

November 18, 2015

**Cover Sheet
Request for Proposals
Financial Auditing Services**

The City of Emporia, Virginia is requesting proposals from Certified Public Accounting firms to audit the City's financial records for a five year contract period beginning with the fiscal year ending June 30, 2016 as described in this Request for Proposals (RFP). In this regard, the City will accept sealed proposals, subject to the terms and conditions herein for such financial auditing services until **4:00 PM, Wednesday, January 13, 2016**. The City shall not accept any proposals after this date/time for any reason. You must submit your proposal in a sealed envelope clearly marked on the outside "*Proposal for Financial Auditing Services.*" You must include this completed cover sheet with your proposal.

If you hand deliver your proposal, then please use the following street address:

City Manager's Office
Municipal Building
201 South Main Street
Emporia, Virginia 23847

If you mail your proposal, then please use the following address:

City Manager's Office
Post Office Box 511
Emporia, Virginia 23847

You must return this page with your proposal with the following information:

Name and Address of Proposer:

Date _____

By _____
(Signature)

Printed Name _____

Telephone# _____

Title _____

Section 1. Project Description

The City of Emporia, Virginia intends to enter into a five-year contract with a Certified Public Accounting firm (hereinafter referred to as “auditor”), to perform annual financial audits of the City’s financial records. The annual financial audits will begin with the fiscal year ending June 30, 2016.

With this Request for Proposals (RFP), the City invites such firms to submit to the City written proposals for auditing services. This RFP sets forth the terms and conditions whereby the City of Emporia intends to contract with the successful proposer to provide the services described herein.

The City reserves the right to terminate any resulting contract at will.

Section 2. Scope of Services

1. Financial Statements

The auditor that the City selects to do this work shall annually audit all funds and account groups of the City in accordance with generally accepted auditing standards, the standards for financial audits contained in ***Government Auditing Standards*** issued by the Comptroller General of the United States, the requirement of the Single Audit Act Amendments of 1996 and United States Office of Management and Budget (OMB) Circular A-133, ***Audits of State, Local Governments, and Non-Profit Organizations*** and the ***Specifications for Audits of Counties, Cities, and Towns*** issued by the Auditor of Public Accounts. The audit will result in the auditor rendering an opinion on the City’s financial statements. If the auditor’s opinion is other than unqualified, the auditor shall furnish the City the reasons for qualifying the opinion, disclaiming the opinion, or rendering an adverse opinion on a timely basis.

2. Internal Controls When Auditing Financial Statements

The auditor will consider, test and report on internal controls in accordance with ***Generally Accepted Auditing Standards*** (GAAS), ***Government Auditing Standards***, OMB Circular A-133, ***Audits of State, Local Governments, and Non-Profit Organizations*** and the ***Specifications for Audits of Counties, Cities and Towns***.

The auditor must prepare a detailed management letter of City issues with recommendations for improvements in internal controls, accounting systems, and procedures.

3. Compliance Auditing When Auditing Financial Statements

The auditor will perform tests and report on compliance in accordance with Uniform Financial Reporting Manual, OMB Circular A-133, ***Audits of State, Local Governments, and Non-Profit Organizations*** and the ***Specifications for Audits of Counties, Cities, and Towns***.

4. *Comparative Report Transmittal Forms*

The Virginia Auditor of Public Accounts (APA) requires all local governments to complete Comparative Cost Report Transmittal Forms in accordance with the provisions of the Uniform Financial Reporting Manual. The City may require the auditor to prepare the required forms for submission to APA.

5. *Audit Schedule*

The Code of Virginia establishes certain deadlines for the preparation and presentation of annual audits of the financial records for units of local government in Virginia. The auditor shall comply with these deadlines.

Section 3. Meetings

The City will annually schedule a conference between the auditor and the City prior to preliminary work to discuss audit plans, required communications, and to discuss potential management letter comments. The auditor's field staff will schedule conferences with the City's Director of Finance on a regular basis. The purpose of which is to keep both parties informed of the progress of the audit and drafted audited findings.

Section 4. Report Preparation

Required Reports

Based on audit work performed, the auditor will include the following reports in the CAFR unless otherwise indicated:

1. An opinion on the fair presentation of the general purpose financial statements and the combining, individual fund, and individual account group financial statements in conformity with generally accepted accounting principles.
2. A report on the internal control structure based on the auditor's consideration of the internal control structure in accordance with ***Government Auditing Standards***. Communication of all reportable conditions found during the audit shall be included in the report on internal controls. Further, the auditor will identify in his report, any material weaknesses found. The auditor will report other weaknesses in internal controls not meeting the definition of a reportable condition in a separate letter to management referred to in the report on internal controls.
3. A report on compliance based on the audit of the general purpose financial statements performed in accordance with ***Government Auditing Standards***. This report includes, but is not limited to, compliance with state laws and regulations. Communication of all instances of noncompliance that could have a material effect on the general purpose financial statements shall be included in the report on compliance. All other instances of

noncompliance shall be reported in a separate letter to management referred to in the report on compliance.

