



The Lowcountry's Hometown.

REQUEST FOR PROPOSALS

TOWN OF MONCKS CORNER, SOUTH CAROLINA

INDEPENDENT ACCOUNTING AND AUDITING SERVICES

ISSUE DATE: MARCH 31, 2022

PROPOSALS DUE: April 29, 2022

PART I: INTRODUCTION

A. BACKGROUND

The Town of Moncks Corner is organized in accordance with the Mayor-Council form of government under the Home Rule Act of 1975. The Town provides a full array of services to a population of approximately 13,714. The Town of Moncks Corner is governed by a Mayor and six Town Councilmembers, which is responsible for setting Town operating policies, creating needed ordinances, and balancing the Town's annual budget. The Town Administrator is the chief administrative officer for the Town. The Town employs approximately 118 persons on a permanent full-time basis.

The Town's accounting system is organized and operated on a fund basis. Funds are maintained using a modified accrual system. Revenues are recorded as received or accrued if they are both measurable and available to finance expenditures of the fiscal period. The accounting records for the Proprietary Funds are maintained on the accrual method. The budgeted revenues and expenditures are established by the Town Administrator using the basis of accounting that is appropriate for the fund involved. Appropriations are made by Council. The Town has a computerized integrated general ledger system with several funds having equity in a central cash management system. Funds held in cash management are invested by the Town to the maximum possible extent.

The various funds are divided according to function. There is a general fund; other governmental funds; and special revenue funds. The Town does not operate a utility. Each of the funds has equity in the Town's integrated cash management system. The budget for the Town general operating fund for the Fiscal Year 2021-2022 is \$14.1 million.

GENERAL INFORMATION

1. The proposal must be submitted to the Town Administrator no later than 10:00 AM. Friday **April 29, 2022**, in accordance with conditions specified in Part II, Instructions to Vendors of this Package. Proposals not submitted according to the instructions cannot be accepted or considered.
2. All firms interested in submitting a proposal must notify the Town via email to j.lovell@monckscorensc.gov.
3. A pre-proposal meeting may be held at the request of firms offering proposals at Town Hall Building, Conference Room (see Part II, A for address and contact information to schedule).
4. All questions beyond those addressed in the pre-proposal meetings should be emailed to j.lovell@monckscorensc.gov. The deadline for questions is **April 22, 2022**, at 5:00pm.
5. Questions received that arise from the pre-proposal meetings will be sent to all firms that notified the Town of its interest in submitting a proposal via email.

6. Contracts will be awarded within sixty (60) calendar days from the date of the closing of the proposals. No proposal may be withdrawn until the expiration of that time. The Town of Moncks Corner reserves the right to negotiate with the successful proposers, such revisions as may be agreed upon, to include fees and scope of service, and further, to formally terminate negotiations should a satisfactory final contract not be negotiated.
7. The Town of Moncks Corner reserves the right to reject any and all proposals and to waive formalities or technicalities insofar as it is legally authorized to do so in the best interest of the Town.
8. Contracts for work under this proposal will obligate the firm to not discriminate on the basis of race, color, creed, religion, or national origin in their employment practices.
9. Proposals submitted must be in a form suitable for incorporation, verbatim, into the contract.
10. No contract may be assigned, sublet, or transferred without the written consent of the Town Administrator.
11. Contract for accounting services, including the year-end closeout, drafting of the Town's Financial Statements, and periodic consultation during the fiscal year to advise on accounting principles, shall be for a firm fixed price, for each of the next three (3) years.
12. Contract for audit services, including the management letter, the annual financial report, and all other required services, shall be for a firm fixed price, for each of the next three (3) years. Unit prices for additional services (Single Audit) will be specifically identified.
13. The contracts will be one (1) year contracts, with a stipulation that at the Town's option, the contract may be extended for two (2) additional years.
14. The same firm will **not** be chosen for both the accounting services and the audit services contracts.
15. The selected firms shall furnish the necessary qualified personnel, facilities, materials, and services, and working closely with the Town Administrative Services Director and the Town's Finance Director professionals as well as the Town Administrator and other Town departments as required, to accomplish the work set forth as detailed herein.
16. All services will be provided in accordance with specifications provided herein.

