

**Proposal to Provide**  
**Auditing Services for Internal Controls**  
**(IC-050911B)**  
**10:00 AM**

To



Submitted by  
Charles M. Fadale

**Dopkins & Company, LLP**  
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

May 9, 2011

200 International Drive  
Williamsville, NY 14221  
PH: 716.634.8800    [www.dopkins.com](http://www.dopkins.com)

May 9, 2011

Erie 1 BOCES  
ATTN: Purchasing Department  
Building C  
355 Harlem Rd  
West Seneca, NY 14224

Dear Mr. Fregelette and Esteemed Members of the Audit Committee and Board of Cooperative Educational Services:

Thank you for considering Dopkins & Company, LLP (Dopkins) as providers of internal audit services for The Board of Cooperative Educational Services, First Supervisory District, Erie County (Erie 1 BOCES) (the District). Having served as external auditors for several Districts for the past two decades and currently serving as internal auditors for three school districts, we have gained valuable insight. We feel that the knowledge can be used to provide valued input in assisting the Districts in their internal audit function.

#### **Uniquely Qualified**

Our internal controls consulting practice, which includes implementing the New York State Comptroller's 5 Point Plan, has taken more than twenty experienced professionals all over the country to serve our clients--logging over 20,000 hours of internal controls specific engagements. These services have ranged from school district internal auditing, to overall project consultation, to lower level assistance with internal control testing, documentation, GAP remediation and entity level controls to high-level strategic consulting regarding Sarbanes Oxley (SOX) implementation issues and related improvements to corporate governance.

Most importantly, since 2005 when the mandate was enacted, we have helped three school districts successfully implement the New York State Comptroller's "5 Point Plan." Having served as external auditors to school districts for decades before that, we believe our expertise will enable you to develop the most tailored approach for your needs and best position for the District's next audit.

Our approach to providing internal audit services does not utilize a "project mindset." A project mindset suggests a focus on merely selling hours to a client. Alternatively, we insist on a "relationship mindset" whereby our team takes a stake in the outcome - a successful implementation.

#### **Clients Have Our Firm Promise**

Our unique structure and size provides the traditional and unexpected expertise that you need. Our vision emphasizes responsive personal attention to help you fulfill your mission and achieve your goals. Our team works with you in an integrated fashion, and we are committed to:

- Performing the work within a timeframe mutually agreed upon between the District, the Audit Committee, and Dopkins.
- Timely, prompt and responsive attention. We encourage the entire client service team to act proactively.
- A strategic, organized approach to engagement management.
- A job done efficiently and at a fair price— with minimal disruption to your staff and/or office procedures.

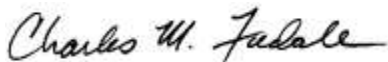
- We take our role as advisors seriously and offer our experience and vision to examine your current situation and suggest approaches to help you achieve long-term goals.

### **With the Right People**

Building a strong culture in any organization requires adherence to the entity's values in everything it does – recruiting, training, customer service, performance management and communication. At Dopkins, we firmly believe in these concepts. Our adherence to a set of values starts with hiring the right people. We carefully evaluate all candidates for employment to determine if they live the same values that we do. Personalities and individual styles can differ – sometimes greatly – but without shared values, the candidate will not be a “fit.” We regularly live this commitment by choosing not to hire certain high level performers, who might otherwise bring profits to our Firm, when they do not share our values. We believe that this is a primary reason for our longevity, stability and the impressively low level of turnover experienced within our teams.

We look forward to discussing this proposal with you further.

For the Firm,



Charles M. Fadale  
Partner



Richard J. Pfentner  
General Services Director

Proposal to Provide  
Internal Audit Services  
to



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## Engagement Understanding

Commonly known as the “5 Point Plan,” which was developed by the State Comptroller’s Office in cooperation with a coalition of education organizations, it strengthens auditing, training and financial oversight by school district officials and their boards and includes:

- Training required for school board members on their financial oversight responsibilities
- Establishment of an internal audit function within each school district
- Creation of audit committees in school districts
- Mandated competitive RFP process for selecting audit firms
- Improved annual external CPA audits by requiring direct school board involvement and a formal response by the school board to issues raised in the audit.

