

**BUTTE COUNTY RESOURCE CONSERVATION
DISTRICT**

**REQUEST FOR PROPOSALS INDEPENDENT AUDIT
SERVICES**

PROPOSALS DUE BY 4:00 PM, September 15, 2019

Purpose of Request for Proposals

The Butte County Resource Conservation District (District) is requesting proposals from qualified firms of certified public accountants for financial and compliance audits for the eleven (11) fiscal years ending June 30, 2010 through June 30, 2020.

The District

The District is a special district within the county that works with landowners, non-profits, and government agencies to protect and enhance the natural resources and agriculture within the county. This mission is accomplished through land management, on-the-ground projects and education. The District is independent, under local control and is governed by a Board of Directors comprised of local landowners. The District receives no regular funding from taxpayers; rather projects are funded through grants and contracts

Scope of Services Required

- A. The independent auditor is expected to perform financial and compliance audits of the District for the years ending June 30, 2010 through June 30, 2020. The auditor may elect to opine and prepare and present financial statements for the years ending June 30, 2010 through June 30, 2019 by year and/or in any combination of years. The audit for the year ending June 30, 2020 must be presented as a stand-alone statement.
- B. The auditor shall perform the examinations and express opinions on all District funds in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants; the standards for financial audits set forth in the U.S. General Accounting Office's (GAO) Government Auditing Standards; Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards ("Uniform Guidance"); and any specific requirements of grantor agencies (if necessary). The auditor will, if required, prepare the Schedule of Expenditures of Federal Awards and all applicable compliance and internal control reviews required by the GAO's Government Auditing Standards and Uniform Guidance. The audits will be performed under the State Controller's Minimum Audit Requirements for California Special Districts and all other applicable laws and regulations.
- C. Reports, schedules, and forms to be issued following the completion of the audits of a fiscal year's financial statements are as follows:
 - 1) Independent Auditors Report, including the audited financial statements, notes to the financial statements, budgetary comparison information, and roster of board members. **No management's discussion and analysis (MD&A) will be presented.**
 - 2) A Management Letter communicating comments and recommendations.
 - 3) SAS 114 and SAS 115 communications.
 - 4) Schedule of Expenditures of Federal Awards (if necessary).
 - 5) Opinion on and Notes to the Schedule of Federal Awards (if necessary).
 - 6) Independent Auditor's Report on Internal Control Over Financial Reporting and On Compliance and Other Matters in Accordance with Government Auditing Standards.
 - 7) Independent Auditors' Report on Compliance for Each Major Program and On Internal Control Over Compliance Required by Uniform Guidance (if necessary).
 - 8) Schedule of Auditors' Results, Findings, and Questioned Costs (if required).

- 9) Summary Schedule of Prior Audit Findings (if applicable).
- 10) Corrective Action Plan (if applicable).
- 11) Form SF-SAC (if necessary).
- 12) 10 bound copies and one electronic copy of financial statements

A copy of the latest audited financial statements is attached to this request for proposal.

Proposal Contents

The proposal must be organized to include the following sections, in the following order. The proposals should be concise and address the required elements below:

- a. Title Page – A title page showing the RFP subject; the firm's name; the name, address and telephone number of the contact person; and the date of the proposal.
- b. Table of Contents – A table of contents detailing the various sections and page numbers of the information contained in the proposal.
- c. Letter of Transmittal – A letter of transmittal signed by an individual authorized to bind the proposer, briefly introducing the firm, stating the proposer's understanding of the work to be done, and a statement why the firm believes itself to be best qualified to perform the engagement.
- d. Technical Proposal – in its proposal, shall, as a minimum, include the following:
 1. Prior Auditing Experience- A firm should describe its prior auditing experience, including the names, addresses, contact persons, and telephone numbers of organizations audited within the past three years that are like our District.
 2. Value-Added Services Beyond the Audit- A firm should include an explanation of other services that can and have been provided to organizations like the District. Value-added services provide efficiencies and improved compliance that contribute to the continued success of the District.
 3. Organization, Size, and Structure- A firm should describe its organization, size (in relation to audits to be performed), and structure. Description should include:
 - a. Size of the firm, the size of the firm's governmental audit staff, and the location of the office from which the work on this engagement is to be performed.
 - b. Explanation of independence.
 - c. Any conflicts of interest that exist.
 - d. A copy of the results of the firm's most recent peer review.
 - e. Affirmative statement that the firm and all assigned key professional staff are properly licensed to practice in the State of California.
 4. Staff Qualifications- A firm should describe the qualifications of staff to be assigned to the audit. Descriptions should include:
 - a. Audit team makeup.

b. Overall supervision to be exercised.

c. Prior experience of the individual audit team members. Include résumés of only the staff to be assigned to the audits. Include education, position in firm, years with the firm, government auditing experience, and training on the recent Uniform Guidance and other relevant continuing professional education.

d. The firm should indicate how the quality of staff over the term of the agreement would be assured. Engagement Partners, Managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the District. However, in either case, the District retains the right to approve or reject replacements.

