DUCHESNE COUNTY CLERK-AUDITOR

Chelise Jessen
P.O. Box 270
Duchesne, Utah 84021-0270
Phone (435) 738-1100
Fax (435) 738-5522

August 29, 2023

Dear Audit Firm:

Attached is a request for proposal for audit services for Duchesne County for the three years ending December 31, 2023 through 2025.

Your proposal must be submitted electronically to Chelise Jessen, Duchesne County Clerk-Auditor, no later than 5:00 p.m. (Mountain Standard Time) on September 29, 2023, as indicated in the Request for Proposal, to the following email addresses: cjessen@duchesne.utah.gov.

Selection of the Contractor is expected to be made October 16, 2023.

To be considered in the bidding process, the proposing independent auditing firm must meet the following minimum criteria:

1. The firm must meet the *Government Auditing Standards'* continuing professional education, independence, peer review, and licensing requirements.
2. The firm must have experience in governmental auditing. The experience must have been on an entity-wide basis, and an opinion must have been issued.
3. The firm must be able to meet the reporting deadlines described in the Request for Proposal.

We look forward to working with you in reviewing the excellent services the auditing profession has to offer.

Sincerely,

Chelise Jessen
Duchesne County Clerk-Auditor
(435) 738-1228
Email: cjessen@duchesne.utah.gov

REQUEST FOR PROPOSAL

Financial Auditor
DUCHESNE COUNTY

PURPOSE OF REQUEST FOR PROPOSAL

The purpose of this request for proposal (RFP) is to enter into a contract with a qualified independent auditing firm (Contractor) to provide audit services.

This RFP is designed to provide interested offerors with sufficient basic information to submit proposals meeting minimum requirements. It is not intended to limit a proposal's content or exclude any relevant or essential data. Offerors are at liberty and are encouraged to expand upon the specifications to evidence service capability under any agreement.

BACKGROUND

Duchesne County has the following funds: General fund, capital projects fund, numerous special revenue funds, and two agency funds. In addition to the County's funds, there are two blended component units and two discrete presentation component units. The County uses Pelorus Methods software for its accounting applications.

Duchesne County is required by law to provide an annual audit of its financial statements by a Certified Public Accountant in accordance with generally accepted auditing standards.

This requirement includes: 1) a financial statement audit in accordance with generally accepted auditing standards and *Government Auditing Standard;* and 2) a State Compliance Audit, in accordance with the *State Compliance Audit Guide,* issued by the Office of the Utah State Auditor.

Prior year reports for Duchesne County can be found on the Office of the Utah State Auditor's website at: https://reporting.auditor.utah.gov/searchreport.

SUBMITTING YOUR PROPOSAL

NOTICE: By submitting a proposal in response to this RFP, the offeror is acknowledging that the requirements, scope of work, and evaluation process outlined in the RFP are fair, equitable, not unduly restrictive, understood and agreed to. Any exceptions to the content of the RFP must be protested to Duchesne County prior to the closing date and time for submission of the proposal.

Proposals must be received by the submission deadline of 5:00 p.m. September 29, 2023 (Mountain Standard Time/MST). Proposals received after the deadline will be late and ineligible for consideration.

All proposals should be submitted electronically in PDF format to Chelise Jessen, Duchesne County Clerk-Auditor, email: cjessen@duchesne.utah.gov

Selection of the Contractor is expected to be made October 16, 2023, and all offerors submitting proposals will be notified thereafter as to the selection results.

LENGTH OF CONTRACT

The audit contract resulting from this RFP will cover the annual audits for each of the calendar years ending December 31, 2023 through December 31, 2025, subject to an annual performance evaluation, budget appropriations, and the needs of Duchesne County. The contract will be for one fiscal year, annually renewable through December 2025.

Duchesne County reserves the right to review the contract on a regular basis regarding performance and cost analysis and may negotiate price and service elements or terminate the contract during the term of the contract.

STANDARD CONTRACT TERMS AND CONDITIONS

Any contract resulting from this RFP will include but not be limited to the Standard Terms and Conditions. Exceptions and or additions to the Standard Terms and Conditions are strongly discouraged.

Exceptions and additions to the Standard Terms and Conditions must be submitted with the proposal. Exceptions, additions, service level agreements, etc. submitted after the date and time for receipt of proposals will not be considered. Website URLs, or information on website URLs must not be requested in the RFP document and must not be submitted with a proposal. URLs provided with a proposal may result in that proposal being rejected as non-responsive. URLs are also prohibited from any language included in the final contract document.

Duchesne County retains the right to refuse to negotiate on exceptions should the exceptions be excessive or not in the best interest of Duchesne County, or if the negotiations could result in excessive costs to Duchesne County or could adversely impact existing time constraints.

The procurement shall be conducted subject to the provisions of *Utah Code* 63G-6a-701-711.

DISCUSSIONS WITH OFFERORS (ORAL PRESENTATION)

At the sole discretion of Duchesne County, an oral presentation may be requested by the selection committee to clarify a proposal. However, Duchesne County may award a contract based on the initial proposals received without discussion with the offeror. If oral presentations are requested, they will be scheduled following the submission of proposals. Oral presentations will be made at the offerors' expense.

DETAILED SCOPE OF WORK

A. REPORTING REQUIREMENTS

The Contractor shall perform the following engagements for Duchesne County for each fiscal year ending December 31, 2023 through December 31, 2025.

1. Financial Report – The Contractor shall audit the financial statements and records of Duchesne County and shall issue an auditor's opinion on those financial statements. Such opinion shall be prepared in conformity with accounting principles generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*.

2. Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters – The Contractor shall issue a report on internal control over financial reporting and on compliance and other matters in accordance with *Government Auditing Standards*.

