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I. INTRODUCTION

A. *General Information*

Stephens County Government is requesting proposals from qualified firms of certified public accountants to audit its financial statements for fiscal year ending June 30, 2018, with the option of auditing its financial statements for each of the two subsequent fiscal years. These audits 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, the provisions of the Federal Single Audit Act and its amendments, the U. S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and the Official Code of Georgia Annotated.

There is no expressed or implied obligation for the County to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

To be considered, five copies of a proposal must be received by Mrs. Beth Rider, County Clerk at P. O. Box 386, 37 West Tugalo Street, Toccoa, GA 30577, by 4:00 P. M., on July 13, 2018. Proposals will be opened at 10:00 A.M., July 16, 2018 in the Stephens County Board of Commissioners office at 37 West Tugalo Street, Toccoa, Georgia 30577. The County reserves the right to reject any or all proposals submitted.

Proposals submitted will be evaluated by a five-member Audit Committee selected by the County, consisting of the Finance Director, the Staff Accountant, two Elected Officials and one representative from County Administration.

During the evaluation process, the Audit Committee and the County reserve the right, when it may serve the County's best interest, to request additional information or clarification from proposers, or to allow corrections of errors or omissions. At the discretion of the County or the Audit Committee, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The County reserves the right to retain all proposals submitted and to use any idea(s) in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in the request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in a subsequent contract between the County and the firm selected.

It is anticipated that the selection of a firm will be completed by August 14, 2018. Following notification of the selected firm, it is expected a contract will be executed between both parties within four weeks after award date.

B. *Term of Engagement*

A three year contract is contemplated, subject to the annual review and recommendation of the Audit Committee, the satisfactory negotiation terms (including a price acceptable to both the County and the selected firm), the concurrence of the County Commission and the annual availability of appropriations.

II. NATURE OF SERVICES REQUIRED

A. General

The County is soliciting the services of qualified firms of certified public accountants to audit its financial statements for fiscal year ending June 30, 2018, with the option to audit the County's financial statements for each of the two subsequent fiscal years. These audits are to be performed in accordance with the provisions contained in this request for proposals.

B. Scope of Work to be Performed

The County requests the auditor 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 units, each major fund, and the aggregate remaining fund information and the respective changes in financial position and cash flows, where applicable, thereof 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.

The County requests the auditor to consider internal control over financial reporting in order to determine the auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide an opinion on the internal control over financial reporting.

The County requests the auditor to perform tests of compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Providing an opinion on compliance with these provisions is not an objective of the audits. However, the results of the tests disclosing instances of noncompliance and other matters will be reported as required under Government Auditing Standards.

The County requests the auditor to verify and test expenditures of the government's Special Purpose Local Option Sales Tax proceeds. In accordance with the O.C.G.A., Section 48-8-121, a schedule shall be included in each annual audit which shows for each project in the resolution or ordinance calling for imposition of the Special Purpose Local Option Sales Tax the original estimated cost, amounts expended in prior years, and amounts expended in the current year. The auditor shall verify and test expenditures sufficient to provide assurance that the schedule is fairly presented in relation to the financial statements. The auditor's report on the financial statements shall include an opinion, or disclaimer of opinion, as to whether the schedule is presented fairly in all material respects in relation to the financial statements as a whole.

C. Auditing Standards to be Followed

To meet the requirements of this request for proposals, the audit shall be performed 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, the provisions of the Federal Single Audit Act and its amendments, the U. S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and the Official Code of Georgia Annotated.

D. Reports to be Issued

Following the completion of the audit of the fiscal year's financial statements the auditor shall issue:

1. A report on the fair presentation of the financial statements in conformity with Generally Accepted Accounting Principles. This report shall include Required Supplemental Schedules (RSI) as required by GASB 34.
2. Separate audit reports for the:

Stephens County Library System
3. Compliance reports and certification letters as required, such as the Financial Assurance Report for solid waste handling facilities.
4. A report on internal control over financial reporting and on compliance and on other matters based on an audit of financial statements performed in accordance with Government Auditing Standards.
5. A report on the fair presentation of the Schedule of Special Purpose Local Option Sales Tax in accordance with Generally Accepted Auditing Principles and in compliance with the O.C.G.A., 48-8-121.

