

“REVISED TIMELINE”

SAN JACINTO COUNTY

REQUEST FOR PROPOSALS

FOR

PROFESSIONAL AUDITING SERVICES

January 23, 2015

1 STATE HWY 150
COLDSPRING, TX 77331

SAN JACINTO COUNTY REQUEST FOR PROPOSALS

I. INTRODUCTION

A. General Information

SAN JACINTO COUNTY is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending September 30, 2014. These audits are to be performed in accordance with generally accepted auditing standards.

There is no expressed or implied obligation for San Jacinto County to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

To be considered, proposal must be received by **Dawn Wright, County Clerk, at 1 State Hwy 150, Rm 2, Coldspring, TX by 10:00 AM on February 9, 2015.** San Jacinto County reserves the right to reject any or all proposals submitted.

San Jacinto 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 San Jacinto County and the firm selected.

It is anticipated the selection of a firm will be completed by February 10, 2015. Following the notification of the selected firm it is expected a contract will be executed between both parties within ten (10) days.

B. Term of Engagement

A one year contract is contemplated, subject to the annual review and recommendation of the Commissioner's Court, the satisfactory negotiation of terms (including a price acceptable to both San Jacinto County and the selected firm), the concurrence of the Commissioner's Court of San Jacinto County and the annual availability of an appropriation.

II. NATURE OF SERVICES REQUIRED

A. General

San Jacinto County is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal year ending September 30, 2014. These audits are to be performed in accordance with the provisions contained in this request for proposals.

B. Scope of Work to be performed

San Jacinto County desires the auditor to express an opinion on the fair presentation of its governmental activities, each of its major funds, and its aggregate remaining fund information in conformity with generally accepted accounting principles.

San Jacinto County also desires the auditor to express an opinion on the fair presentation of its combining and individual fund financial statements and schedules in conformity with generally accepted accounting principles. The auditor is not required to audit the supporting schedules contained in the comprehensive annual financial report. However, the auditor is to provide an "in-relation-to" opinion on the supporting schedules based on the auditing procedures applied during the audit of the basic financial statements and the combining and individual fund financial statements and schedules. The auditor is not required to audit the introductory section of the report or the statistical section of the report.

The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

C. Auditing Standards to be followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally accepting auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the U.S. Government Accountability Office's *Government Auditing Standards* (1994), the provisions of the Single Audit Act of 1984 (as amended in 1996) and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

D. Reports to be Issued

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue a report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.

The auditor shall communicate in a letter to management any significant deficiency, material weakness, or other control deficiency found during the audit. A *control deficiency* shall be deemed to have occurred whenever the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* shall be defined as a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected. A *material weakness* shall be defined as a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected. Significant deficiencies that are also material weaknesses shall be identified as such in the report. In addition, the following conditions shall be reported:

Irregularities and illegal acts. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts.

Auditors shall assure themselves that the San Jacinto County Internal Auditor is informed of each of the following:

1. The auditor's responsibility under generally accepted auditing standards
2. Significant accounting policies
3. Management judgments and accounting estimates
4. Significant audit adjustments
5. Auditor's judgments about the quality of the entity's accounting principles

6. Other information in documents containing audited financial statements
7. Disagreements with management
8. Management consultation with other accountants
9. Major issues discussed with management prior to retention
10. Difficulties encountered in performing the audit

III. DESCRIPTION OF THE GOVERNMENT

A. The auditor's principal contact with San Jacinto County will be Carole Martin, County Auditor or a designated representative, who will coordinate the assistance to be provided by San Jacinto County to the auditor.

B. Background Information

San Jacinto County serves an area of 628 square miles with a population of more than 26,000. San Jacinto County's fiscal year begins on October 1, 2013 and ends on September 30, 2014

San Jacinto County has a total payroll of approximately \$ 4,960,000. covering approximately 153 full time employees.

San Jacinto County is organized into four precincts. The accounting and financial reporting functions of San Jacinto County are centralized.

C. Fund Structure

San Jacinto County uses the following fund types and account groups in its financial reporting:

<u>Fund Type</u>	<u>Number of Individual Funds</u>
General fund	<u>1</u>
Special revenue funds	<u>21</u>
Debt service funds	<u>1</u>

Capital projects funds	___ 1 ___
Internal service funds	___
Agency funds	___ 11 ___

D. Basis of Budgeting

San Jacinto County prepares its budgets on a basis consistent with generally accepted accounting principles.