As outside service provider in a Five Point Plan assistance engagement, our role can take various forms —dependent upon the District’s needs and resources such as:

- Level of internal resources dedicated to the initiative.
- Number of significant information flows that need to be documented and tested.
- Extent of control gaps within a system.
- Amount of competing priorities within the District which might drain resources from the Plan’s project.
- Number of schools which need to be visited.
- Documentation of the District’s current system of internal controls.
- Accordingly, we are not proponents of a “cookie cutter” approach; we ascribe to a tailored assistance approach that fits into your individual facts and circumstances.

*The ultimate message in structuring our involvement is that it must be managed to fit into the District’s overall project plan.*

The internal audit function’s primary responsibility is to assist the District’s Board of Education Audit Committee to control risks and that such risks are identified and appropriate internal controls are in place to address those risks.

The Committee of Sponsoring Organizations of the Treadway Commission defines five key elements of internal controls:

1. The Control Environment
2. Risk Assessment
3. Control Activities
4. Information and Communication
5. Monitoring

*We review all the above elements of internal control in making recommendations to the Audit Committee.*

## Scope of Service

- Complete an initial Risk Assessment in the first year of service for which a proposal is submitted.
- Complete an annual Risk Assessment update for each of the subsequent years of service.
  - a. For each year of service contained in the proposal, we will identify systems with the greatest risk to the District and then make recommendations for the testing of the systems. A minimum of one system shall be tested each year in accordance with the New York State (NYS) Comptroller's *Five Point Plan* as adopted by NYS.
  - b. Subsequent to the testing of the systems, a report shall be issued to the District Audit Committee and Board of Education that identifies and prioritizes the District's significant risks, outlines the results of the testing and assessments performed on the system, and details recommendations for changes including enhancements or corrective action or any problems noted in the risk assessment. A timeline for implementation of the suggestions shall be given in all instances.
  - c. The report shall also detail any further testing that we recommend to be performed subsequent to the implementation of the corrective action plan in order to mitigate the identified risk.
  - d. The internal audit services will be conducted in accordance with generally accepted auditing standards; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; or the standards for internal audits established by the Institute of Internal Auditors and guidelines promulgated by the Department of Audit and Control and Education Department of the State of New York.
  - e. The audit will include tests of the various operational systems of the District (i.e. financial systems, computer security and access systems, extra classroom activities and school food service including free and reduced price meal application processes) and other procedures necessary to enable access to the areas of risk that have been identified.

This plan can be modified to meet the needs of the District Audit Committee and the District.

## Irregularities and Illegal Acts

Dopkins & Company, LLP will make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which we become aware to the business Administrator, the superintendent, the Audit Committee, and the Board of Education.

## Reporting to the District

Barring the instance of any irregularities and illegal acts by Erie 1 BOCES and the District's management, we shall review any and all findings, corrective action plans, and relative timelines with the appropriate management. Only in the instance where we believe that the management is involved in irregularities and/or illegal acts, shall we make our report directly to the District Audit Committee and Board of Education. An annual report will then be given to the District Audit Committee for review, prior to acceptance by the Board of Education.

## Anticipated Potential Audit Problems

None

## Level of Staff and Number of Hours

We anticipate the following hours by level for each of the proposed years:

	Year One	Year Two
Partner/Director	20	15
Manager	30	25
Senior	<u>60</u>	<u>50</u>
	<u>110</u>	<u>90</u>

*20 additional hours are required in Year One to complete the initial review of the systems documentation (prepared by your staff) and risk assessment. We will absorb those hours in the interest of building a long-term relationship with the District.*

If we exceed the budgeted hours, we will contact you before performing any additional work.

## Timing

We make thorough planning a priority and believe that open communication and cooperation will ensure that the engagement will proceed smoothly and that mandated deadlines will be met. This schedule can be modified to meet the needs of the Board and Audit Committee.

As your internal auditor, we envision this a year round engagement with 90% of the work completed between the months of May and December each year.

## Working Paper Retention

All working papers and reports must be retained at our expense for a minimum of three (3) years unless the firm/individual is notified in writing by Erie 1 BOCES of the need to extend the retention period. We understand we will be required to make working papers available upon request to the following parties or their designees:

- Board of Education
- New York State Department of Education (SED)
- United States General Accounting Office (GAO)
- The Office of the New York State Comptroller (OSC)
- Parties designated by the federal or state governments or by Erie 1 BOCES and/or the districts as part of an audit quality review process
- Auditors of entities of which Erie 1 BOCES and/or the districts are sub-recipient of grant funds
- In addition, the internal auditor shall respond to the reasonable inquiries of successor internal auditors and the current or subsequent external auditors and allow them to review working papers relating to matters of continuing significances.

