

**COLUMBUS COUNTY, NORTH CAROLINA
REQUEST FOR PROPOSAL
AUDIT SERVICES**

The Board of Commissioners of Columbus County (hereinafter called the “County”) 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 this Request for Proposal (RFP) to submit a proposal.

TYPE OF AUDIT

The audit will encompass a financial and compliance examination of the County’s General Purpose 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 (GAAS); 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; the Federal and State Single Audit Implementation Acts; and all other applicable laws and regulations.

PERIOD

The County intends to continue the relationship with the auditor for no less than three (3) years starting with fiscal year ending June 30, 2019. Continuation after the first year contract will be based on an annual review of the Auditor, recommendation of the department staff, satisfactory negotiation of terms (including price), and availability of an appropriation. 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. After the initial one year period, an annual extension may be granted by the County based on the above mentioned criteria and Board of Commissioners (Board) concurrence for up to two additional years or until a determination is made to request new proposals. The years identified under this RFP are:

July 1, 2018 to June 30, 2019

July 1, 2019 to June 30, 2020

July 1, 2020 to June 30, 2021

REQUIREMENTS

The audit must be conducted in accordance with Generally Accepted Auditing Standards (GAAS); 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 local government's financial statements prepared in accordance with Generally Accepted Accounting Principles (GAAP).

The audit will include all funds maintained by the unit.

The audit must be completed, including all single audit compliance work, and final draft reports rendered no later than four (4) months following the fiscal year end of June 30, which is October 31.

Five (5) copies of the audit report and one PDF file, along with 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 two audit reports to the staff of the Local Government Commission. Any other copies required above the original five may be charged on an as needed basis in addition to the quoted fee.

The financial audit opinion will cover the general purpose financial statements. The combining, individual and account group financial statements, schedules, and related information are not necessary for fair presentation, but will be presented as additional analytical data. This supplemental information 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 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 by the County for no less than three years from the date of the audit report.

In the event that circumstances arise during the audit that requires work to be performed above the original estimates, such cost will be negotiated prior to commencement of work and an amended contract will be approved by the governing board and forwarded to the staff of the Local Government Commission for approval.

AUDIT CONTRACT AND PAYMENT OF SERVICES

The audit contract must be approved by the staff of the Local Government Commission. All requests for payments are subject to approval by the Local Government Commission staff prior to processing by the County. Interim or progress billings will be accepted up to seventy-five percent (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 be responsible for preparation of some year-end adjusting journal entries.

The Auditor will prepare a management letter.

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 31st deadline.

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.

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 (3) copies of the proposal should be submitted at the time and place indicated under the section entitled "Time Schedule for Awarding Contract". Please provide a clear identification (table of contents) of all materials submitted with your proposal by section number and page number.

Proposals should be submitted in two sections.

The first section should be comprised of the audit firm's prior experience and qualifications of its personnel in performing governmental audits. The 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.

The second section 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.

Columbus County 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 reserves the right to make the award in the best interest of the County. Columbus County also reserves the right to request additional information from proposing firms.

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

FIRST SECTION

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

SECOND SECTION

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.

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, 2018 to June 30, 2019. For the second and third years, list the estimated costs. The cost for the audit year ending June 30, 2019 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, 2019 will be submitted on the “Cost Estimate” sheet as a total by service, with each service itemized on a 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 5 copies. Provide the additional costs per report for additional copies over the 5 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 (9 copies) signed by authorized officials of the Auditor will be received by Bobbie Faircloth, Finance Officer, Columbus County Administration Building, 111 Washington Street, Whiteville, NC 28472 until **1:00 PM on Thursday, February 28, 2019**. 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 1, 2019 at which time the contract will be awarded.

Any questions must be submitted in writing either by mail or email to Bobbie Faircloth, Columbus County Finance Officer, 111 Washington Street, Whiteville, NC 28472 or bfaircloth@columbusco.org by 1:00 PM on Monday February 4, 2019.

DESCRIPTION OF THE COUNTY AND ITS ACCOUNTING SYSTEM ENTITY

Columbus County is a local government in North Carolina with a population of approximately 56,000. The County operates five (5) water systems and each system is maintained in an enterprise fund. The county also maintains an enterprise fund for the solid waste department. The county maintains several other funds as provided in the following list.

FUNDS

The auditor should make reference to the County of Columbus's audit report for the year ended June 30, 2017, which can be viewed on our web site at http://www.columbusco.org/dotnetnuke_2/. Select Finance then click on the 2017 "Financial Statement". **NOTE:** You will need to temporarily allow pop-ups in order to view the document.

Columbus County maintains the following funds:

Governmental Funds

- General Fund

- Debt Service Fund

Special Revenue Funds:

 - Emergency Telephone System Fund

 - Property Revaluation Fund

 - Rescue Tax Fund

 - Fire Districts Fund

 - Revaluation Fund

 - CDBG Funds

 - Travel and Tourism Fund

 - Travel and Tourism Grant Fund

 - Whiteville Depot Grant

 - Transportation Fund

Capital Projects Funds:

 - Airport Projects Fund

 - Water Projects Fund

 - Columbus County Jail Project

 - Public School Bonds

Proprietary Funds

Enterprise Funds:

 - Water Funds (5 districts)

 - Solid Waste Fund

 - Housing Authority Fund

Agency Funds:

 - Social Services Trust Fund

 - Cooperative Extension Trust Fund

 - Sheriff Trust Fund

 - Home Loan Trust

Fixed Assets Fund
Long Term Debt Fund

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, 2017 can be viewed in the Financial Statements on the County website as referenced at the top of Page 7 of this RFP.

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 111 Washington Street, Whiteville, NC 28472. The Sheriff maintains accounting records for the Sheriff/Jail Trust account at 805 Washington Street, Whiteville, NC 28472. The County maintains its cash receipts journal, cash disbursements journal, general ledger, and accounts receivable ledger on Logics Financial software.

OTHER INFORMATION

Number of General Fund Departments – 30 (some with subcategories)
Number of full time employees –523
Number of other employees – 221 (includes part-time, temporary, current year past employees)
Frequency of payroll – Bi-Weekly for part-time employees and monthly for salary employees
Estimated number of payroll checks per year - 650 and 9,072 direct deposits
Estimated number of accounts payable checks per year – 12,074
Estimated number of water bills per month – 4,024
Number of vehicles maintained – 195
Estimated number of purchase orders per year – 1700
Number of central depository accounts – 1
Payroll account – 1
Number of NC Cash Management accounts – 2
Number of Investment Brokers- 3
Number of Other Bank Accounts- 14

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 2nd week in September.

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

COST ESTIMATE

(Per Year)

THREE YEAR CONTRACT

	FYE 2019	FYE 2020	FYE 2021
Base charge – Financial Audit			
Base charge- Compliance Audit			
Charge per program for additional compliance testing			
Other:			
Total			

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: