

COUNTY OF SISKIYOU



Request for Proposal

Audit of Annual Financial Statements and Federal Financial Assistance Programs

Release Date: April 9, 2020

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COUNTY OF SISKIYOU

**Request for Proposal to Conduct an Audit
of Annual Financial Statements and
Federal Financial Assistance Programs**

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Attachment A – Audited Financial Statements June 30, 2019

Attachment B – Single Audit Report June 30, 2019

1.0 – Introduction and General Information

- 1.1. The County of Siskiyou (the County) is soliciting proposals from qualified firms, herein referred to as Contractor, to provide independent audit services. The purpose for these audit services will be:

To express an opinion on the fair presentation of the County’s financial statements, including the combining and individual fund financial statements, in accordance with accounting standards generally accepted in the United States of America (US GAAP) for the fiscal years ending June 30, 2020, 2021, and 2022, with optional extensions for fiscal years 2023 and 2024 at the discretion of the County.

To perform a single audit of the County’s federal award programs in accordance with the audit requirements of Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

To perform an agreed upon procedures engagement for the County’s annual calculation of the Appropriations Limit as prescribed by Section 1.5 of Article XIII-B of the California Constitution (Proposition 4).

To provide assistance in implementing any new changes due to new GASB standards.

All audit services shall be provided in accordance with all terms and conditions contained herein.

- 1.2 Each proposer shall provide two proposal hard copies and an electronic copy. The proposal shall be organized to address individually each of the following components as outlined in Section 2.0 of this RFP.

- 1.2.1 Annual Financial Statements

- 1.2.2 Single Audit

- 1.2.3 GANN Appropriations Limit

- 1.3 Additional detail on the required reports to be provided by the Contractor and assistance to be provided by the County is described in Section 3.0 and Section 5.0, respectively.

- 1.4 The County operates under general law and is governed by an elected five-member Board of Supervisors (the Board). Organizational units of the County are under the direction of the appointed County Administrative Officer, elected officials or appointed department/agency heads.

- 1.5 Accounting records for the County and financial statements are maintained and prepared by the Auditor-Controller. The Auditor-Controller will oversee the preparation of the Financial Statements, Single Audit, and Annual calculation of the appropriations Limit. For financial reporting purposes, the County reported 6 individual major funds, as defined in Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, for the fiscal year ended June 30, 2019. The most recent annual Financial Statements and Single audit have been attached to this RFP for reference as Attachments A

and B respectively. Copies of the County's previously submitted Annual Financial Statements and Single Audits are available online, as well as the County's 2019-20 Final Budget, at the County of Siskiyou website at:

<https://www.co.siskiyou.ca.us/auditor-controller>

- 1.6 The County adheres to the accounting principles, standards and procedures prescribed by the State Controller's Office as set forth in its manual *Accounting Standards and Procedures for Counties*, which conforms to US GAAP.
- 1.7 The County uses Banner (an Ellucian product) as its financial reporting system. Banner is an integrated system of modules that performs double-entry accounting. Other computer applications used by the County include Megabyte (property tax system) Kronos (time keeping system) and CAMS (cost accounting system).
- 1.8 Contractors may submit questions for clarification about the RFP requirements to the County via email to the following address: cmoore@co.siskiyou.ca.us All questions must be received by 5 pm (Pacific Time) on April 22, 2020. However, the County reserves the right, at its discretion, to accept questions beyond that date, should unanticipated and significant issues arise. Immediate responses to questions are informal, and are not binding on the County.
- 1.9 If a Contractor discovers an ambiguity, discrepancy, conflict, omission or other error in the RFP, the Contractor shall immediately notify the County, via email to the addresses in Section 1.8, of such error and request modification or clarification of the RFP. Modifications will be made by issuing an addendum to the RFP.

2.0 – Scope of Services

- 2.1 The Contractor shall be required to perform audits and issue the required reports for the following:
 - 2.1.1 The County's annual financial statements, as well as the expression of an opinion on the combining and individual fund financial statements in relation to the financial statements taken as a whole. The funds included in the audit of the County's financial statements consist of the following:
 - a. General Fund
 - b. Special Revenue Funds
 - c. Debt Service Fund
 - d. Capital Projects Funds
 - e. Enterprise Funds
 - f. Internal Service Funds
 - g. Fiduciary Funds
 - h. General Fixed Asset Group
 - i. General Long Term Debt Group
- 2.2 In conjunction with the County's audit of the financial statements, the Contractor shall also perform a Single Audit and issue reports on the County's federal award programs in accordance with the audit requirements of Title 2 *U.S. Code of Federal Regulations* (CFR)

Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

- 2.2.1 The Contractor shall complete the online Data Collection Form (Form) and transmit the completed Form electronically to the Federal Audit Clearinghouse.
- 2.2.2 The Contractor shall upload the Financial Statements and the Single Audit to the State Controller's Office by no later than February 15th.
- 2.3 Annually perform an agreed upon procedures engagement for the County's annual calculation of the Appropriations Limit as prescribed by Section 1.5 of Article XIII-B of the California Constitution (Proposition 4). This article requires that the annual calculation of the limit be tested as part of the annual financial audit.
- 2.4 To meet the requirements of this RFP, the audits shall be performed in accordance with the applicable standards, which include the following: generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants; standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).
- 2.5 In addition to the requirements above, the County also requires the preparation of a management letter for each audit, if applicable, in accordance with AU Section 380, *Communication with Audit Committees*, as amended.
- 2.6 At the County's option, a presentation of the County's financial statements, Schedule of Expenditures of Federal Awards (Single Audit) and Management Report to the Siskiyou County Board of Supervisors.
- 2.7 An electronic copy of the County's financial statements and Schedule of Expenditures of Federal Awards (Single Audit) will be provided by the Contractor. The electronic copies will meet the most current WCAG Accessibility Standards.

3.0 – Reports Required

- 3.1 Following the completion of the audit of the financial statements, the Contractor will issue:
 - 3.1.1 A report on the fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.
 - 3.1.2 Any other additional report required by the GASB.
- 3.2 As part of the Single Audit requirements, the following reports will be required:
 - 3.2.1 Independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*.

- 3.2.2 Independent auditor's report on compliance for each major federal program; report on internal control over compliance; and report on the schedule of expenditures of federal awards required by the Uniform Guidance.
 - 3.1.2 Any other additional report required by the Uniform Guidance.
- 3.3. Independent accountant's report on applying agreed upon procedures related to the County's annual calculation of the Appropriations Limit as prescribed by Section 1.5 of Article XIII-B of the California Constitution (Proposition 4). The agreed upon procedures to be performed will include the following:
 - 3.3.1 Determine that the Annual Appropriations Limit was calculated as required by Section 1.5 of Article XIII-B of the California Constitution (Proposition 4).

4.0 – Other Requirements

- 4.1 The Contractor shall provide, at no additional compensation from the County, such additional report schedules, exhibits or other information to any completed and filed audit report as may be required by a cognizant agency, grantor or administrative agency upon review of the Single Audit report.
- 4.2 All working papers, spreadsheets and adjusting journals must be in the County's accounting hierarchy format. (Fund, Org, Account, Program, Activity Code)
- 4.3 All working papers and reports must be retained, at the Contractor's expense, for a minimum period of seven years, unless the Contractor is notified in writing by the County of the need to extend the retention period. The Contractor shall make working papers in requested format available, upon request, to the following parties or their designees during the retention period:
 - 4.3.1 Siskiyou County Grand Jury
 - 4.3.2 Auditor-Controller Office
 - 4.3.3 U.S. Government Accountability Office (GAO)
 - 4.3.4 Parties designated by federal or state agencies or by the County as part of an audit quality review process
 - 4.3.5 Auditor of agencies of which the County is a sub-recipient of grant funds
- 4.4 The Contractor shall respond to the reasonable inquiries of the successor Contractor and allow the successor Contractor to review audit working papers in accordance with AU Section 315, as amended.
- 4.5 The Contractor shall be an independent Contractor and must be licensed to practice by the State of California as a CPA.
- 4.6 The Contractor shall have no conflict of interest with regard to any other work performed by the firm on behalf of the County.
- 4.7 During the term of the proposed agreement, the Auditor-Controller may request that the Contractor perform additional audits or special reviews, not identified above. These may be added to the scope of work set forth in this RFP, by written addendum to the resulting contract, and result in additional compensation. Any such additional work agreed to between

the County and the Contractor shall be performed at the same rates as set forth in the schedule of fees included in the proposal. However, the Auditor-Controller reserves the right to contract such additional audits to a firm other than the one selected by this RFP.

