

# REQUEST FOR PROPOSALS

**RFP # 2015-001**

TWO PART REQUEST FOR PROPOSAL FOR AUDITING SERVICES

BY



**Camden County**  
NEW ENERGY. NEW VISION.

The Board of Commissioners of Camden County (hereinafter called the “unit” invites qualified independent auditors (hereinafter called “auditor”) having sufficient governmental accounting and auditing experience in performing an audit in accordance with the specifications outlined in the Request for Proposal (RFP) to submit a proposal.

There is no expressed or implied obligation for the County of Camden to reimburse firms for any expenses incurred in preparing proposals in response to this request.

The specific details shown herein shall be considered minimum unless otherwise shown. The specifications, terms, and conditions included with this RFP shall govern in any resulting contract(s) unless approved otherwise in writing by the County of Camden. The bidder consents to personal jurisdiction and venue in a state court of competent jurisdiction in Camden, North Carolina.

### **Type of Audit**

The County of Camden, North Carolina is seeking proposals from qualified, North Carolina-Auditors.

The audit will encompass the basic financial statements, supplementary information and compliance reports in accordance with the laws and/or regulations of the State of North Carolina, which include requirements for the minimum scope of the audit. The financial and compliance audit will cover federal, State, and local funding sources in accordance with generally accepted auditing standards; Government Auditing Standards; the Single Audit Act of 1984; the Single Audit Act Amendments of 1996; the provisions of OMB Circular A-133; Audits of State, Local Governments, and Non-Profit Organizations; including revisions published in Federal Register June 27, 2003; the State Single Audit Implementation Act; and all other applicable laws and regulations.

### **Period**

The unit intends to continue the relationship with the auditor for no less than three years on the basis of annual negotiation after the completion of the first year contract. Each year after negotiation has taken place an annual contract documenting the terms of the audit will be signed. Since one governing board may not obligate future governing boards, the remaining years of the agreement are subject to annual governing board approval. The Camden County Board of Commissioners reserves the right to request proposals at any time following the first year of this contract. Thus, prepare proposals for the following years, with Year one being the only obligated year:

July 1, 2014 to June 30, 2015

July 1, 2015 to June 30, 2006

July 1, 2016 to June 30, 2017

### **Requirements**

The audit must be conducted in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States;

Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; the State Single Audit Implementation Act, and any other applicable procedures for the audit of a government's financial statements prepared in accordance with GAAP.

The Auditor will prepare most year-end adjusting journal entries. The auditor will be ultimately responsible for the preparation, typing, proofing, printing, and copying of the Basic Financial Statement, supplementary information and compliance reports. The Camden County Finance Officer will be actively involved in the MD&A, and other schedules section preparation. The auditor will submit a draft of the Financial Statement to be reviewed in detail by the Finance Officer. This draft should be submitted to the County of Camden in time to allow ample review and corrections. **The timing of this should insure final completion of the Financial Statements no later than the annual October 31<sup>st</sup> deadline.**

The County of Camden prefers interim fieldwork be completed in early June. Year-end fieldwork should begin in mid August and be completed by September 15<sup>th</sup>. **An agreed upon post-closing trial balance must exist by September 30<sup>th</sup>.** The Finance Officer will expect a listing of requested information needed for the audit at the preplanning conference, periodic conferences during the conduct of the audit, as well as an exit conference prior to the completion of fieldwork.

The audit must be completed and reports rendered four months following the fiscal year end (October 31).

A preliminary draft of the audit and required journal entries must be submitted to the Finance Officer by October 1 for proofing and reconciliation to the unit's records.

20 copies of each audit report, management letter, and other applicable reports must be supplied to the Finance Officer within the time frame cited above. In addition, the auditor is responsible for submitting the required copies to the staff of the Local Government Commission (LGC). Any other copies required will be charged on an as needed basis in addition to the quoted fee.

