

LAKESIDE FIRE PROTECTION DISTRICT



REQUEST FOR PROPOSAL

FINANCIAL AUDITOR

***Response due by 3:00 p.m. on
August 31, 2022***

Issued August 4, 2022

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LAKESIDE FIRE PROTECTION DISTRICT

Request for Proposal

**CERTIFIED PUBLIC ACCOUNTANT
TO AUDIT FINANCIAL STATEMENTS**

August 2022

1. **PROPOSAL INFORMATION**

Your firm has been invited by Lakeside Fire Protection District to submit a written proposal for financial auditor services. **Proposals must be received by 3:00 p.m. on August 31, 2022**, and must respond in the manner specified by this *Request for Proposal*. Proposals received by facsimile will not be considered. LAKESIDE FIRE PROTECTION DISTRICT “LFPD” reserves the right to reject proposals or to waive irregularities in any proposal or in the proposal procedures. The proposal must be signed by an individual authorized to bind the firm, and proposals must be good for a minimum of 90 days from date of submission.

LAKESIDE FIRE PROTECTION DISTRICT will not pay any costs incurred in proposal preparation, postage/delivery, presentation, demonstration, or negotiation. All costs will be paid for by the proposer.

Submit your proposal electronically via email to:

Robert H. Schiwitz, Finance & HR Director
rschiwitz@lakesidefire.org

All questions regarding this proposal should be directed to Robert Schiwitz, Lakeside Fire Protection District, rschiwitz@lakesidefire.org, (619)390-2350x007.

You may be invited to make an oral presentation. The contract, if any is awarded, will be awarded to the firm whose overall proposal demonstrates the ability to best meet LAKESIDE FIRE PROTECTION DISTRICT’s requirements. This will not be judged solely on the price of the contract. LAKESIDE FIRE PROTECTION DISTRICT reserves the right to investigate the qualifications of all firms under consideration and to confirm any part of the information furnished by a firm, or to require other evidence of managerial, financial or technical capabilities considered necessary to fulfill the contract successfully. The anticipated term of the initial agreement is one year, with subsequent annual renewals.

2. **TIMETABLE**

Tentative dates for activity relating to the proposal are given below:

1. Deadline for Receipt of Proposals August 31, 2022

- | | | |
|----|-------------------------|-------------------|
| 2. | Interview (if required) | September 2, 2022 |
| 3. | Award of Contract | September 5, 2022 |

3. **BACKGROUND**

The LFPD was organized in 1963 and total revenue for all funds of the fire district is anticipated at approximately \$20 million for the fiscal year ended June 30, 2022.

LFPD uses Tyler Technologies software, Incode 10, for its accounting applications.

LFPD 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 State Controller's office not later than January 1st after the end of the fiscal year.

The cash balances are on deposit with the San Diego County Treasurer, Treasurer of the State of California, and local financial institutions for payroll, accounts payable and workers compensation.

4. **SCOPE OF WORK**

- The audit firm will perform an audit of all funds of the LFPD. The audit will be conducted in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards, issued by the Comptroller of the United States. The District's Annual Financial Report will be prepared by the audit firm. The Financial Report will be in full compliance with all GASB standards. The audit firm will render their auditors' report on the basic financial statements which will include both Government-Wide Financial Statements and Fund Financial Statements. The audit firm will also apply limited audit procedures to Management's Discussion and Analysis (MD&A) and required supplementary information pertaining to the funds of the District.
- If necessary, the audit firm will perform a single audit on the expenditures of federal grants in accordance with OMB Circular A-133 and render the appropriate audit reports on Internal Control over Financial Reporting, and prepare the appropriate reports on compliance with Requirements Applicable to each Major Program, Internal Control over Compliance and on the Schedule of Expenditures of Federal Awards in Accordance with OMB Circular A-133. The single audit report will include an appropriate schedule of expenditures of federal awards, footnotes, findings and questioned costs, including reportable conditions and material weaknesses, and follow up on prior audit findings where required. If the District does not meet the minimum requirements to necessitate a single audit, the fees shall be adjusted accordingly.
- The audit firm shall issue a separate "management letter" that includes recommendations for improvements in internal control, accounting procedures and other significant observations that are considered to be non-reportable conditions.
- The audit firm shall prepare the Annual State Controller's Special District Financial Transactions Report for the Lakeside Fire Protection District.

- The audit should be completed, and the report issued to LFPD prior to November 30. Prior to the issuance of the final report, the auditor may be expected to meet with the District's Budget Committee, and may be requested to attend the District Board Meeting to present the report. Copies of the report must also be provided for filing with the County of San Diego and State Controller's Office.

5. **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 include, as a component, the preparation and transmittal of the Annual Reports of Financial Transactions to the State Controller for each year. The report shall be filed by the auditor in compliance with the State Controller's Office.

The auditor may 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 is also expected to provide informal advice and consultation throughout the year on matters relating to accounting and financial reporting. This would not include any task which entails significant research or a formal report.

6. **AUDIT TERM**

If the selected certified public accounting firm performs satisfactorily for the June 30, 2022 audit, it is anticipated that the same firm will be engaged to perform the audit for the three succeeding years, subject to an annual evaluation.

7. **CONTRACTUAL ARRANGEMENTS**

A. 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 Lakeside FPD or government auditors if requested by them.

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

C. LFPD 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.

8. **AGREEMENT NOT TO DISCRIMINATE**

In the performance of the terms of any contract resulting from this proposal, the provider agrees not to engage in nor permit subcontractors, where applicable, from engaging in discrimination in employment of persons because of race, color, national origin or ancestry, age, sex, disability, or religion of such persons, unless permitted by law.