- 4.8 The Contractor shall be required to attend all mutually scheduled meetings regarding the services to be performed under this RFP.
- 4.9 The Contractor shall be required to provide weekly, and as requested, status reports to the Auditor-Controller during the audit fieldwork period, summarizing the results and progress of the audit. Any significant audit findings and/or delays in obtaining information that require management attention or recommendations for immediate corrective action by departments, shall be communicated by the Contractor in the weekly status reports.
- 4.10 If conditions are discovered which lead to the belief that material errors, fraud, or abuse may have occurred, or if any other circumstances are encountered that require extended services, the contractor shall promptly advise the County Administrative Officer and the Auditor-Controller. No extended services shall be performed unless authorized in a contractual agreement or in an amendment to the agreement entered in to subsequent to this RFP.

5.0 – County Support and Assistance

- 5.1 Preliminary to, and throughout the engagement, the County proposes to make available support personnel to provide assistance for tasks such as identifying locations of required records and supporting information, providing client prepared supporting schedules, preparing confirmations and such other tasks that will serve to expedite the conduct of the audit as deemed reasonable and necessary by the County.
- 5.2 The Auditor-Controller will provide the Contractor with adjusted trial balances from the County's financial accounting system.
- 5.3 The Auditor-Controller, with cooperation from other County departments, will prepare and provide the Contractor a draft of the schedule of expenditures of federal awards in connection with the Single Audit.
- 5.4 The County will provide reasonable office space, desks, tables, chairs, and access to fax and copy machines while the Contractor is performing the services under this RFP.
- 5.5 The Auditor-Controller will coordinate with the Contractor to provide reasonable and necessary access to the County's financial accounting system while the Contractor is conducting fieldwork.

6.0 – Proposal Requirements

To be considered for award, the proposal submitted must specifically address all of the following items:

- 6.1 A cover letter, which shall be signed by an authorized employee or officer of the firm, which briefly summarizes the proposal. Additionally, the Contractor must state in the cover letter the Contractor's proposal shall be in accordance with all terms, conditions and requirements

contained in this RFP, and that the proposal shall remain valid for a period of up to one hundred and twenty (120) days following the date of receipt of the proposal. The cover letter shall also provide the name, phone and fax numbers and email address for the primary contact during the RFP process. The cover letter should not exceed two (2) pages in length. The County reserves the right to make an award without further discussion of the proposal with the Contractor. Therefore, the proposal should be submitted initially on the most favorable terms that the Contractor might propose. As such, proposals that are signed:

- 6.1.1 For a partnership, shall be signed in the firm name by a partner or the Attorney-In-Fact. If signed by the Attorney-In-Fact, there shall be attached to the proposal a Power-of-Attorney evidencing authority to sign proposals, dated the same date as the proposal and executed by all partners of the firm.
 - 6.1.2 For a corporation, shall have the correct corporate name thereon and the actual signature of the authorized officer of the corporation written (not typed) below the corporate name. The title of the office held by the person signing for the corporation shall appear below the signature of the officer.
 - 6.1.3 By an individual doing business under a firm name, shall be signed in the name of the individual doing business under the proper firm name and style.
- 6.2 A comprehensive table of contents of material included in the proposal. This index must include a clear definition of the material and be identified by sequential page numbers.
 - 6.3 A statement of whether the firm is local, national or international. Any general information about the firm should be limited to one page in this section of your firm's proposal.
 - 6.4 The location of the office from which the majority of the work shall be completed, and the number of partners, directors, managers, supervisors, seniors and other professional staff employed at that office.
 - 6.5 Identification of the personnel proposed to be assigned to work on the audit, including staff from other than the office indicated above. If they are planned for work on the audit, indicate the name and position (partner, supervisor, etc.), and the minimum percentage of time that each individual is expected to work on the audit. Resumes for each person expected to be assigned to the audit must be included. (Include resumes as an appendix.) This information should be updated annually prior to beginning field work.
 - 6.6 Description of the firm's computer capability, including the background(s) of personnel skilled in use of accounting software proposed for the audits.
 - 6.7 Provide references, including contact names and telephone numbers, and descriptions of recent local and regional office auditing experience similar to the type of services requested. Client officials responsible for the audits listed may be contacted for reference. Specifically include other county audits, and/or other local government audits.
 - 6.8 Provide the names of the person(s) who shall be authorized to make representations on behalf of the Contractor, their title(s), address(es), and telephone numbers(s).
 - 6.9 A statement regarding the education and training program provided to, or required of, the staff identified for participation in the audit, particularly with reference to governmental accounting and auditing, governmental practices and procedures, and governmental affairs.

