

WAKULLA COUNTY BOARD OF COUNTY COMMISSIONERS

WAKULLA COUNTY AUDIT COMMITTEE

REQUEST FOR QUALIFICATIONS

FOR

PROFESSIONAL AUDITING SERVICES

AUGUST 19, 2007

RFQ # WC2007-012

3093 CRAWFORDVILLE HIGHWAY
CRAWFORDVILLE, FLORIDA 32327

WAKULLA COUNTY BOARD OF COUNTY COMMISSIONERS

REQUEST FOR QUALIFICATIONS

TABLE OF CONTENTS

- I. INTRODUCTION
 - A. General Information
 - B. Term of Engagement
 - C. Subcontracting

- II. NATURE OF SERVICES REQUIRED
 - A. General
 - B. Scope of Work to be Performed
 - C. Auditing and Attestation Standards to be Followed
 - D. Reports to be Issued
 - E. Working Paper Retention and Access to Working Papers
 - F. Implied Requirements

- III. DESCRIPTION OF THE GOVERNMENT
 - A. Name, Location and Telephone Number of Contact Persons
 - B. Background Information
 - C. Reporting Entity
 - D. Fund Structure
 - E. Budgetary Basis of Accounting
 - F. Federal Awards and State Financial Assistance
 - G. Pension Plans

- IV. TIME REQUIREMENTS
 - A. Proposal Calendar
 - B. Schedule for the September 30, 2007 Fiscal Year Audit
 - C. Progress Reporting, Draft Reports and Exit Conference
 - D. Date Final Report is Due

- V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION
 - A. Finance Department and Clerical Assistance
 - B. Work Area and Communication Equipment
 - C. Statements, Schedules and Report Preparation

VI. PROPOSAL REQUIREMENTS

A. General Requirements

1. Inquiries
2. Submission of Proposals

B. Technical Proposal

1. General Requirements
2. Independence
3. License to Practice in Florida
4. External Peer, Quality Control and Desk or Field Reviews
5. Firm Qualifications and Experience
6. Partner, Supervisory and Staff Qualifications and Experience
7. Affirmative Statements Related to Employment Policy
8. Insurance Requirements
9. Prior Engagements with Wakulla County, Florida
10. Similar Engagements with Other Government Entities
11. Specific Audit Approach
12. Identification of Anticipated Potential Audit Problem

C. Pricing

1. General Requirements
2. Manner of Payment

VII. EVALUATION, REVIEW AND RANKING PROCEDURES

A. Audit Committee

B. Review and Ranking of Proposals

C. Evaluation Criteria

1. Mandatory Elements
2. Technical Qualifications
3. Oral Presentations

D. Right to Reject Proposals

ATTACHMENTS

- A. Wakulla County, September 30, 2006, single bound Audited Financial Statements
- B. Wakulla County Clerk of Circuit Court, September 30, 2006, individually bound Audited Financial Statements
- C. Wakulla County Tax Collector, September 30, 2006, individually bound Audited Financial Statements
- D. Wakulla County Sheriff, September 30, 2006, individually bound Audited Financial Statements
- E. Wakulla County Property Appraiser, September 30, 2006, individually bound Audited Financial Statements
- F. Wakulla County Supervisor of Elections, September 30, 2006, individually bound Audited Financial Statements
- G. Schedule of Activity on the Landfill Closure and Long-Term Care Escrow Account
- H. Statement of County Funded Court-Related Functions
- I. Sample Auditor Request List
- J. List of Other Key Personnel
- K. Schedule of Federal Awards and State Financial Assistance
- L. Independent Accountant's Report on Applying Agreed-Upon Procedure – Wakulla County Housing Authority

WAKULLA COUNTY BOARD OF COUNTY COMMISSIONERS
REQUEST FOR QUALIFICATIONS

I. INTRODUCTION

A. General Information

The Wakulla County Board of County Commissioners, Florida, is required by Florida law (Section 218.39, Florida Statutes) to have an annual “financial audit.” There is no expressed or implied obligation for the Wakulla County Audit Committee to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

All conditions and requirements set forth in this request for qualifications shall become conditions of the contract between Wakulla County Board of County Commissioners and the selected firm unless otherwise stated in the contract. Any questions about the engagement or inquiries concerning the request for qualifications should be addressed to Tim Barden, Director of the Office of Management and Budget, 3093 Crawfordville Highway, Crawfordville, Florida, 32327.

