

**CITY OF DAWSONVILLE
AUDITING SERVICES
REQUEST FOR AUDIT PROPOSALS AND QUALIFICATIONS**

I. INTRODUCTION

A. General Information

The City of Dawsonville is requesting proposals from qualified firms of certified public accountants and licensed municipal auditors, having sufficient governmental and auditing experience, to audit its financial statements for the fiscal year ending June 30, 2019, as well as statements of the Dawsonville Downtown Development Authority and all general, special revenue, permanent, capital projects, and enterprise funds, with the option of auditing its financial statements for the two (2) subsequent fiscal years. The selected firm shall also assist the City and component units of the City in the preparation of its final financial statements and other duties as required.

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

To be considered, the proposer shall submit a proposal in a sealed envelope to Bob Bolz, City Manager at 415 Hwy 53 Suite 100, Dawsonville, GA 30534 by 4:00 p.m. on or before May 3, 2019.

Proposals submitted will be evaluated by an Audit Selection Committee consisting of the City Manager and other persons, if any, as appointed by the Mayor and Council.

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

The City of Dawsonville reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. 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 City of Dawsonville and the firm selected. All proposals are deemed public records and must be released to the public upon request, less any portions excluded by law. Any questions should be directed by email only to Bob Bolz, City Manager at citymanager@dawsonville-ga.gov. The final deadline for submission of questions is 4:00 p.m., April 26, 2019.

Right of Rejection: The City reserves the right to accept or reject any or all responses to this RFP and to enter into discussions and/or negotiations with one or more qualified Respondents at the same time, if such action is in the best interest of the City of

Dawsonville. Further, the City of Dawsonville may consider alternatives, waive any informalities or irregularities, and re-solicit proposals. The City shall have the right, in its sole and absolute discretion, to select the proposal that the City determines to best meet its needs and interests. The City reserves the right to accept or reject any or all proposals, to solicit additional proposals to amend or revise proposals, or to correct or amend specifications. The City also reserves the right answer questions, clarify and/or amend this RFP at any time. Note: All potential responders should advise the City of their interest (via the email address in the above paragraph) and provide their preferred email address to receive any answers to questions and/or amendments to the RFP.

B. Term of Engagement

A one year contract is contemplated with the option to renew for up to two (2) subsequent fiscal years, subject to the annual review and recommendation of the Audit Selection Committee, the satisfactory negotiation of terms (including a price acceptable to both the City of Dawsonville and the selected firm), the concurrence of the City Council and the annual availability of an appropriation.

II. NATURE OF SERVICES REQUIRED

A. General

The City of Dawsonville is soliciting the services of qualified firms of certified public accountants to audit its financial statements as well as statements of the Dawsonville Downtown Development Authority and all general, special revenue, permanent, capital projects, and enterprise funds for the fiscal year ending June 30, 2019, with the option to audit the City of Dawsonville's financial statements for each subsequent fiscal year. The audits are to be performed in accordance with the provisions contained in this request for proposals, all applicable state and federal laws and regulations and all applicable accounting standards including GASB as the same may be amended from time to time.

B. Scope of Work to be performed

The City of Dawsonville desires the auditor to express an opinion on the fair presentation of its general-purpose financial statements in conformity with generally accepted accounting principles. The City of Dawsonville also desires the auditor to be familiar with and prepared to advise City staff on how best to implement both current and proposed Governmental Accounting Standards Board (GASB) statements. In addition, the auditor is also expected to provide informal advice and consultation throughout the year on matters relating to accounting and financial reporting.

The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the GASB as mandated by generally accepted auditing standards. The selected firm shall also assist the City and related authorities in the preparation of its final financial statements and other duties as required.

Should circumstances arise during the audit that require significant additional work to be performed in excess of the amounts set forth in the contract, additional costs shall be negotiated prior to commencement of the work and an amendment to the contract will be submitted for approval by the City Council.

A formal presentation of the report by the auditor to the Mayor and City Council will be required.

