Request for Qualifications for Charter School Auditors

Purpose

The Committee to Oversee the Charter School Auditor List (COSAL) is seeking qualified certified public accountants (CPAs) and/or accounting/auditing firms (firms) to provide independent audits of Nevada Charter Schools.

General Information

The COSAL is a committee formed under NAC 387.775 for the express purpose of developing the standards and maintaining a list of approved CPAs and/or firms to perform independent audits of Nevada Charter Schools.

Each Nevada Charter School is governed by an independent board of directors, and each Nevada Charter School will develop their own criteria for selecting a CPA and/or firm to perform their independent audit from the list approved by the COSAL.

Scope

The COSAL is seeking to identify CPAs and/or firms to provide independent audits of Nevada Charter Schools as required by NAC 387.775 for the Nevada fiscal year 2023 (July 1, 2022 – June 30, 2023). There are 52 charter schools presently operating in the State of Nevada.

Some schools may require a Single Audit pursuant to 2 CFR 200.501 due to the amount of federal funding received by the school.

Selection as an approved auditor by this committee does not guarantee a contract, engagement, funding or award. Once the list is developed by the COSAL, the list of approved auditors will be provided to the Nevada charter schools for their consideration and selection.

Definitions

Approved Auditor – means a CPA or firm that is selected by the COSAL which may be chosen by a Nevada Charter School to provide audit services at the cost of the charter school.

Offeror – means a CPA or firm responding to the COSAL.

New Offeror – A CPA or firm that is not currently an approved auditor.

Renewal Offeror – A CPA or firm that is currently an approved auditor.

Nevada Charter School – means a charter school sponsored by a university, a school district, or the Nevada State Public Charter School Authority under NRS 388A.

GAAS – Generally Accepted Auditing Standards

GAGAS – Generally Accepted Government Auditing Standards

Official Contact Information

Inquiries related to this selection process should be directed to Braden Hudnall at bhudnall@doe.nv.gov and inquiries should be limited to the technical aspects of the RFQ and its submission or to general aspects of the COSAL approval process. Inquiries should not be made in an attempt to discern the possible cost of conducting an audit for a Nevada Charter School. Interested parties are encouraged to examine any publicly available information, such as funding allotments, available from the Nevada State Public Charter School Authority website and the Nevada Department of Education website along with general information available from the respective website of each charter school.

Terms and Conditions

The COSAL is not responsible for any costs incurred by an Offeror in preparation for a response to this RFQ. The COSAL is responsible for developing a list of qualified Offerors that the individual Nevada Charter School may select an independent auditor. By submitting a proposal to the COSAL, an Offeror certifies that it has read and understands the requirements of the services to be provided and the conditions under which such services are to be performed. The COSAL reserves the right to reject any all proposals, to waive any informality in a proposal, to call for new proposals, and to amend the RFQ. Each Offeror is independently responsible for reviewing addenda and any other posted documents and making any necessary or appropriate changes or additions to an Offeror's response.

The laws of Nevada including the Nevada Open Meeting Law (NRS 241.010 – 241.040 inclusive) requires any procurement records or any other public records to be made public unless otherwise provided by law.

Potential Entities to be Audited

There are 52 Nevada Charter Schools operational during FY2023. They are listed below with links to their websites:

Please see attachment with the following information:

School Name **Website** **Sponsor**

Submission Instructions

Offerors shall submit their responses to this RFQ electronically to Braden Hudnall at bhudnall@doe.nv.gov. Written narratives must be in Adobe PDF or Microsoft Word format. 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 _____Friday, January 13, 2023_____.

Approval Criteria

In addition to meeting a set of mandatory requirements, Offerors will be evaluated based on their qualifications and past work.

