

**REQUEST FOR COMPETITIVE NEGOTIATIONS  
AUDITING SERVICES FOR THE YEARS ENDING  
JUNE 30, 2008, 2009, AND 2010**

The TOWN OF ROCKY MOUNT, VIRGINIA (hereinafter called the "Town" or the "Government") invites qualified independent certified public accountants (hereinafter called "Auditor") to submit proposals to perform a financial audit in accordance with the following specifications:

**PERIOD:**

The contract will cover the regular annual financial audit for the fiscal years ending June 30, 2008, 2009, and 2010.

**SCOPE:**

1. Annual Financial Audit – The independent auditor will examine all funds of the Town in accordance with generally accepted auditing standards, standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and *Specifications for Audit of Counties, Cities, and Towns* issued by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia. The examination shall result in the preparation of financial statements with the auditor's opinion.
2. Award for Excellence -- The Town would like each year's Comprehensive Annual Financial Report presented so as to qualify for the Certificate of Achievement for Excellence in Financial Reporting as presented by the Government Finance Officers Association of the United States and Canada. The Town has received this award the past two years.
3. Annual Management Letter – The auditor shall provide a management letter to the government as required by the contract and generally accepted auditing standards. Such letter shall report any significant findings on the compliance to internal controls. The Finance Director will be given adequate time to prepare a written response to these findings for inclusion in the final report to the APA.
4. Presentation to Governing Body – The auditor shall present the report to the governing body and provide follow-up conferences directly pertaining to the audit. Thirty (30) bound copies of the reports shall be provided to the Town for distribution to Rocky Mount Town Council and other concerns as deemed necessary.
5. Comparative Cost Transmittal Forms – The auditor shall prepare the comparative cost transmittal forms and submit them to the APA no later than the date required by the APA.
6. Annual Survey of Town Finances – The auditor shall reasonably assist the Town Manager and the Finance Director on financial matters that arise to and during the course of the audit.
7. The books of account shall be fully balanced, all subsidiary ledgers reconciled to control accounts, and all bank accounts for all months reconciled no later than 60 days immediately following the close of the fiscal year for the annual financial audit and no later than 60 days after the close of the fiscal year for compliance audits.

**REPRESENTAION OF THE GOVERNMENT:**

1. The following are the current funds and account groups of the government:

General Fund

Enterprise Fund (Water and Sewer)  
Capital Projects Fund

2. The following compliance audits are requested during the proposed contract period:

Those required by the *Standards for Audit of Government Organizations, Programs, Activities, and Functions* issued by the Comptroller General of the United States.

3. Government's personnel shall coordinate with the auditor the availability of the following information or schedules acceptable to the auditor:

- A final trial balance of each fund
- A final trial balance of each subsidiary ledger
- A copy of the original budget ordinance for the audit period and all amendments to budget ordinance
- A copy of all project ordinances and all amendments thereto for all projects beginning during the period or not fully complete prior to the period (if applicable)
- A schedule of insurance in force during the year and of insurance expenses for the year
- Copies of all contracts with governmental grantor or grantee agencies
- Copies of all contracts in force at statement date of a material amount
- Such reasonable additional schedules as may be requested for either the financial audits or for one or more of the compliance audits.

**REPRESENTATIONS OF THE AUDITOR:**

1. The Auditor must represent that he is independent as that term is defined in the Ethical Rules of the AICPA.
2. The auditor must represent that he is licensed to perform the audit as provided in the applicable laws of the Commonwealth of Virginia.
3. The auditor must represent that adequate supervision will be provided on a day-to-day basis and that the resulting work papers shall be adequate and shall be available for routine review by appropriate auditors of the Federal and State governments and officials of the Town, if requested.

**PROPOSAL:**

Three (3) copies of the proposal shall be forwarded to the Finance Director clearly marked "Proposal – Audit Services" no later than 5:00 p.m. on Wednesday, April 30, 2008.

The proposal should include:

1. A statement by the prospective auditor of his understanding of the work to be done with descriptions of the audit approach and illustrations of the procedures to be employed.

2. The approximate date the audit will begin (including preliminary field work) and end, as well as approximate dates for delivery of the financial statements and the management letter. Timing will play an integral part in evaluating proposals.
3. Resumes, including experience, of the individuals who will be assigned to the engagement team, relevant experience of each in auditing municipalities, and recent continuing professional education of each.
4. Names, addresses, and telephone numbers of persons who may be contacted for reference.

**INTERVIEWS:**

Those offerors selected to be interviewed should be prepared to discuss their proposals as well as:

1. Estimated hours required to complete the engagement by personnel levels, i.e., total hours for partner, manager supervisor, senior, and junior.
2. Cost differential should the Town compile the financial statements, so as the Auditor would then just conduct an audit.

**MEETINGS / CONFERENCES:**

Conferences between the auditor, the Town Manager, and the Finance Director should be scheduled before and after the preliminary work and at the end of the field work by the auditor. The purpose of the meetings is to keep the governing body fully informed on the scope and progress of the audit. A draft of the final report shall be furnished to the Town Manager and the Finance Director for their review at least ten (10) days prior to the draft report being presented to the governing body.

**SELECTION CRITERIA WILL BE IN ORDER OF PRIORITY:**

1. The skill, experience, training, and time commitments of the specified persons who will be performing the services requested.
2. The auditor's demonstrated understanding of the problems of the government.
3. The prior experience and reputation of the auditor in auditing governmental units similar in size to the Town of Rocky Mount.
4. The degree of responsiveness to this request.
5. Negotiated fee.

**OTHER MATTERS:**

1. A pre-proposal conference will be held at the request of the Proposer to answer any questions which might arise and to discuss general background information of the government and its operations.
2. A copy of the Town's fiscal year 2007 audit can be provided upon request.
3. The government intends to continue the relationship for no less than two (2) years unless a determination is made that it is in the best interest of the

government to request new proposals. The option to extend the contract for an additional one (1) year period by either party will be included in the final contract document.

4. The prospective bidders are reminded that the audit contract must be filed with the Auditor of Public Accounts, Commonwealth of Virginia, in accordance with all regulations applicable to local governments and as promulgated by the Auditor of Public Accounts in his most recent release.
5. The comparative cost report shall be prepared in accordance with the Uniform Financial Reporting Manual.
6. All applicable provisions of the Virginia Public Procurement Act will be adhered to.
7. The Town reserves the right to reject any and all proposals.