

ALLEGHANY COUNTY

REQUEST FOR PROPOSAL (RFP)

May 7, 2021

Table of Contents

- A. Request for Proposal (RFP)
- B. Type of Audit
- C. Period
- D. Requirements
- E. Audit Contract & Payment of Audit Fees
- F. Other Services
- G. Description of Selection Process
- H. Submission of Proposals
- I Time Schedule for Awarding the Contract
- J. Description of the Governmental Entity and Its Accounting System
- K Prepared by client list
- L. Summary of Audit Costs Sheet

A. Request for Proposal (RFP)

The Board of Commissioners of Alleghany County and the Board of Directors of the Alleghany County Tourism Development Authority (hereinafter called the “units”) 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 the Alleghany County or the Alleghany County Tourism Development Authority 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 the units. The bidder consents to personal jurisdiction and venue in a state court of competent jurisdiction in Alleghany County, North Carolina.

B. Type of Audit

The audit will encompass a financial and compliance examination of the unit’s basic financial statements, supplementary information and compliance reports in accordance with the laws and/or regulations of the State of North 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*, July 2011 revisions; the Single Audit Act of 1984; the Single Audit Act Amendments of 1996; the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), the State Single Audit Implementation Act; and all other applicable laws and regulations.

C. Period

Alleghany County is requesting proposals (RFP) from qualified public accounting firms to audit its financial statements for the fiscal years ending June 30, 2021, with a yearly option to continue contract services through June 30, 2023. Since one governing board may not obligate future governing boards, the remaining years of the agreement are subject to annual governing board approval. Alleghany County and the Alleghany County Tourism Development Authority reserve 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, 2020 to June 30, 2021

July 1, 2021 to June 30, 2022

July 1, 2022 to June 30, 2023

D. Requirements

The audit must be conducted in accordance with generally accepted auditing standards; Government Auditing Standards, including all revisions issued by the Comptroller General of the United States; Office of Management and Budget Uniform Guidance, 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 Auditor will prepare most year-end adjusting journal entries. The auditor will be ultimately responsible for the preparation, typing, proofing, printing, and copying of the Basic Financial Statement, supplementary information and compliance reports, MD&A and other schedules section preparation. The Alleghany County Manager and the Alleghany County Finance Officer will be involved in the MD&A, and other schedules section preparation. The auditor will submit a draft of the Financial Statement and MD&A to be reviewed in detail by the Finance Officer. This draft should be submitted to Alleghany County 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 October 31st deadline.**

Alleghany County and the Alleghany County Tourism Development Authority will provide the audit staff with reasonable workspace, access to staff for assistance and needed WIFI access while onsite. Timing of onsite visits will be agreed upon by both parties giving each entity ample time to prepare. An agreed upon post-closing trial balance should exist by September 30th. The Finance Officer 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 County Manager and Finance Director by October 1 for proofing and reconciliation to the unit's records.

Twelve (12) printed, two (2) USB flash drives with downloadable electronic version, one (1) PDF copies of each audit report, management letter, and other applicable reports must be supplied to the Finance Director within the time frame cited above. In addition, the auditor is responsible for submitting the required two to the staff of the Local Government Commission (LGC). Any other copies required will be charged on an as needed basis in addition to the quoted fee.

The financial audit opinion will cover the financial statements for the governmental activities, the business-type activities, the financial statements of the aggregate discretely presented component units, 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 subject 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 basic 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.

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 governing board and forwarded to the staff of the LGC for approval.

E. Audit Contract & Payment of Audit Fees

The audit contract must be approved by the staff of the Local Government Commission. Invoices are subject to approval by the LGC staff and the appropriate Grantor Agency, if applicable, prior to processing by Allegheny County and Allegheny County Tourism Development Authority. If grant funds will be used to pay for the audit, the grant agreement may require the Grantor Agency's approval before the invoice may be paid. 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 of the Local Government Commission and their approval of the audited financial statements.

F. Other Services

The auditor will prepare, type, and print the audited financial statements. The auditor will submit a draft for review by the Finance Director. The Finance Director will return the draft with proposed revisions within 10 working days.

The auditor will also be available all year to answer questions and offer advice relating to proper handling of funds and related journal entries. The auditor will also offer advice on any questions or concerns that are a result of the finished audit.

The auditor will prepare, with assistance by the Finance Officer, the Annual Financial Information Report required to be filed with the staff of the Local Government Commission.

G. Description of Selection Process

Two (2) 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."