### Continuity in Your Client Service Team

Our staff-to-partner/director ratio helps maintain continuity in your Client Service Team. It enables partners/directors to continually enhance the skills of the team of professionals specially selected to serve you. Such personal and professional skill building will foster service that becomes more valuable to you each year.

Continuity of the Client Service Team is very important to us as well. The team assembled for the District includes individuals who have been with our Firm for a significant number of years. While continuity of staff is not something we can guarantee, Dopkins & Company, LLP has a much lower turnover rate than many other accounting firms. Our intention is to leave the client service team intact for the contract term, unless the District requests a change or there are other extenuating circumstances for which we would obtain prior written permission from the District. We understand the District retains the right to approve or reject replacements. Our experience and resources help us provide services to you effectively and efficiently.

### Client Service Team Leadership

All team members assigned to the Erie1 BOCES Internal Audit engagements work from our 200 International Drive office located in Williamsville, New York. The team assigned to the project is drawn from our pool of thirty-five professionals trained and experienced in conducting internal audits.

Charlie Fadale will serve as the partner-in-charge and Rich Pfentner, Director, will be the District's primary contact. Completing the District service delivery team will be Tim Korn and Bill Prohn. Their bios follow:

#### Charles M. Fadale, CPA, Partner

Charlie performs and directs auditing and consulting services for a wide variety of clients encompassing numerous industry and organization types, including school districts, having served as partner-in-charge on the Buffalo Schools, West Seneca, Williamsville and Oakfield-Alabama audits. He has extensive experience with management and business planning, reporting and control systems, general and cost accounting systems, inventory and production control systems, administrative systems and electronic data processing. His experience also includes internal audits and areas of general business management, short and long-range planning and management structures. He assists clients in defining problems and needs in designing, developing and implementing advanced techniques, systems and controls to solve those problems and meet those needs.

Charlie has helped many clients determine the operational and economic feasibility of certain special projects. He has developed financial projections, helped select and fine tune control systems and performed a variety of other future-oriented planning engagements. He is available to advise and counsel professionals throughout our Firm whose clients need assistance in a variety of services related to controls and efficiency.

Charlie is a member of both the American Institute of Certified Public Accountants and the New York State Society of Certified Public Accountants — Buffalo Chapter and is a former officer of the New York Society of Certified Public Accountants — Buffalo Chapter. He graduated from Canisius College with a B.S. in Accounting and



spent eleven years with a Big 4 national accounting firm before his arrival at Dopkins in 1983. Charlie has served on the board of directors of various not-for-profit agencies in Western New York.

**Richard J. Pfentner, CPA, General Services Director**

Rich specializes in auditing and consulting school districts and not-for-profit organizations. He served as director-in-charge on the Buffalo Schools, West Seneca, Williamsville and Oakfield-Alabama audits, is the director-in-charge for school district internal audit engagements at West Seneca, Hamburg and Kenmore-Town of Tonawanda, Byron-Bergen and has been the team leader on various Sarbanes-Oxley consulting engagements.

He began his career with a local CPA firm and joined Dopkins in 1986. He has also worked on other projects including creating business plans, insurance settlements, inventory control, setting up internal control systems, reviewing operating controls and assisted in mergers and acquisitions. Over the years, Rich has attended annual conferences and other training seminars which have enabled him to use the audit as a springboard for offering management advice and suggestions for improving operational efficiency by obtaining a thorough understanding of your business, not just from the controllers standpoint, but from management's and the operational side.

He earned his Bachelor of Science degree in Accounting from the State University of New York at Buffalo in 1979. Rich is a member of the American Institute of Certified Public Accountants and New York State Certified Public Accountants. He is also active in the Buffalo Chapter of New York State Certified Public Accountants and is a Board member of several nonprofit organizations in the area.

**Timothy M. Korn, CPA, General Services Supervisor**

Tim is responsible for running client engagements and training and supervision of staff. Tim works on a wide variety of industries including: school districts, not-for-profit and health care, pension plans and manufacturing.

