



SCHOOL BOARD OF POLK COUNTY

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October 13, 2009

ADDENDUM #01

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To: All Vendors
From: Scott Clanton
Director of Purchasing and Warehousing
Subject: RFP FOR INTERNAL ACCOUNTS AUDITING
SERVICES
#022-PSC-1010

This addendum is issued to provide official responses to written questions and/or additional information pertaining to the RFP.

The deadline for written questions and requests for additional information was 5:00 pm, October 8, 2009.

NOTE:

ALL VENDORS SUBMITTING A PROPOSAL MUST SIGN AND RETURN THIS ADDENDUM. PLEASE SIGN AND RETURN THIS ADDENDUM IN ITS ENTIRETY WITH YOUR SEALED PROPOSAL PACKAGE.

VENDOR NAME

***** _____ *****
PRINT OR TYPE SIGNATURE AND TITLE

***** _____ *****
WRITTEN SIGNATURE

The Mission of Polk County Public Schools is to ensure rigorous, relevant learning experiences that result in high achievement for our students.

THE SCHOOL BOARD OF POLK COUNTY
REQUEST FOR PROPOSAL (RFP)
**** INTERNAL ACCOUNTS AUDITING SERVICES QUESTIONS & ANSWERS (Q & A)****
FOR RFP #022-PSC-1010
ADDENDUM #1

Questions are written exactly as they were received.

Q1. Why has the District made the decision to outsource the audit function for the Internal Funds?

A1. The SBPC decided to outsource the Audit Function for Internal Funds so that the Internal Audit Services Department will have more time to devote to other internal audit functions.

Q2. On page 5 of the RFP under Internal Accounts Auditing Services, item 4 "Exit Conference", it states that an exit conference will be held with each school's principal or an appointed designee. Are these meetings to be held at the District office in Bartow or at the respective schools?

A2: The exit conference can be conducted at the District Offices in Bartow.

Q3 How many hours did the internal audit department incur on the 6/30/2008 audit of time Internal Funds?

A3: The Internal Audit Services Department does not have detailed records of the hours spent on the Internal Funds audit for 6/30/2008. A rough estimate would be between 175 to 200 hours.

Q4. Our similar engagements to this RFP, present a Statement of Fiduciary Net Assets for the agency fund of the Board and present as supplementary information, with an opinion in relation to the Statement of Fiduciary Net Assets, a schedule of changes in Fiduciary Net Assets, by school, similar to pages 2 and 7 of the 2008 report prepared by internal audit, and a Yellow Book report and a Management Letter for the Board's agency fund as a whole. Does the format of presentation meet the desired scope of reporting under the RFP? If not, what format and what additional supplementary information are requested?

A4: The format of financial statement presentation as mentioned above is acceptable.

Q5. Will the same Supplementary Financial Information reported and audited in FY 2007-08, be required in FY 2008-09?

A5. The Supplemental Schedules are not required for 2008-09.

The compliance area of the report should contain a narrative summary of audit findings at the 25 schools and a chart similar to the one on page 25 of the June 30, 2008 report.

Q6. Does the audit of 25 schools, as noted in the RFP, indicate that the auditors' report/opinion requested is on each of the 25 schools individually, or the 25 schools combined, or just on the Board's agency fund as a whole?

A6. The auditors' opinion is on the agency fund as a whole.

Q7. If the auditors' report/ opinion requested under this RFP is for the Board's agency fund as a whole, are the 25 schools, as noted in the RFP, a fixed set of schools or a rotational selection from year-to-year? If the 25 schools are a fixed listing, why are these schools selected?

A7. The 25 schools are selected on a rotational basis. This allows all district schools to be audited in a 5 year cycle. The Internal Audit Services Department has selected the 25 schools because we are in the 5th year of this cycle and we want to complete the rotational cycle.

Q8. The RFP indicates that all records are processed and retained centrally and that the audit is intended to be primarily conducted at the District's main office in Bartow. Are the 25 schools intended to be "site visit" schools under the audit?

A8. In most instances, site visits should not be necessary. All information will be available at the District Offices in Bartow.

Q9. Will internal audit of SBPC be performing any audit procedures related to internal accounts or assisting in the audit of the internal accounts/agency fund?

A.9. The Internal Auditing Services Department will have the financial report prepared and ready to be audited. Our assistance will be limited to: assisting the selected firm with understanding the district's internal accounts policies and procedures; understanding our SAP system in obtaining information and getting the necessary reports; understanding the filing system for internal account documents; coordinating with schools to obtain any additional information needed; and providing Internal Audit Services audit programs and prior year work papers.

Q10. Have the previous year recommendations been addressed and have follow-up audits/procedures been performed in relation to the findings?

A10. Each school Principal responds to the recommendations with a corrective action plan. Follow up is not done at all of the 25 schools on all findings. Follow up is performed at some schools on some specific findings. In addition, the Internal Audit Services Department may perform a "full audit" at schools where it appears internal controls are not operating effectively. The firm that is awarded this audit will not be expected to do follow up work with the schools.

Q11. The RFP states that the award recommendation will be submitted to the School Board on November 17, 2009. When will the School Board approve the selection of the auditor and what is the earliest date fieldwork can start?

A11. The School Board will vote on the awarding of this RFP on November 17, 2009. Field work could begin November 30, 2009. (District Offices are closed the week of Thanksgiving (November 23 through 27). You should

also know that the District Offices will be closed for Winter Holidays December 21, 2009 through January 1, 2010.

Q12. Compliance Audit - Does the scope of the RFP intend for any "full school" audits as performed by internal audit in prior years? If so, what schools and what are the scope and reporting requirements?

A12. This RFP does not intend for any "full school" audits to be performed.

Q13. Section 2 refers to the current audit opinion on Attachment A. We did not receive an Attachment A to the RFP. Please send the attachment.

A13. Attachment A is a separate file and can be downloaded/printed. If you go to our website <http://www.polk-fl.net/community/doingbusinesswithus/purchasing/default.htm> where you downloaded/printed the RFP, you will see this attachment listed as "Attachment A - 2007-2008 Internal Funds Audit Report".

Q14. Discussion of Scheduling - Our experience is that each school has its own control environment depending on the strength of the principal. Performing the evaluation and audit at each school location facilitates the evaluation as it allows for interviews and discussions with activity sponsors as well as the secretary/bookkeeper and principal. Personnel are available the entire time the audit is being conducted as well as for the exit conference when the auditor is finished.

A14. While we agree that the control environment at each school location depends on the strength of the principal, it is also true that our centralized internal accounts function makes individual school internal control evaluations less critical. Personnel will be available for interview as needed.

Q15. Performing the evaluation and audit at the District Office appears the most cost efficient; however, will

activity sponsors be available for inquiries? If they issue receipts will they be included for audit?

A15. Activity sponsors turn in the money they collect to the school's financial secretary and all these documents are available in one location at the District Offices in Bartow. It is seldom necessary to interview activity sponsors. Personnel will be available for interview as needed.

Q16. Will the secretary and principal be available in person or by telephone? Will the principal be available for the exit conference on the same day as the audit or will the exit conference have to be scheduled for another day?

A16. All personnel will be available by phone at any time, assuming some advance planning. If in person interviews are necessary, arrangements can be made for that purpose.

Q17. Have there been significant findings in prior years regarding sales tax issues, undeposited fundraising proceeds (only depositing need proceeds), decalcifications, or other noncompliance?

A17. The district has had findings in the areas mentioned above. Most are not significant, but fraud has occasionally been found.

Q18. Would you please provide the fee for the prior year's audit?

A18. This audit has been performed in house in the past. Please refer to question 3 above.