To be considered, a master copy (so marked) and ten (10) copies of a proposal must be received by Tim Barden, Director of Office of Management and Budget, 3093 Crawfordville Highway, Crawfordville, Florida, 32327 by 2:00 p.m. on Thursday, September 20, 2007. The Wakulla County Audit Committee reserves the right to reject any or all proposals submitted.

Pursuant to Section 218.391(3) (d) of the Florida Statutes, proposals submitted will be evaluated by the six (6) member Wakulla County Audit Committee consisting of:

Andrea Simpson, Deputy County Administrator
Brent Thurmond, Clerk of Circuit Court
Cheryll Olah, Tax Collector
David Harvey, Sheriff
Donnie Sparkman, Property Appraiser
Sherida Crum, Supervisor of Elections

Each of the members reserves the right to designate an individual to represent their office in their stead. During the evaluation and ranking process, the Wakulla County Audit Committee reserves the right, where it may serve Wakulla County Board of County Commissioner’s best interest, to request additional information or clarifications from those firms proposing, or to allow corrections of errors or omissions.

The Wakulla County Audit Committee reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for qualifications, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between Wakulla County Board of County Commissioners and the firm selected.

It is anticipated that the Wakulla County Audit Committee will evaluate and rank qualified firms on Wednesday, September 26, 2007. Contract negotiations will commence following the selection of auditors by the Wakulla County Board of County Commissioners at its Monday, October 1, 2007 meeting. Approval by the Wakulla County Board of County Commissioners to execute a contract is expected on Monday, October 15, 2007.

B. Term of Engagement

A fixed fee three (3) year contract is contemplated with an option to extend for two (2) additional years with the concurrence of the Wakulla County Board of County Commissioners and annual availability of an appropriation.

C. Subcontracting

Firms submitting proposals may consider subcontracting portions of the engagement to small audit firms or audit firms owned and controlled by socially and economically disadvantaged individuals. If this is to be done, that fact, and the name of the proposed subcontracting firm(s), must be clearly identified in the proposal and the contract. Following the execution of the audit contract, no additional subcontracting will be allowed without the express prior written consent of the Wakulla County Audit Committee and the Wakulla County Board of County Commissioners.

II. NATURE OF SERVICES REQUIRED

A. General

The Wakulla County Audit Committee is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal years ending September 30, 2007, 2008 and 2009 with the option to audit its financial statements for two (2) subsequent fiscal years. These audits are to be performed in accordance with the provisions contained in this request for qualifications.

B. Scope of Work to be Performed

The Wakulla County Board of County Commissioners desires the auditor to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles accepted in the United States of America.

The auditor is not required to audit the schedule of expenditures of federal and state awards. However, the auditor is to provide an “in-relation-to” report on that schedule based on the auditing procedures applied during the audit of the financial statements.

The auditor is required to apply the agreed-upon procedures required by the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC) as it relates to assisting the Wakulla County Housing Department and the U.S. Department of Housing and Urban Development REAC in determining whether the electronic submission of audit information, notes and audit findings, as required by the Uniform Financial Reporting Standards (UFRS), 24 CFR Part 5, agrees with the related hard-copy documents included with the OMB A-133 reporting package.

C. Auditing and Attestation Standards To Be Followed

This audit is to be performed in accordance with:

1. The Florida Laws (Florida Statute 218.39, Annual Financial Audit Reports).
2. Auditing standards generally accepted in the United States as set forth by the American Institute of Certified Public Accountants.
3. Auditing standards applicable to financial audits as contained in the General Accounting Office's (GAO) *Government Auditing Standards*, and any amendments thereto issued by the Comptroller General of the United States.
4. The provisions of the Federal Single Audit Act Amendments of 1984 (as amended in 1996) and U.S. Office of Management and Budget (OMB) Circular No. A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and any amendments thereto.
5. The Florida Single Audit Act, Florida Statutes 215.97 and Chapter 27D-1, Rules of the Executive Office of the Governor, Florida Administrative Code.
6. Rules of the Auditor General, Section 10.550, Local Government Audits.
7. Any other applicable federal, state, local regulations or professional guidance not specifically listed above as well as any additional requirements that may be adopted by these organizations in the future.

