

## ADVERTISEMENT

### **Invitation to Submit Proposals for Audit Services**

The City of Lyons is requesting competitive sealed proposals for Audit Services. **Proposal deadline is November 8, 2017, by 4 pm** proposals must be submitted by mail, 161 NE Broad Street, Lyons GA 30136, ATTN: Lynn Rowland (Audit Services Proposal) in two parts: (A) the Technical Proposal without the Fee Schedule; (B) the Fee Schedule without the Technical Proposal. **Each part must be sealed separately and must be clearly marked as Part A: Technical proposal, Part B: Fee Schedule.**

**All proposals for audit services must comply with all applicable general and special instructions.** The City of Lyons reserves the right to reject any proposal that is non-responsive or incomplete or to reject all proposals. *All proposals must reference the entire project* – any work intended to be subcontracted must be noted in the proposals. Please submit required e-verify Contractors and Subcontractors Affidavit to be considered.

Please note that there will not be a formal proposers conference.

QUESTIONS: All questions or requests for additional information must reference the above invitation name and must be submitted by email **by noon on November 8<sup>th</sup>** to Lynn Rowland, City Clerk, at [lrowland@lyongga.org](mailto:lrowland@lyongga.org). Questions and answers will be issued in the form of an addendum to all interested and will be available on the city's website (under RFPs/RFQs), [www.lyongga.gov](http://www.lyongga.gov). No contact regarding the project is permitted between any proposer and any other City staff or elected officials until after award, except through the City Manager's Office. Please contact, Lynn Rowland 912-526-3626 for any questions or concerns.

## **INVITATION FOR PROPOSALS FOR AUDIT SERVICES**

The City of Lyons, Georgia, is issuing this invitation for proposals for furnishing the services described herein.

Completed proposals must be received by 4:00 PM local time on November 8, 2017. Proposals must be received by the date and time specified by Lynn Rowland, City Clerk, **City of Lyons, 161 NE Broad St, Lyons GA 30134, ATTN: Lynn Rowland (Audit Services Proposal)**. Any proposal received after this date and time will not be accepted. In order to be considered for selection, any proposer must submit a complete response to the invitation. Incomplete proposals may not be considered if the omissions are determined to be significant. Proposals must be submitted in two parts: (A) the Technical Proposal without the Fee Schedule; (B) the Fee Schedule without the Technical Proposal. The Technical Proposal must contain all required documents, the Contractors and Subcontractors affidavits of compliance with the Georgia Security and Immigration Act, a current occupational/business license and a W-9 form. The Fee Schedule must include the full legal name of the auditing firm. **Each part must be sealed separately and must be clearly marked as Part A: Technical proposal, Part B: Fee Schedule.** The City reserves the right to reject any non-responsive proposal or all proposals submitted and to request additional information from any or all proposers. Any contract awarded will be awarded to the proposer, who, based upon evaluation of all proposals, is determined to have submitted the best proposal, considering both technical factors and fees.

### **I. GENERAL INFORMATION**

#### **A. PURPOSE**

The purpose of this request to submit proposal is to establish a contract for the professional services of a Georgia Certified Public Accountant firm (the "auditor") having at least three licensed accountants for financial and compliance audits in accordance with O.C.G.A. section 36-81-7 et seq.. No portion of the work shall be subcontracted without written consent of the City of Lyons. The contract will be for one year beginning with the fiscal year ended December 30, 2017 subject to annual review and the annual availability of an appropriation for audit services by the City of Lyons.

#### **B. ANTICIPATED SCHEDULE OF EVENTS**

The timetable for this RFP is presented below:

<u>Activity</u>	<u>Date</u>
Questions due by 12 p.m. (EST)	November 8, 2017
Proposals due by 4 p.m. (EST)	November 8, 2017
Approval and Award	December 5, 2017

\*All proposers will be notified of the Council's decision on December 5, 2017 via e-mail. Please note approval and award date are tentative and based upon Mayor and City Council meeting date availability.

## II. **CITY OF LYONS RECORDS INFORMATION**

Information regarding the City's records, systems, procedures, and other relevant data is included as Attachment A to this Request to Submit Proposals. Copies of prior audit reports, internal control survey documents, management letters, financial statements, budgets and other documents relevant to the audit engagement may be viewed by appointment. Please refer to the contact information listed on the cover page of this Request to Submit Proposal.

## STATEMENT OF NEEDS

### A. AUDIT REQUIREMENTS

The audit shall be conducted in accordance with auditing standards generally accepted in the United States of America, promulgated by the American Institute of Certified Public Accountants (AICPA) and in accordance with the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. For years in which a Single Audit is required as a part of the annual audit, the audit shall be performed in accordance with American Institute of Certified Public Accountants (AICPA) Standards, *Government Auditing Standards*, the Single Audit Act Amendments of 1996, and the United States Office of Management and Budget (OMB) Circular A-133 - Audits of States, Local Governments, and Non-Profit Organizations, and all State of Georgia and/or Federal government requirements.

