



**GUADALUPE COUNTY AUDITOR'S OFFICE**  
**Kristen Klein, CPA, County Auditor**

307 W. Court, Suite 205, Seguin, Texas 78155  
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DATE: May 24, 2016  
TO: Audit Firms  
FROM: Kristen Klein, County Auditor  
SUBJECT: Audit Services

Guadalupe County is requesting proposals from qualified and experienced public accounting firms, whose principal officers are independent Certified Public Accountants to obtain independent audit services for performance of the County's annual financial audit for the fiscal year ending September 30, 2016, with the option of auditing its financial statements for each of the four (4) subsequent fiscal years, based upon satisfactory performance.

The objectives of this RFP are: (1) to obtain audit service for Guadalupe County's annual financial audit in accordance with generally accepted auditing standards, and (2) obtain other related services as stated herein.

A new part of this proposal includes a SSAE 16 Report on the internal controls over financial reporting of the County Tax Assessor Collector. The purpose of this report is to demonstrate the establishment of effectively designed control objectives and activities.

You are invited to submit proposals for "Request for Proposal (RFP) 16-4010, Auditing Services for Guadalupe County." Enclosed for your consideration is a Request for Proposal (RFP), with all attachments. To be considered for this engagement, your firm must meet the qualifications and satisfy the requirements set forth in the RFP.

The proposal is to be submitted in two sections, the "Technical Proposal" and the "Sealed Dollar Cost Fee Estimate." Completed proposals must be submitted with an original and four (4) copies of both sections to the address listed below by 2:00 p.m. on Tuesday, June 21, 2016.

**Mailing Address:**

County Judge Kyle Kutscher  
Guadalupe County  
211 W. Court  
Seguin, Texas 78155

**Proposal must be marked with the following:**

RFP 16-4010, Auditing Services for Guadalupe County  
Submittal Deadline: Tuesday, June 21, 2016, 2:00 pm (central time)

All questions and correspondence should be directed to Kristen Klein, County Auditor, in writing at the above address or by email at [kris@co.guadalupe.tx.us](mailto:kris@co.guadalupe.tx.us).

Note: The address for all correspondence in this document is 211 W. Court, Seguin, Texas.

**GUADALUPE COUNTY**  
**REQUEST FOR PROPOSALS**  
**FOR**  
**PROFESSIONAL AUDITING SERVICES**

**MAY 2016**

Disclosure Requirements

Chapter 176 of the Texas Local Government code mandates the public disclosure of certain information concerning persons doing business or seeking to do business with Guadalupe County, including affiliations and business and financial relationships such persons may have with Guadalupe County officers. An explanation of the requirements of Chapter 176 is located at <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm>. A list of County officials is located at [www.co.guadalupe.tx.us](http://www.co.guadalupe.tx.us). The disclosure form is included in this packet. Please complete with your response.

By doing business or seeking to do business with Guadalupe County, you acknowledge that you have been notified of the requirements of Chapter 176 of the Texas Local Government Code and that you are solely responsible for complying with them.

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## 1. INTRODUCTION

### 1.1 General Information

Guadalupe County is requesting proposals from qualified and experienced public accounting firms, whose principal officers are independent Certified Public Accountants to obtain independent audit services for performance of the County's annual financial audit for the fiscal year ending September 30, 2016, with the option of auditing its financial statements for each of the four (4) subsequent fiscal years, based upon satisfactory performance.

### 1.2 Proposal Information

**1.2.1 Inquiries concerning this Request for Proposal (RFP) must be submitted in writing no later than June 10, 2016 at 1:00 p.m.** All inquiries should be directed to the County Auditor at:

Guadalupe County Auditor  
Attn: Kristen Klein  
307 W. Court, Suite 205  
Seguin, Texas 78155  
(830) 303-4188 Ext. 1328  
[kris@co.guadalupe.tx.us](mailto:kris@co.guadalupe.tx.us)

**1.2.2 Deadline for Proposals is 2:00 p.m. Tuesday, June 21, 2016.**

**1.2.3 Reference to County** For the purposes of this Request for Proposal (RFP), the terms Guadalupe County and County shall refer to Guadalupe County and the 25<sup>th</sup> Judicial District Community Supervision and Corrections Department (CSCD), unless specifically noted.

**1.2.4 One Original and Four (4) Copies** – Original and four (4) copies of the both sections of the Proposal should be returned in a sealed envelope clearly bearing the name and address of the Proposer.

**1.2.5 Acceptance** - All proposals must include a statement that they are valid for a minimum period of ninety (90) days subsequent to the RFP closing date.

**1.2.6 Late Proposals** – Late proposals will not be considered. Each Proposer shall be solely responsible for ensuring that the County receives the Proposal within the time limit indicated.

**1.2.7 Non-appropriation** - The County may cancel the contract should the present or any future County Commissioners Courts not appropriate funds in any fiscal year for the payment of this agreement. No penalty shall attach in the event of any such non-appropriation. In the event of non-appropriation, the County shall give the successful Proposer written notice of cancellation and the County shall not be obligated to make any payments beyond the end of the fiscal year for which funds were appropriated (related to a subsequent fiscal year).

**1.2.8 Costs** – Costs related to preparation of a response shall be the responsibility of the Proposer. There is no expressed or implied obligation for Guadalupe County to reimburse Proposers for any expense incurred in preparing a Proposal in response to this RFP and Guadalupe County will not reimburse Proposers for these expenses.

**1.2.9 Ownership of Proposal** – Each Proposal shall become the property of Guadalupe County upon submittal and will not be returned to Proposers unless received after the submittal deadline.

**1.2.10 Right of Rejection** - Guadalupe County reserves the right to reject any or all proposals submitted and to waive any informality in proposals received. Proposals submitted will be evaluated by a three (3) member committee.

**1.2.11 Clarification or Additional Information Requested** - During the evaluation process, Guadalupe County reserves the right, where it may serve Guadalupe County's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. At the discretion of Guadalupe County, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

**1.2.12 Right of Retention** - Guadalupe County 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 proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between Guadalupe County and the firm selected.

**1.2.13 Award** - It is anticipated that Guadalupe County Commissioners Court will award the contract for Auditing Services for Guadalupe County and the SSAE 16 Report on or before July 12, 2016, or as soon thereafter as possible. The 25<sup>th</sup> Judicial District Community Supervision and Corrections Department will also award the contract for the audit of their financial statements by this same date.

### **1.3 Term of Engagement**

A one-year contract, with four additional one year options, is contemplated, subject to the annual review and recommendation of the County Auditor and County Judge, the satisfactory negotiation of terms (including a price acceptable to both Guadalupe County and the selected firm), the concurrence of Guadalupe County Commissioners Court, and the annual availability of an appropriation.

The contract for audit services with the 25<sup>th</sup> Judicial District Community Supervision and Corrections Department will be a separate contract which is subject to the annual review and approval of the CSCD Director.

### **1.4 General Contract Terms and Conditions**

**1.4.1 Contract** - This proposal, submitted documents and any negotiations, when properly accepted by Guadalupe County, or the CSCD Director, shall constitute a contract equally binding between the successful offeror and Guadalupe County. No different or additional terms will become a part of this contract with the exception of a Change Order.

**1.4.2 Conflict of Interest** – No public official shall have interest in this contract in accordance with V.T.C.A., Local Government Code §171.002 and §171.003. A conflict of interest questionnaire shall be filled out in accordance with Local Government Code §176.

Chapter 176 of the Texas Local Government Code requires a vendor who enters or seeks to enter into a contract for the sale or purchase of real property, goods, or services with a local governmental entity or local government officer thereof to file a conflicts of interests disclosure questionnaire with the governmental entity prescribed.

A Conflict of Interest Questionnaire Form (CIQ) must be submitted with the bid submission.

**1.4.3 Certificate Of Interested Parties (Form 1295)** - In 2015, the Texas Legislature adopted House Bill 1295, which added section 2252.908 of the Government Code. The law states that a

governmental entity or state agency may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency. The law applies only to a contract of a governmental entity or state agency that either (1) requires an action or vote by the governing body of the entity or agency before the contract may be signed or (2) has a value of at least \$1 million. The disclosure requirement applies to a contract entered into on or after January 1, 2016.

The Texas Ethics Commission was required to adopt rules necessary to implement that law, prescribe the disclosure of interested parties form, and post a copy of the form on the commission's website. The commission adopted the Certificate of Interested Parties form (Form 1295) on October 5, 2015. The commission also adopted new rules (Chapter 46) on November 30, 2015, to implement the law.

#### Filing Process:

On January 1, 2016, the commission made available on its website a new filing application that must be used to file Form 1295. A business entity must use the application to enter the required information on Form 1295 and print a copy of the completed form, which will include a certification of filing that will contain a unique certification number. An authorized agent of the business entity must sign the printed copy of the form and have the form notarized. The completed Form 1295 with the certification of filing must be filed with the governmental body or state agency with which the business entity is entering into the contract.

The governmental entity or state agency must notify the commission, using the commission's filing application, of the receipt of the filed Form 1295 with the certification of filing not later than the 30th day after the date the contract binds all parties to the contract. The commission will post the completed Form 1295 to its website within seven business days after receiving notice from the governmental entity or state agency.

Information regarding how to use the filing application is available on;

[https://www.ethics.state.tx.us/whatsnew/elf\\_info\\_form1295.htm](https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm)

Please follow instructional video for Business Entities.

- 1.4.4 Equal Opportunity** – Neither party shall discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin.
- 1.4.5 Debarment** - Proposer certifies that at the time of submission of its proposals, Proposer was not on the federal government's list of suspended, ineligible, or debarred contractors and that the Proposer has not been placed on this list between the time of submission and the time of execution of the Contract. If Proposer is placed on this list during the term of the Contract, Proposer shall notify the Guadalupe County Auditor within five (5) business days. False certification or failure to notify may result in termination of the Contract for default.
- 1.4.6 Historically Underutilized Business (HUB) Contracting** – The goal of Guadalupe County is to ensure that all HUB's, as described in the Texas Government Code, Title 10 Subtitle D, Chapter 2161, have maximum opportunities to participate in the County's procurement in awarding of contracts and subcontracts. HUB vendors are encouraged to participate in the County's

purchasing and bidding process. While the County is oriented to adhere to good faith efforts, nothing in this effort shall be construed to establish set-asides or mandatory quotas.

The County and all prime contractors (if subcontractors are to be let) will take affirmative steps listed below:

- Placing qualified small and minority businesses and women's business enterprises on solicitation lists
- Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources
- Dividing total requirements, when economically feasible, into small tasks or quantities to permit maximum participation by small and minority businesses, and women's businesses

**1.4.7 Confidentiality** - All information disclosed by Guadalupe County to the successful offeror for the purpose of the work to be performed or information that comes to the attention of the successful offeror during the course of performing such work is to be kept strictly confidential, offeror agrees to that it will not disclose any information to third parties and will take care to guard the security of the information at all times.