E. Magnitude of Finance Operations

The finance department is headed by Carole Martin, Auditor and consists of three additional employees. The principal functions performed and the number of employees assigned to each are as follows:

<u>Function</u>	<u>Number of Employees</u>
Assistant Auditors	3

Treasury Department consists of Treasurer, one assistant, one part time.

G. Computer Systems

Finance and Treasury Departments are networked.

Software

Hill Country Software is used for financial, treasury and payroll.

H. Internal Audit Function

San Jacinto County maintains an internal audit function. The internal audit function reports to Carole Martin, Auditor and is staffed by three employees.

I. Availability of Prior Audit Reports and Working Papers

Interested proposers who wish to review years prior to 2013 should contact Carole Martin at 1 State Hwy 150, Coldspring, TX 77331 or 936-653-4461.

IV. TIME REQUIREMENTS

A. Proposal Calendar

The following is a list of key dates up to and including the date proposals are due to be submitted:

Request for proposal issued	1/23/2015
Due date for notification of interest	2/9/2015
<u>Due date for proposals</u>	<u>2/9/2015</u> **

B. Notification and Contract Dates

Selected firm notified	2/11/2015
Contract date	within 10 days

C. Date Audit May Commence

San Jacinto County will have all records ready for audit and all management personnel available to meet with the firm's personnel as of February 11, 2015.

D. Schedule for the 2014 Fiscal Year Audit

1. Audit Plan

The auditor shall provide San Jacinto County an audit plan and a list of all schedules to be prepared by San Jacinto County.

2. Draft Reports

The auditor shall have drafts of the audit reports and recommendations to management available for review by the County Auditor by April 1, 2015.

E. Date Final Report is Due

The County Auditor and staff will complete their review of the draft report as expeditiously as possible. It is not expected that this process should exceed one week. Once all issues for discussion are resolved, the final

signed report shall be delivered to the County Auditor within ten working days. It is anticipated that this process will be completed and the final report delivered by April 30, 2015.

The final report and ten (10) signed copies should be delivered to Carole Martin at 1 State Hwy 150, Coldspring, TX 77331.

V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

A. Finance Department and Clerical Assistance

The finance department 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 San Jacinto County.

B. Internal Audit Staff Assistance

The internal audit staff of San Jacinto County will be available to assist the auditor in performing audit tests.

C. Work Area, Telephones, Photocopying and FAX Machines

San Jacinto County will provide the auditor with reasonable work space, desks and chairs.

D. Report Preparation

Report preparation, editing and printing ten copies shall be the responsibility of the auditor.

VI. PROPOSAL REQUIREMENTS

A. General Requirements

1. Inquiries

Inquiries concerning the request for proposals and the subject of the request for proposals must be made to:

Carole Martin, Auditor
1 State Hwy 150
Coldspring, TX 77331
936-653-4461

2. Submission of Proposals

The following material is required to be received by February 9, 2015 for a proposing firm to be considered:

a. Include the following:

i. 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.

ii. Transmittal Letter

A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within 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 sixty days.

b. The proposer shall submit six (6) copies of a dollar cost bid in a separate sealed envelope marked as follows:

SEALED BID
PROPOSAL
FOR
SAN JACINTO COUNTY
FOR
PROFESSIONAL AUDITING SERVICES
SEPTEMBER 30, 2014

c. Proposers should send the completed proposal to the following address:

Dawn Wright
San Jacinto County Clerk
1 State Hwy 150 Room 2
Coldspring, TX 77331

B. Technical Proposal

1. License to Practice in Texas

An affirmative statement should be included that the firm and all assigned key professional staff are properly [registered/licensed] to practice in Texas.

2. 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 and 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.

C. Dollar Cost

1. Total All-Inclusive Maximum Price

The 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.

San Jacinto County will not be responsible for expenses incurred in preparing and submitting the 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. A Total All-Inclusive Maximum Price for the 2014 engagement.

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.

VII. EVALUATION**A. Oral Presentations**

During the evaluation process, San Jacinto County may, at its discretion, request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the Commissioners may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

B. Final Selection

It is anticipated that a firm will be selected by February 10, 2015.

C. Right to Reject Proposals

San Jacinto County reserves the right without prejudice to reject any or all proposals.

APPENDICES**A. 2013 Compliance (Single) Audit****B. 2013 Financial Audit**