B. ASSISTANCE AVAILABLE TO PROPOSER

The Town of Moncks Corner will render assistance to the selected firms and will respond promptly to requests for information, provide all necessary books and records, and provide the financial reports and general ledger. Concerning data processing, the staff, equipment, and generalized user software are available. The Town Attorney will issue a representation letter, upon request of the auditor, of suits, threatened litigation, or other actual or contingent liabilities.

PART II: INSTRUCTIONS TO VENDORS

A. SUBMISSION OF PROPOSALS

Three (3) copies of the proposal must be submitted to the Town Administrator no later than 4:00 PM. Friday **April 29, 2022**. Proposals submitted must be in sealed envelopes and clearly marked as follows: "INDEPENDENT ACCOUNTING AND AUDITING SERVICES - REQUEST FOR PROPOSAL". Proposals submitted by mail must meet the same requirements and should be addressed as follows:

Town of Moncks Corner
118 Carolina Avenue
P.O. Box 700
Moncks Corner, South Carolina 29461
Attn: Jeffrey V. Lord, Town Administrator

If the proposals are mailed, it is the sole responsibility of the vendor to have the proposal delivered to the Town by the date and time specified in the RFP. Any proposals received later than the specified date and time will not be accepted or considered.

B. FORMAT OF PROPOSALS

In order to simplify the review process and enable the Town to make an equitable and objective comparison among the proposals, proposals must be organized according to the following format. They must be submitted in three (3) copies:

1. **TITLE PAGE:** Include the Proposal Name, "Independent Accounting and Auditing Services - Request for Proposal", and the name of the proposer's firm along with the address, telephone number, name of contact person and the proposal date.
2. **TABLE OF CONTENTS:** Include a clear identification of the material by section and page number.
3. **REQUIRED INFORMATION:** This information should be identified by section and page number, as indicated in the table of contents. It should be sequenced in the same format as listed below:
 - a) **Overview or summary of the proposal:** This section should clearly state the proposer's understanding of the work to be done and make a positive commitment to perform the work within the time specified in the report requirements.
 - 1) **If proposing accounting services:**
 - a. Firm's view of goals and objectives of providing the requested accounting services. The offeror must clearly state their views of the goals and objectives of the year-end process indicating a clear understanding of the interface between the operation of Town government and utilization of the accounting system as a management information system.

- b. Year-end work plan: Summarize the firm's approach to organization and conduct of the year-end close-out and drafting of the Town's financial statements. State total estimated time which would be devoted to the process and give a breakdown by major segment and by assignment for each staff level or member. This section should be indicative of the proposer's approach toward organization of the required work and its ability to provide the Town financial statements and recommendations related thereto. Briefly describe your approach to preparation of adjusting and closing entries, with emphasis on assurances that the financial statements and the general ledger are reconciled.

2) If Proposing audit services:

- a. Auditor's view of goals and objectives of the audit. The offeror must clearly state their views of the goals and objectives of the audit process indicating a clear understanding of the interface between the operation of Town government and utilization of the accounting system as a management information system.
- b. Audit work plan: Summarize the firm's approach to organization and conduct of the audit examination. State total estimated time which would be devoted to the audit and give a breakdown by major segment and by assignment for each staff level or member. This section should be indicative of the proposer's approach toward organization of the required work and its ability to provide the Town a comprehensive examination of the Town's financial statements and recommendations related thereto.

b) Qualifications and technical experience of proposer:

