

FRIPP ISLAND PUBLIC SERVICE DISTRICT

**REQUEST FOR PROPOSALS
RFP 2022-2023
FINANCIAL AUDIT SERVICES**

The Fripp Island Public Service District (FIPSD) is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal period ending June 30, 2023, with the option of auditing its financial statements for each of the two subsequent fiscal years.

These audits are to be performed in accordance with generally accepted auditing standards. Proposals are due by **1:00 PM, March 21, 2023**. Proposals should be e-mailed to angiehughes@fipsd.org or mailed to FIPSD, Attn: District Manager, at 291 Tarpon Boulevard, Fripp Island, SC 29920. All proposals should be clearly marked “RFP 2022-2023 Financial Audit Services.” Proposals must address all the issues reflected in the attached requirements document/questionnaire and the proposal price summary attachment to be considered responsive.

The proposal evaluation process will be completed within thirty (30) days of receipt of proposals, and the prospective provider of this service will be identified. The pricing data reflected in your proposal must be good through **July 31, 2023**.

All offerors may submit questions or requests for clarification in writing by no later than **March 6, 2023**. Any inquiries concerning the request for proposal should be addressed to the District Manager. After that date, no more questions or requests will be accepted. Questions or requests for clarification and responses will be provided to all offerors by **March 15, 2023** via publication to the District’s website.

The FIPSD reserves the right to accept or reject any or all proposals received as a result of this request for proposals or to negotiate with all qualified offerors, or to cancel, in part or in its entirety, this request for proposals if it is in the FIPSD’s best interest to do so.

This solicitation does not commit the FIPSD to award a contract or to pay for any costs incurred in the preparation of your proposal or to procure or contract for any goods or services.

Your proposal must be signed by an official of your company authorized to commit to and enter into a formal contract for goods and services.

The FIPSD does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or in the provision of goods and services.

1.0 **SPECIAL INSTRUCTIONS TO OFFERORS:**

1.1 **Purpose of RFP**

This request solicits proposals to provide the FIPSD auditing services for the fiscal period ending June 30, 2023, with the option of auditing its financial statements for each of the two subsequent fiscal years. RFP requirements and auditing service data can be found in Section 4.0 of this document.

It is the FIPSD's intent to select the most qualified vendor based on an evaluation of the proposals utilizing the following selection criteria:

- Depth of the firm's governmental auditing experience
- Firm size and organizational structure
- Qualifications of staff assigned to the PSD
- On-going training programs provided to the firm's staff
- Cost of Services

1.2 **General Information about the FIPSD**

The Fripp Island PSD is a governmental body that provides beach erosion control, fire protection, and water and wastewater services to more than 1,600 customers (both residential and commercial) on Fripp Island. The District was created by Act No. 1042 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina for the year 1962. Act No. 1042 has been periodically amended since its enactment.

The PSD provides:

- Fire protection and emergency medical services.
- Beach erosion control.
- Tap water distribution.
- Sanitary sewer collections.
- Wastewater treatment.
- Operation & maintenance of bridge providing vehicular access to Fripp Island

The accounts of the PSD are organized and operated on the fund basis of accounting, with all funds classified into two categories: governmental and proprietary. At June 30, 2022, the PSD had total assets of approximately \$28.4 million and for the year ended June 30, 2022, total revenues were approximately \$3.9 million. More information about the PSD can be found on the website at www.fipsd.com and in the PSD's Audited Financial Statements, which are available upon request.

The District is governed by a six-member Board of Commissioners. Commissioners are elected by registered voters of the District during general elections. The Commission employs a District Manager who is responsible for overseeing the operations of the District and reporting to the Commission.

1.3 General Background Information

The District Manager provides the following core services:

- Provide strong financial leadership in all areas of activity undertaken by the PSD.
- Promote the use of technology to ensure the efficient use of the PSD's resources.
- Develop and manage the PSD's financial policies and exercise budgetary controls over all expenditures.
- Provide effective cash and debt management for the PSD ensuring strong bond ratings are maintained.
- Compile accurate comprehensive annual financial reports and budgets in compliance with governmental standards, practices and recommendations.
- Ensure the District is committed to providing the highest quality customer services.
- Provide administration of the PSD's general ledger, payroll, accounts payable, collections, and financial audits.