**1.4.8 Proprietary Information and Texas Public Information Act** – All material submitted to the County shall become public property and subject to the Texas Public Information Act upon receipt. If a Proposer does not desire proprietary information in the Proposal to be disclosed, each page must be clearly identified and marked proprietary at time of submittal or, more preferably, all proprietary information may be placed in a folder or appendix and be clearly identified and marked as being proprietary.

**1.4.9 Addenda** - Any interpretations, corrections or changes to this RFP will be made by addenda. Sole issuing authority of addenda shall be vested in the Guadalupe County Judge. Addenda will be mailed to all who are known to have received a copy of this Request for Proposal. Offeror shall acknowledge receipt of all addenda.

**1.4.10 Change Orders** - No oral statement of any person shall modify or otherwise change, or affect the terms, conditions or specifications stated in the resulting contract. All change orders to the contract will be made in writing by the Guadalupe County Judge.

**1.4.11 Incorporation of Exhibits, Appendices and Attachments** – All of the exhibits, appendices and attachments referred to herein are incorporated by reference as if set forth verbatim herein.

**1.4.12 Assignment** - The successful offeror shall not sell, assign, transfer or convey any contract resulting from this RFP, in whole or in part, without the prior written consent of Guadalupe County Commissioners.

**1.4.13 Venue** - This agreement will be governed and construed according to the laws of the State of Texas. This agreement is performable in Guadalupe County, Texas.

**1.4.14 Compliance with Laws** – Guadalupe County and Successful Proposer shall comply with all federal, state, and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts or administrative bodies or tribunals in any matter affecting the performance of the Contract and any ensuing Agreement, including, without limitation, Workers' Compensation laws, salary and wage statutes and regulations, licensing laws and regulations. When required, the Successful Proposer shall furnish the County with certification of compliance with said laws, statutes, ordinances, rules, regulations, orders, and decrees above



specified.

**1.4.15 Minimum Standards for Responsible Prospective Offerors** - A prospective offeror must affirmatively demonstrate their responsibility. A prospective offeror must meet the following requirements:

- Have adequate financial resources, or the ability to obtain such resources as required
- Be able to comply with the required or proposed delivery schedule
- Have a satisfactory record of performance
- Have a satisfactory record of integrity and ethics
- Be otherwise qualified and eligible to receive an award

Guadalupe County may request representation and other information sufficient to determine offeror's ability to meet these minimum standards listed above.

**1.4.16 Indemnification** - Successful offeror shall defend, indemnify and save harmless Guadalupe County and all its officers, agents and employees from all suits, actions or other claims of any character, name and description brought for or on account of any injuries or damages received or sustained by any person, persons, or property on account of any negligent act or fault of the successful offeror, or of any agent, employee, subcontractor or supplier in the execution of, or performance under, any contract which may result from proposal award. Successful offeror shall pay any judgment with cost which may be obtained against Guadalupe County growing out of such injury or damages. [APPENDIX G]

**1.4.17 Termination of Contract** - This contract shall remain in effect until contract expires, completion and acceptance of services or default. Guadalupe County reserves the right to terminate the contract immediately in the event the successful offeror fails to:

- Meet completion schedules or otherwise perform in accordance with the accepted proposal

Breach of contract or default authorizes the County to award to another offeror, purchase elsewhere and charge the full increase cost to the defaulting offeror.

Either party may terminate this contract with thirty (30) days written notice prior to either party stating cancellation. The successful offeror must state therein the reasons for such cancellation. Prior written notice must be delivered in person or sent by registered or certified mail, return receipt requested, proper postage paid, and properly addressed to the other party at the address on the affidavit for the proposer or to the Guadalupe County Judge, 211 W. Court, Seguin, Texas 78155.

**1.4.18 Performance of Contract** - Guadalupe County reserves the right to enforce the performance of this contract in any manner prescribed by law or deemed to be in the best interest of the County in the event of breach or default of resulting contract award.

**1.4.19 Invoices** - The invoices shall show:

- Accounting firm name and address
- Detailed breakdown of all charges for the services delivered, stating the applicable period of time
- Separate invoices for Guadalupe County and Single Audit, SSAE 16 Engagement, and 25<sup>th</sup> Judicial District Community Supervision and Corrections Department

Invoices shall be based upon actual services rendered and actual hours of performance and/or products delivered.

**1.4.20 Payment** - Payment will be made upon receipt and acceptance by the County of all completed services and/or product ordered and receipt of a valid invoice, in accordance with the Texas Government Code, Chapter 2251.

## **2. NATURE OF SERVICES REQUIRED**

### **2.1 Scope of Work to be Performed**

The County desires the selected Proposer (Auditor) to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles.

Auditor must audit the basic financial statements, consisting of the government-wide statements and combined statements for all fund types, including major and non-major funds. However, the Auditor is to provide an "in-relation-to" statement on the combining and non-major fund type statements and supplementary schedules based on the auditing procedures applied during the audit of the basic financial statements. The Auditor is not required to audit the statistical section of the report; this section will remain unaudited but should be reviewed.

The Auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

The Auditor shall also be responsible for performing certain limited procedures on management controls on investments and adherence to Guadalupe County's established investment policies, as required by state law.

Should the provisions of the Single Audit Act apply, the schedule of federal and state financial assistance and related Auditor's reports, as well as the reports on the internal control structure and compliance are to be issued as a separate section of the Comprehensive Annual Financial Report.

*Note: For FY15 the County met the State Single Audit threshold, but not the Federal Single Audit threshold. With the increase in the Federal threshold to \$750,000, the County may not meet this every year. However, we do anticipate meeting that threshold for FY16 and FY17. If for some reason the County did not meet the 2 CFR Part 200 requirements, then the State has their own single audit requirements that would be required.*

The Auditor shall prepare the Comprehensive Annual Financial Report to meet all requirements of the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting Program (CAFR Program).

### **2.2 NEW SSAE 16**

The Guadalupe County Tax Assessor-Collector collects property taxes for all of the taxing entities in Guadalupe County and for a few overlapping jurisdiction. Additionally the Tax Assessor-Collector collects vehicle registration for the State of Texas. These entities place a high level of reliance on the internal controls of the Tax Assessor Collector for their financial reporting.

The Auditor shall do a SSAE 16 (SOC1) Type II examination of the Guadalupe County Tax Office's Internal Controls over Financial Reporting.

The purpose of this requirement is to demonstrate the establishment of effectively designed control objectives and activities, and to provide assurance that funds are being collected and remitted properly and in accordance with state law and regulations. If there is a better or alternative option, to the SSAE 16 (SOC1) Type II examination, this may be included in the proposal.

The cost for the SSAE 16 will be for the first two years only, and negotiated annually thereafter.

*Note: As stated above, in lieu of a SSAE 16 engagement, the County will consider other suggestions or recommendations.*

### **2.3 Broadened Engagements**

The Auditor may be requested to provide other types of services, collectively referred to as "special projects." Examples of such services include additional audits or reviews of specific areas such as the cost studies and consulting services. The scope of the County's annual audit and other special projects, which the Auditor may become engaged, can only be broadened with the express written consent of the County. The County retains the right to negotiate fees for work related to any broadened engagement.

### **2.4 Auditing and Reporting Standards to Be Followed**

The audit shall be made in accordance with:

- Generally Accepted Auditing Standards, as adopted by the membership of the American Institute of Certified Public Accountants and the Governmental Accounting Standards Board
- Standards for the financial audits set forth in the U.S. General Accounting Office's (GAO) Government Auditing Standards (1994)
- Provisions of the federal Single Audit Act of 1996 and the provisions of OMB Circular A-133, Audits of State and Local Governments
- State and Federal Laws or regulations
- Texas Government Code, §2256.023(d) Public Funds Investment Act.
- As well as the following additional requirements: examination for compliance with procedures established by grant funding.

### **2.5 Reports to Be Issued**

- 2.5.1** A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles. The primary purpose of the audit shall be to express an opinion on the basic financial statements taken as a whole. The combining and non-major fund type statements and supplementary schedules will be subject to the same auditing procedures as the audit of the basic financial statements.
- 2.5.2** A report on the internal control structure based on the Auditor's understanding of the control structure and assessment of control risk. In the required reports on internal controls, the Auditor shall communicate any reportable conditions found during the audit to the County Judge and County Auditor. 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.
- 2.5.3** Following the completion of the audit of the fiscal year's financial statements, the Auditor shall issue all reports currently required by State and Federal grantors, American Institute of Certified

Public Accountants, Governmental Accounting Standards Board (GASB), Government Finance Officers Association of the United States and Canada and any other regulatory agencies

- 2.5.4** Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the reports on internal controls.
- 2.5.5** The Auditor shall be required to make an immediate, written report of all irregularities and illegal acts of which they become aware to the County Judge and County Auditor.
- 2.5.6** The Auditor shall assure themselves that the Commissioners Court is informed of all items required by the regulatory agencies including:
- 1) Auditor's responsibility under Generally Accepted Government 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
  - 10) Auditors shall agree to provide the County with information relating to regulation changes that would affect the County and its operation such as timely notification of changes proposed or initiated by GASB, FASB, or GAO
- 2.5.7** NEW (See Section 2.2) – An SSAE 16 (SOC 1) Type II Report on the Internal Controls over Financial Reporting for the Guadalupe County Tax Assessor-Collector's office.

## **2.6 Comprehensive Annual Financial Report (CAFR)**

The Auditor will prepare the comprehensive annual financial report, with assistance from the County Auditor's staff. The Auditor will review all information and approve it prior to printing. The schedule of federal and state financial assistance and related auditor's reports, as well as the reports on the internal control structure and compliance are not to be included in the CAFR, but are to be issued separately.

Auditor would print the CAFR after the County has checked and compared the numbers on the financial statements to our system. (New World Systems calculates the most of the basic financial statements with the ability to "drill down" on the each number to "see" what general ledger numbers make up each balance.)

The Auditor will prepare, type, proof, print and copy the audit report in its entirety. The Auditor will submit a draft to the County Auditor. The draft will be returned with proposed revisions within seven (7) working days.

## **2.7 Special Considerations**

2.7.1 The County wishes to prepare a Comprehensive Annual Financial report that receives the **Certificate of Achievement for Excellence in Financial Reporting** from the Government Finance Officers Association. The County will send its Comprehensive Annual Financial Report to the Government Finance Officers Association of the United States and Canada for review in their Certificate of Achievement for Excellence in Financial Reporting program.