- 1) South Carolina Cities: Provide a list of South Carolina cities served during the past five years by your firm and/or under the supervision of the partner who will supervise the Town of Moncks Corner accounting services or audit examination. Include names of contact persons with address and telephone number. Briefly describe the scope services (accounting and/or audit), indicating the annual general fund operating budget and the level of computerization of the client's records.
- 2) Other local governments and fund accounting entities: Provide a list of other local governments and fund accounting entities served during the past five years by your firm and/or under the supervision of the partner who will supervise the Town of Moncks Corner accounting services or audit examination. Include names of contact persons with address and telephone number. Briefly describe the scope services (accounting and/or audit), indicating the annual general fund operating budget and the level of computerization of the client's records.
- c) Personnel Qualifications: Education and experience of the supervisor and staff to be assigned to the Town: List all management and staff accountants who will provide accounting services or work on the audit. Show staff levels, e.g., partner/manager, senior accountant, or junior accountant. Include, as Appendix 1 the resumes of the professional staff. Resumes or addenda thereto must include accounting and auditing.

- d) Fees: Fixed fee for accounting services and costs for additional services.
- 1) Fixed Fee: Provide an all-inclusive fixed fee for the conduct of the year-end close-out, drafting of the Town's financial statements and periodic advice on accounting principles for each of the next three (3) years. This fee must include all other required services and related expenses, as well as any reasonable additional services which may be included.
 - 2) Fees for additional services: Describe the scope of any additional services which may be included in the fixed fee under a contract with the Town. Give an average hourly rate for the provision of additional services which may be required by the Town, which are outside the scope of and not included in the fixed fee for the accounting services contract.
 - a. Fixed fee for audit services and costs for additional services:
 - 1) Fixed Fee: Provide an all-inclusive fixed fee for the conduct of the audit examination for each of the next three (3) years. This fee must include all other required services and related expenses, as well as any reasonable additional services which may be included.
 - 2) Fees for additional services: Describe the scope of any additional services which may be included in the fixed fee under a contract with the Town. Give an average hourly rate for the provision of additional services which may be required by the Town, which are outside the scope of and not included in the fixed fee for the audit contract.
- e) Overall Responsibility: Identify the partner with overall responsibility for project management and completion. (Include name, title, address, telephone number and area code.) This individual should be authorized to negotiate and bind Offeror.

4. MANDATORY CRITERIA

Provide a statement affirming each of the following requirements:

- a) Licensed CPA firm: Affirm that the proposer is a properly licensed certified public accounting firm in the State of South Carolina.
 - b) Independence Standards: Affirm that the proposer meets the independence requirements of the Standards for Audit of Governmental Organizations, Programs, Activities and Functions, 1981 revision, published by the U.S. General Accounting Office; and the independence standards of the South Carolina State Board of Accountancy.
5. AUDIT SERVICES SPECIAL CONDITIONS: The following conditions, enumerated in Part III, Special Conditions of the Proposal, will be required conditions in the contract between the Town and the successful proposer. Provide a general statement mentioning each of these items, which affirms your firm's commitment to meet all the conditions. Add any clarification deemed appropriate. The Town reserves the right to hold non-responsive, any proposer who cannot meet all the special conditions:

- a) Scope of Audit
- b) Report Requirements
- c) Contractual Arrangements
- d) Management Letter
- e) Unqualified Opinion
- f) Draft Report
- g) Report Review Submission of the final report to Town Council
- h) Single Audit
- i) Work Papers
- j) Consultation
- k) Review of internal controls
- l) Data Collection Form
- m) Additional Services to include preparation of the SC Local Government Annual Report and the Annual Local Government Debt Report

C. EVALUATION OF PROPOSALS:

1. **DISCLOSURE OF PROPOSERS:** The proposals shall be publicly opened, and only the names of the offerors will be disclosed at the proposal opening. Contents of the completing offerors' proposals shall not be disclosed during the evaluation or negotiation phases. Proposals shall be available for public inspection after award of the contracts.

2. **RESPONSIVENESS AND RESPONSIBILITY:** Appropriate Town personnel or representatives will review the proposals and determine whether Town standards of responsiveness and responsibility have been met, including whether the prospective offeror has:
 - a) available the appropriate financial material, equipment, facility, and personnel resources and expertise; or the ability to obtain them, necessary to indicate its capability to meet all contractual requirements;
 - b) a satisfactory record of performance;
 - c) a satisfactory record of integrity;
 - d) qualified, legally to contract with the Town; and
 - e) supplied all necessary information in connection with the inquiry concerning responsibility

Determinations of non-responsibility will be made in writing and such proposals will not receive further consideration.

