

# County of Alleghany

Alleghany County Governmental Complex

9212 Winterberry Avenue

Covington, VA 24426

Administration  
540/863-6600  
Fax: 540/863-6606

Central Accounting  
540/863-6610  
Fax: 540/863-6611



Parks & Recreation  
540/863-6622  
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Public Works  
540/863-6650  
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## **COUNTY OF ALLEGHANY, VIRGINIA REQUEST FOR PROPOSALS AUDIT SERVICES FOR THE YEARS ENDING June 30, 2018 through June 30, 2020**

The Board of Supervisors of the County of Alleghany requests qualified independent certified public accountants to submit proposals to enter into a term contract to perform a financial audit for each of the fiscal years ending June 30, 2018 through 2020 (renewable).

Sealed proposals will be received until 10:00 a.m. on Monday, April 16, 2018. Detailed information may be obtained online at: <http://www.co.alleghany.va.us/request-for-proposals/>

All inquiries for information should be directed to: Suzanne T. Adcock, Director of Finance, 9212 Winterberry Avenue, Suite C, Covington, VA 24426. Phone: 540-863-6600.

Proposals must be mailed or hand delivered to the address shown above and clearly marked "Proposal – Audit Services."

### **MBE/WBE Statement:**

Alleghany County is an Equal Opportunity Employer, Minority and Women owned firms are encouraged to submit RFPs.

Selection of a firm will be performed in accordance with the Virginia Public Procurement Act.

Jonathan A. Lanford, County Administrator

### **BOARD OF SUPERVISORS**

Shannon P. Cox  
Boiling Springs District

M. Joan Vannorsdall  
Clifton Forge East District

Richard Lee Shull  
Clifton Forge West District

James M. Griffith  
Covington District

G. Matt Garten  
Falling Spring District

Stephen A. Bennett  
Jackson River District

Cletus W. Nicely  
Sharon District

**COUNTY OF ALLEGHANY, VIRGINIA  
AUDITING SERVICES  
REQUEST FOR PROPOSALS**

RFP Issue Date: March 26, 2018

The County of Alleghany is soliciting proposals for **Auditing Services for three (3) Fiscal Year(s) ending June 30, 2018, June 30, 2019, and June 30, 2020, with the option to renew the resulting contract for up to two (2) additional one-year terms upon mutual agreement of both parties.**

The County of Alleghany, Virginia (hereafter called the "County") invites qualified, independent certified public accountants (hereafter called the "auditor") to submit proposals to perform financial and compliance audits of the County in accordance with the following specifications:

**Period**

The contract will cover the regular annual financial audit for the fiscal year(s) ending June 30, 2018 and June 30, 2019, and June 30, 2020, with the option to renew the contract as set forth above.

**Scope**

- A. Annual Financial Audit - The auditor will examine all funds of the County in accordance with generally accepted governmental auditing standards and the specifications of the Auditor of Public Accounts, Commonwealth of Virginia. The examination shall result in the preparation of financial statements from the audited records of the County with the auditor's opinion thereon. The auditor's opinion shall be unqualified unless the auditor furnishes, on a timely basis, to the County and to the Auditor of Public Accounts, Commonwealth of Virginia, the reasons for qualifying the opinion, disclaiming an opinion, or rendering an adverse opinion.
- B. Compliance Audits - The auditor shall make the compliance examinations required by current law related to State and Local Governments, Audit Requirements, in addition to the annual financial audit.
- C. Management Letter - The auditor will submit a management letter to the governing body containing recommendations to strengthen internal controls.
- D. Transmittal Forms - The Auditor of Public Accounts requires all localities to complete transmittal forms in accordance with the provisions of the Uniform Financial Reporting Manual for Virginia Counties and Municipalities (Manual). An opinion from the auditor must be rendered on these forms and submitted along with forms to the Auditor of Public Accounts. The auditor must prepare the required forms, render an opinion thereon, and submit same to the Auditor of Public Accounts not later than the state requirements

following the end of the fiscal year.

- E. Follow-up Conferences - The auditor shall present the report to the governing body, if required, and provide follow-up conference directly pertaining to the audit.
- F. Submission of Reports - The firm shall provide thirty (30) copies of the financial statements and auditor's report thereon not later than January following the end of the fiscal year. Three (3) copies of the financial statements and management letter and (1) copy of the transmittal forms referred to in (D) above must be submitted to the Auditor of Public Accounts not later than the state requirements following the end of the fiscal year.
- G. Such other Accounting Schedules - Analysis as may, from time to time, be required by State and/or Federal regulatory agencies.
- H. Maintenance of Fixed Assets - Accumulated depreciation and surplus invested, when needed.

