

**REQUEST FOR QUALIFICATIONS  
RFQ 19-009 EXTERNAL AUDITOR**

**REQUEST FOR:** Qualifications for Annual Audits for  
School Year Ending August 31, 2019 and  
August 31, 2020

**DUE DATE:** Tuesday, February 12, 2019  
2:00 pm

The South Texas Independent School District (STISD) is requesting Qualification Statements for the above mention services. Sealed Qualification Statements will be received by the above mention due date at the STISD Business Office, 100 Med High Drive, Mercedes, TX 78570.

Interested firms may obtain specifications information by contacting Marissa Vaiz, Purchasing Agent, 100 Med High Drive, Mercedes, TX 78570, telephone (956) 565-2454 or by accessing our website at: [www.stisd.net/departments/business\\_office/purchasing](http://www.stisd.net/departments/business_office/purchasing).

Marla Knaub  
Assistant Superintendent for Finance  
South Texas ISD

# **SOUTH TEXAS INDEPENDENT SCHOOL DISTRICT**

## **RFQ 19-009 EXTERNAL AUDITOR**

### **REQUEST FOR QUALIFICATIONS ANNUAL FINANCIAL AND COMPLIANCE AUDITS**

The South Texas Independent School District (STISD) is requesting qualification statements from certified public accounting firms to perform the annual audits for fiscal year ending August 31, 2019 and August 31, 2020.

#### **I. BACKGROUND INFORMATION**

Auditing requirements for Texas' public school districts are contained in the Texas Education Agency Financial Accountability System Resource Guide, which is the authoritative document, adopted by reference as a rule of the State Board of Education, through Title 19, Texas Administrative Code, Section 109.61.

South Texas Independent School District has a membership of 4,088 students in grades 7 through 12, on six campuses. The 2017-18 budget was \$74,484,026. The school district expended federal financial assistance for several programs including: National School Breakfast and Lunch Program, ESEA Title I Part A - Improving Basic Programs, ESEA Title I Part C - Education of Migratory Children, ESEA Title II Part A - Teacher and Principal Training and Recruiting, Career and Technical Education Basic Grant, and other Federal Grant Programs, as well as state grants.

##### **A. Purpose of the Audits and Agreed upon Procedures**

1. The purpose of the Request for Qualifications is to obtain the services of a certified public accounting firm for the annual audits for fiscal year end August 31, 2019 and August 31, 2020. The organization-wide audit will encompass the general purpose financial statements, combining statements and other schedules for the South Texas Independent School District for the fiscal years ending August 31, 2019 and 2020. The audit is to be performed in accordance with generally accepted government auditing standards contained in the Texas Education Agency Financial Accountability System Resource Guide.

The financial statement audit is to determine whether (1) the financial statements present fairly the financial position, results of operations, and cash flows or changes in financial positions in accordance with generally accepted accounting principles, and (2) whether the South Texas Independent School District has complied with laws and regulations for those transactions and events that may have a material effect on the financial statements. The financial related audit will also include determining whether (1) financial reports and related items are fairly presented, (2) financial information is presented in accordance with established or stated criteria, and (3) the school district has adhered to specific financial compliance requirements.

As a part of the audit of the general purpose financial statements, the annual audit will also include obtaining an understanding of the school district's internal control and reporting any reportable conditions relating to the internal control systems coming to the attention of the auditors. To comply with Office of Management and Budget Circular A-133, a study and evaluation of internal control will include internal accounting and administrative controls for major federal financial assistance programs, in accordance with standards for risk assessment for major federal financial assistance. Any material weakness noted during the study and evaluation of internal accounting and administrative controls and other kinds of noncompliance and questioned costs will be reported in accordance with the Single Audit Act.

Additionally, the audit will include the performance of certain audit procedures for the purpose of reviewing the accuracy of fiscal information provided by the district through the Public Education Information Management System (PEIMS), as required by Section 44.008(b) of the Texas Education Code.

