 **OFFICE OF THE**

Template

 **STATE AUDITOR**

Revised: August 2021

Audit Services: Request for Proposal

**Request for Proposal**

TO PROVIDE AUDIT SERVICES FOR

(Local Government)

*BACKGROUND INFORMATION*

The (local government) of was incorporated in and currently has the following funds: \_\_\_\_\_\_\_\_\_\_ . In addition to the funds mentioned, there are additional component organizations that are part of the reporting entity as defined by Governmental Accounting Standards Board (GASB) Statement 61; they are . Total revenue for all funds and component organizations was $\_\_\_\_\_\_\_\_for the fiscal year ended June 30, 20\_\_\_. (Local Government) uses software for its accounting applications which is supported by\_\_\_\_\_\_\_\_\_\_ hardware.

(Local Government) is required by State law to provide an annual audit of its financial statements by a Certified Public Accountant in accordance with generally accepted auditing standards. This audit must be submitted to the Office of the State Auditor within 180 days after the end of the fiscal year.

*OBJECTIVE AND SCOPE*

A single/financial audit is requested for the fiscal year ended June 30, 20 . The audit shall be performed in accordance with generally accepted auditing standards, as promulgated by the American Institute of Certified Public Accountants (AICPA); the *AICPA Audits of State and* *Local Governmental Units* audit and accounting guide; and the *Government Auditing Standards*, published by the U.S. General Accounting Office. Federal compliance test work will be done in accordance with Uniform Guidance (*This sentence should be used only when single audit is selected in the 1st sentence*).

The audit must be completed, and the report issued prior to . The auditor must deliver an electronic copy of the report to the Office of the State Auditor and \_\_\_ copies to the (local government).

The auditor will be involved in drafting, typing, and printing financial statements, and will assist management’s efforts to obtain the Government Finance Officers Association’s Certificate of Achievement of Excellence in Financial Reporting.

*REPORT REQUIREMENTS*

For financial audits, the auditor shall examine the financial statements and records of the entity and shall issue an auditor’s opinion on the entity’s financial statements with an in-relation-to opinion on combining and supplementary information, if any. Such financial statements shall be prepared in conformity with generally accepted accounting principles.

The auditor shall issue a compliance report based on an audit of general purpose or basic financial statements and a report on the internal control structure; both in accordance with *Government Auditing Standards.*

The auditor shall prepare and include a statement expressing positive assurance of compliance with State fiscal laws identified by the state auditor and other financial issues related to the expenditure of funds received from Federal, State, or local governments. *(This statement is in addition to the compliance opinion required as part of a single audit.)*

The auditor shall prepare a comprehensive management letter including the auditor’s findings and recommendations relative to the internal accounting and administrative controls, compliance with laws and regulations as applicable and adherence to generally accepted accounting principles.

The auditor shall include the written responses from (local government) for each recommendation included in the state compliance letter and the management letter required by the *State of Utah* *Legal Compliance Audit Guide*.

(*For audits completed in accordance with the Single Audit Act, the auditor shall examine the financial systems and records as they relate to the various federal grants and agreements and shall issue auditor’s reports on internal and administrative control and on compliance with federal and state laws and regulations as required by generally accepted auditing standards promulgated by the AICPA.*)

*AUDIT TERM*

If the selected certified public accounting firm performs satisfactorily for the June 30, 20\_\_ audit, it is anticipated that the same firm will be engaged to perform the audit for the succeeding years, subject to an annual evaluation and (local government) council appropriation. But, in any event, it will not exceed years.

