

St. Francois County, Missouri
Request for Proposals
For
Professional Auditing Services
September 22, 2020

St. Francois County Auditor's Office
1 West Liberty, Suite 302
Farmington, MO 63640

INTRODUCTION

St. Francois County, Missouri is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending December 31, 2020, with the option of auditing its financial statements for each of the two subsequent fiscal years. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the U.S. Government Accountability Office's (GAO) *Government Auditing Standards* (1994), the provisions of the federal Single Audit Act of 1984 (as amended in 1996) and U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* as well as any applicable federal, state, local or programmatic audit requirements.

There is no expressed or implied obligation for St. Francois County, Missouri to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

To be considered, four copies of a proposal must be received in a sealed envelope by the County Clerk's office, at 1 West Liberty Street, Suite 300, Farmington, Missouri 63640 by 10 a.m. on October 13, 2020. The County reserves the right to reject any or all proposals submitted.

During the evaluation process, St. Francois County, Missouri reserve the right, where it may serve the County's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. At the discretion of the County, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The County reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the County and the firm selected.

It is anticipated the selection of a firm will be completed no later than October 20, 2020. Following the notification of the selected firm it is expected a contract will be executed between both parties by October 27, 2020.

A three-year contract is encouraged, but shall be subject to the annual review and recommendation of the County Auditor, the satisfactory negotiation of terms (including a price acceptable to both the County and the selected firm), the concurrence of the County Commission and the annual availability of an appropriation.

Firms submitting proposals may desire to subcontract portions of the engagement to another audit firm. If this is to be done, that fact, and the name of the proposed subcontracting firms, must be clearly identified in the proposal. Following the award of the audit contract, no additional subcontracting will be allowed without the express prior written consent of the County.

NATURE OF SERVICES REQUIRED

These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the U.S. Government Accountability Office's (GAO) *Government Auditing Standards* (1994), the provisions of the federal Single Audit Act of 1984 (as amended in 1996) and U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* as well as any applicable federal, state, local or programmatic audit requirements.

A copy of the County's Financial Statements as of December 31, 2019 will be provided upon request for details of reports to be issued, fund structure, basis of budgeting, federal and state awards, and pension plans. Please contact Audit Manager Amber Menjoulet for a copy of the audit or any questions. Contact information is detailed below.

The St. Francois County Financial Statement Audit is due annually on June 30th for compliance with the County's Certificates of Participation and to be filed with the Federal Audit Clearinghouse. Submission of the financial statements shall be a service provided in the contract.

TIME REQUIREMENTS

An estimated timeline is required for the audit, including but not limited to, commencement date, fieldwork dates, draft report provided, final report provided and submitted to the County's debt holder and the Federal Audit Clearinghouse. An ideal timeline would include a commencement date no earlier than March 1, fieldwork wrapped up by no later than May 31, draft report provided no later than June 15, draft report presented in the County Commission Meeting the last Tuesday of June at 10:00 a.m., and final report provided and submitted no later than June 30.

ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

Staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of the County.

The County uses Tyler Technologies Incode 10 Software. The firm will have a 'view only' access to all transactions and invoices. Original documentation is kept in the internal auditor's office and can be accessed by the firm when onsite for fieldwork.

The County will provide the auditor with reasonable work space, desks and chairs. The auditor will also be provided with access to a telephone line and photocopying facilities.

The staff of the County will prepare the draft of the comprehensive annual financial report of the county. Report preparation, including the notes to financials and supplemental schedules, editing and printing shall be the responsibility of the auditor.

PROPOSAL REQUIREMENTS

Firms interested in submitting a proposal must indicate their interest in receiving the request for proposal by October 9, 2020. Failure to do so will disqualify firms from submitting a proposal. Inquiries concerning the requests for proposals, the subject of the request for proposal, and copies of prior audits must be made to:

Amber Menjoulet, Audit Manager
St. Francois County, Missouri
1 W. Liberty Street, Suite 302
Farmington, MO 63640
573-756-6892
Email: AMenjoulet@sfcgov.org

Contact with personnel of St. Francois County, Missouri other than Audit Manager, Amber Menjoulet regarding this request for proposals may be grounds for elimination from this selection process.

The following material is required to be received by 10 a.m. on October 13, 2020 in SEALED envelopes for a proposing firm to be considered:

1. A master copy (so marked) of a Technical Proposal and 4 copies to include the following:
 - a. Title Page
 - i. Title page showing the request for proposals subject, the firm's name, the name, address and telephone number of the contact person, and the date of the proposal.
 - b. Table of Contents
 - c. Transmittal Letter
 - i. A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work and the time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for the 2020 period of review.
 - d. Detailed Proposal
 - i. The detailed proposal shall include a detailed timeline of events.
2. The proposer shall submit an original and three (3) copies of a dollar cost bid in a separate sealed envelope marked as follows:
 - a. Sealed Dollar Cost Bid Proposal for St. Francois County, Missouri For Professional Auditing Services (Date)
3. Proposers should send the completed proposal consisting of the two separate envelopes to the following address:

St. Francois County Clerk's Office
RE: Audit RFP
1 W. Liberty Street, Suite 300
Farmington, MO 63640

TECHNICAL PROPOSAL

1. General Requirements

The purpose of the Technical Proposal is to demonstrate the qualifications, competence, and capacity of the firms seeking to undertake an independent audit of the County in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The Technical Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposals requirements. **There should be no dollar units or Total costs included in the Technical Proposal Document.** The Technical Proposal should address all the points outlined in the request for proposals (excluding any cost information which should only be included in the sealed dollar cost bid). The Proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals. While additional data may be presented, the following subjects, items Numbers 2 through 11, must be included. They represent the criteria against which the proposal will be evaluated.