**B. Independent Auditor**

The firm must demonstrate the capability to perform the annual audit in accordance with generally accepted government auditing standards and state board of education auditing rules. Certified public accounting firms that have performed annual audits for similar entities are encouraged to submit a qualifications statement.

**C. Term of the Audit Engagement**

The contract for audit services based upon Board of Trustees approval of the qualification statement will be for the fiscal year ending August 31, 2019 and August 31, 2020. The South Texas Independent School District may request to extend this agreement for three additional one-year terms, following satisfactory delivery of the services specified in the qualification statement and engagement letter.

**D. Dispute Resolution**

Disputes concerning the terms of contracted services that cannot be resolved will be brought before an independent mediation center, whose decision will be binding upon both parties.

**II. RESPONSE CONTENT**

**A. Cover Letter**

See conditions for submission of Qualifications Statement Response in Section III.

**B. Technical Component**

To describe clearly the certified public accounting firm's understanding of the work to be done, the Offeror will:

1. Provide a definition of the term "generally accepted government auditing standards" with clear distinctions between these standards and generally accepted auditing standards for nongovernmental engagements;
2. Explain the Offeror's approaches to performing an annual audit, including the methodology, nature, timing and extent of audit procedures to be performed;

3. Describe how the approach to performing the audit would be affected if this were a multiyear contract; and
4. Make a statement concerning the independence of the Offeror, including direct and indirect financial interest, and the relationship of the proposed audit team to employees of the district and any of the board members.

C. Management Component

The Offeror will furnish satisfactory evidence of capability to provide in a professional and timely manner the services stated in the request for qualifications. To meet this requirement:

1. Provide the name of the external quality control review organization of which the Offeror is a member and the Offeror's length of membership. Also, state the review organization's planned frequency of peer reviews;
2. State whether the firm has received a peer review and whether in the most recent review an unqualified report was issued;
3. State whether the Offeror is a national, regional or local public accounting firm;
4. Provide evidence that the Offeror has experience in performing school district/government audits. List current and past audit clients along with the names and telephone numbers of contact persons and number of years audit services were provided. State the average daily attendance of the public schools on the list and provide a statement, if necessary, if you have been late in performing and completing this type of requested audit.
5. State whether the Offeror is currently under the terms of a public or private reprimand by the Texas State Board of Public Accountancy and/or licensing boards of other states;
6. Describe the proposed audit team, in terms of job positions in the firm;
7. List names of staff member(s) who will direct the overall audit throughout the duration of the engagement as well as those staff members who will be responsible for planning, directing, and conducting substantial portions of the fieldwork or reporting on this audit engagement. Include the educational background of all staff members named and professional licenses held;
8. Describe continuing professional education in governmental accounting and auditing received by the proposed audit team during the last two years;
9. Provide the names and qualifications of any needed outside specialists and consultants that will assist the Offeror's staff members;

10. Describe staff rotation plans for audit team members if this is to be a multiyear contract;
  11. Describe the level of assistance that will be expected from South Texas ISD personnel; and
  12. Provide evidence of the ability to comply with the requirements in Sections II and VI of the request for qualifications.
- D. Task/Activity Plan  
The Offeror will specify budgeted hours, timelines and sequence for audit procedures, and names of staff to be assigned.
- E. Evaluation  
Criteria used to evaluate the Offeror's methodologies, products, and services are shown in Attachment A.

### **III. CONDITIONS FOR SUBMISSIONS OF QUALIFICATIONS STATEMENT**

All offers in response to this request must meet the following conditions to be considered:

- A. Qualifications Statements must include a cover letter clearly stating the name of the firm and the name, address, and telephone number of the Offeror's representative;
- B. Offer must address each of the audit requirements as stated in this Request for Qualifications;
- C. The South Texas Independent School District reserves the right to reject any and all offers, and to negotiate portions thereof. Offers that address only part of the requirements contained in this qualifications statements will not be considered;
- D. The Offeror shall furnish such additional information that the district may reasonably require;
- E. The South Texas Independent School District will not be liable for any cost incurred in the preparation of Qualification Statements/Offer Responses;
- F. The South Texas Independent School District may ask Offerors to send a representative for an oral interview prior to Board of Trustee approval of an offer. The South Texas Independent School District will not be liable for the costs incurred by the Offeror related to such interview.