- 6.10 If the Contractor is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium must be separately identified, and the firm that is proposed to serve as the principal should be noted.
- 6.11 Provide the results of the firm's most recent peer review. A copy of the peer review report must be attached as part of the proposal.
- 6.12 Clearly describe the scope of method of services proposed to be provided; including all requirements set forth in the Section 2.0 of this RFP, and the Contractor's audit.
- 6.13 State the classification of staff to be assigned to each engagement, as identified in Section 2.0, including each classifications rate per hour and the estimated hours to be incurred for each engagement by staff classification.
- 6.14 State the total all-inclusive maximum cost per fiscal year, and estimated total hours for which work outlined in Section 2.0 shall be provided for fiscal years ending June 30, 2020, 2021 and 2022, and optional extension 2023 and 2024.

The fee should be broken down as follows:

- Annual financial statements
- Single Audit requirements
- GANN Appropriations Limit

- 6.15 Out-of-pocket expenses are to be included in the total all-inclusive maximum cost.
- 6.16 State the maximum percentage(s) by which the total not to exceed price above will increase over each of the additional years of the contract(s), should the contract(s) be extended.
- 6.17 Litigation Status - You are requested to furnish any information on the nature and magnitude of any litigation whereby, during the past two years, a court has ruled against your firm in any matter relating to the professional activities of your firm. In addition, you are asked to describe the nature, magnitude, and status of any litigation current or pending against your firm in any manner related to your professional activities.

7.0 – Submission of Proposals

- 7.1 Two original hard copy and an electronic copy of the proposal shall be received no later than the time and date indicated on the cover page of this RFP. Proposals must be submitted to the Auditor-Controller, 311 4th Street, Room 101, Yreka, California 96097. The electronic copy must be emailed, as an attachment, to the Auditor-Controller at: cmoore@co.siskiyou.ca.us This emailed package must meet the submission deadline on the cover page.
- 7.2 Late proposals shall not be accepted or considered; there shall be no mitigating circumstances. The County shall not be responsible for proposals delivered to a person or location other than that specified in this RFP.

- 7.3 All proposals shall be submitted in a sealed envelope or container, and clearly marked with the title “Siskiyou County Proposal for Annual Financial Statements”. If emailed the subject line should be “Siskiyou County Proposal for Annual Financial Statements”.
- 7.4 All proposals, whether selected or rejected, shall become the property of the County.
- 7.5 All costs associated with proposal preparation shall be borne by the Contractors.
- 7.6 In any request or decision involving a proposal mistake, correction or withdrawal, the Auditor-Controller will consult with County Counsel. Except as otherwise specified in Section 5100 of the Public Contract Code, correction or withdrawal of inadvertently erroneous proposals before or after proposal opening may be permitted only if such correction or withdrawal is not prejudicial to the interest of the County or fair competition.
- 7.7 Mistakes in proposals detected prior to proposal opening may be corrected or withdrawn by the Contractor with a written request received by the Auditor-Controller prior to the date and time designated for opening of proposals. The written request must be signed by the same person who signed the original proposal, and shall be sealed, time-stamped and deposited in the same manner as the original proposal. Oral, faxed, or telegraphic corrections or withdrawals shall not be permitted.

8.0 – Selection Process

- 8.1 The Auditor-Controller will review all proposals received and make determinations relative to timeliness, signatures or other submission related issues of the proposal(s). A non-responsive submittal shall be eliminated from further consideration and cannot be recommended for award of a contract. Upon completion of the review, the Auditor-Controller and/or other qualified individuals will screen all responsive proposals.
- 8.2 A reasonable number of firms with the most highly qualified proposals may be invited for interviews and further consideration. The proposed project manager shall represent the firm during the interview process.
- 8.3 The Auditor-Controller will prepare evaluations based upon the weighted evaluation criteria contained in Section 9.0 of this RFP. The contract will be brought before the Board of Supervisors for approval.
- 8.4 The County reserves the right to award a contract to the firm that presents the proposal, which, in the sole judgment of the County, is determined to be the most advantageous offer based on cost and other criteria as indicated by the evaluation impact points below.

9.0 – Evaluation Criteria

- 9.1 Proposers will be evaluated using the following criteria:

Evaluation Criteria

Prior auditing experience, sub criteria are:

- a. County and local government audits

- b. Single Audit experience

Organization size, structure and resources of firm

Qualifications of staff to be assigned to audit. Education, position in the firm and years and type of experience will be considered. Qualifications will be based on resumes/proposals submitted and interview(s), if applicable.

