



**REQUEST FOR PROPOSAL
FOR
AUDIT SERVICES**

ST. JOHN'S FIRE DISTRICT, SOUTH CAROLINA

Due Date: **April 21, 2017** Time: 2:00 pm

Receipt Location:

St. John's Fire District
P.O. Box 56
John's Island, SC 29457

Email or facsimile submissions will not be accepted

Contact Person:

Ramona Brown
Controller
(843)559-9191
ra.brown@stjfd.org

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REQUEST FOR PROPOSAL FOR AUDIT SERVICES – St. John’s Fire District

The Fire Commission of St. John’s Fire District (hereinafter called the “District”) invites qualified independent auditors (hereinafter called “auditor”) having sufficient governmental accounting and auditing experience in performing an audit in accordance with the specifications outlined in this Request for Proposal (RFP) to submit a proposal.

There is no expressed or implied obligation for St. John’s Fire District to reimburse firms for any expenses incurred in preparing proposals in response to this request.

The specific details shown herein shall be considered minimum unless otherwise shown. The specifications, terms, and conditions included with this RFP shall govern in any resulting contract(s) unless approved otherwise in writing by St. John’s Fire District. The bidder consents to personal jurisdiction and venue in a state court of competent jurisdiction in Charleston County, South Carolina.

Type of Audit

The audit will encompass a financial and compliance examination of the District’s Comprehensive Annual Financial Report (CAFR) in accordance with the laws and/or regulations of the State of South Carolina, which include requirements for the minimum scope of the audit. The financial and compliance audit will cover federal, state, and local funding sources in accordance with generally accepted auditing standards; *Government Auditing Standards*, the Single Audit Act of 1984; the Single Audit Act Amendments of 1996; the provisions of OMB Circular No. A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, including revisions; the State Single Audit Implementation Act; and all other applicable laws and regulations.

Period

The District intends to continue the relationship with the auditor for no less than three years on the basis of annual negotiation after the completion of the first-year contract. Each year after negotiation has taken place an annual contract documenting the terms of the audit will be signed. Since one governing board may not obligate future governing boards, the remaining years of the agreement are subject to annual governing board approval. St. John’s Fire District reserves the right to request proposals at any time following the first year of this contract. Thus, prepare proposals for the following years, with Year one being the only obligated year:

July 1, 2016 to June 30, 2017
July 1, 2017 to June 30, 2018
July 1, 2018 to June 30, 2019

Requirements

The audit must be conducted in accordance with generally accepted auditing standards; *Government Auditing Standards*, revisions issued by the Comptroller General of the United States; Office of Management and Budget Circular No.A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, including revisions published in *Federal Register*, the State Single Audit Implementation Act of 1996, and any other applicable procedures for the audit of a government's financial statements prepared in accordance with GAAP.

The financial audit opinion will cover the financial statements for the governmental activities, the business-type activities, each major fund, and the remaining fund information, which collectively constitutes the basic financial statements. The combining and individual financial statements, schedules, and related information are not necessary for fair presentation, but will be presented as additional analytical data. This supplemental information, as required by GASB 34, will be subjected to the tests and other auditing procedures applied in the audit of the basic financial statements, and an opinion will be given as to whether the supplemental information is fairly stated in all material respects in relation to the basis financial statements taken as a whole. The auditor shall also express an opinion on the budgetary comparison information for the general fund, the major funds, and any annually budgeted special revenue funds. An opinion will not be given on the Management Discussion and Analysis, if applicable.

The following will be expected in the base bid:

The Auditor will prepare some year-end adjusting journal entries, primarily GASB34 conversion and GASB68 entries. The auditor will be ultimately responsible for the preparation, typing, proofing, printing, and copying of the Comprehensive Annual Financial Report (CAFR), including the Basic Financial Statements, notes to the financial statements, supplementary information and compliance reports. St. John's Fire District's Finance staff will be actively involved in the MD&A (if applicable), and other schedules section preparation. The auditor will submit a draft of the Financial Statement to be reviewed in detail by the Controller and Fire Chief. This draft should be submitted to St. John's Fire District in time to allow ample review and corrections. The timing of this should insure final completion of the Financial Statements no later than the annual deadline set forth by Charleston County.

Guidance will be required for new note disclosures; all approved GASB's as well as GASB implementations, and other reporting requirements.

Fifteen bound paper copies of each audit report, management letter, and other applicable reports along with electronic copies of all components of the CAFR must be supplied to the Controller within the time frame cited above. Any other copies required will be charged on an as needed basis in addition to the quoted fee.

