



Denver Public Schools
Professional Compensation System for Teachers

ProComp

Teacher Compensation Trust Board of Directors

TO: Trust Board members
FROM: Velma Rose, on behalf of the Auditor Selection Committee
DATE: August 16, 2006
SUBJECT: Recommendation of Auditor for the Pro Comp Trust

RECOMMENDATION OF AUDITOR

The following is the time line of activities leading up to the recommendation of auditor for the Pro Comp Trust:

- June 12, 2006, the RFP was emailed to the following firms recommended by the Colorado Society of CPAs for non-profit and trust audits, after Velma Rose spoke to firm representatives affirming their interest:
 - Anton Collins Mitchell LLP
 - Mason Russell West, LLC
 - JDS Professional Group
 - Gordon, Hughes & Banks, LLP
 - Ehrhardt Keefe Steiner & Hottman PC
- June 12, 2006, the RFP was posted on the District's Purchasing Department website.
- June 23, 2006, responses were sent to prospective bidders to questions or requests received by Velma Rose by June 23, 2006 - the only request was for a copy of the May 31, 2006, internal financial statements of the Trust as presented to the Trust Board at their May meeting.
- June 30, 2006, the firm of Anton Collins Mitchell LLP notified Velma Rose of non-response to avoid appearance of a possible independence impairment (as former District Budget Director now works for them)
- July 5, 2006, the firm of Mason Russell West, LLC notified Velma Rose of non-response due to partners' unavailability in August to negotiate or sign a contract
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- July 6, 2006, responses were received from the following firms:
 - Gordon, Hughes & Banks, LLP
 - JDS Professional Group

- Week of July 31, 2006, the Selection Committee (Andree Hall, Rich Allen, Velma Rose, and the District's controller, Marjorie Uhlar) reviewed and evaluated the proposals.
- August 3, 2006, the Selection Committee recommended the firm of JDS Professional Group , based on the quality of their proposal.
- August 7, 2006, Velma Rose notified the two firms that there will be no interviews, that the Trust Board will act on the appointment on August 16, and that she will notify the firms of the decision on August 17.
- Week of August 7, 2006, Velma Rose called references for JDS Professional Group, all of which were pleased with the performance, noting the firm's professionalism, timeliness, and not exceeding their fee commitment.

RECOMMENDATION

It is recommended that the firm of JDS Professional Group be appointment as the Auditor for the Denver Public Schools Professional Compensation System for Teachers Trust for the period ending June 30, 2006, with options to renew for the four subsequent fiscal years.

AUDIT TIME LINE

- The selected firm will be advised by phone and by mail on or about August 17, 2006.
- The contract date would be effective August 17, 2006, in the engagement letter to be provided by the Auditor. The Auditor's personnel are to meet with Trust Board and District personnel by no later than August 21, 2006, to discuss the schedule for the fieldwork. A subsequent meeting will be scheduled with the full Trust Board.
- The Auditor is to provide the Chief Financial Officer by August 25, 2006, a list of all schedules to be prepared.
- The Auditor is to provide a detailed audit plan by September 1, 2006.
- The Auditor is to complete all field work by October 10, 2006.
- The Auditor is to have drafts of the audit reports and recommendations to management available to review by the Chief Financial Officer by October 10, 2006, and the Trust Board by October 11, 2006.
- The final printed audit reports are to be submitted to the Trust Board prior to their meeting of October 18, 2006, for conveyance to the District's Auditors by October 19, 2006.