

COUNTY OF LEE, VIRGINIA
REQUEST FOR PROPOSALS FOR AUDIT SERVICES
County of Lee, Virginia
May 6, 2020

I. INTRODUCTION:

The Board of Supervisors of the County of Lee, Virginia requests independent certified public accountants to submit proposals to enter into a term contract to perform financial audits for the fiscal years ended June 30, 2020 through 2022. This contract may be extended for two additional years by the County. There is no expressed or implied obligation that the County of Lee, Virginia shall reimburse responding firms for any expenses incurred in preparing proposals in response to this request. Financial records of the County are available for review in the Office of the County Administrator.

II. SCOPE OF WORK TO BE PERFORMED:

Financial Statements

The auditor shall audit all funds in the custody of the County Treasurer as well as the component unit – School Board in accordance with generally accepted auditing standards; the standards for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the provisions of the OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*; and the *Specifications for Audits of Counties, Cities and Towns*. The audit shall result in the preparation of financial statements from the audited records of the Local Government with the auditor's opinion thereon. These financial statements shall be prepared in accordance with standards established by the Governmental Accounting Standards Board.

Supplemental Schedules and Statistical Schedules

The auditor shall apply procedures and report on the supplementary schedules included in the Financial Report, the analysis of funding progress for pension and OPEB plans, and the schedule of expenditure of federal awards. The auditor is also required to apply procedures and report on statistical tables included in the Financial Report.

Internal Controls

In connection with the audit of the financial statements, the auditor shall consider, test, and report on internal controls in accordance with Generally Accepted Auditing Standards (GAAS), *Government Auditing Standards*, OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and the *Specifications for Audits of Counties, Cities and Towns*.

Compliance Auditing

In connection with the audit of the financial statements, the Auditor shall perform tests and report on compliance in accordance with Government Auditing Standards, OMB Circular A-

133, *Audits of States, Local Governments and Non-Profit Organizations*, and the *Specifications for Audits of Counties, Cities and Towns*.

Component Units Related Organizations:

The County has identified the following as component units requiring inclusion in the Local Government's financial statements.

Lee County School Board

Lee County Public Service Authority

Lee County Economic Development Authority

The County also serves as Fiscal Agent for the Southwest Virginia Workforce Development Board.

The Lee County Public Service Authority, Lee County Economic Development Authority, and Workforce Development Board all procure their audit services separately from the County.

Comparative Report Transmittal Forms

The Auditor of Public Accounts requires all local governments to complete Comparative Report Transmittal Forms. The auditor shall prepare the required forms, perform the agreed upon procedures specified by the Auditor of Public Accounts and submit the forms to the Auditor of Public Accounts by November 30th following the end of each fiscal year.

III. MEETINGS AND REPORT PREPARATION:

Meetings

The selected Auditor shall schedule conferences between the Auditor and administration of the Local Government before the preliminary work and at the end of field work. The purpose of these meetings is to keep the governing body fully informed on the scope and progress of the audit.

Required Reports

Based on the audit work performed, the Auditor shall include the following reports in the Audited Financial Report unless otherwise indicated:

1. An opinion on the fair presentation of the basic financial statements and any fund statements presented in conformity with accounting principles generally accepted in the United States of America.
2. A report on the supplementary schedules described in Section II above. The auditor will also prepare a report on the statistical schedules included in the Financial Report.
3. A 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(2018 Revision)*. The Auditor shall communicate

all deficiencies found during the audit in the report on internal controls. Further, the Auditor shall identify any material weaknesses in his audit. The Auditor shall report other weaknesses in internal controls not meeting the definition of a significant deficiency in a separate letter to management referred to in the report on internal controls.

