

**CITY OF WALTERBORO  
REQUEST FOR PROPOSALS  
FINANCIAL AUDIT SERVICES RFP**

The City of Walterboro is soliciting sealed proposals from qualified vendors for audit services for the fiscal period ending June 30, 2022. **Sealed proposals are due by 1:00 PM, May 14, 2021.** Sealed proposals should be hand carried or delivered by traceable means to City of Walterboro, Finance Director, 300 Hampton Street, Walterboro, SC 29488. All proposals should be clearly marked “**RFP Auditing Services**”.

The proposal evaluation process will be completed within thirty days of receipt of proposals, and the prospective provider of this service will be identified. The pricing data reflected in your proposal must be valid through June 30, 2021.

All offerors may submit questions or requests for clarification in writing no later than 1:00 PM, May 7, 2021. After that date, no more questions or requests will be accepted.

The City reserves the right to accept or reject any or all proposals received as a result of this request for proposals or to negotiate with all qualified offerors, or to cancel, in part or in its entirety, this request for proposals if it is in the City’s best interest to do so.

This solicitation does not commit the City to award a contract or to pay for any costs incurred in the preparation of your proposal or to procure or contract for any goods or services.

Your proposal must be signed by an official of your company authorized to commit to and enter into a formal contract for goods and services.

The City does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or in the provision of goods and services.

## **1.0 SPECIAL INSTRUCTIONS TO OFFERORS:**

### ***1.1 Purpose of RFP***

This request solicits proposals from **Certified Public Accountants (CPAs)** to provide the City of Walterboro, South Carolina, hereinafter referred to as “the City”, auditing services for the fiscal period June 30, 2022. RFP requirements can be found in Section 4.0 of this document. It is the City's intent to select the most qualified vendors based on an evaluation of the proposals utilizing the following selection criteria:

- Depth of the firm’s governmental auditing experience
- Firm size and organizational structure
- Qualifications of staff assigned to the City
- Price

### ***1.2 Information about the City of Walterboro***

The City of Walterboro is located on the Atlantic coast of South Carolina, about 60 miles north of Savannah, Georgia, and about 50 miles southwest of Charleston, South Carolina. Past financial audits and information about the City can be found on its website at **[www.walterborosc.org/financial-documents](http://www.walterborosc.org/financial-documents)**.

### ***1.3 General Background Information***

The Finance Department provides the following core services:

Provides financial leadership in all areas of activity undertaken by the City. Promotes the use of technology to ensure the efficient use of the City’s resources. Develops and manages the City’s financial policies and exercises budgetary controls over all expenditures. Provides effective cash and debt management for the City. Compiles accurate Comprehensive Annual Financial Reports and budgets in compliance with governmental standards, practices and recommendations. Ensures the department is committed to providing the highest quality customer services.

Provides administration of the City’s general ledger, payroll, accounts payable, collections, financial audits, state reporting and grants. Responsible for maintaining all City funds including the following: General, Enterprise, Accommodations Tax, Hospitality Tax funds. Provide effective accounting support to staff and committees. Provides for collection of City-wide funds including business license fees, hospitality taxes, accommodations taxes, and franchise fees. Maintain the City’s business license database.

## **2.0 ADMINISTRATIVE AND CONTRACTUAL INFORMATION**

### ***2.1 Inquiries***

All inquiries for information regarding procurement procedures, selection criteria, proposal submission requirements, technical operating environment, or other fiscal/administrative concerns shall be directed to:

City of Walterboro  
Finance Director  
300 Hampton Street  
Walterboro, SC 29488  
843-782-1061  
arisher@walterborosc.org

## ***2.2 RFP Specifications***

This RFP is intended to describe the City's requirements and provide a response format in sufficient detail to secure comparable proposals.

## ***2.3 Implied Requirements***

All products and services not specifically mentioned in this RFP, but which are necessary to provide the functional capabilities described by the vendor, must be included in the proposal.

## ***2.4 Vendor-Supplied Materials***

Any material submitted by a vendor shall become the property of the City unless otherwise requested at the time of submission. Any material considered confidential in nature must be so marked.

## ***2.5 Vendor's Proposals***

Vendors must submit a sealed response to this RFP in writing. The vendor's proposal must follow the format provided in Section 4 of this document. Any proposals that do not follow the format outlined in this RFP will be deemed non-responsive. Each proposal must be submitted with one (1) original and one (1) copy.

