

**County of Wilson**

**Request for Proposal**

**For**

**Professional Auditing Services**

**January 14, 2013**

**2201 Miller Road, South  
Wilson, North Carolina**



## WILSON COUNTY, NORTH CAROLINA REQUEST FOR PROPOSAL AUDIT SERVICES

The Board of Commissioners of Wilson 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 Comprehensive Annual Financial Report (CAFR) 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, 2013. 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, 2012 to June 30, 2013
- July 1, 2013 to June 30, 2014
- July 1, 2014 to June 30, 2015

### **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 County.

The auditor will be ultimately responsible for the preparation and proofing of the Basic Financial Statement, supplementary information and compliance reports. The Wilson County Finance office will prepare 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 Director. This draft should be submitted to Wilson County in time to allow ample review and corrections. The timing of this should insure final completion of the Financial Statement no later than the annual October 31<sup>st</sup> deadline.

Wilson County prefers interim fieldwork to be completed in early June. Yearend fieldwork should begin in mid August and be completed by September 15<sup>th</sup>. The Finance Director 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 completion of fieldwork.

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.

One camera-ready copy of the audit report and one PDF file (acceptable for online submission for secondary market disclosure) of the Wilson County audit must be supplied to the Finance Director within the time frame cited above, along with the management letter and other applicable reports. In addition, the Auditor is responsible for submitting the required report of audit to the staff of the Local Government Commission (LGC) based on the submission process in effect at the time of submission.

The financial audit opinion will cover the general purpose financial statements for the governmental activities, the business-type activities and the remaining fund information which collectively constitutes the basic 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 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 prepare a management letter.

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

The Auditor will assist management's efforts to obtain the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting.

The Auditor will provide guidance 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.

Other services requiring auditor time include providing consulting services as needed date-to-day questions concerning payroll, internal control procedures, Internal Revenue Service issues and accounting issues.

## **RESPONSIBILITY OF THE WILSON COUNTY FINANCE DEPARTMENT:**

1. Work papers and schedules as jointly decided upon prior to audit.
2. Preparation of all schedules, footnotes, transmittal letters and supplemental schedules required to complete the CAFR.
3. The actual print, copying and binding of the audit and all costs associated.

## **DESCRIPTION OF SELECTION PROCESS**

Two (2) 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.

Wilson 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. Wilson 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.

## **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 "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, 2012 to June 30, 2013. For the second and third years, list the estimated costs. The cost for the audit year ending June 30, 2013 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, 2013 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 and for all personnel costs total.

- B. Travel - Itemize transportation and other travel.
  - C. Other costs - Completely identify and itemize.
  - D. 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 mailed by January 15, 2013 and available on the County’s website and by request.

Proposals (2 copies) signed by authorized officials of the Auditor will be received by Donna Wood, Finance Director, at the address below until **1:00 PM on Monday, February 18, 2013.** Envelopes containing proposals should be clearly identified on the front “AUDIT PROPOSAL”. Cost estimates should be included in a *separate, sealed* envelope and marked “COST ESTIMATE”. The County Manager and Finance Officer will review the proposals and plan to make a recommendation to the Board of Commissioners on March 5, 2013 at which time the contract will be awarded.

Address your submittal to:

Wilson County Finance Department  
Attn: Donna Wood, Finance Director  
2201 Miller Road, South  
Wilson, NC 27893

All submittals must be valid for one-hundred-twenty (120) days from opening date. Submissions received after the specified time will be considered late and returned unopened.

The County reserves the right to reject any and all submittals or to waive any minor irregularities in the process. The County further reserves the right to seek new proposals for “Request for Proposals” when it is in the best interest of the County. Minority owned and operated businesses are encouraged to participate in the submission process.

All responses to this request will be subject to the Freedom of Information and Privacy Act.

Any questions must be submitted in writing either by mail or email to Donna Wood, Wilson County Finance Director, 2201 Miller Road S, Wilson, NC 27893 or [dwood@wilson-co.com](mailto:dwood@wilson-co.com) by 1:00 PM on Tuesday, February 5, 2013.

**DESCRIPTION OF THE COUNTY AND ITS ACCOUNTING SYSTEM ENTITY**

Wilson County is a local government in North Carolina with a population of approximately 81,380. The County operates two (2) 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 Wilson's audit report for the year ended June 30, 2012, which can be viewed on our web site at <http://www.wilson-co.com> Select County Departments/Finance/Budget and Documents/FY2012 Comprehensive Annual Financial Report.

Wilson County maintains the following funds:

Governmental Funds

General Fund

Special Revenue Funds:

Emergency Telephone System Fund

Fire Districts Fund

Community Grant Funds

Transportation Fund

Capital Projects Funds:

CDBG Projects Fund

Public Buildings Fund

Proprietary Funds

Enterprise Funds:

Water Funds (2 districts)

Solid Waste Fund

Internal Service Fund

Hospitalization Fund

Fiduciary Funds

Agency Funds:

Fines and Forfeitures Fund

NC DMV Interest Fund

Deed of Trust Fund

Social Services Trust Fund

Jail Inmate Trust Fund

Sheriff Trust Fund

Tax Collection Held for Municipalities

Component Units:

ABC Board

## **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, 2012 can be viewed in the Financial Statements on the County website as referenced on Page 8 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 2201 Miller Road South, Wilson, NC 27893. The Sheriff maintains accounting records for the Sheriff/Jail Trust account at 100 East Green Street, Wilson, NC . The Department of Social Services maintains records at 100 Gold Street, Wilson, NC and the Health Department maintains records at 1801 Glendale Drive, Wilson, NC. The County maintains its cash receipts journal, cash disbursements journal, general ledger, and accounts receivable ledger on New World Financial software.

## **OTHER INFORMATION**

Number of General Fund Departments – 30 (some with subcategories)  
Number of full time employees – 674  
Number of other employees –357 (includes part-time, temporary & precinct officials, current year past employees)  
Frequency of payroll – Monthly for salary employees and part-time employees  
Estimated number of payroll checks per year - 400 and 9,600 direct deposits  
Estimated number of accounts payable checks per year – 13,453  
Estimated number of water bills per month – 3,164  
Number of vehicles maintained – 240  
Estimated number of purchase orders per year – 986  
Number of central depository accounts – 1  
Payroll account – 1  
Number of NC Cash Management accounts - 2

# COST ESTIMATE

(Per Year)

## THREE YEAR CONTRACT

	<b>FYE 2013</b>	<b>FYE 2014</b>	<b>FYE 2015</b>
Base charge – Financial Audit Includes Personnel costs, travel and on-site work			
Base charge- Compliance Audit Includes Personnel costs, travel and on-site work			
Other: (explain)			
Other: (explain)			
<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: