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**REQUEST FOR PROPOSAL FOR AUDITING SERVICES**

**DARE COUNTY TOURISM BOARD**

**NORTH CAROLINA**

**MARCH 1, 2018**

**REQUEST FOR PROPOSAL**

The Dare County Tourism Board d.b.a. Outer Banks Visitors Bureau (hereinafter called the “unit”) invites qualified independent auditors (hereinafter called “auditor”) having sufficient governmental accounting and auditing experience in performing an audit in accordance with the specifications outlined in this Request for Proposal (RFP) to submit a proposal.

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

The specific details shown herein shall be considered minimum unless otherwise shown. The specifications, terms and conditions included with this RFP shall govern in any resulting contract(s) unless approved otherwise in writing by the Dare County Tourism Board. The bidder consents to personal jurisdiction and venue in a state court of competent jurisdiction in Dare County, North Carolina.

# Type of Audit

The audit will encompass a financial and compliance examination of the unit’s basic financial statements, supplementary information and compliance reports in accordance with the laws and/or regulations of the State of North Carolina, which include requirements for the minimum scope of the audit. The financial and compliance audit will cover local funding sources in accordance with generally accepted auditing standards; Government Auditing Standards; and all other applicable laws and regulations.

# Period

The unit intends to continue the relationship with the auditor for no less than three years on the basis of annual negotiation after the completion of the first year contract. Each year after negotiation has taken place, an annual contract documenting the terms of the audit will be signed. Since one governing board may not obligate future governing boards, the remaining years of the agreement are subject to annual governing board approval. The Dare County Tourism Board reserves the right to request proposals at any time following the first year of this contract. Thus, prepare proposals for the following years, with Year One being the only obligated year:

July 1, 2017 to June 30, 2018

July 1, 2018 to June 30, 2019

July 1, 2019 to June 30, 2020

**Requirements**

The audit must be conducted in accordance with generally accepted auditing standards, Government Auditing Standards, July 2011 revisions issued by the Comptroller General of The United States, requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, and any other applicable procedures for the audit of a government’s financial statements prepared in accordance with GAAP.

The unit’s Finance Manager will be responsible for preparing and typing the financial statements. A draft report will be provided to the auditor no later than September 30 for review and comments. Comments and any necessary corrections should be provided to the Finance Manager no later than October 15. All necessary corrections shall be made and final statements provided to the auditor by October 22 for final printing of the report.

The audit must be completed and final reports rendered no later than October 31 following the fiscal year end. Twenty copies of each audit report, management letter, and other applicable reports must be supplied to the Finance Manager within the time frame cited above. In addition, the auditor is responsible for submission of the required reporting to the staff of the Local Government Commission (LGC).

The auditor will provide an oral presentation to the unit’s Finance Committee at least a week prior to the presentation to the unit’s full Board at the first regularly scheduled meeting in October or November (normally the third Thursday) following the fiscal year end.

The financial audit opinion will cover the financial statements for the governmental activities, the business-type activities, each major fund, and the remaining fund information, which collectively constitutes the basic financial statements. The combining and individual financial statements, schedules, and related information are not necessary for fair presentation, but will be presented as additional analytical data. This supplemental information, as required by GASB 34, will be subjected to the tests and other auditing procedures applied in the audit of the basic financial statements, and an opinion will be given as to whether the supplemental information is fairly stated in all material respects in relation to the financial statements taken as a whole. The auditor shall also express an opinion on the budgetary comparison information for the general fund, the major funds, and any annually budgeted special revenue funds.

The working papers shall be retained and made available upon request for no less than three years from the date of the audit report.

In the event that circumstances arise during the audit that require work to be performed in excess of the original estimates, any additional costs will be negotiated prior to commencement of the work and an amended contract will be approved by the governing board and forwarded to the staff of the LGC for approval.

**Audit Contract & Payment of Audit Fees**

The audit contract must be approved by the staff of the Local Government Commission. Invoices are subject to approval by the LGC staff prior to processing by the unit for payment. Interim or progress billings will be accepted up to 75% of the total fee prior to submission of the audited financial statements to the staff of the LGC and their approval of the audited financial statements.

**Description of Selection Process**

Eight copies of the proposal should be submitted at the time and place indicated under the section entitled “Time Schedule for Awarding Contract.” The unit’s finance committee will evaluate the auditor/firm on educational and technical qualifications. The firm best meeting the experience, audit approach, and cost requirements will be selected.