Offerors must meet the following Mandatory Requirements

1. Must be a licensed CPA or public accounting firm qualified to practice in Nevada under NRS 628 and independent of the Nevada Public Charter School being audited and any related entities, in accordance with government auditing standards.
2. The Offeror must have a GAGAS peer review conducted within the past three years OR with approval of a waiver from the COSAL, a GAAS peer review (see Appendix E for waiver application). The Offeror must have received a rating of "Pass" or "Pass with Deficiencies."
3. The Offeror must provide a description of the firm's audit process.
4. The Offeror must provide a minimum of three satisfactory client references for previously completed audit work.
5. Offerors who have submitted expedited submissions for two years consecutively must provide a full submission.
6. Offeror must certify that the Offeror has not received reprimands or sanctions within the previous five years from state regulatory bodies or professional organizations.
7. Offeror must certify that neither the Offeror nor individuals assigned to the engagement are debarred, suspended, or otherwise excluded or declared ineligible under federal and state statutory or regulatory authority.

Offerors will be evaluated based on the following qualifications and past work:

1. Demonstrated experience in performing similar engagements
2. Performance on most recent peer review
3. Ability to provide qualified and experienced personnel
4. Description of audit process and approach

Expedited Application

Renewal Offerors may submit an Expedited Application if all of the criteria below are met:

1. The Offeror is on the most recently published list of approved charter school auditors.
2. The Offeror is not currently operating with a GAGAS peer review waiver from the COSAL.
3. The Offeror has not had a new GAGAS peer review completed since the Offeror's last application to the COSAL to be an approved Offeror.
4. For any firm that has recently had a peer review completed within the last year, the expedited application is not available, and a full application must be submitted.

Unless an Offeror meets the criteria to submit an expedited application, the Offeror must submit the full application.

Full Application

Offeror Response

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

Checklist

All responses must include the following information. Additional details are provided in subsequent sections.

A. Cover Sheet (see Appendix A for Cover Sheet Form)
B. Copy of Most Recent Peer Review
C. Description of the Audit Process
D. Offeror Experience
E. Personnel Qualifications
F. Policy on Continuity of Personnel
G. References
H. Signed Certification (See Appendix B for certification Form)
I. Copy of unexpired CPA or Firm License
J. Copy of unexpired Nevada State Business Licenses
K. Completed Self-Scoring Rubric (See Appendix D for Form)

Section A – Cover Sheet

Offeror must complete the Cover Sheet located in Appendix A which must include:

- Individual CPA or firm name
- Nevada State Board of Accountancy Accounting License Number
- Nevada State Business License Number

Section B – Most Recent Peer Review

Offeror must provide a copy of the most recent peer review. The peer review must demonstrate that:

- A GAGAS peer review was conducted within the past three years OR with approval of a waiver from the COSAL, evidence of GAAS peer review (see Appendix E for waiver application)
- The Offeror received a rating of "Pass" or "Pass with Deficiencies"
- In the event that a GAGAS peer review is under way but is not yet complete, the Offeror may submit a GAAS peer review that is no more than 4 years old with evidence that a review is underway.

At the discretion of the COSAL, an Offeror may receive a waiver to be an approved auditor without a GAGAS peer review conducted within the past three years. The waiver may be for up to 3 years. If after 3 years, the Offeror cannot demonstrate evidence of a GAGAS Peer Review with a rating of "Pass" or "Pass with Deficiencies" the Offeror will not be an approved auditor.

Section C – Description of the Audit Process

Offeror should describe its ability to:

1. Train the engaged school on the audit process and on how to prepare for the audit so the audit can be finalized without excessive delays.
2. Fairly present the financial position, results of financial operations, and cash flows in accordance with determining whether the general-purpose financial statements present fairly the financial position and results of financial operations and cash flows in accordance with *Generally Accepted Government Auditing Standards*.
3. Ensure that any supplementary information is fairly presented in all material respects in relation to the financial statements taken as a whole.
4. 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.
5. Determine the compliance of an engaged Nevada Charter School with material requirements of rule and law.
6. Follow up on known material findings and recommendations from previous audits.
7. 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 judgments.
8. Complete each audit within mandated timeframes.

Section D – Offeror Experience

The Offeror should provide a listing of engagements performed by the Offeror that are similar in nature.

Specifically, for each of the following categories, the Offeror should provide the number of audits conducted and a list of the organizations for which the audits were conducted.