2.7.2 Guadalupe County may prepare one or more official statements in connection with the sale of debt securities that will contain the general purpose financial statements and the auditor's report thereon. The auditor shall be required, if requested by the fiscal advisor and/or the underwriter, to issue a "consent and citation of expertise" as the auditor and any necessary "comfort letters."

## **2.8 Working Paper Retention and Access to Working Papers**

At the County's request, copies of any or all of the working papers prepared in conjunction with the audit engagement will be provided, on a timely basis, at no cost to the County.

All working papers and reports must be retained, at the Auditor's expense, for a minimum of three (3) years, unless the firm is notified in writing by the County of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties:

- Guadalupe County
- Federal Grant Agencies and Other Federal Agencies
- State of Texas Grant Agencies and Other State of Texas Agencies
- Auditors of entities of which the County is a sub-recipient of grant funds
- Auditors of entities for whom the County collects property taxes

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.

## **2.9 Audit Team**

Each Audit Firm will determine their own needs for their audit team.

Billing from the predecessor auditors did not break down the number of hours completed on fieldwork. The County is fairly large, and has approximately 20+ buildings housing County offices throughout the County. The audit team would come in and work on various areas/projects throughout the audit period.

The typical makeup of the audit team has varied during the past years. However, most recently there has been an audit manager and approximately three to five staff members.

Auditors will be provided a conference room which they can use during the duration of the audit. (There is a conference room located on the second floor of the "Finance Center" at 307 W. Court, Seguin, next to the County Auditor and County Treasurer's offices.)

## **2.10 Client Prepared Schedules**

The Auditors should submit a list (with sufficient detail) of requested client-prepared schedules to the County Auditor no later than September 1st of each year.

Included in APPENDIX H is an example of the schedules prepared by Guadalupe County. Please note this list varies from year to year.

# **3. DESCRIPTION OF THE GOVERNMENT**

## **3.1 Reporting Entity**

The reporting entity for the County, as defined by Governmental Accounting Standards Board (GASB) Statement No. 34, includes all major and non-major funds reported in annual audit for the fiscal year ended September 30, 2015 (Appendix A). The County is not included in any other governmental "reporting

entity," as defined by Statement No. 34.

### **3.2 Key Personnel / Organizational Chart**

An organizational chart (APPENDIX B) and a list of key personnel (APPENDIX C) are attached.

The Auditor's principal contact with the County will be Kristen Klein, County Auditor, or designated representative, who will coordinate the assistance to be provided by the County to the Auditor.

No changes have occurred in the County's financial staff from the prior year. Kristen Klein has been County Auditor for over 21 years and Heidi Franzen, who is also a CPA and has been with the County 17 years, will be a main contact point for this project.

New elected officials include a County Commissioner who took office January 1, 2015. The County Judge took office January 1, 2015 but was a County Commissioner during the prior term.

The current Tax Assessor is retiring and did not run for office; there will be a new County Tax Assessor-Collector as of January 1, 2017.

Beginning January 1, 2017 the County Attorney's and District Attorney's offices will be combined. The County Attorney will be a "County Attorney with Felony Prosecution" and the District Attorney's office will be dissolved.

### **3.3 Background Information**

The County serves an area of 715 square miles with a population, based on the 2010 US Census, of 131,533. The County's fiscal year begins on October 1, and ends on September 30.

The County has an annual payroll exceeding \$ 21 million covering approximately 540 employees.

The County is organized into approximately 35 departments. The accounting and financial reporting functions of the County are centralized.

More detailed information on the government and its finances can be found in the County's Comprehensive Annual Financial Report and Annual Budget which are available on the County website <http://www.co.guadalupe.tx.us/auditor/auditor.php>.

### **3.4 Predecessor Auditors**

Whitley Penn, LLP has audited the County for 5 years and the County has been very satisfied with their performance. The last proposal was done for four years and then extended for one year. County is now on a schedule to go out for proposals every 5 years. The County does not have any charter requirements, or internal policy requirements, that require that the outside audit firm be changed at specific intervals.

There were no disagreements over technical accounting issues with the predecessor auditor.

The current auditors have been invited to bid.

The fee for the past year was \$65,000; which was all-inclusive and included all costs including travel and the preparation of the CAFR and single audit.

There is a separate audit performed for Juvenile Probation TJPC grants, Community Corrections and Supervision Department (CSCD, Adult Probation). The cost for these specialized local entities are not included in the \$65,000. The audit for the CSCD is included as a separate item in this proposal.

### 3.5 Location of Records

The Auditor's office is located at 307 W. Court, Suite 205 which is on the 2<sup>nd</sup> floor of the "Finance Center." The Auditor's office handles the following: accounts payable, general ledger, grants, budgeting, and internal audit.

The Auditor's Office will assist the outside auditors in locating and setting up appointments to review records from the various offices as needed.

The County has approximately 20 elected officials and 20 appointed offices, and their locations and records are spread throughout the County. The major offices are as follows:

Treasurer's Office	307 W. Court, 2 <sup>nd</sup> Floor, Seguin
Tax Office – Seguin Main Office	307 W. Court, 1 <sup>st</sup> Floor, Seguin
Tax Office – Schertz Annex	1101 Elbel Road, Schertz
Justice of the Peace, Precinct 1	2405 East US-90, Seguin
Justice of the Peace, Precinct 2	2611 N. Guadalupe, Seguin
Justice of the Peace, Precinct 3	1101 Elbel Road, Schertz
Justice of the Peace, Precinct 4	11144 FM 725, Seguin
District Clerk	211 W. Court, 2 <sup>nd</sup> Floor, Seguin
District Attorney	211 W. Court, 2 <sup>nd</sup> Floor, Seguin
County Clerk – Seguin Main Office	211 W. Court, 1 <sup>st</sup> & 3 <sup>rd</sup> Floor, Seguin
County Clerk – Schertz Annex	1101 Elbel Road, Schertz
County Attorney	211 W. Court, 3 <sup>rd</sup> Floor, Seguin
Sheriff's Office & Jail	2617 N. Guadalupe, Seguin
Road & Bridge and Environmental Health	2605 North Guadalupe, Seguin
Human Resources	212 W. Nolte Street, Seguin
25 <sup>th</sup> Judicial District CSCD	209 E. Donegan, Seguin

### 3.6 Fund Structure

<u>Fund Type / Account Group</u>	<u>Number of Individual Funds</u>	<u>Legally Adopted Adopted Budget</u>
General Fund	1	1
Special Revenue Funds	44	39
Debt Service Fund	1	1
Capital Project Fund	1	1
Internal Service Fund	2	2
Agency Funds	8	0
General fixed assets account group	1	0

It is anticipated that there will be additional special revenue funds added at the end of each Texas legislative session. Additionally, new funds may be added to account for special grant funds.

### 3.7 Magnitude of Finance Operations

The County Auditor's Office is managed by Kristen Klein, County Auditor. In the Auditor's office, there are 7 full-time employees and 3 part-time employees who perform the principal functions as follows:

<u>Function</u>	<u>Number of Employees</u>
-----------------	----------------------------



Accounts Payable	2 ½
Budget	1
Grants	1
Internal Audit /Fixed Assets	1 ½
General Ledger Accounting / CAFR	1
Purchasing	1½
Total	8½

### 3.8 Computer Systems

The County's financial system is New World Systems, Logos Public Administration software (Microsoft.net platform). This includes financial management (general ledger, purchasing, budget), payroll, and human resources. The software, a windows based program which runs on a SQL server, was implemented by the County in 2007.

New World is a "stand alone" system and no other software packages are integrated in the general ledger. (Receipts are processed in the other systems, and then deposits are manually recorded in New World).

The Court System (Sheriff, Jail, Prosecutors, District & County Clerk, Courts use the Tyler Technology "Odyssey" software.

The County Clerk's deed record uses Data Preservation, Inc. and the vital statics uses Apollo, however the County Clerk is in the process of replacing these systems with one integrated system.

The District Clerk uses QuickBooks for the Court Registry Accounts and the County Clerk uses QuickBooks for Criminal Cash Bonds and has a manual ledger for the Court Registry Accounts. (Note: The QuickBooks accounts are not tied into New World System.)

The Road and Bridge Department uses Cartegraph costing accounting software to allocate costs within the Road and Bridge system. (This is integral in our presentation of infrastructure assets using the modified approach).

Most County offices use Associated Time and Parking for their employee timekeeping, which is integrated into the payroll system.

### 3.9 Internal Audit Function

The County has maintained an internal audit function for the past 10 years. The internal audit function reports to the County Auditor and is staffed by 1 full-time and 1 part-time employees. All members of the internal audit staff hold a BBA degree.

### 3.10 25<sup>th</sup> Judicial District Community Supervision and Corrections Department

The 25<sup>th</sup> Judicial District County Community Supervision Department and Community Corrections is a single county adult probation department. Program financial statements as of and for the year ended August 31<sup>st</sup> and are in accordance with Generally Accepted Auditing Standards and Governmental Auditing Standards, issued by the Comptroller General of the United States and with the provisions prescribed by the Texas Department of Criminal Justice-Community Justice Assistance Division (TDCJ-CJAD) Funding reporting requirements.

The objective of an audit carried out in accordance with such standards and regulations is (1) the expression of the Auditor's opinion concerning whether the financial statements present fairly, in all



material respects, the financial position, results of operations, and cash flows of the organization in conformity with TDCJ-CJAD reporting guidelines as well as to determine whether the financial reports submitted to TDCJ-CJAD contain accurate and reliable financial data; (2) a report on the determination that the internal control structure provides reasonable assurance of compliance with federal and other laws and regulations; (3) the expression of an opinion on whether the organization complied with specific terms and conditions of its major federal assistance programs; (4) to determine that the funding recipient has set up and used appropriate financial and administrative systems of controls to discharge management responsibilities effectively and to accomplish program objectives; and (5) to determine that the funding recipient has no instances of noncompliance that are required to be reported under the Government Auditing Standards issued by the Comptroller General of the United States.

The audit should consider the organization's internal control structure and assess control risk, as required by generally accepted auditing standards, for the purpose of establishing a basis for determining the nature, timing, and extent of auditing procedures necessary for expressing the Auditor's opinion concerning the financial statements, and not to provide assurance on the internal control structure.

The management of 25<sup>th</sup> Judicial District Community Supervision and Corrections Department is responsible for establishing and maintaining an internal control structure. To fulfill this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs for internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with TDCJ-CJAD reporting requirements as well as whether TDCJ-CJAD funds are expended in accordance with TDCJ-CJAD approved budgets.

### **3.11 Name of Contact Person**

The Auditor's principal contact with the County will be Kristen Klein, County Auditor, or a designated representative, who will coordinate the assistance to be provided by the County to the Auditor.

