

TO: Board of Directors
Region One Education Service Center

SUBJECT: **Region One Education Service Center Independent Auditor Services
RFQ 13-03-10, Extension 4 of 4**

DATE: February 27, 2018

ITEM 11: Action

BACKGROUND AND SIGNIFICANT ISSUES: This request for qualifications (RFQ) assists the Region One Education Service Center in obtaining the services of a certified public accounting firm for the annual audit, performed in accordance with generally accepted government auditing standards contained in the Texas Education Agency Financial Accountability System Resource Guide.

On May 1, 2013 Region One Education Service Center received three (3) qualifications submissions for Region One ESC Independent Auditor Services, RFQ 13-03-10. In accordance with Government Code, Section 2254.003, award of the contract must be on the basis of demonstrated competence and qualifications to perform the services for a fair and reasonable price. A committee from the Division of Business Operations & Finance Support objectively evaluated, reviewed and ranked the submissions based on published criteria.

On June 18, 2013 the Region One Education Service Center Board of Directors met to review and approve the recommendation of Patillo, Brown and Hill of Brownsville, Texas for award of Independent Auditor Services RFQ 13-03-10, for the fiscal year ending August 31, 2014 with an option to extend an additional four (4) one-year periods following satisfactory delivery of the services specified in the Offer and engagement letter, and if both parties mutually agree on an annual audit fee for each year. The first of four (4) extension options was approved on April 21, 2015 by the Region One ESC Board of Directors, following with the second option on April 19, 2016, and the third extension option on August 24, 2017.

On behalf of the Region One ESC, the current awarded vendor was offered, and accepted, the opportunity to extend their contract for the fourth and final extension option; the term of this contract is to conduct the audit of fiscal year 2017-2018.

RELATED GOAL: To assist the ESC in operating more effectively and economically (TEC §8.002) through compliance with State and Federal regulations. Legal authorization for audits is found in the Texas Education Code, Section 44.008, in the Office of Management and Budget (OMB) Circular A-133, June, 1997 and revised June 2003, the annual OMB Circular A-133 Compliance Supplement, which establish Federal regulations that implement the Single Audit Act Amendments of 1996, Chapter 75, United States Code, Title 31, and the Title 2 of the Code of Federal Regulations (2 CFR) Part 200 (EDGAR). Also, to provide auditing guidance that complements the American Institute of Certified Public Accountants (AICPA), *Audit and Accounting Guide, State and Local Governments* and supplements the *Government Auditing Standards*, United States Government Accountability Office (GAO).

COST AND FUNDING SOURCES: Previous audit fee was \$25,000 per year. Cost to audit fiscal year 2017-2018 will remain the same.

EXECUTIVE DIRECTOR'S RECOMMENDATION: Recommend approval of the Region One Education Service Center Independent Auditor Services RFQ 13-03-10, Extension 4 of 4 to **Patillo, Brown and Hill, Brownsville, TX.**

Respectfully submitted,



Dr. Cornelio Gonzalez
Executive Director

Staff Responsible: Connie Lopez, CPA, Deputy Director
Amanda Galvan, Finance Director
Hector Gloria, Finance Coordinator
Lori Atwood Ramos, Purchasing Coordinator
Marc David García, Purchasing Specialist

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Action Taken

_____ made a motion to approve the Region One Education
Service Center Independent Auditor Services RFQ 13-03-10, Extension 4 of 4 to **Patillo,
Brown and Hill, Brownsville, TX.**

Seconded by: _____

Vote: _____