

GREAT OAKS LEGACY



CHARTER SCHOOL

Request For Quote (RFQ)
External Auditor

School Year 2022/23

Introduction

Great Oaks Legacy Charter School (GOLCS) is a high-performing, innovative public charter school in Newark, New Jersey. This year, GOLCS with a staff of 300 serves approximately 2,000 students from Pre-K to 12th grade at 7 schools across the city. The mission of our 501(c) non-profit is to prepare our scholars for success in college and to encourage them to perform to their fullest potential.

The purpose of this Request for Proposal (RFQ) is to define guidelines by which to assess the qualifications of a third-party provider in assuming the overall management of the annual financial auditing program, including audit strategy/design, regulatory compliance, and ongoing support in order to assure the continued success of our previous audit reviews. We are looking for a partnering rather than just a fiduciary relationship. The goal is to find an external auditor able to assume responsibility to manage all steps in the audit process, to successfully work with all internal resources and personnel, and to authorize submission of the finalized annual audit report.

Proposals are being solicited through a fair and open process. Under N.J.S.A. 18A-18A:5 -1, professional services are not required to be bid or advertised and the Board is not required to select on the basis of lowest price, but instead will award a final contract based on various criteria as outlined in this request for proposal. The request for proposal ensures that the district will receive the highest quality services at a fair and competitive price. The selected firm will perform the annual audit pursuant to N.J.S.A. 18A:23-1 et al., and in accordance with the Standard Audit Programs and Procedures for Boards of Education as distributed by the New Jersey Department of Education.

The third-party auditor shall have accredited professional personnel assigned as a team effort sufficient to complete the audit in accordance with government regulations---i.e. applying Generally Accepted Auditing Standards (GAAS) and using Generally Accepted Auditing Principles (GAAP) practices all within the mandated timelines.

Scope of Services

Every year, GOLCS is required to submit the complete audited Annual Financial Statement, the Federal Single Audit, and the IRS Form 990, among other reports, within a mandated deadline of following the close of the fiscal year (June 30th). The auditor's responsibility is to express an opinion based on their findings relative to all annual financial statements. To fulfill this obligation, the auditor shall perform the following services:

- In accordance with NJ Statute (N.J.S.A.18A:4-14), review and document financial activity in accordance with all generally accepted auditing standards (GAAS and GAAP), as well as

requirements of the General Accounting Office and other applicable federal, state and local laws.

- Prepare and submit to the New Jersey DOE the Comprehensive Annual Financial Report (CAFR) and the Auditor's Management Report (AMR) for charter schools.
- Participate in preparing a Federal Single Audit.
- Initiate preparation of the required IRS Form 990.
- Include a review of general-purpose financial statements covering the following funds: General Fund, Special Revenues, Debt Service, Capital Projects, among others.
- Upon the recognition or suspicion of fraud or any significant accounting deficiencies, implement the procedure to contact proper authorities at GOLCS and the Director of the Office of Compliance at the New Jersey Department of Education as soon as possible.
- Introduce the team to be provided to assist GOLCS staff in the audit efforts.
- Provide profiles including titles, credentials and responsibilities of proposed team personnel (e.g., audit manager, senior/junior accountant and other field staff).
- Present the recommended strategy to address the extensive NJ compliance obligations in terms of federal, state and local regulations.
- Prepare a competitive pricing schedule complete with flexible payment options.
- Participate in negotiations that may be requested if it is determined that such negotiations would be beneficial to all parties. However, GOLCS always reserves the right to award a contract without further discussions with any participant.

General Firm Qualifications

The audit firm is responsible to corroborate the following general qualifications included as part of the final selection process:

- Experience with auditing procedures for public schools (public charter schools preferred).
- Small to mid-sized businesses are preferred with conveniently accessible staff.
- Understanding of and direct experience with federal and NJ state regulations and compliance obligations.
- Ability to work under pressure and flexibility to adapt to deadlines and address potential auditing issues.
- Team orientation, rather than individual auditor assignment.
- Convenient access for telephone, remote and in-person conversations/meetings.
- Guaranteed availability of staff to attend Board meetings, committee meetings, and any other audit meetings, whenever requested.
- At least 10 years of experience recommended for the assigned team leader.

Further Firm Qualifications

In order to improve GOLCS' overall annual audit performance while maintaining our record of successful audit review, the third-party auditor should be able to provide evidence of:

- Extensive consulting experience and audit resources.
- Low turnover of personnel.
- Application of accurate cost analysis strategy.
- Independence from any other subcontractor, vendor or provider relationships.
- Access to the latest developments in the NJ auditing business sector to include changes in regulations and advances in technology.