9. **NO ASSIGNMENT**

No assignment by the contractor of the firm will be recognized by LFPD unless such assignments have had prior written approval and consent of LFPD. LFPD will specifically be contracting for the services of the individuals in the firm making the proposal, and the qualifications of those individuals will be a material inducement for the award of the contract.

10. **EVALUATION OF PROPOSALS**

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposal evaluated for both technical qualifications and price. The following represents the principal selection criteria which will be considered during the evaluation process:

A. Mandatory Elements

1. The audit firm is independent and licensed to practice in California.
2. The firm has no conflict of interest with regard to any other work performed by the firm for LFPD.

B. Technical Qualifications

1. Expertise and Experience
 - a. The firm's past experience and performance on comparable engagements.
 - b. 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.
 - c. In addition, special consideration will be given to the firms submitting a copy of their most recent external quality control review report and the firm that has a record of quality audit work.

C. Other

1. Audit approach
2. Adequacy of proposed staffing plan for various segments of the engagement.
3. Ability to meet timetable set forth.
4. Assurance on continuity of staff.

11. **REQUESTED INFORMATION**

Requested information is contained in Exhibit A. This exhibit contains questions that will allow LFPD to evaluate your firm and the services you provide. Your proposal should respond to the questions **in the order they are requested, and be numbered in the same way.**

12. **INSURANCE AND INDEMNITY**

The Party selected shall be required to carry the minimum types of insurance and the minimum amounts set forth in Exhibit A.

Any Contract executed pursuant to this RFP will require the selected auditor to defend (by counsel reasonably satisfactory to LFPD), indemnify and hold harmless LFPD, its officers, its Board of Director and its employees, from and against all liability, claims, and demands, on account of any injury, loss, or damage, which arise out of or are connected with the auditor's performance of the contract, if such injury, loss, or damage, or any portion thereof, is caused by, or claims to be caused by, the negligent act, omission, or other fault of the auditor or any subcontractor of the auditor, or any officer, employee, or agent of the auditor or any subcontractor, or any person for whom the auditor is responsible.

When the law establishes a professional standard of care for auditor's services, to the fullest extent permitted by law, auditor shall indemnify, protect, defend, and hold harmless LFPD and any and all of its officers, directors, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs, and expenses, including legal counsel's fees and costs to the extent same are caused in whole or in part by any negligent or wrongful act, error, or omission of auditor, its officers, agents, employees, or sub-consultants (or any agency or individual that auditor t shall bear the legal liability thereof) in the performance of professional services under the contract pursuant to this RFP.

EXHIBIT A

Requested Information: This section contains questions that will allow LFPD to evaluate your firm and the services you provide. Your proposal should respond to the questions **in the order they are requested, and be numbered in the same way.**

1. **General Information**

The following questions relate to general information about your firm:

- A. Provide the address and telephone number of your home office and any other office locations.
- B. How long have you been in business?
- C. How many financial audits were performed by your firm in the past 3 years?
- D. How many financial audits were performed by your firm for public agencies in the past 3 years?
- E. How many financial audits were performed by your firm for joint powers authorities in the past 3 years?
- F. Describe the recent local office auditing experience similar to the type of audit requested.
- G. Provide a client listing for references, including client name, address, and contact person and telephone number. Include all clients who are a joint powers authority.
- H. Is there any pending litigation against your firm? If so, please provide details.

2. **Organization and Personnel**

- A. Provide an organization chart for your Company. Also provide an organization chart for the location where this account will be handled.
- B. Provide resumes of partners, audit managers, field supervisors and other staff who would be assigned to work on our account. Resumes should include the length of time employed by your firm.

3. **Firm's Approach to the Examination**

- A. Submit a general audit work plan to accomplish the scope defined in these guidelines. The audit work plan should demonstrate the proposer's understanding 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.
- B. Detail how the reporting deadline requirements of the audit will be met.

4. **Insurance**

Minimum insurance requirements are given below. Please provide insurance carrier and limits for each line of insurance, and confirm that required evidence of insurance will be provided:

- A. Commercial General Liability insurance with minimum limits of \$2,000,000 per occurrence. Provide Certificate of Insurance and Additional Insured Endorsement.

- B. Automobile Liability insurance with minimum limits of \$1,000,000 per accident. Provide Certificate of Insurance.
- C. Workers' Compensation with statutory limits, as required by the Labor Code of the State of California, and Employer's Liability with minimum limits of \$1,000,000 per occurrence. Provide Certificate of Insurance.
- D. Professional Liability/Errors and Omissions insurance with minimum limits of \$2,000,000 per occurrence. Provide Certificate of Insurance.

5. **Affirmations**

Provide a positive statement to confirm that each of the following mandatory criteria is satisfied:

- A. An affirmation that the proposer is properly licensed for practice as a certified public accountant in the State of California.
- B. 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.
- C. 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.
- D. An affirmation that 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 SMCFPD, the Districts, or government auditors if requested.

6. **Documents/Information**

The following documents/information should be included in your proposal package:

- A. Sample audit report
- B. Proposed Contract for Services

7. **Fees**

Provide the following:

- A. Billing rates for assigned staff
- B. Estimated number of billable hours for each assigned staff
- C. Other billable expenses
- D. A "Not-to-Exceed" fee for 2022, 2023, and 2024 inclusive of travel, per diem and all other out-of-pocket expenses.