The financial audit opinion will cover the financial statements for the governmental activities, the business-type activities, the financial statements of the aggregate discretely presented component units, each major fund, and the remaining fund information, which collectively constitutes the basic financial statements. The combining and individual financial statements, schedules, and related information are not necessary for fair presentation, but will be presented as additional analytical data. This supplemental information, as required by GASB 34, will be subjected to the tests and other auditing procedures applied in the audit of the basic financial statements, and an opinion will be given as to whether the supplemental information is fairly stated in all material respects in relation to the financial statements taken as a whole. The auditor shall also express an opinion on the budgetary comparison information for the general fund, the major funds and any annually budgeted special revenue funds.

The auditor will be responsible for the preparation of a letter disclosing and discussing informal/non-material comments (not included in the management letter), presentation of

the financial statements and Management letter to the County Manager, the Finance Officer, and the Board of Commissioners.

The working papers shall be retained and made available upon request for no less than three years from the date of the audit report.

In the event that circumstances arise during the audit that require work to be performed in excess of the original estimates, any additional costs will be negotiated prior to commencement of the work and an amended contract will be approved by the governing board and forwarded to the staff of the LGC for approval.

### **Audit Contract & Payment of Audit Fees**

The audit contract must be approved by the staff of the Local Government Commission. Invoices are subject to approval by the LGC staff prior to processing by the County. Interim or progress billings will be accepted up to 75% of the total fee prior to submission of the audited financial statements to the staff of the Local Government Commission and their approval of the audited financial statements.

### **Other Services**

The Auditor will prepare, type, proof, print, and copy the audit report in its entirety. The Auditor will submit a draft to the Finance Officer. The draft will be returned with proposed revisions within ten (10) working days. The timing of this should insure final completion of the report no later than the October 31<sup>st</sup> deadline. The Auditor will be responsible for the electronic submission of the audit to the mandatory reporting agencies such as the LGC and the FAC.

**The Auditor will be responsible for preparation of the component unit Travel and Tourism annual audit which will also require electronic submission to LGC and FAC. (Please submit a separate cost estimate for this audit)**

The Auditor will be responsible for preparation of most year-end adjusting journal entries.

The Auditor will prepare a management letter.

The Auditor will prepare the Annual Financial Information Report (AFIR). The Auditor will submit a draft of the AFIR to the Finance Officer. The draft will be returned with proposed revisions within ten (10) working days. The timing of this should insure final completion of the AFIR no later than the deadline for submission of the AFIR to the Local Government Commission by the Auditor.

The Auditor will prepare the Schedule of Expenditures of Federal and State Awards.

The Auditor will prepare the Federal Data Collections Form and submit to appropriate agencies as required.

The Auditor will prepare secondary market disclosures as required by the Security and Exchange Commission, SEC Ruling 15c2-12.

Guidance will be required for new note disclosures, all approved GASB's as well as GASB implementations, and other reporting requirements. These services will be included in the base bid.

### **Description of Selection Process**

Three copies of each section of the proposal should be submitted at the time and place indicated under the section entitled "Time Schedule for Awarding Contract."

Proposals will be submitted in two sections.

SECTION ONE should be comprised of the audit firm's prior experience and qualifications of its personnel in performing governmental audits. The County Manager and Finance Officer will evaluate the auditor or audit firm on education, technical qualifications, and governmental audit experience. The first section of all RFP's will be reviewed and evaluated. The top firms from the first section will have their second section opened and evaluated.

SECTION TWO will be comprised of a separately sealed envelope that contains the audit cost estimates. The firm best meeting the County's expectations for experience, audit approach, and cost requirements will be selected.

PLEASE KEEP IN MIND THAT COST, WHILE AN IMPORTANT FACTOR WILL NOT BE A SOLE DETERMINING FACTOR. USUALLY LOW BIDS THAT ARE OBVIOUSLY OUT OF LINE WITH OTHER BIDDERS OR ARE SIGNIFICANTLY LOWER THAN OUR CURRENT FEES WILL RAISE CONCERN. THE LOWEST BID WILL NOT AUTOMATICALLY BE AWARDED PREFERENTIAL CONSIDERATION.

