

REQUEST FOR PROPOSALS
INDEPENDENT AUDITING SERVICES

PROPOSALS DUE BY

September 7, 2010
By 5:00 p.m.

PROPOSALS DELIVERED TO

Finance Officer
City of Goliad, Texas
152 W. End Street/ PO Box 939
Goliad, TX 77963

**City of Goliad
Request for Proposal
For
Independent Auditing Services**

General Information

The City of Goliad is requesting proposals from Certified Public Accounting firms to perform financial auditing services for the fiscal year ending September 30, 2010. This engagement is subject to annual renewal for four additional years, based upon a review of the firm's performance.

A copy of the City's general purpose financial statements is available from the Finance Officer. Interested firms should contact Marti Bolsen at 361-645-3454 or foexec@goliadtx.net for a copy. This document provides information concerning the City, its accounting policies and its related entities.

Pre audit work would begin after October 15th with field work beginning early December of each year.

Software applications currently being used include: general ledger and budgetary accounting, accounting, accounts payable, purchasing, payroll, and utility billing software vendor: Incode.

Ad valorem tax billing and collection are provided by the Goliad ISD Tax Collector and Assessor's Office.

Scope of Audit

The audit shall include an examination of the financial statements of all accounts and funds of the City and all component entities. This examination shall be made in accordance with all generally accepted auditing standards for local governments as established by the American Institute of Certified Public Accountants and in accordance with all applicable federal and state laws.

The City has received funds from Community Development Block Grant Program and the SECO Grant from the Texas Comptroller's Office. As a recipient of these funds the City is required to undergo an annual audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-128, Audits of State and Local Governments.

Preparation of Working Papers, Schedules and Financial Statements

It is intended that the City's staff will be actively involved in the preparation of audit working papers and schedules; however, it is expected that the time available for such involvement will be limited. For the 2009-2010 audit process, it is estimated that no more than 60 hours can be devoted to the initial preparation of work papers. Therefore, as part of the engagement, the auditor shall be required to reach an agreement as to which working papers shall be the responsibility of the Finance Department. It shall be the auditors' responsibility to complete all other working papers and schedules.

The preparation of the Comprehensive Annual Financial Report (CAFR) shall be prepared in accordance with all

applicable guidelines of the Governmental Accounting Standards Board and shall be in the format necessary in the opinion of the Finance Officer to receive the Certificate of Achievement of Excellence in Financial Reporting Award, issued by the Governmental Finance Officer's Association. The City converted to GASB 34 with the audit of fiscal year 2003. All financial statements and notes to the financial statements shall be prepared by the auditors with the assistance of the Finance Officer. Numbers in the Introductory and Statistical sections of the report, tied directly to the financial statements, shall be inserted by the auditors into other information.

Reporting Requirements

At the conclusion of each year's audit, the auditors shall provide the following:

1. Camera ready copies, both hard copy and electronic copy, of the Comprehensive Annual Financial Report including all introductory material, the general purpose financial statement with auditor's opinion and notes thereto, all combining and individual statements as required, component unit statements as required, and statistical information.
2. General Purpose Financial Statement. Fifteen (15) final form copies of this report will be required.
3. A report as to the adequacy of the City's system of internal accounting controls as observed during the course of the audit. This report shall be addressed to the Mayor and City Council, but shall be reviewed in draft form by the Director of Administrative Services and City Manager before it is prepared in final form. Fifteen (15) final form copies of this report will be required.
4. If required, reports not included in the Comprehensive Annual Financial Reports related to determination of compliance with any federal grant programs. Fifteen (15) copies of such reports would be required.
5. Any audit working paper requested by the City whether prepared by the auditors or Finance Department.
6. All Adjusting Journal entries to ensure the consistency of the City's financial records with the audited financial statement.

Meeting Requirements

Mandatory Meetings:

1. Senior Audit Firm Representative will meet with the city staff, two (2) occurrences, at the beginning and at the completion of this assignment.
2. Senior Audit Firm Representative will meet with the City Council to make audit report, one (1)

occurrence.

Optional Meetings

1. Audit Firm representatives will meet with City Staff during the assignment to gather additional information if necessary.

Other Requirements

The City shall provide the space and facilities necessary for the auditors to conduct the examination. In addition, all information, data, reports, and records necessary for carrying out the audit work shall be furnished to the auditor in charge and the City shall cooperate with the auditors in every reasonable way to ensure completion of the audit.

The City expects to close its books for the fiscal year ending September 30, 2010, no later than November 25, 2010 and would like to present the printed CAFR to the City Council no later than the first March 2011 regular City Council meeting. A meeting will be required prior to presentation to the City Council. With these dates in mind, a proposed "Schedule of Activities" should be included as part of the proposal.