- Audits performed in accordance with **GAGAS** in the past three years
- Audits performed for **Nevada Charter Schools** in the past three years
- Audits performed for **Charter Schools** in the past three years
- **Single audits** (Uniform Guidance) performed in the past three years

In addition, the Offeror should report the **number of audit reports submitted late** by charter school clients due to the auditor's inability to complete the audit in a timely manner in the past three years.

Section E - Personnel Qualifications

Offeror should provide qualifications of personnel assigned. Information should be provided for the manager and partner.

Section F - Policy on continuity of personnel

Offeror should outline policy on continuity of personnel to determine how replacements are handled.

Section G – References

Offeror should provide a minimum of three references for previously completed audit work. For each reference, provide the name of the reference, a current phone number and a current address.

Section H – Signed Certification

Offeror must sign the Certification in Appendix B.

Section I – Copy of CPA or Firm License

Offeror should provide an unexpired copy of the CPA or Firm License.

Section J – Copy of Nevada State Business Licenses

Offeror should provide an unexpired copy of the Nevada State Business Licenses.

Section K – Completed Self-Scoring Rubric

Offeror must complete and submit the Self-Scoring Rubric Form in Appendix D.

General

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

Full Application Evaluation

The quality of audit services provided to the Nevada Charter Schools is paramount and will drive the selection of auditors for the approved list. The COSAL will choose auditors for the list that meet the minimum mandatory requirements and pass the minimum threshold score of 50 points. The COSAL will not select approved auditors for the list that do not present a proposal that is in line with the requirements and selection criteria detailed above, or a proposal that is not advantageous to the COSAL or Nevada Charter Schools.

Mandatory Evaluation Criteria

Does response meet all Mandatory Requirements?

- ☐ Nevada State Board of Accountancy License
- ☐ Nevada State Business License
- ☐ Evidence of a GAGAS peer review conducted within the past three years OR with approval of a waiver from the COSAL, evidence of GAAS peer review (see Appendix E for waiver application). The Offeror must have received a rating of "Pass" or "Pass with Deficiencies."
- ☐ A description of the firm's audit process
- ☐ Minimum of three satisfactory client references for previously completed audit work
- ☐ Signed Certification

Yes – Pass

No - Fail

Specific Evaluation Criteria

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

1. **Peer Review Rating:**
   GAGAS Pass – 10 Points
   GAGAS Pass with Deficiencies – 3 Points
   GAAS Pass – 5 Points
   GAAS Pass with Deficiencies – 2 Points
2. **Total number of audits performed in accordance with government auditing standards in the past three years:**
   0-5 – 1 Point
   6-10 – 3 Points
   11 or more – 5 Points
3. **Total number of audits performed for Nevada Charter Schools in the past three years:**
   0-2 – 1 Points
   3-5 – 3 Points
   6 or more – 5 Points

4. **Total number of audits performed for Charter Schools in the past three years:**
   0-5 – 1 Point
   6-10 – 3 Points
   11 or more – 5 Points
5. **Total number of single audits (Uniform Guidance) performed in the past three years:**
   0-5 – 3 Points
   6-10 – 5 Points
   11 or more – 10 Points
6. **Number of audit reports submitted late by charter school clients due to the auditor's fault in the past three years:**
   0 – 10 Points
   1 – 7 Points
   2 – 5 Points
   3 – 3 Points
   4 or more – 0 Points
7. **Partner Years of Auditing Experience:**
   0-5 years – 3 Points
   6-10 years – 5 Points
   More than 10 Years – 10 Points
8. **Manager Years of Auditing Experience (this would include a partner doing manager-level work):**
   0-5 years – 1 Points
   6-10 years – 3 Points
   More than 10 Years – 5 Points
9. **Personnel Continuity Policy:**
   Policy Does Not Exist – 0 Points
   Policy Does Exist – 2 Points
10. **Satisfactory Fulfillment of All RFQ Criterion and Complete Offeror Responses:**
    The overall offer is complete and meets all criterion – 0-8 Points

Minimum Pass/Fail Threshold Score is 50 Points. Maximum Score is 70 Points.

