

REQUEST FOR PROPOSAL INDEPENDENT AUDIT SERVICES

I. INTRODUCTION

A. General Information

Carbon County is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal years ending June 30, 2020, 2021 and 2022 with an optional three (3) year extension upon approval by all parties. The audit is to be conducted in accordance with auditing standards generally accepted in the United States of America; the standards set forth for financial audits in the General Accounting Office's (GAO) Government Auditing Standards, the provisions of the Federal Single Audit Act of 1984 as amended and U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State, Local Governments, and Non-profit Organizations, as well as any additional requirements of the State of Wyoming Department of Audit and other state agencies and departments.

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

To be considered, proposals should be sent to Carbon County by July 10, 2020. Carbon County reserves the right to reject any or all proposals submitted for any reason.

Upon review of the proposals, the County Clerk, County Treasurer and one or two commissioners will recommend a firm to the whole board of Carbon County Commissioners, who are the awarding authority.

Carbon 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 proposal, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between Carbon County and the firm selected.

B. Term of Engagement

The engagement is for an audit of Carbon County's 2020-2022 fiscal years.

C. Errors and Omissions in the Request for Proposal

Any errors or omissions discovered in this request for proposal, or any additional information needed to clarify any issues in the request, will be communicated to all firms who have expressed an interest in the engagement. The communication will amend the requests accordingly.

II. NATURE OF SERVICES REQUIRED

A. General

Carbon County is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal years ending June 30, 2020, 2021 and 2022. The audit is to be performed in accordance with the provisions contained in this request for proposal.

B. Scope of Work

Carbon County desires the auditor to express an opinion on the fair presentation of its general purpose financial statements including any of its combining and individual fund and account group financial statements and schedules, in conformity with generally accepted accounting principles.

Carbon County desires the auditor to examine all state and federal financial assistance programs and provide reports as required.

C. Auditing Standards

To meet the requirements of this request for proposal, the audit shall be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the General Accounting Office's (GAO) Government Auditing Standards, the provisions of the Federal Single Audit Act of 1984, as amended and U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, as well as any additional requirements of the State of Wyoming Department of Audit and other state agencies and departments.

D. Reports

The scope of the audit work shall also include reports on the following:

Internal controls related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance which could have a material effect on the financial statements in accordance with the Government Auditing Standards.

Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations and the provision of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

These reports of internal control and compliance should each include a statement that the report is intended for the information and use of management, regulatory bodies, federal award agencies, and if applicable, pass-through entities.

In the required reports on internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Reportable conditions that are also material weaknesses shall be identified as such in the report.

Any report on compliance shall include all material instances of noncompliance.

Irregularities and illegal acts. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the following parties:

Appropriate Agency or Department of the State of Wyoming

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

E. Special Considerations

1. The schedules of federal and state financial assistance and related auditor's opinions and or reports, as well as necessary reports on the internal controls and compliance, are to be issued as part of the general-purpose financial report.
2. The previous year's audit was performed by: ACM, Laramie, WY

F. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years, unless the firm is notified in writing by Carbon County of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:

Wyoming Department of Audit
U.S. General Accounting Office (GAO)

Parties designated by the federal or state governments or by Carbon County as part of an audit quality review process.

Auditors and staff of entities of which Carbon County is a sub-recipient of grant funds.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

III. DESCRIPTION OF THE GOVERNMENT

A. General

The auditor's principal contact is Carbon County or a designated representative, who will coordinate assistance that will be provided by Carbon County to the auditor.

B. Background Information

Carbon County provides the following services to its citizens and others: public safety, road and bridge maintenance and operation, health and social services, culture, public improvements, planning and zoning and general administrative services.

Carbon County's fiscal year begins on July 1st and ends on June 30th.

C. Fund Structure and Summary Budget Information

County budgets are available at <http://carbonwy.com/939/Budget>.

D. Budgetary Basis of Accounting

Budgets are prepared on a cash basis using Tyler Technology's Infinite Visions software.

E. Federal and State Grants

It is anticipated that Carbon County's total federal grants for Fiscal Year 20 is estimated be under \$750,000.

F. Pension and Deferred Compensation Plans

Carbon County offers to all of its full time employees' participation in an IRC Section 457 Deferred Compensation Plan.