Questions regarding this proposal may be directed to Kristen Klein, County Auditor at the following:

Office Phone Number: (830) 303-4188 Ext. 1328  
Fax Number: (830) 303-1541  
Email Address: [kris@co.guadalupe.tx.us](mailto:kris@co.guadalupe.tx.us)

Auditors who want additional information or clarification should submit written requests to the County Auditor. Written responses will be prepared and delivered to all parties receiving this request for proposal (see Section 1.2.1).

### **3.12 Budgetary Basis of Accounting**

Guadalupe County prepares its budgets on a basis consistent with generally accepted accounting principles on a modified accrual basis of accounting.

### **3.13 Pension Plans**

Guadalupe County provides pension benefits for all of its full-time employees through a nontraditional, joint contributory, defined benefit plan in the state-wide Texas County and District Retirement System (TCDRS), an agent, multiple-employer public employee retirement system. Actuarial services for this plan are provided by the Texas County and District Retirement System.

### 3.14 Component Units

The financial reporting entity includes all the funds and account groups of the primary government (i.e., Guadalupe County as legally defined). In determining potential component units to include in the financial reporting entity, the County has applied the criteria set forth in the Governmental Accounting Standards Board (GASB) Statement No. 14. Using these criteria, component units are included in Guadalupe County's financial statements.

The management of Guadalupe County identified the following component units for inclusion in Guadalupe County's financial statements:

None

### 3.15 Availability of Prior Audit Reports and Working Papers

Interested proposers who wish to review prior years' audit reports should contact Kristen Klein, County. Guadalupe County will use its best efforts to make prior audit reports and supporting working papers available to proposers to aid their response to this request for proposals.

## 4. TIME REQUIREMENTS

### 4.1 Proposal Calendar

The following is a list of key dates:

Request for proposal issued	May 24, 2016
Due date for inquiries / clarifications	June 10, 2016 1:00 p.m.
Due date for proposals	June 21, 2016 2:00 p.m.
Presentations/Interviews	June 28-30, 2016
Commissioners Court selection of audit firm	July 12, 2016
Selected firm notified	July 12, 2016

### 4.2 Date Audit May Commence

Guadalupe County will have all records ready for audit and all management personnel available to meet with the firm's personnel upon mutual agreement.

The trial balance should be complete by December 1<sup>st</sup> of each year. Fieldwork in other offices can be scheduled throughout the year. October through January is the busiest time of year for the Tax Assessor/Collector, so interviews should be scheduled as far in advance as possible.

### 4.3 Schedule for 2016 and Future Year Fiscal Year Audits

The County anticipates the following schedule:

The Auditor will submit, for review and approval by the County Auditor, a schedule of audit functions as follows:

1. Interim Expected start and completion dates (early to mid-August)
2. Information to be Provided by the County The Auditor shall provide the County Auditor a list of all schedules and other assistance to be prepared by County staff. This list should be submitted to the County Auditor by September 1, 2016, and annually by September 1, thereafter
3. Completion of Field Work The Auditor shall make every effort to complete all field work prior to January 31 for each year

#### **4.4 Entrance Conferences, Progress Reporting and Exit Conferences**

The selected Auditor will schedule an entrance conference, periodic progress reports and an exit conference with the County Auditor.

If it should become necessary for Guadalupe County to request the auditor 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 Guadalupe County and the firm. Any such additional work agreed to between Guadalupe County and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the sealed dollar cost fee estimate.

Guadalupe County understands that the fees stated in any proposal will be estimates and are subject to change as a result of unforeseen circumstances that may arise. **However, the Auditor must communicate in writing the existence of such circumstances to the County Auditor prior to performing work that will result in fees exceeding the proposed amounts.** Prior written notice must be delivered in person or sent by registered or certified mail, return receipt requested, proper postage paid, and properly addressed to the other party at the address on the affidavit for the contractor or to the Guadalupe County Judge, 211 W. Court, Seguin, Texas 78155.

#### **4.5 Date Final Report is Due**

The County Auditor seeks assistance by the Auditor in preparing the County's Comprehensive Annual Financial Report for the fiscal year ended September 30, 2016. The County Auditor's staff will review the draft with associated line item break downs provided by the Auditor. It is very important to the County that accounts be translated from the County to the Auditor in the correct classification, category, functions, etc.

The County Auditor's office will complete revisions to the draft report as expeditiously as possible. It is not expected that this process should exceed one week. During that period, the Auditor shall be available for any meetings that may be necessary to discuss the audit reports.

Once all issues for the discussion are resolved, original signed opinion letters shall be delivered to the County Auditor. It is anticipated that this process will be completed and the final report presented to County Commissioners Court, no later than the 3<sup>rd</sup> Commissioners Court meeting in February. The Auditor will make a presentation covering significant matters of the financial operations and on any material findings reported in the management letter to the Commissioners Court.

Note: Audit for the 25<sup>th</sup> Judicial District Community Supervision and Corrections Department must be completed in accordance with the timeline set by the State of Texas, Texas Department of Criminal Justice.

## **5. ASSISTANCE TO BE PROVIDED TO THE AUDITOR**

### **5.1 Finance Staff and Clerical Assistance**

The Auditor will prepare supporting schedules and all financial statements. All working papers and schedules to be prepared by the County must be submitted, in writing, to the County Auditor on or before September 1st of each year, together with adequate detail and explanation as to the purpose of the working papers as well as the method of preparing the working papers. Personnel will be available to the Auditor for the purpose of pulling invoices, directing auditors to the proper files, or for explaining procedures.

The County Auditor's office staff and responsible management personnel will be available during normal working hours throughout the course of the audit to assist the firm by providing information, documentation and explanations. The selection of confirmations will be the responsibility of the Auditor, but may be typed by the County Auditor's office if requested.

In addition, clerical support, hours to be agreed upon by the auditor and Guadalupe County, will be made available to the Auditor for the preparation of routine letters and memoranda.

### **5.2 Work Area, Telephones, Photocopying and Facsimile Machines**

Guadalupe County will provide the Auditor with reasonable work space, tables and chairs. The Auditor will also be provided with access to telephones, photocopying equipment, and facsimile machine.

## **6. PROPOSAL REQUIREMENTS**

### **6.1 General Requirements**

Each Proposal submitted in response to this RFP must clearly reference each section. Further, although there is not a page limit for Proposals, to save natural resources including paper, and to allow Guadalupe County to efficiently evaluate all proposals, Guadalupe County requests that Proposals be orderly, concise, but comprehensive in providing the requested information. Conciseness and clarity of content are emphasized and encouraged.

#### **6.1.1 Submission of Proposals –**

This proposal is divided into two parts, the "Technical Proposal" and "Sealed Dollar Cost Fee Estimate".

**A. TECHNICAL PROPOSAL** – An original (so marked) of a Technical Proposal and four (4) copies.

- 1) Title Page Title page showing the request for proposals subject; the firm's name; the name, address and telephone number and email address of the contact person; and the date of the proposal.
- 2) Table of Contents Table should include an index of the proposal contents and attachments with page numbers.
- 3) Transmittal Letter A signed letter of transmittal should contain the responding firm's name, office addresses, and contact persons authorized to answer technical, price, and/or contract related questions. The letter should briefly state 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 the period stated.

- 4) Executive Summary A summary of three pages or less should be provided which provides a summation of the proposal. Identify the points that make your firm uniquely qualified for this engagement.
- 5) Quality Control Review Submit a copy of the report on firm's most recent external quality control review, with a statement whether that quality control review included a review of specific governmental engagements.
- 6) Results of Federal or State Desk Reviews Provide information on the results of any federal or state desk reviews or field reviews of firm's audits during the past three years. Provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three years with state regulatory bodies or professional organizations.
- 7) Detailed Proposal The detailed proposal should follow the order set forth in Section 6.2 of this request for proposals. Address each section in a manner that is easy to follow and identify.
- 8) Executed copies of each APPENDIX requiring signature or completed information.
- 9) Proposer Guarantees, Insurance Requirements, and Indemnity Agreement, attached to this request for proposal (Appendix D, Appendix E, Appendix F).
- 10) The envelope should be marked on the outside as follows:

**RFP AUDIT SERVICES  
TECHNICAL PROPOSAL  
FOR GUADALUPE COUNTY  
PROFESSIONAL AUDITING SERVICES  
JUNE 2016**

- B. SEALED DOLLAR COST FEE ESTIMATE** - The proposer shall submit an original and four (4) copies of "Sealed Dollar Cost Fee Estimate."

- 1) Enclose original and copies of fee estimates in one separate sealed envelope.
- 2) The envelope should be marked on the outside as follows:

**SEALED DOLLAR COST FEE ESTIMATE  
FOR GUADALUPE COUNTY  
PROFESSIONAL AUDITING SERVICES  
JUNE 2016**

- 3) Sealed Dollar Cost Fee Estimate - The detailed proposal should follow the order set forth in Section 6.3 of this request for proposals.

- C.** Proposers should send the completed proposal consisting of the two (2) parts to the

following address:

Mailing Address: County Judge Kyle Kutscher  
Guadalupe County  
211 W. Court  
Seguin, Texas 78155

## **6.2. Technical Proposal**

### **6.2.1 General Requirements**

The purpose of the Technical Proposal is to demonstrate the qualifications, competence of the firms seeking to undertake an independent audit of Guadalupe County in conformity with the requirements of this request for proposals. 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 proposals requirements.

**There should be no dollar units or total costs included in the technical proposal document.**

The Technical Proposal should address all the points outlined in the request for proposals. 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 proposals.

While additional data may be presented, the following subjects, items Nos. 6.2.2 through 6.2.9, must be included. They represent the largest portion of the criteria against which the proposal will be evaluated.

### **6.2.2 Independence**

The firm should provide an affirmative statement that it is independent of Guadalupe County as defined by Generally Accepted Auditing Standards and the U.S. General Accounting Office's *Government Auditing Standards* (1994).

Chapter 176 of the Texas Local Government code mandates the public disclosure of certain information concerning persons doing business or seeking to do business with Guadalupe County, including affiliations and business and financial relationships such persons may have with Guadalupe County officers. An explanation of the requirements of Chapter 176 is located at:

<http://http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm..statutes.legis.state.tx.us>

A list of County officials is located at [www.co.guadalupe.tx.us](http://www.co.guadalupe.tx.us). The disclosure form is included in this packet as APPENDIX K. Please complete with your response.

### **6.2.3 License to Practice in the State of Texas**

An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in the State of Texas.

### **6.2.4 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.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.

The firm shall also provide information on the results of any 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.

#### **6.2.5. Partner, Supervisory and Staff Qualifications and Experience**

The firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement and indicate whether each such person is licensed to practice as a Certified Public Accountant in the State of Texas. The firm should also 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.

The firm should also 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 Guadalupe County. However, in either case, Guadalupe County 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.

#### **6.2.6. Similar Engagements with Other Government Entities**

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements performed in the last four (4) years that are similar to the engagement described in this request for proposals.

Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact. Also indicate whether the CAFR issued in

connection with the audit was awarded the GFOA's Certificate of Achievement for Excellence in Financial Reporting.

Include in similar engagements, entities similar to Guadalupe County, Community Corrections and Supervision Departments, and SSAE 16 Reports completed.

#### **6.2.7 References**

Please list at least four (4) agencies where the same or similar services as contained in this specification package were recently provided.

Attach a separate page for 1) Guadalupe County CAFR and Single Audit, 2) SSAE 16, and 3) 25<sup>th</sup> Judicial District Community Supervision and Corrections Department. References do not have to be mutually exclusive and can overlap.

#### **6.2.8 Participation in Government Finance Officers Association (GFOA) Certificate of Excellence in Financial Reporting**

Provide information on the number of years the firm has participated in the GFOA Certificate of Excellence in Financial Reporting, including information on the number of clients submitted and awarded in the past five (5) years. Also, provide information on persons in the firm who reviewed CAFR and their specific experience reviewing similarly complex clients.

Include information on members of the firm who participate as Reviewers for the GFOA Certificate of Excellence in Financial Reporting. Provide information on the number of years and the number of financial statements that they have reviewed in the past five (5) years.

#### **6.2.9 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 this request for proposals. In developing the work plan, reference should be made to such sources of information as Guadalupe County's budget and related materials, organizational charts, and financial and other management information systems.

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

1. Proposed segmentation of the engagement (such as planning, cash and investments, debt, revenue, compliance, etc.)
2. Level of staff and number of hours to be assigned to each proposed segment of the engagement
3. The extent to which statistical sampling is to be used in the engagement, including sampling methods, sizes, and areas of use
4. Extent of use of computer audit tools in the engagement.
5. Type and extent of analytical procedures to be used in the engagement
6. Approach to be taken to gain and document an understanding of Guadalupe County's internal control structure
7. Approach to be taken in determining laws and regulations that will be subject to audit test work.

#### **6.2.10 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 Guadalupe County.

### **6.3 All-inclusive Sealed Dollar Cost Fee Estimate**

#### **6.3.1 Total All-Inclusive Maximum Price (APPENDIX I)**

The sealed dollar cost fee estimate should contain all pricing information relative to performing the audit engagement as described in this request for proposals. The total all-inclusive maximum price proposed shall contain all direct and indirect costs including all out-of-pocket expenses.

Guadalupe County will not be responsible for expenses incurred in preparing and submitting the technical proposal or the sealed dollar cost bid. Such costs should not be included in the proposal.

The “All-Inclusive Sealed Dollar Cost Fee Estimate” should include the following information:

1. Name of firm
2. A total all-inclusive maximum price for the 2016 engagement and the subsequent engagement for the next four (4) years for Guadalupe County and Single Audit, SSAE 16 Engagement, and 25<sup>th</sup> Judicial District Community Supervision and Corrections Department

#### **6.3.2 Schedule of Professional Fees and Expenses (APPENDIX J)**

The “Schedule of Profession Fees and Expenses” shall support the “All-Inclusive Sealed Dollar Cost Fee Estimate.” Include number of hours and quoted hourly rates for firm personnel and other expected fees, out-of-pocket expenses, and any other expenses.

A form shall be submitted to support the cost for each year for Guadalupe County CAFR and Single Audit, SSAE 16 Engagement, and 25<sup>th</sup> Judicial District CSCD.

#### **6.3.3 Rates for Additional Professional Services**

If it should become necessary for Guadalupe County to request the auditor 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 Guadalupe County and the firm. Any such additional work agreed to between Guadalupe County and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the sealed dollar cost fee estimate.

#### **6.3.4 Out-of-Pocket Expenses included in the Total All-Inclusive Price**

Out-of-pocket expenses for the firm personnel (e.g. travel, lodging, subsistence) shall be included in the Total All-inclusive Price maximum price submitted by the firm.

#### **6.3.5 Printing and Publication Costs**

The cost to produce and bind ten (10) paper copies of each report produced shall be included in the Total All-inclusive Price maximum price submitted by the firm.

#### **6.3.6 Manner of Payment**

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost fee estimate. Interim billing shall cover a period of not less than a calendar month.

## **7. EVALUATION PROCEDURES**

### **7.1 Audit Selection Committee**

Proposals submitted will be evaluated by a three (3) member Audit Selection Committee who are appointed by the County Judge.

### **7.2 Review of Proposals**

Each member of the Audit Selection Committee will review proposals for initial technical scoring and compliance with RFP requirements, using a point formula during the review process to score proposals, and will prepare a preliminary score of all proposals. At this point, firms with an unacceptably low technical score will be eliminated from further consideration. After the composite technical score for each firm has been established, the sealed dollar cost bid will be opened and additional points will be added to the technical score based on the cost fee estimate. The maximum score for price will be assigned to the firm offering the lowest total all-inclusive maximum price. Appropriate fractional scores will be assigned to other proposers.

The full Audit Selection Committee will then convene to review and discuss these evaluations and to arrive at a recommendation for the Commissioners Court's consideration.

### **7.3 Evaluation Criteria**

Proposals will be evaluated using three (3) sets of criteria: (1) Mandatory Elements; (2) Technical Qualification; and (3) Cost Fee Estimate. Firms meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications and cost fee estimate. The following represent the principal selection criteria which will be considered during the evaluation process.

#### **7.3.1 Mandatory Elements**

1. The audit firm is independent and licensed to practice in the State of Texas
2. The audit firm's professional personnel have received adequate continuing professional education within the preceding three (3) years to meet the *Government Audit Standards*
3. The firm has no conflict of interest with regard to any other work performed by the firm for the County
4. The firm submits a copy of its most recent external quality control review report and the firm has a record of quality audit work
5. The firm has performed two or more audits of comparable Texas governmental entities in the past four (4) years
6. The firm adheres to the instructions in this request for proposals on preparing and submitting the proposal.

#### **7.3.2 Technical Qualifications (Maximum Points - 120)**

##### **a. Expertise and Experience (Maximum Points - 50 Points)**

1. The firm's past experience and performance on comparable government engagements

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
3. The firm's past experience and performance with Single Audits and tests of compliance with laws and regulations
4. Demonstrated experience, qualifications, and professional activities of the audit team
5. Ability to perform additional services and provide technical support throughout the year
6. Number of years participating and number of clients receiving the GFOA Certificate of Excellence in Financial Reporting
7. Number of years, and number of reviewers, the firm has who participate in the GFOA Certificate of Excellence in Financial Reporting

**b. Audit Approach (Maximum Points - 40 Points)**

1. Comprehensiveness of audit work plan and adequacy of sampling techniques
2. Adequacy of proposed staffing plan for various segments of the engagement and the quality of the firm's management support personnel to be available for technical consultation
3. Adequacy of study and evaluation of internal accounting and administrative controls

**c. Other Areas of Consideration (Maximum 30 points)**

1. Consideration may be given to alternative ideas and proposals presented in the RFP
2. Information provided by References
3. Presentation of the Request for Proposal
4. Oral Presentations/ Interviews (at discretion of Audit Selection Committee)

**7.3.3 Cost Fee Estimate (Maximum Points - 30 Points)**

Cost will not be a part of determining the ranking order. Cost will be considered primarily to ensure that professional fees are consistent with and not higher than published, recommended practices and fees of the profession.

**COST WILL NOT BE THE PRIMARY FACTOR IN THE SELECTION OF AN AUDIT FIRM.**

**7.4 Oral Presentations/Interviews**

During the evaluation process, the Audit Selection Committee may, at its discretion, request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the Audit Selection Committee may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

The County reserves the right to conduct personal interviews of any or all firms prior to selection. The County will not be liable for any cost incurred by the proposer in connection with oral presentations or interviews (i.e. travel accommodations, etc.).

**7.5 Final Selection**

Guadalupe County Commissioners Court will select a firm based upon the recommendation of the Audit Selection Committee; however, the County Commissioners Court may select an audit firm other than the one recommended.

It is anticipated that a firm will be selected by July 12, 2016. Following notification of the firm selected, it is expected a contract will be executed between both parties immediately thereafter.

## **7.6 Right to Reject Proposals**

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

Guadalupe County reserves the right to select only the annual audit for the County, and decline the services for the SSAE 16 Report and/or the 25<sup>th</sup> Judicial District Community Supervision and Corrections Department.

Further, Guadalupe County reserves the right without prejudice to reject any or all proposals.

The 25<sup>th</sup> Judicial District Community Supervision and Corrections Department reserves the right without prejudice to reject any or all proposals.