Additional Provisions

A proposal must also provide further evidence of the firm's qualifications to provide required services to include:

- Proof of certification that firm is in accordance with N.J.S.A. 18A:23-8 regulation that requires an audit of the accounts of a school district be made only by a registered municipal accountant or a certified public accountant of New Jersey who holds an active registration license as a public school accountant for New Jersey.
- Comprehensive portfolio of clients of comparable size and with similar scope of required services (public charter school district clients preferred).
- Overview of size, staffing and organizational structure of firm.
- Statement of firm's understanding of work to be performed (including tax-related and any non-audit services).
- Projected timeline for audit to assure completion within all specified deadlines.
- Fair and competitive fee structure, including itemization of individual team member billing rates based on credentials.
- Flexible invoicing arrangements.
- Minimally three references with contact information as described within this RFQ.
- Cover letter expressing firm's position regarding auditor/client relationship.

Final Comments

- The submitted proposal should be as concise and clear as possible. Elaborate brochures or other marketing materials are not necessary or desired.
- Any departures from the RFQ specifications must be clearly identified, explained and included as an important part of your response to this RFQ.
- Potential candidates may be requested to disclose certain high-level information regarding the company's overall financial condition.
- Proposed auditor staff shall be licensed, authorized and qualified to transact business in the

State of New Jersey.

- Firm should indicate any favorable experience of working with the Department of Education, if available.
- If requested, the final selected firm should agree to provide appropriate GOLCS personnel access to information reasonably related to the scope of services being provided.
- Selected firm will agree to submit receipts for approval of any incidental business expenses incurred in servicing the GOLCS account.
- Any extraordinary expenses that the auditor anticipates to be outside the standard norm for providing the defined services should be presented and agreed to in advance.

A proposal will not be considered to be valid unless all of the terms and conditions as outlined in this RFQ for a third-party auditing firm are covered in the proposal submission with any exceptions thoroughly documented.

References

Please list at least three (3) references of individuals or past or current clients, including school client(s) if possible. For each reference, be sure to include:

- Contact name
- Title
- Telephone number (only with pre-approval)
- Email address
- Number of years of association

Questionnaire for Prospective Auditor Firm

Please respond to the following items with the goal of providing some insight into the firm's culture and standing within the industry, as well as any opinions regarding the potential working relationship with GOLCS.

- What protocol is in place to monitor the progress of an audit?
- Can you mention an internal auditor skill set that gives you an edge over the competition?
- What is the first step to take when you discover evidence of fraud or inaccurate financial statements?
- What documentation policy and procedures are necessary to assure an efficient internal audit presentation?
- What is your experience working with auditing software programs (such as CDK)?
- What are the principal challenges an external auditor faces in preparing an annual government audit?

Qualification Evaluation Criteria

Proposals being solicited through this RFQ represent a thorough, fair and open process. The following sample chart identifies many, but not necessarily all, of the various categories of qualifications that will be evaluated with a scoring system ranging from 1 to 10 points, with 10 being the highest valuation. The goal of the assessment process is always to ensure that GOLCS receives the highest quality services at a fair and competitive price.

Category	Valuation Points (1-10) per item*
<p>Firm</p> <ul style="list-style-type: none"> Audit Team Recommendations Client List Specific Public/Charter School Auditor Experience Small to mid-sized Business Minority or women owned business based in New Jersey Team-oriented Culture Accessibility Progress monitoring & reporting 	
<p>Individual Staff</p> <ul style="list-style-type: none"> Auditing Credentials & Certification Tenure with Firm Previous Experience Direct Experience Working with Client Convenient Access (by phone, remote, in-house) Understanding of Regulations/Compliance Ability to Handle Pressure/Deadlines 	

* Where 1 is the lowest assessment and 10 is the highest.

Proposal Submission Instructions

To be considered, a proposal must be received by Great Oaks Legacy Charter School via email sent to Valerie Corner, the School Business Administrator, at vcorner@greatoakslegacy.org. The deadline for receipt is 06/28/22, 2022 at 12 p.m. The email subject should read: "QUOTE FOR AUDITOR SERVICES FOR GREAT OAKS LEGACY CHARTER SCHOOL."

Questions regarding the proposal should be directed to Valerie Corner, School Business Administrator, at valcorner@greatoakslegacy.org. To the extent that any particular question and/or response will impact other candidates, all prospective candidates will be notified.

Failure to respond by the requested due date and time may result in the removal of the firm from further consideration. Auditors are reminded that failure to submit the information according to the terms and conditions of the RFQ may also result in a determination that the proposal is non-responsive. GOLCS reserves the right to exclude any service provider(s) from further consideration based on the results of the evaluation criteria and assessment policy established by GOLCS.

Final Selection of Successful Auditor

A committee will have been appointed by the Executive Director and to evaluate proposals that have been submitted. Committee members shall be familiar with the scope of services to be performed as outlined in the RFQ. Committee members will be identified in the final report submitted to the Board.

Award of Contract

It is the intent of the Great Oaks Legacy Charter school administration and its Board to award the final contract to the firm whose response is the most advantageous in terms of price, experience, and expertise, among other qualities. The contract will be awarded to the auditing firm capable of delivering totally professional services at recognized fair and competitive prices.