C. Auditing Standards to be followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with the following:

1. OMB Uniform Guidance, Audits of States, Local Governments and Non-Profit Organizations.
2. Generally Accepted Auditing Standards, Developed by the American Institute of Certified Public Accountants (AICPA).
3. Government Auditing Standards, United States Government Accountability Office, developed by the Comptroller General of the United States. (July 2011).
4. Audits of State and Local Governmental Units, AICPA Audit and Accounting guide prepared by the AICPA.
5. The Single Audit Act of 1984 and the Single Audit Act Amendments of 1996
6. Any amendments and/or revisions to the above-mentioned standards, administrative requirements or new pronouncements by authoritative bodies shall be implemented accordingly.
7. Applicable requirements of audits for local government in the Official Code of Georgia Annotated, regulations of the Georgia Department of Audits, and applicable requirements of federal and state grantor agencies.

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.
2. A report on the internal control structure based on the auditor's understanding of the control structure and assessment of control risk.
3. A report on compliance with applicable laws and regulations.

4. An “in-relation-to” report on the schedule of federal financial assistance.
5. A report on the internal control structure used in administering federal financial assistance programs (this report may be combined with report number 2).
6. A report on compliance with specific requirements applicable to major federal financial assistance programs.
7. A report on compliance with specific requirements applicable to non-major federal financial assistance programs (this report may be combined with report number 6).
8. A report for Single Audit requirements of Federal Grants awarded, if required.
9. A report on compliance with general requirements for both major and non-major federal financial assistance programs.
10. Compile any financial or accounting information for special projects.
11. Make all adjusting entries and closing balances for FY audited on or before December 31
12. Ensure that the City meets all Federal and State filing requirements
13. DCA Report of Local Government Finance.

The auditor shall communicate in a letter to management any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization’s ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Reportable conditions that are also material weaknesses shall be identified as such in the report.

Non-reportable conditions that are also material weaknesses shall be identified as such in the report.

The reports on compliance shall include all instances of noncompliance.

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 Mayor, City Council, and City Manager of Dawsonville.

E. Special Considerations

1. If the City of Dawsonville prepares one or more official statements in connection with the sale of debt securities, which will contain the general purpose financial statements and the auditor's report thereon. The auditor shall be required, if requested by the fiscal advisor and/or the underwriter, to issue a "consent and citation of expertise" as the auditor and any other required documents.
2. The Schedule of Expenditures of Federal Awards and related auditor's report, as well as the reports on compliance and internal controls are not to be included in the comprehensive annual financial report but are to be issued separately.
3. The audit firm is expected to be available for consultation periodically during the year to agree upon accounting treatment and to provide advice relative to accounting questions that come up during the year.
 - a. Keep oversight on all City accounting procedures as needed
 - b. Set up accounting guidelines for City to follow as needed
 - c. Be available to answer questions by phone without charge
 - d. Assist in other matters as required
4. The audit firm is expected to be proficient in its understanding of GASB. The City of Dawsonville may require the auditor's assistance with implementing and complying with any requirements mandated by GASB.

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 five (5) years, unless the firm is notified in writing by the City of Dawsonville of the 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:

City of Dawsonville
U.S. General Accounting Office (GAO)
State of Georgia Department of Audits

Auditors of entities of which the City of Dawsonville is a sub-recipient of grant funds, including the appropriate agency, or parties designated by the federal or state governments or by the City of Dawsonville as part of an audit quality review process.

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. Name of contact person.

The auditor's principal contact with the City of Dawsonville will be Hayden Wiggins, City Finance Administrator whose email is financeadministrator@dawsonville-ga.gov, who will coordinate the assistance to be provided by the City of Dawsonville to the auditor.

B. Background Information

The City of Dawsonville, the county seat of Dawson County, is located in the foothills of the Northeast Georgia Mountains, approximately 50 miles northeast of Atlanta, along Georgia Highway 400. The governing body of the Mayor and City Council consists of 5 local elected officials. Administrative offices are located at 415 Hwy 53 Suite 100, Dawsonville, GA 30534. The City services provided include garbage, water, sewer, administrative, street, cemetery, economic development as well as planning and development.

The City of Dawsonville has a total payroll of approximately \$696,293 covering approximately 23 employees.

The City of Dawsonville is organized into six funds and seven departments.