The District also requires the following compliance reports:

Report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards.

The working papers shall be retained and made available upon request for no less than three years from the date of the audit report.

In the event that circumstances arise during the audit that require work to be performed in excess of the original estimates, any additional costs will be negotiated prior to commencement of the work and an amended contract will be approved by the Fire Commission.

St. John's Fire District prefers interim fieldwork be completed in May or June. Year-end fieldwork should begin in mid-August and be completed by September 15th. An agreed upon post-closing trial balance must exist by September 30th.

The Controller will expect a listing of requested information needed for the audit at the preplanning conference, periodic conferences during the conduct of the audit, as well as an exit conference prior to the completion of fieldwork.

A preliminary draft of the audit and required journal entries must be submitted to the Controller by the first week of October for proofing and reconciliation to the District's records. The audit must be completed and reports rendered by October 31, four months following the fiscal year end (June 30).

Audit Contract & Payment of Audit Fees

The audit contract must be approved by the Fire Commission. Invoices are subject to approval by the Controller and Fire Chief, if applicable, prior to processing by the District. Interim or progress billings will be accepted up to 75% of the total fee prior to submission of the audited financial statements to the staff.

Other Services

The auditor will prepare, type, and print the audited Comprehensive Annual Financial Report. The auditor will submit a draft for review by the Controller. The Controller will return the draft with proposed revisions within 10 working days.

Description of Selection Process

Five sets/copies of each section of the proposal should be submitted at the time and place indicated under the section entitled "Time Schedule for Awarding Contract."

Proposals will be submitted in two sections. The first section will be comprised of the audit firm's prior experience and qualifications of its personnel in performing governmental audits. The Fire Commission will evaluate the auditor/firm on educational and technical qualifications. The top five firms from the first section will have their second section opened and evaluated. The firm best meeting St. John's Fire District's expectations for experience, audit approach, and cost requirements will be selected.

PLEASE KEEP IN MIND THAT COST, WHILE AN IMPORTANT FACTOR, WILL NOT BE A SOLE DETERMINING FACTOR. UNUSUALLY LOW BIDS THAT ARE OBVIOUSLY OUT OF LINE WITH OTHER BIDDERS OR ARE SIGNIFICANTLY LOWER THAN OUR CURRENT FEES WILL RAISE CONCERN. THE LOWEST BID WILL NOT AUTOMATICALLY BE AWARDED PREFERENTIAL CONSIDERATION.

St. John's Fire District's requests that no St. John's Fire District's officials or employees be contacted during this process. The Controller may be contacted only to clarify questions concerning the RFP. Email is the preferred method of communication, ra.brown@stjfd.org.

The District reserves the right to reject any or all bids, waive technicalities, and to be the sole judge of suitability of the services for its intended use and further specifically reserve the right to make the award in the best interest of the District.

Failure to respond to any requirements outlined in the RFP, or failure to enclose copies of the required documents, may disqualify the bid.

First Section - Qualifications

The first section should address the requested information below. The corresponding responses should begin with the number below for the requested information.

1. Indicate the number of people (by level) located within the local office that will handle the audit. Provide other resources available to your staff.
2. Provide a list of the current and prior government audit clients, indicating the type(s) of services performed and the number of years served for each.
3. Indicate the experience of the firm in providing additional services to government clients by listing the name of each government, the type(s) of service performed, and the year(s) of engagement.
4. Describe your audit organization's participation in AICPA-sponsored or comparable quality control programs (peer review). Provide a copy of the firm's current peer review.
5. Describe the professional experience in governmental audits of each senior and higher level person assigned to the audit, the years on each job, and his/her position while on each audit. Indicate the percentages of time each senior and higher-level personnel will be on site.
6. Describe the relevant educational background of each person assigned to the audit, senior level and higher. This should include seminars and courses attended within the past three years, especially those courses in governmental accounting and auditing.
7. Describe the efforts your firm makes to keep its staff informed of developments relevant to government issues.
8. Describe the professional experience of assigned individuals in auditing relevant government organizations, programs, activities, or functions.
9. Describe any specialized skills, training, or background in public finance of assigned individuals. This may include participation in any State or national professional organizations (GFOA), speaker or instructor roles in conferences or seminars, or authorship of articles and books.
10. Provide names, addresses, and telephone numbers of personnel of current and prior governmental audit clients who may be contacted for a reference.
11. Describe the firm's Statement of Policy and Procedures regarding Independence under Government Auditing Standards (Yellow Book), July 2011 Revision. Provide a copy of the firm's Statement of Policy and Procedures.
12. Is the firm adequately insured to cover claims? Describe liability insurance coverage arrangements.
13. Describe any regulatory action taken by any oversight body against the proposing audit organization or local office.