4. A report on compliance with requirements applicable to each major program and internal control over financial reporting in accordance with OMB Circular A-133.
5. A report on the application of agreed-upon procedures relative to the County and School Board's compliance with requirements of the Virginia Retirement System. Such report shall be prepared and submitted to the Auditor of Public Accounts in accordance with their *Specifications for Audits of Counties, Cities and Towns*.
6. A report disclosing the status of findings and recommendations from the previous audits in accordance with *Government Auditing Standards(2018 Revision)*, OMB Circular A-133 and the *Specifications for Audits of Counties, Cities and Towns*.
7. A report on the application of agreed-upon procedures relative to the Comparative Report Transmittal Forms. This report shall be submitted to the Auditor of Public Accounts with the Comparative Report Transmittal Forms.
8. The completion of Form SF-SAC, Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations, in accordance with OMB Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations.
9. The preparation of the County's landfill assurance test required to be submitted to the Virginia Department of Environmental Quality by December 31 each year.
10. Report Preparation and Presentation
The Auditor shall be responsible for report preparation, editing, and printing. The Auditor shall be responsible for completion of the County's SF-SAC form, the County's Landfill Assurance Forms and any other filings that are related to the audit.

Submission of Reports to the APA

The Auditor shall submit two copies of the Financial Report to the Auditor of Public Accounts in accordance with the *Code of Virginia*.

Submission of Reports to Federal and State Agencies

The Auditor shall be responsible for submitting copies of the Financial Reports to appropriate state and federal agencies.

Submission of Transmittal Forms to the APA

The Auditor shall submit one copy of the Comparative Report Transmittal Forms, including his report thereon, to the Auditor of Public Accounts by November 30th following the end of the fiscal year

IV. ASSISTANCE TO BE PROVIDED TO THE AUDITOR

A. Books of Account

The Local Government shall fully balance the books of account, reconcile subsidiary ledgers to control accounts, and reconcile all bank accounts within 60 days of year end.

B. Schedules

County staff or consultants shall prepare the following information on forms acceptable to the Auditor:

1. A final detailed trial balance of each fund;
2. A copy of the final budget presented to the Board for the audit period, the original budget for the audit period, and all amendments to the budget, as adopted by resolution of the Board of Supervisors;
3. A schedule of insurance in force during the year and of insurance expense for the year;
4. A schedule of investments held by all funds at the statement date showing both book value and estimated market value at the statement date;
5. A schedule of capital outlays during the period;
6. A schedule of capital asset dispositions during the period;
7. Reconciliation of the final quarter's fringe benefit tax returns;
8. Copies of contracts with governmental grantor and grantee agencies;
9. Copies of other contracts in force at statement date of a material amount and
10. Such reasonable additional schedules as may be requested for financial audits.
11. A schedule of County and component unit fixed assets with depreciation calculated thereon.
12. The Management's Discussion and Analysis for inclusion in the financial report.

C. Other Assistance

The staff of the County shall be available during the audit to assist the firm by providing information and explanation.

V. PROPOSAL PRESENTATION AND SUBMISSION

A. Format of the Proposal

Proposals should be as thorough and detailed as possible so that the County may properly evaluate the Auditor's ability to provide the required services. Each copy of the proposal should be bound or contained in a single volume. All documentation submitted with the proposal should be contained in that single volume.

B. Contents of the Proposal

The Auditor is required to submit the following items as a complete proposal:

(1) Title Page

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

(2) Letter of Transmittal or other format which includes the items listed below.

