

**REQUEST FOR PROPOSALS**

**NUMBER 2024-001**

**AUDIT SERVICES**

***Coweta County Water & Sewerage Authority***

IS ISSUING THIS REQUEST FOR PROPOSALS (RFP) FOR FURNISHING THE SERVICES DESCRIBED HEREIN.

Inquiries for Technical Information should be directed to:

***Roger C. Dawson, CPA, CFE***

***Chief Financial Officer***

***Coweta County Water & Sewerage Authority***

***545 Corinth Road***

***Newnan, Georgia 30263***

***678-552-1418***

***[rdawson@cowetawater.com](mailto:rdawson@cowetawater.com)***

Inquiries for Procurement Information should be directed to:

***Julie Strickland, CPA***

***Controller Coweta County Water & Sewerage Authority***

***545 Corinth Road***

***Newnan, Georgia 30263***

***678-552-1417***

***[jstrickland@cowetawater.com](mailto:jstrickland@cowetawater.com)***

Please indicate your intent to submit a proposal by completing a Notification of Interest in accordance with the sample format shown in Attachment D of this Request for Proposals.

Return this Notification of Interest to the address listed below by ***March 1, 2024, 5:00 PM***.

Note that failure to return the Notification of Interest does not preclude prospective bidders from submitting a proposal within the specified time period. The purpose is to improve the

efficiency of the proposal process and communicate timely information to interested parties on this RFP as well as future RFPs.

***Julie Strickland, CPA***  
***Controller***  
***Coweta County Water & Sewerage Authority***  
***545 Corinth Road***  
***Newnan, Georgia 30263***

Please note that a proposers' conference will be held ***March 20, 2024, 9:00AM, 545 Corinth Road, Newnan, GA 30263.***

Completed proposals must be received at the address shown above by ***April 22, 2024, 5:00PM.***

Proposals must be received by the date and time specified. Late proposals will be disqualified. In order to be considered for selection, auditors must submit a complete response to the RFP. Incomplete proposals may not be considered if the omissions are determined to be significant. Proposals must be submitted in three parts:

- (A) One (1) complete signed original of the Request for Proposals (signatures are required below and at the end of Attachment B);
- (B) Five (5) copies of the Technical Proposal; and
- (C) One (1) original of the Cost Proposal.

The Cost Proposal must be submitted in a sealed envelope which specifies on its face the name of the auditing firm and the government entity to be audited. The government entity reserves the right to reject any and all proposals submitted and to request additional information from all proposers. Any contract awarded will be awarded to the auditor, who, based upon evaluation of all proposals, is determined to have submitted the best proposal, considering both technical factors and cost.

In compliance with this request for proposals and to all the conditions imposed herein, the undersigned offers and agrees to furnish the services in accordance with the attached signed proposal.

Name and Address of Firm:

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FEI Number: \_\_\_\_\_

Telephone: \_\_\_\_\_

By: \_\_\_\_\_  
Please Print Name Here

\_\_\_\_\_  
Signature In Ink

Title: \_\_\_\_\_

Email address: \_\_\_\_\_

Date: \_\_\_\_\_

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I. **GENERAL INFORMATION**

A. PURPOSE

The purpose of this Request for Proposals is to establish a contract for the professional services of a Certified Public Accountant (the "auditor") for financial and compliance audits. The contract will be for three consecutive fiscal years beginning with the fiscal year ended June 30, 2024, and ending with the fiscal year ended June 30, 2026, subject to annual review and the annual availability of an appropriation for audit services by the government entity.

B. ANTICIPATED SCHEDULE OF EVENTS

***The timetable for this RFP is presented below:***

<b><u>Activity</u></b>	<b><u>Target Date</u></b>
<b><i>Issue Request for Proposals</i></b>	<b><i>January 8, 2024</i></b>
<b><i>Due Date for Notification of Interest</i></b>	<b><i>March 1, 2024, 5:00PM</i></b>
<b><i>Proposers' Conference</i></b>	<b><i>(March 20, 2024, 9:00AM, 545 Corinth Road, Newnan, GA 30263)</i></b>
<b><i>Proposals due by</i></b>	<b><i>April 22, 2024, 5:00PM</i></b>
<b><i>Selection Recommendation(s)</i></b>	<b><i>May 24, 2024</i></b>
<b><i>Approval and Award</i></b>	<b><i>June 5, 2024</i></b>

## II. **GOVERNMENT ENTITY AND RECORDS INFORMATION**

Information regarding government entity records, systems, procedures, expenditure levels, and other relevant data is included as Attachment A to this Request for Proposals. If a proposer's conference is scheduled to answer questions of potential contractors, the date and location are specified in Section I, Part B of this RFP. Copies of prior audit reports, internal control survey documents, management letters, financial statements, budgets and other documents relevant to the audit engagement may be viewed by appointment by contacting the technical information coordinator listed on the cover page of this RFP.

## III. **STATEMENT OF NEEDS**

### A. AUDIT REQUIREMENTS

As required by the Official Code of Georgia Annotated, the audit shall be conducted in accordance with auditing standards generally accepted in the United States of America, promulgated by the American Institute of Certified Public Accountants (AICPA) and in accordance with the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. If a Single Audit is required as a part of the annual audit, the audit shall be performed in accordance with American Institute of Certified Public Accountants (AICPA) Standards, Government Auditing Standards, and the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200 (Uniform Grant Guidance (UGG)) Subpart F.



## B. GROUP AUDITS

Coweta County Water & Sewerage Authority is a component unit of Coweta County, Georgia. A financial burden or benefit relationship exists between the entities. The County appoints all board members of the Authority. The Authority and Coweta County have entered into an intergovernmental agreement whereby the County has provided the pledging of the full faith and credit for all the GEFA loans. The Agreement represents a general obligation of the County to which its full faith and credit are pledged. The auditor will be required to comply with the provisions of AU-C Section 600B – Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors).

## C. AUDIT OBJECTIVES

The audit shall be designed to accomplish the following objectives:

1. To determine whether the financial statements present fairly, in all material respects, the respective financial position of the business-type activities and the respective changes in financial position and, where applicable, cash flows, thereof in conformity with accounting principles generally accepted in the United States of America.
2. To obtain an understanding of the five components of internal control that is sufficient to assess the risks of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing, and extent of further audit procedures. Because an audit of a government's financial statements is based on opinion units, the auditor's consideration of internal control in assessing the risks of material misstatement should address each opinion unit. The auditor should obtain a sufficient understanding by performing risk assessment procedures to (a) evaluate the design of controls and (b) determine whether they have been implemented. The auditor should use such knowledge to identify types of potential misstatements; consider factors that affect the risks of material

misstatement; and design tests of controls, when applicable, and subsequent procedures. In acquiring an understanding of and assessing internal control, the auditor should consider computer controls as well as the controls over manual portions of the system.

3. To plan and perform the audit to obtain reasonable assurance about whether the financial statements, including note disclosures, are free of material misstatement, whether caused by error or fraud, and material misstatements arising from illegal acts that have a direct and material effect on the determination of financial statement amounts. Illegal acts are defined in auditing standards as violations of laws or governmental regulations. Although not explicitly stated in auditing standards, the phrase “laws and governmental regulations” generally has been interpreted to implicitly include the provisions of contract and grant agreements. U.S. Auditing Standards – AICPA (Clarified) AU-C Section 250 paragraph .14 requires the auditor to consider laws and regulations that are generally recognized by auditors to have a direct and material effect on the determination of financial statement amounts. The auditor’s responsibility to detect and report misstatements resulting from illegal acts having a direct and material effect on the determination of financial statement amounts is the same as that for misstatements caused by error or fraud. In addition, the auditor should be aware of the possibility that illegal acts that may, in particular circumstances, be regarded as having material but indirect effects on financial statements may have occurred. If specific information comes to the auditor’s attention that provides evidence concerning the existence of possible illegal acts that could have a material indirect effect on the financial statements, the auditor should apply audit procedures specifically directed to ascertaining whether an illegal act has occurred.
4. To provide reasonable assurance of detecting material misstatements that result from violations of provisions of contracts or grant agreements that could have a direct and material effect on the determination of financial

statement amounts or other financial data significant to the audit objectives.

If specific information comes to the auditor's attention that provides evidence concerning the existence of possible violations of provisions of contracts or grant agreements that could have a material indirect effect on the financial statements, the auditor should apply audit procedures specifically directed to ascertaining whether such violations have occurred. If during the course of the audit, auditors become aware of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives, the auditor should apply audit procedures specifically directed to ascertain the potential effect on the financial statements or other financial data significant to the audit objectives.

5. To evaluate whether the government entity has taken appropriate corrective action to address findings and recommendations from previous engagements that could have a material effect on the financial statements or other financial data significant to the audit objectives. Auditors should use this information from previous engagements in assessing risk and determining the nature, timing, and extent of current audit work, including determining the extent to which testing the implementation of the corrective actions is applicable to the current audit objectives.
6. To ensure that audit documentation is prepared in sufficient detail to provide a clear understanding of the nature, timing, and extent of auditing procedures performed to comply with generally accepted government auditing standards and other applicable standards and requirements; the results of the audit procedures performed and the audit evidence obtained; the conclusions reached on significant matters; and that the accounting records agree or reconcile with the audited financial statements. Auditors should also document, before the audit report is issued, evidence of supervisory review of the work performed that supports findings, conclusions, and recommendations contained in the audit report.