*PROPOSAL QUALIFICATION REQUIREMENTS*

Interested certified public accounting firms should include the following information in their proposal to perform the audit of the fiscal year ending June 30, 20 :

A. Profile of the Independent Auditor

The profile of the proposers should provide general background information. This should include:

1. The organization and size of the proposer, whether it is local, regional, national or international in operations.
2. The locations of the office from which the work is to be done and the number of professional staff, by staff level, employed at the office.
3. A statement on the proposer’s staff capability to audit computerized systems.
4. A positive statement that the following mandatory criteria are satisfied:
	1. An affirmation that the proposer is properly licensed for practice as a certified public accountant in the State of Utah.
	2. An affirmation that the proposer meets the independence requirements of the American Institute of Certified Public Accountants and the *Government* *Auditing Standards*, 2003 revision, published by the U.S. General Accounting Office.
	3. An affirmation that the firm meets the continuing education and external quality control review requirements contained in the *Government Auditing Standards*, 2003 revision, published by the U.S. General Accounting Office.

B. Proposer’s Qualifications

1. Identify the audit partners, audit managers, field supervisors and other staff who will work on the audit, including staff from other than the local office. Résumés including relevant experience and continuing education for the staff auditors up to the individual with final responsibility for the engagement should be included.
2. Describe the recent local office auditing experience similar to the type of audit requested.
3. If other auditors are to participate in the audit, those auditors should be required to provide similar information.

C. Proposer’s Approach to the Examination

Submit a general audit work plan to accomplish the scope defined in these guidelines. The audit work plan should demonstrate that the proposer understands of the audit requirements and the audit tests and procedures to be applied in completing the audit plan. The plan should detail the expected number of audit hours by staff level. The planned use of specialists should also be specified.

D. Time Requirements

Detail how the reporting deadline requirements of the audit will be met.

E. Fees

Supply the billing rates, estimated number of billable hours, other billable expenses and a “not-to-exceed” fee for the audit, inclusive of travel, per diem and all other out-of-pocket expenses. As noted in section IV, it is expected that if the selected certified public accounting firm performs satisfactorily for the June 30, 20 audit, it will be engaged to perform the audit for the succeeding years. Therefore, the not-to-exceed fee information requested above should be provided on an annual basis for years.

F. Non-discrimination Clause

Affirm that the firm does not discriminate against any individual because of race, religion, sex, color, age, handicap or national origin, and that these shall not be a factor in consideration for employment, selection of training, promotion, transfer, recruitment, rates of pay, or other forms of compensation, demotion, or separation.

*CONTRACTUAL ARRANGEMENTS*

A. Audit programs, work papers and reports must be retained for a period of three years after the completion of the audit and made available for inspection by the (local government) or government auditor’s if requested by them.

B. Payment for the audit will be made upon receipt of the audit reports required in section III.

C. (Local Government) staff will be available to prepare schedules, trial balances, and provide documentation to assist the auditor as their schedules permit during the course of the audit.

*EVALUATION OF PROPOSALS*

The following criteria will be considered when making an evaluation of the proposals:

A. Technical Factors

* Responsiveness of the proposal in clearly stating an understanding of the audit services to be performed.
	+ Appropriateness and adequacy of proposed procedures.
	+ Reasonableness of time estimates and total audit hours.
	+ Appropriateness of assigned staff levels.
* Technical experience of the firm.
* Qualifications of staff.
* Size and structure of firm, considering the scope of the audit.
* Geographic location of key personnel and responsible office.

B. Cost of the audit

C. Right to Reject

(Local government) reserves the right to reject any and all proposals submitted and to request additional information from all proposers. Any contract awarded will be made to the independent certified public accounting firm who, based on evaluation of all responses, applying all criteria and oral interviews, if necessary, is determined to be the best to perform the audit.

*SUBMISSION OF PROPOSALS*

\_\_\_ copies of your proposal must be submitted to contact person , city/town , address , no later than date . Selection of the CPA firm will be made by date , and all firms submitting proposals will be notified immediately as to the selection results. No proposal will be considered that is not received at or prior to the above time and date.

*SOURCES OF INFORMATION*

There will be a pre-proposal conference held at time/address to allow for questions and clarification, and responsible individual can be contacted at phone number for information necessary to complete the proposal. Audit reports and management letters from prior years will be available for inspection.