



*Hardin County Purchasing*  
*300 Monroe St. Kountze, Texas 77625*  
*(409) 246-5124*  
*Fax (409) 246-3208*

*Misty Sims- Purchasing Agent*

October 11, 2016

**REQUEST FOR PROPOSALS**  
**INDEPENDENT AUDITING SERVICES**

Sealed Proposals should be plainly marked on the envelope, “**SEALED PROPOSAL-AUDITING SERVICES**” and addressed to Misty Sims, Hardin County Purchasing Department, 300 Monroe, Kountze, Texas 77625. Proposals will be received until 2:00 P.M., November 7, 2016. No Proposal tendered later than time fixed will be accepted. Any Proposal not received in Purchasing Department will be refused.

Hardin County is requesting proposals from qualified firms of certified public accountants to audit financial statements for the fiscal year ending September 30, 2016 with the option of auditing its financial statements for each of the two subsequent fiscal years ending September 30, 2017 and September 30, 2018.

Hardin County has the right to accept or reject any or all submittals. Additional information may be obtained by contacting Hardin County Purchasing (409) 246-5124  
[www.hardin.co.tx](http://www.hardin.co.tx) . EEO employer.

## REQUEST FOR PROPOSAL INDEPENDENT AUDITING SERVICES

Hardin County is requesting proposals from qualified firms of certified public accountants to audit financial statements for the fiscal year ending September 30, 2016 with the option of auditing its financial statements for each of the two subsequent fiscal years ending September 30, 2017 and September 30, 2018.

**Date Due: November 7, 2016 no later than 2:00 p.m.** The sealed proposals will be opened on November 7, 2016 at 2:00 p.m. in the Commissioners Courtroom located at 300 Monroe Street Kountze, Texas 77625. Proposals received later than this date and time will not be considered. Proposals will be received and publicly acknowledged by Misty Sims, Hardin County Purchasing Department.

Any proposals not received in the Purchasing Department will be refused.

Hardin County has the right to accept or reject any or all submittals. Additional information may be obtained by contacting Hardin County Purchasing at 409-246-5124. Hardin County is an EEO employer.

Carefully read all instructions, requirements and specifications. Fill out all forms properly and completely. Submit **one original and five (5) copies** of your proposal with all appropriate supplements and or samples.

Be sure that return envelope **IS MARKED "SEALED PROPOSAL- FINANCIAL AUDIT SERVICES."**

### RETURN PROPOSAL TO:

Hardin County Purchasing Department  
Attn: Misty Sims  
300 Monroe Street  
Kountze, Texas 77625

**You must sign below in INK; failure to sign WILL disqualify the offer.**

Company Name: \_\_\_\_\_

Company Address: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_

Taxpayer Identification Number (T.I.N) \_\_\_\_\_

Telephone No. \_\_\_\_\_ FAX No. \_\_\_\_\_ E-mail \_\_\_\_\_

Print Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

(Your signature attests to your offer to provide the goods and/or services in this proposal according to the published provisions of this Job. When an award letter is issued, it becomes a part of this contract.)

## Disclosure Requirements

Chapter 176 of the Texas Local Government code mandates the public disclosure of certain information concerning persons doing business or seeking to do business with Hardin County, including affiliations and business and financial relationships such persons may have with Hardin County officers. An explanation of the requirements of Chapter 176 is located at <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm>. A list of County officials is located at [www.hardin.co.tx](http://www.hardin.co.tx). The disclosure form is included in this packet. Please complete with your response.

By doing business or seeking to do business with Hardin County, you acknowledge that you have been notified of the requirements of Chapter 176 of the Texas Local Government Code and that you are solely responsible for complying with them.

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### **A. GENERAL INFORMATION**

Hardin County's intent of this Request for Proposal is to obtain proposals from qualified firms of certified public accountants, with extensive experience in the Auditing Services for government agencies, to audit its financial statements for the fiscal year ending September 30, 2016, with the option for two subsequent fiscal years.

The sealed proposal shall be submitted to:

Misty Sims  
Hardin County Purchasing Department  
300 Monroe Street  
Kountze, Texas 77625

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

Proposals submitted will be evaluated by the Auditing Committee, which will make a recommendation to the Commissioners' Court for its consideration and subsequent selection.

During the evaluation process, the Auditor's office and the Commissioners' Court, reserve the right, where it may serve the County's best interest, to request additional information or clarifications from offeror, or to allow corrections of errors or omissions. The award of the contract shall be made to the responsible offeror resulting from negotiations, taking into consideration the relative importance of price and other factors set forth in the RFP in accordance with the Texas Local Government Code, Chapter 262.