The County Manager and Finance Office will evaluate the auditor/firm on educational and technical qualifications. The firm best meeting Allegheny County's and Allegheny County Tourism Development Authority's expectations for experience, audit approach, cost requirements, service and compatibility will be selected.

Allegheny County and the Allegheny County Tourism Development Authority request that no Allegheny County officials be contacted during this process. The Finance Officer may be contacted only to clarify questions concerning the RFP.

Alleghany County and the Alleghany County Tourism Development Authority reserves the right to reject any or all proposals, waive irregularities, 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 County.

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

H. Submission of Proposals

Proposals should include a complete cost estimate in with a breakdown format as represented in Section L. Alleghany County and the Alleghany County Tourism Development Authority plans to evaluate the qualifications of all firms submitting proposals before considering the Cost Estimate.

These proposals should consist of completed cost estimate sheets, which will 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. Information that will be contained in the management letter.
6. Assistance expected from the government's staff, if other than outlined in the RFP.
7. Tentative schedule for completing the audit within the specified deadlines of the RFP.
8. Use of internal audit staff (if applicable).
9. Specify costs using the format below for the audit year July 1, 2017 to June 30, 2018. For the two audit years, which follow, list the estimated costs. The cost for the audit year ending June 30, 2018 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.
 - 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, and 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.

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

10. Please list any other information the firm may wish to provide.

11. Please include the Summary of Audit Costs Sheet with your proposal.

I. Time Schedule for Awarding the Contract

Request for proposal packages will be mailed / emailed by **Friday, May 28, 2021**.

Proposals signed by authorized officials will be received by April Hamm, Finance Director at Post Office Box 366, 348 South Main Street, Sparta, NC 28675 until Friday, May 28, 2021 at Noon. Envelopes containing proposals should be clearly identified on the front with the words “RESPONSE TO RFP FOR AUDIT SERVICES”. The Finance Office will review the proposals and make a recommendation to the Board of Commissioners on **Monday, June 7, 2021** at which time the contract will be awarded.

Any questions should be directed to April Hamm, Finance Officer, at (336) 372-2946 or (336) 372-2826. Appointments may be scheduled to discuss further any specific matters necessary in preparing your proposal.

J. Description of the Governmental Entity and Its Accounting System

Alleghany County is a local government in North Carolina with a population of approximately 11,028. The Alleghany County Tourism Authority, although it has its own board of directors, operates under the same board of commissioners, the same finance officer and the same accounting rules and is a fund within Alleghany County previously included in the same audit. Alleghany County operates one enterprise fund or proprietary fund, the transfer facility.

Based on the criteria set forth in GASB Statement 14, the following organizations will be included in the audit:

Alleghany County Tourism Development Authority (discrete component)

Funds

Alleghany County maintains the following funds:

Governmental Funds

General Fund, including Debt Service

Special Revenue Funds:

Economic Development Fund

Alleghany County Tourism Development Fund (Occupancy Tax)

Transportation Fund

Fairgrounds Fund

Revaluation Fund (included as part of the general fund)

Drug Fund

Register of Deeds Technology Fund (included as part of the general fund)

Emergency Telephone System Fund

CARES Act Funding

Earthquake Assistance and Repairs Fund

Capital Projects Funds:
 Courthouse Project Fund
 Safety Capital Project Fund
 School Capital Project Fund
 Library Capital Project Fund
 Veteran's Memorial Park
Enterprise Funds
 Solid Waste Fund
Agency Funds
 Social Services Trust Accounts
 Library Fund

Budgeted revenues, excluding project amounts, are estimated at \$16,000,000 in FY 2020-2021. In addition, outstanding debt totaled will total \$4,644,584.10 as of June 30, 2021.

Budgets

The units budget all funds on the modified accrual basis of accounting as required by North Carolina law. Appropriations are made at the departmental level. The budgetary system is integrated with the accounting system to provide easy comparison with actual expenditures.

Accounting Records

Alleghany County and the Alleghany County Tourism Development Authority maintain all their accounting records at the finance office located at 348 South Main Street, Sparta, NC. The governmental unit maintains its cash receipts journal, cash disbursements journal, general ledger, and accounts receivable ledger on a Dell server. The software currently used by the Finance Office is MCSJ owned by Edmunds and Associates.

Assistance Available to Auditor

The units will make available to the auditor sufficient help to pull and re-file records, and prepare and mail all necessary confirmations. A trial balance with budgeted amounts will be made available via Excel (or hard copy, e-mail, etc.) before interim and final visits. The following accounting procedures will be completed and documents prepared by the units' staff. The units are aware of and understand the need to provide this assistance to the auditor and will make every attempt to meet these deadlines.