Please keep in mind that cost, while an important factor, will not be a sole determining factor. Unusually low bids that are obviously out of line with other bidders or are significantly lower than our current fees will raise concern. The lowest bid will not automatically be awarded preferential consideration.

The Dare County Tourism Board requests that no Board members be contacted during this process. The Finance Officer may be contacted only to clarify questions concerning this RFP.

The Dare County Tourism Board reserves the right to reject any or all bids, waive technicalities, and to be the sole judge of suitability of the services for its intended use and further specifically reserve the right to make the award in the best interest of the Board.

Failure to respond to any requirements outlined in the RFP, or failure to enclose copies of the required documents, may disqualify the bid.

**Proposals**

Proposals should include the following information

1. Indicate the number of people (by level) that will handle the audit.

2. Provide a list of the office’s current and prior government audit clients, indicating the type(s) of services performed and the number of years served for each. Provide names,

addresses, and telephone numbers of personnel of current and prior governmental audit

clients who may be contacted for reference.

3. Indicate the experience of the office in providing additional services to government clients by listing the name of each government, the type(s) of service performed, and the year(s) of engagement.

4. Describe your audit organization’s participation in AICPA-sponsored or comparable quality control programs (peer review). Provide a copy of the firm’s current peer review.

5. Describe the professional experience in government audits of each senior and higher level person assigned to the audit, including years on each job and his/her position while on each audit. Indicate the percentage of time each senior and higher level personnel will be on site. Relevant experience with the new reporting model should be clearly communicated.

6. Describe the relevant educational background of each person assigned to the audit, senior level and higher. This should include seminars and courses attended within the past three years, especially those courses in governmental accounting and auditing.

7. Describe the professional experience of assigned individuals in auditing relevant government organizations, programs, activities, or functions.

8. Describe any specialized skills, training, or background in public finance of assigned individuals. This may include participation in state or national professional organizations, speaker or instructor roles in conferences or seminars, or authorship of articles and books.

9. Describe the firm’s Statement of Policy and Procedures regarding Independence under Government Auditing Standards (Yellow Book), July 2011 Revision. Provide a copy of the firm’s Statement of Policy and Procedures.

10. Is the firm adequately insured to cover claims? Describe liability insurance coverage arrangements.

11. Describe any regulatory action taken by any oversight body against the proposing audit organization or local office.

12. Describe any additional assistance or information that you would provide to the Dare County Tourism Board outside of the performance of the audit. This may include response to requests for information and workpapers, access to continuing education opportunities, or discussion of application of new pronouncements.

**Additional Information**

All proposals should also include the following requested information:

1. Type of audit program used (tailor-made, standard government, or standard commercial).

2. Use of statistical sampling.

3. Use of computer audit specialists.

4. Organization of the audit team and the approximate percentage of time spent on the audit by each member.

5. Information that will be contained in the management letter.

6. Assistance expected from the government’s staff, if other than that outlined in the RFP.

7. Tentative schedule for completing the audit within the specified deadlines of the RFP.

8. Specify costs using the format below for the audit year **July 1, 2018 to June 30, 2020.** For the two audit years which follow, list the estimated costs. The cost for the audit year ending **June 30, 2018,** is binding, while the two years that follow are estimated costs. Cost estimates must indicate the basis for the charges and whether the amount is a “not- to-exceed” amount.

a. Personnel costs - Itemize the following for each category of personnel (partner, manager, senior, staff accountants, clerical, etc.) with the different rates per hour.

1. Estimated hours - categorize estimated hours into the following: on-site interim work, year-end on-site work, and work performed in the auditor’s office.

2. Rate per hour.

3. Total cost for each category of personnel and for all manpower costs.

b. Travel - itemize transportation and other travel costs separately.

c. Cost of supplies and materials - itemize.

d. Other costs - completely identify and itemize.

9. Please list any other information the firm may wish to provide.

**Time Schedule for Awarding the Contract**

Request for proposal packages will be mailed by March 2, 2018.

Please acknowledge the receipt of this request for proposal by March 15, 2018, and whether or not you intend to submit a proposal, by the due date, which is March 30, 2018.