Hardin 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 at a minimum acceptance by the firm of the conditions contained in this RFP, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the County and the firm selected.

A proposal may not be withdrawn or canceled by the offeror for a period of ninety (90) days following the date designated for the receipt of proposal, and offeror so agrees upon submittal of their proposal. Any proposal alteration, interlineations, or erasure made before receiving time must be initialed by the signer of the proposal, guaranteeing authenticity.

Proposals will be received and publicly acknowledged at the location, date, and time stated on the cover page. Offeror, their representatives and interested persons may be present. Proposals shall be received and acknowledged only so as to avoid disclosure of the contents to competing offerors and kept secret during the negotiation/evaluation process. However, all proposals shall be open for public inspection after the contract is awarded, except for confidential information contained in the proposal so identified by offeror as such.

It is anticipated the selection of a firm will be completed by November 14, 2016.

### **B. TERM OF ENGAGEMENT**

The contract will be subject to the annual review and recommendation of the Auditor's office and the Commissioners Court, the satisfactory negotiation of terms (including a price acceptance to both Hardin County and the selected firm), and the annual availability of budgeted appropriations.

### **C. EVALUATION CRITERIA AND FACTORS**

The award of the contract shall be made to the responsible offeror whose proposal is determined to be the lowest evaluated offer resulting from negotiations, taking into consideration the relative importance of price and other factors set forth in the Request for Proposals in accordance with the Texas Local Government Code, Chapter 262. The evaluation criteria will be grouped into factors as follows:

**Offeror's total proposed price**

1. Total costs of proposal
2. Cost proposals compliance with minimum specifications
3. Cost proposals compatibility with owner stated purpose

**Offeror's Qualifications/Experience**

1. Demonstrated prior experience in providing similar services
2. Capability to provide responsive service
3. Offeror's ability to perform

**The proposed services meeting Hardin County's needs and requirements**

1. Adherence to requirement of RFP
2. Offeror's responsibility clearly defined
3. Hardin County's participation and responsibility clearly defined
4. Demonstrated ability to fully meet the needs of Hardin County

## SPECIFICATIONS AND REQUIREMENTS OF SERVICES TO BE RENDERED INDEPENDENT AUDIT SERVICES

### A. GENERAL

These audits are to be performed in accordance with generally accepted auditing standards established by the American Institute of Certified Public Accountants, the AICPA Industry Audit Guide, Audits of State and Local Governments, the standards set forth for financial audits in the Government Auditing Standards, issued by the Comptroller General of the United States of America, the requirements of the State and Federal Single Audit Act as set forth in OMB Circular A -133, and the provisions of the General Accounting Standards Board Statement number 34, as well as the following additional requirements.

### B. REPORT PREPARATION

The writing and preparation of the comprehensive annual financial report shall be the responsibility of the independent auditor. The independent auditor shall be required to transfer Hardin County's financial information from Cash Basis Accounting to GASB compliant. The independent auditor shall provide **fifteen (15)** copies of the written report along with an electronic copy. The independent auditor will be required to present the audit report to the Commissioner's Court during a regular meeting.

### C. RETENTION AND AVAILABILITY OF WORKING PAPERS

The auditing firm must retain the audit working papers for a period of not less than five years after the date of the auditor's opinion or until notified that all agency reviews have been accomplished. The County reserves the right to request copies of selected work papers and schedules as legitimate needs arise for no additional fees.

### D. EXPERIENCE AND LOCAL PRESENCE

The proposing firms are to possess substantial experience in governmental auditing and accounting, and must have access to the resources necessary to address technical issues that may arise during the course of the engagement.

The firms are also expected to have and maintain a local presence capable of staffing the engagement. Working papers, ledgers, reports, etc. cannot be removed to the offeror's office. Therefore, offeror must assign sufficient staff to conduct the audit in Hardin County offices. Offeror must also provide or assign staff to answer questions and work with Hardin County throughout the year.

### E. KEY PERSONNEL

Prior to beginning the work, the proposing firms will designate the personnel and commit to using those individuals to perform the County's audit. Audit partner, manager, and site supervisor shall be specifically identified.

### F. STAFFING PATTERNS AND ASSIGNMENTS

The overriding consideration in making staff assignments to the County's audit should be to assign those individuals whose skills best fit the audit requirements. However, in making assignments, the offeror should utilize the same standards of quality in terms of skill and expertise afforded to its other governmental and commercial clients.