2.0 ADMINISTRATIVE AND CONTRACTUAL INFORMATION

2.1 Inquiries

All inquiries for information regarding procedures, selection criteria, proposal submission requirements, technical operating environment, or other fiscal/administrative concerns shall be directed to:

Angel Hughes, District Manager
Fripp Island PSD
291 Tarpon Boulevard
Fripp Island, SC 29920
843-838-2400
angiehughes@fipsd.org

2.2 RFP Specifications

This RFP is intended to describe the PSD's requirements and provide a response format in sufficient detail to secure comparable proposals.

2.3 Implied Requirements

All products and services not specifically mentioned in this RFP, but which are necessary to provide the functional capabilities described by the vendor, must be included in the proposal.

2.4 Vendor-Supplied Materials

Any material submitted by a vendor shall become the property of the PSD unless otherwise requested at the time of submission. Any material considered confidential in nature must be so marked.

2.5 Vendor's Proposals

Vendors must submit a response to this RFP in writing. The vendor's proposal must follow the format provided in Section 4 of this document. Any proposals that do not follow the format outlined in this RFP will be deemed non-responsive.

2.6 Economy of Preparation

Proposals should be prepared simply and economically. Emphasis should be placed on clarity and content. All of the questions in the requirements sections of this RFP must be completed in their entirety. Any proposal that fails to respond to all the questions will be deemed non-responsive.

2.7 Response Date

Proposals must arrive at the PSD offices on or before the date and time specified in this RFP to be considered. Proposals not received by the PSD by proposal closing time will be returned, after receipt, unopened to the vendor.

3.0 RFP EVALUATION PROCESS

3.1 Review of Proposals

The review of submitted proposals will occur as soon as practical following the date they are due. The review process will involve evaluating all proposals for completeness, conformity, clarity, and compliance to the RFP requirements. Proposals not meeting minimum requirements will be considered non-responsive and excluded from further consideration.

3.2 MANDATORY Criteria:

Provide a statement affirming each of the following requirements:

- a) Licensed CPA firm: Affirm that the proposer is a properly licensed certified public accounting firm in the State of South Carolina.
- b) Independence Standards: Affirm that the proposer meets all applicable independence requirements.

3.3 Oral Presentation

Vendors whose proposals are responsive may be selected to make an oral presentation. The PSD may select the most qualified proposals from those received and schedule on-site presentations.

3.4 Vendor Selection

After the oral presentations have been completed, if deemed necessary, the preferred vendor will be identified for final negotiations. The content of this RFP and the successful vendor's proposal will become a part of the final contract documents.

4.0 RFP REQUIREMENTS AND GENERAL INFORMATION

4.1 General Information

The Fripp Island PSD operates as a governmental entity and accounting for all activities is contained within four major governmental funds and a single proprietary enterprise fund under the accrual basis. The PSD's accounting system is on a network server and uses the emGovPower financial accounting software program.

4.2 Scope of Audit

The PSD's governmental and proprietary enterprise funds shall be audited. The PSD will have closed and balanced all accounts to be examined by the auditor by, on or around **August 31st** of each year. Audit preparation lists should be provided to the PSD no later than **July 31**.

Special reports shall be prepared concurrently with the report on the General Purpose Financial Statements required above or at other times as specifically required by law, and contracts.

The auditors shall observe the adequacy of the system of internal control. If weaknesses are noted, appropriate recommendations should first be reviewed with the appropriate officials and included in a separate letter to the PSD Commission.

4.3 Auditing Standards

The examination shall be conducted in accordance with (a) generally accepted auditing standards as promulgated by the American Institute of Certified Public Accountants (AICPA) including the AICPA's Industry Audit Guide, Audits of State and Local Governmental Units; (b) Standards for financial audits as set forth in the U.S. Government Accountability Office's Government Auditing Standards (2003), known as the Yellow Book (c) Provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; (d) Rules of the South Carolina State Auditor; and (e) any other applicable Federal, State, Local Regulations or Professional Guidance not specifically listed above.

4.5 Completion of Work

The auditors must complete all audit work and provide a "Draft" Audit Report to the PSD on or before **October 31**. A Final Audit Report shall be provided on or before **November 30**.

4.6 Information to be Requested from the Proposer

In order to accomplish a uniform review process and to obtain the maximum degree of comparability, it is required that proposals be organized in the manner specified. **Proposals should be limited to twenty (20) pages single spaced with a minimum font size of 11, including any cover letter.** Resumes included in an appendix are not included in the 20-page limit.

1. Title Page

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

2. Table of Contents

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

3. Letter of Transmittal

Limit to one or two pages.