- a. History of the firm, including number of years in business and size of firm.
- b. A statement by the prospective Auditor of his understanding of the work to be performed with descriptions of the audit approach.
- c. The approximate dates the audit will begin (including preliminary field work) and end, as well as the approximate dates for delivery of the financial statements and Auditor's reports.
- d. Biographies, including experience, of the individuals who will be assigned to the engagement, relevant experience of each in auditing municipalities and continuing professional education of each for the past three years. Please identify each course taken to meet the requirements of *Government Auditing Standards (2011 Revisions)*
- e. Names, addresses and telephone numbers of persons who may be contacted for references.
- f. A copy of the report on the firm's most recent external peer review which is required every three years for firm's performing governmental audits.
- g. A copy of the firm's most recent review performed by the Auditor of Public Accounts.
- h. A statement by the prospective Auditor that:
 1. The firm is independent of the County of Lee, as that term is defined in the Ethical Rules of the AICPA.
 2. The firm and the partner assigned to the engagement are licensed to perform the audit as provided by applicable laws of the Commonwealth of Virginia.
 3. The firm has met the peer review standards of the AICPA and as required by *Government Auditing Standards (2011 Revisions)*.
 4. The firm will provide adequate supervision on a day-to-day basis.
 5. Staff assigned to the audit have met the continuing education requirements required by *Government Auditing Standards (2011 Revisions)*, issued by the Comptroller General of the United States.

C. Right to Reject Proposals

Proposals shall be signed by an authorized representative of the firm. All information requested must be submitted. Failure to submit all requested information may result in the rejection of the proposal.

D. Deadline for Submission

To be considered for selection, the Auditor shall submit a complete response to the Request for Proposal. One original and 5 copies of the proposal shall be submitted to the Local Government. Copies of the proposal may be mailed to P.O. Box 367, Jonesville, VA 24263 or hand delivered to the Lee County Courthouse, 33640 Main St., Room 111,

Jonesville, VA 24263. The proposal should clearly be marked "Proposal for Audit Services." The deadline for submission is 2:00 p.m., local prevailing time, on May 28, 2020.

E. Inquiries

Inquiries concerning the request for proposal should be directed to Dane Poe, County Administrator at (276) 346-7714 or ddpo@leecova.org.

VI. EVALUATION AND AWARD CRITERIA

A. Evaluation of Proposals

Proposals submitted will be evaluated by the Lee County Board of Supervisors and the County Administrator. Evaluation criteria will be as follows:

- a. Qualifications and experience of project team. (25 points)
- b. Experience on similar projects. (25 points)
- c. References. (10 points)
- d. Clarity of the proposal. (20 points)
- e. Ability to meet project schedule. (20 points)

B. Award of Contract

The selection process shall be in accordance with Title 2.2, Chapter 43 of the *Code of Virginia*.

VII. Payment Terms

The audit fee shall be payable in full upon completion of the audit and upon approval of the report by the Governing Body. Interim billings will not be allowed. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than is necessary under ordinary circumstances, the Auditor shall inform the Governing Body of the need for such additional investigation and the additional compensation to complete the investigation.

VIII. General Terms and Conditions for Professional Services

- A. Submission of Proposal: Failure to submit a proposal in accordance with the requirements set forth in this solicitation is cause for rejection of the proposal. However, the County reserves the right to decide, on a case by case basis, in its sole discretion, whether or not to reject such a proposal.
- B. Clarification of Terms: If any prospective offeror has questions about the terms contained in the solicitation documents, the prospective offeror should contact the County Administrator, no later than seven (7) working days before the due date. Any revisions to the solicitation will be made only by addendum.
- C. Applicable Laws and Courts: This solicitation and any resulting contract shall be governed in all respects by the laws of the Commonwealth of Virginia and any litigation

with respect thereto shall be brought in the courts of the Commonwealth. The Auditor shall comply will applicable federal, state, and local laws and regulations.

