

COUNTY OF SCOTT, VIRGINIA

REQUEST FOR PROPOSAL

FOR AUDIT SERVICES

The Board of Supervisors of Scott County (hereinafter called the "County") invites qualified independent certified public accountants (hereinafter called "auditor") to submit proposals to perform a financial and compliance audit for the three fiscal years ending June 30, 2019 through June 30, 2021 (*and alternate proposals will also be accepted and considered for a five year period of June 30, 2019 through June 30, 2023*) in accordance with the following specifications.

SCOPE

- a. Financial Audit - The independent auditor will examine all funds of the County in accordance with generally accepted government auditing standards relating to financial and compliance audits and the applicable Specifications for Audit of Counties, Cities and Towns issued by the Auditor of Public Accounts, Commonwealth of Virginia and applicable Government Auditing Standards issued by the Comptroller General of the United States. The examination shall result in the preparation of financial statements from the audited records of the unit with the auditors' opinion thereon. The auditors' opinion shall be unqualified unless the auditors furnish to the County, on a timely basis, their reasons for qualifying the opinion, disclaiming an opinion or rendering an adverse opinion.
- b. The auditor shall also conduct his audit in accordance with OMB Circular A-133, Audits of State and Local Governments and Non Profit Organizations.

- c. **Report on Internal Controls - The auditor shall issue a report on internal controls to the governing body containing recommendations to strengthen internal controls should such be necessary.**
- d. **Transmittal forms - The Auditor of Public Accounts requires all localities to complete transmittal forms in accordance with the provisions of the applicable Uniform Financial Reporting Manual for Virginia Counties and Municipalities (Manual). An opinion from the auditor must be rendered on these forms and submitted along with the forms to the Auditor of Public Accounts. The auditor must prepare the required forms, render an opinion thereon, and submit same to the Auditor of Public Accounts not later than November 30, of each year.**
- e. **Submission of reports - The firm shall provide to the County Administrator ten (10) paper copies in addition to an electronic copy of the final financial statements and auditors' report thereon within ten days of the Auditor of Public Accounts approval of the draft of the auditor's report. The County Administrator, Superintendent of Schools, Director of Social Services, Director of the Scott County Public Service Authority, Director of Economic Development Authority and Director of Head Start will be provided with a copy of the draft of the Auditor's report no later than the time when the draft report is submitted to the Auditor of Public Accounts for approval. Ten (10) copies of the final audit reports for the audits for their respective authorities and programs shall be submitted to the Scott County Superintendent of Schools, Director of the Scott County Public Service Authority and Director of Social Services. Three (3) copies of the financial report, including auditors' reports on internal controls and compliance, and one copy of the transmittal forms referred**

to in (d) above must be submitted to the Auditor of Public Accounts not later than November 30 following the end of the fiscal year. In addition, a copy of the financial report, report on internal controls and report on compliance must be submitted to the Auditor of Public Accounts for each State agency that provided Federal funds to the unit.

#### REPRESENTATION OF THE UNIT

The following are the current funds of the County:

##### Governmental Fund Types:

General Fund

Special Funds

Delinquent Tax Litigation

Excess Scrap Metal Funds

Courthouse Maintenance/Construction Fund

Courthouse Security Fund

Coal & Road Tax Fund

Law Library Fund

Court Ordered Restitution Fund

Forfeited Asset Seizure Fund

Technology Trust Fund

Motor Vehicle Violation Fund

VA Wireless Grant Fund

Concealed Weapons Permit Fund

Inmate Fund

**Comprehensive Services (Pool) Fund**

**Special Revenue Funds:**

**School Operating Fund**

**Department of Social Services Fund**

**School Cafeteria Fund(s)**

**School Textbook Fund**

**School Insurance Fund**

**Federal Asset Seizure Fund**

**Capital Projects Funds:**

**General Capital Projects Fund**

**School Capital Projects Fund**

**REPRESENTATION OF THE UNIT**

**Proprietary Funds**

**Enterprise Funds**

**Trust and Agency Funds**

**Special Welfare**

**CSA Trust**

**CPMT Pool**

**Account Group:**

**General Long-Term Debt (including Schools)**

**Note: Authorities, Boards and Commissions includes the Scott County Public**

**Service Authority, the Scott County Economic Development Authority, and**

Scott County Head Start as these are considered to be component units under NCGA Statements 3 and 7 and should be listed as appropriate.

