

[ORGANIZATION NAME]

**REQUEST FOR PROPOSALS FOR AUDITING
SERVICES**

[DATE]

DUE: DATE / TIME

1. INTRODUCTION

The [Organization Name], the “Organization,” is requesting proposals from qualified certified public accountants, the “Auditor,” to provide independent auditing services for the fiscal years ending September 30, 20XX through September 30, 20XX with the potential for a XXX (X) year extension.

Sealed Proposals must be clearly marked “**RFP TITLE**” and delivered to the following address:

[Organization Name]
[Attn: Dept/Person]
[Address]
[City, FL, ZIP]

The deadline for submission of Proposals is **Date/Time**.

It is the responsibility of the Proposer to ensure all pages are included in the submission. All Proposers are advised to closely examine the request for proposal documents. Any questions regarding the completeness or substance of the request for proposal documents or the scope of services must be submitted in writing via email to [Person and Contact].

The [Organization] reserves the right to accept or reject any or all Proposals, in whole or in part, with or without cause, to waive any irregularities and/or technicalities, and to award the contract on such coverage and terms it deems will best serve the interests of the Organization.

2. GENERAL INFORMATION

Section 218.39, Florida Statutes, requires each local government entity to have completed within nine (9) months of each fiscal year-end, an annual financial audit of its accounts and records. The [Organization] is soliciting Proposals from qualified Certified Public Accountants and/or firms licensed to practice in the State of Florida. The audit shall be conducted for the purpose of forming an opinion on the basic financial statements taken as a whole and to determine whether operations were conducted in accordance with legal and regulatory requirements.

[Basic Description of Entity - # of employees, total budget, # of funds, etc.]

3. ELIGIBILITY AND MINIMUM REQUIREMENTS

To be eligible to respond to this RFP and be considered for award, the Proposer must demonstrate to the satisfaction of the [Organization] that it or the principals assigned to the project has successfully provided services, similar in scope and complexity, as an independent external financial auditor to a municipality or quasi-governmental organization.

Proposers must meet the following minimum qualifications; failure to meet the minimum qualifications may result in rejection of the Proposal.

- a. Proposers must certify that they are qualified and licensed to provide auditing services and practice in the State of Florida.
- b. Proposers must have at least five (5) years’ experience in satisfactorily providing the proposed services to a municipality or other public entity.
- c. The principals of the firm(s) have performed continuous certified public accounting (CPA) services for a minimum of five (5) years.

- d. The Proposer must be a member of the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants.
- e. The assigned professional personnel of the Proposer must have received adequate continuing professional education as stipulated by Government Auditing Standards issued by the Comptroller General of the United States.
- f. The Proposer is independent of the [Organization], as defined by generally accepted auditing standards and Government Auditing Standards.
- g. The Proposer must submit a copy of the most recent external quality control review reports and letters of comment, along with a statement indicating whether the reviews included a review of specific governmental engagements.
- h. The manager and senior auditor must have experience auditing one or more similar governments, specifically as to size and services provided, where all applicable Governmental Accounting Standards Board Statements have been implemented.
- i. The manager and senior auditor must have experience performing a Single Audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, 2 CFR 200 Part F, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, Audits of State and Local Governments; and the Rules of the Auditor General of the State of Florida.
- j. To ensure adequate testing over the Organization's IT environment, the Proposer must have a Certified Information Systems Auditor (CISA) as part of the audit team.

To meet the requirements of this RFP, the audit must be performed in accordance with the following standards:

- a. Generally Accepted Auditing Standards as issued by the American Institute of Certified Public Accountants (AICPA)
- b. Government Auditing Standards issued by the Comptroller General of the United States
- c. 2 CFR 200 Part F, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards
- d. Florida Single Audit Act
- e. Rules of the Auditor General, State of Florida
- f. Rules of the Florida Department of Financial Services
- g. Section 218.39, Florida Statutes and any other applicable Florida Statutes.