3. **EVALUATION CRITERIA:** A panel will evaluate the proposals according to the following criteria:

- a) Responsiveness of overview or summary of the proposal - maximum 20 points
 - 1) Statement of goals and objectives
 - 2) Organization and approach; Total estimated time to complete task and estimated time allocated to each major work plan segment and estimated time assigned for each staff level or member.
- b) Technical experience of the firm - maximum 30 points
 - 1) Audits and/or accounting services provided to South Carolina Counties during past five (5) years, under supervision of proposed supervisor and/or by this firm
 - 2) Audits and/or accounting services provided to other local government and fund accounting entities during the past five (5) years, under supervision proposed supervisor and/or by this firm
- c) Qualifications- maximum 20 points (education and experience) of the manager and staff to be assigned to the task; Education, including continuing education courses, taken during the last five (5) years, which are related to governmental accounting and auditing, the Single Audit Act of 1984, and the provisions of the Single Audit Act Amendments of 1996
 - 3) Qualifications of manager
 - 4) Qualifications of staff
- d) Fees - maximum 30 points
 - 1) For Accounting Serves:
 - a. Fixed fee for year-end close-out, drafting of financial statements and periodic advice on accounting principles during the three (3) year period, 2022, 2023, and 2024
 - b. Average hourly rate for additional services
 - 2) For Audit Serves:
 - a. Fixed fee for audit examination during the three (3) year period, 2022, 2023, and 2024
 - b. Average hourly rate for additional services

D. SELECTION:

1. FINAL CONTRACT NEGOTIATION: The Town Administrator will negotiate a final contract with the responsible proposer whose proposal, conforming to the request for proposals, will be most advantageous to the Town, based on the evaluations panel's review.
2. INABILITY TO NEGOTIATE A FINAL CONTRACT: Should the offeror and the Town Administrator be unable to negotiate a satisfactory final contract in accordance with the firm's proposal and the general terms of the RFP, negotiations with that firm shall be formally terminated.

3. **PRIORITY LIST OF OFFERORS:** Negotiations will proceed in this manner down the priority list of offerors until contract terms are agreed upon or until a decision to solicit additional proposals is made.
4. **REVISIONS:** In negotiating final contract terms, mutually agreed upon revisions in the proposals, which are generally consistent with the proposal documents, may be made prior to award for the purpose of obtaining the best and final offer.

PART III: SPECIAL CONDITIONS OF THE PROPOSAL

A. SCOPE OF AUDIT SERVICES REQUIRED

The required services include the examination of the financial statements and a financial audit examination. Preparation of the financial statements does not fall within the scope of the audit services. The financial statements will be prepared by a separate accounting professional who is contracted by the Town for this purpose. The selected firm will examine the general-purpose financial statements of the Town of Moncks Corner as of and for the year ended September 30 of the years under the contract. The examination will be made in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants; the standards for financial audits contained in "Government Auditing Standards" issued by the Comptroller General of the United States; the provisions of the Single Audit Act Amendments of 1996; the Statements of Standards for Accounting and Review Services; the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations"; Governmental Accounting Standards Board Statement No. 34 (when and where applicable) and such other auditing procedures as may be considered necessary.

The contract for services will require provision of the formal audit report and supporting schedules, Single Audit compliance report, review of internal controls and tests for compliance, management letter, and other such services as may be proposed by the successful proposer. The specific requirements are detailed in the following paragraphs.

B. REPORT REQUIREMENTS

The audit report will be addressed to the Honorable Mayor and Town Council and will include the financial statements for all funds and account groups of the Town of Moncks Corner.