The attestation required by the U.S. Department of Housing and Urban Development REAC is to be performed in accordance with:

1. Attestation standards established by the American Institute of Certified Public Accountants (AICPA).
2. Attestation standards applicable to attestation engagements contained in the *Government Auditing Standards* issued by the Comptroller General of the United States.

D. Reports to be Issued

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue, as required by the above mentioned standards:

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles, including an opinion on the fair presentation of the supplementary schedule of expenditures of federal awards "in relation to" the audited financial statements.
2. A report on compliance and internal control over financial reporting based on an audit of the financial statements.
3. A report on compliance and internal control over compliance applicable to each Major Federal Awards Program and State Financial Assistance Projects.
4. A report on compliance and internal control over compliance applicable to all laws, regulations and contracts.
5. Notes to the financial statements.
6. A schedule of findings and questioned costs.
7. A summary schedule of prior audit findings.
8. An independent auditor's management letter.
9. A schedule of activity on the Landfill Closure and Long-Term Care Escrow Account in accordance with the requirements of Rule 62-701.630, Florida Administrative Code.

10. A statement of County Funded Court-Related Functions in accordance with Florida Statutes Section 29.0085.
11. A schedule of Expenditures of Federal Awards and State Financial Assistance.
12. A report entitled “Independent Accountant’s Report on Applying Agreed-Upon Procedure - Wakulla County Housing Authority” listing the procedures performed and the findings, if any, for the attestation required by the U.S. Department of Housing and Urban Development REAC under the Uniform Financial Reporting Standards for our Section 8 Housing Department. This report shall include a statement that no auditing procedures were performed after the date of the reports on the audited financial statements and supplemental information.
13. Any other statements, schedules or reports that may be required under any of the auditing standards notated in Section II C “Auditing Standards To Be Followed” or by Federal or Florida law.

Items 1-13 above shall be bound in the following manner:

1. Seventy Five (75) copies of a single bound report shall be required annually. This single bound report shall include item numbers 1-13 with the exception of item number 9, 10 and 12. This single bound report shall include the annual audit of the Wakulla County Board of County Commissioners, Clerk of Circuit Court, Tax Collector, Sheriff, Property Appraiser and Supervisor of Elections (Attachment A).
2. Ten (10) copies of each Constitutional Officer’s annual audit shall be required annually. Each Constitutional Officer’s audit shall be in a separately bound report (Attachments B-F).
3. Ten (10) copies of item number 9, “Schedule of Activity on the Landfill Closure and Long-Term Care Escrow Account,” shall be required annually in a separately bound report (Attachment G).
4. Ten (10) copies of item number 10, “Statement of County Funded Court-Related Functions,” shall be required annually in a separately bound report (Attachment H).
5. Ten (10) copies of item number 12, “Independent Accountant’s Report on Applying Agreed-Upon Procedure - Wakulla County Housing Authority”, shall be required annually in a separately bound report (Attachment L).

In the above required report(s) on compliance and internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions that are also material weaknesses shall be identified as such in the report.

Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the report(s) on compliance and internal controls. The report(s) on compliance and internal controls shall include all instances of non-compliance.

The auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the Wakulla County Audit Committee, Chairman of the Board of County Commissioners, County Administrator, County Attorney and the Clerk of Circuit Court.

Auditors shall assure themselves that the Wakulla County Audit Committee is informed of each of the following:

1. The auditor's responsibility under generally accepted auditing standards.
2. Significant accounting policies.
3. Management judgments and accounting estimates.
4. Significant audit adjustments.
5. Other information in documents containing audited financial statements.
6. Disagreements with management.
7. Management consultation with other accountants.
8. Major issues discussed with management prior to retention.
9. Difficulties encountered in performing the audit.

In addition, a detailed audit plan and proposed time line should be submitted to the Wakulla County Finance Department under the direction of the Clerk of Circuit Court and to each Constitutional Officer subsequent to the awarding of the contract

for audit services and each year prior to the beginning of the interim audit procedures. This audit plan should conform to Section IV “Time Requirements.” The auditor shall submit an “Auditor Request List”, similar to the one found in Attachment I, to the Wakulla County Finance Department and each Constitutional Officer prior to October 15 of each fiscal year.

E. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of five (5) years, unless the firm is notified in writing by the Wakulla County Audit Committee of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:

1. Wakulla County Audit Committee
2. U.S. General Accounting Office
3. Any party designated by the federal or state governments or by the Wakulla County Board of County Commissioners or its Constitutional Officers as part of an audit quality review process
4. Auditors of entities of which the Wakulla County Board of County Commissioners is a sub-recipient of grant funds

F. Implied Requirements

All services not specifically mentioned in this request for qualifications that are necessary to provide the functional capabilities described by the auditor shall be included in the Scope of Work to be Performed. In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

III. DESCRIPTION OF THE GOVERNMENT

A. Name, Location and Telephone Number of Contact Persons

Inquiries concerning the request for qualifications and the subject of the request for qualifications must be made to:

Tim Barden, Director of OMB
3093 Crawfordville Highway
Crawfordville, Florida, 32327

(850) 926-9500

Subsequent to being awarded the audit contract, the auditor's principal contact with the Wakulla County Audit Committee will be Brent X. Thurmond, Wakulla County Clerk of Circuit Court or a designated representative, who will coordinate the assistance to be provided by the Wakulla County Audit Committee to the auditor.

B. Background Information

Wakulla County, Florida is a non-chartered county, a political subdivision of the State of Florida governed by Florida Statutes and regulations. Pursuant to Florida Statute 125.17, the Clerk of the Circuit Court is the clerk ex-officio and accountant to the Board of County Commissioners. Wakulla County, Florida serves an area of 607 square miles with an estimated population of 27,000. The County Seat is Crawfordville which is unincorporated. The Wakulla County Board of County Commissioner's fiscal year begins on October 1 and ends on September 30.

The Wakulla County Board of County Commissioners provides the following services to its citizens:

Court Services	Extension Services
Financial Administration	Facility Maintenance
Public Records	Growth Management
Occupational and Recreation Licensing	Libraries
Tax Collection	Park Services
Vehicle Registration	Planning and Zoning Services
Animal Control	Recreation Services
Law Enforcement	Road and Bridge Operations
Public Safety	Social and Economic Services
Property Appraisals	Solid Waste Services
Election Supervision	Tourist Development
Ambulance and Fire Services	Veteran Services
Building and Code Enforcement	Wakulla Airport
Capital Projects	

C. Reporting Entity

Board of County Commissioners, Brian Langston, Ed Brimner, George Green, Howard Kessler, Maxie Lawhon, 3093 Crawfordville Highway, Crawfordville, Florida, 32327, (850) 926-0919

The Wakulla County Board of County Commissioners is a Constitutional Office under Article VIII Section 1 (e) of the Florida Constitution and operates under Chapter 125 and various other chapters of the Florida Statutes.

Clerk of Circuit Court, Brent Thurmond, 3056 Crawfordville Highway, Crawfordville, Florida, 32327, (850) 926-0300

The Wakulla County Clerk of the Circuit Court is a Constitutional Officer under Article VIII Section 1 (d) and Article V Section 16 of the Florida Constitution and operates under Chapter 28 and various other chapters of the Florida Statutes.

Tax Collector, Cheryll Olah, 202 Ochlockonee Street, Crawfordville, Florida, 32327, (850) 926-3371

The Wakulla County Tax Collector is a Constitutional Officer under Article VIII Section 1 (d) of the Florida Constitution and operates under Chapter 197 and various other chapters of the Florida Statutes.

Sheriff, David Harvey, 15 Oak Street, Crawfordville, Florida, 32327, (850) 926-0800

The Wakulla County Sheriff is a Constitutional Officer under Article VIII Section 1 (d) of the Florida Constitution and operates under Chapter 30 and various other chapters of the Florida Statutes.

Property Appraiser, Donnie Sparkman, 3115-A Crawfordville Highway, Crawfordville, Florida, 32327, (850) 926-0500

The Wakulla County Property Appraiser is a Constitutional Officer under Article VIII Section 1 (d) of the Florida Constitution and operates under Chapter 195 and various other chapters of the Florida Statutes.

Supervisor of Elections, Sherida Crum, 3115-B Crawfordville Highway, Crawfordville, Florida, 32327, (850) 926-7575

The Wakulla County Supervisor of Elections is a Constitutional Officer under Article VIII Section 1 (d) of the Florida Constitution and operates under Chapter 98 and various other chapters of the Florida Statutes.

A list of other Wakulla County key personnel and their contact information is found in Attachment J. Organizational charts are available for each office upon request.