Employees participate in the Wyoming Retirement System, a statewide cost-sharing multiple employer retirement system administered by the State of Wyoming. All full-time employees of the County are required to participate. Plan members are required to contribute 7.0% of their annual covered salary with a matching contribution from the County as determined by the legislature.

Law enforcement personnel participate in the Wyoming Retirement System, a statewide cost-sharing multiple employer retirement system administered by the State of Wyoming. All full-time employees of the Sheriff's office are required to participate. Plan members are required to contribute 7.0% of their annual covered salary with a matching contribution from the County as determined by the legislature.

G. Employee Health Care Benefits

The County currently participates in a partially self-insured health insurance program for employees working at least 30 (thirty) hours per week.

The county currently participates in a partially self-insured Dental and Vision plan for employees working at least 30 (thirty) hours per week.

The County offers these benefits to its retirees per the plans and the County subsidizes a portion of this benefit for retirees.

H. Component Units

For financial reporting purposes, in conformity with the Governmental Accounting Standards Board's Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, component units are included in Carbon County's financial statements. The

following are component units: County Library, County Fair, Carbon County Museum and the Jeffrey Memorial Center.

I. Prior Audit Report

Past audits for Carbon County are available at <http://carbonwy.com/981/Audits>.

IV. TIME REQUIREMENTS

A. Proposal Calendar

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

Request for proposal issued:	June 16, 2020
Proposals Submitted by:	July 10, 2020
Proposed Award Date:	July 20, 2020
Site Inspection (if needed)	At auditor's request as scheduled
Commencement of field work	September/October 2020 or as otherwise mutually agreed on as scheduled with the County Clerk and County Treasurer prior to commencement.

Carbon County will have all records ready for audit and all management personnel available to meet with the firm's personnel as of commencement.

The auditor should communicate immediately to the Board of Commissioners of Carbon County through the County Clerk any conditions that may arise that is expected to delay the completion of the engagement and the estimated amount of delay. The auditor may be requested to explain, in writing, any delay, in the audit schedule to the State Department of Audit.

B. Entrance Conferences, Progress Reporting and Exit Conferences:

The following conferences should be held by the dates indicated on the schedule:

Entrance conference with <u>Carbon County Clerk</u>	At beginning of Audit
Progress conferences with <u>Carbon County Clerk</u>	As needed
Exit conference with <u>Carbon County Clerk</u>	At completion of Audit

C. Final Report Due Date:

The auditor shall provide all recommendations, revisions and suggestions for improvement by December 7, 2020. Carbon County will complete their review of the draft report by December 15, 2020. The final, signed report shall be delivered to Carbon County no later than December 31 of any year. Acceleration of this schedule and earlier completion is acceptable and encouraged and other dates can be approved by the County with the chosen contractor.

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

A. Finance Department and Clerical Assistance

Various staff members and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations.

B. Statements and Schedules

Staff will prepare the necessary statements and schedules for the auditor.

C. Work Area, Telephones, Photocopying and FAX Machines

Carbon County will provide the auditor with reasonable work space, desks and chairs. The auditor will also be provided with access to telephone lines, photocopying facilities and FAX machines subject to the following restrictions:

1. All non-audit long distance phone calls will be the responsibility of the auditor.
2. Only audit related copying and faxing will be permitted.

D. Report Preparation

Report preparation and printing shall be the responsibility of auditor. The County requires ten (10) printed, bound copies of the final report at the proposing firm's cost. The County will require a pdf file of the final report via e-mail to the County Clerk.

Report editing shall be the responsibility of the auditor.

VI. EVALUATION PROCEDURES

THE PRIMARY SELECTION CRITERIA FOR THIS ENGAGEMENT WILL BE FIRM QUALITY AND TECHNICAL COMPETENCY IN PERFORMING AUDITS AS DETERMINED BY THE BOARD OF COMMISSIONERS.

A. Finance Committee

All proposals will be evaluated by all or at least two members of the Finance Committee which consists of the: Carbon County Clerk, Carbon County Treasurer and Carbon County Commissioners.

B. Review of Proposals

Technical ability and firm quality will be the determining criteria for initial screening of the proposing firms.

The following represent the initial screening criteria, which will be considered during the evaluation process.