Irregularities and Illegal Acts. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the following parties:

The Stephens County Board of Commissioners;
The Audit Committee of Stephens County; The County Attorney; and
The County Administrator.

E. Special Considerations

1. Fifteen copies of the above reports are required.
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 government entity's director at the conclusion of each audit. This letter shall address all exceptions in accounting practices, immaterial instances of noncompliance with laws and regulations, and deficiencies in the internal control that are not reportable conditions as defined in American Institute of Certified Public Accounts Codifications of Statements.
3. A detailed report of adjusting journal entries and reclassifications by account number, description, and explanation shall be presented to the Finance Director at the conclusion of the audit.
4. A preliminary draft of all reports shall be submitted to the government entity prior to their release. The government entity will review and approve the release of all draft reports.
5. An oral presentation shall be given to the County Commission meeting at the conclusion of the audit.

F. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained at the auditor's expense, for a minimum of three years, unless the County notifies the firm in writing that there is a need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:

Stephens County Government;
Georgia Department of Community Affairs;
Georgia Department of Audits and Accounts;
Parties designated by the Federal or State governments or by the County as part of an audit quality review process; and
Auditors of entities of which the County is the recipient or conduit for grant funds.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

III. DESCRIPTION OF THE GOVERNMENT

A. Background Information

Stephens County is located in Northeast Georgia adjacent to the South Carolina line at the headwaters of Lake Hartwell. It is 100 miles northeast of Atlanta and 65 miles southwest of Greenville, South Carolina. It covers 180 square miles with the Chattahoochee National Forest covering approximately 25% of the county. Stephens County has a reported population of 26,175 according to the 2010 U.S. Census Bureau and is governed by a five member Board of Commissioners. The fiscal year begins on July 1 and ends on June 30 each year. The County provides a full range of services including sheriff and fire protection, street maintenance, recreation and parks, emergency communications and landfill, in addition to general government activities.

Annual appropriations for the general funds and all funds combined were \$21.3 million in fiscal year 2018.

The County has a total payroll cost including benefits of \$7.3 million ending 2017 covering approximately 190 full- and part-time employees.

The County is organized into fifty-four budgeted departments. The accounting and financial reporting functions of the County are centralized.

More detailed information on the government and its finances can be found in budget documents, official statements, annual financial reports, and policies and procedures manuals. These documents are available by contacting Phyllis Ayers at (706) 886-9491 X303. The Annual Financial Report for fiscal year ending June 30, 2017 can be found on the Stephens County website at www.stephenscountyga.com.

B. Fund Structure

The County uses the following fund types and account groups in its financial reporting:

<u>Fund Type</u>	<u>Number of Funds</u>
General Fund	1
Special Revenue Fund	10
Capital Projects Fund	2
Enterprise Fund	1
Agency Fund	7

Actual spending for the Hotel/Motel Fund is in the General Fund, and is re-classified in the fiscal year end financials.

C. *Budgetary Basis of Accounting*

The County prepares its budgets on a basis consistent with generally accepted accounting principles.

D. *Federal and State Financial Assistance*

The County expects to receive financial assistance from the following programs in fiscal year 2018.

- Drug Accountability Court Program
- Victims Assistance Program
- State of Georgia Department Of Emergency Management
- Georgia Department of Transportation

E. *Pension Plans*

The County participates in the following pension plans:

Stephens County Pension Plan and Trust Defined Contribution Plan (Outside Administrator)
 Two Deferred Compensation Plans under Internal Revenue Code Section 457(g) (Outside Administrator)

- Probate Judges Retirement Fund of Georgia
- Clerk of Superior Court Retirement Fund
- Sheriff Retirement Fund/Peace Officer Annuity And Benefit Fund
- Georgia Judicial Retirement System
- Employee's Retirement System of Georgia

F. *Component Units*

The management of the County has identified the Stephens County Health Department, the Toccoa-Stephens County Library, the Stephens County Development Authority and the Stephens County Hospital Authority as a component unit (with fiscal year ending June 30) for inclusion in the County's financial statements.

