

***NORTH COUNTY FIRE PROTECTION DISTRICT
(NCFPD)***

REQUEST FOR PROPOSAL

FINANCIAL AUDITOR

***Response due by 3:00 p.m. on
April 24, 2009***

Issued April 2009

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**NORTH COUNTY FIRE PROTECTION DISTRICT
(NCFPD)**

Request for Proposal

**CERTIFIED PUBLIC ACCOUNTANT
TO AUDIT FINANCIAL STATEMENTS**

April 2009

1. **PROPOSAL INFORMATION**

Your firm has been invited by North County Fire Protection District (NCFPD) to submit a written proposal for financial auditor services. **Proposals must be received by 3:00 p.m. on April 24, 2009**, and must respond in the manner specified by this *Request for Proposal*. Proposals received by facsimile will not be considered. NCFPD 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.

NCFPD will not pay any costs incurred in proposal preparation, postage/delivery, presentation, demonstration or negotiation. All costs will be paid for by the firm.

Submit three copies of your proposal to:

Becky Timmers, Finance Specialist
North County Fire Protection District
330 S Main Avenue
Fallbrook, CA 92028

All questions regarding this proposal should be directed to Becky Timmers, Finance Specialist, North County Fire Protection District, (760) 723-2008.

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 NCFPD's requirements. This will not be judged solely on the price of the contract. NCFPD 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. | Requests for Proposals Mailed | March 30, 2009 |
| 2. | Deadline for Receipt of Proposals | April 24, 2009 |
| 3. | Interview (if required) | May 5, 2009 |
| 4. | Award of Contract | May 26, 2009 |

3. **BACKGROUND**

The North County Fire Protection District was organized in 1947 and currently has the following funds and account groups:

Governmental Fund Types:

- General
- Special Revenue

Account Groups

- Long Term Debt
- Fixed Assets

Total revenue for all funds of the fire district is anticipated at \$14,604,605 for the fiscal year ended June 30, 2009.

North County FPD uses Microsoft Great Plains Dynamics software for its accounting applications.

North County FPD 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 October after the end of the fiscal year.

The members' 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 accounts receivable purposes.

4. **SCOPE OF WORK**

A financial audit and report is requested for the fiscal year ended June 30, 2009. The audit and report 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.

The audit must be completed, and the report issued to NCFPD prior to October 15. The auditor will be required to attend the October 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 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.

6. **AUDIT TERM**

If the selected certified public accounting firm performs satisfactorily for the June 30, 2009 audit, it is anticipated that the same firm will be engaged to perform the audit for the two 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 North County 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. North County FPD 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 NCFPD unless such assignments have had prior written approval and consent of NCFPD. NCFPD 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 audit firm's professional personnel have received adequate continuing professional education within the preceding two years.
 - 3. The firm has no conflict of interest with regard to any other work performed by the firm for NCFPD.
 - 4. The firm adheres to the instructions in this request for proposals on preparing and submitting the proposal.

- 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 NCFPD 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.**

EXHIBIT A

Requested Information: This section contains questions that will allow NCFPD 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 during 2006, 2007 and 2008?
- D. How many financial audits were performed by your firm for public agencies during 2006, 2007 and 2008?
- E. Describe the recent local office auditing experience similar to the type of audit requested.
- F. Provide a client listing for references, including client name, address, contact person and telephone number.
- G. Is there any pending litigation against your firm? If so, please provide details.
- H. Has any firm member who will work on District business had their license suspended or revoked?

2. Organization and Personnel

- A. Provide an organization chart for your firm. 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 firm'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 \$1,000,000 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.
- E. The firm will provide a certificate from the insurer that the District is an additional insured.

5. **Affirmations**

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

- A. An affirmation that the firm is properly licensed for practice as a certified public accountant in the State of California.
- B. An affirmation that the firm meets the independence requirements of the American Institute of Certified Public Accountants and the *Government Auditing Standards*, July 2007 revision, issued by the Comptroller General of the United States.

- C. An affirmation that the firm meets the continuing education and external quality control review requirements contained in the *Government Auditing Standards*, July 2007 revision, issued by the Comptroller General of the United States.
- 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 NCFPD, the District's auditors 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 2009, 2010, and 2011 inclusive of travel, per diem and all other out-of pocket expenses.