D. Fund Structure

As of September 30, 2006, Wakulla County, Florida used the following fund types in its countywide financial reporting:

Number of
Individual

<u>Fund Type</u>	<u>Funds</u>
General fund	<u>1</u>
Special revenue funds	<u>47</u>
Debt service funds	<u>0</u>
Capital projects funds	<u>4</u>
Permanent funds	<u>0</u>
Enterprise funds	<u>2</u>
Internal service funds	<u>0</u>
Private-purpose trust funds	<u>0</u>
Investment trust funds	<u>0</u>
Pension trust funds	<u>0</u>
Agency funds	<u>4</u>

The major funds as of September 30, 2006 were the General Fund, One Cent Sales Tax Fund (Capital Project), State Housing Initiatives Partnership Program Fund (SHIP, Special Revenue), and the Road Department Fund (Special Revenue). The SHIP fund is required to be a major fund due to the UFRS electronic reporting requirements of the U.S. Department of Housing and Urban Development.

E. Budgetary Basis of Accounting

The Wakulla County Board of County Commissioners prepares its budgets on a basis consistent with generally accepted accounting principles.

F. Federal Awards and State Financial Assistance

During the fiscal year ended September 30, 2006, the Wakulla County Board of County Commissioners received financial assistance. The Schedule of Expenditures of Federal Awards and State Financial Assistance is found in Attachment K.

G. Pension Plans

All full-time County employees are participants in the Florida Retirement System, a multi-employer, cost-sharing public retirement system which is controlled by the State Legislature and administered by the State of Florida, Department of Administration and Division of Retirement. Actuarial services for this retirement plan can be obtained by contacting the Division of Retirement. Actuarial services for the Florida Retirement System are outlined in Section 112.63 of the Florida Statutes.

Also, Wakulla County Board of County Commissioners is a “Phase II government” as it relates to Governmental Accounting Standards Board (GASB) Statement 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. As such, Wakulla County Board of County Commissioners and its Constitutional Officers must implement GASB Statement 45, *Accounting*

and Financial Reporting by Employers for Post-employment Benefits Other than Pensions (OPEB) for periods beginning after December 15, 2007 (Fiscal Year 08-09)
The actuarial study for OPEB has not been performed as of September 30, 2006.

IV. TIME REQUIREMENTS

A. Proposal Calendar

The following is a list of key dates up to and including the date proposals are due to be submitted:

Request for qualifications issued by Audit Committee	August 19, 2007
Due date for proposals (2:00 p.m.) to OMB	September 20, 2007
Opening and Recording of RFQ's (2:15 p.m.)	September, 20, 2007
Technical Quality Scoring by Audit Committee	September 24, 2007
Oral Presentations by Top 3 Ranked Audit Firms	September 26, 2007
Final Proposal Rankings by Audit Committee	September 26, 2007
Selection of Top Ranked Firm by BOCC	October 1, 2007
Commence contract negotiations	October 4, 2007
Contract Approval by BOCC	October 15, 2007

B. Schedule for the September 30, 2007 Fiscal Year Audit

The Wakulla County Finance Department will have all records ready for audit and all pertinent personnel available to meet with the firm's personnel on negotiated dates and at times that are mutually acceptable. A tour of pertinent Wakulla County facilities can be arranged upon request once the contract is ratified.

Field work should commence with the following estimated schedule:

Supervisor of Elections	November 15, 2007
Property Appraiser	November 28, 2007
Tax Collector	December 5, 2007
Sheriff	December 10, 2007
Clerk of Circuit Court	December 17, 2007
Board of County Commissioners	January 3, 2008

All field work is to be completed by February 1, 2008.

C. Progress Reporting, Draft Reports and Exit Conference

The auditor shall notify the Wakulla County Finance Department, in advance, if any of the negotiated field work dates will not be met. The auditor shall provide drafts of all audit reports to the Wakulla County Finance Department and each Constitutional Officer by March 3, 2008. Draft reports are to be provided after all partner reviews and before reports are finalized.

An exit conference will be held with the Wakulla County Finance Department and County Administrator and each Constitutional Officer by March 10, 2008.

D. Date Final Report is Due

The auditor should be available for any meetings that may be necessary to discuss the audit. The final signed reports shall be delivered to the Wakulla County Clerk of Circuit Court by March 21, 2008. The auditor shall present the Final Audit Report to the Wakulla County Board of County Commissioners at the first Board Meeting in April.

