



# **STATE CHARTER SCHOOLS COMMISSION OF GEORGIA**

**REQUEST FOR PROPOSALS  
FOR  
PARTICIPATION IN THE  
FY2017 SCSC APPROVED AUDITOR PROGRAM**

**RELEASED:**

**FEBRUARY 23, 2017**

**RESPONSES DUE:**

**MARCH 27, 2017**

**EXPECTED AWARD NOTIFICATION:**

**MARCH 31, 2017**



## TABLE OF CONTENTS

<b>1. Introduction .....</b>	<b>3</b>
<b>a. Purpose .....</b>	<b>3</b>
<b>b. General Information .....</b>	<b>3</b>
<b>c. Scope of Procurement .....</b>	<b>3</b>
<b>d. Definitions.....</b>	<b>3</b>
<b>e. Official Contact Information .....</b>	<b>4</b>
<b>2. Instructions .....</b>	<b>4</b>
<b>a. Terms and Conditions .....</b>	<b>4</b>
<b>b. Submission Instructions.....</b>	<b>5</b>
<b>3. Project .....</b>	<b>5</b>
<b>a. FY2017 SCSC Approved Auditor Program .....</b>	<b>5</b>
<b>b. Potential Entities to be Audited.....</b>	<b>6</b>
<b>4. Offeror Responses.....</b>	<b>8</b>
<b>a. Description of Audits .....</b>	<b>8</b>
<b>b. Cost Proposal.....</b>	<b>8</b>
<b>c. Mandatory Requirements.....</b>	<b>9</b>
<b>5. Proposal Evaluation and Award.....</b>	<b>9</b>
<b>a. Specific Evaluation Criteria .....</b>	<b>10</b>
<b>b. Negotiations of Proposals.....</b>	<b>11</b>
<b>c. Contract Terms and Conditions.....</b>	<b>11</b>
<b>6. List of Attachments .....</b>	<b>12</b>



## 1. INTRODUCTION

### a. PURPOSE

The State Charter Schools Commission of Georgia (SCSC) is seeking qualified certified public accountants licensed to provide independent audits of state charter schools as required by O.C.G.A. § 20-2-2065(b)(7).

### b. GENERAL INFORMATION

The SCSC is a state-level independent charter school authorizer. Nonprofit Georgia corporations may petition the SCSC to establish a state charter school that operates as an independent public school in accordance with the Georgia Charter Schools Act. If the petition is approved by the SCSC, the SCSC will execute a charter contract with the petitioning corporation for the operation of the state charter school. As public schools, state charter schools receive state funding allocated pursuant to O.C.G.A. § 20-2-2090 and proportionate shares of funding from federal education grant programs. State charter schools do not receive funding from taxation by local governments.

Each state charter school is governed by an independent board of directors that is subject to the monitoring and evaluation of the SCSC. The governing board each school is responsible for the operation and financial affairs of the school. The SCSC does not manage state charter schools; however, given its responsibility to monitor and evaluate state charter schools, the SCSC determined that it is willing to provide access to high-quality financial audits to ensure proper and appropriate use of public funding. The SCSC Approved Auditor Program allows state charter schools to choose an auditor identified by the SCSC and undergo the audit at the cost of the SCSC. State charter schools participate in the SCSC Approved Auditor Program on a voluntary basis.

### c. SCOPE OF PROCUREMENT

The SCSC is seeking to identify certified public accountants to provide independent audits of state charter schools as required by O.C.G.A. § 20-2-2065(b)(7) for the state 2017 fiscal year (July 1, 2016 – June 30, 2017). There are twenty (23) state charter schools operating during FY2017. Some schools are likely to require a Single Audit pursuant to 2 C.F.R. § 200.501 (formerly OMB A-133) due to the amount of federal funding received by the school.

**Selection as an Approved Auditor as part of the FY2017 SCSC Approved Auditor Program does not guarantee a contract, engagement, funding, or award.** Once selected as an Approved Auditor, the SCSC will provide a list of the Approved Auditors to each state charter school for their consideration and selection. Only if a state charter school selects an Approved Auditor will the SCSC execute a contract for the audit.

### d. DEFINITIONS

**Approved Auditor** means an Offeror that is selected by the SCSC to be chosen by state charter schools to provide audit services at the cost of the SCSC.