7. To determine whether the government entity complied with laws, regulations, and the provisions of contracts or grant agreements pertaining to federal awards that may have a direct and material effect on each major program. With regard to internal control over compliance, the auditor is required to do the following (in addition to meeting the requirements of Government Auditing Standards): (1) perform procedures to obtain an understanding of internal control over federal programs that is sufficient to plan the audit to support a low assessed level of control risk for major programs, (2) plan the testing of internal control over major programs to support a low assessed level of control risk for the assertions relevant to the compliance requirements for each major program, and (3) perform tests of internal control (unless the internal control is likely to be ineffective in preventing or detecting noncompliance).
  
8. To determine whether the government entity complied with Federal statutes, regulations, and the terms and conditions of Federal awards that may have a direct and material effect on each of its major programs. With regard to internal control over compliance, the auditor is required to do the following (in addition to meeting the requirements of Government Auditing Standards): (1) perform procedures to obtain an understanding of internal control over federal programs that is sufficient to plan the audit to support a low assessed level of control risk for major programs, (2) plan the testing of internal control over major programs to support a low assessed level of control risk for the assertions relevant to the compliance requirements for each major program, and (3) perform tests of internal control (unless the internal control is likely to be ineffective in preventing or detecting noncompliance).

#### D. REPORTING AND DELIVERY REQUIREMENTS

The auditor will prepare the required audit reports including those required by Government Auditing Standards and Uniform Administrative Requirements,

Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200 (Uniform Grant Guidance (UGG)) Subpart F and the Official Code of Georgia Annotated at the completion of the audit.

1. Standard report on the financial statements.
  - a. Reference should be made that the audit was conducted in accordance with generally accepted government auditing standards. In the same or in separate report(s), the auditor should include a description of the scope of the auditor's testing of internal control over financial reporting and compliance with laws, regulations, and provisions of contracts or grant agreements. Auditor should state in the report whether the tests performed provided sufficient, appropriate evidence to support an opinion on the effectiveness of internal control over financial reporting and on compliance with laws, regulations, and provisions of contracts or grant agreements. When the auditor reports separately (including separate reports bound in the same document) on internal control over financial reporting and on compliance with laws and regulations and provisions of contracts or grant agreements, they should state in the financial statement audit report that they are issuing those additional reports.
  - b. Report on Internal Controls.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. The report should include a description of the scope of the auditor's testing of internal control over financial reporting and compliance with provisions of laws, regulations, contracts or grant agreements. The auditor should report, as applicable to the objectives of the audit, and based upon the audit work performed, (1) significant deficiencies and material weaknesses in internal control; (2) instances of fraud and noncompliance with provisions of laws and regulations that have a material effect on the

audit and any other instances that warrant the attention of those charged with governance; and (3) noncompliance with provisions of contracts or grant agreements that has a material effect on the audit; (4) abuse that has a material effect on the audit.

- c. This report should include an opinion (or disclaimer of opinion) on whether the auditee complied with Federal statutes, regulations, and the terms and conditions of Federal awards which could have a direct and material effect on each major program, and where applicable, refer to the separate schedule of findings and questioned costs. The report on internal control related to major programs should describe the scope of testing of internal control and compliance and the results of the tests and, where applicable, refer to the separate schedule of findings and questioned costs.
- d. In accordance with UGG Subpart F Section 200.515(a), the auditor's report(s) may be in the form of either combined or separate reports. The auditor's report(s) shall include an opinion (or disclaimer of opinion) on whether the financial statements are presented fairly in all material respects in conformity with generally accepted accounting principles and an opinion (or a disclaimer of opinion) on whether the schedule of expenditures of federal awards is presented fairly in all material respects in relation to the financial statements taken as a whole. Auditors should follow the guidance contained in the American Institute of Certified Public Accountants' Audit Guide: Government Auditing Standards.
- e. In accordance with UGG Subpart F Section 200.515(d), a schedule of findings and questioned costs is required and should include the following three sections: (1) a summary of the auditor's results; (2) findings related to the financial statements that are required to be reported in accordance with generally accepted government auditing standards; and (3) findings and questioned costs for federal awards.

2. Twelve (12) printed copies and one electronic copy in an agreed upon format of each of the above reports are required.
  
3. A written management letter should be used to communicate violations of provisions of contracts or grant agreements or abuse that have an effect on the financial statements that is less than material but warrant the attention of those charged with governance; the management letter should also communicate information about ways to improve operational efficiency and effectiveness or otherwise improve internal control or other policies or procedures (other than those for which communication is required by generally accepted auditing standards or *Government Auditing Standards*). If the management letter contains items required to be communicated to officials by auditing standards, the auditor should refer to the management letter in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. It is important to note that the schedule of findings and questioned costs should include all audit findings required to be reported under UGG Subpart F Section 200.515(d); a separate communication (such as a management letter) may not be used to communicate such matters.
  
4. The auditor may (or must) offer recommendations for appropriate corrective action for each item reported in accordance with U.S. Auditing Standards – AICPA (Clarified) AU-C Section 265 paragraph .11; or included in the Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards or in the Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance In accordance with UGG Subpart F Section 200.515(a); or contained in the management letter.
  
5. Any other reports required shall be submitted to the government entity

upon request.

6. A preliminary draft of all reports shall be submitted to the government entity prior to their release. The government entity will review and approve the release of all draft reports. Draft reports should be submitted to:

***Roger C. Dawson, CPA, CFE***  
***Chief Financial Officer***  
***Coweta County Water & Sewerage Authority***  
***545 Corinth Road***  
***Newnan, Georgia 30263***  
***678-552-1418***  
***rdawson@cowetawater.com***

7. The auditor shall send copies of the reports listed above directly to:

***Roger C. Dawson, CPA, CFE***  
***Chief Financial Officer***  
***Coweta County Water & Sewerage Authority***  
***545 Corinth Road***  
***Newnan, Georgia 30263***  
***678-552-1418***  
***rdawson@cowetawater.com***

#### **IV. PROPOSAL PREPARATION AND SUBMISSION REQUIREMENTS**

##### **A. GENERAL PROPOSAL PREPARATION REQUIREMENTS**

1. Proposal Preparation
  - a. Proposals shall be signed by an authorized representative of the auditor. All information requested must be submitted. The mandatory requirements listed in Part IV, Section B, Paragraph 1b are required by law, regulation or will not be waived and are not subject to negotiation.



- b. Proposals shall be prepared simply and economically, providing a straightforward, concise description of capabilities to satisfy the requirements of the RFP. Emphasis should be placed on completeness and clarity of content.
  - c. Each copy of the technical proposal shall be bound in a single volume and relate solely to the response to the RFP. Nothing shall be included in the technical proposal which would indicate, in whole or in part, the cost component of the proposal or would be otherwise indicative of the dollar amount associated with the technical proposal. All cost component documentation should be included in a separate sealed envelope clearly labeled as to contents. Proposals should be organized in accordance with Attachment C: Model Format of Proposal.
  - d. Ownership of all data, materials and documentation prepared for and submitted to the government entity in response to the RFP shall belong exclusively to the government entity and will be considered a record prepared and maintained or received in the course of operations of a public office or agency and subject to public inspection in accordance with the Georgia Open Records Act, Official Code of Georgia Annotated, Section 50-18-70, et. seq., unless otherwise provided by law.
2. Oral presentation: Auditors who submit a proposal in response to the RFP may be required to give an oral presentation of their proposal to the government entity representatives. This provides an opportunity for the auditor to clarify or elaborate on the proposal. This is a fact finding and explanation session only and does not contemplate or authorize negotiation. Oral presentation is an option of the government entity in its sole discretion at the government entity's request.
3. Costs incurred to prepare a proposal are solely those of the proposer. Nothing contained within this RFP is indicative of an intent by the

government entity to reimburse the proposer, in whole or in part, for any costs associated with preparation, submission, or presentation of proposals.

## B. SPECIFIC PROPOSAL PREPARATION REQUIREMENTS

Proposals shall be as thorough and detailed as possible so that the government entity may properly evaluate the auditor's capabilities to provide the required services. Proposals should be organized in accordance with Attachment C: Model Format of Proposal. Offerors shall submit the following items as a complete proposal:

1. COMPLETE, SIGNED COPY OF THE REQUEST FOR PROPOSALS
  - a. The return of this complete RFP, signed and completed as required.
  - b. The completed Mandatory Pre-Qualification Form, Attachment B. The purpose of the Mandatory Pre-Qualification Form is to determine if the auditor meets the following mandatory criteria:
    - i. The proposer is properly licensed for public practice as a certified public accountant.
    - ii. The proposer meets the independence requirements of the Government Auditing Standards issued by the Comptroller General of the United States.
    - iii. The auditor's staff working on or associated with the engagement must meet the continuing education requirements of the Government Auditing Standards. The auditor does not have a record of substandard audit work.
    - iv. The proposer agrees to abide by the terms and conditions established in Section VI, General Terms and Conditions and Section VII, Special Terms and Conditions.

Failure to meet the mandatory criteria will result in immediate rejection of the entire proposal and no evaluation of the remainder of the technical component or of the cost proposal will be made.