4. SCOPE OF SERVICES

The following general tasks and deliverables are required of the selected Proposer:

- a. The selected Proposer, as auditor, shall perform an annual examination of the basic financial statements to express opinions on the fairness with which the statements present the financial positions, results of operations, and changes in financial position in conformity with generally accepted accounting principles.
- b. The auditor shall perform an examination to determine whether operations are properly conducted in accordance with legal and regulatory requirements.
- c. The auditor shall evaluate the system of internal controls, including the control environment, accounting systems and specific control procedures, to assess the extent to which the controls can be relied upon to ensure accurate information, to ensure compliance with laws and regulations, and to provide for efficient and effective operations. In order to assess the control risk, the Proposer is to perform tests of controls and properly document its assessment. Significant deficiencies and material weaknesses shall be communicated in writing in accordance with generally accepted auditing standards.

- d. The auditor shall perform an examination of any additional financial information necessary to comply with generally accepted auditing standards.
- e. The auditor is not required to audit the combining and individual fund financial statements and supporting schedules. However, the auditor is to provide an “in- relation-to” report on the combining and individual fund financial statements and supporting schedules based on the auditing procedures applied during the audit of the basic financial statements.
- f. The scope of the audit shall include any additional activities necessary to establish compliance with the term “financial audit” as defined and used in Government Auditing Standards.
- g. If applicable, the scope of the audit shall encompass the additional activities necessary to establish compliance with the Federal Single Audit Act, as amended; United States 2 CFR 200 Part F, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards; other applicable Federal laws; and the Florida Single Audit Act.
- h. The auditor shall use financial condition assessment procedures to assist in detection of deteriorating financial condition as established under Florida Statutes 218.503. The auditor may use the procedures developed by the Auditor General or appropriate alternative procedures.

Following completion of the audit of the fiscal year financial statements, the auditor shall issue the following reports with regard to the basic financial statements of the Organization:

- a. A report on the basic financial statements. This report must include, at a minimum:
 - i. A statement as to whether the financial statements are presented in accordance with generally accepted accounting principles;
 - ii. An expression of opinion regarding the financial statements taken as a whole, or an assertion to the effect that an opinion cannot be expressed including the reasons therefore; and
 - iii. A statement that the audit was conducted in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller of the United States.
- b. A report on compliance and internal control over financial reporting.
- c. A report on compliance and internal control over compliance applicable to each major federal program and state project.
- d. A management letter and any additional examination reports as required by Florida Statutes 218.39 and 215.97 and Rules of the Auditor General, Chapter 10.550 which shall identify any management weaknesses observed, assess their effect on financial management and propose steps to correct or eliminate those weaknesses.
- e. Other reports required by the Federal Single Audit Act and the Florida Single Audit Act including:
 - i. An “in-relation-to” report on the Schedule of Expenditures of Federal Awards and State Financial Assistance
 - ii. A separate schedule of findings and questioned costs, including a summary of audit results related to financial statements, internal controls and compliance.
- f. Irregularities and Illegal Acts—The auditor shall make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to management and/or the governing body, as appropriate.

The auditor shall also be responsible for the preparation of the final financial statement document and provide a final PDF file to the [Organization] for printing and binding.

5. SUBMITTAL REQUIREMENTS

In response to this Solicitation, the Proposer should return an electronic copy of the entire completed

Proposal Submission Package to [Name and Email]. Proposers should carefully follow the format and instructions outlined herein. Proposals must be signed by the person or member of the firm making the Proposal, and in the case of a corporation, by an authorized officer or agent subscribing the name of the Corporation and his or her own name.

At a minimum, Proposals must include the following information:

Introductory Items and Firm Background

1. Table of contents providing a clear identification of the material by section and by page number.
2. Transmittal letter no more than 2 pages explaining why the firm believes itself to be best qualified.
3. Description and history of the make-up and composition of the firm.
4. Location of the office from which the audit will be conducted and number of personnel in that office who would be working on the audit.