### G. INSURANCE

Proposing firm shall provide proof of Errors and Omissions Liability Insurance of at least \$1,000,000 aggregate per year with proposal.

## **BACKGROUND INFORMATION INDEPENDENT AUDIT SERVICES**

### **A. CONTACT PERSON**

The external auditor's principal contact with Hardin County will be:

Angela Gore  
County Auditor  
300 Monroe Street  
Kountze, Texas 77625  
(409) 246-5130

### **B. ASSISTANCE TO BE PROVIDED TO THE INDEPENDENT AUDITOR**

Interested offerors who wish to obtain prior years audit reports, or needing additional information about the RFP, or the operations of the County may contact:

Angela Gore  
County Auditor  
(409) 246-5130

The County Auditor's staff will provide computer-generated ledgers, trial balances and any other audit schedules, which can be generated through the current software applications. Due to time constraints and a limited staff, discretion to provide or assist in the preparation of audit work papers and schedules rests solely with the County Auditor.

## **AUDIT SCHEDULE INDEPENDENT AUDIT SERVICES**

### ***Comprehensive Annual Financial Report***

The offeror will provide a schedule outlining date offeror is available to begin audit, date fieldwork shall be completed, date draft reports shall be submitted and date final report will be delivered for the 2016 audit. A similar outline for subsequent audit years shall be submitted and will be subject to the County Auditor's approval.

## **SUBMITTAL**

For proper comparison and evaluation, Hardin County requests that proposals be organized in the manner stated below.

### **Title Page**

Show the RFP subject, the name of the offeror's firm, address, telephone number, name of the contact person, and the date.

### **Table of Contents**

Include a clear identification of the material by section and by page number.

### **Letter of Transmittal**

Limit to one or two pages.

A statement that the offeror will perform the work stated in these specifications and that the services provided will conform in all aspects to the requirement stated within this RFP.

State that the person signing the letter will be authorized to bind the offer.

### **Scope and Audit Approach**

Describe the scope of the required services to be provided in terms of the matter discussed in the preceding sections. The offeror's specific audit approach should be set forth in the proposal and should include an explanation of the audit methodology to be followed.

### **Summary of Offeror's Qualifications**

Briefly describe the firm, location, and range of activities engaged in the practice of public accountancy.

Confirm that offerors are certified public accountants presently engaged in the practice of public accountancy.

Affirm that offerors are independent.

Identify the Partner and Manager who will work on the audit. Include a resume for each supervisory person to be assigned to the audit.

Include information, which attests to the offeror's auditing experience, particularly in auditing counties in Texas. Specifically, include a reference list of local government audit clients and any GFOA certificates of achievement for excellence in financial reporting awarded.

The offeror shall provide a statement outlining the audit schedule and a proposed time frame when submitting the proposal. Hardin County requests the audit begin in January 2017 and finalized by March 2017 for the fiscal year ending September 30, 2016.

Affirm that the offeror has completed external quality review with unqualified opinion.

## **Examination Approach and Compensation**

Summarize the work plan to accomplish the scope defined in these guidelines and the maximum fee for which the requested work will be done. Include detail of price including the number of staff and staff hours that will be committed to the audit. Costs should be stated for the following:

1. Professional services to perform the audit.
2. Single Audit procedures and reporting as required.
3. Preparation of the Comprehensive Annual Financial Report.
4. Review and response of GFOA certification comments.
5. Services to reconcile and adjust fund balances for proper reporting.
6. Reporting of fixed assets.

## **References**

Offeror shall submit with this proposal a list of at least five (5) references where like services have been performed by their firm, as required on the attached Reference Form. Include name of firm, address, telephone number and name of representative. List at least three current clients and two previous clients.

## **ADDITIONAL INFORMATION INDEPENDENT AUDIT SERVICES**

Hardin County's budget for 2016 was \$20,677,890.00 which consists of the General Fund \$15,483,659.00, Jury Fund \$584,878.00, Road & Bridge Fund \$4,315,963.00 and Interest & sinking Fund \$293,390.00. We maintain 26 Special Revenue Funds, 11 Agency Funds. Hardin County also received 18 Federal Grant Awards and 16 State Grant Awards.

Hardin County has approximately 40 departments headed by elected or appointed officials. The population of Hardin County is 54,635.

Hardin County's payroll consists of approximately 260 full-time/part-time and 21 temporary employees on a bi-weekly basis.