- f. The books of account will be fully balanced, all subsidiary ledgers reconciled to control accounts, and all accounts for all months reconciled no later than August 15, immediately following statement data.
- g. County personnel shall coordinate with the auditor in the preparation of forms acceptable to the auditor with the following information.
  - (1) A final trial balance of each fund;
  - (2) A final trial balance of each subsidiary ledger;
  - (3) A schedule of Federal program revenues, expenditures and beginning and ending balances by program;
  - (4) A copy of the final budget presented to the board for the audit period, the original budget ordinance for the audit period and all amendments to the budget ordinance;
  - (5) A copy of all project ordinances and all amendments thereto for all projects beginning during the period or not fully completed prior to the period;
  - (6) A schedule of insurance in force during the year and of insurance expense for the year;
  - (7) A schedule of investments of all funds at statement data showing both book value and estimated market value at statement date;
  - (8) A schedule of all capital outlays during the period;
  - (9) A schedule of all capital asset dispositions during the period;
  - (10) A schedule of accounts payable at statement date;
  - (11) Reconciliation of the final quarters' fringe benefit tax returns;
  - (12) Copies of all contracts with governmental grantor or grantee agencies;
  - (13) Copies of all other contracts in force at statement date of a material amount; and
  - (14) Such reasonable additional schedules as may be requested for financial and compliance audits.

#### REPRESENTATION OF THE AUDITOR

- a. The auditor must represent that he is independent as that term is defined in the Ethical Rules of the AICPA.

- b. The auditor must represent that he is licensed to perform the audit as provided in the applicable laws of the Commonwealth of Virginia.
- c. The auditor must represent that adequate supervision will be provided on a day-to-day basis and that the resulting work papers shall be adequate and shall be available for routine review by appropriate auditors of the Federal and State governments.

The firm should provide a positive statement that it has complied with the Quality Control section as required by Government Auditing Standards issued by the Comptroller General of the United States. This standard includes an appropriate internal quality control system in place and participation in an external Quality Control review program. The firm should also provide a copy of its most recent peer review opinion.

### PROPOSAL

Five (5) sealed copies of the proposal shall be forwarded to: Freda R. Starnes, County Administrator, 190 Beech Street, Suite 201, Gate City, Virginia 24251, clearly marked "Proposal - Audit Services" no later than 4:30 p.m. on Friday, May 24, 2019.

The proposal shall include:

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. Table of Contents

3. Letter of Transmittal:

- a. A statement by the prospective auditor of his understanding of the work to be done with descriptions of the audit approach and illustrations of the procedures to be employed.
- b. The approximate date the audit will begin (including preliminary field work) and end, as well as approximate dates for delivery of the financial statements and/or auditors' reports.
- c. Biographies, including experience, of the individuals who will be assigned to the engagement, relevant experience of each in auditing municipalities, and recent continuing professional education of each. As required by the Government Auditing Standards, responsible auditors should complete at least 80 hours of continuing professional education every two years of which at least 24 hours must be directly related to the government environment and government auditing.
- d. Names, addresses and telephone numbers of at least four persons who may be contacted for reference.

- e. History of firm including years in business, size of firm and number of governmental contracts in force, and status of auditing Counties in the Commonwealth of Virginia.
4. Authorization to Transact Business: Please see the attached form titled "Proof of Authority to Transact Business in Virginia."

### SELECTION PROCESS

The selection process will be in accordance with Section 2.2-4302.2 of the Code of Virginia, as amended for competitive negotiation of professional services. The County shall engage in individual discussions with two or more offerors deemed fully qualified, responsible and suitable on the basis of initial responses and with emphasis on professional competence, to provide the required services. Such offerors shall be encouraged to elaborate on their qualifications and performance data or staff expertise pertinent to the audit. This Request for Proposal is not, however, requesting that offerors furnish estimates of man-hours or cost for services. At the discussion stage, the County may discuss nonbinding estimates of total costs. Proprietary information from competing offers shall not be disclosed to the public or to competitors. At the conclusion of the discussion, on the basis of selection criteria listed in this Request for Proposal and all information developed in the selection process to this point, the County shall select in order of preference two or more offerors whose professional qualifications and proposed services are deemed most meritorious. Negotiations shall then be conducted, beginning with the offeror ranked first. If a contract satisfactory and advantageous to the County can be negotiated at a price considered fair and reasonable, the award shall be made to



that offeror. Otherwise, negotiations with the offeror ranked first shall be formally terminated and negotiations conducted with the offeror ranked second, and so on until such a contract can be negotiated at a fair and reasonable price. Should the County determine in writing and in its sole discretion that only one offer is fully qualified, or that one offeror is clearly more highly qualified and suitable than the others under consideration, a contract may be negotiated and awarded to that offeror.