Contract Terms and Conditions/Mission of the COSAL

The mission of the COSAL is to provide a standard by which Offerors will be measured in order to qualify as an auditor for Nevada Charter Schools, and to develop a list of approved auditors for the Nevada Charter Schools to select an auditor. The COSAL will not be making any specific recommendations to the Nevada Charter Schools beyond developing the list of approved auditors. Final review and contracting will be with an individual Nevada Charter School in accordance with all applicable Nevada laws.

No contract terms and conditions with any Nevada Charter School will be negotiated by the COSAL on the behalf of any Nevada Charter School.

Expedited Application

Offeror Response

In an Expedited Application, the COSAL is assuming that the qualifications, experience-level and process of the Offeror have not materially changed. Therefore, the Offeror must provide evidence that they remain in good standing and can continue to provide the required services. ***If the qualifications, experience-level and/or process have changed materially, the Offeror must complete the Full Application.***

Checklist

All responses must include the following information. Additional details are provided in subsequent sections.

A. Cover Sheet containing basic information about the Offeror (see Appendix A for Cover Sheet Form)
B. Signed Expedited Application Certification (See Appendix C for Expedited Application certification Form)
C. Copy of unexpired CPA or Firm License
D. Copy of unexpired Nevada State Business Licenses

Section A – Cover Sheet

Offeror must complete the Cover Sheet located in Appendix A which must include:

- Individual CPA or firm name
- Nevada State Board of Accountancy License Number
- Nevada State Business License Number

Section B – Signed Expedited Application Certification

Offeror must sign the Expedited Application Certification in Appendix C.

Section C – Copy of CPA or Firm License

Offeror should provide a copy of the CPA or Firm License.

Section D – Copy of Nevada State Business Licenses

Offeror should provide a copy of the Nevada State Business Licenses.

Expedited Application Evaluation

The quality of audit services provided to the Nevada Charter Schools is paramount and will drive the selection of auditors for the approved list. The COSAL will not select approved auditors for the list that do not present a proposal that is in line with the requirements and selection criteria detailed above, or a proposal that is not advantageous to the COSAL or Nevada Charter Schools.

Mandatory Evaluation Criteria

Does response meet all Mandatory Requirements?

- ☐ Nevada State Board of Accounting License
- ☐ Nevada State Business License
- ☐ Signed Certification

Yes – Pass

No - Fail

Contract Terms and Conditions/Mission of the COSAL

The mission of the COSAL is to provide a standard by which Offerors will be measured in order to qualify as an auditor for Nevada Charter Schools, and to develop a list of approved auditors for the Nevada Charter Schools to select an auditor. The COSAL will not be making any specific recommendations to the Nevada Charter Schools beyond developing the list of approved auditors. Final review and contracting will be with an individual Nevada Charter School in accordance with all applicable Nevada laws.

No contract terms and conditions with any Nevada Charter School will be negotiated by the COSAL on the behalf of any Nevada Charter School.

APPENDIX A – Cover Sheet

Information Requested	**Response**
Name of Individual CPA or Firm	
Nevada State Board of Accountancy License Number *(copy of License must be included as an attachment in the Offeror's response)*	
Nevada State Business License Number *(copy of License must be included as an attachment in the Offeror's response)*	

APPENDIX B – Certification for Full Application

I_____,
Name of Individual Representing Offeror

on behalf of_____("Offeror"),
Name of Offeror

certify the following:

The Offeror

- The Offeror commits to complete each audit of a Nevada Charter School by the school's deadline according to the standards defined in the Charter School Audit Guide as published by the Nevada Department of Education.
- The Offeror has not received reprimands or sanctions within the previous five years from state regulatory bodies or professional organizations.
- Neither the Offeror nor individuals assigned to conduct audits of Nevada Charter Schools are debarred, suspended, or otherwise excluded or declared ineligible under federal and state statutory or regulatory authority.

