

REQUEST FOR PROPOSALS



**FINANCIAL AUDIT SERVICES
15-0724**

July 24, 2015

Town of Kiawah Island

21 Beachwalker Drive
Kiawah Island, SC 29455
843-768-9166
843-768-4764 fax
www.kiawahisland.org

TOWN OF KIAWAH ISLAND

REQUEST FOR PROPOSALS FINANCIAL AUDIT SERVICES

15-0724

The Town of Kiawah Island is requesting sealed proposals from qualified firms of certified public accountants to audit its financial statements for the for Fiscal Year Ending June 30, 2015, with options for annual renewals in 2016, 2017, 2018, and 2019. These audits are to be performed in accordance with generally accepted auditing standards and the US Office of Management and Budget (OM B) Circular A-133. Sealed proposals are due by **11:00 AM, July 24, 2015**. Sealed proposals should be hand carried or delivered by traceable means to the Town Clerk at 21 Beachwalker Drive, Kiawah Island, SC 29455. All proposals should be clearly marked "RFP Financial Audit Services." Proposals must address all the issues reflected in the attached requirements document/questionnaire and the proposal price summary attachment to be considered responsive.

The proposal evaluation process will be completed within forty-five (45) days of receipt of proposals, and the prospective provider of this service will be identified. The pricing data reflected in your proposal must be good through **August 31, 2015**.

All bidders may submit questions or requests for clarification in writing by no later than **July 17, 2015**. Any inquiries concerning the request for proposal should be addressed to Petra Reynolds, Town Clerk. After that date, no more questions or requests will be accepted.

The Town reserves the right to accept or reject any or all proposals received as a result of this request for proposals or to negotiate with all qualified bidders, or to cancel, in part or in its entirety, this request for proposals if it is in the Town's best interest to do so.

This solicitation does not commit the Town to award a contract or to pay for any costs incurred in the preparation of your proposal or to procure or contract for any goods or services.

Your proposal must be signed by an official of your company authorized to commit to and enter into a formal contract for goods and services.

The Town does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or in the provision of goods and services.

1.0 SPECIAL INSTRUCTIONS TO BIDDERS:

1.1 Purpose of RFP

This request solicits proposals to provide the Town of Kiawah Island, South Carolina, hereinafter referred to as "the Town", auditing services from qualified Certified Public Accounting Firms to provide independent audit services for Fiscal Year Ending June 30, 2015, with options for annual renewals in 2016, 2017, 2018, and 2019. RFP requirements and auditing service data can be found in Section 4 of this document.

It is the Town's intent to select the most qualified vendor based on an evaluation of the proposals utilizing the following selection criteria:

- **Responsiveness of the proposal, in clearly stating the understanding of the work to be performed.**
- **Depth of the firm's governmental auditing experience**
- **Qualifications, experience and professional activities of the proposed audit team assigned to the Town**
- **Firm size and organizational structure**
- **Cost of Services**

1.2 Information about the Town of Kiawah Island

The Town of Kiawah Island is a coastal town located in South Carolina. The town is located approximately 25 miles southwest of Charleston, South Carolina. The Town encompasses approximately 13.4 square miles and is estimated to have a population of 1,700 citizens. The general fund budget for FY 2015-16 was adopted at \$4.0 million.

1.3 General Background Information

The Finance Department provides the following core services:

- Provide strong financial leadership in all areas of activity undertaken by the Town.
- Promote the use of technology to ensure the efficient use of the Town's resources.
- Develop and manage the Town's financial policies and exercise budgetary controls over all expenditures.
- Provide effective cash and debt management for the Town ensuring strong bond ratings are possible.
- Compile accurate comprehensive annual financial reports and budgets in compliance with governmental standards, practices and recommendations.
- Provide administration of the Town's general ledger, payroll, accounts payable, and collections, financial audits, state reporting and grants.