1. **GENERAL REQUIREMENTS:** Reports of examinations of financial statements must state the scope of the examination and that the audit was performed in accordance with generally accepted auditing standards and must include an opinion as to whether the statements conform to generally accepted accounting principles. Reports of compliance examinations must include a statement that the examination was conducted in accordance with applicable auditing standards. The audit report must state whether the examination disclosed instances of significant noncompliance with laws and regulations. Findings of ineligible expenditures must be presented in enough detail for management to be able to understand them clearly.
2. **REQUIRED REPORT SECTIONS AND SCHEDULES:** The report shall be bound and shall be titled "Town of Moncks Corner, South Carolina, Annual Financial Report" and shall be dated the last day of the period of the audit. It shall contain, at a minimum, the following report sections, and schedules:

- a) Opinion letter
- b) Management's Discussion and Analysis
- c) Government-wide Financial Statements - Statement of Net Position
- d) Government-wide Financial Statements - Statement of Activities
- e) Fund Financial Statements - Balance Sheet - Governmental Funds
- f) Fund Financial Statements - Reconciliation of Balance Sheet Governmental Funds to the Statement of Net Position
- g) Fund Financial Statements - Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
- h) Fund Financial Statements - Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds to the Statement of Activities
- i) Statement of Net Position - Proprietary Funds
- j) Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds
- k) Statement of Cash Flows - Proprietary Funds
- l) Statement of Fiduciary Net Assets - Fiduciary Funds, if applicable
- m) Notes to financial statements
- n) Budgetary Comparison Schedules
 - 1) Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Governmental Fund
 - 2) Schedule of Revenues, Expenditures, and Changes in Net Position - Budget and Actual - Proprietary Fund
 - 3) Notes to Non-major Governmental Funds - Special Revenue Funds
- o) Combining Financial Statements
 - 1) Combining Balance Sheet – Non-major Governmental Funds
 - 2) Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-major Governmental Funds
 - 3) Notes to Proprietary Fund - Proprietary Funds
 - 4) Combining Statement of Net Position - Proprietary Funds
 - 5) Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds
 - 6) Computation of Legal Debt Margin
 - 7) Comparison of Revenues and Expenditures - General Fund

- p) Other financial information (as required):
 - 1) Schedule of expenditures of federal awards
 - 2) Schedule of Court assessments and surcharges
 - 3) Notes to schedule of expenditures for federal awards
- q) Single Audit Reports (if applicable):
 - 1) Auditor's report on compliance and internal control over financial reporting based on an audit of Basic Financial Statements.
 - 2) Auditor's report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMS Circular A-133
 - 3) Schedule of findings and questioned costs
 - 4) Summary schedule of prior audit findings

C. CONTRACTUAL ARRANGEMENTS

General contract provisions shall include but are not necessarily limited to the following:

1. Periods under the contract the audit services shall be provided for the three (3) fiscal years, beginning with the year ending September 30, 2022, and ending with the year September 30, 2024.
2. Firm fixed fees: A firm fixed fee for each of the three (3) years shall be established to include all services included in this section, as well as any other services, such as are included in the fixed fee by the firm in their proposal. All billings by the auditor shall break out costs (fees) for the Proprietary Funds and Single Audits separately.
3. Town option to cancel the contract: The contract will stipulate that the Town shall have the option, to be exercised with thirty (30) days' notice.
4. Average hourly rate for additional services: An average hourly rate shall be specified for additional services, such as may be required by the Town, which are outside the scope of the contract and not included in the fixed fee. All billings shall break out costs and highlight the department/fund serviced, and the service performed. All additional services shall be approved in advance by the Town.
5. Financial advice and counsel on certain matters: The accounting services provider will provide financial advice and counsel on matters occurring throughout the year that would significantly affect the annual report, and/or compliance with applicable new or changes in accounting procedures.
6. Entrance briefing: The auditor will hold a meeting with the Town Administrator prior to beginning each year's audit to describe the audit process and present any requests for reports or information that need to be provided by the Town.