1. Mandatory Elements

a. The audit firm is independent and licensed to practice in Wyoming

b. The firm has no conflict of interest with regard to any other work performed by the firm for Carbon County.

c. The firm affirms that is had undergone an external quality control review, the date of that review, and that the firm has a record of quality audit work.

Carbon County reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

C. Evaluation Criteria

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated for both technical qualifications and price.

For all proposing firms that meet the mandatory requirements, the Finance Committee will evaluate the firms on the basis of:

1. Technical Quality:

a. Expertise and Experience

- (1) The firm's past experience and performance on comparable government engagements
- (2) The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation
- (3) The firm's experience with state and federal assistance programs

b. Audit Approach

- (1) Adequacy of proposed staffing

2. Price:

Cost will not be the primary factor in the selection of an audit firm.

D. Additional Information

During the evaluation process, the Finance Committee and Carbon County reserve the right, where it may serve Carbon County's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions.

E. Final Selection

It is anticipated Carbon County will award the engagement at its July 20 meeting.

G. Right to Reject Proposals

Carbon County reserves the right without prejudice to reject any or all proposals for any reason.

PROPOSAL REQUIREMENTS

Proposals should be prepared simply, providing a straight forward, concise description of the firm's capabilities to satisfy the requirements of the proposal. Emphasis should be on completeness and clarity of content.

Inquiries / Submission

Inquiries concerning the request for proposal must be made to: Gwynn Bartlett, Carbon County Clerk, PO Box 6, 415 W. Pine St., Rawlins, WY 82301, gwynnbartlett@carbonwy.com or (307)328-2668. Proposals can be sent to this address, e-mail address, or faxed to (307) 328-2669. If mailing bound copies please mail four (4).

Submission of Proposals

The following material is required to be received for a proposing firm to be considered:

A master copy of a Technical Proposal described below to include the following:

Transmittal Letter – A letter signed by an authorized representative of the firm making the proposal 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 45 days.

Completed Appendix A

Technical Proposal

1. General Requirements

The purpose of the Technical Proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of Carbon County in conformity with the requirements of this request for proposal. The Technical Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement.

The Technical Proposal should address all the points outlined in the request for proposal. The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposal. While additional data may be presented, the following subjects, items Nos. 2 through 8, must be included. They represent the criteria against which the proposal will be evaluated.

2. Independence

The firm should provide an affirmative statement that it is independent of Carbon County as defined by generally accepted auditing standards/the U.S. General Accounting Office's Government Auditing Standards.

The firm should also list and describe the firm's (or proposed subcontractor's) professional relationships involving Carbon County or any of its agencies or potential component units or potential component units, for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

In addition, the firm shall give Carbon County written notice of any professional relationships entered into during the period of this agreement that may create a conflict of interest.

3. License to Practice in Wyoming

An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in Wyoming.

4. Firm Qualifications and Experience

The proposer should state 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.

If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal auditor should be noted, if applicable.

The firm is to affirm that it had undergone an external quality control review, with a statement of the date of the external quality control review and whether that it included a review of specific government engagements. Any or all proposing firms will be requested to furnish Carbon County a copy of the report on its most recent external quality review.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years.

In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

5. Partner, Supervisory and Staff Qualifications and Experience

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether each such person is registered or licensed to practice as a certified public accountant in Wyoming. Provide information on the government auditing experience of

each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

6. Similar Engagements with Other Government Entities and References

The firm should list the most significant engagements (maximum 5) performed in the last five years that are similar to the engagement described in this request for proposal.

Indicate the scope of work, date, engagement partners and the name and telephone number of the principal client contact with which Carbon County may contact.

7. Proposed Timeline

Outline of the proposed audit and/or quality control review to include a schedule with proposed dates.

8. Total All-Inclusive Maximum Price

The dollar cost should contain all pricing information relative to performing the audit engagements as described in this request for proposal.

Carbon County will not be responsible for expenses incurred in preparing and submitting the technical proposal. Such costs should not be included in the proposal.

Following Carbon County's approval, payment will be made upon agreed to progress points during the audit process or upon completion and delivery of the audit.

APPENDIX A

PROPOSER WARRANTIES

- A. Proposer warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof, and that proof of such coverage will be provided upon request.

- B. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of Carbon County.

- C. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official: _____

Name (typed): _____

Title: _____

Firm: _____

Date: _____