- Responsible for maintaining all Town governmental funds including but not limited to the following: General, Capital, Beverage Permit, Debt Service, Victim Assistance, Hospitality Tax, Arts & Cultural Events and Accommodations Tax Funds.
- Provides for collection and reconciliations of Town-wide funds including business license fees, building permits and development permitting fees, hospitality taxes, accommodations taxes, and franchise fees.
- Maintain the Town's business license database, and ensure compliance with the business license ordinance.
- Perform audits of the Town's municipal court to ensure that traffic tickets are appropriately reported to the State and reserves and revenues recorded with the Town.
- Perform audits of the Town's building permits to ensure that contractors are appropriately licensed with the Town.

2.0 **ADMINISTRATIVE AND CONTRACTUAL INFORMATION**

2.1 ***Inquiries***

All inquiries for information regarding procurement procedures, selection criteria, proposal submission requirements, technical operating environment, or other fiscal/administrative concerns should be made in writing and shall be directed to:

Petra Reynolds, Town Clerk
Town of Kiawah Island
 21 Beachwalker Drive
 Kiawah Island, SC 29455
 843-706-4543
preynolds@kiawahisland.org

2.2 ***RFP Specifications***

This RFP is intended to describe the Town's requirements and provide a response format in sufficient detail to secure comparable proposals.

2.3 ***Implied Requirements***

All products and services not specifically mentioned in this RFP, but which are necessary to provide the functional capabilities described by the vendor, must be included in the proposal.

2.4 ***Vendor-Supplied Materials***

Any material submitted by a vendor shall become the property of the Town unless otherwise requested at the time of submission. Any material considered confidential in nature must be so marked.

2.5 Vendor's Proposals

Vendors must submit a sealed response to this RFP in writing. The vendor's proposal must follow the format provided in Section 4 of this document. Any proposals that do not follow the format outlined in this RFP will be deemed non-responsive. Each proposal must be submitted with one (1) original and three (3) copies.

2.6 Economy of Preparation

Proposals should be prepared simply and economically. Emphasis should be placed on clarity and content. All of the questions in the requirements sections of this RFP must be completed in their entirety. Any proposal that fails to respond to all the evaluation points will be deemed non-responsive.

2.7 Response Date

Sealed proposals to be considered must arrive at Town Hall on or before the date and time specified in this RFP. Proposals not received by the Town by proposal closing time will be returned, after receipt, unopened to the vendor.

3.0 RFP EVALUATION PROCESS

3.1 Review of Proposals

The review of submitted proposals will occur as soon as practical following the date they are due. The review process will involve evaluating all proposals for completeness, conformity, clarity, and compliance to the RFP requirements. Proposals not meeting minimum requirements will be considered non-responsive and excluded from further consideration.

3.2 Evaluation of Proposals

Proposals will be evaluated to ascertain which firm best meets the needs of the requester.

1. Responsiveness of the proposal, in clearly stating the understanding of the work to be performed. (maximum 15 points)
2. Technical experience of the firm. (maximum 20 points)
3. Experience and professional activities of the audit team. (maximum 20 points)
4. Size and structure of the firm. (maximum 15 points)
5. Total fee including all direct and indirect costs and out-of-pocket expenses and a schedule of hourly rates for additional services for external auditing services, preferably for each year for the next four years. (maximum 30 points)

3.3 Oral Presentation

The Town may select the most qualified proposals from those received and schedule on-site presentations. The Town anticipates the presentations will take place on or about the week of August 3rd if deemed necessary.

3.4 Vendor Selection

The vendor with the highest score utilizing the published selection criteria will be identified for final negotiations.

The successful bidder will be required to accept the terms and conditions of the Town's standard contract for this service (Attachment A). The content of this RFP and the successful vendor's proposal will become a part of the final contract documents. Any additional documentation required by the vendor should be included as part of the proposal for review by the Town.

4.0 RFP REQUIREMENTS AND GENERAL INFORMATION

4.1 General Information

The Town of Kiawah Island, South Carolina, operates under a Council/Strong Mayor form of government and provides public services including municipal court, codes & planning and parks and minor street maintenance. In addition, the Town utilizes Deputies of the Charleston County Sherriff's Office for law enforcement functions. The Town's accounting system is on a network server and uses the Tyler Technologies Inc. Incode v10 financial accounting software program. The Town utilizes Energov as its Land Management Software program for permit and license tracking.