The accounting and financial reporting functions of the City of Dawsonville are centralized.

During the fiscal year ending June 30, 2019, the City of Dawsonville has received financial assistance from state and federal agencies.

The City of Dawsonville does participate in joint ventures with other governments.

The City of Dawsonville has a computerized financial system (MCSJ).

More detailed information on the government and its finances can be found in the City's audited financial statements for year end June 30, 2018 which is available online at www.dawsonville-ga.gov.

IV. TIME REQUIREMENTS

A. Proposal Calendar

The following is a list of key dates up to and including the date proposals are due to be submitted:

Due date for proposals	May 3, 2019
Recommendation to City Council	May 20, 2019

B. Date Audit May Commence

The City of Dawsonville will have all records ready for audit and all management personnel available to meet with the firm's personnel at a mutually agreeable date that meets the needs of the audit firm.

C. Schedule for the 2019 Fiscal Year Audit (A similar time schedule will be developed for audits of future fiscal years if the City of Dawsonville exercises its option for additional audits).

The auditor should complete each of the following no later than the dates indicated:

1. Fieldwork – The auditor shall complete all fieldwork by November 15, 2019.
2. Draft Reports – The auditor shall have drafts of the audit reports and recommendations to management available for review by November 27, 2019
3. Final Report and Presentation – The auditor shall present the final audit report and recommendations to the Mayor and Council at their meeting on December 2, 2019.

D. Entrance Conferences, Progress Reporting and Exit Conferences (A similar time schedule will be developed for audits of future fiscal years if the City of Dawsonville exercises its option for additional audits).

At a minimum, the following conferences should be held by the dates indicated on the schedule:

1. Entrance conference with Finance Director and staff

The purpose of this meeting will be to discuss the audit plan and audit calendar, prior audit problems and the interim work to be performed. This meeting will also be used to establish overall liaison for the audit and to make arrangements for workspace and other needs of the auditor.

2. Progress reporting and exit conferences with Finance Administrator, City Manager, and staff

Progress reporting and exit conferences shall be conducted as major milestones or significant events occur during the course of the audit. It shall be the prime responsibility of the audit firm to assure timely communication of any events, which would have an impact on the performance or timeliness of the audit. An exit conference shall be held to summarize the results of the fieldwork and to review significant findings.

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

A. Clerical Assistance

The City Manager's 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 auditor. Information Technologies staff will also be available to provide systems documentation and explanations.

B. Work Area, Telephones, Photocopying, Fax Machines and Internet Access

The City of Dawsonville will provide the auditor with reasonable workspace, desks, and chairs. The auditor will also be provided with access to telephone lines, photocopying facilities, internet access and Fax machines as needed to facilitate completion of the engagement.

C. Report Preparation

Report preparation, editing and printing shall be the responsibility of the auditor.

VI. PROPOSAL REQUIREMENTS

A. General Requirements

1. An original Qualifications Statement and three copies to include the following:

a. Title Page

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. Transmittal Letter

A signed letter of transmittal 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 it to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for 90 days. The Statement should follow the order set forth in Section (VI)(B) of this request for proposals.

c. Price

Proposal as set forth in Section (VI)(C) of this request for proposals.

d. Proposals

Proposers should send the completed proposal consisting of the Qualifications Statement and Price Proposal in one, sealed envelope to the following address:

Bob Bolz, City Manager
415 Hwy 53 #100
Dawsonville, GA 30534

B. Qualifications Statement

1. General Requirements

The purpose of the Qualifications Statement is to demonstrate the qualifications, competence and capacities of the firms seeking to undertake an independent audit of the City of Dawsonville in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The Qualifications Statement 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.

The Qualifications Statement should address all the points outlined in the request for proposals (excluding any cost information which should only be included in the 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 the request for proposals. While additional data may be presented, the following subjects, items Numbers 2 through 10, 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 City of Dawsonville as currently defined by generally accepted auditing standards/the U.S. General Accounting Office's Government Auditing Standards.

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

3. License to Practice in Georgia

An affirmative statement should be included that 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, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to

be performed, the number and nature/level of the professional staff to be employed in this engagement on a full-time basis and the number and nature/level of the staff to be so employed on a part-time basis.