The Stephens County Library System is audited by the County auditors but is not a part of the County's financial statements. The contact person and record location of each is noted below:

Toccoa-Stephens County Library System	Emily McConnell, Director P. O. Drawer L Toccoa, Georgia 30577 (706) 886-6082
Stephens County Health Department	Debbie Thomas, Office Manager 64 Boulevard Suite 102 Toccoa, Georgia 30577 (706) 282-4507
Stephens County Development Authority	Tim Martin, Executive Director 31 W. Doyle Street Toccoa, Georgia 30577 (706) 886-4242
Stephens County Hospital Authority	Roger Forgey, Chief Executive Officer 163 Hospital Drive Toccoa, Georgia 30577 (706) 282-4200

G. Intergovernmental Agreements

The County participates in various intergovernmental agreements with other governments concerning various capital and operational issues. These agreements address service delivery throughout the county and consist of indigent defense, juvenile court, ambulance service, indigent health care, maintenance in lieu of rent, animal control, and SPLOST proceeds.

H. Magnitude of Finance Operations

The Finance Department is managed by Phyllis Ayers, Finance Director and consists of 5 employees. The principal functions performed and the number of employees assigned to each are as follows:

<u>Function</u>	<u>Number of Employees</u>
Administration and General Ledger	2
Clerical Accounting	1
Accounts Payable	1
Payroll	1

The Finance Director is the appointed Budget Officer and prepares the annual budget with finance support.

I. Computer Systems

The County's financial software package is the Tailored Business Systems Governmental Software and runs on an AS400. It is an integrated system, as applications share information among themselves, which eliminates duplicate posting of data, reduces errors, and provides faster, more accurate information. Personal computers provide access to the AS400. The Finance Department is in the process of awarding a bid to change financial software and hardware systems.

IV. TIME REQUIREMENTS

A. The County's Fiscal Year End Calendar

The fiscal year ends June 30 each year. The accounting ledgers remain open until August 31, each year to record revenue and accounts payable accruals. Further year-end adjustments, accruals, and corrections are recorded during the month of August. The general ledger is finalized during the first week of September and would then be available for audit.

B. Date Final Report is Due

The auditor shall provide adjusted financial statements, adjusting entries, supporting schedules, recommendations, revisions and suggestions for improvements to the Finance Director to facilitate a complete draft of the comprehensive annual report by November 15th. A staff presentation shall be scheduled prior to completion of the draft by November 15th. This complete draft report shall be delivered to the Finance Department by November 15th.

The Finance Department will complete their review of the draft report as expeditiously as possible. It is not expected that this process should exceed two weeks. During that period, the auditor should be available for any meetings that may be necessary to discuss the audit reports. Once all issues of discussion are resolved, the final signed report shall be delivered to the County Administrator within two weeks. It is anticipated that this process will be completed and the final report delivered by December 1st. A public presentation will be requested during the Commissioner's meeting following issuance of the final report.

V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

A. Finance Department and Clerical Assistance

The Finance Department staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation, and explanations. The preparation of confirmations will be the responsibility of the Stephens County Finance Department. All inquiries of documentation and other personnel will come through the Finance Director. The Finance Department shall also provide the following statements and/or schedules for all funds:

- Bank Reconciliations
- Schedule of Investments
- Accounts Receivable
- Bank Collateralization
- Schedule of Prepaid Items
- Schedule of Leases
- Certificate of Participation Reconciliation
- Accounts Payable
- Accrued Wages Payable

Schedule of Interfund Receivables, Payables, and Transfers
Schedule of Compensated Absences
Schedule of General Fixed Assets
Schedule of Depreciation and Accumulated Depreciation
Schedule of Long-Term Debt
Indirect Cost Allocations
Agency Compilations
Schedule of SPLOST Proceeds and Expenditures
Trial Balance
General Ledger Account Detail
Other Schedules Upon Request

These schedules are all in Excel format except for the General Ledger Account Detail.

B. Work Area, Telephone, and Office Equipment

The County will provide the auditor with reasonable workspace, desks and chairs. The auditor will also be provided with access to a telephone, photocopying, internet and FAX machines, etc.

C. Report Preparation

1. Annual Financial Report

Report preparation, editing, printing, binding, audit letters and completeness shall be the responsibility of the auditor.