## FY2017 SCSC APPROVED AUDITOR PROGRAM

**Engaged State Charter School or Engaged School** means a state charter school that chooses to participate in the SCSC Approved Auditor Program by selecting an Approved Auditor to provide services to the school at the cost of the SCSC.

**Offeror** means the individual or firm responding to this RFP.

**State Charter School** means a charter school authorized by the SCSC.

### e. OFFICIAL CONTACT INFORMATION

Inquiries related to this RFP or the FY2017 SCSC Approved Auditor Program must be directed to Terence Washington at [terence.washington@scsc.georgia.gov](mailto:terence.washington@scsc.georgia.gov). Inquiries should be limited to technical aspects of the RFP and its submission or to general aspects of the SCSC Approved Auditor Program. **Inquiries should not be made in an attempt to discern the possible cost of conducting an audit for a state charter school.** Interested Offerors are encouraged to examine publicly available information, such as funding allotments available on website for the Georgia Department of Education as well as general information that is available on the respective website for each school.

## 2. INSTRUCTIONS

### a. TERMS AND CONDITIONS

The SCSC is not responsible for any costs incurred by any firm or Offeror in preparation of a response to this RFP. The SCSC reserves the right to request clarification of information submitted and to request additional information of one or more Offerors. By submitting a proposal, the Offeror certifies that it has fully read and understood this RFP and the detailed requirements of the services to be provided and the conditions under which such services are to be performed. Any response to this RFP shall constitute an irrevocable offer, for a period of 90 days, to provide the SCSC and engaged state charter school the proposed services at the proposed compensation. The SCSC reserves the right to reject any and all proposals, to waive any informality in a proposal, to call for new proposals, and to amend this RFP. Each Offeror is independently responsible for reviewing addenda and any other posted documents and making any necessary or appropriate changes or additions to the Offeror's response. All Offerors are encouraged to frequently check the SCSC website at [scsc.georgia.gov/approved-auditor-program](http://scsc.georgia.gov/approved-auditor-program) for additional or updated information.

The RFP and the proposal submitted by an Offeror will become part of a written contract between the SCSC and the Offeror if the Offeror is selected by the SCSC as an Approved Auditor and chosen for audit services by a state charter school. If an Approved Auditor fails to fulfill its obligations under a contract executed as part of the SCSC Approved Auditor Program, the SCSC will terminate the contract according to the provisions therein. An Offeror or Approved Auditor shall not assign or transfer any interest in a contract executed as part of the SCSC Approved Auditor Program without the prior written consent of the SCSC. An Offeror or Approved Auditor shall not subcontract, delegate, assign or transfer any interest in a contract executed as part of the SCSC Approved Auditor Program without the prior written consent of the SCSC.



## FY2017 SCSC APPROVED AUDITOR PROGRAM

The laws of the State of Georgia, including the Georgia Open Records Act, as provided in O.C.G.A. Section 50-18-70 et seq., require procurement records and other public records to be made public unless otherwise provided by law.

The submission of a response by an Offeror certifies that it will abide by all applicable provisions of law, including, but not limited to, the Georgia Security and Immigration Compliance Act (O.C.G.A Section 13-10-91).

### **b. SUBMISSION INSTRUCTIONS**

Offerors shall submit their responses to this RFP electronically to Terence Washington at [terence.washington@scsc.georgia.gov](mailto:terence.washington@scsc.georgia.gov). Written narratives must be in Adobe .pdf or Microsoft Word format. Cost proposals may be submitted in format readable by Microsoft Excel or Word. Any pictures, scans, or other documents submitted by the Offeror, such as evidence of licensure, shall be in Adobe .pdf format.

**Responses must be received by 11:59 PM on March 27, 2017.** The time of receipt recorded by the SCSC electronic mail system shall serve as the conclusive time of receipt. Failure to submit a response by the deadline will disqualify Offeror from participation in the FY2017 SCSC Approved Auditor Program.