4. A report disclosing the status of findings and recommendations from previous audits in accordance with *Government Auditing Standards* and the *Specifications for Audits of Counties, Cities, and Towns*.
5. The auditor will make an immediate written report of all irregularities and illegal acts, or indications of illegal acts of which they become aware to the City Manager and the Director of Finance.

Section 5. Comprehensive Annual Financial Report (CAFR) Preparation and Presentation

1. The auditor will furnish the City twenty copies of his final, annual audit report.
2. The auditor will present the CAFR to the local governing body at a public session as required by the provisions of the *Code of Virginia*.

Section 6. Proposal Requirements

You must address the following items in your written proposal:

1. The proposal shall include all information necessary for the City to evaluate the suitability of the proposing firm to provide the services described herein.
2. You must include the following organizational information:
 - Name of company (or other business entity) submitting proposal
 - Type of business entity (i.e. corporation or partnership)
 - Place of incorporation
 - Name, location, and telephone number of the auditor's representative to contact regarding all matters pertaining to the proposal
 - If the proposer intends to subcontract any of the work set forth in this RFP, then the proposer shall include the subcontractor's name, address, telephone number and the function that the subcontractor shall perform.
3. The proposal shall demonstrate the experience, resources, and capabilities of the proposer to perform these services. In this regard, the proposal should contain a concise summary of the firm's or proposer's qualifications, organizational structure, past experiences, and names, addresses and telephone numbers of references.

4. The proposal shall include a detailed description of the education, experience, current certifications, and the availability of the key personnel that the firm or proposer intends to assign to work with the City.

5. Audit Approach:

Indicate scope of the proposed audit approach and techniques to be used to successfully accomplish the requested services. This includes, but is not limited, to the following:

- Use of statistical sampling
- Use of computer audit techniques and specialists, including the extent of automation of work papers
- Organization of audit team and approximate percentage of time each member would spend on the audit.
- Management letter approach
- Typical assistance generally expected from the City
- Describe approach to the use of general purpose financial statements in other public documents (i.e., used in official statements for bond issues).

6. Work Plan and Timeline:

- Outline each of the proposed major tasks required to complete the engagement and estimate the approximate amount of time required for each
- Indicate the approximate dates that fieldwork will begin and end, for both preliminary and final fieldwork.

7. Affirm that your firm and the partner/manager assigned to the audit engagement are properly licensed to perform the scope of services requested.

8. Affirm that your firm meets the independence standards defined in the Ethical Rules of the AICPA and *Government Auditing Standards*. Affirm that your firm meets the peer review Standards of the AICPA and *Government Auditing Standards*.

9. Affirm that the staff assigned to the audit has complied with the general standards on qualifications, including continuing education requirements, of the *Government Auditing Standards*.

10. Include a copy of your firm's most recent peer review report.

11. The proposer must provide a complete list of their most recent auditing relationships (since January 1, 2012) with other local governments within the Commonwealth of Virginia. The list must include names, addresses, and telephone numbers of the contact person.

Section 7. Instructions for the Submission of Proposals

1. Deadline for Submission of Proposals

All respondents to this RFP must submit their proposals in a sealed envelope to the City Manager's Office by *4:00 PM, Wednesday, January 13, 2016*. The City will not consider any proposals that arrive in the City Manager's Office after *4:00 PM, Wednesday, January 13, 2016*. The respondent (proposer) is solely responsible for ensuring that his or her proposal arrives in the City Manager's Office by the date/time deadline set forth in this RFP.

2. Address for Submitting Proposals

Please address the envelope containing your proposal with the title "*Proposal for Financial Auditing Services*" labeled on the outside of the envelope.

If you hand deliver your proposal, then please use the following street address:

City Manager's Office
Municipal Building
201 South Main Street
Emporia, Virginia 23847

If you mail your proposal, then please use the following address:

City Manager's Office
Post Office Box 511
Emporia, Virginia 23847

Please Note: Your proposal must include the cover sheet to the RFP.

3. Number of Copies to Submit

Please submit five copies of your proposal.

4. Expense for Preparing Proposals

The City is not responsible for any expenses incurred by the respondents to this RFP in preparing and submitting a proposal.

5. *Questions Pertaining to this RFP*

Please direct all questions to Sheila J. Cutrell, Director of Finance, (434) 634-3332.

6. *City's Right to Reject Proposals*

The City of Emporia has the sole right to reject any or all of the proposals it receives in response to this RFP.

Section 8. Evaluation of Proposals

The City will evaluate the proposals using the following:

1. Proposer's experience, expertise, and performance in providing similar or related services.
2. Qualifications and experience of the team that the proposer intends to assign to this work.
3. Proposer's overall suitability to provide the services set forth in this RFP in a timely manner.