The modified accrual basis of accounting is used by all funds of the Town.

4.2 MANDATORY Criteria:

Provide a statement affirming each of the following requirements:

1. Licensed CPA firm: Affirm that the proposer is a properly licensed certified public accounting firm for the State of South Carolina.
2. Independence Standards: Affirm that the proposer meets the independence standard promulgated in the General Accounting Office's *Government Auditing Standards*; and the independence standards of the South Carolina State Board of Accountancy.

4.3 Scope of Audit

The funds and component units to be audited are those listed in **Exhibit A** of this proposal. The Town shall have closed and balanced all accounts for all funds to be examined by the auditor by, on or around **September 15th of each year. Audit preparation lists should be**

provided to the Town no later than August 30.

The primary requirement will be an examination and expressed opinion in accordance with generally accepted auditing standards and the single audit act (if applicable), of the financial statements of the Town of Kiawah Island for the Fiscal Year Ending June 30, 2015, with options for annual renewals in 2016, 2017, 2018, and 2019. The Town of Kiawah Island prepares the financial statements to be audited, including all applicable sections of the Comprehensive Annual Financial Report (CAFR).

The auditors shall observe the adequacy of the financial policies, accounting systems and system of internal controls. If weaknesses are noted, appropriate recommendations should first be reviewed with the appropriate elected officials and included in a separate management letter to Town Council.

The auditors will also provide guidance and support to town staff in the implementation of proper accounting procedures and keep town staff informed of newly issued applicable accounting pronouncements.

The firm selected may also be asked to perform other services for an additional fee.

4.4 Auditing Standards

The audit and all submitted reports shall be made in accordance with the most recent standards available, including the following:

- Generally accepted auditing standards as promulgated by the American Institute of Certified Public Accountants (AICPA) including the AICPA's Industry Audit Guide, Audits of State and Local Governmental Units;
- Standards for financial audits as set forth in the U.S. Government Accountability Office's Government Auditing Standards (2003), known as the Yellow Book;
- Provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations;
- Rules of the South Carolina State Auditor;
- Reporting requirements established by the Governmental Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting program; and
- Any other applicable Federal, State, Local Regulations or Professional Guidance not specifically listed above.

4.5 Completion of Work

The auditor's must complete all audit work and provide a "Draft"

Audit Report to the Town on or before **November 1st**. The Town requests that audit work be performed at minimum one (1) full concurrent work week in the field and with at minimum an audit senior and staff to ensure limited external communication of open items and consistent understanding of financial matters. A Final Audit Report shall be provided on or before **November 15th**. If deemed necessary, the auditors will be available to attend a post-audit conference and will be available to present the audit to Town Council.

4.6 Information to be Requested from the Proposer

In order to get a uniform review process and to obtain the maximum degree of comparability, it is required that proposals be organized in the manner specified.

1. Title Page

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

2. Table of Contents

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

3. Letter of Transmittal

Limit to one or two pages.

Briefly state the proposer's understanding of the work to be done and make a positive commitment to perform the work within the time period. Give the names of the persons who will be authorized to make representation for the proposer, their titles, addresses and telephone numbers.

4. Profile of the Proposer

State whether the firm is local, national or international. Give the location of the office from which the work is to be done and the number of partners, managers, supervisors, seniors, and other professional staff employed at that office.

Describe the range of activities performed by the local office such as audit, accounting, tax service, or management services.

5. Summary of the Proposer's Qualifications (in addition to minimum qualification)

Identify the partners, managers, and seniors who will work on the audit, including staff from other than the local office. Resumes for each person to be assigned to the audit should be included. (The resumes may be included in the appendix.)

Describe recent local and regional office auditing experience similar to the type of audit requested and provide a list of three (3) names, telephone numbers, and the contact person of the like-sized governmental entities for whom your local or regional office has performed the audit in the **last (2) years only**. In addition, please provide the date and result of your last peer review.

6. Fee Schedule

Clearly describe the scope of the required services to be provided.

The auditors shall familiarize themselves with and comply with the provisions of any and all federal, State and County Orders, Statutes, Ordinances, Charter, Bond Covenants, Administrative Code and Orders, Rules and Regulations which may pertain to the work required in the engagement.

