



ARIZONA STATE BOARD FOR CHARTER SCHOOLS
PROCUREMENT COMPLIANCE QUESTIONNAIRE

_____ Charter School

Fiscal Year Ended _____

A.R.S. §15-213(F) requires schools to have a systematic review of their purchasing practices performed in conjunction with their audit. The purpose of the review is to determine whether the School is in compliance with the procurement laws. **This questionnaire should be used only for schools that are subject to procurement laws (schools that do not have an exception) and should be completed in conjunction with the Legal Compliance Questionnaire or the Uniform System of Financial Records Compliance Questionnaire.** In order to answer the following questions, the audit firm must select and test a specified number of transactions based on the School's average daily membership (ADM) as shown in the table below. The listed sample sizes represent the minimum level of required test work. The audit firm should use their judgment in determining whether a larger sample is needed.

DISBURSEMENTS	YES/NO	COMMENTS
1. Were the responsibilities of disbursement processing (check preparation, recordkeeping, and authorization) separated among employees? If this was not possible due to the School's limited staff size, were adequate review procedures in place?		
2. Were all disbursements approved by the Governing Board?		
3. Did the Governing Board approve all long-term contracts before the contracts were executed?		
4. Did the School ensure that sufficient cash and budget capacity was available before authorizing disbursements?		
5. Were prenumbered and numerically-controlled purchase orders prepared for all school disbursements (except for exempted items such as salaries and related costs, utilities, and in-state travel) and were they approved by personnel authorized by the Governing Board before goods or services were ordered?		
6. If the School used blanket purchase orders, did they cover a definite time period and specify an expenditure limit?		
7. Were receiving reports prepared for all goods and services received, except for exempted items? Was the date of receipt, quantity received, and signature of the recipient noted on each receiving report?		

For Disbursements questions 8, 9, and 10, the audit firm must select and test a specified number of transactions based on the School's average daily membership (ADM) as shown in the table below. The listed sample sizes represent the minimum level of required test work. The audit firm should use its judgment in determining whether a larger sample is needed.

ADM	SAMPLE SIZE
<1,000	5
1,000-5,000	10
>5,000	15

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In the parentheses provided in questions 8, 9, and 10, indicate the actual number of transactions tested. If all transactions were tested, indicate such in the "Comments" column. For question 8, at least 40 percent of the number of disbursements tested must be for purchases made through competitive sealed bids, and at least 40 percent of the number of disbursements tested must be for purchases made through competitive sealed proposals. If these 40 percent thresholds cannot be met due to an inadequate population size, the audit firm must test all disbursements made through competitive sealed bids or made through competitive sealed proposals. Of the disbursements selected above, at least one disbursement should be for traditional construction (design-bid-build), and at least one expenditure should be for construction-manager-at-risk, design-build, job-order-contracting (Question 8.b.13), or qualified select bidders list (Question 8.c), if applicable.

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	YES/NO	COMMENTS
8. Based upon review of (____) disbursements (____IFBs and ____ RFPs) for the procurement of construction, materials, and services that met or exceeded the amount requiring sealed bids, set forth in A.R.S. §§15-189.02 and 41-2535(A), did the School follow the School District Procurement Rules (<i>Arizona Administrative Code</i> R7-2-1001et seq)?		
a. For purchases made through competitive sealed bidding, did the School:		
1) Give adequate notice of the invitation for bids? R7-2-1022.		
2) Compile and maintain a list of prospective bidders (<u>vendors that requested to be added to a list of prospective bidders, if any</u>)? R7-2-1023.		
3) Issue invitations for bids at least 14 days before the time and date set for bid opening unless a shorter time was determined necessary, and did the invitation for bids include all required information, including purchase specifications? R7-2-1024.		
4) Stamp sealed bids with the time and date upon receipt and store bids unopened until the time and date set for bid opening? R7-2-1029.		
5) Award contracts to the lowest responsible and responsive bidder whose bid conformed, in all material respects, to the requirements and evaluation criteria set forth in the invitation for bids? R7-2-1031.		
6) If a multiple award ¹ was made, determine, with the specific reason(s) in writing, that a single award was not advantageous to the School? ▾		
<u>a. Maintain documentation that supported the basis for multiple award?</u>		
<u>b. Limit contract awards to the least number of suppliers necessary to meet the requirements of the School?</u>		
<u>7) For contracts where only one responsive bid was received, determine that the price submitted was fair and reasonable, and that either other prospective bidders had reasonable opportunity to respond or there was not</u>		

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¹ Examples of multiple awards include:

- Incremental awards – made only if it is necessary to obtain the required quantity or delivery.
- Regional awards – made if materials or services are required in widely scattered locations or a particular requirement is of a local nature.

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adequate time for resolicitation? R7-2-1032.

8) Maintain documentation that supported the basis for the determination in 7) above?

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b. For purchases made through competitive sealed proposals, did the School:

1) Determine, with the specific reason(s) in writing, that the use of competitive sealed bids was either not practicable or not advantageous to the School based on criteria in R7-2-1041?

2) Maintain documentation that supported the basis for the determination in 1) above?

3) Include all applicable factors in the request for proposals (RFP)? R7-2-1024(B) and R7-2-1042(A).

4) Give adequate notice of the RFP? R7-2-1042(C).

5) Compile and maintain a list of prospective bidders (vendors that requested to be added to a list of prospective bidders, if any)? R7-2-1023.

6) Issue the RFP at least 14 days before the closing date and time for receipt of proposals unless a shorter time was determined necessary? R7-2-1042(B).

7) Stamp sealed proposals with the time and date upon receipt and store proposals unopened until the closing date and time for receipt of proposals? R7-2-1045.