V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

A. Finance Department and Clerical Assistance

The finance department staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of the clerical staff of each agency (Finance Department and Constitutional Officers).

B. Work Area and Communication Equipment

The Wakulla County Board of County Commissioners will provide, via the Finance Department, the following:

1. Reasonable work space consisting of a conference table and seating for six (6) staff members. If additional space will be required, advance notice must be given to the Finance Department and additional space may be provided if available.
2. Access to a telephone line, a facsimile machine and a photocopier.
3. Access to a data line or the internet.

These items are subject to the following conditions:

1. Only local calls are permitted on the telephone and facsimile lines. Access to

long distance calls can be arranged.

2. Use of these items is restricted to work relevant to the Wakulla County Board of County Commissioner's annual audit.

Each Constitutional Officer shall provide, if available, similar work area and communication equipment as needed by the auditor.

C. Statements, Schedules and Report Preparation

It shall be the responsibility of the Finance Department to gather and prepare any preliminary schedules relevant to the "Auditor Request List" (Attachment I).

All statements, schedules and report preparation, editing and printing relevant to Section II D, Reports to Be Issued, shall be the responsibility of the auditor.

VI. PROPOSAL REQUIREMENTS

A. General Requirements

1. Inquiries

Inquiries concerning the request for qualifications and the subject of the request for qualifications must be made to:

Tim Barden, Director of OMB
3093 Crawfordville Highway
Crawfordville, Florida, 32327
(850) 926-9500

Contact with any personnel of the Wakulla County Board of County Commissioners or the Wakulla County Constitutional Officers other than the above named individual and without approval of the above named individual regarding this request for qualifications may be grounds for elimination from the selection process.

2. Submission of Proposals

A master copy (so marked) of a Technical Proposal and ten (10) copies is required to be received by 2:00 p.m. on September 20, 2007 for a proposing firm to be considered. The proposal is to include the following:

- a. Title page. The title page must show the request for qualification's subject; the request for qualification number; the firm's name; the

name, address and telephone number of the contact person; and the date of the proposal.

- b. Table of Contents.
- c. Transmittal Letter. A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for ninety (90) days.
- d. Detailed Proposal. The detailed proposal should follow the order set forth in Section VI B of this request for qualifications.

Proposers should send the completed proposal to the following address:

Tim Barden, Director of OMB
3093 Crawfordville Highway
Crawfordville, Florida, 32327
(850) 926-9500

B. Technical Proposal

1. General Requirements

The purpose of the Technical Proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the Wakulla County Board of County Commissioners in conformity with the requirements of this request for qualifications. As such, the substance of proposals will carry more weight than their form or manner of presentation. The Technical Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for qualifications requirements.

THERE SHOULD BE NO DOLLAR UNITS OR TOTAL COSTS INCLUDED IN THE PROPOSAL DOCUMENT.

The Technical Proposal should address all the points outlined in the request for qualifications. The Proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for

qualifications. While additional data may be presented, the following subjects, items Nos. 2 through 12, must be included. They represent the criteria against which the proposal will be evaluated.

2. Independence

The firm should provide an affirmative statement that they will be independent of the Wakulla County, Florida:

Board of County Commissioners
Clerk of Circuit Court
Tax Collector
Sheriff
Property Appraiser
Supervisor of Elections

as defined by generally accepted auditing standards and the U.S. General Accounting Office's *Government Auditing Standards*.

The firm should also list and describe the firm's (or proposed subcontractors') professional relationships involving the Wakulla County Board of County Commissioners or its Constitutional Officers or any of its agencies or departments for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

In addition, the firm shall give the Wakulla County Audit Committee written notice of any professional relationships entered into during the period of this agreement with the above noted offices, agencies and departments.

3. License to Practice in Florida

An affirmative statement should be included that the firm and all assigned key professional staff, including sub-contractors, are properly licensed to practice in the State of Florida.

4. External Peer, Quality Control and Desk or Field Reviews

All firms participating in the proposal must provide the most recent:

- a. External peer review report and any letter of comment.

- b. External quality control review, with a statement whether that quality control review included a review of specific government engagements.
- c. Federal or state desk reviews or field reviews of its audits during the past three (3) years.

In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations. If the latest external peer, quality control and desk or field reviews are not available, a statement as to why they are not available must be submitted.

5. Firm Qualifications and Experience

The proposer should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal auditor should be noted, if applicable.