## **3. PROJECT**

### **a. FY2017 SCSC APPROVED AUDITOR PROGRAM**

State charter schools are required to receive annual independent audits conducted by a certified professional accountant authorized to do business in Georgia each year. To facilitate timely, accurate, and high-quality audits, the SCSC approves auditors that state charter schools may select to conduct their required audit at the expense of the SCSC. While the SCSC covers the cost of the audit, the state charter school remains the client of the Approved Auditor and is responsible for working with the Approved Auditor to complete the audit. Upon conclusion of the audit and acceptance of the audit report by the state charter school's governing board, the school will provide the SCSC a copy of its final audit report and any associated documents.

State charter schools may elect to participate in the SCSC Approved Auditor Program or engage a different auditor at their own expense. As a result, **selection as an Approved Auditor as part of the FY2017 SCSC Approved Auditor Program does not guarantee a contract, engagement, funding, or award. Once selected as an Approved Auditor, the SCSC will provide a list of the Approved Auditors to each state charter school for their consideration and selection. Only if a state charter school selects an Approved Auditor will the SCSC execute a contract for the audit.** A state charter school that selects an Approved Auditor will an Engaged School. The SCSC will execute a contract with each Approved Auditor to cover the identified costs of the Engaged Schools identified in the Approved Auditor's response to this RFP. As an example:

Offeror XYZ submitted a response that included proposed costs to complete audits for each state charter school as required by this RFP. The SCSC reviewed the XYZ's response and determined the response to meet its standards to be identified as an Approved



**FY2017 SCSC APPROVED AUDITOR PROGRAM**

Auditor. The SCSC notified all state charter schools of the Approved Auditors with details of participating the in SCSC Approved Auditor Program. By the deadline provided by the SCSC, six (6) state charter schools selected XYZ to perform their audits. The SCSC will then execute a contract with XYZ for the costs XYZ identified in its proposal for the six (6) Engaged Schools.

Approved Auditors are responsible for working with Engaged Schools to complete the audit as required by the law and SCSC contract. SCSC staff may, in a limited manner, assist the Approved Auditor or Engaged School in understanding requirements or expectations of law or the scope of the required audit. All state charter schools are required to submit their complete audit to the SCSC by November 1, 2017. Offerors must plan their response to this RFP in a manner that will allow the school to meet its audit deadline. In the event an Engaged School is unable to meet its deadline as a result of a failure by its Approved Auditor, the Approved Auditor may be precluded from participating in future SCSC Approved Auditor Programs in addition to any other action the SCSC may take under its contract. An Approved Auditor will be held harmless if an Engaged School fails to meet its audit deadline due to substantial fault of the school.

For each Engaged School, an Approved Auditor must provide auditing services consistent with *Generally Accepted Government Auditing Standards*, including reports of the school’s internal controls and compliance, review of the statement of position and statement of activities, the governmental fund balance sheet and income statement, and the reconciliation statements between governmental and full accrual statements and the changes in fund balances budget and actual for the state fiscal year ending June 30, 2017. The Approved Auditor shall provide a written draft audit report for each Engaged School to the governing board of the Engaged School by October 15, 2017.

An Approved Auditor may, in the course of providing services to an Engaged School, discover that the school requires a Single Audit pursuant to 2 C.F.R. § 200.501. As such, an Offeror is encouraged to include the cost of conducting a Single Audit as a contingency within its response to this RFP. If an Engaged School requires a Single Audit, the Approved Auditor will be required to inform the Engaged School and SCSC of this requirement and complete the required Single Audit by March 31, 2018.

Approved Auditors are not precluded from offering or providing Engaged Schools services that are outside the scope of the SCSC Approved Auditor Program. The SCSC will not be responsible for the cost or negotiation of services provided by the Approved Auditor to an Engaged School that are not included in the contract between the SCSC and the Approved Auditor.

**b. POTENTIAL ENTITIES TO BE AUDITED**

There are twenty (23) state charter schools operational during FY2017. They are listed below as are links to their websites.