If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve, as the principal auditor should be noted, if applicable.

The firm is also required to submit a copy of the report on its most recent external quality control 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 (3) 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 the engagement. Indicate whether each such person is 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.

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 City of Dawsonville. However, in either case, the City of Dawsonville retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for proposal can only be changed with the express prior written permission of the City of Dawsonville, 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. Prior Engagements with the City of Dawsonville

List separately all engagements within the last five years, ranked on the basis of total staff hours, for the City of Dawsonville by type of engagement (i.e., audit, management advisory services, other).

7. 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 proposal. 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.

8. 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 proposal. In developing the work plan, reference should be made to such sources of information as the City of Dawsonville's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.

9. Disclosure

Please provide the name and the official position of any City of Dawsonville elected official to whom a contribution has been made in the past two years. Please list any family member that is currently employed by the City of Dawsonville. Please list any family member that is an elected official for the City of Dawsonville.

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

- a. Proposed segmentation of 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 QUALIFICATIONS STATEMENT. PRICE SHEET SHOULD BE INCLUDED IN A SEPARATE ENVELOPE

- c. Sample size and the extent to which statistical sampling is to be used in the engagement
- d. Type and extent of analytical procedures to be used in the engagement

- e. Approach to be taken to gain and document an understanding of the City of Dawsonville's internal control structure
- f. Approach to be taken in determining laws and regulations that will be subject to audit test work
- g. Approach to be taken in drawing audit samples for purposes of tests of compliance.

10. Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the City of Dawsonville.

11. Report Format

The proposal should include sample formats for required reports.

C. Price Proposal (Include in a separate envelope)

1. Total All-Inclusive Maximum Price

The dollar cost bid should contain all pricing information relative to performing the audit engagement as described in this request for proposal. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses.

The City of Dawsonville will not be responsible for expenses incurred in preparing and submitting the Qualifications Statement or the dollar cost bid. Such costs should not be included in the proposal.

The first page of the 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 City of Dawsonville.
 - c. A total all-inclusive maximum price for the 2019 engagement.
2. Rates by Partner, Specialist, Supervisory and Staff Level Times Hours anticipated for each

The second page of the dollar cost bid should include a schedule of professional fees and expenses that supports the total all-inclusive maximum price. Please set forth the hourly rate for any special services described in Section (I)(E)(3), not included in the 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 rates used by the City of Dawsonville for its employees. An estimate of out-of-pocket expenses to be reimbursed should be presented on the same page as the dollar cost bid. All expense reimbursements will be charged against the total all-inclusive maximum price submitted by the firm.

4. Rates for Additional Professional Services

If it should become necessary for City of Dawsonville to request the auditor to render any additional services to either supplement the services requested in this RFP 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 the City of Dawsonville and the firm. Any such additional work agreed to between the City of Dawsonville and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the dollar cost bid.

5. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the 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 a calendar month.

VII. EVALUATION PROCEDURES

A. Audit Committee and Proposal Evaluation

Proposals submitted will be evaluated by an Audit Selection Committee consisting of the City Manager and other persons selected by the Mayor and Council. The City of Dawsonville reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

B. 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 other work performed by the firm for the City of Dawsonville
- c. The firm adheres and conforms to the instructions in this request for proposal 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 Qualifications

a. Expertise and Experience

- i. The firm's past experience, performance, and demonstrated competence 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

3. Price:

COST WILL NOT BE THE PRIMARY FACTOR IN THE SELECTION OF AN AUDIT FIRM BUT WILL BE IMPORTANT.

C. Oral Presentations

During the evaluation process, the Audit Committee may, at its discretion, request any one or all firms to make oral presentations or be interviewed by phone or email. Such presentations will provide firms with an opportunity to answer any questions the Audit Committee may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

D. Final Selection

The Audit Selection Committee will make a recommendation to the City Council. It is anticipated that a recommendation to the City Council will be made by May 20, 2019.

The City Council will make the final selection of an auditing firm.

E. Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal.

The City of Dawsonville reserves the right without prejudice to reject any or all proposals.