2. Working Copies of the Annual Financial Report

At the conclusion of the audit, the auditor shall provide one working copy of the County's annual financial report. This is considered a working copy as it includes (a) the detailed general ledger (current year and prior year) with adjustments supporting the financial statements, (b) the detailed revenue and expenditure/expense ledgers (current and prior year) with adjustments supporting the revenue, expenditure/expense and changes in equity (fund balance or retained earnings) financial statements, and (c) a listing of the adjusting and reclassifying entries supporting adjustments to the County's ledgers in arriving at the financial statements. These should be segregated by fund and include a complete annual report with the associated transmittal, notes, and audit findings/statements. This will facilitate staff understanding and documentation of the audit and aid in reconciling the County's financial system to the financial statements.

3. Other Reports

Report preparation, printing, and binding shall be the responsibility of the auditor. Report editing, audit letters, and completeness shall be the responsibility of the auditor.

VI. PROPOSAL REQUIREMENTS

A. General Requirements

The following material is required to be received by 4:00 P. M. on July 13, 2018, for a proposing firm to be considered.

1. A master copy (so marked) of a technical proposal and four copies to include the following:
 - a. Title Page showing the request for proposals 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.
 - c. Signed Transmittal Letter (Appendix F) and signed and dated copies of appendices B and C briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for sixty days.
 - d. Detailed Proposal following the order set forth in Section VI B of this request for proposals.
2. The proposer shall submit an original and four copies of a Sealed Dollar Cost Bid in a separate sealed envelope marked as follows:

**SEALED DOLLAR COST BID PROPOSAL
STEPHENS COUNTY GOVERNMENT
FOR
PROFESSIONAL AUDITING SERVICES
[DATE]**

3. Proposers should send the completed proposal including the two separate envelopes to the following address:

Mrs. Beth Rider, County Clerk
Stephens County Government
P.O. 386
37 West Tugalo Street
Toccoa, Georgia 30577

B. Technical Proposal

1. General Requirements

The purpose of the Technical Proposal is to demonstrate the qualifications, competence and capacity of the firm seeking to undertake an independent audit of the County in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than the form or manner of presentation. The Technical Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposals requirements.

THERE SHOULD BE NO DOLLAR UNITS OR TOTAL COSTS INCLUDED IN THE TECHNICAL PROPOSAL DOCUMENT.

The Technical Proposal should address all points outlined in the request for proposals (excluding any cost information which should only be included in the Sealed Dollar Cost Bid). The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of this request for proposals. While additional data may be presented, the following subjects, items numbered 2 through 8, must be included. They represent the criteria against which the proposal will be evaluated.

2. Independence

The firm should provide an affirmative statement that it is independent of the County as defined by generally accepted auditing standards and the current Government Auditing Standards.

The firm should also provide an affirmative statement that it is independent of all component units of the County as defined by those same standards.

The firm should also list and describe the firm's professional relationships involving the County or any of its component units or oversight units for the past five years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

In addition, the firm shall give the County written notice of any professional relationships entered into during the period of this agreement.

3. License to Practice in Georgia

An affirmative statement should be included verifying the firm and all assigned key professional staff are properly licensed to practice in Georgia.

4. Firm Qualifications and Experience

The proposer should state the size of the firm and its governmental audit staff, the location of the office from which the work on this engagement is to be performed, and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

The firm is also required to submit a copy of a report on its most recent external quality control review (peer review), with a statement whether that quality control review included a review of specific government engagements.

The firm shall also provide information on the results of any Federal or State desk reviews or field reviews of its audits during the past three years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three years with State regulatory bodies or professional organizations.

5. Partner, Supervisory and Staff Qualifications and Experience

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists who would be assigned to this engagement. Indicate whether each such person is registered or licensed to practice as a certified public accountant in Georgia. Provide information on the government auditing experience of each person, including information on relevant continuing

professional education for the past three years and membership in professional organizations relevant to the performance of this audit.

Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. Indicate how the quality of staff over the term of the agreement will be assured.

The proposer should identify the extent to which staff to be assigned to the audit reflect the County's commitment to Affirmative Action.

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 County. However, in either case, the County retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for proposals can only be changed with the express prior written permission of the County, which retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

6. Similar Engagements with Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum - 5) performed in the last five years that are similar to the engagement described in this request for proposals (Appendix D).

These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

7. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this request for proposals. In developing the work plan, reference should be made to such sources of information as Stephens County's budget and related materials, organizational charts, manuals, programs, and financial and other management information systems.