## ***2.6 Economy of Preparation***

Proposals should be prepared simply and economically. Emphasis should be placed on clarity and content. All of the questions in the requirements sections of this RFP must be completed in their entirety. Any proposal that fails to respond to all the questions will be deemed non-responsive.

## ***2.7 Response Date***

Sealed proposals to be considered must arrive at Citizens Service Center on or before the date and time specified in this RFP. Proposals not received by the City by proposal closing time will be returned, after receipt, unopened to the vendor.

## **3.0 RFP EVALUATION PROCESS**

### ***3.1 Review of Proposals***

The review of submitted proposals will occur as soon as practical following the date they are due. The review process will involve evaluating all proposals for completeness, conformity, clarity, and compliance to the RFP requirements. Proposals not meeting minimum requirements will be considered non-responsive and excluded from further consideration.

### ***3.2 Oral Presentation***

Vendors whose proposals are responsive **may** be selected to make an oral presentation. The City will select the most qualified proposals from those received and schedule on-site presentations. The City anticipates the presentation, if deemed necessary, will take place on or about two weeks after opening.

### ***3.3 Vendor Selection***

After the oral presentations, if any, have been completed, the vendor who mostly closely meets the city's needs, utilizing the published selection criteria will be identified for final negotiations.

Local vendor preference.

1. A competitive procurement made by the city shall be made from responsive and responsible resident vendors in the city for procurement per S. 2-251, Code 2003, § 6.420; Ord. No. 2010-03, 3-23-2010.
2. A vendor shall be deemed to be a resident of the city or county if such vendor is an individual, partnership, association or corporation that is authorized to transact business within the state, maintains an office in the city, has a business license issued by the City of Walterboro, Colleton County and maintains a representative office within the city upon which the bid is submitted, and has paid all taxes duly assessed.
3. If the procurement is to be made pursuant to state or federal guidelines which prohibit or restrict a local or state preference, there shall be no local or state preference unless a more restricted variation is allowed under the guidelines. Local/state preference as provided herein shall not be applied to the procurement of construction services.
4. The evaluation team will forward a recommendation to the City Council outlining the final ranking of those vendors who participated in the on-site interviews and recommend the vendor most qualified to provide the City with Financial Auditing Services. The successful offeror will be required to accept the terms and conditions of the City's standard purchase order conditions for these services. The content of this RFP and the successful vendor's proposal will become a part of the final contract documents. Any additional documentation required by the vendor should be included as part of the proposal for review by the City.

## **4.0 RFP REQUIREMENTS AND GENERAL INFORMATION**

### ***4.1 General Information***

The City of Walterboro, South Carolina, operates under a Council/Manager form of government and provides the normal services including police protection, fire protection, public works, planning and development, judicial, tourism, parks and water/sewer/sanitation. The City's accounting system is on an ASP server and uses the RedSail Technologies (formerly QS/1) accounting software program.

### ***4.2 Scope of Services***

The audit 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 the Government Auditing Standards issued by the Comptroller General of the United States. If a Single Audit is required as a part of the annual audit, the audit shall be performed in accordance with the American Institute of Certified Public Accountants (AICPA) auditing standards generally accepted in the United States, Government Auditing Standards, the Office of Management and Budget (OMB) Uniform Guidance. The audit shall be designed to accomplish the following objectives:

1. To determine whether the financial statements present fairly the respective financial position of the governmental activities, the business-type activities, 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 comparisons for the General fund and the Major Special Revenue funds involved 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.

2. To obtain an understanding of internal control over financial reporting sufficient to plan the audit by performing procedures to understand both the design of controls relevant to an audit of financial statements and whether they have been placed in operation, and assess control risk, in accordance with the American Institute of Certified Public Accountants risk assessment standards.

3. To provide reasonable assurance that the financial statements are free of material misstatements resulting from violations of laws and regulation that have a direct and material effect on the determination of financial statements amounts in accordance with AU Standards. The Codification of Statements on Auditing Standards, Section AU 317 requires the auditor to consider laws and regulations that are generally recognized by auditors to have a direct and material effect on the determination of financial statement amounts. The auditor's responsibility to detect and report misstatements resulting from illegal acts having a direct and material effect on the determination of financial statement amounts is the same as that for misstatements caused by error or fraud. In addition, the auditor should be aware of the possibility that illegal acts that may, in particular circumstances, be regarded as having material but indirect effects on financial statements may have occurred. If specific information comes to the auditor's attention that provides evidence concerning the existence of possible illegal acts that could have a material indirect effect on the financial statements, the auditor should apply audit procedures specifically directed to ascertaining whether an illegal act has occurred.

