



RFP# 2023-25

***REQUEST FOR PROPOSALS
FOR FINANCIAL AUDIT SERVICES
OF ANGELINA COUNTY, TEXAS***

PROPOSAL DUE DATE:

By 4:00 PM Monday, November 27, 2023

*Angelina County
606 E. Lufkin Avenue, Suite 206
Lufkin, Texas 75901*

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**ANGELINA COUNTY, TEXAS
REQUEST FOR PROPOSALS**

In accordance with the Laws of the State of the Texas, Angelina County is seeking sealed proposals from Public Accounting Firms to perform the annual audit for fiscal year ending December 31, 2023.

SEALED PROPOSALS addressed to the County Auditor for Angelina County, Texas must be received in the Auditor's Office at 606 East Lufkin Avenue, Suite 206, Lufkin, Texas 75901 not later than 4:00 p.m. Monday, November 27, 2023 for the following:

**FINANCIAL AUDIT SERVICES
OF ANGELINA COUNTY, TEXAS
RFP 2023-25**

Solicitation documents are posted on the Angelina County Website www.angelinacounty.net. Please click on the **Banner on the home page** to download the RFP documents. For information or RFP packets, email Janice Cordray at jcordray@angelinacounty.net. Only paper responses are allowed for this RFP; facsimiles will not be accepted.

PROPOSAL INSTRUCTIONS

- ❖ ***Submission of Proposals:*** Proposers shall submit three (3) sets of proposal documents; two (2) with original signatures and one (1) copy. Please **NO** binding of proposals. **All shall be sealed and marked RFP# 2023-2025 FINANCIAL AUDIT SERVICES** and mailed/hand delivered to the address below by the closing date specified. **A facsimile transmission is not an acceptable response to this RFP process and will not be considered.**

Janice Cordray
Angelina County Auditor
606 East Lufkin Avenue, Ste. 206
Lufkin, Texas 75901

- ❖ **Proposals must be received** in the Angelina County Auditor's office no later than 4 PM, Monday, November 27, 2023. Proposals received after the submission deadline will be considered void and unacceptable. Angelina County is not responsible for lateness or non-delivery of mail.
- ❖ **Proposals will be opened** and publicly acknowledged in the Angelina County Commissioner's Courtroom at 606 East Lufkin Avenue, Lufkin, Texas on Tuesday, November 28, 2023 at 9:00 AM. Vendors, their representatives and interested persons may be present; only the names of the vendors who submitted a response will be read aloud.
- ❖ Respondents are encouraged to review this entire Request for Proposal Packet (RFP). All questions regarding this RFP must be in writing and sent by email to Janice Cordray at jcordray@angelinacounty.net or by fax to 936-634-4972. Contact with other personnel of the county other than the County Auditor regarding the Request for Proposals may be grounds for elimination from the selection process.

STANDARD TERMS & CONDITIONS

- Angelina County reserves the right to not accept late proposals. Each audit firm is responsible for ensuring that responses to this RFP have been delivered by the date, time and to the location as specified in this Request for Proposals. The receipt of the responses submitted will be acknowledged as received only, and does not constitute any acceptance by Angelina County as an offer. Documentation will become a part of the Commissioners Court minutes only after selection is made, if any.
- Only the Commissioners Court of Angelina County, Texas acting as a body may enter into any type of agreement or contract on behalf of Angelina County. Department heads, other elected or appointed officials are not authorized to enter into any type of agreement or contract on behalf of Angelina County or to agree to any type of supplemental agreements or contracts for goods or services unless approved by Commissioners Court. Contracts are subject to review by the County's attorney prior to signature by the authorized County official.
- Angelina County reserves the right to request clarification of information submitted and to request additional information of one or more Respondents.
- All documents submitted as part of the Respondent's offering will be deemed confidential during the evaluation process.
- Angelina County reserves the right to accept or reject any or all proposals, with or without cause, to waive technicalities, or to accept the proposal which, in its sole judgment, best serves the interest of the County, or to award a contract to the next most qualified Respondent if a successful Respondent does not execute a contract within 15 business days after approval of the selection by the Angelina County Commissioners Court.
- Respondent understands and agrees that in returning a response to this proposal that it is neither an "offer" nor an "acceptance" until such time a formal contract is authorized/awarded by the Angelina County Commissioners Court; if any.
- Proposals may be withdrawn at any time prior to the official opening. Alterations made before the opening time must be initialed by Respondent guaranteeing authenticity. After the official opening, Proposals become the property of Angelina County and may not be amended, altered or withdrawn without recommendation of the Angelina County Auditor and the approval of the Angelina County Commissioners Court.
- This Proposal is issued in compliance with the Texas Government Code, Professional and Consulting Services, Section 2254.003.
- **Prompt Payment Clause** – Angelina County, Texas will after receipt of a proper invoice, process request for payment and said payment will be paid within 45 days. Billing for actual services rendered during interim periods will be allowed.