Experience and Expertise

1. Relevant government auditing experience of firm.
2. Description of Proposer's experience in preparing governmental financial statements, and in providing assistance in obtaining the Certificate of Achievement for Excellence in Financial Reporting.
3. Not less than three (3) and no more than five (5) Florida Municipal references for which the firm has performed similar work.
4. Copy of the firm's most recent external peer review reports and a description of the firm's peer review/quality control process.
5. Results of any Federal or State desk review or field audits during the past three (3) years.
6. Circumstances and status of any disciplinary actions taken or pending against the firm or any partners or employees of the firm by State regulatory bodies or professional organizations during the past three (3) years.
7. The Proposer shall describe any litigation or proceeding whereby, during the past three (3) years, a court or any administrative agency has ruled against the firm or any of the professional staff in any manner related to its professional activities.
8. Overview of the engagement team and role to be played by each team member
9. Resumes of partners, managers and other supervisory staff assigned to this audit, which must include the following information:
 - a. Formal education and experience in public accounting in general
 - b. Experience in auditing governmental units

- c. Membership in professional organizations
 - d. Affirmative statement that all continuing professional education requirements have been met
10. Identification of audit team member with Certified Information Systems Auditor (CISA) certification who will conduct/oversee the IT controls portion of the audit.

Audit Approach

1. The Proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in this Request for Proposals.
2. Proposers shall provide the following information on their audit approach:
 - a. Proposed segmentation of the engagement
 - b. Description of the extent to which statistical sampling is to be used in the engagement
 - c. Type and extent of analytical procedures to be used in the engagement
 - d. Approach to be taken to gain and document an understanding of the internal control structure
 - e. Use of technology in audit approach
 - f. Approach to be taken in determining laws and regulations that will be subject to audit test work

Location

1. The proximity of the primary office shall be an important evaluation factor as it relates to the level of service that can be provided, and should be no more than 100 miles away.

Pricing

2. Audit fees for each year broken out by the following:
 - a. Audit of the financial statements
 - b. Single audit
3. Hourly rates for additional work by position
4. Statement of firm's policy on whether proposed fees are all-inclusive and when any additional expenses or consultations will be billed

6. EVALUATION OF PROPOSALS

Each Proposal will be reviewed to determine if the Proposal is responsive to the submission requirements outlined in this Solicitation. A responsive Proposal is one that follows the requirements of this Solicitation, includes all documentation, is submitted in the format outlined in this Solicitation, is of

timely submission, and has the appropriate signatures as required on each document. Failure to comply with these requirements may result in the Proposal being deemed non-responsive. Each Proposal that has been determined to be responsive shall be ranked as set forth herein below.

Proposals will be evaluated by a Selection Committee, consisting of [The Governing Body or specify members] which will evaluate and rank Proposals on the criteria listed below. The Evaluation/Selection Committee will be comprised of members with the appropriate experience and/or knowledge. The criteria are itemized with their respective weights for a maximum total of **one hundred (100)** points per Evaluation/Selection.

<u>TECHNICAL CRITERIA</u>	<u>POINTS</u>
Experience and Expertise	XX
Audit Approach	XX
Location	XX
Pricing	XX
Total	<u>100</u>

Upon initial completion of the criteria evaluation indicated above, rating and ranking, the Selection Committee may choose to conduct an oral presentation with up to 3 Proposer(s) which the Selection Committee deems to warrant further consideration based on, among other considerations, scores in clusters and/or maintaining competition. Upon completion of the oral presentation(s), the Evaluation/Selection Committee will perform a final review to re-evaluate, re-rate, and re-rank the Proposals remaining in consideration based upon the written documents, combined with the oral presentation. In such circumstances, the initial ranking of the Proposers shall be considered only a preliminary ranking until after the oral presentations are completed.

The Selection Committee will review all proposals to make a determination as to which firm is the most qualified to perform the audit. The basis of fees submitted with the proposals will also be considered as one of the factors in the evaluation process, but price should not be construed as the overriding criteria for awarding the contract for audit services. Proposers will be ranked based on their qualifications at the discretion of the Selection Committee.

The [Organization] reserves the right to negotiate modifications to proposals that it deems acceptable, reject any and all proposals, and waive minor irregularities with the proposals.