

REQUEST FOR PROPOSALS

AUDITING SERVICES

THE TOWN OF *Batesburg-Leesville*

Town of Batesburg-Leesville
P.O. Box 2329
120-A West Church Street (29006)
Batesburg-Leesville, SC 29070

March 1, 2019

Submittal Deadline March 22, 2019 by 4:00 P.M. EST

Request for Proposals
Town of Batesburg-Leesville
Auditing Services

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Town of Batesburg-Leesville, South Carolina**

SUMMARY

The Town of Batesburg-Leesville is requesting proposals from qualified Certified Public Accountants (CPA) to audit the Town's financial and accounting systems. The Town's fiscal year is from July 1 through June 30. Proposals should be made for a four-year engagement (for fiscal years ending June 30 of 2020, 2021, 2022, and 2023). The audit will be performed in accordance with generally accepted accounting standards, the standards set forth for financial audits in the General Accounting Office's (GAO) Government Auditing Standards, GASB No. 34, the provisions of the Federal Single audit of 1984 (as amended in 1996), U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-profit Organizations, and any other appropriate state or federal regulations.

In addition to a bid for standard auditing services, the Town is requesting proposers include a bid to complete an audit conforming to the Governmental Finance Officers Association (GFOA) Comprehensive Annual Financial Report standards. The purpose of the two bids is to provide Town Council the option of conducting a more robust examination of the Town's financial health, economic conditions, and other relevant information.

Factors to be considered in the award are quality, performance history, professional qualifications, and price. Please note that price will not be the sole factor in the selection of an audit firm.

The Town will not reimburse responding firms for any expenses incurred in preparing proposals in response to this request. The right is reserved to reject any or all proposals, to waive technicalities, and to make such an award as is deemed in the best interest of the Town of Batesburg-Leesville.

BACKGROUND INFORMATION

The Town of Batesburg-Leesville is a close-knit community of 5,500 residents on the western edge of Lexington County. The two towns of Batesburg and Leesville consolidated services in 1993 and functions under the Council-Manager form of government. The Town is governed by a nine-member Council who appoints the Town Manager and retains all legislative functions of the organization. The Town Manager is the chief administrative official and responsible for creating and executing the budget. In Fiscal Year 2019, the budget was a combined \$7.6 million with 65 full-time employees, 14 part-time employees, and 30+ volunteer firefighters. The Town budget consists of a General Fund, Enterprise Fund, Victim's Assistance Fund, and a Hospitality Tax Fund.

SPECIFICATIONS

A. Fiscal Periods to be Covered

The records, accounts and procedures of the Town of Batesburg-Leesville shall be examined for a July 1 through June 30 fiscal year. The proposal shall be submitted for a four-year contract for the following fiscal year periods:

FY2020	July 1, 2019 through June 30, 2020
FY2021	July 1, 2020 through June 30, 2021
FY2022	July 1, 2021 through June 30, 2022
FY2023	July 1, 2022 through June 30, 2023

B. Audit Schedule

The process may begin each year during the fourth quarter of the fiscal year (April through June). An exit conference with appropriate Town officials will be conducted to present preliminary draft of the report for review. The finished product shall be presented to Town Council at its regularly scheduled December Town Council meeting. An extension of time for completion may be allowed for good cause by the Town Manager.

C. Scope of Audit

1. All funds included in the annual budget as well as any other fund, grant, escrow or subsidiary account controlled by the Town shall be included in the examination.
2. The Town will provide for examination of all available financial records including fixed asset records, trial balances, records pertaining to revenues, expenditures, income and expenses, as well as other related financial schedules for each fund.
3. The Town will also supply additional financial and appropriate information necessary to conform to governmental accounting, auditing, and financial reporting principles.
4. The system of internal control shall be observed, and if weaknesses are noted, appropriate recommendations shall be made.
5. The Town shall be notified immediately of any defalcation or irregularities discovered during the course of the examination.
6. The Town will provide adequate space to conduct the examination. All records shall remain at Town Hall during the audit.
7. In addition to the normal performance of providing a complete financial and compliance audit, the Auditor shall provide opening entries for each fiscal year after completion of the audit, shall work with the Town Manager, Town Clerk, and staff to provide proper assistance as needed to correct any audit findings or to satisfy the auditor's recommendations, and shall be available to provide ongoing assistance needed by the Town Clerk and staff to assure proper accounting methods are being followed. The additional technical support services stated herein shall not exceed ten man-hours per fiscal year audited and shall be included as part of the all-inclusive fee stated in the proposal.
8. If Town Council selects a CAFR audit instead of a minimally required audit, the Auditor will produce all financial statements and schedules as well as notes to the financial statements for the Financial Section of the CAFR and will be responsible for producing the Single Audit Section of the CAFR. The Auditor will be responsible for advising the Town as needed in the preparation of the Introductory Section, the Financial Section's Management Discussion and Analysis, and the Statistical Section.
9. The Auditor may be required to complete on an annual basis the South Carolina Annual Municipal Financial Report (currently Form F-65) required by the South Carolina Division of Research and Statistical Services.

D. Auditing Standards

The audits shall be performed in accordance with generally accepted auditing standards for municipal organizations.

E. Report Format

The report of a minimally required audit shall be designed and formatted to conform to and meet state auditing requirements. The report shall continue the format found in the Town's FY2019 Audit Report unless changes are mutually agreeable to both the Town and audit firm.