### **IV. PROCEDURES FOR SUBMITTING REQUEST FOR QUALIFICATIONS**

- A. Delivery  
Responses to the Request for Qualifications should be addressed to:

Marla Knaub  
Assistant Superintendent for Finance  
South Texas Independent School District  
100 Med High Drive  
Mercedes, TX 78570

Responses must be received no later than 2:00 p.m., on Tuesday, February 12, 2019.

**B. Number of Copies of Request for Qualifications**

Submit three (3) copies of the Request for Qualifications. They are to be bounded and sealed.

**V. ASSISTANCE TO OFFERORS**

Any person wishing to obtain additional information about the Request for Qualifications or about the operations of the South Texas Independent School District may contact Marissa Vaiz, Purchasing Agent at (956) 565-2454.

**VI. STATEMENT OF REQUIREMENTS**

- A. The independent auditor will provide forty (40) copies of the written audit report that meets the requirements of Texas Education Agency Financial Accountability System Resource Guide. The Offeror will allow the school district to make arrangements for printing additional copies of the audit report. In the event the school district makes other arrangements for printing copies of the audit report, the Offeror will provide the school district one (1) camera ready copy of the final report in lieu of thirty copies mentioned above.
- B. The preliminary draft of the audit report will be presented to the school district prior to submission of the final draft.
- C. Satisfactory delivery of the services specified by the Request for Qualifications and the engagement letter shall be accomplished in a manner in compliance with agreed dates by the parties involved and compliance codes afore mentioned herein.
- D. The independent auditor will be required to present each of the audit report to the Board of Trustees at a board meeting.
- E. The independent auditor is strongly encouraged to provide a management letter containing comments oriented toward constructive improvements. Copies of selected audit working papers will be provided as requested by the South Texas ISD and as provided for in the engagement letter.
- F. The independent auditor will be required to follow and meet the district's schedules and timelines.

Fieldwork	Mid October
Draft	Mid November
Final Draft	End of November
Presentation	December

## **II. BOARD OF TRUSTEE APPROVAL**

A firm will be selected on or before April 1, 2019, barring decision by the Board of Trustees to reject all requests for qualifications submitted.

## Attachment A

### EVALUATION WORKSHEET

This worksheet is to be used to document the school district's evaluation of the Offerors' qualifications. Points within the ranges specified are to be assigned to the below-listed criteria as a means for quantifying the relative strengths and weaknesses of the various requests for qualifications. A total of 100 points is assigned. A score of 100, is a perfect score.

In the event that oral interviews are necessary to break a tie or for making final clarification in the evaluation process, additional points may be awarded. It should be understood that while the total score is a significant factor, the requester of the services reserves the right to consider other factors in making a final selection. The decision of the Board of Trustees will be final.

#### PROFESSIONAL QUALIFICATIONS

It is the intent of the Board of Trustees to evaluate professional qualifications of the Offerors on the following criteria:

##### I. Mandatory Criteria

Requests for Qualifications will not be considered for further evaluation unless there is compliance with all of the following criteria. The Offeror:

- A. Must be an independent auditor properly licensed for public practice.
- B. Must meet the independence standards of Government Auditing Standards, 2011 Revision, United States General Accounting office (GAO).
- C. Must not have a record of substandard work.
- D. Must submit an offer meeting all of the requirements of the request for qualifications statements.