Briefly state the proposer's understanding of the work to be done and make a positive commitment to perform the work within the time period. Please describe your audit approach and methodology including your assessment of internal controls, your expected use of sampling, and the assistance expected from FIPSD staff. If applicable, please include a description of your plan for transitioning from prior auditors. Give the names of the persons who will be authorized to make representation for the proposer, their titles, addresses and telephone numbers.

4. Profile of the Proposer

State whether the firm is local, national or international.

Give 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.

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

5. Summary of the Proposer's Qualifications (in addition to minimum qualification)

Identify the partners, managers, and seniors who will work on the audit, including staff from other than the local office. Resumes for each person to be assigned to the audit should be included. (The resumes may be included in the appendix.)

Describe recent local and regional office auditing experience similar to the type of audit requested and provide a list of names, telephone numbers, and the contact person of the municipalities for whom your local and regional office has performed an audit in the **last (5) years only**. In addition, please provide the date and result of your last peer review.

6. Fee Schedule

Please provide the estimated hours for each category of personnel (partner, manager, senior, staff accountants, clerical, etc.) along with rates per hour categorized into the following: preliminary planning, on-site fieldwork, file work performed in the auditor's office, and completion procedures.

Occasionally the PSD may also request consulting services outside of the scope of the annual audit; please provide estimated hourly rates for such consulting services.

The auditors shall familiarize themselves with and comply with the provisions of any and all federal, State and County Orders, Statutes, Ordinances, Charter, Bond Covenants, Administrative Code and Orders, Rules and Regulations which may pertain to the work required in the engagement.

7. The Audit Proposal Summary Sheet.

4.7 **Evaluation of Proposals**

Proposals will be evaluated to ascertain which proposer best meets the needs of the requester.

1. Responsiveness of the proposal, in clearly stating the understanding of the work to be performed.
2. Technical experience of the firm.
3. Experience and professional activities of the audit team.
4. Size and structure of the firm.
5. Total fee including all direct and indirect costs and out-of-pocket expenses and a schedule of hourly rates for additional services, preferably for each year for the next two years.

4.8 **Additional Information and Contact**

1. The PSD will not be liable for any costs incurred in the preparation of the proposals.
2. The proposer shall furnish the PSD such additional information as the PSD may reasonably require.
3. The PSD will not be liable for any costs which were not included in the proposal unless subsequently contracted for costs.
4. The PSD will not be liable for any costs incurred by the proposer in connection with doing an on-site presentation (i.e. travel, accommodations, etc.)
5. Proposers wishing additional information or clarification of information provided herein should contact the District Manager, Angel Hughes, 291 Tarpon Boulevard, Frupp Island, SC 29920. Phone (843) 838-2400. Email: angiehughes@fippsd.org.

EXHIBIT A
Fripp Island Public Service District

Unrestricted Bank Accounts

- General Operating Accounts (4 accounts)
- Beaufort County General Operating Levy Millage Accounts (2 accounts)

Restricted Accounts & Debt Service Funds

- Bank Account Restricted for Capital Projects
- Bank Account Restricted for Proceeds of Revenue Bond
- Beaufort County GO Debt Levy Fund
- Beaufort County Front Foot Assessment Debt Service Fund
- Synovus Bank Trustee Account – Debt Service Fund

Payroll

- Payroll is outsourced to APS Payroll
- Number of full-time FIPSD employees 6
- Number of part-time FIPSD employees 19
- Most Employees are on direct deposit

Frequency of Payroll

Bi-Weekly

Frequency of Billing

Quarterly – EOQ

Accounts Payable

Number of Accounts Payable Checks for FY 2022 - 603

Long Term Debt

Outstanding Revenue Debt/Notes: 1 Outstanding Issuance - \$2,373,814

Outstanding General Obligation Debt/Notes: 5 Outstanding Issuances - \$7,551,528

For more detail regarding the District Finances visit the District website at <https://www.fipsd.org/all-forms-and-reports> and review the Fiscal Year 2022 Audited Financial Statements. Prior year audited financial statements are available upon request.

Fripp Island PSD

Audit Proposal Summary Sheet

Name of the firm: _____

Address: _____

Phone number: _____

Contact person: _____

Persons responsible for audit **# years with the firm**

Partner: _____

Manager: _____

Senior: _____

Staff: _____

Fee **Add'l hourly rate**

2022 - 2023 _____

2023 – 2024 _____

2024 – 2025 _____

Comments: _____

REFERENCES

Government Entity	Contact Person	Phone Number	Years of Engagement
1.			
2.			
3.			
4.			

Signature Title Date