### **MEETINGS**

Conferences between the auditor and the County Administrator and appropriate staff will be scheduled by the selected auditor before the preliminary work and at the end of the field work. The purpose of the meetings is to keep the County fully informed on the scope and progress of the audit.

### **SELECTION CRITERIA WILL INCLUDE THE FOLLOWING:**

- (1) The skill, experience, training and time commitments of the specified persons who will be performing the services requested.
- (2) The auditor's understanding of the unit's system of accounting obtained through prior experience or discussion with appropriate local officials.
- (3) The prior experience and reputation of the auditor in auditing governmental units similar to the unit.
- (4) Time proposed to complete the engagement.

## OTHER MATTERS

- a. Respondents should contact the Scott County Administrator, Freda R. Starnes, to answer any questions, which might arise and to discuss general background information on the government and its operations. (Telephone: 276-386-6521) A copy of the most recent Audit Report (CAFR) and Cost Allocation Plan will be made available for review upon request.
- b. The government intends to continue the relationship for no less than 3 years, with consideration to be given to ALTERNATE PROPOSALS for 5 years, or until a determination is made that it is in the best interest of the County government to request new proposals.
- c. The prospective bidders are reminded that the audit contract must be filed with the Auditor of Public Accounts, Commonwealth of Virginia.
- d. Procurement will be in conformance with Virginia Public Procurement Act (Va. Code Sections 2.2-4300 et. seq.) and Scott County Public Procurement Ordinance. Contract document will contain such provisions as prohibiting discrimination, prohibiting employment of illegal alien workers, and requiring a drug free workplace, among others, so as to comply with the foregoing legislation and will be subject to approval by the County Attorney as to legal form.

Those submitting proposals to perform the Audit Services are to submit their proposals in a sealed envelope to the County Administrator's Office, 190 Beech Street, Suite 201, Gate City, VA 24251 no later than **Friday, May 24, 2019 at 4:30 p.m.** That envelope shall be clearly marked "Proposal-Audit Services".

SCOTT COUNTY BOARD OF SUPERVISORS

By:   
\_\_\_\_\_  
Freda R. Starnes  
County Administrator

**PROOF OF AUTHORITY TO TRANSACT BUSINESS IN VIRGINIA**

**THIS FORM MUST BE SUBMITTED WITH YOUR PROPOSAL/BID. FAILURE TO INCLUDE THIS FORM MAY RESULT IN REJECTION OF YOUR PROPOSAL/BID**

The attention of each offeror or bidder is directed to § 2.2-4311.2 of the *Code of Virginia*, which requires an offeror or bidder organized or authorized to transact business in the Commonwealth of Virginia pursuant to Title 13.1 or Title 50 of the *Code of Virginia*, as amended, or as otherwise required by law, to include in its proposal or bid the Identification Number issued to such offeror or bidder by the Virginia State Corporation Commission (SCC). Furthermore, any offeror or bidder that is not required to be authorized to transact business in the Commonwealth as a foreign business entity under Title 13.1 or Title 50 of the *Code of Virginia*, as amended, or as otherwise required by law, shall include in its proposal or bid a statement describing why the offeror or bidder is not required to be so authorized. Failure to provide the required information may result in the rejection of the proposal or bid. If the proposal or bid is accepted by the County, the undersigned agrees that the requirements of the *Code of Virginia* § 2.2-4311.2 have been met. Please complete the following by checking the appropriate line that applies and providing the requested information. **PLEASE NOTE: The SCC number is NOT your federal ID number or business license number.**

A. \_\_\_\_\_ Offeror/Bidder is a Virginia business entity organized and authorized to transact business in Virginia by the SCC and such offeror's/bidder's Identification Number issued to it by the SCC is \_\_\_\_\_.

B. \_\_\_\_\_ Offeror/Bidder is an out-of-state (foreign) business entity that is authorized to transact business in Virginia by the SCC and such offeror's/bidder's Identification Number issued to it by the SCC is \_\_\_\_\_.

C. \_\_\_\_\_ Offeror/Bidder does not have an Identification Number issued to it by the SCC and such offeror/bidder is not required to be authorized to transact business in Virginia by the SCC for the following reason(s): \_\_\_\_\_

\_\_\_\_\_  
Please attach additional sheets if you need more space to explain why such Offeror/Bidder is not required to be authorized to transact business in Virginia.

Legal Name of Company (as listed on W-9): \_\_\_\_\_

By: \_\_\_\_\_ Title: \_\_\_\_\_  
(typed or printed)

Date: \_\_\_\_\_ Authorized Signature: \_\_\_\_\_

**PLEASE RETURN THIS PAGE WITH PROPOSAL OR BID - REQUIRED**