- D. Anti-Discrimination: By submitting their proposals the Auditor certifies that he will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, the Virginians with Disabilities Act, and the Americans with Disabilities Act. The Auditor also agrees that during the performance of this contract:
- a. The Auditor shall not discriminate against any employee or applicant for employment because of race, religion, color, sex or national origin. The Auditor agrees to post in a conspicuous place, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
 - b. The Auditor, in all solicitations or advertisements for employees placed by or on behalf of the Auditor, shall state that the Auditor is an equal opportunity employer.
 - c. Notices, advertisements and solicitations placed in accordance with federal laws, rules or regulations shall be deemed sufficient for the purpose of meeting the requirements of this section.
- E. Ethics in Public Contracting: By submitting their proposals, the Auditor certifies that their proposals are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other bidder/offeror in connection with their proposal, and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, or anything of more than nominal value, present or promised unless consideration of substantially equal or greater value was exchanged.
- F. Immigration Reform and Control Act of 1986: By submitting their proposals, the Auditor certifies that they do not and will not during the performance of this contract employ illegal alien workers or otherwise violate the provisions of the federal Immigration Reform and Control Act of 1986.
- G. Qualifications of Prospective Bidder: The County of Lee may make such reasonable investigations as they deem proper and necessary to determine the ability of the firm proposing to perform the work. The County reserves the right to reject any proposal if the evidence submitted by the firm, or investigations of the firm, fail to satisfy the County that the firm is properly qualified to carry out the obligations of the contract and to complete the work contemplated therein.
- H. Changes to the Contract: The County of Lee may order changes within the general scope of the contract at any time by written notice to the Auditor. The Auditor shall be compensated for any additional costs incurred as a result of such order. Said compensation shall be determined by mutual agreement between the parties in writing.

- I. Default: In case of failure to deliver services in accordance with the contract terms and conditions, the County of Lee, after due oral and written notice, may procure them from other sources and hold the Auditor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies that the County may have.
- J. Canceling or Amending a Solicitation: The County of Lee may cancel or withdraw a solicitation in whole or in part and reject any and all proposals at any time prior to an award. The County also may amend the solicitation by the issuance of an addendum prior to the time set for receipt of response.
- K. Protest of Award or Decision to Award: Any Auditor submitting a proposal in response to a solicitation may protest the award or decision to award a contract by submitting such protest in writing no later than ten days after the award is made or the notice of intent to award is posted. The written protest must be received by Dane Poe, County Administrator no later than 4:30 p.m. of the tenth day. If the tenth day falls on a weekend or official holiday, the ten day period expires on the next regular working day. The protest shall include the specific basis for the protest and the relief sought. The County Administrator shall issue a decision in writing within ten days stating the reason for the action taken. This decision shall be final unless the offeror appeals within ten days of written decision by invoking the County's appeal procedures, or institutes legal action as provided in Section 2.2-4364 of the *Code of Virginia*. If the protest of any offeror depends in whole or in part upon information, then the time within which the protest must be submitted shall expire ten days after these records are available for public inspection by such offeror, or at such later time as provided in this section. No protest shall lie for a claim that the selected offeror is not a responsible offeror.
- L. Claims: Contractual claims for money or other relief shall be submitted in writing no later than sixty days after approval of the audit report by the governing Body.

IX. Special Terms and Conditions

- A. Availability of Funds: It is understood and agreed between the parties herein that the County of Lee shall be bound hereunder only to the extent funds are available or which may hereafter become available for the purpose of this agreement.
- B. Cancellation of Contract: The County of Lee reserves the right to cancel and terminate any resulting contract, in part or in whole, without penalty, upon 60 days written notice to the Auditor. Any contract cancellation notice shall not relieve the Auditor of the obligation to complete an audit commenced before the effective date of the cancellation.
- C. Extension of Contract: This contract may be extended for two additional years by the County of Lee upon written agreement of both parties under the terms of the current contract and at a reasonable time prior to the expiration.

- D. Filing Requirements: The prospective bidders are reminded that the audit contract will be filed with the Auditor of Public Accounts, Commonwealth of Virginia.
- E. Retention of Working Papers: The Auditor hereby agrees to retain all books, records and other working papers relative to this contract for seven (7) years after final payment. The County of Lee, Virginia, its authorized agents, and/or state and federal auditors shall have full access to and the right to examine any of said materials during this period.
- F. Subcontracts: No portion of this work shall be subcontracted without prior written consent of the County of Lee, Virginia. The Auditor shall, however, remain fully liable and responsible for the work to be done by the subcontractors and shall assure compliance with all requirements of the contract.