subcontract any portion of the services set forth herein, without the prior written consent of the School District, which consent may be withheld for any reason whatsoever or for no reason.
  13. Cooperation in the Event of Litigation. In the event that any claim, demand, suit or other legal proceeding arising out of any matter relating to this Agreement is made or instituted by any person against the School District, the Contractor, shall, at its own cost and expense, provide the School District with all reasonable information and assistance in the defense or other disposition thereof.
  14. Compliance with Laws. The Contractor shall comply, at its own cost and expense, with the provisions of all Federal, State, County and municipal laws, ordinances, regulations and orders pertaining to the performance and provision of the services provided by the Contractor pursuant to this Agreement.
  15. Notices. Any and all notices, demands or other communications required or desired to be given hereunder by either party shall be in writing and shall be validly given or made to the other party if personally served or if deposited in the United States mail, certified or registered, postage prepaid, return receipt requested. If such notice, demand or other

communication is served personally, it shall be effective immediately. If such notice, demand or other communication is given by mail, the same shall be effective when received, but in any event, it shall effective no later than 5 days after deposit in the United States mail addressed to the party to whom such notice, demand or other communication is to be given, at the address set forth above. Either party hereto may change its address for purposes of this paragraph by written notice given in the manner provided above.

16. No Waiver of Default. No failure by the School District to insist upon the strict performance of any term, covenant, agreement or provision of this Agreement or to exercise any right or remedy upon a breach thereof, and no acceptance by the School District of any services during the continuance of any such breach, shall constitute a waiver of any such breach or of any such term, covenant, agreement or provision.
17. Modification or Amendment. No amendment, change or modification of this Agreement shall be valid unless in writing, signed by the parties hereto.
18. Entire Understanding. This Agreement constitutes the entire understanding and agreement between the parties and any and all prior agreements, understandings and representations are merged herein and are of no further force and effect.
19. Governing Law. This Agreement shall be governed by the laws of the State of New York. Any litigation between the parties shall be venued in an appropriate court located in Westchester County, New York.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

**CONTRACTOR**

**SOMERS CSD**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
By: Lucia Vece  
Title: President, Board of Education

\_\_\_\_\_  
Social Security or Federal ID Number

PROPOSAL FOR AUDITING SERVICES  
FOR THE  
SOMERS CENTRAL SCHOOL DISTRICT  
2:00 p.m. September 29, 2010

Submitted by: \_\_\_\_\_ (Firm Name)  
 \_\_\_\_\_ (Street)  
 \_\_\_\_\_ (CSZ)

Contact Info: \_\_\_\_\_ (Name)  
 \_\_\_\_\_ (Phone) \_\_\_\_\_ (Fax)  
 \_\_\_\_\_ (E-Mail)

FEE PROPOSAL including all necessary expenses as per specifications of the RFP for Auditing Services.

Annual audit of all funds of the District for the year ended

	FLAT RATE	HOURLY RATE	& PROJECTED HOURS
June 30, 2011			
June 30, 2012			
June 30, 2013			
June 30, 2014			
June 30, 2015			

The undersigned has carefully examined the Request For Proposal (RFP) for Auditing Services and in accordance with the specifications of the RFP submits this proposal and agrees to furnish and perform the specified audit services for the Somers Central School District within the time limits specified for the amounts indicated.

The undersigned agrees to enter into a written contract to furnish such materials and services as required in the proposal specifications.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Printed Name/Title: \_\_\_\_\_