The County of Camden requests that no County of Camden officials be contacted during this process. The Finance Officer may be contacted only to clarify questions concerning the RFP.

The County of Camden reserves the right to reject any or all bids, waive technicalities, and to be the sole judge of suitability of the services for its intended use and further specifically reserve the right to make the award in the best interest of the County. The County plans to evaluate the qualifications of all firms submitting proposals before considering the Cost Estimate.

Failure to respond to any requirements outlined in the RFP, or failure to enclose copies of the required documents, may disqualify the bid.

## **SECTION ONE**

The first section should address the requested information below. The corresponding responses should begin with the number below for the requested information.

1. Indicate the number of people (by position) located within the local office that will handle the audit.
2. Provide a list of the local office's current and prior government audit clients, indicating the type(s) of services performed, including additional services performed for the governmental clients, and the number of years served for each. Provide names, addresses, and telephone numbers of personnel of current and prior governmental audit clients who may be contacted for reference(s).
3. Describe your audit organization's participation in AICPA sponsored or comparable quality control programs (peer review). Provide a copy of the firm's current peer review.
4. Describe the professional experience in governmental audits of each individual assigned to the audit to include: the years on each job, types of relevant governmental programs audited, such as social services, public health, grants, etc., and his/her position while on each audit. Indicate the percentages of time each individual will be on site.
5. Describe the relevant educational background of each person assigned to the audit. This should include seminars and courses attended within the past three years, especially those courses in governmental accounting and auditing.
6. Describe any specialized skills, training, or background in public finance of assigned individuals. This may include participation in State or national professional organizations, speaker or instructor roles in conferences or seminars, or authorship of articles and books.
7. Describe the firm's Statement of Policy and Procedures regarding Independence under Government Auditing Standards (Yellow Book) Amendment 3. Provide a copy of the firm's Statement of Policy and Procedures.
8. Describe liability insurance coverage arrangements.
9. Describe any regulatory action taken by any oversight body against the proposing audit organization or local office.
10. Indicate whether the firm is able to submit the audit in a word document format after the audit is approved by the Local Government Commission and Camden County

Board of Commissioners. The audit will be uploaded to DisclosureUSA to satisfy the secondary market disclosures as required by the SEC if applicable.

## **SECTION TWO**

The second section should address the requested information below. The corresponding responses should begin with the number of the requested information. This section should be submitted in a separate sealed envelope marked “Section Two - Cost Estimate and should include the audit “Cost Estimate” summary sheet. **Please submit a separate cost estimate for the Travel and Tourism Board audit.**

1. Provide the name of an individual who will be the primary contact for the County.
2. Describe the information that will be contained in the management letter.
3. Describe the assistance expected from County staff, if other than that outlined in the RFP.
4. Provide a tentative schedule for completing the audit within the specified deadlines of the RFP.
5. Specify costs using the format below for the audit year July 1, 2014 to June 30, 2015. For the second and third years, list the estimated costs. The cost for the audit year ending June 30, 2015 is binding, while the second and third years are estimated costs. Cost estimates must indicate the basis for the charges and whether the amount is a “not-to-exceed” amount. The cost for audit year ending June 30, 2015 will be submitted on the “Cost Estimate” sheet as a total by service, with each service itemized on an attached sheet as follows:
  - A. Personnel costs - Itemize the following for each category of personnel (partner, manager, senior staff accountants, clerical, etc.):
    1. Estimated hours - Categorize estimated hours into the following: on-site interim work, year-end on-site work, and work performed in the auditor's office.
    2. Rate per hour.
    3. Total cost of personnel (for each category and in total).
  - B. Travel - Itemize transportation and other travel.
  - C. List cost estimate for the annual report preparation assuming 20 copies. Provide the additional costs per report for additional copies over the 20 minimum.
  - D. Other costs - Completely identify and itemize.
  - E. If applicable, note your method of determining increases in audit costs on a year to year basis.