Proposals signed by authorized officials will be received by Diane Bognich, CPA, Finance Officer at the Outer Banks Visitors Bureau, One Visitors Center Circle, Manteo NC, 27954, until March 30, 2018 at 5:00 p.m. Envelopes containing proposals should be clearly identified on the front with the words “RESPONSE TO RFP FOR AUDIT SERVICES”. The Finance Officer and the unit’s Finance Committee will review the proposals and make a recommendation to the unit’s Board of Directors no later than May 25, 2018 at which time the contract will be awarded.

Any questions should be directed to Diane Bognich, Finance Officer, at 252-473-2138.

**Description of the Governmental Entity and its Accounting System**

**Entity**

The Dare County Tourism Board is a Public Authority in North Carolina with a mission to promote year-round travel and tourism in Dare County as provided in Section 7 of Chapter 7, House Bill 225, of the 1991 Session of the North Carolina General Assemble.

**Fund and Account Groups**

The Outer Banks Visitors Bureau maintains the following funds:

Governmental Funds: General Fund

Special Revenue Fund

Proprietary Funds: Enterprise Fund

Event Site Fund

**Budgets**

The unit budgets all funds on the modified accrual basis of accounting as required by North Carolina law. Budgeted revenues are estimated at approximately $6,462,700 for the fiscal year ending June 30, 2018. Appropriations are made at the departmental level. The unit also maintains an encumbrance system. The budgetary system is integrated with the accounting system to provide easy comparison with actual expenditures.

**Accounting Records**

The Dare County Tourism Board maintains all its accounting records at the finance office located at One Visitors Center Circle, Manteo, NC 27954.

The unit maintains its cash receipts journal, cash disbursements journal, general ledger, and encumbrance ledger on a personal computer. The software is QuickBooks Pro.

**Assistance Available to Proposer**

The unit will make available to the auditor sufficient help to pull and file records, and prepare and mail all necessary confirmations. The following accounting procedures will be completed and documents prepared by the unit’s staff no later than August 31:

1. The books of account will be fully balanced.
2. All subsidiary ledgers will be reconciled to control accounts.
3. All bank account reconciliations for each month will be completed.
4. The unit’s personnel will prepare the following items:

**General**

a. All normal year-end adjusting entries.

b. Working Balance Sheet for each fund.

c. Working Statement of Revenues, Expenditures (Expenses), and Changes in Fund Balance (Retained Earnings) for each fund.

d. A copy of the final budget as of June 30, the original budget, and all amendments.

e. A copy of the operating leases in force during the audit period.

f. A copy of board policies, including travel and investment policies.

g. Copies of all correspondence with the staff of the LGC, including semiannual Cash and Investment Reports (LGC-203), unit letters, faxes regarding the audited financial statements and compliance reports for the previous year.

**Cash and Investments**

a. All bank reconciliations for each month.

b. List of outstanding checks by account, showing check number, payee, date, and amount.

c. Schedule of all investments for all funds at the audit date, showing book value and estimated market value at statement date.

**Receivables**

a. Listing of outstanding receivables by account as of the fiscal year end.

**Other Assets**

a. Schedule of insurance coverage.

**Capital Assets**

a. Schedule of all capital outlays during the audit year.

b. Schedule of all capital dispositions during the audit period.

c. Printout of depreciation expense posted for the audit year.

**Current Liabilities**

a. Schedule of accounts payable.

**Long-Term Debt**

1. Computation of vested vacation payable as of the audit date.
2. OPEB calculation.

**Conversion**

a. Entries to convert from fund to government-wide statements.

b. Reconciliation of fund and government-wide statements.

c. Worksheet for determination of major and non-major funds.

**Size and Complexity of Unit**

Personnel/Payroll

Number of employees 11 Full-Time 40 Part-time

Frequency of payroll Bi-weekly

Payment method Direct Deposit

Travel Guide Enterprise Fund Billing

Number of invoices per year approximately 30 accounts

Delinquent accounts 0

Bank Accounts

Number of bank accounts 9 (including 2 NCCMT accounts)

Average monthly activity

Number of deposits 3

Number of checks 60

Payroll direct deposits 42/payperiod

Management Information Systems:

Number of PCs on premises 17

Core storage of CPU Dell Server and Netgear Ready NAS1100

Total disk capacity of system 80GB for Dell Server 1Terabyte for Netgear

Number of programmers 0

**Contact Information**

Name: Diane Bognich, CPA

Title: Finance Officer

Address: Outer Banks Visitors Bureau

One Visitors Center Circle

Manteo, NC 27954

Phone: 252-473-2138

Fax: 252-473-5777

Email: Bognich@outerbanks.org