

Request for Proposal

The County of Dukes County (hereinafter called the “County”) invites qualified independent auditors (hereinafter called “auditor”) having sufficient governmental accounting and auditing experience in performing an audit in accordance with the specification outlined in this Request for Proposal (RFP) to submit a proposal.

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

Type of Audit

The audit will encompass a financial and compliance examination of the County’s General Purpose Financial Statements, supplementary information and compliance reports, in accordance with the laws and/or regulations of the Commonwealth of Massachusetts. The financial and compliance audit will cover Federal, State, and local funding sources in accordance with generally accepted auditing standards; Government Auditing Standards and applicable laws and regulations.

Period

The County intends to continue the relationship with the auditor for no less than three years on the basis of annual negotiation after the completion of the first year contract. Each year after negotiation has taken place an annual contract documenting the terms of the audit will be signed. Since a governing board may not obligate future governing boards, the remaining years of the agreement are subject to annual governing board approval.

July 1, 2011 to June 30, 2012

July 1, 2012 to June 30, 2013

July 1, 2013 to June 30, 2014

Requirements

The audit must be conducted in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and any other applicable procedures for the audit of a government’s financial statements prepared in accordance with GAAP.

The audit must be conducted in a timely manner such that all necessary financial and compliance information (final trial balance and adjusting journal entries) are completed and presented to the County Commissioners not later than the 1st of November each year, to enable the County to prepare the budget.

All statements, schedules and notes to the financial statements (except those listed below) will be drafted by auditor and presented in electronic version to the County Treasurer for review and editing by mid-October.

- Independent Auditors’ Report

- Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
- Schedule of Findings, including Corrective Action Plan (If needed)
- Reports on Federal Award Programs

The auditor shall edit and print the financial statements. Fifteen copies of each audit report, management letter, and other applicable reports must be supplied to the County Treasurer after receiving approval from the County Commission. All reports will also be provided in electronic format to the County Treasurer. In addition, the auditor is responsible for submitting the required copies to the Commonwealth of Massachusetts.

The financial audit opinion will cover the financial statements for the governmental activities, the business-type activities, the financial statements of the general funds of the County, each major fund, and the remaining fund information, which collectively constitutes the basic financial statements. The combining and individual financial statements, schedules and related information are not necessary for fair presentation, but will be presented as additional analytical data. This supplemental information, as required by GASB, will be subjected to the tests and other auditing procedures applied in the audit of the basic financial statements, and an opinion will be given as to whether the supplemental information is fairly stated in all material respects in relation to the financial statements taken as a whole. The auditor shall also express an opinion on the budgetary comparison information for the general fund, the major funds, and any annually budget special revenue funds. An opinion will not be given on the Management Discussion and Analysis.

The working papers shall be retained and made available upon request for no less than three years from the date of the audit report.

In the event that circumstances arise during the audit that require work to be performed in excess of the original estimates, any additional costs will be negotiated prior to commencement of the work and an amended contract will be approved by the County Manager.

Audit Contract & Payment of Audit Fees

The audit contract must be approved by the County Manager. Invoices are subject to approval by the Manager and the County Treasurer, prior to processing by the County of Dukes County. Interim or progress billings will be accepted up to 75% of the total fee prior to submission of the audited financial statements to the County Commissioners and their approval of the audited financial statements.

Other Services

As stated above, the preliminary draft of the financial statements will be reviewed by the County Treasurer. The auditor will print final audited financial statements for submission to the County Commissioners, and upon their approval, for distribution to the County.

Description of Selection Process

Four (4) copies of each section of the proposal should be submitted at the time and place indicated under the section entitled "Time Schedule for Awarding Contract."

Proposals will be submitted in two sections. The first section will be comprised of the audit firm's prior experience and qualifications of its personnel in performing governmental audits. The County Treasurer and County Manager will evaluate the auditor/firm on educational and technical qualifications. The top five firms from the first section will have their second section opened and evaluated. The firm best meeting the experience, audit approach, and cost requirements will be selected and submitted to County Manager for approval.

The County of Duquesne County reserves the right to reject any oral bids, waive technicalities, and to be the sole judge of suitability of the services for its intended use and further specifically reserve the right to make the award in the best interest of the County. Failure to respond to any requirements outlined in the RFP, or failure to enclose copies of the required documents, may disqualify the bid.

First Section

The first section should address the requested information below. The corresponding responses should begin with the number of the requested information.

1. Indicate the number of people (by level) and the location of the office (local office) that will handle the audit.
2. Provide a list of the local office's current and prior government audit clients, indicating the type(s) of services performed and the number of years served for each.
3. Indicate the experience of the local office in providing additional services to government clients by listing the name of each government, the type(s) of service performed, and the year(s) of engagement.
4. Describe your audit organization's participation in AICPA-sponsored or comparable quality control programs (peer review). Provide a copy of the firm's current peer review.
5. Describe the professional experience in government audits of each senior and higher level person assigned to the audit, including years on each job and his/her position while on each audit. Indicate the percentages of time each senior and higher-level personnel will be on site.
6. Describe the relevant educational background of each individual assigned to the audit, senior level and higher. This should include seminars and courses attended within the past three years, especially those courses in governmental accounting and auditing.
7. Describe the professional experience of assigned individuals in auditing relevant government organizations, programs, activities, or functions (e.g. water and sewer enterprise funds, capital projects, etc.).
8. Provide names, addresses, and telephone numbers of personnel of current and prior governmental audit clients who may be contracted for reference.
9. Describe how the firm meets professional independence standards, and include any potential personal or professional conflict of interest.
10. Is the firm adequately insured to cover claims? Describe liability insurance coverage arrangements.
11. Describe any regulatory action taken by any oversight body against the proposing audit or local office.
12. Clearly describe your firm's approach to conducting the examination (include use of statistical sampling and automated processes). Specifically comment on the audit timeline and how the County can assist in expediting the audit. Comment on the type of information to be included in the Management Letter.
13. Any other information you believe relevant to the decision of selection of the best auditing firm for the County.