Prior to joining Dopkins in 2004, he earned his Bachelor of Science degree in Accounting from Canisius College in 2004. He is a member of the American Institute of Certified Public Accountants and New York State Society of Certified Public Accountants.

**William Prohn, Managing Director of Dopkins System Consultants**

Director of Information Technology for Dopkins & Company, LLP

Bill has over 20 years of experience in accounting and business information systems. He founded Dopkins & Company's Computer Consulting Department in 1987 and founded the Western New York ACCPAC Users' Group in 1989. He was formerly a Systems Analyst, and later a Manager, at Marine Midland Bank, N.A. He also was an Adjunct Professor of Accounting Information Systems at Canisius College. Bill is an Executive Level Certified Consultant for ACCPAC Accounting, from Best Software. He received an M.B.A. in Computers and Information Systems from the William E. Simon Graduate School of Business at the University of Rochester. He received a B.S. (*cum laude*) in Accounting from Canisius College. He is a member of Beta Gamma Sigma, the National Business Honor Society.

**Dopkins System Consultants** is a full service management information systems consulting practice, designed to provide clients with better accounting, financial, marketing and operating information through automation. The services provided range from needs analyses to software and hardware installations, training, network

administration and Internet services. Our consultants are trained to act as your “off-site” MIS department, providing the advice and services you would expect if you had an internal computer department, or to augment your existing MIS staff. Dopkins System Consultants is a Premier-level Business Partner for ACCPAC Advantage Series, a fully featured information system. We have successfully implemented ACCPAC in dozens of not-for-profit agencies. ACCPAC is capable of maintaining business information on multiple locations, programs and funds; as well as detailed history for up to 99 years. In short, Dopkins System Consultants can address the concerns of today’s districts’ information and technology needs with a proven track record and proven systems.

#### **Additional Team Members**

In addition to these leaders, we anticipate rounding out the team with an additional professional drawn from the aforementioned pool of thirty-five.

#### **License to Practice in the State of New York**

Dopkins & Company, LLP and all assigned key professional staff are properly licensed to practice in the State of New York.

#### **Continuing Professional Education**

Our continuing professional education (CPE) program and records are examined under the peer review. Our unmodified opinion letter without comments validates that our professionals meet or exceed guidelines established by the AICPA.

In our commitment to stay current on the industries in which we specialize, we have attended the American Institute of Certified Public Accountants National Governmental and Not-for-Profit Conference, the New York State Foundation for Education School District Conference, as well as seminars presented by the Public School Accounting Committee and New York State Education Department.

**Quality**

Dopkins & Company, LLP is a member of the American Institute of Certified Public Accountants (AICPA), which requires a peer review of our accounting and auditing practice to ensure that our practice is conducted within the strict guidelines of the profession. Each of our ten peer reviews resulted in the issuance of an unmodified opinion. The seven most recent were issued without a letter of comments, the highest rank possible. (See Appendix A)

We are also members of the AICPA Governmental Audit Quality Center.

You can expect our professionals to be experienced and knowledgeable of your business. We will hand select a team based on the mutual alignment of your needs and our skills.

Rich Pfentner has made presentations to the New York State Association of School Business Officials on topics which included the implementation of Governmental Accounting Standards Board No. 34, basic financial reporting, and the Five Point Plan.

**Certification of liability protection**

We certify liability protection providing \$3,000,000 minimum insurance coverage for libel, contractual liability errors and omissions or as required.

**Federal or State Desk Reviews or Field Reviews**

Dopkins & Company, LLP has never undergone any federal or state desk review or field review.

**Past or Current Litigation Related to Provision of Auditing Services**

None

**Expertise**

The delivery of audit services in today's regulatory environment demands that auditors fully understand and focus on the risks inherent in their clients' businesses. This requires our audit professionals to start with a comprehensive understanding of what risk is all about. We believe that this reality, a firm culture and history that demands responsiveness to the varied needs of our clients, and a highly experienced team of service providers combine to separate Dopkins & Company from many of our competitors.

Our blend of experience in helping our clients not only assess risk but to help implement controls and process improvements to mitigate identified risks is showcased the following service niches:

**Achieving Results with 5 Point Plan**

Since 2005 when the mandate was enacted, we have helped, and currently serve three school districts in successfully implement the New York State Comptroller's "5 Point Plan." These three districts have all been audited by the State Comptroller's office. Prior to the State Auditors' arrival, we worked with each to ensure a smooth audit and as a result, their findings were minimal.