Project approach and plan of work to be performed. This shall be determined by the approach to the audit and the time estimates to perform each section as set forth in the proposal and interview (if any).

Sub criteria points are:

- a. Audit coverage and approach, for example, time allowed for field work, composition and qualifications of engagement team.
- b. Realistic time estimate for proposed audit

Cost Proposal, including maximum increase for subsequent years for maximum potential cost to County

10.0 – Proposal Review and Contract Award Timeline

Timeline for Proposal Review and Contract Award

April 9, 2020	RFP issued
April 22, 2020	Last day for RFP questions submitted to County
April 24, 2020	Final Addendum to answer questions (if required)
May 8, 2020	Proposals due to Siskiyou County Auditor-Controller
May 11, 2020	Initial RFP Evaluation Meeting
May 20- May 22, 2020	Interviews of top firms, if required
May 29, 2020	Final negotiations
June 16, 2020	Recommendation of award and contract to Board of Supervisors
July 1, 2020	Contract starts

11.0 – Billing of Fees

- 11.1 Compensation for the conduct of the work will be paid upon review and approval of progress payment invoices received from the Contractor by the Auditor-Controller. Invoices must be substantiated with detailed itemization related to the specific project being billed (as identified in Section 2.0 of the RFP), actual dates of the billing period, total hours expended by classification of staff multiplied by the hourly billing rates as set forth in Section 6.0.
- 11.2 Per fiscal year, one progress payment equivalent to fifty percent (50%) of the total work set forth in the Agreement, subject to terms of contract and Auditor-Controller approval. A second progress payment for an additional twenty-five percent (25%) of the total compensation upon submission of the final audit report to the Auditor-Controller. Final

payment is due upon completion of all work for the year outlined in the Agreement, subject to terms of the contract and Auditor-Controller approval.

12.0 – Audit Schedule

- 12.1 The audit schedule will be determined by the Contractor and the Auditor-Controller. The County anticipates that adjusted trial balances for the Financial Statements for the fiscal year ending June 30, 2020 will be available by October 15, 2020.
- 12.2 The Contractor must provide annual entrance conferences, progress reporting and exit conferences. Scheduled meetings will be determined after the awarding of the contract.

Entrance Conferences:

- 12.2.1 Entrance conference with Auditor-Controller, and others, if requested
- 12.2.2 The purpose of entrance conferences shall be to discuss prior audit problems and the interim work to be performed. This meeting will also be used to establish overall liaison for the audit and to make arrangements for workspace and other needs of the Contractor.

13.0 – Reporting Deadlines

The timetable for the June 30, 2020 reports, and the specific number of copies of reports required, shall be as indicated below. An unbound copy of each report shall accompany the bound reports as indicated below. Subsequent years' timetables shall be developed pursuant to this general timetable. All reports shall be printed on 20 lb 8 ½" x 11" standard paper, or folded to match that size, and shall be securely bound in a professional manner.

<u>Deliverable</u>	<u># of Bound Reports</u>	<u>Due Date</u>
Auditor's Report on the Annual Financial Statements	5	February 15, 2021
Single Audit Report	5	February 15, 2021

14.0 – Other Information

- 14.1 The Contractor shall be required to execute the contract upon selection and awarding of the contract to the successful bidder and final negotiation of contract terms.
- 14.2 Minimum hold harmless, insurance and indemnification requirements for the proposed contract are included in the contract. The Contractor shall be required to maintain, and submit proof of, the levels of insurance indicated.
- 14.3 In order to assure that the designated project team is used for the project, departure or reassignment of, or substitution for, any member of the designated project team may be

grounds for cancellation of the contract at the option of the County. The Contractor will notify the County immediately of any proposed departures, reassignments or substitutions.

- 14.4 Proposers warrant and covenant that no official or employee of the County, nor any business entity in which an official of the County has an interest, has been employed or retained to solicit or aid in the procuring of the resulting contract, nor that any such person will be employed in the performance of such contract without immediate divulgence of such fact to the County.
- 14.5 Inquiries regarding the RFP process or proposal submission shall be submitted initially via email to the following address:

cmoore@co.siskiyou.ca.us

If discussion is required, Auditor-Controller, Jennie Ebejer or Asst. Auditor-Controller, Annemarie Zediker will telephone to discuss or return email with contact instructions. Within the time limits set in Section 10, substantial inquiries and answers will be included in official addenda.