School Name	Grades Served	Year Opened	Attendance Zones
<a href="#">Atlanta Heights</a>	K-8	2010	APS District Enrollment Zone
<a href="#">Charter Conservatory for Liberal Arts and Technology (CCAT)</a>	6-12	2002	Bulloch County Public Schools Zone



**FY2017 SCSC APPROVED AUDITOR PROGRAM**

School Name	Grades Served	Year Opened	Attendance Zones
<a href="#">Cherokee Charter Academy</a>	K-12	2011	Cherokee County Public Schools Zone
<a href="#">Coweta Charter Academy</a>	K-8	2010	Coweta County Public Schools Zone
<a href="#">DuBois Integrity Academy</a>	K-5	2015	Clayton County Public Schools Zone
<a href="#">Foothills Education Charter High School</a>	9-12	2015	Statewide
<a href="#">Fulton Leadership Academy</a>	6-12	2010	Fulton County Public Schools Zone
<a href="#">Georgia Connections Academy</a>	K-12	2011	Statewide
<a href="#">Georgia Cyber Academy</a>	K-12	2014	Statewide
<a href="#">Georgia School for Innovation and the Classics</a>	K-12	2015	Statewide
<a href="#">Graduation Achievement Charter High School</a>	9-12	2012	Statewide
<a href="#">International Charter School of Atlanta</a>	K-8	2015	Statewide
<a href="#">Ivy Preparatory Academy at Gwinnett</a>	6-8	2008	DeKalb, Fulton, and DeKalb County Public Schools districts
<a href="#">Ivy Preparatory Academy at Kirkwood</a>	K-8	2011	DeKalb County and APS District Enrollment Zone
<a href="#">Mountain Education Charter School</a>	9-12	2007	Statewide
<a href="#">Odyssey School</a>	K-12	2004	Coweta County Public Schools Zone
<a href="#">Pataula Charter Academy</a>	K-12	2010	Baker, Calhoun, Clay, Early, and Randolph Public School districts
<a href="#">Scintilla Charter Academy</a>	K-5	2015	Lowndes County and Valdosta City School districts
<a href="#">Utopian Academy for the Arts</a>	6-8	2014	Clayton County Public Schools Zone
<a href="#">Southwest Georgia STEM Charter School</a>	K-12	2016	Statewide
<a href="#">Cirrus Academy</a>	K-12	2016	Statewide
<a href="#">Liberty Tech Charter School</a>	3-12	2016	Statewide
<a href="#">Brookhaven Innovation Academy</a>	K-8	2016	Statewide

Note: Grades served denotes the grade levels that the school is authorized to serve per the terms of its charter contract. The school may select to expand into grade levels over time, and therefore may not currently serve all denoted grade levels.

Additional information regarding the finances of each state charter school are included in various reports available through the Georgia Department of Education’s website here:

<http://www.gadoe.org/Finance-and-Business-Operations/Financial-Review/Pages/default.aspx>



## 4. OFFEROR RESPONSES

### a. DESCRIPTION OF AUDITS

An Offeror's response to this RFP should include a written description of its qualifications, abilities, methodologies, and processes for performing audits that adhere to *Generally Accepted Government Auditing Standards*. The Offeror should describe its ability to:

- Train the engaged school on the audit process and on how to prepare for the audit so that the audit can be finalized without excessive delays;
- Fairly present the financial position, results of financial operations, and cash flows in accordance with determine whether the general purpose financial statements present fairly the financial position and results of financial operations and cash flows in accordance *Generally Accepted Government Auditing Standards*;
- Ensure that any supplementary information is fairly presented in all material respects in relation to the financial statements taken as a whole;
- Obtain an understanding of internal control over financial reporting sufficient to plan the audit by performing procedures to understand both the design of controls relevant to an audit of financial statements and whether they have been placed in operation, and assess control risk;
- Determine the compliance of an Engaged School with material requirements of rule and law;
- Follow up on known material findings and recommendations from previous audits;
- Prepare working papers containing sufficient information to enable an experienced auditor, having no previous connection with the audit, to ascertain from them the evidence that supports the auditor's significant conclusions and judgements; and
- Complete each audit within mandated timeframes.

Responses shall refrain from using elaborate or promotional materials beyond those required to respond to this RFP. Responses may include supplemental materials, such as evidence of licensure, but any supplemental materials must relate to the substance of this RFP. All information in response to this RFP must be included in the submitted response. There may be no information that is linked to a website that requires reviewers to access the website for consideration of content.

### b. COST PROPOSAL

An Offeror's response to this RFP must include a cost proposal for **each** state charter school. An Offeror may not respond to this RFP in an attempt to provide services only to certain state charter schools selected by the Offeror. Each cost proposal included in this response shall include all costs related to providing services to the state charter school, including, but not limited to, travel, materials, and additional staffing. Offerors are encouraged to plan for the possibility of providing a Single Audit for one or more schools and to provide such costs as a contingency should the Single Audits be required.