4. To provide reasonable assurance of detecting material misstatements resulting from violations of provisions of contracts or grant agreements that have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives. If specific information comes to the auditor's attention that provides evidence concerning the existence of possible violations of provisions of contracts or grant agreements that could have a material indirect effect on the determination of financial statement amounts or other financial data significant to the audit objectives, auditors should apply audit procedures specifically directed to ascertain whether violations of provisions of contracts or grant agreements have occurred or are likely to have occurred. In addition, auditors should be alert to situations or transactions that could be indicative of abuse, and if indications of abuse exist that could significantly affect the financial statement amounts or other financial data, auditors should apply audit procedures specifically directed to ascertain whether abuse has occurred and the effect on the financial statement amounts or other financial data.

5. To consider the results of previous audits and attestation engagements and follow up on known significant findings and recommendations that directly relate to the objectives of the audit being undertaken.

6. To ensure that audit documentation related to planning, conducting, and reporting on the audit should contain sufficient information to enable an experienced auditor who has had no previous connection with the audit to ascertain from the audit documentation the evidence that supports the auditors' significant judgments and conclusions. Audit documentation should contain support for findings, conclusions, and recommendations before auditors issue their report.

7. To determine whether the government entity complied with laws, regulations, and the provisions of contracts or grant agreements pertaining to federal awards that have a direct and material effect on each major program. With regard to internal control over compliance, the auditor is required to do the following (in addition to meeting the requirements of Government Auditing Standards): (1) perform procedures to obtain an understanding of internal control over federal programs that is sufficient to plan the audit to support a low assessed level of control risk

for major programs, (2) plan the testing of internal control over major programs to support a low assessed level of control risk for the assertions relevant to the compliance requirements for each major program, and (3) perform tests of internal control (unless the internal control is likely to be ineffective in preventing or detecting noncompliance).

## **REPORTING AND DELIVERY REQUIREMENTS**

The auditor will prepare the required audit reports including those required by Government Auditing Standards, OMB Uniform Guidance and (if applicable) the Official Code of South Carolina Annotated at the completion of the audit.

1. Standard report on the financial statements. Reference should be made that the audit was conducted in accordance with generally accepted government auditing standards. Auditors should include in their report on the financial statements either a (1) description of the scope of the auditors' testing of internal control over financial reporting and compliance with laws, regulations, and provisions of contracts or grant agreements and the results of those tests or (2) reference to the separate report(s) containing that information. If auditors report separately, the opinion or disclaimer should contain a reference to the separate report containing this information and state that the separate report is an integral part of the audit and should be considered in assessing the results of the audit.

2. Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. The report should describe the scope of the auditor's testing of compliance with laws and regulations and present the results of those tests. The report should also describe the scope of the auditor's testing of internal control and present the results of those tests. Also, separate identification and written communication of all significant deficiencies, including those significant deficiencies that are individually or cumulatively material weaknesses, is required in accordance with SAS no. 112, Communicating Internal Control Related Matters Identified in an Audit.

3. If applicable, Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Uniform Guidance. The auditor is required to express an opinion on whether the government entity complied with laws, regulations, and with the provisions of contracts or grant agreements which could have a direct and material effect on each major program and, where applicable, refer to a separate schedule of findings and questioned costs. The report on internal control over major programs should describe the scope of testing internal control and the results of the tests, and, where applicable, refer to a separate schedule of findings and questioned costs.

i. In accordance with OMB Uniform Guidance, the auditor's report(s) may be in the form of either combined or separate reports. The auditor's report(s) shall include an opinion as to whether the financial statements are presented fairly in all material respects in conformity with generally accepted accounting principles and an opinion as to whether the schedule of expenditures of federal awards is presented fairly in all material respects in relation to the financial statements taken as a whole. Auditors should follow the guidance contained in the American Institute of Certified Public Accountants' Audit Guide: Audits of States, and Local Governments.

ii. In accordance with OMB Uniform Guidance, a schedule of findings and questioned costs is required and should include the following three components: (1) a summary of the auditor's results; (2) findings related to the financial statements which are required to be reported in accordance with generally accepted government auditing standards; and (3) findings and questioned costs for federal awards.