If Town Council elects to select a firm to conduct a CAFR, the audit report shall be designed and formatted to conform to and meet all requisite program standards of the Government Finance Officers Association (GFOA) Comprehensive Annual Financial Report, satisfying both generally accepted accounting principles and applicable legal audit requirements. The final report is expected to meet the established criteria for award of GFOA's Certificate of Achievement for Excellence in Financial Report.

F. Special Considerations

A Management Letter prepared by the Auditor in letter form to include findings, observations, opinions, comments or recommendations with regard to systems of internal control, accounting systems, compliance with federal, state and local laws, rules and regulations or any other material that may come to the attention of the Auditor during the course of the examination. Such findings, observations, opinions, comments, or recommendations shall not be construed as special or additional studies, but shall be limited to those usually associated with such an examination. The Management Letter shall be submitted within 120 days from the close of the Town's fiscal year. The letter report must also include specific statements indicating whether the conditions noted in prior auditor's comments have been corrected or still exist.

In addition to printed copies, the audit firm is required to provide the completed audit to the Town electronically in either PDF or Microsoft Word format, in order for the Town to give public access to the audit on the Town's website (www.batesburg-leesville.org).

The auditing firm shall be required to present the final Audit Document to the Mayor and Town Council. The audit will be presented at the regularly scheduled Council meeting which is held on the second Monday evening of the month.

A four-year engagement is anticipated, subject to the annual availability of an appropriation and the receipt of a timely quality product from the auditor.

G. Working Paper Retention

All working papers and reports must be retained, at the Auditor's expense, for a minimum of four (4) years, unless the firm is notified in writing by the Town of Batesburg-Leesville of the need to extend the retention period.

The audit firm shall be required to make working papers available, upon request, to the following parties or their designees:

- Town of Batesburg-Leesville
- U.S. General Accounting Office
- Parties designated by the Federal, State, or Town government

Also, the audit firm shall respond to the reasonable inquiries of successor audit firms relating to matters of continuing accounting significance.

H. Qualifications and Technical Experience

Audit experience will be a major consideration in selection of the Auditor. Please provide as part of your proposal the following information:

1. Relevant data concerning at least three (3) previous and recent governmental audit engagements similar in scope to the minimally required audit and or Comprehensive Annual Financial Report. Please note the audit engagements which received the Certificate of Achievement for Excellence in Financial Reporting or any other award/achievement.
2. General information about the audit firm to include size of the firm, size of the firm's governmental audit staff and the location of the office from which the work on this engagement would be performed.
3. Education, experience and audit qualifications of the proposed audit team, as well as a statement of continuing professional education in governmental accounting and auditing completed during the past two years. Please include an affirmative statement that the firm and all assigned key professional staff are properly registered/licensed to practice in South Carolina and indicate how the quality of staff over the term of the engagement will be assured.
4. A copy of your firm's most recent external quality control review, with a statement as to whether that quality control review included a review of specific government engagements.
5. An affirmative state of independence as defined by generally accepted auditing standards.
6. A statement containing information of the circumstances and status of any disciplinary action taken or pending against the auditor during the past three (3) years with state or regulatory bodies or professional organizations.

I. Anticipated Hours

Proposal should include the anticipated hours for audit completion under each format.

J. Compensation and Terms of Payment

The all-inclusive fee shall be stated as a maximum amount for the audit and related services listed in the specifications. This fee shall include twenty (20) spiral-bound copies of the final report for each fiscal year. The Town of Batesburg-Leesville will furnish artwork for report covers bearing the Town's name and address.

Periodic progress billing may be submitted as work progresses, but no more often than monthly.

K. Insurance Requirements

Successful proposer must furnish proof that proposer carries and maintains a minimum of \$500,000 in worker's compensation insurance, with the Town named as additional insured.

Successful proposer must furnish proof that proposer carries and maintains a minimum of \$1,000,000 in general liability insurance, with the Town named as additional insured.

L. Additional Information

Proposers may elect to provide a proposal for either the standard audit, CAFR, or both. Firms only providing a proposal for one type of audit will not be penalized.

RESPONSE REQUIREMENTS AND INSTRUCTIONS

Firms interested in the project are invited to submit a proposal that validates experience in the key areas in the format that is easy to read, includes the requested information noted above, clearly identify project costs, and articulates an understanding of the scope of work. Further, a firm’s response should clearly identify the activities and actions involved with each proposed audit type. Costs should be all-inclusive for each audit type. Responses should be no longer than 30-typed pages (front and back) including cover pages. Respondents submitting physical hard copies should submit one (1) original and two (2) copies. Digital submissions are acceptable. Late submittals will not be considered.

Responses to this RFP will be accepted until 4:00pm on March 22, 2019. Submittals must be mailed, emailed or delivered to the following:

<u>Contact Person</u>	<u>Mail</u>	<u>Delivery</u>
Seth Duncan Assistant Town Manager sduncan@batesburg-leesville.org (803) 532-4601	Town of Batesburg-Leesville P.O. Box 2329 Batesburg-Leesville, SC 29070	Town of Batesburg-Leesville 120-A West Church Street Batesburg-Leesville, SC 29006

EVALUATION CRITERIA

A Selection Committee of Town Staff, Town Officials, and/or other designated participants will review the proposals. The rating system below will be used in the evaluation process:

- A. 40% - Experience / Technical Competence
- B. 30% - Price for Services
- C. 15% - Performance History
- D. 15% - Professional Qualifications

SELECTION AND AWARD

Council will be presented with a recommendation from staff for selection and award at the April 2019 Council Meeting. Upon Council approval, staff will contact the winning bidder to complete a formal contract of services. Council reserves the right to reject all bids.