The audit shall be designed to accomplish the following objectives:

1. To determine whether the financial statements present fairly the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the remaining fund information and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the major governmental funds in conformity with accounting principles generally accepted in the United States of America. In addition, to determine whether the combining and individual non-major fund financial statements are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

2. To obtain an understanding of internal control over financial reporting sufficient to plan the audit by performing procedures to understand both the design of controls relevant to an audit of financial statements and whether they have been placed in operation, and assess control risk.
3. To provide reasonable assurance that the financial statements are free of material misstatements resulting from violations of laws and regulations that have a direct and material effect on the determination of financial statement amounts and to provide reasonable assurance about whether the financial statements are free of material misstatements caused by error or fraud, as described in SAS Number 99.
4. To provide reasonable assurance of detecting material misstatements resulting from violations of provisions of contracts or grant agreements that have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
5. To consider the results of previous audits and attestation engagements and follow up on known significant findings and recommendations that directly relate to the objectives of the audit being undertaken.
6. To ensure that audit documentation related to planning, conducting, and reporting on the audit should contain sufficient information to enable an experienced auditor who has had no previous connection with the audit to ascertain from the audit documentation the evidence that supports the auditors' significant judgments and conclusions.
7. To determine whether the City complied with laws, regulations, and the provisions of contracts or grant agreements pertaining to federal awards that have a direct and material effect on each major program for years in which a Single Audit is required.
8. To verify and test expenditures of the City's proceeds from a special project

appropriation in accordance with the Official Code of Georgia Annotated, Section 36-81-8.1. A properly completed grant certification form shall be filed on each grant with the annual audit report for each year in which such grant funds are expended or remain unexpended. If required under this Code section, the auditor shall certify that the grant funds were used solely for the express purpose or purposes for which the grant was made.

## B. REPORTING AND DELIVERY REQUIREMENTS

The auditor will prepare the following required audit reports including those required by *Government Auditing Standards* and Office of Management and Budget Circular A- 133:

1. a. Standard report on the financial statements, including Required Supplemental Schedules.
- b. Report on Internal Controls.
- c. Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
- d. Report on State of Georgia Grant Certification Forms, if necessary.

For years in which a Single Audit is required, the following additional items should be Prepared:

- e. Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133.
- f. A schedule of findings and questioned costs including: (1) a summary of the

auditor's results; (2) findings related to the financial statements which are required to be reported in accordance with generally accepted government auditing standards; and (3) findings and questioned costs for federal awards.

2. A written management letter containing matters not included in the auditor's report on compliance and on internal control over financial reporting shall be prepared and presented to the City Council at the conclusion of each audit.

The auditor shall also provide an electronic copy of the CAFR to the City. Any other reports required shall be submitted to the City upon request. A preliminary draft of all reports shall be submitted to the City prior to their release. The City will review and approve the release of all draft reports.

### III. **PROPOSAL PREPARATION AND SUBMISSION REQUIREMENTS**

#### A. GENERAL PROPOSAL PREPARATION REQUIREMENTS

##### 1. Proposal Preparation

- a. Proposals shall be signed by an authorized representative of the auditor. All information requested must be submitted.
- b. Proposals shall be prepared simply and economically, providing a straightforward, concise description of capabilities to satisfy the requirements of the Invitation to Submit Proposals . Emphasis should be placed on completeness and clarity of content.
- c. Each copy of the Technical proposal shall be bound in a single volume and relate solely to the response to the Invitation to Submit Proposals . Nothing shall be included in the Technical Proposal which would indicate, in whole or in part, the cost component of the proposal or would be otherwise indicative of the dollar amount associated with the Technical Proposal. All Fee Schedule documentation to be provided on paper should be included in a

separate sealed envelope clearly labeled as to contents.

d. Ownership of all data, materials and documentation prepared for and submitted to the City in response to this Invitation to Submit Proposals shall belong exclusively to the City and will be considered a record prepared and maintained or received in the course of operations of a public office or agency and subject to public inspection in accordance with the Georgia Open Records Act, Official Code of Georgia Annotated, Section 50-18-70, et. seq., unless otherwise provided by law.

2. Costs incurred to prepare a proposal are solely those of the proposer. Nothing contained within this Invitation to Submit Proposals is indicative of intent by the City to reimburse the proposer, in whole or in part, for any costs associated with preparation, submission, or presentation of proposals.

#### **B. SPECIFIC PROPOSAL PREPARATION REQUIREMENTS**

Proposals shall be as thorough and detailed as possible so that the City may properly evaluate the auditor's capabilities to provide the required services. Proposers shall submit the following items as a complete proposal:

##### **1. COMPLETE, SIGNED COPY OF THE MANDATORY PRE-QUALIFICATION FORM (ATTACHMENT B)**

Failure to meet the mandatory criteria contained in this form will result in immediate rejection of the entire proposal and no evaluation of the remainder of the Technical Proposal will be made.