6. Partner, Supervisory and Staff Qualifications and Experience

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether each person is registered or licensed to practice as a certified public accountant in Florida. Provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. Indicate how the quality of staff over the term of the agreement will be assured.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the Wakulla County Audit Committee. However, in either case, the Wakulla County Audit Committee retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for qualifications can only be changed with the express prior written permission of the Wakulla County Audit Committee, which retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

7. Affirmative Statements Related to Employment Policy

An affirmative statement should be provided that affirms the following:

- a. Non-discriminatory policy. The firm shall not allow any person to be denied or subjected to discrimination on account of any services, or activities made possible by or resulting from this agreement on the grounds of sex, race, color, creed, national origin, age (except minimum age and retirement provisions), marital status or the presence of any sensory, mental or physical handicap.
- b. Drug Free Workplace. The firm complies with regulations related to a drug-free workplace as defined in Florida Statute 287.087.
- c. Public Entity Crime. The firm shall affirm that neither the firm nor any person associated with the firm who will work on this engagement has been placed on the convicted vendor list as defined by Florida Statute Section 287.133. Any person associated with the firm who is convicted of a public entity crime must notify the Wakulla County Audit Committee within thirty (30) days of the conviction.

8. Insurance Requirements

The firm warrants that it shall, at the firm's sole expense, procure, maintain and keep in force amounts and types of the following insurance and will provide proof of said coverage to the Wakulla County Audit Committee upon the signing of an audit contract:

- a. Worker's Compensation/Employer's Liability. The minimum amount of coverage shall be \$100,000 for each accident.
- b. Commercial General Liability. The minimum amount of coverage shall be \$300,000 for each occurrence.
- c. Professional Liability. The minimum amount of coverage shall be \$500,000.

9. Prior Engagements with Wakulla County, Florida

List separately all engagements within the last five (5) years, ranked on the basis of total staff hours, for Wakulla County, Florida by type of engagement (i.e., audit, management advisory services, other). Indicate the scope of work, date, engagement partners, total hours, the location of the firm's office from which the engagement was performed, and the name and telephone number of the principal client contact.

10. Similar Engagements With Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum - 5) performed in the last five (5) years that are similar to the engagement described in this request for qualification. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

11. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this request for qualification.

Proposers will be required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement.
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement (no dollar units or costs should be included).
- c. Sample size and the extent to which statistical sampling is to be used

in the engagement.

- d. Extent of use of EDP software in the engagement.
- e. Type and extent of analytical procedures to be used in the engagement.
- f. Approach to be taken to gain and document an understanding of the Wakulla County Board of County Commissioner's and its Constitutional Officer's internal control structure.
- g. Approach to be taken in determining laws and regulations that will be subject to audit test work.
- h. Approach to be taken in drawing audit samples for purposes of tests of compliance.
- i. Describe how the audit will be conducted in the first year versus subsequent years.
- j. Approach to any necessary audit and reporting software conversions.

12. Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the Wakulla County Board of County Commissioners, its agencies or departments or its Constitutional Officers.

C. Pricing

1. General Requirements

PRICING SHALL HAVE NO WEIGHT IN THE RANKING PROCESS AND THERE SHOULD BE NO DOLLAR UNITS OR COSTS, IN PART OR IN TOTAL, INCLUDED IN THE PROPOSAL DOCUMENT.

After the Wakulla County Audit Committee has ranked the top three (3) firms and the Wakulla County Board of County Commissioners has approved negotiations with the top-ranked firm, the Wakulla County Board of County Commissioners or its designees shall negotiate the contract price with the top-ranked firm.

As it relates to pricing, the negotiated contract should, at a minimum, identify

the following:

- a. Rates by Partner, Specialist, Supervisory and Staff level times the number of hours anticipated for each.
- b. Out-of-pocket expenses and the reimbursement rates for such expenses. It is anticipated these rates will follow Section 112.061 of the Florida Statutes, the prevailing guide for Wakulla County Board of County Commissioners out-of-pocket expenses.
- c. Rates for additional professional services.

2. Manner of payment

It is anticipated that said contract will specify ten percent (10%) will be retained from each billing until the final audit reports are submitted to the Wakulla County Board of County Commissioners. Requests for payment should not be for a period less than one (1) month.