D. MANAGEMENT LETTER

The auditor must prepare a management letter disclosing conditions which should, in the auditor's opinion, be evaluated by management, and corrective action taken. The management letter should also include findings, observations, opinions, comments, or recommendations with regard to systems of internal control, accounting systems, compliance with laws, rules and regulations or any other material matter that may come to the attention of the auditor during the course of the examination. Opinions, comments, or recommendations shall not be construed as special or additional studies but shall be limited to those usually associated with such an examination.

E. UNQUALIFIED OPINION

The Town expects the selected auditing firm to issue an unqualified opinion on the Town's general purpose financial statements.

If during the performance of the year-end close-out and drafting of the financial statements the accounting services firm concludes that an unqualified opinion is at risk, the firm must promptly notify the Town Administrator and advise of corrective actions required to achieve an unqualified opinion.

If during the performance of the audit, the auditing firm concludes an unqualified opinion cannot be issued, the auditing firm must promptly, and in no case later than January 1 following the close of the audited fiscal year, notify the Town Administrator in writing stating all matters which preclude the issuance of an unqualified opinion. The Town should be allowed sufficient time to correct any deficiencies, if possible, prior to the completion of the audit so that an opinion can be expressed.

F. DRAFT REPORT

The auditor must submit a draft of the proposed audited financial statements to the Town Administrator not later than 21 calendar days prior to the issuance of the final report.

G. REPORT REVIEW

At the time of submission of the draft report, the audit manager will be required to review the draft of the proposed audit reports with the Town Administrator, and any other Town officials requested by the Administrator. Management letter items and single audit compliance deficiencies should be discussed with the Town Administrator as early as possible, but no later than the time of the review of the draft.

H. SUBMISSION OF FINAL REPORT TO TOWN COUNCIL

Twenty (20) copies of the report and an electronic file (file type as requested by the Town Administrator, i.e., “.pdf”) will be delivered to the Town Administrator on or before March 31st following the close of the audit period, in each year of the contract. Following notification by the Town Administrator to the Mayor and the members of Town Council of receipt of the final report, the auditor will be required to appear before the Council or a committee thereof to review the report. Failure to meet the March 31st deadline, without justifiable cause, will result in the cancellation of this contract for any remaining years to be audited.

I. SINGLE AUDIT

A report of internal control and compliance in accordance with the provisions of the Single Audit Act Amendments of 1996 shall be made for all state and federal funds and grants, as part of the audit examination.

J. WORK PAPERS

The selected firms must retain all work papers for a period of at least three (3) years following the close of the contract. Unless the firm is notified in writing by the Town to extend the retention period. The auditor will be required to make work papers available, upon request of the Town of Moncks Corner.

K. CONSULTATION

The accounting services and audit managers or designees must be available on an as needed basis for advice and consultation regarding accounting and financial reporting matters, and for review of work papers where applicable. In accordance with the requirements of Government Auditing Standards and of the Single Audit Act Amendments of 1996, the auditor is required to provide access to the working papers and photocopies thereof to a federal agency or the Comptroller General of the United States upon their request for their regulatory oversight purposes. If such a request is made, the auditor will inform the Finance Director prior to providing such access.

L. REVIEW OF INTERNAL CONTROLS

Internal controls will be reviewed in accordance with Generally Accepted Auditing Standards, "Government Auditing Standards", issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations".

M. ADDITIONAL SERVICES

Certain work may be required relative to the Town accounting systems and procedures which is not within the scope of the contract for audit services. The Town reserves the right to secure such services from the successful proposers at fees, such as are specified in the contracts for accounting and audit services.

N. NON-RESPONSIVENESS

The Town may consider as non-responsive, any firm which fails to provide all required information addressing all items of information requested in the proposal including all information required in this section.

O. RIGHT TO REJECT

Town of Moncks Corner reserves the right without prejudice to reject any and all proposals, the right in its sole discretion to accept the proposal it considers most favorable to the Town's interest, and the right to reject all proposals and seek new proposals when such procedure is reasonably in the best interest of the Town.