##### II. Technical Criteria 100 points, as allotted as follows:

Offers which have met each of the criteria in Section I above will be evaluated on the following criteria:

- A. Technical experience of the firm:
  - 1. Auditing experience in Texas public schools - 25 points; please submit a list
  - 2. Auditing experience in government entities - 10 points
- B. Characteristics of the staff, including consultants to be assigned to the audit:
  - 1. Size and structure of the firm, including audit staff positions - 15 points
  - 2. Qualifications of supervisory personnel, consultants, and the field audit team  
20 points
    - a. Education, including continuing education courses taken during the past two years.

- b. Years and types of experience.
- 3. General direction and supervision to be exercised over the audit team by the firm's management personnel – 10 points
- C. Clear understanding of the work to be performed:
  - 1. Comprehensiveness of the audit work plan (0-10)
  - 2. Realistic time estimates of each major segment of the work plan, and the estimated number of hours for each staff level including consultants assigned 10 points

Total Technical Points            100

III. Oral Interviews (If Necessary)

Interview Points Awarded (0-15)

Total Points                            100-115 max.

**SOUTH TEXAS INDEPENDENT SCHOOL DISTRICT  
FELONY CONVICTION NOTICE**

State of Texas Legislative Senate Bill No. 1, Section 44.034, Notification of Criminal History, Subsection (a), states "a person or business entity that enters into a contract with a school district must give advance notice to the district if the person or an owner or operator of the business entity has been convicted of a felony. The notice must include a general description of the conduct resulting in the conviction of a felony."

Subsection (b) states "a school district may terminate a contract with a person or business entity if the district determines that the person or business entity failed to give notice as required by Subsection (a) or misrepresented the conduct resulting in the conviction. The district must compensate the person or business entity for services performed before the termination of the contract."

THIS NOTICE IS NOT REQUIRED OF A PUBLICLY-HELD CORPORATION

**Please check off one box and sign the form in the appropriate space(s)**

***I, the undersigned agent for the firm named below, certify that I have diligently reviewed the information concerning the notification of felony convictions and the information furnished below is true to the best of my knowledge and due diligence.***

- A. My firm is a publicly-held corporation, therefore, this reporting requirement is not applicable.
  
- B. My firm is not owned or operated by anyone who has been convicted of a felony.
  
- C. My firm is owned and operated by the following individual(s) who has/have been convicted of a felony.

Name of Felon(s): \_\_\_\_\_

Detail of Conviction(s): \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Vendor's Name: \_\_\_\_\_

Authorized Company Official's Name (PRINTED): \_\_\_\_\_

Signature of Company Official: \_\_\_\_\_

**SOUTH TEXAS INDEPENDENT SCHOOL DISTRICT  
NON-COLLUSION STATEMENT**

The undersigned Proposer, by signing and executing this proposal, certifies and represents to the South Texas Independent School District that Proposer has not offered, conferred or agreed to confer any pecuniary benefit, as defined by Section 1.07 (a)(6) of the Texas Penal Code, or any other thing of value, as consideration for the receipt of information or any special treatment or advantage relating to this proposal;

the Proposer also certifies and represents that Proposer has not offered, conferred or agreed to confer any pecuniary benefit or other things of value as consideration for the recipient's decision, opinion, recommendation, vote or other exercise of discretion concerning this proposal;

the Proposer certifies and represents that Proposer has neither coerced nor attempted to influence the exercise of discretion by any officer, trustee, agent or employee of the South Texas School District concerning this proposal on the basis of any consideration not authorized by law;

the Proposer also certifies and represents that Proposer has not received any information not available to other proposers so as to give the undersigned an advantage with respect to this proposal;

the Proposer further certifies and represents that Proposer has not violated any state, federal or local law, regulation or ordinance relating to bribery, improper influence, collusion or the like and that Proposer will not in the future, offer, confer, or agree to confer any pecuniary benefit or other thing of value of any officer, trustee, agent or employee of the South Texas Independent School District in return for the person having exercised the person's official discretion, power or duty with respect to this proposal;