- **Proposed Term of Contract** - The term of the awarded contract, if any, will be for one (1) three-year period and will become effective upon the contract award date. The contract may be renewed for two (2) additional one-year periods upon written agreement and mutual consent of both parties. Any renewals must be approved by the Angelina County Commissioners Court. Angelina County reserves the right to rebid and is not automatically bound to renew.
- Proposals will be considered non-responsive if they show any omissions, alteration of form, additions or conditions not called for, or inconsistencies of any kind. However, Angelina County reserves the right to waive any inconsistencies mentioned above to make an award in the best interest of the County.
- Proposals may be deemed non-responsive, among other reasons, for any of the following specific reasons:
 1. Proposals containing inconsistencies.
 2. Reason for believing collusion exists among the Respondents.
 3. Reasonable grounds for believing that any respondent is interested in more than one proposal for the work contemplated.
 4. The Respondent being interested in any litigation against the county.
 5. The Respondent in arrears on any existing contract or having defaulted on a previous contract.
 6. Lack of competency as revealed by a financial statement or experience.
 7. Respondents shall not owe delinquent property tax in Angelina County.
 8. Respondent's past performance record with Angelina County.

SCOPE OF WORK

INTRODUCTION AND BACKGROUND

The Angelina County Commissioners Court wishes to engage an outside audit firm to review the financial systems and internal controls of county government. The purpose of the audit is to examine and report on the various funds and accounts and to render an opinion on Angelina County's Financial Statements.

The examination shall be made in accordance with those generally accepted auditing standards prescribed by the American Institute of Certified Public Accountants that are applicable to general governments. The examination shall take into consideration the federal and state regulations under which the County operates to determine if the County is in compliance with those guidelines.

The examination is to include all funds, entities, account groups, component units and grants associated with Angelina County. The audit firm will be responsible for final compilation, preparation and reproduction of an Annual Comprehensive Financial Report (ACFR), which is to include supplemental statistical data. The county will provide trial balances and certain statistical data for the basis of the report. The audit is to include a report on internal control and compliance as required by Governmental Auditing Standards.

It is anticipated that any audit firm selected will be engaged for a three (3) year period for purposes of continuity; although annual engagement letters will be utilized to allow for annual flexibility. Any proposed fee should be submitted based on a three-year commitment. There will be two one-year options to renew all subject to approval by the Angelina County Commissioners Court.

This audit shall be performed in accordance with the following and any other applicable State and Federal Laws including but not limited to:

- Generally Accepted Auditing Standards
- Governmental Accounting Standards Board (GASB)
- The standards set forth for financial audits in the U.S. General Accounting Offices (GAO), Government Auditing Standards.
- The provisions of the Federal Single Audit Act and Amendments of 1996
- U.S. Office of Management and Budget (OMB) Circular A-133
- Texas Local Government Code, Title 10, 2256.023 (d)
- Independent audit guidelines issued by Texas Juvenile Justice Department
- Independent audit guidelines issued by Texas Department of Criminal Justice, Community Justice Assistance Divisions (TDCJ-CJAD)

Audit Requirements:

1. Angelina County, although not required to do so, elects to have an independent annual audit. An examination for compliance of procedures as established by the standards set for financial audits in the Government Auditing Standards issued by the Comptroller. The County may be required to undergo an annual single audit in conformity with Title 2 of U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