The County is structured so that cash collections are decentralized. The Hardin County Treasurer maintains 20 bank accounts, the Tax Assessor/Collector maintains 4 bank accounts, the District Attorney maintains 3 bank accounts, the County Attorney maintains 1 bank account, the Adult Probation maintains 1 bank account and Juvenile Probation departments maintains 1 bank account, the Sheriff's Office maintains 1 bank account, and while the County and District Clerks maintains 1 bank account each plus numerous Trust Fund accounts.

A single audit of grants must be performed in conjunction with the financial audit if the audit firm determines that the County meets the requirements.

Employees participate in the Texas County and District Retirement System. The Commissioners' Court establishes the level of participation annually. Participation in the plan is required. Actuarial services for the plan are provided by the Texas County and District Retirement System each year.

Permanent full-time employees who retire drawing a monthly county pension from TCDRS are eligible to participate in the TAC HEBP health care plan and receive the employer contribution until age of 65. A third party actuary does the analysis of Post-employment benefits (OPEB) every two years.

The County's Certified Investment Officer handles all investments of idle funds.

Hardin County's financial software package is Netdata.

**VENDOR REFERENCES  
INDEPENDENT AUDIT SERVICES**

Please list three (3) references of current customers who can verify the quality of service your company provides. The County prefers customers of similar size and scope of the work to this proposal. **THIS FORM MUST BE RETURNED WITH YOUR PROPOSAL.**

**REFERENCE ONE**

Government/Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

Contact Person and Title: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Contract Period: \_\_\_\_\_ Scope of Work: \_\_\_\_\_

**REFERENCE TWO**

Government/Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

Contact Person and Title: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Contract Period: \_\_\_\_\_ Scope of Work: \_\_\_\_\_

**REFERENCE THREE**

Government/Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

Contact Person and Title: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Contract Period: \_\_\_\_\_ Scope of Work: \_\_\_\_\_

**REFERENCE FOUR**

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

Contact Person and Title: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Contract Period: \_\_\_\_\_ Scope of Work: \_\_\_\_\_

**REFERENCE FIVE**

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

Contact Person and Title: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Contract Period: \_\_\_\_\_ Scope of Work: \_\_\_\_\_

## CONFLICT OF INTEREST QUESTIONNAIRE

<b>CONFLICT OF INTEREST QUESTIONNAIRE</b> <b>For vendor or other person doing business with local governmental entity</b>		<b>FORM CIQ</b>
<p><b>This questionnaire reflects changes made to the law by H.B. 1491, 80th Leg., Regular Session.</b></p> <p>This questionnaire is being filed in accordance with Chapter 176, Local Government Code by a person who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the person meets requirements under Section 176.006(a).</p> <p>By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code.</p> <p>A person commits an offense if the person knowingly violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.</p>	<div style="border: 1px solid black; padding: 2px; text-align: center; font-weight: bold;">OFFICE USE ONLY</div> <div style="border: 1px solid black; padding: 2px;">Date Received</div>	
<div style="border: 1px solid black; padding: 2px;"> <b>1</b> Name of person who has a business relationship with local governmental entity.                 </div>		
<div style="border: 1px solid black; padding: 2px;"> <b>2</b> <input type="checkbox"/> Check this box if you are filing an update to a previously filed questionnaire.                       (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date the originally filed questionnaire becomes incomplete or inaccurate.)                 </div>		
<div style="border: 1px solid black; padding: 2px;"> <b>3</b> Name of local government officer with whom filer has employment or business relationship.                 </div> <div style="text-align: center; margin-top: 10px;"> <hr style="width: 30%; margin: 0 auto;"/>                     Name of Officer                 </div> <p style="margin-top: 10px;">This section (item 3 including subparts A, B, C &amp; D) must be completed for each officer with whom the filer has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.</p> <p>A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the filer of the questionnaire?</p> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 5px;"> <input type="checkbox"/> Yes                 <input type="checkbox"/> No             </div> <p>B. Is the filer of the questionnaire receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?</p> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 5px;"> <input type="checkbox"/> Yes                 <input type="checkbox"/> No             </div> <p>C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of 10 percent or more?</p> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 5px;"> <input type="checkbox"/> Yes                 <input type="checkbox"/> No             </div> <p>D. Describe each employment or business relationship with the local government officer named in this section.</p>		
<div style="border: 1px solid black; padding: 2px;"> <b>4</b> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 60%;"> <hr style="width: 80%; margin: 0;"/>                     Signature of person doing business with the governmental entity                 </div> <div style="width: 35%;"> <hr style="width: 80%; margin: 0;"/>                     Date                 </div> </div> </div>		