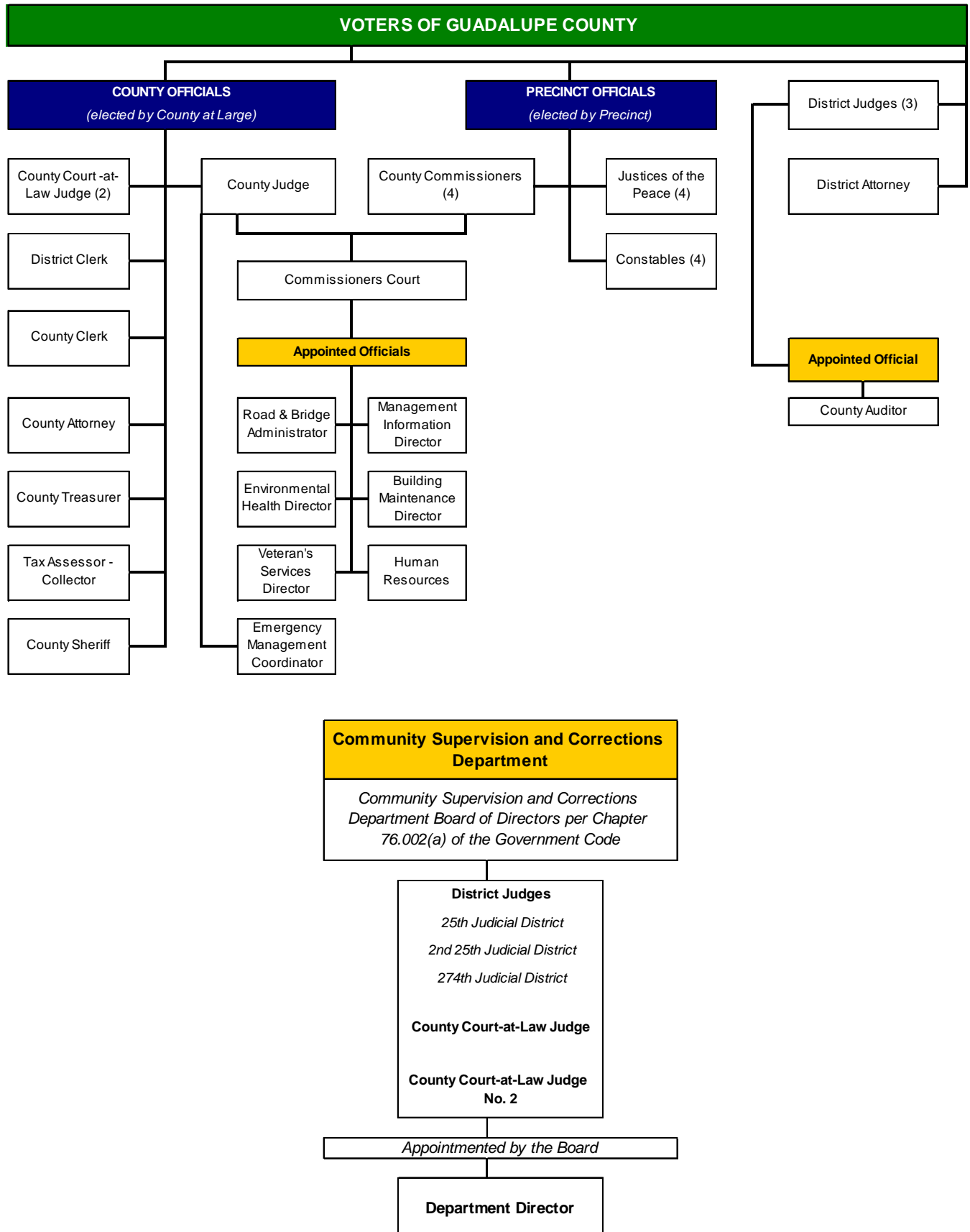
## APPENDIX – A

### **Annual Financial Report Link For the Fiscal Year Ended September 30, 2010**

Financial information for the County, and the 25<sup>th</sup> Judicial District Community Supervision and Corrections Departments, including previously issued CAFRs, available at:

<http://www.co.guadalupe.tx.us/auditor/auditor.php>

# GUADALUPE COUNTY ORGANIZATIONAL CHART



## APPENDIX – C

### Key Personnel as of May 1, 2016

#### Commissioners' Court

Kyle W. Kutscher	County Judge
Greg Seidenberger	County Commissioner, Precinct 1
Jack Shanafelt	County Commissioner, Precinct 2
Jim Wolverton	County Commissioner, Precinct 3
Judy Cope	County Commissioner, Precinct 4

#### District Court

Bill W. Old	District Judge, 25th Judicial District
W.C. Kirkendall	District Judge, 2nd 25th Judicial District
Gary Steel	District Judge, 274th Judicial District
Heather McMinn	District Attorney

#### Elected County and Precinct Officials

Robin Dwyer	Judge, County Court at Law
Frank Follis	Judge, County Court at Law No. 2
Darrell Hunter	Justice of the Peace, Precinct 1
Sheryl Sachtleben	Justice of the Peace, Precinct 2
Roy Richard	Justice of the Peace, Precinct 3
Todd Friesenhahn	Justice of the Peace, Precinct 4
Linda Douglass	County Treasurer
Tavie Murphy	Tax Assessor / Collector
Teresa Kiel	County Clerk
Dave Willborn	County Attorney
Debi Crow	District Clerk
Arnold Zwicke	Sheriff
Bobby Jahns	Constable, Precinct 1
Jimmy Harless	Constable, Precinct 2
Mike Skorbarcek	Constable, Precinct 3
Gene Mayes	Constable, Precinct 4

#### Appointed County Officials

Robert Thomas	Chief Adult Probation
Ron Quiros	Chief Juvenile Probation Officer
Lisa Adam	Elections Administrator
Kristen Klein	County Auditor
Carl Bertschy	Management Information Systems Director
Audrey McDougal	Human Resources Director
Richard Vasquez	Building Maintenance Director
Travis Franke	County Extension Agent
William MacAllister	Veterans' Service Officer
Patrick Pinder	Emergency Management Coordinator/Fire Marshal
Mark Green	Road and Bridge Administrator
Shelly Coleman	Environmental Health Director

PROPOSER GUARANTEES

The undersigned hereby certifies that he/she understands the specifications and any addendums, has read the document in its entirety and the prices submitted in this proposal have been carefully reviewed and are submitted as correct and final. If Proposal is accepted, vendor further certifies and agrees to furnish any or all services upon prices are extended at the price offered, and upon the conditions in the specification included in this Request for Proposal including attachments.

The undersigned hereby certifies the foregoing proposal submitted by the company listed below herein after called “Proposer” is the duly authorized agent of said company and the person signing the proposal has been duly authorized to execute the same. Proposer affirms that they are duly authorized to execute this contract; this company, corporation, firm, partnership, or individual has not prepared this proposal in collusion with any other Proposer; and that the contents of this proposal as to prices, terms or conditions of said proposal have not been communicated by the undersigned nor by any employee or agent to any other person engaged in this type of business prior to the official opening of this proposal.

The Proposer certifies that he/she can and will provide and make available, at a minimum, all services set forth in this document.

Signature of Official: \_\_\_\_\_

Authorized Representative Name (printed): \_\_\_\_\_

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

Company Name: \_\_\_\_\_

Phone Number: \_\_\_\_\_ e-Mail Address: \_\_\_\_\_

Acknowledgement of Addenda:    ☐ Addenda No. 1    ☐ Addenda No. 2    ☐ Addenda No. 3    ☐ Addenda No. 4

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



## REFERENCES

This form must be completed and returned with the proposal.

Please list at least four (4) agencies where the same or similar services as contained in this specification package were recently provided.

Submit a separate page for 1) Guadalupe County CAFR and Single Audit, 2) SSAE 16, and 3) 25<sup>th</sup> Judicial District Community Supervision and Corrections Department.

## REFERENCE ONE

Name: \_\_\_\_\_

Address: \_\_\_\_\_ Phone Number: \_\_\_\_\_

Contact Person and Title: \_\_\_\_\_

Contract Period: \_\_\_\_\_

Scope: \_\_\_\_\_

## REFERENCE TWO

Name: \_\_\_\_\_

Address: \_\_\_\_\_ Phone Number: \_\_\_\_\_

Contact Person and Title: \_\_\_\_\_

Contract Period: \_\_\_\_\_

Scope: \_\_\_\_\_

## REFERENCE THREE

Name: \_\_\_\_\_

Address: \_\_\_\_\_ Phone Number: \_\_\_\_\_

Contact Person and Title: \_\_\_\_\_

Contract Period: \_\_\_\_\_

Scope: \_\_\_\_\_

## REFERENCE FOUR

Name: \_\_\_\_\_

Address: \_\_\_\_\_ Phone Number: \_\_\_\_\_

Contact Person and Title: \_\_\_\_\_

Contract Period: \_\_\_\_\_

Scope: \_\_\_\_\_

**INSURANCE REQUIREMENTS**

- A. Contractor shall at Contractor's own expense, purchase and keep in force during the term of this Contract such insurance as set forth below. Contractor shall not commence work under this Contract until Contractor has obtained all insurance required and such. All insurance policies provided under this Contract shall be written on an "occurrence basis" unless otherwise indicated. The insurance requirements shall remain in effect throughout the term of this Contract.
1. Professional liability insurance - including contractual liability, in an amount not less than \$500,000
  2. Commercial general liability insurance - \$500,000 combined single limit per occurrence for bodily injury, personal injury, and property damage; this policy shall have no coverages removed by exclusion
  3. Automobile liability - \$500,000 combined single limit per accident for bodily injury and property damage; coverage should be provided as a "Code 1", any auto
  4. Workers compensation and employers' liability - employer's liability policy limits of \$100,000 for each accident, \$500,000 disease policy limit
- B. Other insurance provisions
1. Should professional liability coverage be provided on a "claims-made" form, Contractor must maintain this policy for a period of four (4) years after completion of this Contract or purchase extended reporting period or "tail" coverage.
  2. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, cancelled, or reduced in coverage or in limits except after thirty (30) days prior written notice has been provided to County.
  3. Insurance is to be placed with insurers with a Best rating of no less than "A:VII". The company must also be duly authorized to transact business in the state of Texas.
  4. Workers compensation and employer's liability coverage - The insurer shall agree to waive all rights of subrogation against County, its officials, employees, and volunteers for losses arising from the activities under this Contract.

No right or remedy granted herein or reserved to the parties is exclusive of any other right or remedy herein granted by law or equity provided or permitted; but each shall be cumulative of every other right or remedy given thereunder. No covenant or condition of this Contract may be waived without consent of the parties. Forbearance or indulgence by either party shall not constitute a waiver of any covenant or condition to be performed pursuant to this Contract.

INDEMNITY AGREEMENT

The company agrees to and shall indemnify, hold harmless and defend the county, its officers, agents and employees from and against any and all claims, losses, damages, causes of action, suits, and liability of every kind, including all expenses of litigation, court costs, and attorneys' fees, for damage to any property, loss of revenue, or any other injuries or damages arising out of or in connection with the services performed by the company pursuant to this proposal, the conduct or management of the company's activities, or from any act or omission by the company, its agents, employees, or subcontractors, where such damages, losses or injuries are caused by the joint or sole negligence of the company. It is the expressed intention of the parties hereto, both the company and the county, that the indemnity provided for in this paragraph is indemnity by the company to indemnify and protect the county from the consequences of the company's own negligence, where that negligence is a concurring cause of the resulting injury, death or damage. Furthermore, the indemnity provided for in this paragraph shall have no application to the county for any claim, loss, damage, and cause of action, suit and liability where the injury, loss or damage results from the sole or the concurrent negligence of the county.

In the event that any action or proceeding is brought against the County by reason of any matter from which the County is indemnified herein, the Company further agrees and covenants to defend the action or proceeding by legal counsel acceptable to the County. This article shall survive the expiration or termination of the agreement.