2. A compliance section reporting on internal control over financial reporting and other matters based on the audit of the financial statements in accordance with Government Auditor Standards and report on the requirements applicable to each major program and internal control, legality of actions, other instances of non-compliance with laws and regulations, schedule of findings and questioned costs and any other material matters in accordance with the requirements of Government Auditing Standards and OMB Circular A-133.
3. Audit of the financial statements of Angelina County include the Angelina County Airport, the Angelina County Landfill, the Angelina County Juvenile Services and Angelina County Adult Probation. Beginning in 2024, the Angelina County Exposition Center will be included.

Report Requirements:

Audit reports should be addressed to Commissioners Court and contain the following information at a minimum:

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 and assessment of control risks.
3. An "in-relation-to" report on the schedule of federal financial assistance and a report on internal controls used in administering these programs.
4. A report on compliance with laws and regulations related to major and non-major federal assistance programs. This report should include an opinion on compliance with specific requirements applicable to major federal financial assistance programs
5. A report on compliance with applicable laws and regulations.
6. A report in accordance with the provisions of the Texas Local Government Code, Title 10, 2256.023(d).

In the required report on internal controls, the auditor shall communicate 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 in management in the financial statements.

Reportable conditions that are also material weaknesses shall be identified as such as in the report. Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the report on internal controls.

The report on compliance shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall be reported in a separate management letter, which shall be referred to in the report on compliance.

Irregular 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 County.

Auditors shall inform the County of each of the following:

- The auditor's responsibility under generally accepted auditing standards.
- Significant accounting policies
- Management judgments and accounting estimates
- Significant audit adjustments
- Other information in documents containing audited financial statements
- Disagreements with management
- Difficulties encountered in performing the audit.

Audit Periods:

The periods to be audited shall be Angelina County's fiscal years applicable to contract terms and dates. Angelina County's fiscal year is January 1 through December 31. Audits must be complete and report issued before June 30, but no later than the first Commissioners Court in July (second Tuesday). The Adult Probation and Juvenile Services fiscal year is September 1 through August 31. Audits for Adult Probation and Juvenile Services must be completed no later than mandated date in February.

Basis of Accounting:

Government-wide financial statements are prepared on the accrual basis of accounting. Fund financials are modified accrual. Angelina County policy is to apply all financial accounting based on Governmental Accounting Standards Board (GASB).

In accordance with Statement 34 of the governmental accounting Standards Board (GASB 34) basic financial statements and Management Discussions Analysis for State and Local Governments, the County's government-wide financial statements include a statement of net assets, and statement of activities.

Accounting System:

Angelina County's accounting and financial reporting functions are centralized in one department, while the Agency Funds are decentralized. The financial reporting and accounting system is Incode 10 by Tyler Technologies. The following modules are in use:

1. General Ledger
2. Accounts payable
3. Fixed Assets
4. Purchasing
5. Payroll/HR
6. Cashiering

Angelina County's Responsibilities:

- Applicable Angelina County personnel will be available for the purpose of pulling invoices, directing auditors to proper files, or for explaining procedures.
- Work areas with Wi-Fi internet access will be made available to auditors.
- A laptop fitted with the accounting software will be available onsite to enable lookup of accounts, account activity, scanned source documents, etc.

Prospective Audit Firms Shall:

- Have the capability to prepare the financial reports in accordance with requirements noted above including GASB 87 and 96.

- Have capability to meet schedules or deadlines.
- As much as possible, utilize file sharing of electronic files and data to more efficiently gather audit documentation and data.

Schedule of work:

The financial records will be ready April 1, 2023. After that date, any adjustments made by the County will be given to the auditor as “Client Adjustments”.

The firm shall provide a draft financial report and the adjusting journal entries to the County Auditor to allow for review and consideration of corrections. The audit should be complete and presented to Commissioners Court before June 30, but no later than the second Tuesday of July, 2024.