_____ _____
Signature *Date*

APPENDIX C – Certification for Expedited Application

I_____,
Name of Individual Representing Offeror

on behalf of_____("Offeror"),
Name of Offeror

certify the following:

The Offeror

- The Offeror commits to complete each audit of a Nevada Charter School by the school's deadline according to the standards defined in the Charter School Audit Guide as published by the Nevada Department of Education.
- The Offeror has not received reprimands or sanctions within the previous five years from state regulatory bodies or professional organizations.
- Neither the Offeror nor individuals assigned to conduct audits of Nevada Charter Schools are debarred, suspended, or otherwise excluded or declared ineligible under federal and state statutory or regulatory authority.
- The offeror is on the most recently published list of approved charter school auditors.
- The Offeror's qualifications, experience-level and process have not changed materially since the last time that the Offeror submitted an application to the COSAL.
- A GAGAS peer review has not been completed since the last time that the Offeror submitted an application to the COSAL.

_____ _____
Signature *Date*

APPENDIX D – Self-Scoring Form for Full Application

Offerors should use this form to self-evaluate their applications against the Evaluation Criteria.

Mandatory Evaluation Criteria

Please use an "X" to indicate whether each of the criteria below has been met:

- ☐ Nevada State Board of Accountancy License
- ☐ Nevada State Business License
- ☐ Evidence of a GAGAS peer review conducted within the past three years with a rating of "Pass" or "Pass with Deficiencies"

  OR
- ☐ Submitted an application for a GAGAS Peer Review Waiver and included evidence of GAAS peer review conducted within the past three years with a rating of "Pass" or "Pass with Deficiencies"
- ☐ A description of the firm's audit process
- ☐ Minimum of three satisfactory client references for previously completed audit work
- ☐ Signed Certification

Have all Mandatory Evaluation Criteria been met?_____Yes_____/_____No_____

Specific Evaluation Criteria

Criteria	Self-Score
1. Peer Review Rating: GAGAS Pass – 10 Points GAGAS Pass with Deficiencies – 3 Points GAAS Pass – 5 Points GAAS Pass with Deficiencies – 2 Points	
2. Total number of audits performed in accordance with government auditing standards in the past three years: 0-5 – 1 Point 6-10 – 3 Points 11 or more – 5 Points	
3. Total number of audits performed for Nevada Charter Schools in the past three years: 0-2 – 1 Points 3-5 – 3 Points 6 or more – 5 Points	
4. Total number of audits performed for Charter Schools in the past three years: 0-5 – 1 Point 6-10 – 3 Points 11 or more – 5 Points	

Criteria	Self-Score
5. Total number of single audits (Uniform Guidance) performed in the past three years: 0-5 – 3 Points 6-10 – 5 Points 11 or more – 10 Points	
6. Number of audit reports submitted late by charter school clients due to the auditors fault in the past three years: 0 – 10 Points 1 – 7 Points 2 – 5 Points 3 – 3 Points 4 or more – 0 Points	
7. Partner Years of Auditing Experience: 0-5 years – 3 Points 6-10 years – 5 Points More than 10 Years – 10 Points	
8. Manager Years of Auditing Experience (this would include a partner doing manager-level work): 0-5 years – 1 Points 6-10 years – 3 Points More than 10 Years – 5 Points	
9. Personnel Continuity Policy: Policy Does Not Exist – 0 Points Policy Does Exist – 2 Points	
10. Satisfactory Fulfillment of All RFQ Criterion and Complete Offeror Responses: The overall offer is complete and meets all criterion – 0-8 Points	
Total Score	

Minimum Pass/Fail Threshold Score is 50 Points. Maximum Score is 70 Points.

APPENDIX E – GAGAS Peer Review Waiver Request

At the discretion of the COSAL, an Offeror may receive a waiver to be an approved auditor without a GAGAS peer review conducted within the past three years. The waiver may be for up to 3 years. If after 3 years, the Offeror cannot demonstrate evidence of a GAGAS Peer Review with a rating of "Pass" or "Pass with Deficiencies" the Offeror will not be an approved auditor.

1. Please provide relevant background and context regarding why the individual CPA or firm has not had a GAGAS review in the last three years.

2. Please describe the steps that the individual CPA or firm will take to ensure that a GAGAS review will be completed in the next three years.