3. Single Audit Reporting—If applicable, the Contractor shall fulfill CFR 200 Uniform Guidance testing and reporting requirements.

3. Report Required for State Compliance Audit – The Contractor shall prepare and include a statement expressing positive assurance of compliance with State fiscal laws and other financial issues related to the expenditure of funds received from federal, state, or local governments identified in the *State Compliance Audit Guide,* issued by the Office of the Utah State Auditor.

4. Management Letter – As appropriate, the Contractor shall prepare a comprehensive management letter including the audit findings and recommendations relative to the internal control over financial reporting, compliance with laws and regulations, as applicable, and adherence to generally accepted accounting principles.

   The Contractor shall request written responses from Duchesne County officials for each recommendation and shall include such responses in the reports. If Duchesne County declines the opportunity to respond, the Contractor shall so state in their report.

5. Reporting Deadlines – The audits must be completed and 5 copies of each of the reports must be submitted to Duchesne County by no later than June 30 of each year.

PROPOSAL REQUIREMENTS

Interested offerors should include the following information in their proposal to perform the audits.

A. Profile of the Independent Auditor

Provide general background information which includes:

1. The organization and size of the offeror, whether it is local, regional, national or international in operations. The location of the office from which the work is to be done and the number of professional staff, by staff level, employed at that office.
2. A positive statement that the following mandatory criteria are satisfied:
   (a) An affirmation that the offeror is properly licensed for practice as a certified public accountant in the State of Utah.
   (b) An affirmation that the offeror meets the independence requirements of the AICPA.
   (c) An affirmation that the offeror meets the continuing professional education rules.
3. A copy of the offeror's most recent peer review report.

B. Offeror's Qualifications

1. Identify the audit partners, audit managers, field supervisors and other staff who will work on the audit, including staff from other than the local office. Résumés should be included which outline relevant experience, licenses, and education for the staff auditors up to the individual with final responsibility for the audit.
2. Years of experience for each member of the audit team.
2. Describe the recent local office auditing experience similar to the type of audit requested.
3. If other auditors are to participate in the audit, those auditors should be required to provide similar information.
4. A few references of comparable audit clients that may be contacted.

C. Offeror's Approach to the Audit

Submit a general audit work plan to accomplish the scope defined in these guidelines. The audit work plan should demonstrate the offeror's understanding of the audit requirements and the audit tests and procedures to be applied in completing the audit plan. The plan should detail the expected number of audit hours for the financial audit and compliance audit separately on an annual basis for each fiscal year being audited. The single audit will likely not be required each year. The plan should also identify the breakdown of total hours between staff, in-charges, and higher levels. The planned use of specialists, if any, should also be specified.

D. Time Requirements

Detail how the reporting deadline requirements of the audit will be met.

E. Comprehensive Not-To-Exceed Fee

Supply the billing rates by staff level, estimated number of billable hours, other billable expenses and a comprehensive "not-to-exceed" fee for the annual audit and single audit, inclusive of travel, per diem and all other out-of-pocket expenses. Please separate the annual audit and single audit fee. The not-to-exceed fee information requested above should be provided as a **separate amount for each fiscal year being audited**.

CONTRACTUAL ARRANGEMENTS

A resulting contract agreement may include, but is not limited to:

A. Document Retention – The Contractor shall retain all work papers and reports pertaining to the audit for a minimum of six years from the audit report release date. The firm will be subject to the Office of the State Auditor work paper review process (done for all government contract auditors). The results of that review will be added to the OSA website.

B. Availability of Staff – Duchesne County's staff will be available to prepare schedules, trial balances, and provide documentation to assist the auditor as their schedules permit during the course of the audit.

C. Other Significant Contract Provisions –

1. Immediately inform Duchesne County's Audit Committee regarding any indication of fraud, errors, or illegal acts that may come to their attention in connection with the audit.
2. The Contractor must hold an exit conference with Duchesne County.
3. Notify Duchesne County, in writing, prior to changes of partner, manager, supervisor or senior personnel obligated in the proposal.
4. Provide Duchesne County with Letters of Engagement in accordance with professional standards to specify the responsibilities of the Contractor and Duchesne County as they relate to the conduct of the audits. The terms of the Letters of Engagement shall be consistent with the terms of the Contract. In the event there are inconsistencies, the terms of the Contract shall govern and control.

EVALUATION OF PROPOSALS

A committee will evaluate proposals against the following weighted criteria:

% OF SCORING WEIGHT	EVALUATION CRITERIA
Mandatory	Licensing, independence, CPE, peer review, and ability to meet audit deadlines.
25%	Technical Experience of the Independent Auditing Firm – Considering governmental audit experience, as well as size and structure of the firm.
25%	Qualifications of Staff
20%	Responsiveness of the proposal in clearly stating an understanding of the audit services to be performed: (1) Appropriateness and adequacy of proposed procedures. (2) Reasonableness of time estimates and total audit hours. (3) Appropriateness of assigned staff levels.
30%	Cost of the Audit and expected audit hours by staffing levels.

Right to Reject – Duchesne County reserves the right to reject any and all proposals submitted and to request additional information from all offerors. Any contract awarded will be made to the offeror who, based on evaluation of all responses (applying all criteria and oral interviews if necessary), is determined to be the best to perform the audit.

CONTACT INFORMATION

The individuals listed below may be contacted for information. However, before making contact we request you review Duchesne County's prior year financial statements and auditor's reports which can be found on the Office of the State Auditor's website at auditor.utah.gov, specifically at the following link: https://reporting.auditor.utah.gov/searchreport.

Chelise Jessen, Duchesne County Clerk-Auditor

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Mike Miles, CPA (Consultant)

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Email: mikemiles@stratanet.com