14. Provide a brief summation of the reasons you believe your firm should be selected. In particular, the District is interested in the unique capabilities of your firm that distinguish it from other firms. Be specific and relate this discussion to how the District will benefit by choosing your firm as an auditor.

Second Section

Proposals should include completed cost estimate sheets and any other necessary cost information in a *separate, sealed* envelope marked – “Audit RFP Cost Estimate.” The firm’s name will also be placed on the envelope. The District plans to evaluate the qualifications of all firms submitting proposals before considering the Cost Estimate.

This second section should include the following information:

1. Type of audit program used (tailor-made, standard government, or standard commercial).
2. Use of statistical sampling.
3. Use of computer audit specialists.
4. Organization of the audit team and the approximate percentage of time spent on the audit by each member.
5. Assistance expected from the government’s staff, if other than outlined in the RFP.
6. Tentative schedule for completing the audit within the specified deadlines of the RFP.
7. Provide total costs using the Summary of Audit Costs Sheet for the audit year July 1, 2016 to June 30, 2017. For the two audit years, which follow, list the estimated costs. The cost for the audit year ending June 30, 2017 is binding, while the second and third years are estimated costs. Cost estimates must indicate the basis for the charges and whether the amount is a “not-to-exceed” amount. If applicable, note your method of determining increases in audit costs on a year to year basis.
8. Details should be separately provided for the following:
 - A. Personnel costs – Itemize the following for each category of personnel (partner, manager, senior, staff accountants, clerical, etc.) with the different rates per hour.
 - 1) Estimated hours – categorize estimated hours into the following:
 - On-site interim work,
 - Year-end on-site work,
 - Work performed in the auditor’s office.
 - 2) Rate per hour.
 - 3) Total cost for each category of personnel and for all personnel costs in total.

- B. Travel – itemize transportation and other travel costs separately.
 - C. Cost of supplies and materials – itemize.
 - D. Other costs – completely identify and itemize.
9. Please list any other information the firm may wish to provide.
10. Summary of Audit Costs Sheet must be included with all proposals.

Time Schedule for Awarding the Contract

Request for proposal packages will be emailed to audit firms by **March 17, 2017**. The RFP package will also be posted on the District’s website, www.stjfd.org.

No pre-proposal conference will be held. Any questions that might arise and for general background information on the District and its operations please contact Ramona Brown, ra.brown@stjfd.org.

Proposals signed by authorized officials will be received by Ramona Brown, Controller at 1148 Main Road, John’s Island, SC 29455 until **April 21, 2017 at 2:00 p.m.** Envelopes containing proposals should be clearly identified on the front with the words “RESPONSE TO RFP FOR AUDIT SERVICES”. The firm’s name should also be on the envelope. Email or facsimile submissions will not be accepted. The Fire Chief and Controller will review the proposals and make a recommendation to the Fire Commission. The Fire Commission will award the contract at its regularly scheduled meeting on May 8, 2017.

Evaluation Criteria

The review committee will make a recommendation based on criteria and the qualifications of Offerors. The evaluation of the Proposals by the Fire Chief and Controller shall include, but are not limited to the following criteria listed below in no particular order:

- ***Qualifications and experience of the firm in governmental audits***
Demonstration of the firm's commitment to governmental issues by knowledge of current issues and membership and participation in related organizations such as the Government Finance Officer's Association. In addition, the firm's ability to communicate to the District the changes in relevant regulations and the public financial/accounting environment.
- ***Qualification, experience and technical competence of key staff of the proposed team assigned to the District audit.***
Demonstrated experience, qualifications, and professional activities of the audit team, including technical expertise of supervisory staff available to perform "on-site" work as well as other resources readily available to the firm in key areas to assist the District. These key areas include such specialization as municipal government and Federal funding auditing.
- ***Compliance with the general bidding requirements and general submission of proposal requirements of the RFP***
Responsiveness of the proposal in clearly stating an understanding of the work to be performed; responsiveness to terms and conditions, including scheduling; completeness and thoroughness of the technical data and documentation
- ***Ability to meet the RFP's priorities and outcomes***
- ***Firm size and organization structure***
- ***Total Cost***

Proposal Evaluation and Offeror Selection

The evaluation and selection criteria and process contained in this RFP will be used by the Fire Chief and Controller to evaluate the Proposals. The Fire Chief will recommend their selection(s) to the Fire Commission, and after consensus between the Fire Chief and the Fire Commission, the Fire Chief will formally recommend a prospective audit firm to the Fire Commission and seek the Commission's concurrence and authorization to consider entering an agreement with the selected Prospective Auditing Firm.