##### **2. TECHNICAL PROPOSAL**

a. Detailed written narrative statements or schedules on each of the following:

1. A description of the auditor's firm submitting the proposal, including whether the auditor is international, national, regional, or local, the number of years in



business, and the number of employees in the local office.

2. Experience in providing the services described herein, including relevant knowledge of and experience in applying applicable federal and state regulations.
  3. Biographies, including experience of the individuals who will be assigned to the engagement, relevant experience of each in performing financial and compliance audits of entities similar to the City and recent (past 24 months) continuing professional education of each individual assigned to the engagement.
  4. A work plan to accomplish the scope defined in Section III of the Invitation to Submit Proposals. The work plan must include identification of each significant segment of the work and the staff level to be assigned. The work plan must also include an explanation of the audit methodology to be followed to perform the services required in this request for proposals.
  5. For the auditor's office that would be assigned responsibility for the audit, a list of the most significant audit engagements (minimum of five) performed in the last three (3) years that are similar to the engagement described in this Invitation to Submit Proposals. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partner(s), total hours, and the name and telephone number of the client contact. Please use the attached client reference form or
- b. There should be no dollar units or total costs included in the Technical Proposal.

### 3. FEE SCHEDULE

The following information must be included in a separate Fee Schedule:

- Total hours required to complete the engagement by personnel levels, i.e. total hours for partner, manager, supervisor, senior and junior.
- Total fees for audit services for each year. Also include a separate cost for a Single Audit
- Fee for printing and binding approximately 15 CAFR's each year.
- An amount of professional services, in hours, allowed each year without additional cost to the City. Such services will not be directly related to the annual audit. Please provide a separate fee for preparation of the financial statements and notes.
- The City will not pay any out-of-pocket expenses unless previously agreed to by both parties. Instead, all expense reimbursements will be charged against the total all-inclusive maximum price submitted by the firm.

## ATTACHMENT A: CITY OF LYONS RECORDS INFORMATION

The City's fund structure is as follows:

Governmental Activities:

General Fund - Administration, Police, Fire, Mainstreet, Recreation

Special Revenue Funds - Confiscated Asset Funds, Multiple Grant Fund,

Capital Projects Funds - 2017 SPLOST Fund and Miscellaneous Capital Projects Funds

Business-Type Activities - Enterprise Funds - Sanitation, Water and Sewer

The City depreciates assets from all governmental and project funds

The City adopts annual budgets for the General Fund, Special Revenue Funds, on a basis consistent with generally accepted accounting principles. Project length budgets are adopted for Capital Projects Funds.

The City maintains 5 bank accounts, some of which are at different banks. The City operates mainly out of one account that is used as a pool account. The City also maintains several CD's what are located at 3 different banks.

All financial information is currently using Tyler Technologies Software (InCode). Employees are paid both weekly and bi-weekly

An adjusted trial balance will be available in Excel by April 1st, 2018. The audit must be completed, and a Comprehensive Annual Financial Report (CAFR) issued prior to June 30th, 2018. This schedule will be evaluated on an annual basis and adjusted if necessary.

The City is expected to submit the CAFR to the Government Finance Officers Association (GFOA) for consideration for the Certificate of Achievement for Excellence in Financial Reporting. It is expected that the auditor will compare the Management's Discussion and Analysis (MD&A) and Statistical Data to the financial statements for consistency.

**ATTACHMENT B: MANDATORY PRE-QUALIFICATION FORM**  
To be answered by Proposer

Section A - General Information

Firm Name: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

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

Firm FEI Number: \_\_\_\_\_

Firm's Georgia CPA State License Registration Number: \_\_\_\_\_

Type of Accounting Practice, Individual or Partnership \_\_\_\_\_

Corporation: Give name of the State where incorporated: \_\_\_\_\_

**PROPOSER CERTIFICATION STATEMENT**

I (we) certify that this proposer has sufficient staff who meet continuing professional education requirements for government audits as set forth in "Government Auditing Standards". I (we) certify that this proposal is made without collusion or fraud and that the proposer has not offered or received any kickbacks or inducements from any other proposer or auditor in connection with their proposals, and that it has not conferred on any government entity employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged, and that this proposer is not in violation of the Official Code of Georgia Annotated, Sections 16-10-2 and 16-10-22, for acts of bribery and/or conspiracy in restraint of free and open competition in transactions with state or political subdivisions. I (we) certify that the information contained herein is true and correct to the best of my (our) knowledge, and that the person submitting the Proposal on behalf of the proposer has the authority to submit this Invitation to Submit Proposals and make all representations contained herein. I (we) understand that the inclusion of false information may result in rejection of the proposal submitted in response to this Invitation to Submit Proposals.

\_\_\_\_\_  
Firm Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Proposer's Officer