the Proposer certifies and represents that it has not now and will not in the future offer, confer, or agree to confer a pecuniary benefit or other thing of value to any office, trustee, agent or employee of the South Texas Independent School District in connection with information regarding this proposal, the submission of this proposal, the award of this proposal or the performance, delivery or sale pursuant to this proposal;

the Proposer certifies that the Proposer has not prepared this proposal and will not prepare any future proposals arising from this Request for Proposal (RFP) in collusion with any other respondent, and that the content of any future proposals arising out of this RFP will not be communicated by the undersigned nor by any employee or agent to any other person engaged in this type of business prior to the District's selection of a contractor for this RFP.

\_\_\_\_\_  
FIRM NAME

\_\_\_\_\_  
ADDRESS

\_\_\_\_\_  
CITY/STATE/ZIP

\_\_\_\_\_  
TYPED NAME OF REPRESENTATIVE(S)

\_\_\_\_\_  
SIGNATURE OF REPRESENTATIVE(S)

\_\_\_\_\_  
DATE

# SOUTH TEXAS INDEPENDENT SCHOOL DISTRICT CERTIFICATE OF INTERESTED PARTIES – FORM 1295

## Definitions and Instructions for Completing Form 1295

South Texas ISD is required to comply with House Bill 1295, which amended the Texas Government Code by adding Section 2252.908, Disclosure of Interested Parties. Section 2252.908 prohibits South Texas ISD from entering into a contract resulting from this RFP with a business entity unless the business entity submits a Disclosure of Interested Parties – Form 1295 to South Texas ISD at the time the business entity submits the signed contract. The Texas Ethics Commission has adopted rules requiring the business entity to file Form 1295 electronically with the Texas Ethics Commission.

***As a “business entity,” all vendors must electronically complete, print, sign, notarize and submit Form 1295 with their proposals or contracts even if no interested parties exist.***

Proposers must file Certificate of Interested Parties – Form 1295 with the Texas Ethics Commission using the following online application: [https://www.ethics.state.tx.us/whatsnew/elf\\_info\\_form1295.htm](https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm)

- Proposers must use the filing application on the Texas Ethics Commission’s website (see link above) to enter the required information on Form 1295.
- Proposers must print a copy of the completed form, which will include a certification of filing containing a unique certification number.
- The Form 1295 must be printed and then signed by an authorized agent of the business entity
- The completed Form 1295 with the certification of filing must be filed with South Texas ISD by including a copy of the completed form with the proposal response.
- South Texas ISD must acknowledge the receipt of the filed Form 1295 by notifying the Texas Ethics Commission of the receipt of the filed Form 1295 no later than the 30<sup>th</sup> day after the date the contract binds all parties to the contract.
- After South Texas ISD acknowledges the Form 1295, the Texas Ethics Commission will post the completed Form 1295 to its website within seven (7) business days after receiving notice from South Texas ISD.

## **Instructions to Vendors:**

1. Read these instructions,
2. Go to the Ethics Commission Website [https://www.ethics.state.tx.us/whatsnew/elf\\_info\\_form1295.htm](https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm)
3. Register and complete Form 1295 online -include the proposal number and the contract/RFP name,
4. Print a copy of the submitted Form 1295
5. Include a copy of the completed, signed Form 1295 with the proposal response