4. ***Fifteen (15) copies*** of the above reports plus one electronic copy are required. The electronic copy shall be in a format similar to the ones posted on the City website so that it may be posted there without further data manipulation.

5. 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 Accountants Codification of Statements on Auditing Standards, Section AU 325. Such immaterial instances of noncompliance and deficiencies in internal control that are not significant deficiencies should be referred to in the report on compliance and on internal control over financial reporting (see Government Auditing Standards, paragraphs 5.16 and 5.20. The auditor must offer recommendations for appropriate corrective action for each item contained in the management letter.

6. Any other reports required shall be submitted to the government entity upon request.

#### ***4.3 Certificate of Achievement for Excellence in Financial Reporting***

The City has received a Certificate of Achievement for Excellence in Financial Reporting for fiscal years 2012 through 2019. **The City prepares/separately contracts for, services for all preparation of financial statements, schedules and notes thereto.**

#### ***4.4 Completion of Work***

The auditor must complete all audit work and provide a "Draft" Audit Report to the City by November 1. A Final Audit Report shall be provided prior to November 30. Reproduction of the reports shall be coordinated with the outside firm that assists in our preparation work. This firm actually prints the final reports, subject to the audit firm's approval and oversight.

#### ***4.5 Engagement***

Engagement shall be for one (1) year, with a stipulation, at the City's option, that it can be extended an additional three (4) years.

### **GENERAL PROPOSAL PREPARATION REQUIREMENTS**

1. Proposals shall be signed by an authorized representative of the auditor. All information requested must be submitted. The mandatory requirements listed in the Appendix are required and will not be waived and are not subject to negotiation.

2. Proposals shall be prepared simply and economically, providing a straightforward, concise description of capabilities to satisfy the requirements of the RFP. Emphasis should be placed on completeness and clarity of content.

3. Each copy of the technical proposal shall be bound in a single volume and relate solely to the response to the RFP. Nothing shall be included in the technical proposal which would indicate, in whole or in part, the cost component of the proposal or would be otherwise indicative of the dollar amount associated with the technical proposal. All cost component documentation should be included in a separate sealed envelope clearly labeled as to contents.

4. Ownership of all data, materials and documentation prepared for and submitted to the government entity in response to the RFP shall belong exclusively to the government entity and will be considered a record prepared and maintained or received in the course of operations of a public office or agency and subject to public inspection in accordance with the South Carolina Freedom of Information Act, Official Code of Laws of South Carolina Annotated, Chapter 4, Title 30, et. seq., unless otherwise provided by law.

5. Oral presentation: Auditors who submit a proposal in response to the RFP may be required to give an oral presentation of their proposal to the government entity representatives. This provides an opportunity for the auditor to clarify or elaborate on the proposal. This is a fact finding and explanation session only and does not contemplate or authorize negotiation. Oral presentation is an option of the government entity in its sole discretion at the government entity's request.

6. Costs incurred to prepare a proposal are solely those of the proposer. Nothing contained within this RFP is indicative of intent by the government entity to reimburse the proposer, in whole or in part, for any costs associated with preparation, submission, or presentation of proposals.

### **SPECIFIC PROPOSAL PREPARATION REQUIREMENTS**

In order to get a uniform review process and to obtain the maximum degree of comparability, it is required that proposals be organized in the manner specified. Please provide a separate sheet for each part (clearly marked and identified). Proposals shall be thorough and detailed as possible so that the City may properly evaluate the auditor's capabilities to provide the required services.

Complete the Mandatory Pre-Qualification Form, Attachment B. The purpose of the Mandatory Pre-Qualification Form is to determine if the auditor meets the following mandatory criteria.

1. The proposer is properly licensed for public practice as a certified public accountant.
2. The proposer meets the independence requirements of the Government Auditing Standards issued by the Comptroller General of the United States.
3. The auditor's staff working on or associated with the engagement must meet the continuing education requirements of the Government Auditing Standards.
4. The auditor does not have a record of substandard audit work.
5. The proposer agrees to abide by the terms and conditions established in Section VI, General Terms and Conditions and Section VII, Special Terms and Conditions.
6. Failure to meet the mandatory criteria will result in immediate rejection of the entire proposal and no evaluation of the remainder of the technical component or of the cost proposal will be made.

### **TECHNICAL COMPONENT OF PROPOSAL**

#### **1. Title Page**

Show the RFP subject, the name of the proposer's firm, local address, telephone number, name of the contact person and the date.

