

# **REQUEST FOR PROPOSALS TO PROVIDE AUDIT SERVICES FOR WEBER MOSQUITO ABATEMENT DISTRICT**

## **I. BACKGROUND INFORMATION**

The Weber Mosquito Abatement District (District) is a local district that has been serving the residents of Weber County since 1947.

Currently, the District uses the following funds and account groups:

Governmental Fund Types

- General Fund
- Capital Improvements Fund

Total revenue for all funds was ~\$1.7 million for the year ending December 31, 2014. The District uses QuickBooks software for its accounting applications.

The District is required by state law to provide an annual audit of its financial statements by a Certified Public Accountant in accordance with generally accepted auditing standards. This audit must be submitted to the State Auditor's office within six months after the adoption of its budget. Since the District is on a calendar year, the budget is adopted in December.

The District has used the services of its current auditing firm for several years. The District and the audit firm have had and continue to have a good working relationship. However, as a governmental agency, the Board of Trustees has decided that it is time to seek proposals to provide auditing services for the District beginning with the year ending December 31, 2015.

## **II. OBJECTIVE AND SCOPE**

A financial audit and a single audit are requested for the calendar year ending December 31, 2015.

The audit shall be performed in accordance with generally accepted auditing standards, as promulgated by the American Institute of Certified Public Accountants (AICPA); the AICPA Audits of State and Local Governmental Units audit and accounting guide; and the Governmental Accounting Standards Board (GASB), published by the United States General Accounting Office. Federal compliance test work will be done in accordance with Office of Management and Budget (OMB) Circular A-133.

The auditor will be responsible for preparing and printing the Annual Financial Report. A draft report must be completed no later than June 1<sup>st</sup>, 2016. The final audit must be presented to the District Board of Trustees at the regularly scheduled June 13, 2016 board meeting. Eighteen printed and bound copies and one electronic copy will be given to the District.

A copy of the final audit report must be submitted to the Utah State Auditor's Office no later than June 15, 2016.

## **III. REPORT REQUIREMENTS**

For financial audits, the auditor shall examine the financial statements and records of the District and shall issue an auditor's opinion on the District's financial statements with an in-relation-to opinion on combining and supplementary information, if any. Such financial statements shall be prepared in conformity with generally accepted accounting principles (GAAP).

The auditor shall issue a compliance report based on an audit of general purpose or basic financial statements and

a report on the internal control structure, both in accordance with GASB.

The auditor shall prepare and include a statement expressing positive assurance of compliance with state fiscal laws identified by the State Auditor and other financial issues related to the expenditure of funds received from federal, state, or local governments. *This statement is in addition to the compliance opinion required as part of a single audit.*

The auditor shall prepare a comprehensive management letter including the auditor's findings and recommendations relative to the internal accounting and administrative controls, compliance with laws and regulations as applicable and adherence to GAAP.

The auditor shall include the written responses from the District for each recommendation included in the state compliance letter and the management letter required by the State of Utah Legal Compliance Audit Guide.

For audits completed in accordance with the Single Audit Act, the auditor shall examine the financial systems and records as they relate to the various federal grants and agreements and shall issue auditor's reports on internal and administrative control and on compliance with federal and state laws and regulations as required by generally accepted auditing standards promulgated by the AICPA.

#### **IV. AUDIT TERM**

If the selected certified public accounting firm performs satisfactorily for the December 31, 2015 audit, it is anticipated that the same firm will be engaged to perform the audit for the succeeding two years with an additional two-year extension, subject to an annual evaluation and appropriation by the District. But, in any event, it will not exceed five years.

#### **V. PROPOSAL QUALIFICATION REQUIREMENTS**

Interested certified public accounting firms should include the following information in their proposal to perform the audit of the fiscal year ending December 31, 2015.

A. Title Page

Show the subject, the name of the proposer's firm, local address, telephone number, name of the contact person, and the date.

B. Table of Contents

Include a clear identification of the material by section and by page number.

C. Profile of the Independent Auditor

The profile should provide general background information including:

1. The proposer's organizational structure and size, whether its operations are local, regional, national or international,
2. The location(s) of the office from which the work is to be done and the number of professional staff, by staff level, employed at the office,
3. A statement on the proposer's staff capability to audit computerized systems, and
4. A positive statement that the following mandatory criteria are satisfied:
  - (a) An affirmation that the proposer is properly licensed for practice as a certified public accountant in the state of Utah,
  - (b) An affirmation that the proposer meets the independence requirements of the AICPA and the GASB, and

- (c) An affirmation that the firm meets the continuing education and external quality control review requirements contained in the GASB.