## School District External Audit

For decades prior to the legislation of the 5 Point Plan, we served as external auditors for a number of local public school districts. We continue to serve as external auditors for charter schools, independent and private schools, and not-for-profit organizations that offer educational programming.

## Internal Audit

Dopkins & Company offers internal audit services to help management teams, boards of directors, and other stakeholders have the oversight needed to feel confident in your Districts' key processes, business risks and financial reports.

Creating an effective internal audit function requires employing professionals with diverse knowledge and skills. We staff highly trained professionals and possess the methodologies and technology to provide quality internal audit services for your Districts. Our team helps clients better protect your assets, prevent loss, ensure compliance with regulatory bodies, maintain internal controls, and prevent fraud.

## Sarbanes-Oxley

Many provisions of the State Comptroller's Five Point Plan are comparable to those contained in Sarbanes-Oxley legislation relating to the oversight of public companies. Our team has experience at all levels of SOX 404 implementation. It is this diversity and capability that will provide valuable flexibility to the District.

## Risk Management

Much has been developed in recent years surrounding the concept of risk assessments for business organizations. A clear understanding of the risks confronting an organization is essential to the development of policies, processes and controls that serve to effectively address and mitigate those risks. The implementation of risk assessments has become commonplace in many industries and disciplines.

To maximize organizational performance and value creation, management needs to recognize the many potential risks including financial, reputation, environmental and operational to name a few. Performed correctly, an integrated approach to managing these risks typically results in benefits including the ability to deliver improved performance, improved profitability, the achievement of strategic objectives, and a demonstrable enhanced value to management.

*We believe this extensive expertise will enable you to develop the most tailored approach for your needs and best position the District for the next audit.*

## Our Service Delivery Approach

We do not view this or any other internal audit implementation opportunity as a "project." Nor do we anticipate turning the District project into a SOX engagement. A project mentality reflects the sale of hours without regard to accepting a stake in the outcome. At Dopkins, we see such services as a "practice." Distinguished from a project mentality, a practice approach focuses on building relationships with our clients and investing in their projects with a focused team and a commitment to quality. We will stand by our people and we commit that we will provide the District with professionals that are qualified, well trained and well prepared to serve. At Dopkins, we believe that a practice approach translates into outstanding client service. It also means good business. Your total satisfaction with our services increases the chance that you will call on us for follow-up service.

The internal audit function as mandated for the New York State Public Schools will include at a minimum:

- Prepare a draft of an internal audit plan, meet with the District Audit Committee (DAC) and Board of Education to review the audit plan and make adjustments to the audit plan as necessary. The plan should generally coincide with the school's fiscal calendar year.
- Gain an understanding of all the District's financial systems.
- Evaluate the systems and the internal controls in place for potential weaknesses.
- Test the systems to determine if the controls are actually being followed and if they are effective.
- Perform random testing of internal controls throughout the year.
- Perform special internal audits of various financial areas of interest.
- Prepare report that shall include the results of the risk assessment, a prioritized list of identified risks, a description on the system tested, the results of the testing, a corrective action plan for improvement including timelines for implementation, and further testing that would serve to mitigate the associated risk(s).
- Presents the results of internal audits to the DAC and the Board of Education.
- Follow up on corrective actions.

## Client Satisfaction

We insist on an open, honest relationship with our clients on all matters, including our fees. We will always quote requested services in advance rather than surprising you with a bill for "extras." Our fees assume that you will call us – we encourage you to do so. Accordingly, we will not have you "on the meter" with every call.

Whereas it is critical that the AICPA attests to the quality of our work, it is equally important that our clients find value as well. To that end, we reinforce our commitment to open communication and client service. Moreover, to ensure client satisfaction, we created an on-line survey through Survey Monkey that is distributed to audit clients at the end of an engagement.

*Over the last year, 100% of our responding not-for-profit clients state that our overall performance met or exceeded their expectations*

## References

We are rewarded only to the extent by which we add value to those we are privileged to serve.

You are invited to contact our references listed below for an independent opinion of the quality of our internal audit services.