#### **2. Table of Contents**

Include a clear identification of the material by section and by page number.



### 3. Letter of Transmittal

Limit to one or two pages. Briefly state the proposer's understanding of the work to be done and make a positive commitment to perform the work within the time period. Give the names of the persons who will be authorized to make representation for the proposer, their titles, addresses and telephone numbers.

### 4. Profile of the Proposer

State whether the firm is local, national or international. Give the location of the office from which the work is to be done and the number of partners, managers, supervisors, seniors, and other professional staff employed at that office. Describe the range of activities performed by the local office such as audit, accounting, tax service, or management services.

### 5. Summary of the Proposer's Qualifications (in addition to minimum qualification)

Identify the partners, managers, and supervisors who will work on the audit, including staff from other than the local office. Resumes for each supervisory person to be assigned to the audit should be included. (The resumes may be included in the appendix.)

Describe recent local and regional office auditing experience similar to the type of audit requested and provide the list of names, telephone numbers, and the contact person of the municipalities for whom your local and regional office has performed the audit in the **last (5) years only**.

Provide a list of your government clients (within the last three years), the number of years that you have been completing their audits and the number of times they have received the GFOA award.

### 6. Fee Schedule

Clearly describe the scope of the required services to be provided. The CPAs shall familiarize themselves with and comply with the provisions of any and all federal, State County and Municipal Orders, Statutes, Ordinances, Charter, Bond Covenants, Administrative Code and Orders, Rules and Regulations which may pertain to the work required in the engagement.

### 7. The Proposal Summary Sheet.

#### ***4.6 Evaluation of Proposals***

Proposals will be evaluated to ascertain which proposer best meets the needs of the requester.

1. Responsiveness of the proposal, in clearly stating the understanding of the work to be performed.

2. Technical experience of the firm.

3. Experience and professional activities of the team.

4. Size and structure of the firm.

5. Total fee including all direct and indirect costs and out-of-pocket expenses and a schedule of hourly rates for additional services, preferably for each year for the next three years.

#### ***4.7 Additional Information and Contact***

1. The City will not be liable for any costs incurred in the preparation of the proposals.
2. The proposer shall furnish the City such additional information as the City may reasonably require.
3. The City will not be liable for any costs which were not included in the proposal and, subsequently, contracted for costs.
4. The City will not be liable for any costs incurred by the proposer in connection with doing an on-site presentation (i.e. travel, accommodations, etc.)
5. Proposers wishing additional information or clarification of information provided herein should contact Amy J. Risher, Finance Director, at arisher@walterborosc.org.
6. A copy of the FY 2020 CAFR is available for download at:  
**<http://www.walterborosc.org/financial-documents>**

**EXHIBIT A**

**Major Governmental Funds**

As these are subject to change from year to year, please review our latest on-line CAFR if this information is needed for your evaluation.

**Major Enterprise Fund**

- Water & Sewer

**Non-Major Governmental Funds/Special Revenue Funds**

These are from a typical recent year and are also subject to small changes from time to time

- Police Drug Fund
- Victim's Advocate Fund
- Municipal Court Fund
- TIF Finance Fund
- Bond Fund
- Project Fund
- Grant Fund
- State Accommodations Tax Fund
- Local Accommodations Tax Fund
- Local Hospitality Tax Fund

**Other Information**

- Checking Accounts 20
- Number of Accounts Payable Checks (Annually) 3,000

**Payroll**

- Number of City Employees (FTEs) 110
- Mayor and Council 7

Frequency of Payroll: Bi-weekly

**ATTACHMENT B: MANDATORY PRE-QUALIFICATION FORM**

To be answered by Audit Firm

Section A - General Information

1. Firm Name: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Telephone Number: \_\_\_\_\_

2. Address: \_\_\_\_\_  
\_\_\_\_\_

3. Firm FEI Number: \_\_\_\_\_

4. Firm's South Carolina CPA State License Registration Number: \_\_\_\_\_

5. Type of Accounting Practice (place an "X" next to the appropriate response)

a. \_\_\_\_\_ Individual

b. \_\_\_\_\_ Partnership

c. \_\_\_\_\_ Corporation - Give name of the State where incorporated: \_\_\_\_\_

Section B - Contractor Firm's Quality Program For Audits

Attach a copy of your latest peer review report.