The firm shall provide ten (10) bound copies of the final ACFR audit report to the County Auditor no later than one week prior to the court presentation. The firm shall provide Adult Probation five (5) bound copies and Juvenile Services seven (7) bound copies. The firm shall provide to the County Auditor an electronic PDF version of the reports as well.

Document Retention:

All working papers and reports must be retained at the awarded audit firm’s expense for a minimum of three (3) years, unless the firm is notified by the County of the need to extend the retention period. The auditor will be required to make working papers and reports available upon request to the following parties or their designees: 1) Angelina County, 2) U. S. Department of Transportation-FAA, 3) Auditors of entities of which Angelina County is a recipient or sub-recipient of grant funds and, 4) Auditors of entities of which Angelina County is a component unit.

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.

ANGELINA COUNTY INFORMATION

Angelina County's Principal contact during the term of this contract will be Ms. Janice Cordray, County Auditor, or a designated assistant who will coordinate the assistance to be provided by Angelina County to the Auditor. An organizational chart and a list of key personnel with location of their principal offices will be supplied upon request.

Angelina County provides the following services to its citizens:

- Administration of justice
- Public safety
- Health and welfare
- Community service
- Transportation and Roads
- Airport operations
- Waste Management
- General Government

Angelina County uses the following fund types

- General fund
- Special revenue funds
- Debt services funds
- Capital project funds
- Internal service funds
- Agency funds
- Enterprise funds

The County's budget is prepared on a basis consistent with generally accepted accounting principles.

Statistical Information

Angelina County serves an area of approximately 865 square miles with an estimated population of 87,000.

Angelina County has a budgeted payroll of \$17.2 million covering approximately 350 employees and 40 departments.

The fiscal year 2023 adopted budget shows estimated revenues of \$59,198,349 for all funds, while appropriations were \$79,854,060 thus reflecting the use of reserves as a funding source.

Currently, the County has two enterprise funds - an airport and landfill. January 1, 2024, the county will take ownership of the George R. Henderson Exposition Center.

Prior year budgets and audit reports can be found on the county website, www.angelinacounty.net under the Transparency tab.

PROPOSAL SUBMISSION REQUIREMENTS

Qualified professional firms interested in responding to this RFP should include the following information along with your submission. All information should be current within the past twenty-four (24) months. **The Respondent shall submit responses in the order listed below.**

Prepare a table of contents for the response being submitted and label in the following order.

A. Qualifications and Experience of Firm

- Include company name, address and contact information.
- Include the history and size of the firm.
- Include name and title of the person authorized to contractually obligate firm's company with response and future negotiations; if any.
- Include any lawsuit information the firm has been involved in the last five (5) years.
- Include firm's audited financial statement (please note this will remain confidential)
- Provide a listing of all county government clients during the last four years and note whether GFOA certificate was awarded.
- Provide any additional information that would demonstrate your firm's experience and competence in providing the services requested or any special proposals of staff or firm such as a GFOA grader, or Governmental Audit Quality Center member among other achievements.

B. Qualifications and Experience of Audit Staff Assigned to Project (if awarded)

- Identify the responsible partner(s) and probable staff that will be working on this project.
- Include bio for each staff member and any relevant audit experience working with county government signifying those that attain GFOA recognition and any other experience that would demonstrate familiarity and competence working for government clients.

C. References & Recommendations

- Include the minimum of five (5) references for the firm and include the contact information for each.

D. Audit Approach

- Clearly describe the firm's approach to conducting the audit
- Include a tentative work plan (see page 10 for schedule of work information)
- State any exceptions to any of the requirements in this RFP; if any.
- Provide an affirmative statement that the firm is independent of the County as defined by generally accepted auditing standards, the U.S. General Accounting Office's and Government Auditing Standards.
- Technical approach – a brief discussion of the tasks or steps that the auditor will take to accomplish the work described.
- A statement as to other services and strategies provided by the person or firm

that will improve the County's project and/or process.

E. Fee Estimates

Provide Fee estimates with a "not to exceed" contract for all services. Please provide a separate fee estimate for each of the following: Angelina County, Juvenile Services, Adult Probation, TCEQ "Agreed Upon Procedures", and Single Audit (if needed). See attachment A.