### **West Seneca Central School District**

Brian Schulz, District Treasurer

Patrick Phelan, Assistant Superintendent of Human Resources

PH: (716) 677-3121

(5 years of service)

**Kenmore-Town of Tonawanda Union Free School District**

Gerry Stuitje, Assistant Superintendent of Finance

PH: (716) 874-8400

(5 years of service)

**Hamburg Central Schools**

Thomas Bagley, Director

PH: (716) 646-3223

(5 years of service)

**Elmwood Franklin School**

Leslie Fox, Director of Finance

PH: (716) 877-5035

(approximately 30 years of service)

**Byron-Bergen Central School District**

William Snyder, School Business Official

PH: (585) 494-8265

(1 year of service)

**Independence and Confidentiality**

We hereby certify that no relationship exists between Dopkins & Company, LLP and another person or organization that would constitute a conflict of interest with respect to a contract with Erie 1 BOCES, as defined by generally accepted auditing standards, the U.S. General Accounting Office's Government Auditing Standards and the Institute of Internal Auditors. Dopkins & Company, LLP respects the privacy of our clients. Consistent with our strict code of ethics, all information regarding the Erie 1 BOCES will be held in the strictest of confidence. Violations would compromise our integrity.

**Conflicts of Interest**

Dopkins & Company, LLP has had no professional relationships with Erie 1 BOCES, its Board of Education members or its Administrators for the past four years. Consequently, there are no areas for suspected conflict of interest relative to performing the proposed audit. In the event that Dopkins & Company, LLP enters into any professional relationships with this group during the period of this agreement, we shall give the District written notice.

**Prior Relationships/Engagements with Erie1 BOCES**

Neither Dopkins & Company, LLP nor those comprising the BOCES Client Service has prior relationships or work experience with Erie 1 BOCES.

**Transmitting confidential information**

During the course of an engagement, the electronic transmission of information is necessary. We believe that we have a responsibility to our clients to establish a more secure means to electronically transmit sensitive or confidential information pertaining to their business or personal affairs. Accordingly, we have selected a product called ClientFlow to establish a secure (128-bit SSL encrypted) portal where such documents can be stored and accessed only by authorized individuals. Now, instead of either of us sending such data over unsecured email, we can place the documents inside the ClientFlow file system and access them through a secure sign-on procedure. The portal is available at our website [www.dopkins.com](http://www.dopkins.com).



When evaluating professional services firms, we believe it is important to understand a firm's philosophy not only in terms of services, but regarding fees as well. You should know up front how fees are determined and what is and is not included. With us:

- Fees are quoted in advance, or a range of fees is provided as an estimate.
- Fees are never extra billed for routine telephone calls; we encourage your calls.
- Fees are determined by compiling a time budget based on the varying levels of professionals assigned.
- Fees are inclusive, containing necessary expenses.

### **Professional Fees**

It is difficult to quote fixed fees on first-year internal audit implementations. As previously noted, there are many variables which contribute to this result, including:

- Extent of participation by client personnel.
- Commitment that the organization makes to the implementation.
- Complexity of the organization's processes.
- Effectiveness of its control environment.
- Number of information processing systems used by the organization.
- Reasonableness of the implementation timetable.
- Extent of control gaps.
- Extra projects requested by Management.

*Our fees to serve as internal auditors contain all direct and indirect costs including all out-of-pocket expenses*



## Firm Profile

Dopkins & Company, LLP is a local firm, located in Williamsville, New York. Founded in 1955, we have grown into one of the largest independent accounting firms in Western New York. With approximately 140 people, our composition provides us with the necessary flexibility to meet our clients' staffing requirements of virtually any nature during the year. A regional accounting and consulting firm dedicated to providing the highest quality professional services, we have grown by focusing on services not typically found outside the big four accounting firms. Through our in-depth expertise and unsurpassed dedication to client service, we have emerged as a premier provider of services to both publicly traded and privately held companies.

Dopkins is now into its second generation of locally based firm leadership. While we frequently partner with national/international firms, we believe that our locally based decision-making is key to serving our clients well. The strategic vision for our Firm has us passing an even larger and more successful Firm onto the third generation of leadership and beyond. A linchpin to this strategy is the need to continually seek out and attract the highest level of talent available to serve our clients.