5. Audit Approach to the Engagement- A firm should describe its understanding of the work to be performed, including audit procedures, estimated hours, and other pertinent information. A tentative schedule for completing the audits within the specified deadlines of this RFP should also be included.

6. Identification of Anticipated Potential Audit Problems- The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems, and any special assistance that will be requested from the District.

7. Appendices or Exhibits-if submitted.

e. Price – The proposed price should be submitted separately. Include information indicating how the price was determined. A per year price should be presented. Any travel and out-of-pocket expenses should also be indicated. The pricing information should be in a separate, sealed envelope. **A per hour fee per professional should also be presented should the District require additional services due to potential questioned costs. A fee quote by year to prepare the State Controller’s Report should be presented should the District determine the reports have not been filed. Price should include a separate additional amount should any major federal program be required to be audited under the Single Audit Act. Please specify if a retainer will be required.**

Subcontractors- No portion of the audit may be subcontracted to another firm.

Proposal Evaluation

Evaluation of each proposal will be scored on the following six factors:

1. Prior audit experience with governmental engagements with a point range of 0 - 20.
2. Value-added services beyond the audit with a point range of 0 – 5 points.
3. Organization, size, and structure of the firm applicable to a District of this size with a point range of 0-15 points.
4. Qualifications of staff to be assigned to the audit to be performed with a point range of 0-25 points
5. Auditor’s understanding of work to be performed with a point range of 0-20 points.

6. Price with a point range of 0 – 15 points.

Maximum Points 100

Proposal Submittals

To be considered, five (5) bound and one (1) electronic copy of the proposal must be received by 4:00 p.m. on September 15, 2019 to:

Colleen Hatfield, Secretary/Treasurer
Butte County Resource Conservation District
150 Chuck Yeager Way, Suite A
Oroville, CA 95965

The District reserves the right to reject any or all proposals submitted. Proposals received after the specified date and time will not be considered.

Proposal Selection Process

A Selection Committee will evaluate proposals submitted. During the evaluation process, the Selection Committee reserves the right, where it may serve the District's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the District and the firm selected.

It is anticipated the selection process of a firm will be completed by September 30th, 2019. The selection committee's recommendation will be presented to the Board of Directors at its meeting in September 2019. Following the notification of the selected firm, it is expected a contract will be executed between both parties in early to mid October 2019.

District Accounting

The District has three funds, the General Fund, which is used to account for all financial resources and two special revenue funds (formerly a private purpose trust fund) to facilitate endowments and easements. The majority of funding comes from competitively sought government grants and fee for service contracts. Funding is occasionally received from foundations and other private sources. The District's fiscal year 2018-19 total operating budget was \$0.3 million.

The District's records were maintained by the Butte County Auditor-Controller until 2014. The District currently utilizes Quick Books Online as its financial accounting system. The District currently contracts with a third-party vendor for payroll. The District is currently revising its policies and procedures. The District does not offer any employee retirement plans.

Financial constraints have plagued the District in the past few years which is reflected in the tardiness in completing the annual audits. The Federal government is currently questioning certain costs for the fiscal year ending June 30, 2017. The District will determine if it wishes to have the auditor perform any additional services regarding questioned costs and the auditor will specify on the price section the per hour fee to perform these services.

It is anticipated that a pre-audit for each year under audit will be performed by the District to the extent possible to reduce material audit adjustments. Staff and or bookkeeper will be available to provide auditor requested documents and answers to auditor inquiries. Adequate working space for the auditor will be provided.

Payment

Payment will be made when the District has determined that the total work effort has been satisfactorily completed. Progress payments will be allowed to the extent that the District can determine satisfactory progress is being made. Upon delivery of the required copies of the final reports to the District and their acceptance and approval, the auditor may submit a bill for the balance due on the contract for the audits. Please specify if a retainer will be required.

Additional Questions

Additional questions may be addressed to Colleen Hatfield at hatfield001@gmail.com