D. Proposer's Qualifications

1. Identify the audit partners, audit managers, and field supervisors who will work on the audit, including staff from other than the local office. Résumés including relevant experience and continuing education for the staff auditors up to the individual with final responsibility for the engagement should be included.
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.

E. Proposer's Approach to the Examination

Submit a general audit work plan to accomplish the scope defined in these guidelines. The audit work plan should demonstrate the proposer'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 by staff level. The planned use of specialists should also be specified.

F. Time Requirements

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

G. Fees

Supply the billing rates, estimated number of billable hours, other billable expenses and a "not-to-exceed" fee for the audit, inclusive of travel, per diem and all other out-of-pocket expenses. As noted in section IV, it is expected that if the selected certified public accounting firm performs satisfactorily for the December 31, 2015 audit, it will be engaged to perform the audit for the succeeding two years with the option to extend two additional years. Therefore, the not-to-exceed fee information requested above should be provided on an annual basis for five years.

H. Non-discrimination Clause

Affirm that the firm does not discriminate against any individual because of race, religion, sex, color, age, handicap or national origin, and that these shall not be a factor in consideration for employment, selection of training, promotion, transfer, recruitment, rates of pay, or other forms of compensation, demotion, or separation.

I. Certificate of Insurance

The audit firm, at its sole expense, shall obtain insurance in accordance with Exhibit A.

J. Indemnity Provision

Auditor agrees to defend, indemnify, and hold harmless the District, its officials, employees, representatives, and volunteers from and against any and all claims, demands defense costs, liability, or consequential damages of any kind or nature arising from auditor's negligent or wrongful conduct or from their duties as the District's auditor, and from its performance or failure to perform, under the terms of this agreement.

K. Additional Information

Since data not specifically requested must not be included in the foregoing proposal sections, give any additional information considered essential to the proposal in this section. (Publications of the proposer, such as directories, articles, and lists of clients will not be included). If there is no additional information to present, state in this section, "There is no additional information".

**VI. CONTRACTUAL ARRANGEMENTS**

- A. Audit programs, work papers and reports must be retained for a period of three years after the completion of

the audit and made available for inspection by the District or government auditor if requested by them.

- B. Twenty percent of the audit fee will be retained until audit reports required in Section III are received.
- C. District 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.

## VII. SUBMITTAL REQUIREMENTS

### A. When Submissions are Required

Proposals must be received by **4:00pm Thursday, December 10, 2015** at the District's office located at **505 West 12<sup>th</sup> Street, Ogden, Utah 84404**. Proposers are solely responsible for ensuring that proposals are delivered on time. Delays caused by any delivery service, including the US Postal Service, will not be grounds for a waiver of the deadline requirement. Proposals submitted via email or facsimile will not be accepted.

### B. Number of Copies

Provide 3 copies of the response to the Request for Proposals as outlined above.

## VIII. EVALUATION OF PROPOSALS

Proposals will be evaluated by an evaluation committee using a predetermined method to ascertain which proposer best meets the needs of the District. The committee will review the submitted proposals and rank the firms from most to least qualified. In some circumstances, proposals may be so similar in quality that oral interviews may have to be arranged to assist in making the final selection. Evaluation considerations will include the following:

### A. Technical Factors

1. Responsiveness of the proposal in clearly stating an understanding of the audit services to be performed:
  - (a) Appropriateness and adequacy of proposed procedures
  - (b) Reasonableness of time estimates and total audit hours
  - (c) Appropriateness of assigned staff levels
2. Technical experience of the firm in auditing local government of similar size
3. Qualifications of staff
4. Size and structure of firm, considering the scope of the audit
5. Geographic location of key personnel and responsible office

### B. Cost of the audit

Although a factor, cost will not be the deciding factor. Cost will only be considered when all other evaluation criteria are relatively equal.

## IX. SELECTION OF PROPOSALS

### A. Timeline for Selection

Listed below are the scheduled and estimated dates for the selection process:

Release RFP	November 19, 2015
Submission Deadline	4:00pm December 10, 2015
Review by Evaluation Committee	December 14, 2015
Selection and Notification of Firm	December 15, 2015

### B. Right to Reject

The District reserves the right to reject any and all proposals submitted and to request additional information

from all proposers. Any contract awarded will be made to the independent certified public accounting firm 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.

C. Subsequent to Selection

After determining the top ranked firm, the District will enter into fee and contract negotiations for services for this audit. If an agreement cannot be reached, the District may, at their option, negotiate with the next ranked firm for this audit

**X. SOURCES OF INFORMATION**

Ryan Arkoudas, Director of the Weber Mosquito Abatement District, can be contacted at (801) 392-1630 or [ryan@webermosquito.com](mailto:ryan@webermosquito.com) for information necessary to complete the proposal. Audit reports and management letters from prior years will be available for inspection.