**Representations of the County**

- A. The following are the current funds of the government:
  - Governmental Fund Types:
    - General Funds:
      - General
    - Special Revenue Funds:
      - School
      - School Textbook & Cafeteria Fund
      - Current Grants
      - Payroll Deductions
      - Accountability
      - Welfare
    - Debt Service Funds:
    - Capital Projects Funds:
    - Proprietary Funds:
      - Enterprise Funds:
        - Water and Sewer Utility
    - Account Groups:
      - General Fixed Asset
      - General Long-term Debt
- B. The following compliance audits are requested during the proposed contract period:
  - State and Federal Grants pursuant to Attachment P Requirements
- C. It is anticipated that all books of accounts will be fully balanced, all subsidiary ledgers reconciled to control accounts, and all bank accounts for all months reconciled not later

than state requirements of each audit year immediately following statement date.

- D. The County shall coordinate with the auditor the preparation of the following statement data.
1. A final balance for each fund;
  2. A final trial balance for each subsidiary ledger;
  3. A copy of the final budget presented to the Board of Supervisors for the audit period, the original budget ordinance for the audit period and all amendments to the budget ordinance;
  4. A copy of all project ordinances and all amendments thereto for all projects beginning during the period or not fully completed prior to the period;
  5. A schedule of insurance in force during the year and of insurance expense of the year;
  6. A schedule of investments of all funds at statement date showing both book value and estimated market value at statement date;
  7. A schedule of all capital outlays during the period;
  8. A schedule of all accounts payable at statement date;
  9. Reconciliation of the final quarter's fringe benefit tax returns;
  10. Copies of all other contracts with governmental grantor or grantee agencies;
  11. Copies of all other contracts in force at statement date or a material amount; and
  12. Such reasonable additional schedules as may be requested for financial and compliance audits.

#### **Representations of the Auditor**

- A. The auditor must represent that he is independent as that term is defined in the Ethical Rules of the AICPA.
- B. The auditor must represent that he/she is licensed to perform the audit as provided in the applicable laws of the Commonwealth of Virginia.
- C. The auditor must represent that adequate supervision will be provided on a day-to-day basis and that the resulting work papers shall be adequate and shall be available for routine review by appropriate auditors of the Federal and State governments.

## **Proposal**

Seven (7) copies of the proposal should be forwarded to the Alleghany County, County Administrator's Office, 9212 Winterberry Avenue, Suite C, Covington, Virginia 24426, clearly marked **"PROPOSAL - AUDIT SERVICES"** no later than **10:00 a.m. on Monday, April 16, 2018.**

The proposal should include:

A. Title Page

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

B. Table of Contents

C. Letter of Transmittal

1. A statement by the prospective auditor of his understanding of the work to be done with descriptions of the audit approach and illustrations of the procedures to be employed.
2. The approximate date the audit will begin (including preliminary field work) and end, as well as approximate date for delivery of the financial statements and the management letter.
3. Estimated hours required to complete the engagement by personnel, i.e., total hours for partner, manager, supervisor, senior and junior.
4. Biographies, including experience of the personnel who will be assigned to the engagement, relevant experience of each in auditing local governmental entities, and recent continuing professional education of the personnel.
5. Each offeror should provide the names, addresses, and telephone numbers of at least three (3) references in connection with supplying the services or items requested in this RFP, especially from other local government operations similar to those being requested in this RFP by the County. Each reference should include organizational name, official address, contact person, title of contact, and phone number.

## **Meetings**

Conferences between the auditor and the governing body should be timely scheduled by selected auditor before the preliminary work and at the end of the field work. The purpose of the meeting is to keep the governing body fully informed on the scope and progress of the audit. A draft of the final report shall be furnished to the County Administrator, the governing body, the

Department of Social Services, and School Board for their review prior to the final completion.

### **Selection Criteria**

After receipt of all timely submitted and qualified proposals, the selection process shall include the following criteria in selecting the auditor(s) for competitive negotiations and recommendation to the governing body for contract award:

- A. Relevant experience and qualifications of the auditor and the specified employees who will perform the requested audit services; and
- B. Prior experience, reputation, and demonstrated understanding of the auditor in auditing computerized accounting records of Virginia's Local Government; and
- C. Technical approach, methodology, and scope of the audit; and
- D. Time proposed to begin and complete each year's audit engagement; and
- E. Responsiveness to accounting questions posed by officials of the County both during and after official audit completion; and
- F. Competitive negotiations. The County will rank proposals and then request fees.

One or more firms submitting proposals may be requested to make an oral presentation to more clearly demonstrate their knowledge of computerized local government in Virginia and to explain their proposed audit methodology. If a contract satisfactory and advantageous to the County can be negotiated at a fair and competitive price, a recommendation to the governing body for contract award will be made at the governing body's next regularly scheduled meeting.