Selection Process

The District may, in its discretion, require one or more offerors to appear for an interview or to make a presentation. During such interview, the offeror may be required to orally and otherwise present its proposal and to respond in detail to any questions posed. Additional meetings may be held to clarify issues or to address comments, as deemed appropriate. Offerors will be notified in advance of the time and format of such meetings. Since the District may choose to award a contract without engaging in discussions or negotiations, the proposal submitted shall define each offeror's best offer for performing the services described in this RFP.

The commencement of such discussions, however, does not signify a commitment by the District to execute a contract or to continue discussions. The District may terminate discussions at any time and for any reason. The District will have a period of up to (2) weeks, unless otherwise stated, to decide which proposal best meets the criteria outlined in the RFP. The District reserves the right to waive any minor informalities or irregularities which do not go to the heart of the proposal or prejudice other offers. The District may also reject, for good and compelling reasons, any and all proposals submitted.

Description of the Governmental Entity and Its Accounting System

Financial Reporting Entity

The District is governed by the St. John's Fire District Commission, which has the responsibility of the financial budget and control over the operations of the District. The District maintains and operates fire departments that provide fire protection. The District was created by Act 369 of the General Assembly of the State of South Carolina on April 9, 1959. The District's revenues are dependent upon taxes levied on users of the services provided by the District.

The Commission is appointed by the Governor of South Carolina for a four-year term or until their replacement is appointed and qualified. As of March 17, 2017, The Commission consists of the following members:

John Connolly, Chairman
Eric P. Britton, Vice Chairman
Thomas Kulick, Commissioner
Samuel Brownlee, Commissioner
Leroy Blake, Commissioner
Mary Jones, Commissioner
Debra Lehman, Commissioner
William Thomae, Commissioner
Albert Thompson, Commissioner

The District is managed by the Fire Chief, Colleen Walz.

For the fiscal year beginning July 1, 1994, the District was deemed to be a component unit of the County of Charleston (hereinafter referred to as the County), the primary government, based on the County's authority to approve the District's annual budget, to levy and collect taxes for the District, and to approve bonded indebtedness of the District.

Budgeted revenues for FY2016-2017 are budgeted at \$12,051,779 for the General Fund.

Governmental outstanding debt totaled \$6,999,070 as of June 30, 2016. The District continues to maintain an AA bond rating from Standard & Poor's Corporation. At the time of this request for proposal the District has closed on a General Obligation Bond for \$5,400,000 in FY17. Another bond is scheduled for closing in FY18.

The Finance Department may require the auditor's guidance on the completion of certain schedules/documents as to proper format and content, so that they can be used in the audit process as well as for inclusion in the District's CAFR. Guidance will be required for new note disclosures, all approved GASB's as well as GASB implementations, and other reporting requirements. These services will be included in the base bid.

Funds

St. John's Fire District maintains the following funds:

Governmental Funds

- General Fund

Capital Projects Funds –All Non-Major Funds:

- 2016 General Obligation Bond

Grants, Entitlements, and Shared Revenues

The District currently does not have any grant expenditures, entitlements, or shared revenue.

Budgets

The District budgets all funds on the modified accrual basis of accounting as required by South Carolina law. Appropriations are made at the District-wide level. The District also maintains an encumbrance system. All encumbrances, except for capital project ordinance funds, lapse at year end.

Accounting Records

St. John's Fire District maintains all its accounting records at the administrative office located at 114 Main Road, John's Island, SC. The District maintains its cash receipts journal, cash disbursements journal, general ledger, and accounts receivable ledger on an offsite hosted system supported by Tyler Technology. The financial software is INCODE 10.

Assistance Available to Auditor

The District will make available to the auditor all records, and prepare and mail all necessary confirmations. A final trial balance with budgeted amounts will be made available via Excel on September 4, 2017. The following accounting procedures will be completed and documents prepared by the District's staff no later than Monday September 4, 2017:

The books of account will be fully balanced.

All subsidiary ledgers will be reconciled to control accounts.

All bank account reconciliations for each month will be completed.