2. Independence

The firm should provide an affirmative statement that it is independent of the County as defined by generally accepted auditing standards / the U.S. Government Accountability Office's *Government Auditing Standards (1994)*. The firm should also list and describe the firm's (or proposed subcontractor's) professional relationships involving the County or its component unit for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit. In addition, the firm shall give the County written notice of any professional relationships entered into during the period of the agreement.

3. License to Practice in Missouri

An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in Missouri.

4. Firm Qualifications and Experience

The proposer should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed, the number and nature of the professional staff to be employed in this engagement on a full-time basis, and the number and nature of the staff to be so employed on a part time basis. If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal auditor should be noted, if applicable. The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements. The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

5. Partner, Supervisory, and Staff Qualifications and Experience

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether each such person is registered or licensed to practice as a certified public accountant in Missouri. Provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit. Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. Indicate how the quality of staff over the term of the agreement will be assured. The proposer should identify the extent to which staff to be assigned to the audit reflect the County's commitment to Affirmative Action. Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the County. However, in either case, the County retains the right to approve or reject replacements. Consultants and firm specialists mentioned in response to this request for proposal can only be changed with the express prior written permission of the County, which retains the right to approve or reject replacements. Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

6. Prior Engagements with the County

List separately all engagements within the last five (5) years, ranked on the basis of total staff hours, for the County by type of engagement (i.e., audit, management advisory services, other). Indicate the scope of work, date, engagement partners, total hours, the location of the firm's office from which the engagement was performed, and the name and telephone number of the principal client contact.

7. Similar Engagements with Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (Maximum 5) performed in the last five (5) years that are similar to the engagement described in this request for proposal. These engagements should be ranked on the basis of total staff hours. Indicated the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

8. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this request for proposal. In developing the work plan, reference should be made to such sources of information as the County's budget and related materials, organizational charts, manuals and program, and financial and other management information systems.

Proposers will be required to provide the following information on their audit approach:

- a. Proposed segmentation of engagement.

- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement. (No Dollars Should Be Included in the Technical Proposal)
- c. Sample size and the extent to which statistical sampling is to be used in the engagement.
- d. Extent of use of EDP software in the engagement.
- e. Type and extent of analytical procedures to be used in the engagement.
- f. Approach to be taken to gain and document an understanding of the County's internal control structure.
- g. Approach to be taken in determining laws and regulations that will be subject to audit test work.
- h. Approach to be taken in drawing audit samples for purposes of tests of compliance.

9. Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the County.

10. Timeline

The proposal should include an estimated timeline for the audit, including but not limited to, commencement date, fieldwork dates, draft report provided, final report provided and submitted to the Federal Audit Clearinghouse.

11. Report Format

The proposal should include sample formats for required reports. (No Dollars Should Be Included in The Technical Proposal).

SEALED DOLLAR COST BID

1. Total All-Inclusive Maximum Price

The sealed dollar cost bid should contain all pricing information relative to performing the audit engagement as described in this request for proposal. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out of pocket expenses.

The County will not be responsible for expenses incurred in preparing and submitting the technical proposal or the sealed dollar cost bid. Such costs should not be included in the proposal.

The first page of the sealed dollar cost bid should include the following information:

- a. Name of Firm
- b. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with the County.
- c. A Total All-Inclusive Maximum Price for the **2020** engagement.
- d. A Total All-Inclusive Maximum Price, per year, for the potential **2020-2022** engagement.

2. Rates by Partner, Specialist, Supervisory and Staff Level Times Hours Anticipated for Each

The second page of the sealed dollar cost bid should include a schedule of professional fees and expenses that supports the total all-inclusive maximum price.

3. Out of pocket Expenses Included in the Total All-inclusive Maximum Price and Reimbursement Rates

Out of pocket expenses for firm personnel (e.g., travel, lodging and subsistence) will be reimbursed at the rates used by the County for its employees. All estimated out of pocket expenses to be reimbursed should be presented on the second page of the sealed dollar cost bid. All expense reimbursements will be charged against the total all-inclusive maximum price submitted by the firm. In addition, a statement must be included in the sealed dollar cost bid stating the firm will accept reimbursement for travel, lodging and subsistence at the prevailing County rates for its employees.

4. Rates for Additional Professional Services

If it should become necessary for the County to request the auditor to render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the County and the firm. The work shall be performed at the same rates set forth in the schedule of fees and expenses included in the sealed dollar cost bid.

5. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out of pocket expenses incurred in accordance with the firm's dollar cost bid proposal. Interim billing shall cover a period of not less than a calendar month. Ten percent (10%) will be withheld from each billing pending delivery of the firm's final reports.