### **Other Matters**

- A. Prospective offerors are encouraged to contact the County Administrator's Office, the Treasurer's Office, or the Central Accounting Office to get a clear understanding of the methodology and practices of the County.
- B. A copy of the County's latest audit is available upon request but must guarantee return.
- C. The County intends to continue this contractual relationship for audit services for three years, with an option to renew the contract as set forth above.
- D. The prospective bidders are reminded that the audit contract must be filed with the Auditor of Public Accounts, Commonwealth of Virginia and other reports must also be timely filed with relevant State and Federal agencies.
- E. Any contract resulting from this solicitation shall be subject to the County's General Terms and Conditions attached hereto as Exhibit A.



## EXHIBIT A

### General Contract Terms and Conditions

- A. The General Contract Terms and Conditions shall set forth in the Contract.
- B. Taxes: The Firm shall pay all county, city, state and federal taxes required by law enacted at the time proposals are received and resulting from the work or traceable thereto, under whatever name levied. Said taxes shall not be in addition to the contract price between the County and the Firm, as the taxes shall be an obligation of the Firm and not of the County, and the County shall be held harmless for same by the Firm.
- C. Award of Contract:
1. The County reserves the right to reject any or all proposals.
  2. The successful Offeror shall, within fifteen **(15)** calendar days after prescribed documents are presented for signature, execute and deliver to the County the contract forms and any other forms or bonds required by the RFP.
  3. The contract documents shall be subject to any regulations governed by the law of the Commonwealth of Virginia.
  4. Any contract resulting from this RFP is not assignable.
- D. Firm's Performance:
1. The Firm shall agree and covenant that its agents and employees shall comply with all county, state and federal laws, rules and regulations applicable to the business to be conducted under the contract.
  2. The Firm shall ensure that its employees shall observe and exercise all necessary caution and discretion so as to avoid injury to person or damage to property of any and all kinds.
  3. The Firm shall cooperate with County officials in performing the contract work so that interference with normal programs will be held to a minimum.
  4. The Firm shall be an independent contractor and shall not be an employee of the County.
- E. Employment Discrimination Prohibited:
1. During the performance of this contract, the Firm agrees as follows:
    - a) The Firm shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, or national origin, except where religion, sex, or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the Firm. The Firm agrees

to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

- b) The Firm, in all solicitations or advertisements for employees, placed by or on behalf of the Firm, shall state that such Firm is an equal opportunity employer.
  - c) Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.
2. The Firm shall include the provisions of the foregoing paragraphs of this section in every subcontract or purchase order of over \$10,000, so that the provision will be binding upon each Subcontractor or vendor.

F. Firm's Obligation to Pay Subcontractor(s):

1. The Firm awarded the Contract for this project shall take one of the two following actions within seven (7) days after the receipt of amounts paid to him by the County for work performed by his Subcontractor(s) under the Contract:
  - a) Pay the Subcontractor(s) for the proportionate share of the total payment received from the County attributable to the work performed by the Subcontractor(s) under the Contract; or
  - b) Notify the County and Subcontractor(s), in writing, of his intention to withhold all or a part of the Subcontractor's payment with the reason for nonpayment.
2. The Firm shall pay interest to the Subcontractor(s) on all amounts owed by the Firm that remain unpaid after seven (7) days following receipt by the Firm of payment from the County for work performed by the Subcontractor(s) under the Contract, except for amounts withheld as allowed in subparagraph 17a(2) of this section. Interest shall accrue at the rate of one percent (1%) per month.
3. The Firm shall include in each of its subcontracts a provision requiring each Subcontractor to include or otherwise be subject to the same payment and interest requirements with respect to each lower-tier Subcontractor(s).
4. The Firm's obligation to pay on interest charge to a Subcontractor(s) pursuant to the payment clause in this section may not be construed to be an obligation of the County. A contract modification may not be made for the purpose of providing reimbursement for such interest charge and a cost reimbursement claim may not include any amount for reimbursement for such interest charge.

G. Compensation:

1. The Firm shall be required to submit a complete itemized invoice on each delivery or service which they may perform under the Contract.
2. Payment will be rendered to the Firm for satisfactory compliance with the Contract within thirty (30) days after the receipt of the proper invoice.

H. Termination:

1. Failure of the Firm to comply with any section or part of this Contract will be considered grounds for termination of the contract by the County by giving thirty (30) days written notice. In the event, the County decides to terminate the Contract for "Breach of Contract" by the Firm, the County will give the Firm the notice period to cure the default.
2. Notwithstanding anything to the contrary contained in the Contract between the County and the Firm, the County may without prejudice to any other rights it may have, terminate the Contract for convenience and without cause, by giving thirty (30) days written notice to the Firm.
3. If the termination clause is used by the County, the Firm will be paid by the County for all scheduled work completed satisfactorily by the Firm up to the termination date set in the written termination notice.