## 2. TECHNICAL COMPONENT OF PROPOSAL

- a. Detailed written narrative statements on each of the following:
  - i. A description of the auditor's firm rendering the proposal, including whether the firm is international, national, regional, or local; the number of years in business; and the number of employees in the local office.
  - ii. Experience in providing the services described herein, including relevant knowledge of and experience in applying applicable federal and state regulations.
  - iii. Biographies, including experience of the individuals who will be assigned to the engagement, relevant experience of each in performing financial and compliance audits of entities similar to the government entity, and recent (past 24 months) continuing professional education of each individual assigned to the engagement. Include a positive statement that these individuals have met the required continuing professional education standards to be qualified to work on audits under *Government Auditing Standards*.
  - iv. A work plan to accomplish the scope defined in Section III of the RFP, including information on the timing of field work, and any overview and start up work that would be required in the first audit year. Include the approximate date the audit will begin and end for the first year, as well as approximate dates for delivery of the required reports. The work plan must include time estimates for and identification of each significant segment of the work and the staff level to be assigned. The work plan must also include an explanation of the audit methodology to be followed to perform the services required in this request for proposals. The planned use of specialists must also be specified. In developing the work plan, reference should be made to such sources as the government entity's budget and related materials, organizational charts,

programs, and financial and other management information systems. Proposers will be required to provide the following information on their audit approach:

- Sampling techniques and the extent to which statistical sampling may be used in the engagement;
- Extent of the use of EDP software in the engagement;
- Type and extent of analytical procedures that may be used in the engagement;
- Approach to be taken to gain and document an understanding of the government entity's internal control;
- Approach to be taken in determining laws and regulations that will be subject to audit test work; and
- Approach to be taken in drawing audit samples for purposes of tests of compliance.
  - The proposal should identify and describe anticipated audit problems (if any), the firm's approach to resolving these problems, and any special assistance that will be requested from the government entity.
  - For the firm's office that would be assigned responsibility for the audit, list the most significant audit engagements (maximum of five) performed in the last three (3) years that are similar to the engagement described in this request for proposals. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partner(s), total hours, and the name, telephone number, and email address of the client contact.
  - There should be no dollar units or total costs included in the technical component of the proposal.

### 3. COST COMPONENT OF PROPOSAL

For use following the technical phase of the procurement, the following information must be included in a **separate sealed** envelope marked "For

Cost Phase Only" as specified in this RFP, Section VII, and Part H:

- a. Total hours required to complete the engagement for each year by personnel levels (i.e., total hours for partner, manager, supervisor, senior and junior).
- b. Total fees for audit services for each year.
- c. An amount of professional services, in hours, allowed each year without additional cost to the government entity. Such services will not be directly related to the annual audit.

A separate cost proposal is required for each year of the contract period specified in Section VII, Part E of this Request for Proposals.

Out-of-pocket expenses for firm personnel (e.g., travel, lodging and subsistence) will be reimbursed at the rates used by the government entity for its employees. All estimated out-of-pocket expenses to be reimbursed should be presented in the sealed dollar cost bid in the format recommended in Attachment C. All expense reimbursements will be charged against the total all-inclusive maximum price submitted by the firm. By submitting a proposal, the proposer certifies that the firm will accept reimbursement for travel, lodging and subsistence at the prevailing rates for employees of the government entity.

## V. **EVALUATION AND AWARD CRITERIA**

The following factors will be considered during the evaluation:

### A. TECHNICAL FACTORS

1. Responsiveness of the proposal in clearly stating an understanding of the work to be performed, including making all required statements and affirmations. Proposals should be organized in accordance with Attachment C: Model Format of Proposal.

The following elements will be considered:

- a. Appropriateness and adequacy of proposed procedures.

- b. Necessity of procedures.
  - c. Reasonableness of time estimates.
  - d. Appropriateness of assigned staff levels.
  - e. Timeliness of projected completion.
2. Technical experience of the firm.
  3. Qualifications of staff, including recent pertinent continuing education.
  4. Size and structure of the firm.
  5. Prior experience with the firm with emphasis on report and work paper quality and track record of meeting agreed upon delivery dates.

#### B. COST FACTORS

Although cost is a significant factor, it will not be the dominant factor. Cost will be given more importance when all the other evaluation criteria are relatively equal. The general approach is to first identify all qualified, responsive proposers and then to award the audit to the lowest cost proposer in that group.

If there is reason to believe that an unreasonably low proposal has been made, it will be rejected. One method of measuring reasonableness is to divide the proposed cost by a reasonable average hourly rate to show hours of effort that might be expected.

Any proposal which does not include all the required statements and affirmations called for in this RFP will be automatically rejected as not being responsive.

#### VI. **GENERAL TERMS AND CONDITIONS**

A form of agreement for Audit Services or an engagement letter is to be executed between the auditor and the government entity. Sections VI and VII contain general and special terms and conditions which will be incorporated into the Agreement by reference.

A. APPLICABLE LAW AND COURTS

This solicitation and any resulting contract shall be governed in all respects by the laws of the State of Georgia. The auditor shall comply with applicable federal, state, and local laws and regulations.

B. ETHICS IN PUBLIC CONTRACTING

By submitting their proposals, all auditors certify that their proposals are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other auditor, supplier, manufacturer or subcontractor in connection with their proposals, and that they have not conferred on any government entity employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged. Auditors specifically certify by submitting their proposal that they are not in violation of the Official Code of Georgia Annotated, Sections 16-10-2 and 16-10-22, for acts of bribery and/or conspiracy in restraint of free and open competition in transactions with state or political subdivisions. Auditors contracting with the State of Georgia (as defined in the Official Code of Georgia Annotated, Section 45-10-20) further certify that Official Code of Georgia Annotated, Title 45, Chapter 10, Article 2, which prohibits certain public officials and employees of the State of Georgia from transacting business with certain state agencies, has not been and will not be violated in any respect by execution of this proposal and any contract resulting therefrom.

O.C.G.A. §50-36-4 requires political subdivisions of the State of Georgia to file an Annual Immigration Compliance Report with the Department of Audits and Accounts by December 31 of each year. As a condition of funding, agencies should require certification pursuant to O.C.G.A. §50-36-4 as proof of compliance.

C. DEBARMENT STATUS

By submitting their proposals, all auditors certify that they are not currently debarred from submitting bids or proposals on contracts by any agency of the State of Georgia or the federal government, nor are they an agent of any person or entity that is currently debarred from submitting bids on contracts by any agency of the State of Georgia or the federal government.

D. MANDATORY USE OF TERMS AND CONDITIONS

Return of the complete document is required. Modification of or additions to the General Terms and Conditions of the solicitation may be cause for rejection of the proposal; however, the government entity reserves the right to decide, on a case by case basis, in its sole discretion, whether or not to reject such a proposal.

E. CLARIFICATION OF TERMS

If any prospective auditor has questions about the specifications or other solicitation documents, the prospective proposer should contact the procurement information coordinator whose name appears on the face of the solicitation ***no later than five working days before the due date***. Any revisions to the solicitation will be made only by addendum issued by the government entity.

F. INVOICES

All interim and final invoices for services ordered, delivered and accepted shall be submitted by the auditor to:

***Julie Strickland, CPA***

***Controller Coweta County Water & Sewerage Authority***

***545 Corinth Road***

***Newnan, Georgia 30263***

***678-552-1417***

***[jstrickland@cowetawater.com](mailto:jstrickland@cowetawater.com)***



for approval prior to payment by the government entity.

G. PAYMENT TERMS

The government entity will make payment ***within 30 days of*** receipt of a proper invoice for interim and final billings, provided that the billing has been approved by the government entity.

H. ASSIGNMENT OF CONTRACT

A contract shall not be assignable by the auditor in whole or in part without the written consent of the government entity.

I. CHANGES TO THE CONTRACT

The government entity may order changes within the general scope of the contract at any time by written notice to the auditor. Changes within the scope of the contract include, but are not limited to, things such as the place of delivery. The auditor shall comply with the notice upon receipt. The auditor shall be compensated for any additional costs incurred as the result of such order and shall give the government entity a credit for any savings. Said compensation shall be determined by mutual agreement between the government entity and the auditor in writing.

J. DEFAULT

In case of failure to deliver goods or services in accordance with the contract terms and conditions, the government entity, after due notice, may procure them from other sources and hold the auditor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies which the government entity may have.

K. PRECEDENCE OF TERMS

Paragraphs A through J of these General Terms and Conditions shall apply in all instances. In the event there is a conflict between any of the other General Terms and Conditions and any Special Terms and Conditions in this

solicitation, the Special Terms and Conditions shall apply.

## VII. SPECIAL TERMS AND CONDITIONS

### A. QUALIFICATIONS OF AUDITORS

The government entity may make such reasonable investigations as deemed proper and necessary to determine the ability of the auditor to perform the work and the auditor shall furnish to the government entity all such information and data for this purpose as may be requested. The government entity further reserves the right to reject any bid if the evidence submitted by, or investigations of, such auditor fails to satisfy the government entity that such auditor is properly qualified to carry out the obligations of the contract and to complete the work/furnish the item(s) contemplated therein.

### B. CANCELLATION OF CONTRACT

The government entity reserves the right to cancel and terminate any resulting contract, in part or in whole, without penalty, ***upon 60 days written notice to the auditor***. Any contract cancellation notice shall not relieve the auditor of the obligation to deliver and/or perform on all outstanding orders issued prior to the effective date of cancellation. In the event of termination by mutual agreement, the auditor shall be compensated for all hours worked at the specified contractual rate.

If, through any cause other than acts of god, floods, fires, storms, strikes, lockouts, riot, insurrection, acts of the public enemy, war, or other like restrictions beyond the control of the parties rendering performance under the contract impossible, the auditor fails to fulfill in a timely and proper manner obligations under the contract, the government entity shall have the right to terminate the contract on written notice to the auditor specifying the effective date of termination.

The auditor shall not be relieved of liability to the governmental entity for

damages sustained by virtue of any breach of the contract by the auditor. The government entity may withhold or require to be withheld any payment to the auditor for the purpose of setoff until such time as the exact amount of damages is agreed upon or is otherwise determined.

In the event of termination, for whatever reason, all property and finished or unfinished documents, data, studies, and reports prepared by the auditor shall become the property of the government entity. Nothing contained herein shall prevent the auditor from preparing and maintaining a complete set of workpapers relating to the audit.