6. List any other information the firm may wish to provide.
7. Please include the Audit Cost Summary Sheet with your proposal.

## **TIME SCHEDULE FOR AWARDING THE CONTRACT**

Request for proposal packages will be available on the County's website and by request.

Proposals (2 copies) signed by authorized officials of the Auditor will be received by Stephanie Humphries, Finance Officer, Camden County, 330 E Hwy 158, PO Box 190, Camden, NC 27921 until **1:00 PM on Monday, March 9, 2015**. Envelopes containing proposals should be clearly identified on the front "Audit Proposal". The County Manager and Finance Officer will review the proposals and plan to make a recommendation to the Board of Commissioners on April 6, 2015 at which time the contract will be awarded.

Any questions must be submitted in writing either by mail or email to Stephanie Humphries, Camden County Finance Officer, PO Box 190, Camden, NC 27921 or [shumphries@camdencountync.org](mailto:shumphries@camdencountync.org).

## **DESCRIPTION OF THE COUNTY & ACCOUNTING SYSTEM ENTITY**

Camden County is a local government in North Carolina with a population of approximately 10,100.

## **FUNDS**

The auditor should make reference to the County of Camden's audit report for the year ended June 30, 2014, which can be viewed on our web site at <http://www.camdencountync.org>. Select County Departments, Finance then click on Finance Documents and choose Audit from the list.

## **GRANTS, ENTITLEMENTS, AND SHARED REVENUES**

A copy of the Schedule of Federal and State Expenditures and a Summary of Auditor's Results showing the major federal programs for the year ended June 30, 2014 can be viewed in the Audit report.

## **BUDGETS**

The County budgets all funds on the modified accrual basis of accounting as required by North Carolina General Statutes. Appropriations are made at the departmental level. The

County also maintains an encumbrance system. Both the budgetary and encumbrance systems are integrated with the accounting system to provide easy comparison with actual expenditures.

### **ACCOUNTING RECORDS**

The County maintains all its accounting records at the Finance Office located at 330 E Hwy 158, Camden, NC 27921. Any department or enterprise specific accounting records can be viewed at the department offices within the County. The County maintains its cash receipts journal, cash disbursements journal, general ledger, and accounts receivable ledger on MUNIS Financial software.

### **OTHER INFORMATION**

Number of full time & part time employees –101  
Frequency of payroll – Bi-Weekly  
Estimated number of payroll checks per year - 200 and 3,000 direct deposits  
Estimated number of accounts payable checks per year – 4,000  
Estimated number of water bills per month – 2,000  
Number of vehicles/machinery assets maintained – 98  
Estimated number of purchase orders per year – 594  
Number of central depository accounts – 2  
Number of NC Cash Management accounts - 3

### **ASSISTANCE AVAILABLE TO THE AUDITOR**

The County will make available to the Auditor sufficient help to pull and re-file records, and prepare and mail all necessary confirmations. A trial balance with budgeted amounts will be made available by the first week in September.

The County will provide the auditor with sufficient space with easy access to phones and copier.

**CAMDEN COUNTY AUDIT COST ESTIMATE (Per Year)**  
**THREE YEAR CONTRACT**

	<b>FYE 2012</b>	<b>FYE 2013</b>	<b>FYE 2014</b>
Base charge – Financial Audit			
Base charge- Compliance Audit			
Charge per program for additional compliance testing			
Other:			
<b>Total</b>			

**Basis/methodology of cost estimate:**

**Basis for determining cost estimate after first year:**

BIDDER NAME:	Primary Contact:
Address:	Telephone:
	Fax:
	E-mail:
Authorized Signature:	Date:

**INCLUDE SEPARATE ESTIMATE FOR TOURISM DEVELOPMENT AUTHORITY**