## **Definitions:**

- **Contract** means a contract between South Texas ISD and/or its cooperative members and a business entity at the time it is voted on by the South Texas ISD Board of Directors or at the time it binds South Texas ISD, whichever is earlier, and includes an amended, extended, or renewed contract.
- **Business Entity** includes an entity through which business is conducted with South Texas ISD and/or its cooperative members, regardless of whether the entity is a for-profit or nonprofit entity. The term does not include a governmental entity or State agency.
- **Controlling Interest** means:
  - 1) an ownership interest or participating interest in a business entity by virtue of units, percentage, shares, stock, or otherwise that exceeds ten percent (10%);
  - 2) membership on the board of directors or other governing body of a business entity of which the board or other governing body is composed of not more than ten (10) members; or
  - 3) service as an officer of a business entity that has four (4) or fewer officers, or service as one of the four (4) officers most highly compensated by a business entity that has more than four (4) officers. This section does not apply to an officer of a publicly held business entity or its wholly owned subsidiaries.
- **Interested Party:** a person who:
  - 1) has controlling interest in a business entity with whom South Texas ISD and/or its cooperative members contracts; or
  - 2) actively participates in facilitating the contract or negotiating the terms of the contract, including a broker, intermediary, adviser, or attorney for the business entity.
- **Intermediary:** a person who actively participates in the facilitation of the contract or negotiation the contract, including a broker, advisor, attorney, or representative of or agent for the business entity who:
  - 1) receives compensation from the business entity for the person’s participation;
  - 2) communicates directly with the governmental entity or state agency on behalf of the business entity regarding the contract; and
  - 3) is not an employee of the business entity.
- **Signed** includes any symbol executed or adopted by a person with present intention to authenticate a writing, including an electronic signature.
- **Value** of a contract is based on the amount of consideration received or to be received by the business entity from the South Texas ISD and/or its cooperative members under the contract.

## **Resources:**

### **Form 1295 Frequently Asked Questions:**

- [https://www.ethics.state.tx.us/whatsnew/FAQ\\_Form1295.html](https://www.ethics.state.tx.us/whatsnew/FAQ_Form1295.html)

### **Instructional Video – First Time Business User:**

- <https://www.ethics.state.tx.us/filinginfo/videos/Form1295/FirstLogin-Business/Form1295Login-Business.html>

### **Instructional Video – How to Create a Certificate:**

<https://www.ethics.state.tx.us/filinginfo/videos/Form1295/CreateCertificate/CreateCertificate.html>

**CONFLICT OF INTEREST QUESTIONNAIRE**  
For vendor doing business with local governmental entity

**FORM CIQ**

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code.

A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

**OFFICE USE ONLY**

Date Received

**1 Name of vendor who has a business relationship with local governmental entity.**

**2**  **Check this box if you are filing an update to a previously filed questionnaire.** (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

**3 Name of local government officer about whom the information is being disclosed.**

\_\_\_\_\_  
Name of Officer

**4 Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.**

A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?

Yes       No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?

Yes       No

**5 Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.**

**6**  Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).

**7**

\_\_\_\_\_  
Signature of vendor doing business with the governmental entity

\_\_\_\_\_  
Date

# House Bill 89 Verification Form

## Prohibition on Contracts with Companies Boycotting Israel

The 85<sup>th</sup> Texas Legislature approved new legislation, effective September 1, 2017, which amends Texas Local Government Code Section 1. Subtitle F, Title 10, Government Code by adding Chapter 2270 which states that a governmental entity may not enter into a contract with a company for goods or services unless the contract contains a written verification from the company that it:

- 1) does not boycott Israel; and
- 2) will not boycott Israel during the term of the contract

Pursuant to Section 2270.001, Texas Government Code:

1. "Boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes; and
2. "Company" means a for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or any limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of those entities or business associations that exist to make a profit.

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I, (authorized official) \_\_\_\_\_, do hereby depose and verify the truthfulness and accuracy of the contents of the statements submitted on this certification under the provisions of Subtitle F, Title 10, Government Code Chapter 2270 and that the company named below:

- 1) does not boycott Israel currently; and
- 2) will not boycott Israel during the term of the contract; and
- 3) is not currently listed on the State of Texas Comptroller's Companies that Boycott Israel List located at <https://comptroller.texas.gov/purchasing/publications/divestment.php>

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Company Name

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Signature of Authorized Official

---

Title of Authorized Official

---

Date