The District's personnel will prepare the following items:

General

1. Working Trial Balance for each fund.
2. Schedule of Transfers for each fund.
3. A copy of the original budget, all amendments, and the final budget as of June 30, 2017.
4. A copy of all project ordinances and all amendments for active projects during the audit period.
5. A copy of the operating and capital lease schedules itemizing contracts in force during the audit period as well as access to the lease files maintained in the Finance office.
6. A copy of board policies, including travel and investment policies.
7. Management's Discussion and Analysis and Letter of Transmittal, if applicable
8. Required supplementary information

Cash and Investments

1. All bank reconciliations for each month
2. List of outstanding checks by account, showing check number, date, and amount.
3. Schedule of all investments for all funds at the audit date, showing book value and estimated market value at fiscal year-end.

Receivables

1. Listing of unpaid tax bills in detail totaled by year as of fiscal year end.
2. Listing of all outstanding receivables by account as of the fiscal year end.
3. Listing of outstanding receivables in detail as of the fiscal year end.
4. Schedule of miscellaneous receivables booked as of the fiscal year end.

Other Assets

1. Schedule of insurance coverage.

Capital Assets

1. Printout of all capital asset acquisitions made during the audit year.
2. Printout of all capital asset dispositions made during the audit year.
3. Access to printout containing calculations used in balancing the Capital Assets subsystem to the government-wide statements.
4. Printout of depreciation expense posted for the audit year.

Current Liabilities

1. Schedule of accounts payable including batch printouts.

Long-Term Debt

1. Computation of vested vacation payable as of the audit date.
2. Debt Schedule for each debt issue and related payments.

Conversion

1. Allocation of depreciation among functional areas
2. Schedule with computation of additions and retirements of compensated absences

Size and Complexity of District

Personnel/Payroll

Number of employees	140 FTE
Frequency of payroll	bi-weekly
Number of payroll direct deposit advises	340 per month (all employees)

Purchasing

Number of purchase orders issued to date for FY17	688
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Bank Accounts

Number of bank accounts	3
Number of escrow accounts	none
Average monthly activity in main accounts	
Number of deposits (Central Depository)	10
Number of checks:	
Central Depository	100
Payroll (direct deposit)	630

Management Information Systems:

Number of PCs on the premises	16
Number of employed programmers capable of modifying the operating system and the applications programs	none

The District has contracted with Carolina Computer Partners for offsite, Cloud servers, backup & support, (Virtual Office) includes all servers, computers, software for all departments except Police and portions of Engineering GIS systems. Financial software and data is housed and supported on the Tyler servers in Texas.

The following financial applications are on the INCODE 10 Financial software computer system:

General Ledger
Accounts Payable
Payroll & Human Resources
Budgeting
Purchasing
Capital Assets
Bank Reconciliation
Project Accounting

Contact information:

Ramona Brown, Controller
1148 Main Road
John's Island, SC 29455
843-559-9194

ra.brown.stifd.org Please note that email is the preferred method of communication.

SUMMARY OF AUDIT COSTS SHEET --FIRM NAME _____

	FY17	FY18	FY19
	<i>Binding</i>	<i>Estimate</i>	<i>Estimate</i>
Base Audit Fee: Includes all personnel costs, travel, and on-site work, supplies and materials – provide separate detail as described below	\$	\$	\$
Financial Statement Preparation: Includes preparation and printing of CAFR	\$	\$	\$
Extra Audit Services (if needed)			
Other Costs: (Explain)			
TOTAL:	\$	\$	\$

Separately provide detail for the following components of the *Base Audit Fees*:

Personnel costs –

Itemize the following for each category of personnel (partner, manager, senior, staff accountants, clerical, etc.) with the different rates per hour.

Estimated hours – categorize estimated hours into the following:

of Hours -On-site interim work, # _____ Rate per hour _____

of Hours -Year-end on-site work, # _____ Rate per hour _____

of Hours -Work performed in the auditor’s office # _____ Rate per hour _____

Total cost for each category of personnel and for all personnel costs in total.

Travel – itemize transportation and other travel costs separately.

Cost of supplies and materials – itemize.

Other costs – completely identify and itemize.

If applicable, note your method of determining increases in audit costs on a year to year basis.

This RFP for Audit Services is submitted by:

Offeror/Firm Name: _____

Authorized Representative Name: _____
(Print)

Authorized Representative Signature: _____ **Date:** _____

Address: _____

City/State/Zip: _____

Telephone: _____
(Area Code) Telephone Number

Facsimile: _____
(Area Code) Fax Number

It is understood by the Offeror that St. John's Fire District reserves the right to reject any and all Proposals, to waive formalities, technicalities, and to recover and rebid this RFP.

This RFP is valid for thirty (30) calendar days from the RFP due date.

A certificate of insurance and W9 must be received prior to any work being done.