Proposers will be required to provide the following information on their audit approach:

- a. Proposed segmentation for the engagement;
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement;

NO DOLLARS SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL

- c. Sample size and the extent to which statistical sampling is to be used in this engagement;

- d. Extent of use of EDP software in this engagement;
 - e. Type and extent of analytical procedures to be used in this engagement;
 - f. Approach to be taken to gain and document an understanding of the County's internal control structure;
 - g. Approach to be taken in determining laws and regulations that will be subject to audit test work; and
 - h. Approach to be taken in drawing audit samples for purposes of tests of compliance.
8. Identification 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 County.

C. *Sealed Dollar Cost Bid*

1. Total All-Inclusive Maximum Price

The Sealed Dollar Cost Bid should contain all pricing information relative to performing the audit engagement as described in this request for proposals (Appendix E). The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses.

The County will not be responsible for expenses incurred in preparing and submitting the Technical Proposal or the Sealed Dollar Cost Bid. Such costs should not be included in the proposal.

The first page of the Sealed Dollar Cost Bid should include the following information:

- a. Name of firm;
 - b. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with the County; and
 - c. A total all-inclusive maximum price for fiscal year 2018, 2019, and 2020.
2. Rates by Partner, Specialist, Supervisory and Staff Level Times Hours Anticipated for Each

The second page of the Sealed Dollar Cost Bid should include a schedule of professional fees and expenses, presented in the format provided (Appendix E) that supports the total all-inclusive maximum price. The cost of special services described in Section II E of this request for proposals should be disclosed as separate components for the total all-inclusive maximum price.

3. Out-of-Pocket Expenses Included in the Total All-Inclusive Maximum Price and Reimbursement Rates

Out-of-pocket expenses for firm personnel (e.g., travel, lodging and subsistence) will be reimbursed at the following rates. These rates are 54.5 cents per mile over 20 miles away from County, breakfast \$6.50, Lunch \$8.50, Dinner \$10.00 and total meals of \$25.00 per day for overnight out-of-town trips. Actual reasonable expense for lodging (no deluxe accommodations) will be reimbursed based on paid receipts. All estimated out-of-pocket expenses to be reimbursed should be presented on the second page of the Sealed Dollar Cost Bid in the format provided (Appendix E). All expense reimbursements will be charged against the total all-inclusive maximum price submitted by the firm.

In addition, a statement must be included in the Sealed Dollar Cost Bid stating the firm will accept reimbursement for travel, lodging and subsistence at the prevailing Stephens County Government rates as listed above.

4. Rates for Additional Professional Services

If it should become necessary for the County to request the auditor to render any additional services to either supplement the services requested in this request for proposals or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between Stephens County and the firm. Any such additional work agreed to between Stephens County and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the Sealed Dollar Cost Bid.

5. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of this engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost bid proposal. Interim billing shall cover a period of not less than one calendar month. Ten percent will be withheld from the total billing pending delivery of the firm's final reports.

VII. EVALUATION PROCEDURES

A. Audit Committee

Proposals submitted will be evaluated by a five-member Audit Committee selected by the County, consisting of the Finance Director, the Staff Accountant, two Elected Officials and one representative of County Administration.

B. Review of Proposals

The Audit Committee will use a point formula during the review process to score proposals. Each member of the Audit Committee will first score each Technical Proposal by each of the criteria described in Section VII C below. The full Audit Committee will then convene to review and discuss these evaluations and to combine the individual scores to arrive at a composite technical score for each firm. At this point, firms with unacceptably low technical scores may be eliminated from further consideration.

After the composite technical score for each firm has been established, the Sealed Dollar Cost Bid will be scored and additional points will be added to the technical score based on the price bid.

The maximum score for price will be assigned to the firm offering the lowest total all-inclusive maximum price.

The County reserves the right to retain all proposals submitted and use any idea(s) in a proposal regardless of whether that proposal is selected.

C. Evaluation Criteria

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

1. Mandatory Elements

- a. The audit firm is independent and licensed to practice in Georgia.
- b. The firm has no conflict of interest with regard to any of the work performed by the firm for the County.
- c. The firm adheres to the instructions in this request for proposals on preparing and submitting the proposal.
- d. The firm submits a copy of its last external quality control review report and the firm has a record of quality audit work.