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.

K. Prepared by Client List

General

1. A copy of the trial balance by email before interim and final audit.
2. Access to any reports available from the accounting system.
3. General Ledger transaction detail report for revenues and expenditures from which samples may be chosen. This will also be sent by email before the interim and final visits.

4. A copy of the original budget, all amendments, and the final budget as of June 30.
5. A copy of all project ordinances and all amendments for active projects during the audit period.
6. 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 office.
7. A copy of board policies, including travel and investment policies.
8. Management's Discussion and Analysis update.
9. Internal control document update.
10. Required supplementary information, e.g. actuarial information of the Law Enforcement Officers' Separation Allowance, OPEB report and changes to the notes.

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.

Payroll

1. Access to payroll registers and reports.
2. Journal entry that is posted to accrue payroll amounts for the remainder of June that was posted in the July payroll.
3. Payroll analytic spreadsheet.

Transfers

1. A list of budgeted transfers between funds. This list may not be all inclusive, but will contain the majority of the budgeted transfers
2. A list of line item transfers and budget amendments.

Receivables

1. Reconciliation and amount of unpaid tax bills as of fiscal year end.
2. Reconciliation and amount of outstanding Solid Waste-Transfer Facility receivables as of the fiscal year end.
3. Reconciliation and amount of outstanding EMS (ambulance) receivables as of the fiscal year end.

- Schedule of miscellaneous receivables as of yearend that have been posted.

Capital Assets

- Printout of all capital asset acquisitions made during the audit year.
- Printout of all capital asset dispositions made during the audit year.
- Printout of depreciation expense for the audit year. (Depreciation for the transfer facility capital assets has always been provided per the auditor. Alleghany County has not been given the origin, but it is not the depreciation shown on the depreciation report.)

Current Liabilities

- Journal entries for accounts payable that have been posted at year end along with the accrued entries that were posted in the check runs.
- Computation of accrued vacation and accrued sick leave payable as of the year end.

Long-Term Debt

- Computation of accrued vacation and accrued sick leave payable as of the year end.
- Debt Schedule for each debt issue and related payments

Grants

The following will be compiled for each grant:

- Budget.
- CFDA # and/or pass-through grant #.

Size and Complexity of Unit

Personnel/Payroll	
Number of employees	123 FT 40-60 PT
Frequency of payroll	biweekly
Number of payroll direct deposit advises	160
Property Tax	
Number of tax bills issued 2020 (abstracts)	15,343
Number of motor vehicle tax bills issued	0
Total dollar amount of most recent year's collections	10,359,349
Total dollar amount of levy 2021	10,500,307
Transfer Facility Billing	
Number of statements each month	450-500

Bank Accounts

Number of bank accounts	3 (one is debt set off)
Number of escrow accounts	2 (both are loans)
Average monthly activity in main accounts	
Number of deposits (Central Depository)	100
Number of checks:	
Central Depository	400
Payroll	320

The following financial applications are on the computer system:

- General Ledger
- Accounts Payable
- Payroll
- Capital Assets
- Accounts Receivable

The following financial application is on a separate computer system:

- Commercial Solid Waste collection and receivables
- Tax office collection and receivables
- EMS office collection and receivables

Special Conditions

The tax office does collect taxes for the Town of Sparta. The finance office writes a check for this amount to the Town of Sparta each month.

Only three departments do their own deposits, Finance, Tax and Register of Deeds. All other departments bring deposits to the finance office. Finance posts all deposits.

The County's budget for Fiscal Year 2020-21 reflects the conditions of the local economy, which like every other agency, has been impacted by the pandemic resulting in CARES allocation monies.

Alleghany County also experienced an earthquake in August of 2020 resulting in earthquake relief and repair funds from the State of North Carolina.

Contact information:

Name: April Hamm
Title: Finance Officer
Alleghany County and Alleghany Tourism Development
Authority

Address: PO Box 366
348 S. Main Street, LL60, physical
Sparta, NC 28675
Phone: (336) 372-2826
Fax: (336) 372-6242
Email: April.Hamm@alleghanycounty-nc.gov

L. SUMMARY OF AUDIT COSTS SHEET

1. Base Audit
Includes Personnel costs, travel, and on-site work \$ _____

2. Financial Statement Preparation \$ _____

3. Extra Audit Service
\$ _____ per hour \$ _____

4. Other (explain)
_____ \$ _____

5. Other (explain)
_____ \$ _____

TOTAL \$ _____