Second Section

Proposals should include complete cost estimate sheets and any other necessary cost information in a separate sealed envelope marked – “Cost Proposal.” The County of Dukes County plans to evaluate the qualifications of all firms submitting proposals before considering the cost.

The second section should consist of completed cost estimate sheets, which will include the following information:

1. Specify separately the costs for bookkeeping assistance, audit and preparation of financial statements using the format below for the audit year July 1, 2011 – June 30, 2012. For the two years which follow, list the estimated costs. The cost for the audit year ending June 30, 2012 is binding, while the costs for the two years which follow are estimates. Please specify additional costs in the event a single audit is needed for any of the years.
 - a. Manpower costs – Itemize the following for each category of personnel: partner, manager, senior, staff accountants, clerical, etc., with the respective rate per hour.
 1. Estimated hours – break estimated hours down into the following: on-site interim work, year-end on-site work, and work performed in the auditor’s office.
 2. Rate per hour
 3. Total cost of each category of personnel and for all manpower costs.
 - b. Travel – itemize transportation and other travel costs separately.
 - c. Cost of supplies and materials – itemize
 - d. Other costs – completely identify and itemize

Time Schedule for Awarding the Contract

Friday, June 22, 2012
4:00 p.m.

The proposal should be submitted to the County Manager, County of Dukes County, PO 190 Edgartown, MA 02539. Or if using a parcel service: County Manager, County of Dukes County, 9 Airport Road, Edgartown, MA 02539, and be clearly marked “Proposal – Audit Services”. All inquiries and submissions are to be directed in writing to Noreen Mavro Flanders, County Treasurer at the above address.

Monday, June 26, 2012

Audit contract for the year ending June 30, 2012 will be approved by the County Manager. All parties will be notified of the decision by June 29, 2012.

Description of the Governmental Entity and Its Accounting System

Entity

The County of Dukes County consists of seven towns in Massachusetts. It includes the six towns on the island of Martha’s Vineyard as well as the Elizabeth Islands which is the Town of Gosnold. The county has a year round population of approximately 18,000. The County operates an airport with Water and Waste Water Treatment Systems as an enterprise fund.

Fund and Account Groups

The County of Dukes County maintains the following funds and account groups:

General Fund
Airport General Fund
Airport Capital Projects (4)
Grant Funds (7)
Agency Funds (3)

Budgeted revenues including all sources of revenue are estimated at \$15,600,000 in for the year ending June 30, 2012. In addition, outstanding debt will be at \$200,000. on June 30, 2012.

Grants, Entitlements, and Shared Revenues

The County receives various grants from the state and federal government. It is expected that these revenues will be sufficient for the year ending June 30, 2012 to require a Single Audit. However, the cost proposal should define the cost for the single audit that will be deducted if not required.

Budgets

The County of Dukes County budgets all funds on the modified accrual basis of accounting. Appropriations are made at the department level. The budget is adopted at the fund level. The budgetary system is integrated with the accounting system to provide easy comparison with actual expenditures.

Accounting Records

The County of Dukes County maintains all its accounting records at the administration building located at 9 Airport Road, Edgartown, MA 02539. The County maintains its accounting records, including cash receipts and disbursements, payroll and general ledger on a Windows system using BudgetSense software.

Assistance Available to Auditor

The Treasurer's staff consists of the following: County Treasurer, Assistant County Treasurer and Senior Financial Clerk.

To assist the Auditor in the examination of the records, the County will provide and prepare the following:

General

1. Working Trial Balance for each fund.
2. All normal year-end adjustments.
3. A copy of the original budget, all amendments, and the final budget as of June 30.
4. A copy of all project ordinances and all amendments for active projects during the audit period.
5. Details of budgeted and expended amounts for all Capital Projects, with supporting information as to status of projects – completed, in progress, etc.
6. Confirmation letters, if requested by Auditor, typed for mailing.
7. County letters, faxes and emails regarding the audited financial statements and compliance report for the previous year.

Cash and Investments

1. All bank reconciliations for each month.
2. List of outstanding checks, showing check number, date, and amount.
3. Schedule of all cash and investments for all funds at the audit date.

Receivables

1. Reconciliation of receivables and computation of allowance for uncollectible items.
2. Listing of outstanding Water/Sewer fund receivables by account and computation of allowance for uncollectible accounts.
3. Schedules of all other receivables booked as of the fiscal year end.

Other Assets

1. Schedule of insurance coverage, prepaid assets and claims and judgments, if any.
2. Schedule of fuel inventory

Fixed Assets

1. Detail schedule of fixed assets additions with a copy of the invoice.
2. Print-out of all fixed asset dispositions during the audit year.
3. Schedules of Capital Projects construction in progress.

Current Liabilities

1. Schedule of accounts payable.
2. Detail of all salaries and wages payable.

Long-Term Debt

1. Schedule of compensated absences.
2. Debt Schedule for each debt issue and related payments.

Grants

The following will be compiled for each grant:

1. Grant agreement
2. Budget
3. All financial reports
4. Correspondence with the grantor agency, including monitoring reports.

Size and Complexity of County

Personnel/Payroll

Number of full-time employees	39
Frequency of Payroll	Bi-weekly

Bank Accounts

Number of operating bank accounts	8
Average Monthly activity in main accounts	
Number of deposits	twice weekly
Number of checks:	
Accounts payable	150
Payroll	100