2. Technical Quality

- a. Expertise and Experience
 - i) The firm's past experience and performance on comparable government engagements.
 - ii) 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.
- b. Audit Approach
 - i) Adequacy of proposed staffing plan for various segments of the engagement.
 - ii) Adequacy of sampling techniques.
 - iii) Adequacy of analytical procedures.

Each of the aforementioned areas will be accordingly evaluated as follows:

Prior experience auditing:

- a. Prior experience auditing
- b. Prior experience auditing governments
- c. Prior experience auditing using the guidelines

- outlined in OMB Circular A-133
- d. Prior experience with GASB 34 implementation

Organization, size, and structure of the Proposer's firm.
(Considering size in relation to the audit to be performed.)

- a. Adequate size of firm
- b. Local/minority/small business

Qualifications of staff to be assigned to the audits to be performed.
This will be determined from resumes submitted by the proposer.

Education,
position in the firm, years and type of experience, involvement or participation
in efforts advancing governmental accounting, continuing professional
education, and state(s) in which licensed as a CPA, etc. will be considered.

- a. Audit team makeup
- b. Overall Supervision to be exercised
- c. Prior experience of the individual audit team

members

Proposer's understanding of the work to be performed.

- a. Adequate coverage
- b. Realistic time estimates of each unit step

3. Price:

- a. Not to exceed price
- b. Price/rates for services outside the scope of audit
- b. In-kind donation

**COST WILL NOT BE THE PRIMARY FACTOR IN THE SELECTION OF AN
AUDIT FIRM**

D. Oral Presentations

During the evaluation process, the Audit Committee may request the most responsive firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the Audit Committee may have on a firm's proposal. The recommended firm may be asked to make an oral presentation to the full County Commission.

E. Final Selection

The Stephens County Board of Commissioners will select a firm based upon the recommendation of the Audit Committee.

It is anticipated that a firm will be selected by August 14, 2018. Following notification of the firm selected, it is expected a contract will be executed between both parties no later than four weeks following award date.

F. Right to Reject Proposals

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 County and the firm selected.

The bidding firms shall provide an E-Verify and SAVE affidavit which is enclosed with the bid proposal. Failure to provide E-verification and SAVE documentation could make a bid subject to rejection.

The requirements of the O.C.G.A. Code Sections 50-24-1 through 50-24-6 relating to the Drug Free Workplace Act will apply to this project and must be complied with in all aspects.

The requirements of the O.C.G.A. Code Section 13-10-990 Ga. Section and Immigration Compliance Act of 2006 will apply to this project and must be complied with in all aspects.

Stephens County, in accordance with Title VI of the Civil Rights Act of 1964, and the American with Disabilities Act hereby notifies all bidders that it will affirmatively ensure that in any contract entered into pursuant to this advertisement, will be afforded full opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, national origin, sex, handicap/disable in consideration of an award.

The County reserves the right to reject any or all proposals. **APPENDIX A**

LIST OF KEY PERSONNEL, TITLE AND TELEPHONE NUMBERS

Name	Title	Telephone
Ms. Phyllis Ayers	County Administrator/Finance Director	(706) 886-9491
Ms. Beth Rider	County Clerk	(706) 886-9491
Mr. Brian Ranck	County Attorney	(706) 886-7533
Mr. Jason Holland	Public Works/Solid Waste Director	(706) 886-2412
Mr. Danielle Rhodes	EMA/E911 Director	(706) 779-3911
Mr. Richard Adams	Recreation Director	(706) 886-5101
Ms. Mary Smith	Senior Center Director	(706) 886-4740
Mr. Tassie Gomez	Probation Officer	(706) 886-7106
Mr. Randy Shirley	Sheriff	(706) 886-2525
Ms. Dene Hicks	Tax Commissioner	(706) 886-4753
Ms. Christen Collier	Tax Assessor	(706) 886-7435
Mr. Bill Cochran	Registrar	(706) 886-8954
Mr. Tim Quick	Clerk of Court	(706) 886-3598
Ms. Glenda Ernest	Probate Judge	(706) 886-2828
Mr. Rusty Smith	Superior Court Judge	(706) 886-7525
Mr. Don Tabor	Magistrate Judge	(706) 886-6205
Ms. Patsy Browning	Payroll/Human Resource Clerk	(706) 886-9491
Ms. Debra Walker	Accounts Payable Clerk	(706) 886-9491

Ms. Zanna Pitts
Mr. Larry Orange

Receptionist/Accounting Clerk
Staff Accountant

(706) 886-9491
(706) 886-9491

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APPENDIX B

PROPOSER GUARANTEES AND PROPOSER WARRANTIES

Proposer Guarantees

1. The proposer certifies it can and will provide and make available, at a minimum, all services set forth in Section II, Nature of Services Required.