#### C. AUDIT

The auditor hereby agrees to retain all books, records, working papers, and other documents relative to this contract for **five (5) years** after final payment. The auditor further acknowledges that the AICPA's Statement on Auditing Standards No. 103 requires the auditor to adopt reasonable procedures to retain and access audit documentation for a period of time sufficient to meet the needs of his or her practice and to satisfy any applicable legal or regulatory requirements for records retention. Such retention period, however, should not be shorter than five years from the report release date. The government entity, its authorized agents, and federal and state regulatory and grantor agencies, including the Georgia Department of Audits and Accounts, shall have full access to and the right to examine any of said materials during said period at no cost to either the government entity or any other entity authorized to examine said materials.

#### D. REVIEW AND MONITORING

The government entity reserves the right to conduct any review it may deem advisable to assure services conform to the specifications. An employee of the government entity will be designated as audit monitor to discuss issues that need to be resolved and may require periodic progress reports. The monitor will review the financial statements and may provide limited assistance to the

auditor by way of comments and suggestions for enhancements to the report prior to its preparation in final form. The monitor will also be available for technical assistance concerning the interpretation of state laws, regulations and policies.

**E. CONTRACT PERIOD**

The contract period shall be for a period of three years beginning with the fiscal year ended June 30, 2024 through the fiscal year ended June 30, 2026 subject to annual review and the annual availability of an appropriation for audit services by the government entity.

**F. CONTRACT LIMITATIONS**

During the contract period, the auditor agrees not to submit proposals on or perform any accounting, consulting, compilation and review, or any other services outside the scope of this contract for the government entity without the prior written approval of the government entity.

**G. ADDITIONAL AUDIT WORK**

In the event during the course of the audit it is determined by any party a change in the scope of the audit work is necessary, the discovering party shall promptly notify the other parties in writing. The parties shall then determine whether the contract shall be amended to provide for an adjustment in the audit work to be performed by the auditor. In no event shall any payment be made for audit work beyond the scope of the original contract until the contract has been amended as provided in Section VII, Item M, Integrated Agreement.

H. IDENTIFICATION OF PROPOSAL ENVELOPE

If a special envelope is not furnished, or if return in the special envelope is not possible, the signed proposal shall be returned in a separate envelope or package, sealed and identified as follows:

From: \_\_\_\_\_

Name of Auditor	Due Date	Time
_____	_____	
Street, or Box Number	RFP Number	
_____	_____	
City, State Zip Code	RFP Title	

Name of Buyer: ***Coweta County Water & Sewerage Authority.***

The envelope shall be addressed as directed on the cover page of this solicitation. Contained within the envelope will be (1) a completed, signed copy of this Request for Proposals, (2) all information necessary for the technical proposal, and (3) a separate sealed envelope containing the cost information, specifically labeled "For Cost Phase Only".

Proposals may be hand delivered to the designated location in the office issuing the solicitation. No other correspondence or other proposals should be placed in the envelope.

I. INDEMNIFICATION

The auditor agrees to indemnify, defend and hold harmless the government entity, its officers, agents, and employees from any claims, damages and actions of any kind or nature, whether at law or in equity, arising from or caused by the use of any materials, goods, or equipment of any kind or nature furnished by the auditor/any services of any kind or nature furnished by the auditor, provided that such liability is not attributable to the sole negligence of any government entity employee or to failure of government entity employees to use

the materials, goods, or equipment in the manner described by the auditor on the materials, goods, or equipment delivered.

#### J. SUBCONTRACTS

No portion of the work shall be subcontracted without prior written consent of the government entity. In the event that the auditor desires to subcontract some part of the work specified herein, the auditor shall furnish the government entity the name(s), qualifications and experience of their proposed subcontractor(s). The auditor shall, however, remain fully liable and responsible for the work/service to be performed by his/her subcontractor(s) and shall assure compliance with all requirements of the contract.

#### K. PROPRIETARY INFORMATION

The government entity will not accept responses to Requests for Proposals in cases where the auditor declares the entire response to the RFP to be proprietary information. The auditor must designate in the smallest increments possible, that part of the proposal which is deemed to be proprietary.

#### L. OFFICE HOURS/LOCATION/PARKING

Office space will be provided for the representative of the auditor to perform all field work. The location of this space will be as close as possible to the location of the accounting records and accounting staff. To the extent possible, schedules and other data will be prepared by the government entity's accounting department. It is the government entity's policy to aid in the audit process where deemed feasible and appropriate to help reduce costs. The audit monitor designated by the government entity will be responsible for notifying the contractor of the location of the accounting and financial records, government entity office hours, and the availability of parking at the government entity location.

#### M. INTEGRATED AGREEMENT

Any resulting contract represents the entire and integrated agreement between the auditor and government entity and supersedes all prior negotiations, representations, or agreements, whether written or oral. The contract may only be amended by written agreement of the auditor and the government entity.

Engagement Letter – As discussed in the AICPA Audit Guide “Audits of Local Governments” Section 202 Establishing Terms of the Engagement - both GAAS and the Yellow Book require the auditor to establish a written understanding with the client about the services to be performed for each engagement. The auditor and client ought to have a clear understanding about certain matters normally found in engagement letters, related to such matters as the need for receiving written management representations, any agreed-upon client assistance, and limitations on the responsibility for the detection of fraud and defalcations. One of the preconditions for an audit is to obtain the agreement of management that they acknowledge and understand their responsibilities. That agreement generally is obtained through the use of an engagement letter. The auditor will submit a draft engagement letter that, if accepted by the auditee, will be incorporated into the contract with the auditor.

#### N. WORKERS' COMPENSATION

The auditor shall be required at all times during the term of this agreement to subscribe and comply with the Workers' Compensation laws of the State of Georgia and to save harmless the government entity from any and all liability from or under said act.

#### O. SOCIAL SECURITY/EMPLOYMENT TAXES

The auditor shall be and remain an independent contractor with respect to all services performed hereunder and shall accept full exclusive liability for the payments of any and all contributions or taxes for social security, unemployment benefits, pensions, and annuities now or hereafter imposed under any state or federal laws which are measured by the wages, salaries, or

other remuneration paid to persons employed by the auditor on work performed under the terms of this agreement.

The auditor further shall obey or satisfy all lawful rules, regulations, and requirements issued or promulgated under said respective laws by any duly authorized state or federal officials. The auditor shall indemnify and save harmless the government entity from any contributions, taxes, or liability referred to in this article.

**P. HIGHER LEVEL AUDIT SERVICES**

If the auditor becomes aware that the government entity is subject to audit requirements that may not be encompassed in the terms of the contract, he or she shall communicate this situation immediately to the government entity's audit monitor, that in accordance with the established contract certain relevant legal, regulatory, or contractual requirements may not be met.

**Q. CHANGES IN AUDITING STANDARDS/FEDERAL REQUIREMENTS**

As professional auditing standards or federal auditing requirements change, the auditor shall adjust his/her auditing techniques and reporting formats and criteria so the new standards and requirements are met. Any additional hours used by the auditor as a result of such changes that would cause the auditor to exceed the proposed hours as submitted in the Cost Proposal shall be treated as provided by Section VII, Item G, Additional Audit Work and Section VII, Item M, Integrated Agreement.

**R. RATES FOR ADDITIONAL PROFESSIONAL SERVICES**

If it should become necessary for the government entity to request the auditor to render any additional services to either supplement the services requested in this request for proposals or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the government entity and the firm. Any such



additional work agreed to between the government entity and the firm shall be performed at the same rates as set forth in the schedule of fees and expenses included in the sealed dollar cost bid.

## **ATTACHMENT A: GOVERNMENT ENTITY AND RECORDS INFORMATION**

- 1. Provide general information such as the type of government, population, and budget size. Identify the component units included in the reporting entity, their size, their auditors and their fiscal year operating period. Indicate when their financial statements and auditor's reports (if covered separately) will be available.***

Coweta County Water & Sewerage Authority (the Authority) is a special purpose government and a political subdivision of the State of Georgia with an annual budget of approximately \$41 Million. The Authority is a component unit of Coweta County, Georgia, with a population estimate of 152,882 at July 1, 2022. A financial burden or benefit relationship exists between the entities. The County appoints all board members of the Authority. The Authority and Coweta County have entered into an intergovernmental agreement whereby the County has provided the pledging of the full faith and credit for all the GEFA loans. The Authority has no component units.

- 2. Specify the number and type of funds and the basis of accounting used during the year and at year's end. Identify which funds are "major funds" based on the GASB Codification Section 2200 paragraph 159 criteria. Specify differences in accounting among funds to be audited. Clearly identify whether the auditor will report on the basic financial statements with accompanying required supplementary information or, in addition to these statements, report on the combining and individual nonmajor fund financial statements and schedules. Also identify whether the budgetary comparison for the general fund and each major special revenue fund will be reported as a basic financial statement or as required supplementary information.***

The Authority reports financial activities for one fund (one opinion unit) and is engaged in business-type activities only. The Authority does maintain a separate fund for bookkeeping purposes only, to record the financial activities of restricted funds for the Water Education Team. All activity of the Water Education Team is

reported in the Authority's financial statements. The Authority's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting.

The auditor will report on the basic financial statements with accompanying required supplementary information (management's discussion and analysis). A report on internal control over financial reporting and compliance with *Government Auditing Standards* will also be required. If applicable, based on the expenditure of federal awards, a report on compliance for each major program and on internal control over compliance required by the uniform guidance may be required.