VII. EVALUATION PROCEDURES

A. Audit Committee

Proposals submitted will be evaluated and ranked by a six (6) member Audit Committee as established by Section 218.391 (3)(a) of the Florida Statutes, consisting of the following or their designee:

Andrea Simpson, Deputy County Administrator
Brent Thurmond, Clerk of Circuit Court
Cheryll Olah, Tax Collector
David Harvey, Sheriff
Donnie Sparkman, Property Appraiser
Sherida Crum, Supervisor of Elections

B. Review and Ranking of Proposals

Tim Barden, Director of OMB will determine whether each proposal meets the mandatory elements listed in Section VII C, 1. Those proposals not meeting the mandatory elements will not be scored by the Wakulla County Audit Committee. The Wakulla County Audit Committee will be provided with a list of firm names who submitted proposals not meeting the mandatory elements of the request for qualifications.

All proposals meeting the mandatory elements of the request for qualifications will

be forwarded to the members of the Wakulla County Audit Committee on September 21, 2007. The Wakulla County Audit Committee will use a point system during the review process to score proposals. The maximum score is 100 points per member with a maximum Audit Committee score of 600 points. Each member of the audit committee will score each proposal meeting the mandatory elements by each of the criteria described in Section VII C, 2, "Technical Quality" below. The full Audit Committee will then convene to review and discuss these evaluations and to combine the individual scores to arrive at a composite technical score for each firm. The top three ranked firms will be called in for oral presentations on September 26, 2007 starting at 10:00 a.m. with each firm being provided a maximum of thirty (30) minutes for their presentation. This allotment of time includes any question and answer period.

After the oral presentations, the Wakulla County Audit Committee will then score the oral presentation portion of the proposal as described in Section VII C, 3 "Oral Presentation". The cumulative scores will be tallied and the final three firms will be ranked first, second or third. If fewer than three firms desire to perform these services, or if fewer than three firms meet the mandatory elements of the request for qualifications, the Wakulla County Audit Committee shall recommend such firms as it determines to be qualified and will recommend a top-ranked firm. It is anticipated the Wakulla County Audit Committee will submit their rankings and recommendations to the Wakulla County Board of County Commissioners on October 1, 2007.

The Wakulla County Board of County Commissioners will select the top-ranked firm based upon the recommendation of the Audit Committee. It is anticipated that this selection will be made on October 1, 2007. Following notification of the firm selected, it is expected negotiations will commence on October 4, 2007. Upon reaching an agreement, a contract will be executed between both parties pursuant to Florida Statutes 218.391 (4) a.

The Wakulla County Board of County Commissioners reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

C. Evaluation Criteria

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored for technical qualifications and oral presentations. The following represent the principal selection criteria which will be considered during the evaluation process.

1. Mandatory Elements

- a. The audit firm is independent and licensed to practice in Florida.
 - b. The firm has no conflict of interest with regard to any other work performed by the firm for Wakulla County, Florida.
 - c. The firm adheres to the instructions in this request for qualifications on preparing and submitting the proposal.
 - d. The firm submits a copy of its last external quality control review report and the firm has a record of quality audit work.
2. Technical Quality (Maximum 90 points)
- a. Expertise and Experience (Maximum 65 points)
 - (1) The firm's past experience and performance on comparable government engagements (Maximum 35 points).
 - (2) The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation (Maximum 20 points).
 - (3) The firm's internal review process, existing quality controls, adequacy of staff to perform the required audits (current and projected) and familiarity with applicable federal regulations and standards for audits of government organizations, programs, activities and functions (Maximum 10 points).
 - b. Audit Approach (Maximum 25 points)
 - (1) Adequacy of proposed staffing plan for various segments of the engagement (Maximum 10 points).
 - (2) Adequacy of sampling techniques (Maximum 5 points).
 - (3) Adequacy of analytical procedures (Maximum 5 points).
 - (4) Adequacy of audit and reporting software (Maximum 5 points).
3. Oral Presentations (Maximum 10 points)

After scoring the "Technical Quality" portion of the proposals, the Wakulla

County Audit Committee shall require oral presentations by the top three ranked firms. These presentations will include discussion regarding the firm's qualifications, approach to the audit and ability to furnish the required services.

D. Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for qualification unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the Wakulla County Board of County Commissioners and the firm selected.

The Wakulla County Board of County Commissioners reserves the right without prejudice to reject any or all proposals.