---

Signature of Official Representative of Audit Firm

---

Name of Official Representative (typed)

---

Title

---

Name of Firm

## APPENDIX – H

### Example of Previous “Prepared By Client” Schedules

#### Guadalupe County

#### Year End PBC List

9/30/2015

- 1 Final Trial Balance as of year-end including Original and Final budget amounts. (9/30/2015 Year End and Non Standard 8/31/2015)
  - 2 Fund 960 Equity Analysis of Changes (showing the changes in Funds 600 and Internal Service Funds)
  - 3 Chart of accounts (or new accounts/funds added in the CY)
  - 4 Schedule of Expenditures of **Federal** Awards as of year-end. Please provide Grant end date, award (budget) amount, program expenditures, CFDA #. Provide what GL accounts the exp & rev tie to.
  - 5 Schedule of Expenditures of **State** Awards as of year-end. Please provide Grant end date, award amount and program expenditures. Provide what GL accounts the exp & rev tie to.
  - 6 Commissioners courts minutes from July 2015 to most recent
  - 7 Material changes/developments that may affect audit work. Should include new bonds issued, key personnel changes, software changes, known fraud (if any), etc.
  - 8 County-wide Organization chart (with names) - Updated for FY 2015
  - 9 Finance department organization chart (with names) - Updated for FY 2015
  - 10 Print out of all legal expenses incurred 10/01/2014 through 9/30/2015 - listing of lawsuits involving the County.
  - 11 Detailed year to date general ledger report for all funds showing all activity by account (electronic)
  - 12 Year to date manual journal entry detail for all funds (electronic)
  - 13 Schedule showing fund balance per PY audit report agrees to General Ledger.
  - 14 Fund Balance Policy for FY 2015 and Order Committing a Portion of the Fund Balance for FY 2015
- Cash and Investments**
- 15 Bank reconciliations for 09/30/15 for all bank accounts. Please include detail list of outstanding checks and other reconciling items.
  - 16 Bank statements for final year-end month and first subsequent month
  - 17 Bank Account Balance by Funds
  - 18 List of Fiduciary Accounts with support to tie the balances to TB  
Agency Accounts Detail Listing  
Juvenile Bank Account Detail By Fund  
Agency Funds Descriptions if there is any changes  
Fiduciary (Agency Fund) Bank Reconciliations and Statements  
Money Market - Detail Report  
Fund 920 Report (Agency)
  - 19 Investment report for 09/30/15
  - 20 Investment Policy FY 2015 and date of approval - Commissioners Court
  - 21 Please provide most recent broker certification statements (PFIA)
  - 22 Investment Training Certificates for investment officers (PFIA)
  - 23 Investment statements for all investment accounts for year-end month and first subsequent month.
  - 24 Allocation of interest for pooled funds
  - 25 Make sure Interfund borrowings in pooled account by fund are properly booked as due from or due to (i.e. no negative balances in pooled account reconciliation)
  - 26 Last Quarter Investment report
  - 27 Note disclosure information for cash and investments:
    - a. WAM
    - b. Investment balances by type of investment
    - c. Maturity dates for
  - 28 List of pledged collateral at year-end and Highest cash balance date

## APPENDIX – H

- 29 Bank Depository Agreement/Contract for FY 2014-2015
- 30 Schedule of all Bank accounts. Schedule should include: bank, account name, bank account number, general ledger account number, authorized check signers and personnel authorized to make other bank transfers.

### Accounts Receivable/Revenues

#### Governmental:

#### *Property Taxes:*

- 31 Tax receivable roll forward with levy, collections and receivable by year and by fund
- 32 Tax office reports to support roll forward
- 33 Copy of CAD certified appraised value to support levy
- 34 Copy of ordinance approving tax rate for tax year 2014
- 35 Copy of Guadalupe Appraisal District Summary of Jurisdiction Tax Rates
- 36 Calculation of allowance for doubtful accounts
- 37 Calculation of penalties and interest at year end, along with allowance for doubtful accounts on P&I
- 38 Delinquent Tax Accrual

#### *Other taxes and fees:*

- 39 Schedule of sales taxes received by month including sales tax receivable at year end. Schedule should be broken out by general and other if applicable.
- 40 Schedule and support for Vehicle Registration Revenue
- Other significant revenue sources:*
- 41 Fines Revenue schedule and support and AR aging at year end with backup for allowance calculation
- 42 Schedule and support for Fees of Office Revenue
- 43 Reconcile total of intergovernmental fees to SEFA
- 44 Schedule and support for Jail phone commissions and detention revenue
- 45 Schedule of accrual of unbilled revenue which tie to Trial balance
- 46 Any other significant revenue sources that have increased significantly since interim period please provide support
- 47 Three year analysis of Road and Bridge revenue

### Accounts Payable/Expenditures and other accrued liabilities

- 48 YTD check register should also include ACH and electronic payments. We should be able to see:  
Check number  
Check date  
Payee  
Amount  
General ledger
- 49 Subsequent check register from 10/01/15 through latest check run
- 50 Detail listing of accounts payable at year end with vendor, invoice, invoice date, invoice amount, account distribution agreed to general ledger by fund.  
Vendors paid with \$25,000 or more with funding source  
List of bids/rfps etc. for FY 2015 (Master Bid List)  
List of vendors who have received >\$50,000 in payments YTD
- 51 Have available vendor invoices that have not been paid for review.
- 52 Listing of Purchase orders at year end that have been rolled to next fiscal year.
- 53 List of possible contingencies and estimates of any contingencies reported.
- 54 Support for any other significant Payables, accrued liabilities and deferred revenue (other than for property taxes)

### Inventory

- 55 Final inventory for Road and Bridges detail by type of inventory- Shop, Vehicle parts, utility supplies by fund showing item, quantity cost, extended amounts and totals tying to general ledger.

## APPENDIX – H

56	Reconciliation's of inventory accounts from detail to general ledger.
	Prepaid expenses and other current assets
57	Listing of all prepaid expenditures as of 9/30/2015.
	Interfund
58	Listing of interfund receivable and payable amounts - by fund showing amount zeros out.
59	Schedule of interfund transfers and purpose of each transfer (with governing body approval documentation if required)
	Capital Assets
60	Summary of capital assets showing beginning balance, additions, retirements, transfers and ending balances for governmental, business-type activities and internal service funds.
61	Provide detail of additions and retirements.
62	Capital asset detail at year end by department and by category for governmental, business-type activities and internal service funds with Depreciation calculations by function/program.
63	FY 2015 Historic Value - Infrastructure - Roads
64	Asset Value Report
65	Bridge Depreciation Schedule Supplemental
66	Schedule of Construction in progress during the year, and amounts payable at year end. Listing of expenditure of all additions during year- Segregate current year expenditures from project totals if possible. Show authorized contract amounts, contract expenditure, other costs; total in progress which should tie to the construction in progress included in capital assets summary above (should include retainage payable).
67	Schedule of retainage payable at year end-attach approved payment application showing amount of retainage payable - should be pay-application with work ending September 30, 2015.
68	Reconciliation of capital outlay accounts to additions to capital assets for governmental activities
	Long-term debt
69	Long-term debt analysis- showing beginning balance all additions, retirements, ending balance, interest payments during the year.
70	Support for any bond issuances or refundings (closing memorandums)
71	Economic gain or loss amount of the refunding bond 2015 as well as the cash flow savings amount, if any – this information can be obtained from the bond counsel - if applicable for FY 2015
72	Capital leases - provide copy and amortization schedule and note disclosure per CAFR Note
73	Compensated absences analysis (detail analysis of vacation and sick time accrual at year end) – beginning balance, additions, deletions and ending balance – by employee, by department
	Payroll
74	YTD payroll register (should include direct deposit and manual checks) <ul style="list-style-type: none"> <li>a. Check or transaction number</li> <li>b. Transaction date</li> <li>c. Employee name</li> <li>d. Gross pay</li> <li>e. Deductions</li> <li>f. General ledger account code distribution (or department)</li> </ul>
75	Total amount of covered payroll for pension plans and amounts the County contributed to plan, reconciled to the general ledger.
76	Accrued payroll at 9/30/2015 calculation and detail enough to perform test of the calculation and to also tie in the totals- (both payroll accrual payable and expenditures)
77	Payroll Calendar to determine the number of days accrued. Please provide the first date of payroll after 09/30/2015.
78	TCDRS confirmation for Pension Information
79	Total amount of covered payroll for TCDRS and amounts County contributed to plan.
80	Copies of each Summary of monthly payroll report submitted to TCDRS from October 1, 2014 to September 30, 2015.

## APPENDIX – H

- 81 Number of employees for fiscal years 2015, 2014, and 2013
- 82 County's reconciliation of 941 amounts to General ledger; Please provide the Forms 941 fiscal year.

### Self-Insurance

- 83 Analysis of claims payable and IBNR at year end by fund for both Worker's Comp and Health Insurance claims payable and IBNR amounts calculated from third party administrator
- 84 Analysis of claims expense during the year (totals by month)
- 85 Analysis of Premium revenue (overall calculation of employees time approved rates tied in to expenditures to self insurance funds.
- 86 SSAE 16 report from third party administrator on handling claims  
Self Insurance Fund Note
- 87 Analysis of administrative charges paid to TPA and analysis of stop-loss insurance premiums paid during the year.
- 88 Number Group Health Insurance Employee Participants for fiscal years 2015, 2014, and 2013

### Single Audit - Federal

- 89 Notify WP if expenditures for a new Federal program were incurred subsequent to interim field work.
- 90 Analysis of Cash receipts by program copies of reimbursements sent to agencies (Cash receipts for fiscal year Less prior year receivable plus current year receivable plus prior year deferred revenue less current year deferred revenue should agree to revenue per TB which should agree with expenditures per TB)
- 91 Copies of correspondence with cognizant agencies if there are any special audit requirements or communications re findings for the programs.