As part of the proposal, the response shall include resumes of all employees to be assigned to the audit. It is understood by the City that the individuals specified in the auditor's proposal are the individuals who will do the work associated with the City audit, as described in the proposal. The City reserves the right to approve or disapprove any change to the assigned staff named in the proposal, whether such change occurs prior to or during the engagement. The City shall be provided with the resume of any proposed substitute and shall be given the opportunity to interview that person prior to its decision to approve or disapprove the proposed substitution.

It is the City's objective to receive the Certificate of Achievement for Excellence in Financial Reporting awarded by the Government Finance Officers Association. The auditor shall provide all reasonable assistance and advice to the City to ensure that the certificate is received annually during the term of the engagement. The auditor shall include as part of this proposal, a statement as to prior experience in assisting other cities in receiving the Certificate of Achievement, both on the part of the firm and the individuals assigned to the audit.

Auditor Selection Criteria

Final selection of an auditing firm for this engagement will be made by the Goliad City Council, upon recommendation by staff. Although not intended to be all-inclusive, the following is a list of criteria that will be considered in making the selection:

1. Extent and quality of the governmental auditing experience of the firm, based on information provided by the firm as well as references from former and present clients (minimum of 3 municipal references);
2. Experience and qualifications of persons who will be assigned to perform the actual work;
3. Existing and future time commitments of persons assigned to the engagement;
4. Proven ability of the firm to meet work schedules and communicate and work effectively with government officials;

5. Completeness of the project approach as outlined in the proposal;
6. Auditors' demonstrated understanding of the City's requirements and the auditor's plan for meeting them;
7. Degree of assurance by the auditor that audit procedures will minimize disruption of the City's normal activities and ensure timely completion of the audit;
8. Degree of assurance by the auditor that technical assistance and advice will be available to the City when requested throughout the engagement period subject to limitations mutually agreed to;
9. Proposed costs for a five-year engagement period; and
10. General responsiveness to the City's request for proposal.

Instructions for Submitting Proposals

Firms interested in responding to this proposal may schedule an interview with Marti Bolsen, Finance Officer, for the purpose of receiving additional information concerning the audit engagement. Firms requesting such an interview should come prepared with specific questions. Requests for an interview should be made to Ms. Bolsen at (361) 645-3454 or foexec@goliadtx.net.

Final proposal shall be addressed and delivered to:

City of Goliad, Texas
Attn: Finance Officer
P.O Box 939
152 W. End Street
Goliad, TX 77963

Proposals must be received no later than 5:00 P.M., September 7, 2010 to be considered. Each proposal should be sealed and clearly marked on the outside of the envelope or container "Proposal for Auditing Services".

Suggestions for Preparing Proposals

Interested firms are encouraged to use their own preferred style and format in preparing a proposal; however, it is suggested that the proposal include at least the following:

1. Full description of the firm's planned audit approach and procedures used for this engagement.
2. Response to the conditions and requirements outlined in the RFP, including the proposed work schedule. Any reservations or exceptions to the RFP should be fully explained, as the City intends to incorporate the RFP and proposal into the final contract by reference.

3. Listing of present and former governmental clients for whom the local office of the firm has performed auditing services similar to those outlined in the RFP within the past three years, including the names, addresses and phone numbers of persons who may be contracted as referenced. Indicate which clients of the firm are currently.
4. Listing of all governmental clients served by the local office of the firm that have been lost (no longer clients) within the last three years, and provide reasons for the loss.
5. Professional resumes on all employees of the firm who will be assigned to this engagement, indicating specific auditing experience to date, with a clear indication as to what specific responsibility each individual will have.
6. Information as to what time commitment or workload is presently assigned to each person who will be working on this engagement.
7. Indication as to the degree of technical assistance that will be provided to the City throughout the fiscal year (outside of the audit process).
8. Proposed fee for the engagement, for each of the five years.
9. Proposed billing schedule.

Selection Process

Proposals submitted in response to the RFP will be reviewed initially by the Finance Officer, City Administrator and Mayor. Based on this review, interviews may be scheduled with the firms considered to be the best qualified, although interviews will not necessarily be scheduled prior to final selection.

Recommendations will be made to the City Council who will make the final selection. It is expected that the final selection will be made on or about September 21, 2010.

In all interviews held with auditing firms, the proposed audit project manager for the City's engagement and individual who will have on-site responsibility for the audit (usually the senior auditor) should be present.

Acceptance/Rejection of Proposals

The City reserves the right to accept the proposal considered to be the most advantageous to the City and to reject any and all proposals and re advertise.