We are a full-service audit, tax and consulting practice. At Dopkins, we pride ourselves on the level of experience that we offer to our clients, and this experience is enriched by an impressive record of management continuity. For example, our audit practice management group averages 20 years of public accounting experience; our tax practice management group has over 25 average years of public accounting experience. We have 52 Certified Public Accountants on our staff.

## Organized and Strategic

Our Firm's departmental structure is designed to develop specialists in the areas that our clients require of us as certified public accountants, as well as business advisors. The professional and analytical skills of the individuals from all departments are maintained and extended through training programs.

Our goal is to use compliance services as a springboard to reveal the unexploited potential that lies within a company. We assist clients in defining obstacles and address those needs by designing; developing and implementing advanced techniques, systems and controls. Although we utilize an interdisciplinary approach to client service, we do group similar service professionals into departments or groups.

## The Dopkins Experience

Within our Firm we utilize a program called "The Dopkins Experience." The Dopkins Experience is a program where each of our team members is encouraged to witness and recognize behaviors demonstrated by their colleagues that exemplify our values. We believe that our values and the actions that they engender are what make us different from our competitors. We respect our people, we value our clients and we serve them with excellence and integrity. The Dopkins Experience is more than an internal recognition program – it speaks also to the type of service, commitment and responsiveness that you will receive as a client of our Firm. We listen instead of talking, we discuss instead of lecturing, we respond quickly to your questions; we work with you not against you; we will be proactive in helping you solve problems



instead of being the problem. In short, the District will benefit greatly from being part of the Dopkins experience.

#### Values Driven

We hold ourselves accountable to a very high standard of behavior. We always focus on doing the right thing regardless of how it “sells.” Our core values, the cornerstone of our Firm, have guided our growth for over fifty years and will continue to guide future growth. They are:

- Client-centered
- Integrity
- Passionate about people
- Success-driven
- One Firm

Dopkins & Company, LLP is one of the largest independent accounting firms in the Buffalo area and our reputation is well known. We have served Western New York companies since 1955 and now number over one hundred forty people. We specialize in school districts, not-for-profit, healthcare, and closely held businesses representing a cross section of industries. Our composition provides us with the necessary flexibility to meet staffing requirements of virtually any nature during the year.

We are headquartered at 200 International Drive in Williamsville, New York.

To demonstrate our dedication to providing high quality service we make these

#### **Firm Commitments**

- We will act with integrity, honesty and openness in everything we do for and with you.
- Our services and products will be of an exceptional quality and designed to assist you in achieving your goals.
- In responding to your needs, we will act as a team in all our dealings with you, and provide you access to our full range of expertise.
- We will provide consistent and proactive communication throughout our relationship.
- We will meet the deadlines we mutually set.
- We will return your phone calls as soon as possible but always before the end of the next business day.
- We will absolutely respect the confidentiality of our working relationship.
- You are the sole judge of our performance. If anything we do falls short of your expectations, we will – without question – respect your right to withhold the fee.

We appreciate the time you have dedicated to us, as well as the careful consideration you have given this proposal. We have offered the highest quality service delivered by savvy, accessible and driven professionals, and will continue to do so.

**Added Value**

*Benefit from more face-to-face contact with experienced accountants and consultants.*

*Avail **Erie 1 BOCES** to dedicated people who apply a hands-on approach.*

*Work with people who use industry knowledge to provide creative financial, tax and consulting services that help you achieve your specific goals.*

*Better ideas.*

*Responsive personalized attention.*

*Principled professionals.*

*Insightful approach.*

Please do not hesitate to call upon us for any additional information that you may require. If you consider it helpful, we would be pleased to meet with you further, at your convenience, to discuss this presentation of qualifications and our continued role as independent accountants and consultants for Erie 1 BOCES.





## System Review Report

October 28, 2010

To the Partners of  
Dopkins & Company, LLP  
and the Peer Review Committee of the New York State Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Dopkins & Company, LLP (the firm) in effect for the year ended May 31, 2010. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included an engagement performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Dopkins & Company, LLP, in effect for the year ended May 31, 2010, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Dopkins & Company, LLP has received a peer review rating of *pass*.

Heinold - Banwart, Ltd.