8) Award the contract to the offeror whose proposal was determined, with specific reason(s) in writing, to be most advantageous to the School based on the factors set forth in the RFP? R7-2-1050.

9) Maintain documentation that supported the basis for the determination in 8) above?

10) If a multiple award² was made, determine, with the specific reason(s) in writing, that a single award was not advantageous to the School? R2-7-308.

a. Maintain documentation that supported the basis for a multiple award?

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b. Limit contract awards to the least number of suppliers necessary to meet the requirements of the School?

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² Examples of multiple awards include:

- Incremental awards – made only if it is necessary to obtain the required quantity or delivery.
- Regional awards – made if materials or services are required in widely scattered locations or a particular requirement is of a local nature.

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	YES/NO	COMMENTS
11) For contracts where only one responsive proposal was received, determine that the price submitted was fair and reasonable, and that either other prospective bidders had reasonable opportunity to respond or there was not adequate time for resolicitation? R7-2-1045(C).		Formatted: Bullets and Numbering
12) Maintain documentation that supported the basis for the determination in 11) above?		Formatted: Bullets and Numbering Deleted: 13)
13) If the School used construction-manager-at-risk, design-build, or job-order-contracting to procure construction services, did the School comply with the requirements of R7-2-1116?		Formatted: Bullets and Numbering Deleted: A.R.S. Title 41, Chapter 23 [until the Arizona State Board of Education (ASBE) adopts rules for these procurements, after which the School should comply with those rules]
c. If the School used a qualified select bidders list to procure construction services, did the School comply with the School District Procurement Rules?		Deleted: (Not applicable until ASBE adopts rules for these procurements.)
d. If the School procured goods and information services using electronic, on-line bidding, did the School comply with the requirements of A.R.S. Title 41, Chapter 23, Article 13 and the rules adopted by the Arizona Department of Administration in implementing that article (until the ASBE adopts rules for these procurements, after which the School should comply with those rules)?		
e. For purchases made through the Simplified School Construction Procurement Program (R7-2-1033), did the School:		
1) Ensure that construction costs did not exceed the maximum amount specified in A.R.S. §41-2535(D)?		
2) Submit solicitations to bid and all other information related to the project to all vendors included in a list maintained by the County School Superintendent?		
3) Open the bids at a public opening?		
4) Keep the bids confidential until the public opening?		
5) Encourage competition to the maximum extent possible?		
9. Based upon review of (____) purchases costing at least \$5,000 but less than \$15,000, did the School obtain and document oral price quotations from at least three vendors and follow the guidelines governing competitive purchasing below the dollar limits for sealed bids prescribed by the USFRCS?		
10. Based upon review of (____) purchases costing at least \$15,000 but less than the amount requiring sealed bids, set forth in A.R.S. §§15-189.02 and 41-2535(A), did the School obtain written price quotations from at least three vendors and follow the guidelines governing competitive purchasing below the dollar limits for		Deleted: 07

sealed bids prescribed by the USFRCS?																														
11. Did the School analyze the known requirements for an item or collection of items that, in the aggregate, would result in the purchase of the item or items from one vendor through the use of oral quotations, written quotations, or formal competitive bids/proposals?																														
12. Based upon review of <u>all</u> emergency and sole source procurements:																														
a. Did the School maintain a written statement for each emergency procurement documenting the basis for the emergency, the selection of the particular contractor, and why the price paid was reasonable, and was such statement signed by the individual authorized to initiate emergency procurements? R7-2-1057.																														
b. Did the School retain written documentation of the Governing Board's determination that there was only one source for required materials, service, or construction items purchased through sole source procurement? R7-2-1053.																														
13. Were purchases under current General Services Administration contracts authorized by the Governing Board? ARS §15-213(J).																														
14. Did the Governing Board determine in writing that all of the criteria listed in A.R.S. §15-213(J) applied to a General Services Administration contract before authorizing purchases under the contract?																														
15. Did the School perform due diligence <u>on at least a sample of purchases it made through a cooperative the School participated in during the audit period to help ensure that those purchases were in compliance with the School District Procurement Rules? (Note: Complete the table below for each cooperative used by the School.)</u>																														
<table border="1"> <thead> <tr> <th>Cooperative</th> <th># of Contracts Used</th> <th># School Reviewed Contracts</th> <th># Contracts Tested by Audit Firm</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table>	Cooperative	# of Contracts Used	# School Reviewed Contracts	# Contracts Tested by Audit Firm																										
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16. Were cash disbursements made by prenumbered and numerically controlled checks?																														

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17. Were checks properly completed prior to issuance and not written payable to cash or bearer?		
18. Were unused checks physically safeguarded and access to them limited to authorized personnel who did not have access to the signature facsimile plates?		
19. Were the signature facsimile plates physically safeguarded and access to them limited to a minimum number of employees who did not have access to the blank checks?		
20. Did the accounts payable function include maintaining documentation and matching receiving reports, vendor invoices, and purchase orders before payment?		
21. Were checks compared to supporting documentation and the check register before distribution?		
22. Was supporting documentation, including invoices, stamped "paid" or otherwise marked to prevent duplicate payments?		
23. Were expenses prepaid only when prepayment is normally required to procure the item or the item must be prepaid to receive a discounted price?		
24. Did the School prepare a list of goods or services received but not paid for on or before fiscal year-end?		

This Questionnaire was completed in accordance with the standards set forth on Pages 1 and 2 and with the minimum audit standards as set forth in the "Instructions" in the Legal Compliance Questionnaire or USFRCS Compliance Questionnaire.

AUDIT FIRM	Date
Preparer (AUDIT FIRM Representative)	Title

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