## FY2017 SCSC APPROVED AUDITOR PROGRAM

During the course of the audit, an Approved Auditor may encounter unforeseen circumstances that require additional time and expense. As a result, Offerors should include a contingency when such unforeseen events occur that will be limited to each Engaged School and under the contract as a whole. For example, an Offeror may include a contingency that requests the ability to amend its stated cost proposal by up to X dollars per Engaged School and no more than XX dollars under the contract.

Unforeseen costs that require additional time and expense arising from a period not within the scope of this audit are not to be included in the Offeror's cost proposal and will not be reimbursed by the SCSC under this contract. For example, an Approved Auditor may encounter circumstances in which a state charter school's financial statements from the prior year require substantial amendments for proper auditing of the FY17 fiscal year. Substantial work to remedy prior year misstatements is not within the scope of this request or contract and such costs will not be reimbursed by the SCSC. An Approved Auditor may negotiate fees with the state charter school to cover costs that arise from a period not within the scope of this audit and such costs will be borne solely by the state charter school. An Approved Auditor must notify the state charter school of the additional time and expense arising from a period not within the scope of this audit prior to engaging in that work.

### C. MANDATORY REQUIREMENTS

An Offeror's Response **MUST** include the following:

- Individual or Firm Name;
- License Number;
- Evidence of authorization to do business in Georgia;
- Evidence of a GAGAS Peer Review conducted within the past three (3) years;
- GAGAS Peer Review Rating;
- Evidence of at least one charter school audited within the past three (3) years; and
- Number of audit reports submitted after the school's contractual deadline within the past three (3) audit cycles. Audit reports that were submitted late as a result of client delays or the client's poor recordkeeping shall not be included in this total;
- Affirmative statement that the Offeror commits to complete each audit by the school's November 1<sup>st</sup> deadline.

## 5. PROPOSAL EVALUATION AND AWARD

Georgia procurement law provides that audit services provided by a licensed certified public accountant are exempt from competitive bidding requirements. As a result the SCSC has managerial discretion to engage auditors that best meet its needs and those of state charter schools. However, in an effort to efficiently utilize public funding and to provide greater opportunities to, the SCSC is conducting this RFP to identify those auditors that will best serve the SCSC Approved Auditors Program. The cost of audits is an important factor in determining the appropriate use of public funding; however, cost alone will not be determinative in the selection of Approved Auditors. The quality of the audit services provided to the Engaged Schools is paramount and will drive the selection of Approved Auditors. The SCSC will select Approved Auditors that provide high-quality services in a cost-effective manner. The SCSC will not select



**FY2017 SCSC APPROVED AUDITOR PROGRAM**

Approved Auditors that do not present a proposal that is advantageous to the SCSC or state charter schools.

It is the policy of the SCSC that no person or business shall be excluded from participation, denied the benefits of, or otherwise discriminated against in relation to the award and performance of any contract or subcontract on the grounds of race, color, creed, national origin, age, or sex.

The SCSC prefers to select at least two Approved Auditors. The SCSC may select as many Approved Auditors as will be advantageous to the SCSC and state charter schools. The SCSC reserves the right to limit the number of Approved Auditors it selects as well as to reject all proposals in response to this RFP.

**a. SPECIFIC EVALUATION CRITERIA**

Each response to this RFP will be rated by two reviewers and the scores for each Offeror will be averaged into one score. Responses to this RFP will be scored as follows:

<b>GAGAS Peer Review Conducted within the past 3 years*?</b>	<b>5 Points</b>
Yes	10
No	0
<b>GAGAS Peer Review Rating*</b>	<b>10 Points</b>
Pass	10
Pass with Deficiencies	5
Fail or no peer review conducted	0
<b>Number of State Charters(GA) audited in the past 3 years</b>	<b>15 Points</b>
0-2	5
3-5	10
6 or more	15
<b>Number of Charter Schools audited in the past 3 years</b>	<b>10 Points</b>
0-5	5
6-10	10
11 or more	15
<b>Number of single audits(A-133) performed in the past 3 years</b>	<b>15 Points</b>
0-5	5
6-10	10
11 or more	15
<b>Active State CPA license or Reciprocated Licensure in GA</b>	<b>5 Points</b>
Yes	10
No	0