7. The Audit Proposal Summary Sheet (Attachment B)

4.7 **Additional Information**

1. The Town will not be liable for any costs incurred in the preparation of the proposals.
2. The proposer shall furnish the Town such additional information as the Town may reasonably require.
3. The Town will not be liable for any costs which were not included in the proposal unless subsequently contracted for costs.
4. The Town will not be liable for any costs incurred by the proposer in connection with doing an on-site presentation (i.e. travel, accommodations, etc.)

EXHIBIT A

Major Governmental Funds

- General Fund
- Capital Fund
- County ATAX Fund
- State Accommodations Tax Fund
- Local Accommodations Tax Fund
- Arts & Cultural Events Fund

Non-Major Governmental Funds Special Revenue Funds

- Beverage Permits Fund
- Victims' Assistance Fund
- Hospitality Tax Fund

Account Groups

- General Fixed Assets

Other Information

- Checking Accounts: 2
- Other Cash Deposit Accounts: 1
- Number of Accounts Payable Checks for FY 2014: 700

Payroll

- Number of Town Employees (FTEs): 55
- Mayor and Council: 5
- Number of Town Payroll Direct Deposit Vouchers for FY 2014: 2000

Frequency of Payroll

- Salaried Town staff: monthly
- Hourly Town Staff: bi-weekly

- d. The Mayor or Town Administrator or his/her designee may terminate this contract in whole or in part at any time for the convenience of the Town. If the contract is terminated for the convenience of the Town, the Town will pay the Contractor for costs incurred to that date of termination.
- e. Should any part of this Agreement be rendered void, invalid or unenforceable by a court of law, such a determination shall not render void, invalid or unenforceable any other part of this Agreement.
- f. This Agreement has been made and entered into in the State of South Carolina, and the laws of South Carolina shall govern the validity and interpretation of this Agreement in the performance due hereunder.
- g. This Agreement may not be modified nor any additional work performed unless such modification or work is approved in writing and signed by both parties. The Contractor may not assign this contract without the prior written approval of the Town.
- h. The Contractor shall defend, indemnify, and hold harmless the Town, its officers, directors, agents, and employees from and against any and all actions, costs, claims, losses, expenses, and/or damages, including attorney's fees, whether incurred prior to the institution of litigation, during litigation, or an appeal arising out of or resulting from the conduct of any activity hereby authorized or the performance of any requirement imposed pursuant by this Agreement, however caused or occasioned, unless caused by the willful misconduct or gross negligence of the Town.
- i. The parties hereto intend that no master/servant, employer/employee, or principal/agent relationship will be created by the Agreement. Nothing contained herein creates any relationship between the Town and Contractor other than that which is expressly stated herein. The Town is interested only in the results to be achieved under this Agreement. The conduct and control of the Contractor's agents and employees and methods utilized in fulfilling its obligations hereunder shall lay solely and exclusively with the Contractor. No person employed by the Contractor shall have any benefits, status, or right of employment with the Town

IN WITNESS WHEREOF, the parties hereto affixed their signatures hereto the date first written hereinabove.

Contractor_____

TOWN OF KIAWAH ISLAND

Date:_____

Date:_____

By:_____

By: Charles R. Lipuma___

Position:_____

Position: Mayor

WITNESSES:

WITNESSES:

WITNESSES:

WITNESSES:

Attachment B

Town of Kiawah Island
Audit Proposal Summary Sheet

Name of the firm: _____

Address: _____

Phone number: _____

Contact person: _____

Persons responsible for audit # years with the firm
 (Please include qualifications (i.e. Resumes) of those available and to be assigned)

Partner: _____

Manager: _____

Senior: _____

Staff: _____

Audit, W/Opinion Fee (Not to Exceed)

Single Audit (if applicable)

2015 _____

2016 _____

2017 _____

2018 _____

2019 _____

Comments: _____

REFERENCES

Government Entity	Contact Person	Phone Number	Years of Engagement
1.			
2.			
3.			

 Signature

 Title

 Date