Proposer Warranties

1. Proposer warrants that it is willing and able to comply with State of Georgia laws with respect to foreign (non-state of Georgia) corporations.
2. Proposer warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof.
3. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the express prior written permission of Stephens County.
4. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official: _____

Name(typed): _____

Title: _____

Firm: _____

Date: _____

APPENDIX C

INSURANCE EXHIBIT - PROFESSIONAL SERVICES

The professional individual or firm shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from, or be in connection with the performance of the work hereunder by the individual or the firm, his agents, representatives, or employees. The cost of such insurance shall be included in the proposal.

For the purpose of this clause, the term "professional individual or firm" shall also include the individual's or firm's respective officers, agents, officials, employees, volunteers, boards and commissions.

A. Minimum Scope and Limits of Insurance

1. Broad Form Comprehensive General Liability

\$1,000,000 combined single limit per occurrence for bodily injury, personal injury, property damage, and products / completed operations.

2. Automobile Liability

\$1,000,000 combined single limit per occurrence for bodily injury and property damage

3. Umbrella Liability

\$1,000,000 per occurrence, following form.

4. Workers' Compensation

Limits as required by State of Georgia/Department of Labor.

5. Employers' Liability

\$100,000 each accident
\$500,000 disease/policy limit
\$100,000 disease/each employee

6. Professional Liability (if used on a claims-made basis, insurance coverage shall be maintained for the duration of the contract and for two years following contract completion.)

\$1,000,000 per occurrence
\$1,000,000 aggregate

7. Personal Property Coverage

Adequate insurance to cover the value of personal property (including but not limited to, personal computers) belonging to the Auditor while located on Stephens County property, while in use or in storage, for the duration of the contract.

B. Aggregate Limits

Any aggregate limits must be declared to and be approved by Stephens County. At the option of Stephens County, the insurer shall increase or eliminate the aggregate limit and notify Stephens County of any erosion of aggregate limits.

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C. Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and be approved by Stephens County. At the option of Stephens County, the insurer shall reduce or eliminate such deductibles or self-insured retentions as regards Stephens County or the Auditors shall procure a bond which guarantees payment of the losses and related investigations, claims administration and defense expenses. At no time will Stephens County be responsible for the payment of deductibles or self-insured retentions.

D. Notice of Cancellation or Non-renewal

Each insurance policy required by this Exhibit shall be endorsed to state that coverage shall not be suspended, voided, canceled, or reduced, either in coverage or in limits, except after thirty days prior written notice by certified mail, return receipt requested, has been given to Stephens County.

E. Other Insurance Provisions

The policies are to contain, or be endorsed to contain, the following provisions;

1. Liability, (General, Automobile, Professional) Coverages;

a. "Stephens County and its respective officers, agents, officials, employees, volunteers, boards and commissions" are to be named as additional insureds with regards to liability arising out of activities performed by or on behalf of the Auditor; products and completed operations of the Auditor; premises

owned, leased or used by the Auditor. The coverage shall contain no special limitations on the scope of protection afforded to Stephens County.

b. The Auditor's insurance coverage shall be the primary insurance as regards Stephens County. Any insurance or self-insurance maintained by Stephens County shall be in excess of the Auditor's insurance and shall not contribute with it.

c. Any failure to comply with the reporting provisions of the policies shall not affect coverages provided to Stephens County.

d. Coverage shall state that the Auditor's insurance shall apply separately to each insured against whom a claim is made or a suit is brought, except with respect to the limits of the insurer's liability.

2. Workers' Compensation and Employer's Liability Coverage

a. The insurer shall agree to waive all rights of subrogation against Stephens County for losses arising from the work performed by the Auditor for Stephens County.

b. If State statute does not require the Auditor to obtain Workers' Compensation insurance, then the Auditor shall furnish Stephens County with adequate proof of the self-employment status. The Auditor agrees to waive all rights of claims against Stephens County for losses arising from the work performed by the Auditor. In the event that during the contract this self employment status should change, the Auditor shall immediately furnish proper notice to Stephens County and a certificate of insurance indicating that Workers' Compensation insurance and Employer's Liability coverage has been obtained by the Auditor as required by this Exhibit.