F. Forms & Documents

- Include completed forms as required in this RFP document.
- Submit a standard agreement draft and or contract proposal draft associated with firm's response.
- Include the most recent and past peer review results, if any.

EVAULATION CRITERIA AND PROCESS

After public opening of submissions, an evaluation committee will score and rank the returns based on the criteria listed below. After a short list has been determined, the committee may interview some or all of the top ranked firms. The Respondent(s) with the highest scores may be invited to prepare a Best and Final Offer for consideration by the evaluation committee. The evaluation committee will determine the most highly qualified firm based on the information submitted and will begin contract negotiations. If a contract cannot be negotiated with the highest ranked firm, then the County will formally end negotiations and will notify the second ranked firm for negotiation, and so on. Angelina County reserves the right at its sole discretion to determine if pursuing contract negotiations is in the best interest of the County. The County is under no obligation to pursue contract negotiations.

During the evaluation process the County may, at its discretion, request one or all of the firms to make oral presentations. The County also reserves the right to request additional information or clarifications from proposers or to allow corrections of errors or omissions as deemed in the best interest of the County. Angelina County reserves the right at its sole discretion to determine if presentations are in the best interest of the county and is under no obligation to request presentations from all Respondents. Angelina County reserves the right to request presentations from one or all firms.

Angelina County reserves the right at its sole discretion to determine the process for proposal evaluation and may elect to accelerate the evaluation process by combining or eliminating any or all of the evaluation phases. Angelina County reserves the right without prejudice to reject any or all submittals to this RFP.

Evaluation Criteria

1. Qualifications and Experience of the Firm/Respondent.	25 points
2. Qualifications and Experience of the Firm's staff assigned to the audit, to include work related with similar projects for County Government Entities.	25 points
3. References and Recommendations from past county clients.	10 points
4. Audit approach to provide the required services.	15 points
5. Reasonableness of Fee/Price	25 points

Fee Estimates
(Attachment A)

Fiscal Year 2023 Fee Estimate:

Angelina County Financial Reporting	_____
Angelina County Juvenile Services	_____
Angelina County Adult Probation	_____
Angelina County Single Audit (if required)	_____
Angelina County Agreed Upon Procedures for TCEQ	_____

Fiscal Year 2024 Fee Estimate:

Angelina County Financial Reporting	_____
Angelina County Juvenile Services	_____
Angelina County Adult Probation	_____
Angelina County Single Audit (if required)	_____
Angelina County Agreed Upon Procedures for TCEQ	_____

Fiscal Year 2025 Fee Estimate:

Angelina County Financial Reporting	_____
Angelina County Juvenile Services	_____
Angelina County Adult Probation	_____
Angelina County Single Audit (if required)	_____
Angelina County Agreed Upon Procedures for TCEQ	_____

Fee estimates and actual billing are to be itemized as listed above. Billing for actual services rendered during interim periods is permissible. A final retainer-billing equal to ten percent of the total fee guaranteed shall be withheld until the delivery and final reporting to Commissioners' Court.

RFP SIGNATURE FORM

The undersigned, on behalf of and as the authorized representative of Respondent, agrees this Proposal becomes the property of Angelina County after the official opening.

The undersigned affirms the Respondent has familiarized itself with the local conditions under which the work is to be performed; satisfied itself of the conditions of delivery, handling and storage of equipment and all other matters that may be incidental to the work, before submitting a proposal.

The undersigned affirms that they are duly authorized to execute this contract, that this Proposal has not been prepared in collusion with any other Respondent, nor any employee of Angelina County, and that the contents of this Proposal have not been communicated to any other Respondent or to any employee of Angelina County prior to the official opening of this Proposal.

The undersigned affirms that they have read and do understand the specifications and any attachments contained in this solicitation. ***Failure to sign and return this form will result in the rejection of the entire Proposal.***

Signature: _____ **Date:** _____

Printed Name: _____ **Title:** _____

LEGAL NAME AND ADDRESS OF RESPONDENT:

Company _____

Address: _____

Contact Name: _____ Phone #: _____

Contact Email: _____