**3. Describe budget records, and state whether estimated revenues, appropriations, and encumbrances are recorded in the accounting records. Indicate the magnitude of the financial activity, including the number and location of deposit and investment accounts, number of receivable accounts, number of employees and payroll listings.**

An annual budget is adopted and is reflected within the general ledger of the Authority. Appropriations and encumbrances are not recorded in the accounting records. Annual operating revenues for FY2023 were \$36.4 million with total revenues of \$37.4 million and contributed capital of \$4.1 million.

The Authority maintains six deposit accounts and five investment accounts at local banks. At June 30, 2023, the Authority had one project (deposit) account with a national bank. The Authority has approximately 31,000 water customers and 3,500 sewer customers. The Authority has approximately 94 full-time and 4 part-time employees. The Authority maintains ten departments for reporting purposes. All employees are paid through one payroll process, bi-weekly. Payroll filings are performed by an outside payroll provider – Namely (see Systems Documentation Memo (A-1)).

**4. Describe systems, records, and procedures:**  
**a. Note any available manuals, written policies, and procedures covering such items as cash, receivables, capital assets, and**

***liabilities.***

See Attached: Systems Documentation Memo (A-1) June 30, 2023 and System Documentation and Internal Controls Related to Billing Department (A-2) June 30, 2023.

- b. Identify the major segments of the accounting records that are computerized and the availability of related system documentation. Also, identify hardware, operating system, and software packages.***

See Attached: Systems Documentation Memo June 30, 2023 and System Documentation and Internal Controls Related to Billing Department June 30, 2023.

The Authority utilizes Tyler Technologies ERP Pro10 software hosted in a cloud environment. This software includes the following modules: Utility Billing, Cashiering, General Ledger (including Budgeting), Accounts Payable, Bank Reconciliation, Inventory, and Fixed Assets. The Authority primarily uses Dell PCs with Windows 11 or Windows 10 as the operating system.

- c. Describe internal audit program, staff size, and extent of internal audit coverage.***

The Authority does not have an internal audit function.

- d. Identify individuals responsible for maintaining records and preparing reports.***

Roger C, Dawson, CPA, CFE - Chief Financial Officer

Julie Strickland, CPA – Controller

Jennifer Eberhard – Accounts Payable Specialist

Jazmin Gunther – Billing Specialist

- e. Identify known problems related to the accounting system, internal control, or other problems. State any known exceptions to generally accepted accounting principles or any other accounting***

**problems.**

NONE

**f. If records cannot be made available for inspection during the proposal process, describe the condition and completeness of the records the auditor should assume in his or her proposal.**

All records are available.

**5. State whether copies of the prior year's audit reports, management letters, financial statements and budget are available.**

The Authority's June 30, 2023 Audit Report, Letter to Those Charged With Governance, and FY2023 budget are available.

**6. Describe sub-recipient entities and related records to be audited.**

No Sub-recipients.

**7. Give the name of the auditor who performed the most recent audit, the period covered, report date, and type of opinion. State whether previous audit working papers are available for inspection and where they are located. If the audit opinion was modified, state whether the condition causing the modification has been corrected.**

Previous Auditor:

J.K. Boatwright & Co., P.C.

15 North LaFayette Square

LaGrange, Georgia 30241

The Audit was as of and for the years ended June 30, 2023 and 2022. The report was dated December 4, 2023 and included an unmodified opinion. All workpapers are available for inspection and are located at 15 North LaFayette Square, LaGrange, Georgia. The workpapers are stored in the CCH ProSystemfx Engagement environment and are available for inspection.

**8. State the names of staff available to assist the proposer by providing information and explanations.**

**a. State whether the accounting staff can prepare schedules, reproduce documents, pull documents, etc.**

Julie Strickland, CPA – Controller and Jennifer Eberhard – Accounts Payable Specialist are available on a limited basis to provide information.

**b. State whether any internal auditing time is available and whether internal audit reports are available.**

N/A

**c. State whether the data processing staff, equipment, and generalized user software are available for auditing purposes, and specify the make and model of the computer to be used and what type of operating system is used.**

NONE

**d. State whether legal counsel is available.**

The Authority's general counsel is available for inquiry and provides a legal representation letter as part of the annual audit.

**9. State the names and titles of officials who will issue representation letters for inventory evaluations, pledged assets, contingent liabilities, potential litigation, etc., if required.**

Jay Boren, CEO and Roger C. Dawson, CFO will sign the management representation letter. General counsel Melissa Griffis will provide the legal representation letter.

**10. State whether interfund and interdepartmental reconciliations have been made.**

NONE

**11. State the location of available work areas and equipment and its location in relation to the records.**

Workspace is available at our main office, 545 Corinth Road, Newnan, Georgia. All accounting records are located in the same building. Computer network access will be made available as well as access to the finance department copier and printer.

**13. Give the place, date, and time of the proposers' conference, if conducted. (Advisable for large audits to save the requester's time answering individual questions about the RFP and also to guarantee equal treatment to each proposer. Immediately following the proposers' conference, the proposers can be shown the accounting and other applicable records.)**

The proposers' conference will be held **March 20, 2024, 9:00 AM**, 545 Corinth Road, Newnan, Georgia 30263.

**14. State whether proposers' conference questions will be responded to in writing and whether the RFP will be amended if necessary.**

Questions answered at the proposers' conference will **NOT** be responded to in writing. Should a significant issue be raised that requires an amendment or clarification to the RFP, such amendment or clarification will be provided to those who have responded with a notification of interest.

**15. Identify the federal cognizant or oversight agency for audit responsibilities and the name and address of the contact person. To determine agency, refer to the criteria in accordance with UGG Subpart F Section 200.513.)**

The Authority has no federal cognizant or oversight agency.

**16. The following dates should be specified to the extent applicable. The RFP should state that the dates are firm unless waived in writing by an authorized person.**

**a. Date of the proposer's conference (see 12 above for more specific**

**information).**

The proposers' conference will be held **March 20, 2024, 9:00 AM**, 545 Corinth Road, Newnan, Georgia 30263.

- b. Date and time of proposal submission. The preparation of audit proposals is an expensive, time-consuming process for the proposer; therefore, a reasonable time must be allowed (at least three weeks to a month).**

**April 22, 2024, 5:00PM**

- c. Date, time, and place for selected proposer interviews, if desirable.**

Proposer interviews will be conducted between **April 29, 2024** and **May 22, 2024** at 545 Corinth Road, Newnan, Georgia 30263.

- d. Date of contract award.**

**June 5, 2024**

- e. Dates audit work can be commenced:**

- i. Preliminary work prior to closing accounts.**

Inventory physical count can be observed on June 30, 2024.

Other planning and preliminary work can be done in July 2024.

- ii. Postclosing work. (Some government entities may not want auditors working during closing.)**

The Authority anticipates providing a trial balance on approximately August 15, 2024.

- iii. The frequency of progress reporting conferences and with whom and where the conferences will be held should be stated, if applicable.**

Progress reporting conferences can be held by phone with Roger C. Dawson, CFO, every Friday from August 23, 2024 through November 8, 2024.



**e. Date for preliminary report completion and exit conference.**

November 13, 2024

**f. Date for final report submission. The audit report normally should be submitted as soon as possible after the audit exit conference. The Single audit reporting package (and the data collection form) must be submitted by the auditee within the earlier of 30 days after the receipt of the auditor's reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audit. Local government audit reports are due within six months after the end of the local government's fiscal year unless an extension is granted by the Georgia Department of Audits and Accounts.**

December 4, 2024 is the date for the final report submission.

**Coweta County Water & Sewerage Authority (CCW&SA)**  
**Systems Documentation Memo**  
**June 30, 2023**

**General:**

The Administrative and Finance team of the Coweta County Water & Sewerage Authority consists of the following employees:

- Jay Boren, Chief Executive Officer
- Heidi Mann, Executive Assistant
  
- Roger C. Dawson, CPA, CFE, Chief Financial Officer
- Julie Strickland, CPA, QWLA, Controller (rehire date 10/19/20)
- Jennifer Bickford, AP Specialist
- Jazmin Gunter, Billing Specialist
  
- Alan Sibley, Chief Information Officer
- James Brown, Information Technology Manager (hire date 4/6/2020)
- Zeke Pactol – IT Intern
  
- Mandy Sledd, Chief Human Resource Officer
- Megan Webb, Executive Assistant
- Bryan Burns, Safety Coordinator
- Amber Watkins, Custodian (temporary employee)

The Inventory department consists of the following employee:

- Richard Wright, Inventory Specialist (hire date 1/6/2020)
- Matt Allison, Inventory Specialist (hire date 3/27/2023)

The Customer Care department consists of the following employees:

- Kim Bean, Customer Care Manager
- Karen Crook, Wanda Boston, Carrie Brown, Alissa Joyner, Caryl Phipps, Lori Ward (hire date 06/28/21), Michelle Nichols (hire date 08/02/21), Ashley Mayne (01/31/2022), Taylor Lenoch (hire date 04/11/22), Melanie Mims (hire date 8/9/2022) Customer Care Representatives

**Cash Disbursements/Accounts Payable (A/P):**

A purchase order (PO) is required on purchases exceeding \$500 for which items are not received at the time of purchase. All other purchases must be accompanied by an approved invoice. Department Managers sign and code purchase orders and invoices; however, purchases exceeding \$2,000 also require the Chief Executive Officer's signature. The Chief Financial Officer approves normal, recurring expenses such as utility bills with the exception of the monthly water purchase invoices.

Payables for inventory items are created as follows: Inventory Specialist inputs orders for inventory items into the Tyler Inventory system. The AP Specialist "creates" purchase orders in the system, which allows the inventory items to be received. The Inventory Specialist receives the ordered items in the system against the purchase order creating a payable on the system. When the invoice arrives, the PO

## Attachment A-1

packet (consisting of purchase order & receiving slips) is matched with the invoice, and the invoice is processed for payment.