F. Acceptability of Insurers

1. Insurance is to be placed with insurers which have a Best's rating of at least A.

2. Insurance companies must either be licensed to do business in the State of Georgia or be deemed to be acceptable by Stephens County's Finance Director.

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G. Verification of Coverage

The Auditor shall furnish Stephens County with certificates of insurance effecting coverage required by this clause. The certificates and endorsements for each insurance policy are to be signed by a person authorized by the insurer to bind coverage on its behalf. The certificates and endorsements are to be received and approved by the Finance Director before work commences. Renewal of expiring certificates shall be filed thirty days prior to expiration. Stephens County reserves the right to require complete, certified copies of all required policies, at any time.

All insurance documents required by this Exhibit shall be mailed to the County Clerk.

Signed:

Auditor Date

Stephens County Date

APPENDIX D

To be submitted on your firm's letterhead in a separate envelope.

Firm's Name:

Location of office staffing the audit:

Number of government professional audits:

Number of government audit staff to be assigned staff to this engagement:

Georgia government audit clients
(FY engagements for governments with populations of 20,000 or more):

APPENDIX E

SUMMARY SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

FOR PROFESSIONAL AUDITING SERVICES FOR FY2018, FY2019, and FY2020

Professional Services	Hours	Total FY2018	Total FY2019	Total FY2020	Total Costs
Financial Statements Audit					
Stephens County Library Audit					
Supplemental Schedules					
Compliance Reports and Certification Letters					
Financial Statements Reports					
Total for all services prescribed in Stephens County's Request for Proposals (details on subsequent pages)					

APPENDIX E

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

FOR THE AUDIT OF THE JUNE 30, 2018, 2019, and 2020 STEPHENS COUNTY GOVERNMENT

Fees and Expenses	Hours	Hourly Rates	Total FY2018	Total FY2019	Total FY2020	Total Costs
Partners						
Managers						
Supervisory Staff						
Staff						
Other (specify):						
Subtotal						
Out-of-pocket expenses:						
Meals and Lodging						
Transportation						

Other (specify):						
Total all-inclusive maximum price						

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

FOR THE AUDIT OF STEPHENS COUNTY LIBRARY SYSTEM

Fees and Expenses	Hours	Hourly Rates	Total FY2018	Total FY2019	Total FY2020	Total Costs
Partners						
Managers						
Supervisory Staff						
Staff						
Other (specify):						
Subtotal						
Out-of-pocket expenses:						

Meals and Lodging						
Transportation						
Other (specify):						
Total all-inclusive maximum price						

**STEPHENS COUNTY GOVERNMENT
REQUEST FOR PROPOSALS
PROFESSIONAL AUDITING SERVICES**

APPENDIX F

SAMPLE AUDIT SERVICES PROPOSAL LETTER (To be submitted on your firm's letterhead)

[Chief Financial Officer]
[Address]

Dear:

We have read the Request for Proposal and fully understand its intent and contents. We certify that we have adequate personnel, insurance, equipment, and facilities to fulfill the specified requirements. We understand that our ability to meet the criteria and provide the required services shall be judged solely by the Selection Committee.

We have attached the following:

1. Audited reports for two clients as outlined in Section IV, B.
2. Proposal as outlined in the Requests for Proposals
 - a. Technical Proposal (Envelope #1)
 - b. Sealed Dollar Cost Bid (Envelope #2)
3. Appendix B: Proposer Guarantees and Warranties (Envelope #1)
4. Appendix C: Insurance (Envelope #1)
5. Appendix D: Audit and staffing summary (Envelope #1)
6. Appendix E: Schedule(s) of Professional Fees and Expenses (Envelope #2).

It is further understood and agreed that all information included in, attached to, or required by the Request for Proposal shall be public record upon delivery to Stephens County.

Submitted by Date

Signature
Title

Telephone Fax

**STEPHENS COUNTY GOVERNMENT
REQUEST FOR PROPOSALS
PROFESSIONAL AUDITING SERVICES**