<b>Are the Proposed Costs Appropriate?</b>	<b>10 Points</b>
The Proposed Costs exceed historical and market costs.	0-4
The Proposed Costs align with historical and market costs.	5-8
The Proposed Costs are less than historical and market costs.	9-10
<b>Is the Overall Offer Advantageous?</b>	
<b>10 Points</b>	
The overall offer is not advantageous to the SCSC or state charter schools.	0
The overall offer is advantageous to the SCSC or state charter schools.	0-10
<b>Number of audit reports submitted late by clients in the past 3 years*</b>	
<b>20 Points</b>	
0	20
1 or more	0
<b>Total Points Earned</b>	

\* Audit reports that were submitted late as a result of client delays or the client’s poor recordkeeping shall not be included in this total.

**b. NEGOTIATIONS OF PROPOSALS**

After scoring the Offerors’ proposals, the SCSC may elect to enter into one or more rounds of negotiations with all responsive and responsible Offerors or only those Offerors identified by the Evaluation Team as being in the competitive range. The competitive range will not be selected arbitrarily and those Offerors included in the competitive range must have highly scored proposals. After each round of negotiations (if any), the Offeror will submit revisions to its proposal factors and/or cost proposal, which revisions will be scored by the Evaluation Team in accordance with the same criteria used to evaluate the initial responses from the Offerors. Offerors may be removed from further participation in the negotiation process in the event the Evaluation Team determines the Offeror cannot be considered responsive and responsible or based on the competitive range.

**c. CONTRACT TERMS AND CONDITIONS**

The contract the SCSC will execute with Approved Auditors selected by Engaged Schools is attached to this RFP. The “Contractor’s final response as accepted by the SCSC” shall mean: the final cost and technical proposals submitted by the Offeror and any subsequent revisions to the cost and technical proposals and the contract terms and conditions due to negotiations, written clarifications or changes made in accordance with the provisions of the RFP, and any other terms deemed necessary by the SCSC, except that no objection or amendment by an Offeror to the RFP requirements or the contract terms and conditions shall be incorporated by reference into the contract unless the SCSC has explicitly accepted the Offerors objection or amendment in writing.



## FY2017 SCSC APPROVED AUDITOR PROGRAM

Please review SCSC contract terms and conditions prior to submitting a response to this RFP. Offerors should plan on the contract terms and conditions contained in this RFP being included in any award as a result of this RFP. Therefore, all costs associated with complying with these requirements should be included in any pricing quoted by the Offerors. The contract terms and conditions may be supplemented or revised before contract execution and are provided to enable Offerors to better evaluate the costs associated with the RFP and the potential resulting contract.

By submitting a proposal, each Offeror acknowledges its acceptance of the RFP specifications and the contract terms and conditions without change except as otherwise expressly stated in the submitted proposal. If an Offeror takes exception to a contract provision, the Offeror must state the reason for the exception and state the specific contract language it proposes to include in place of the provision. Any exceptions to the contract must be submitted with the Offeror's response. Exceptions must be in an original document using the track changes functionality and may not be submitted in the form of highlighted changes to the original contract. Proposed exceptions must not conflict with or attempt to preempt mandatory requirements specified in the RFP.

In the event the Offeror is selected for as an Approved Auditor and selected by an Engaged School, the Approved Auditor will be required to enter into discussions with the SCSC to resolve any contractual differences. Failure to resolve any contractual issues will lead to rejection of the Offeror. The SCSC reserves the right to enter into discussions with additional Offerors.

The SCSC reserves the right to modify the contract to be consistent with the apparent successful offer and to negotiate other modifications with the apparent successful Offeror. Exceptions that materially change the terms or the requirements of the RFP may be deemed non-responsive by the SCSC, in its sole discretion, and rejected. Contract exceptions which grant the Offeror an impermissible competitive advantage, as determined by the SCSC, in its sole discretion, will be rejected.

## 6. LIST OF ATTACHMENTS

- The Approved Auditor Evaluation Rubric is attached to this RFP as Attachment A.
- The Contract with Approved Auditor is attached to this RFP as Attachment B.