Non-inventory PO's (with corresponding invoices) and invoices for \$500 or less are approved and forwarded to Finance for payment.

Payments are processed by assembling a voucher package with the PO, receiving slip, invoice, and the check or ACH payment. The Chief Financial Officer reviews the voucher package and initials/dates the attached check register listing. The top section of the check is retained in A/P. The CFO forwards the package to the Chief Executive Officer, who reviews, and signs checks.

All A/P checks require two signatures: The Chairperson of the Board and the Chief Executive Officer. The Chairperson of the Board's signature is affixed using a signature stamp, which is securely stored in the Controller's office. The Chief Executive Officer manually signs each check. The Chief Human Resource Officer serves as a back-up signatory when the Chief Executive Officer is unavailable.

The voucher packages are returned to the AP Specialist for disbursement, mailing and filing (by vendor).

### **Fixed Assets:**

Expenditures for capital items are processed through the A/P system and are coded to capital expenditure accounts, including in-process accounts when applicable. After the assets are complete and in service, the Controller adds the item in Tyler's fixed asset program and reclasses the asset with a debit to the fixed asset account and a credit to the contra capital expenditure account on the G/L.

Capital costs are accounted for in unique expense accounts allowing management and the Board easy line of sight into all expenditures throughout the year as part of their monthly review. The capitalization threshold was set at \$5,000 beginning in the fiscal year ended June 30, 2008.

### **Payroll:**

Payroll (P/R) is processed in-house by Human Resources (Chief HR Officer and/or Executive Assistant). The completed PR is reviewed, approved, and submitted by the CFO to Namely, the Payroll Provider.

The Human Resource Department adds new employees to the P/R system after receiving notification and documentation (name, SS#, position, pay rate, etc.) from the Department Manager and Chief Executive Officer. The Human Resource Department conducts new employee orientation covering pre-employment screenings, policies, procedures, and ensures all new hire paperwork is completed.

All hourly employees clock in and out using timeclocks, a web browser, or cell phone. Non-exempt (hourly) employees receive overtime compensation for hours worked in excess of 40 hours per week during the bi-weekly pay period. Exempt (salary) employees do not receive overtime compensation.

The Department Manager verifies & approves their employees' timesheets. The Executive Assistant reviews the time data and supporting documents for accuracy. Any paid time off (vacation, sick, etc.) used is noted on the timesheet. The Department Manager (or employee if necessary) is contacted regarding any discrepancies or questions.

The HR Executive Assistant inputs timesheet information into the P/R system, processes the P/R, prints out a P/R register. After correcting any errors, the ACH file (containing employee pay amounts and bank

## Attachment A-1

account information) and payroll register are saved to a secure folder. The Chief HR Officer or Executive Assistant e-mails the CFO to notify the CFO that PR is ready for review and approval.

After review of the PR, the CFO prints out supporting reports and transfers funds from the operating to the payroll account to cover the automated ACH initiated by Namely. Payroll checks are printed in very rare instances and mailed overnight from Namely. These checks are either picked up by the individual employee at the administrative office or are distributed by a Department Manager.

401(a) and 457(b) retirement funds and a spreadsheet with applicable details are transmitted bi-weekly to Empower Retirement by the Chief Human Resource Officer. Empower Retirement is also the Third-Party Administrator responsible for keeping records relating to the retirement account such as pre-tax, post-tax, matching funds, contributions, etc.

Namely prepares the quarterly P/R reports (941's, etc.) and processes the W-2's at the end of the year.

P/R information and blank check stock for A/P and P/R are kept in a locked fire-proof room within the main vault.

### **Bank Accounts:**

The Finance Department receives monthly bank statements and reconciles the Operating, Payroll, Flex Plan, Debt Service, Water Education, Customer Activity, and PCard (all Truist), the Capital R&R, Sewer Capacity, Bond and Operating Surplus (during FYE 06/30/23 at Southern States Bank – ICS and MMA), the United Bank Wealth Management account (contains Government MMA and laddered CDs), and two accounts at US Bank for Accrued Interest (closed/funds depleted July 2023) and Project Funds as a result of the SER 2021 Bonds (issued 07/08/21). Most other US Bank accounts only contain monies held in escrow for previously defeased bonds. These account statements are reviewed by the CFO.

The CFO/Controller/AP Specialist reconciles the bank accounts and the CFO/Controller reviews and approves the reconciliations (depending on who performed the reconciliation).

The operating account contains transactions for the following items:

- Deposits – Customer billing (water/sewer), connection fees, and proceeds from other miscellaneous sources of revenue such as obsolete equipment and scrap metal sales;
- Disbursements - A/P

The P/R account is used for isolating all payroll related transactions. The Flex Plan account is used for flexible benefit plan payments. The Sewerage Capacity accounts are used to accumulate payments made for connections, capacity, and by septic haulers. The Bond MMA/ICS account is used to accumulate additional funds in anticipation of upcoming calls for the Authority's debt. The Customer Activity account is used to isolate electronic transactions related to customer payments. The Capital/R&R MMA/ICS account holds money for future system maintenance and infrastructure improvements. The Operating Surplus MMA and the United Bank Wealth Management accounts hold collateral funds for water and sewer deposits, compensated absences and additional general reserves. The Debt Service account serves as the sinking fund for the current fiscal year's debt payments that are made in December and June (deposits made bi-weekly). The Water Education account is used to isolate activity related to the Water Education Team (sponsored by multiple businesses with the Authority acting as custodian of funds). The US Bank account contains Project Funds as a result of issuance of the SER 2021 Bonds. The other US Bank accounts hold existing bond proceeds and escrow funds for future

pledged bond defeasances. During the FYE June 30, 2023 all bank reconciliations were prepared or reviewed and approved by the Chief Financial Officer.

**Cash Receipts/Accounts Receivable:**

See the separate Billing Department memo.

**Financial Close and Reporting:**

Customer Care (Tellers) closes the business day at 4:00 PM with transactions received after that time processed the next business day. The Finance department reviews the posting to the G/L after closing to check for accuracy of the items for the daily close. See the separate Billing Department memo for daily close procedures.

At month-end, bank accounts are reconciled by the CFO/Controller/AP Specialist and reviewed by the Chief Financial Officer or Controller, depending on who performed the reconciliation. The Controller prepares G/L reconciliations for balance sheet accounts at month-end. The reconciliations compare the G/L balances to the subsidiary ledgers and supporting documentation. Adjustments are made accordingly. The Chief Financial Officer reviews the G/L reconciliations and then prepares the monthly financials and monthly report for presentation to the Board. Non-routine transactions are recorded on an as-needed basis.

As a part of the monthly Board meeting, YTD revenue graphs, comparing YTD revenue by type, to Prior Year and Budget are presented. Graphs showing YTD departmental expenses, budget vs. actual and Water Purchases budget vs. actual are also presented.

The Board and CEO are provided copies of the YTD Statement of Net Position, YTD Statement of Revenues, Expenses and Changes in Net Position, and the YTD Statement of Cash Flows for their review.

**Coweta County Water & Sewerage Authority**  
**System Documentation and Internal Controls Related to Billing Department**  
**June 30, 2023**

The Authority has approximately 31,000 active water customers as of June 30, 2023. Meters are read, and billing performed in four cycles each month. Employees in the Cross-Connection department are responsible for reading all meters. The majority of the new Sensus meters are read by AMI, using antennas located on water towers.

For the employee-read meters, an average of 4 to 5 routes (1,100 to 1,300 meters) are read in a day. After the routes are completed, the read data is downloaded into Sensus software and exported to Tyler. Reports indicating meters registering outside normal usage parameters, those not read or potentially misread are generated. Accounts with high usage are rechecked by meter readers the same or next business day. New meters that have been changed out are also read. After all "edits" on the report have been rechecked, the reports are brought to the Billing Specialist, who is responsible for the billing process. All edits must be corrected prior to generating the bills for each cycle.

For the majority of Sensus meters, readings are transmitted hourly from each meter to various antennas. The readings are exported and uploaded to Tyler and then follow the process described above. There are some Sensus meters which must be read manually as they are located in areas not readably by the AMI located on various towers.

Vacant meters are read to ensure water is not used. If a meter is reported as vacant with usage, the Billing Specialist creates a work order to send an employee to lock off the meter. Typically, after not having water, the customer will open an account and pay for water used and any tampering fines assessed. Sometimes meters show zero usage for an active account, which could indicate a clogged meter. Instances of clogged meters have been greatly reduced with the changeout to Sensus meters. An employee is dispatched to either unclog or install a new meter (forwarding the new serial number/beginning reading and the old serial number/final meter reading to the customer care representative). This information is entered in Tyler to ensure the customer will be billed for the water used on the old and new meters.

A monthly base charge is assessed for a meter installed, regardless of whether water was used for the period. Residential customers are charged \$16, church/school and commercial /industrial customers are charged \$16 and \$26/month base charge, respectively. This charge is intended to cover the Authority's fixed costs.

**Billing**

The Billing Specialist performs the billing process for each cycle – see table below. The Accounts Payable Specialist serves as backup. As part of the process Tyler creates a file containing the billing data which is uploaded to DataMatx's secure website. DataMatx distributes bills by postal mail. Bills are mailed out 2 business days before actual billing date of each month. E-mailed bills are completed in-house by the Billing Specialist on the day of or day after transmitting bills.