***NON-COLLUSIVE BIDDING CERTIFICATION***

By submission of this bid proposal, the bidder certifies that:

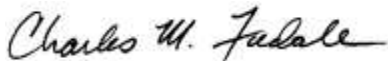
- a) this bid or proposal has been independently arrived at without collusion with any other bidder or with any competitor or potential competitor;
- b) this bid or proposal has not been knowingly disclosed and will not be knowingly disclosed, prior to the opening of bids or proposals for this project, to any other bidder, competitor or potential competitor;
- c) no attempt has been or will be made to induce any other person, partnership or corporation to submit or not to submit a bid or proposal;
- d) the person signing this bid or proposal certifies that they have fully informed themselves regarding the accuracy of the statements contained in this certification and under the penalties of perjury, affirms the truth thereof, such penalties being applicable to the bidder as well as to the person signing in its behalf.

Dopkins & Company, LLP  
Company Name

200 International Drive/Williamsville/NY/14221  
Street Address/City/State/Zip Code

cfadale@dopkins.com  
Bidder's Email Address

▪ (716) 634-8800  
Telephone (include area code)



Charles M. Fadale

April 25, 2011

Bidder's Signature

Print Name

Date

**Dollar Cost Bid Proposal**  
**Auditing Services for Internal Controls**  
**(IC-050911B)**  
**10:00 AM**

**To**



For the Year(s) Ending  
June 30, 2011- June 30, 2013

Submitted by



May 9, 2011

When evaluating professional services firms, we believe it is important to understand a firm's philosophy not only in terms of services, but regarding fees as well. You should know up front how fees are determined and what is and is not included. With us:

- Fees are quoted in advance, or a range of fees is provided as an estimate.
- Fees are never extra billed for routine telephone calls; we encourage your calls.
- Fees are determined by compiling a time budget based on the varying levels of professionals assigned.
- Fees are inclusive, containing necessary expenses.

### Professional Fees

It is difficult to quote fixed fees on first-year internal audit implementations. As previously noted, there are many variables which contribute to this result, including:

- Extent of participation by client personnel.
- Commitment that the organization makes to the implementation.
- Complexity of the organization's processes.
- Effectiveness of its control environment.
- Number of information processing systems used by the organization.
- Reasonableness of the implementation timetable.
- Extent of control gaps.
- Extra projects requested by Management.

Many of these factors cannot be fully assessed until the project is underway. Based upon the above assumptions, Dopkins & Company, LLP's *Total All Inclusive Maximum Price* to complete the plan as outlined for the upcoming fiscal year, plus (4) renewable contract years subject to the Erie 1 BOCES Board of Education approval will be\*:

Upcoming fiscal year	Additional year 1	Additional year 2	Additional year 3	Additional year 4
\$9,700	\$9,950	\$10,300	\$10,650	\$11,000

If the District requests, we will test an additional cycle in any year for an additional fee of approximately \$4,500. per cycle.

A cost for a minimum of 10 days of service with a per diem cost for any additional cost of service requested by the Districts is already included in our *Total All Inclusive Maximum Price*.



*Our fees to serve as internal auditors contain all direct and indirect costs including all out-of-pocket expenses. Consequently, we will not seek reimbursement for travel, lodging, subsistence or other out-of-pocket costs incurred in connection with the completion of the District's risk assessment and internal audit separate from the Total All-Inclusive Maximum Price.*

*Our estimated hours for the above fees are included on the next page. Our fee can be adjusted based upon the number of hours utilized each year.*

We certify that both Charles M. Fadale and Richard J. Pfentner are legally entitled to represent Dopkins & Company, LLP; empowered to submit the bid, and authorized to sign a contract with the District.

\*It is understood that each participating school district shall individually negotiate the contract term and amount of each contract. If three to five Districts engage Dopkins & Company, LLP, we will discount the *Total All Inclusive Maximum Price* listed on the previous page by five percent. Should more than five Districts engage Dopkins & Company, LLP, we will provide a ten percent discount from said *Total All Inclusive Maximum Price*.

If we exceed the budgeted hours, we will contact you before performing any additional work.

#### **Additional Services and Fees**

If it should become necessary for the District to request us to render any additional services to either supplement the services requested in its RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the District and Dopkins & Company, LLP. Any such additional work agreed to between the District and Dopkins shall be performed at the following rates:

Partner/Director	\$150 - \$200
Manager	\$125- \$145
Senior	\$95-\$100
Staff	\$80

#### **Manner of Payment**

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the Firm's dollar cost bid proposal. Interim billing shall cover a period of not less than a calendar month.