Billing and due dates are as follows:

Cycle	Billing Date	Due Date
1	15 <sup>th</sup>	29 <sup>th</sup>
2	22 <sup>nd</sup>	6 <sup>th</sup>
3	1 <sup>st</sup>	15 <sup>th</sup>
4	8 <sup>th</sup>	22 <sup>nd</sup>

**Revenue Collections and Posting to Accounts**

As of June 2023, the Coweta County Water & Sewerage Authority has the following options to collect revenue:

- Cash
- Check
- eCheck
- Money Order
- Debit Card
- Credit Card
- Bank Draft (Autopay)
- Credit Card Drafts (Autopay)
- ACH Payments
- Electronic Bank Payments (AR Box Imports)

Customers may pay their bill in person (at our office), via USPS or other delivery services, online and interactive voice response (IVR). To pay online or IVR the customer must have their account number and last payment amount. If a customer needs their account number or last payment amount, they may call the Customer Care department and after identifying themselves with name and last four of their social security number (or Tax ID number), be given the information. No payments are processed by CCWSA employees.

**Daily Deposit and Balancing Procedures**

Throughout the day payments are processed when received in person, via the mail and the night depository. The Authority ends the current business day at 4:00PM. Transactions received after that time are processed on the next business day. Following the cut-off time, the customer care representative for the teller area prepares the deposit by running a deposit packet in Tyler. Each teller confirms their cash, change and checks against the Tyler balance and then closes their day. A customer care representative collects the balances and confirms the total with Tyler then closes out. The Authority implemented remote deposit capture in September 2015. Prior to that time, all cash, change and checks for the daily deposit were placed in a locked bank bag and taken to the bank the next business day. With the implementation of remote deposit capture, checks are run through the remote capture device, securely submitted to Truist then stored onsite securely for 60 days and then destroyed. Daily cash is stored in a locked bank bag in the vault and taken to the bank daily or as necessary.

**Bank Draft**

The Authority provides bank draft to its customers. After completing the bank draft form and providing the required information, the customer returns the form to customer care. A Customer Care Representative inputs the bank information into the customer’s account in Tyler. During the billing cycle a bank draft file is created. The bank draft file and securely uploaded on the bank draft date designated

on the billing calendar using a Truist-provided data token to Digital Treasury (Truist). A copy of the bank draft report is included in the daily deposit for the draft.

**Bank Adjustments**

Bank adjustments are sent to the Authority if a check was written out differently than the number amount on the check. Banks go by the written portion of the amount on the check, not the number amount written. Using the copy of the deposit correction provided by the bank, the Authority checks the amount and then adjusts the deposit and customer account.

**Late Charge Fees**

If a customer bill is unpaid by the due date, the outstanding balance on the account is assessed a 10% late charge. As a courtesy, the Authority may waive late fees once per year.

**Automated Phone System**

Customers owing a past due balance of more than \$26.00 will receive reminder phone calls 2 to 3 days before they are scheduled for disconnection. The call lets customers know that their service is scheduled for disconnection if payment is not received. If a customer has an e-mail address on file, a notification is also sent via e-mail prior to the scheduled disruption.

**Continuation of Service Fees- Disconnections**

Once a customer has two unpaid bills, they become subject to disconnection of service and are charged a \$50.00 continuation fee. Customer care representatives attempt to contact customers to request payment and notify that they are subject to disconnection of service. If the customer does not pay their total balance including the continuation fee, their service is disconnected. If no payment is received in the week following disconnection, the account is office terminated and the customer has to apply for new service.

**Returned Checks**

The Authority receives returned checks for various reasons and assesses a \$30.00 return payment fee. Return ACH check notifications are sent to accounts payable in a password-encrypted file. Returned check notifications are received via postal mail. Returned eCheck and credit card notifications are received through the Chase Paymentech portal. The payment amount and the return payment fee are added to the customer account by the Accounts Payable Specialist/Controller. After three returned checks the Authority will only accept cash, credit/debit card or money order payments. The AP Specialist mails the customer a notification of the returned payment.

**Account Adjustments**

The Authority began offering self-funded leak coverage to its customers during FY16. Residential customers may elect to carry \$1,000 or \$2,000 coverage for \$2 and \$4/month, respectively. Church/school and commercial /industrial customers may carry \$5,000 or \$10,000 coverage for \$10 and \$20/month, respectively. All customers may opt out of the coverage. The program provides one adjustment every 12 rolling months for up to two bills provided the customer meets the criteria described in the Leak Adjustment Policy.

Other adjustments are made such as for a sewer credit when sewer customers fill their swimming pools annually.



**Bankrupt Balances**

Bankruptcy claims are verified against customer data in Tyler. If the customer has a balance the Authority will credit the balance through the date of the bankruptcy. The bankruptcy notice is scanned to the customer's account. Balances accrued following the bankruptcy date are not waived and owed by the customer.

**Payment Plan**

If a customer has a large bill due and is unable to pay the bill by the due date, the Authority may offer a payment plan. The amount owed is calculated according to what the customer can pay and can last from 6 to 24 months at the customer service manager's discretion. The customer must sign the payment plan and agree to pay the allotted sum plus their current bill each month. A contract adjustment is made on the account for the balance, which bills the customer the agreed-upon amount in addition to current billing until the total payment plan has been satisfied. Late fees or continuation of service fees can be assessed during the payment plan period if payment is not made on time. The customer agrees to pay this amount each month before their due date. If the agreed upon amount is not paid, the bill is due and payable in full. During the payment plan, the customer cannot have returned checks or extensions beyond the due date.

**Installment Plan**

The Authority offers a Meter Installment Plan for customers that cannot pay for a meter connection in one payment. This program only applies to residential/church customers and allows the customer to make a down payment (\$350) and pay monthly installments until the meter is paid in full.

**Service Agreements and Security Deposits**

The customer must complete a service agreement, a billing procedure form and provide photo identification and a copy of their rental agreement or the home purchase agreement (HUD-1). A \$75.00 activation fee is charged upon opening of each new account, with a few exceptions, such as the existence of a Landlord Leave On Agreement or installation of a new meter. Deposits are no longer required for CCWSA customers as of July 1, 2023.

Security deposits remain on customer accounts opened prior to July 1, 2023 until the service is terminated. After two years of payments made on time and no late fees or returned checks, the customer can ask to have their deposits applied to the balance of the account.

**Deposit Refunds**

When a customer terminates service, a "termination of service" form is completed, and the forwarding address and date of termination noted. The information is entered into Tyler and the account is finalized. After the billing cycle is completed, Tyler takes the final bill out of the deposit and refunds the remaining amount. Refund checks are created during the regular billing process. The AP Specialist mails the customer's refund check after the check procedures noted above are followed. If the customer has a final bill with a credit and has another current active account, the credit is transferred to the remaining active account when possible. Customers that have overpaid and request a refund are processed by the AP Specialist and approved by the Chief Financial Officer.

**Landlord Leave On Agreements**

Customers that have one or more rental properties can request that the water service to be cut on and transferred back into their name automatically when the renter moves out. The owner (Landlord) of the property is asked to sign a customer service agreement and Landlord Leave On Agreement. Only an initial activation fee of \$75.00 is charged.

**Water Ban Restrictions**

Water ban restrictions are mandated by the state and are changed as the Authority is notified.

**Inactive Accounts with Balances**

Terminated accounts with outstanding balances are reviewed periodically to see if a new account has been opened, in which case the old balance is transferred to the new account. Customer care representatives have been trained to search for old accounts when a customer comes in to establish service and collect the outstanding balance prior to establishing the new service.

**Security Procedures**

Walk-in payments are handled securely so that information cannot be misused. No credit card information is shared with CCWSA employees. If a credit card number or any personal information is misused in anyway, the Coweta County Water and Sewerage Authority's Chief Information Officer, Truist, law enforcement and the customers affected will be contacted immediately.

The Authority attempts to perform all reasonably possible due diligence to protect records and information. The Authority carries cyber liability coverage to help protect customers and itself from any potential security breach liability.

**DRIP Program**

On June 1, 2019, the Authority introduced the DRIP Program to enable its customers to round-up their monthly bills to the next dollar, with those amounts accumulated and donated to local charities selected by the Board Members of the Authority. Customers may also elect to make additional contributions, beyond the round-up amount. All customers were provided several methods to notify of their intent to opt-out of the program if they wished to do so. DRIP Program funds are held by the Community Foundation of West Georgia.

**ATTACHMENT B: MANDATORY PRE-QUALIFICATION FORM**

To be answered by Contractor

Section A - General Information

1. Firm Name: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Telephone Number: \_\_\_\_\_

Email address: \_\_\_\_\_

2. Address: \_\_\_\_\_

\_\_\_\_\_

3. Firm FEI Number: \_\_\_\_\_

4. Firm's Georgia CPA State License Registration Number: \_\_\_\_\_

5. Type of Accounting Practice (place an "X" next to the appropriate response)

- a. \_\_\_\_\_ Individual
- b. \_\_\_\_\_ Partnership
- c. \_\_\_\_\_ Corporation - Give name of the State where incorporated:  
\_\_\_\_\_

Section B - Contractor Firm's Quality Program For Audits

Please answer each of the following questions by placing an "X" in the proper column at the right.

CHECK ONE

YES      NO

- 1. Quality Control: Does the Contractor Firm have internal procedures to ensure proper quality control for its governmental audit assignments?  
(If yes, ATTACH A DESCRIPTION OF THE PROCESS)      \_\_\_\_\_
  
- 2. Quality Review: Does Contractor Firm participate in an External Quality review program every 3 years? (If yes, ATTACH A COPY OF LAST PEER REVIEW OR QUALITY REVIEW REPORT AND LETTER OF COMMENT.)      \_\_\_\_\_

CHECK ONE

YES      NO

PLEASE ENTER ENDING DATE OF LAST PERIOD COVERED BY REVIEW \_\_\_\_\_)

If no, explain the reason and your plan to participate. \_\_\_\_\_

3. Professional Membership: Do the partners of the Contractor Firm belong to either the AICPA or the Georgia Society of CPAs? If so, please provide membership number. \_\_\_\_\_

4. Proper License: Is Contractor Firm properly licensed to practice public accounting in Georgia? If so, please provide license number. \_\_\_\_\_

5. Special Governmental Audit Requirements: Is Contractor Firm familiar with the AICPA's Code of Professional Conduct ET Section 1.400.055 – “Governmental Audits”? (According to this section, if a CPA agrees to follow specified standards, guides, rules and procedures in addition to GAAS, then the CPA is OBLIGATED to follow all such requirements.) \_\_\_\_\_

6. Subcontracts: Does Contractor Firm agree not to subcontract any work required without the prior express written consent of the auditee? \_\_\_\_\_

7. Federal Audit Laws and Rules: If federal audit work is required, does Contractor Firm agree to perform the audit work in accordance with the Single Audit Act Amendments of 1996, **UGG Subpart F**, and AICPA Audit Guide “*Government Auditing Standards* as necessary? \_\_\_\_\_

CHECK ONE

YES      NO

8. Confidentiality: Does Contractor Firm agree not to publish or distribute any information concerning work done for auditee, except as provided by law or rule? \_\_\_\_\_
9. Access to Records and Workpapers: Does Contractor Firm agree to keep workpapers and reasonable records to support work claims for at least **5 years** and make them available for audit or review by any authorized parties? \_\_\_\_\_
10. Other Federal and State Laws and Rules: Does Contractor Firm agree to comply with all other Federal and State laws, rules and regulations which pertain to this engagement? \_\_\_\_\_
11. Independence: Does Contractor Firm meet the independence standards of the current "Government Auditing Standards", issued by the Comptroller General of the United States?  
(If "No", attach a brief summary of facts.) \_\_\_\_\_
12. Continuing Education: Does Contractor Firm have sufficient staff who meet continuing professional education requirements for government audits as set forth in "Government Auditing Standards"? \_\_\_\_\_
13. Conflict of Interest: Does Contractor Firm declare that there is no public or private interest which would conflict in any manner with performance of an audit for the auditee or would violate any laws of the State of Georgia? \_\_\_\_\_
14. No Substandard Work: Do Contractor Firm and all proposed Audit Team Members have a record of an

CHECK ONE

YES      NO

acceptable standard of audit work? (Contractor Firm must answer this question "No" if the Firm or any Audit Team Member has received an enforcement action for substandard audit work during the past three years or has a related investigation pending by a professional or regulatory group. Attach a brief summary of any enforcement actions.)

\_\_\_\_\_

15. Ethics: Does Contractor Firm certify that its proposals are made without collusion or fraud and that it has not offered or received any kickbacks or inducements from any other auditor, supplier, manufacturer or subcontractor in connection with their proposals, and that it has not conferred on any government entity employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged; that it is not in violation of the Official Code of Georgia Annotated, Sections 16-10-2 and 16-10-22, for acts of bribery and/or conspiracy in restraint of free and open competition in transactions with state or political subdivisions?

\_\_\_\_\_

16. Provisions of RFP: Does Contractor Firm agree to abide by all General Terms and Conditions and Special Terms and Conditions specified in the RFP?

\_\_\_\_\_

**CONTRACTOR FIRM CERTIFICATION STATEMENT**

I (we) certify that the information contained herein is true and correct to the best of my (our) knowledge, and that the person submitting the RFP on behalf of the proposer has the authority to submit this RFP and make all representations contained herein. I (we) understand that the inclusion of false information may result in rejection of the proposal submitted in response to this RFP.

\_\_\_\_\_  
Contractor Firm Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Preparer

## **ATTACHMENT C: MODEL FORMAT OF PROPOSAL**

To simplify the review process and obtain the maximum degree of comparability, proposals should be organized in the manner specified by the RFP. The following outline includes all the information called for in the RFP.

### COMPLETE COPY OF THE REQUEST FOR PROPOSALS

1. Provide a complete copy of the Request for Proposals, including all Attachments.
2. Sign the Request for Proposals in ALL places requiring signature.
3. Complete and sign the Mandatory Pre-Qualification Form (Attachment B).

### TECHNICAL COMPONENT OF PROPOSAL

#### Title Page

Show the RFP subject, the name of the proposer's firm, local address, telephone number, name of the contact person, email address of the contact person, and the date.

#### Table of Contents

Include a clear identification of the material by section and by page number.

#### Letter of Transmittal

Limit to one or two pages.

1. Briefly state the proposer's understanding of the work to be done. Make a positive statement that deadlines specified in the RFP will be met.
2. State the names of the persons who will be authorized to make representations for the proposer, their titles, addresses, email addresses, and telephone numbers.
3. State that the person signing the letter will be authorized to bind the proposer.
4. State the name of the partner assigned to this engagement and the name of the partner assigned the responsibility for the quality of the report and working papers.

#### Profile of the Proposer

1. State whether the firm is local, regional, national or international.
2. State the location of the office from which the work is to be done and the number of



partners, managers, supervisors, seniors, and other professional staff employed at that office.

3. Describe the range of activities performed by the local office such as auditing, accounting, tax service, or management services.

#### Summary of the Proposer's Qualifications

1. State the identity of the partners and managers who will work on the audit, including staff from other than the local office. Resumes including relevant experience and continuing education for each supervisory person to be assigned to the audit should be included. (The resumes may be included as an appendix.)

Specify governmental CPE attended in the past 24 months by the partner(s) and each person to be assigned to this engagement. Hours should be shown separately for those that qualify for the requirements of *Government Auditing Standards* and other hours that do not.

2. Describe the recent local office auditing experience similar to the type of audit requested. Rank these audit engagements according to total staff hours. Indicate the scope of work, dates when work was performed, engagement partner(s), total hours, and the name and telephone number of the client contact. A maximum of 5 (five) of the most significant audit engagements performed in the last three (3) years similar to the engagement described in this request for proposals should be provided.

#### Proposer's Approach to the Audit

1. Submit a work plan to accomplish the scope defined in Section III of this RFP. The work plan must include time estimates for and identify each significant segment of the work and the staff level to be assigned. The planned use of specialists must also be specified. In developing the work plan, reference should be made to such sources as the government entity's budget and related materials, organizational charts, programs, and financial and other management information systems. Proposers will be required to provide the following information on their audit approach:
  - a. Sampling techniques and the extent to which statistical sampling may be used in

- the engagement;
- b. Extent of the use of EDP software in the engagement;
  - c. Type and extent of analytical procedures that may be used in the engagement;
  - d. Approach to be taken to gain and document an understanding of the government entity's internal control;
  - e. Approach to be taken in determining laws and regulations that will be subject to audit test work; and
  - f. Approach to be taken in drawing audit samples for purposes of tests of compliance.
2. The proposal should identify and describe anticipated audit problems (if any), the firm's approach to resolving these problems and any special assistance that will be requested from the government entity.

#### Additional Data

Since the preceding sections are to contain only data that is specifically requested, any additional information considered essential to the proposal should be separately bound. The proposer's general information publications, such as directories or client lists, should not be included. If there is no additional information to present, include a statement as the last section of the technical component of the proposal that "there is no additional information we wish to present".

#### COST COMPONENT OF PROPOSAL

(To be included in a SEPARATE, SEALED envelope)

State the total hours and hourly rate required by staff classification and the resulting all-inclusive maximum fee, including out of pocket costs for which the requested work will be done. State the amount of professional services, in hours, allowed each year without additional cost to the auditee. A separate all-inclusive fee must be stated for each audit for each year.

The recommended format of the cost component is shown on the following page.

FIRM NAME: \_\_\_\_\_

**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES  
FOR THE AUDIT OF THE \_\_\_\_\_ FINANCIAL STATEMENTS**

Enter Year

(Complete one Schedule for each year covered by the proposal)

	HOURS	HOURLY RATES	TOTAL
PARTNERS	_____	_____	_____
MANAGERS	_____	_____	_____
SUPERVISORY STAFF	_____	_____	_____
OTHER (SPECIFY)	_____	_____	_____
TOTAL FOR SERVICES DESCRIBED IN RFP			_____
OUT OF POCKET EXPENSES (See Section IV.B.3 for allowability):			
MEALS AND LODGING			_____
TRANSPORTATION			_____
OTHER (SPECIFY)			_____
<b>TOTAL ALL-INCLUSIVE PRICE FOR _____ AUDIT</b>			_____
<b>AMOUNT OF PROFESSIONAL SERVICES, IN HOURS, ALLOWED FOR _____ YEAR WITHOUT ADDITIONAL COST</b>			_____

**ATTACHMENT D: SAMPLE FORMAT FOR NOTIFICATION OF INTEREST  
LETTER**

***Enter name and address of government entity official responsible for RFP***

***Enter salutation to government entity official responsible for RFP***

Our (my) firm is interested in submitting a proposal to audit the (***Enter name of government entity's***) financial statements for the fiscal year ended (***Enter Fiscal Year End and the two subsequent fiscal years***) as set forth in the Request for Proposals issued (***Enter RFP Issue Date.***)

**SELECT ONE OF THE FOLLOWING PARAGRAPHS**

We will have [#] representative(s) attend the proposers' conference for firms interested in submitting proposals. The proposers' conference will be held in (***Enter address***) on (***Enter date***) at (***Enter time.***)

**OR**

We will be unable to send representatives to the proposers' conference, but are interested in receiving further correspondence concerning inquiries made or other items discussed at that conference.

Sincerely,

[Audit Firm]