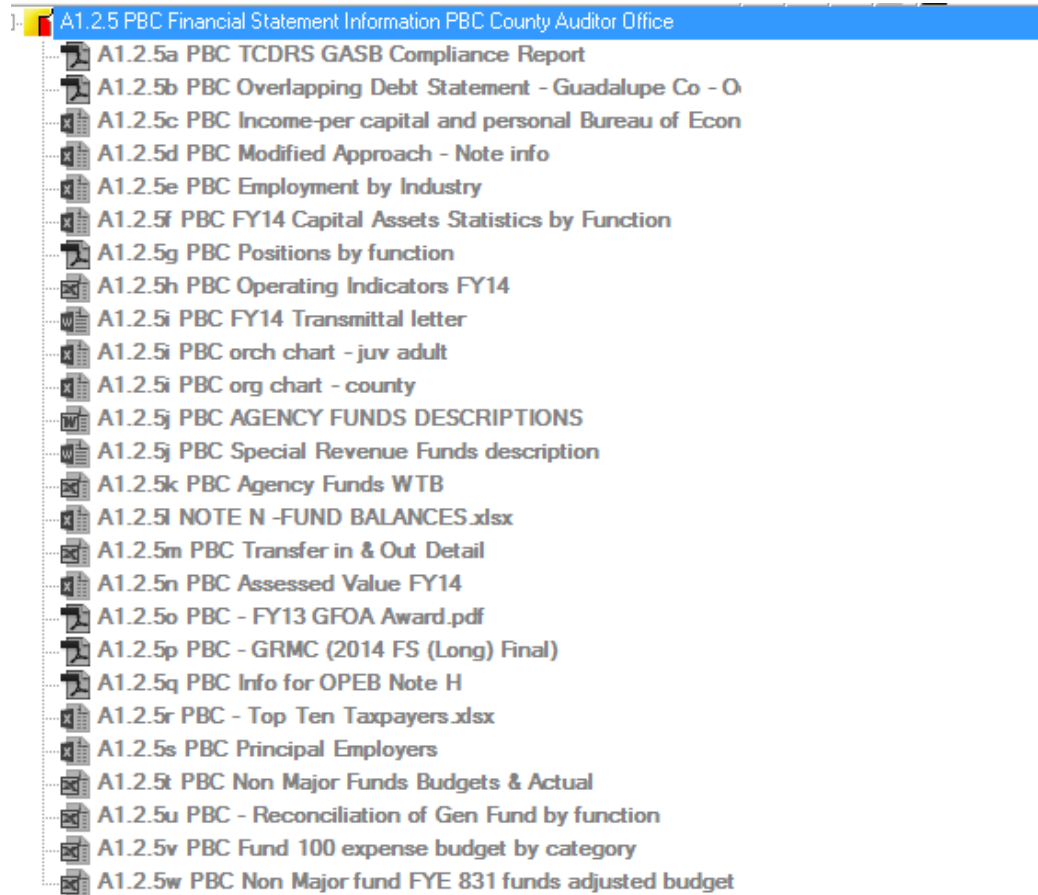
### Single Audit - State

- 92 Notify WP if expenditures for a new State program were incurred subsequent to interim field work.
- 93 Analysis of Cash receipts by program copies of reimbursements sent to agencies (Cash receipts for fiscal year Less prior year receivable plus current year receivable plus prior year deferred revenue less current year deferred revenue should agree to revenue per TB which should agree with expenditures per TB)
- 94 Copies of correspondence with cognizant agencies if there are any special audit requirements or communications re findings for the programs.

### Others

- 95 List of related party transactions, if any
- 96 Conflict of Interest Disclosures signed by Commissioners Court - if applicable for FY 2015
- 97 Internal Audit Reports
- 98 Final Disaster Recovery Plan if there is a final one. We received the plan in progress in prior year.
- 99 Groupings Report for CAFR
- 100 GFAO Comments
- 101 Supplementary Schedules
- 102 PBC Financial Statement Information Schedules and Worksheets - See below

## APPENDIX – H



- 103 Internal control narratives - if you already have written procedures with key controls, please provide. Please note- IC narratives for AP/Purchasing and Payroll/HR should be sent back prior to the first week of field work as these will be the first ones scheduled.



## ALL-INCLUSIVE SEALED DOLLAR COST FEE ESTIMATE

PLACE IN SEALED ENVELOPE

	Guadalupe County	SSAE 16*	25 <sup>th</sup> Judicial District CSCD
Fiscal Year 2016	\$	\$	\$
Fiscal Year 2017	\$	\$	\$
Fiscal Year 2018	\$		\$
Fiscal Year 2019	\$		\$
Fiscal Year 2020	\$		\$

***\*Note: As stated in Section 2.2, the cost of the SSAE 16 will be set for the first two years and then negotiated annually thereafter.***

\_\_\_\_\_  
Signature of Official Representative of Audit Firm

\_\_\_\_\_  
Name of Official Representative (typed)

\_\_\_\_\_  
Title

\_\_\_\_\_  
Name of Firm

## SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

PLACE IN SEALED ENVELOPE

GUADALUPE COUNTY ANNUAL AUDIT AND SINGLE AUDIT (STATE OR FEDERAL)					
	Comprehensive Annual Financial Report (CAFR)		Single Audit (state or federal)		Total
	Number of Hours	Quoted Hourly Rates	Number of Hours	Quoted Hourly Rates	
Partners		\$		\$	\$
Managers		\$		\$	\$
Supervisory Staff		\$		\$	\$
Staff		\$		\$	\$
Other (specify)		\$		\$	\$
<b>SUBTOTAL</b>					\$
Other expected fees					\$
Out-of-pocket expenses					\$
Other (specify in detail)					\$
<b>TOTAL ALL INCLUSIVE MAXIMUM PRICE FOR FISCAL YEAR <span style="background-color: yellow;">          </span> AUDIT</b>					\$

- The rate quoted should *not* be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.
- Submit a separate form for each year.

---

 Name of Firm

## SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

PLACE IN SEALED ENVELOPE

25 <sup>TH</sup> JUDICIAL DISTRICT CSCD AUDIT			
	Number of Hours	Quoted Hourly Rates	Total
Partners		\$	\$
Managers		\$	\$
Supervisory Staff		\$	\$
Staff		\$	\$
Other (specify)		\$	\$
<b>SUBTOTAL</b>			\$
Other expected fees			\$
Out-of-pocket expenses			\$
Other (specify in detail)			\$
<b>TOTAL ALL INCLUSIVE MAXIMUM PRICE FOR FISCAL YEAR</b> <span style="background-color: yellow;">          </span> <b>AUDIT</b>			\$

- The rate quoted should *not* be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.
- Submit a separate form for each year.

---

 Name of Firm

## SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

PLACE IN SEALED ENVELOPE

SSAE 16 (SOC1) TYPE II ENGAGEMENT OR ALTERNATIVE PROPOSAL			
	Number of Hours	Quoted Hourly Rates	Total
Partners		\$	\$
Managers		\$	\$
Supervisory Staff		\$	\$
Staff		\$	\$
Other (specify)		\$	\$
<b>SUBTOTAL</b>			\$
Other expected fees			\$
Out-of-pocket expenses			\$
Other (specify in detail)			\$
<b>TOTAL ALL INCLUSIVE MAXIMUM PRICE FOR FISCAL YEAR</b> <span style="background-color: yellow;">                    </span> <b>AUDIT</b>			\$

- The rate quoted should *not* be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.
- Submit a separate form for each year.

---

 Name of Firm

Revised 11/30/2015



## CONFLICT OF INTEREST QUESTIONNAIRE (FORM CIQ), INSTRUCTIONS

**CONFLICT OF INTEREST QUESTIONNAIRE****For vendor doing business with local governmental entity**

A complete copy of Chapter 176 of the Local Government Code may be found at <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm>. For easy reference, below are some of the sections cited on this form.

**Local Government Code § 176.001(1-a):** "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

- (A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;
- (B) a transaction conducted at a price and subject to terms available to the public; or
- (C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

**Local Government Code § 176.003(a)(2)(A) and (B):**

- (a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

\*\*\*

- (2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the officer becomes aware that

- (i) a contract between the local governmental entity and vendor has been executed; or
- (ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than \$100 in the 12-month period preceding the date the officer becomes aware that:

- (i) a contract between the local governmental entity and vendor has been executed; or
- (ii) the local governmental entity is considering entering into a contract with the vendor.

**Local Government Code § 176.006(a) and (a-1)**

- (a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

- (1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);
- (2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or
- (3) has a family relationship with a local government officer of that local governmental entity.

- (a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

- (1) the date that the vendor:

- (A) begins discussions or negotiations to enter into a contract with the local governmental entity; or
- (B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

- (2) the date the vendor becomes aware:

- (A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);
- (B) that the vendor has given one or more gifts described by Subsection (a); or
- (C) of a family relationship with a local government officer.

## CERTIFICATE OF INTERESTED PARTIES (FORM 1295)

<b>CERTIFICATE OF INTERESTED PARTIES</b>			<b>FORM 1295</b>																			
Complete Nos. 1 - 4 and 6 if there are interested parties. Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.			<b>OFFICE USE ONLY</b>																			
<b>1 Name of business entity filing form, and the city, state and country of the business entity's place of business.</b>																						
<b>2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.</b>																						
<b>3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.</b>																						
<b>4</b> Name of Interested Party	City, State, Country (place of business)	Nature of Interest (check applicable) <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; padding: 2px;">Controlling</th> <th style="width: 50%; padding: 2px;">Intermediary</th> </tr> </thead> <tbody> <tr><td style="height: 20px;"></td><td></td></tr> <tr><td style="height: 20px;"></td><td></td></tr> <tr><td style="height: 20px;"></td><td></td></tr> <tr><td style="height: 20px;"></td><td></td></tr> <tr><td style="height: 20px;"></td><td></td></tr> <tr><td style="height: 20px;"></td><td></td></tr> <tr><td style="height: 20px;"></td><td></td></tr> <tr><td style="height: 20px;"></td><td></td></tr> </tbody> </table>			Controlling	Intermediary																
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<b>5 Check only if there is NO Interested Party.</b> <input type="checkbox"/>																						
<b>6 AFFIDAVIT</b> <div style="text-align: right; margin-top: 10px;">           I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.         </div> <div style="text-align: right; margin-top: 10px;">           _____            Signature of authorized agent of contracting business entity         </div> <div style="margin-top: 10px;">           AFFIX NOTARY STAMP / SEAL ABOVE         </div> <div style="margin-top: 10px;">           Sworn to and subscribed before me, by the said _____, this the _____ day            of _____, 20_____, to certify which, witness my hand and seal of office.         </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div>           _____            Signature of officer administering oath         </div> <div>           _____            Printed name of officer administering oath         </div> <div>           _____            Title of officer administering oath         </div> </div>																						
<b>ADD ADDITIONAL PAGES AS NECESSARY</b>																						



## IRS FORM W-9

Form <b>W-9</b> (Rev. December 2014) Department of the Treasury Internal Revenue Service	<b>Request for Taxpayer Identification Number and Certification</b>	<b>Give Form to the requester. Do not send to the IRS.</b>
Print or type See Specific Instructions on page 2.	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.	
	2 Business name/disregarded entity name, if different from above	
	3 Check appropriate box for federal tax classification; check only <b>one</b> of the following seven boxes: <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ <b>Note.</b> For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner. <input type="checkbox"/> Other (see instructions) ▶ _____	
	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <i>(Apply to accounts maintained outside the U.S.)</i>	
	5 Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
	6 City, state, and ZIP code	
	7 List account number(s) here (optional)	

<b>Part I Taxpayer Identification Number (TIN)</b>																																																			
Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i> on page 3.																																																			
<b>Note.</b> If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="10" style="text-align: center;">Social security number</td> </tr> <tr> <td style="width: 20%;"> </td><td style="width: 20%;"> </td><td style="width: 20%;"> </td><td style="width: 20%;"> </td><td style="width: 20%;"> </td><td style="width: 20%;"> </td><td style="width: 20%;"> </td><td style="width: 20%;"> </td><td style="width: 20%;"> </td><td style="width: 20%;"> </td> </tr> <tr> <td colspan="10" style="text-align: center;">or</td> </tr> <tr> <td colspan="10" style="text-align: center;">Employer identification number</td> </tr> <tr> <td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td> </tr> </table>	Social security number																				or										Employer identification number																			
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<b>Part II Certification</b>	
Under penalties of perjury, I certify that:	
1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and	
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and	
3. I am a U.S. citizen or other U.S. person (defined below); and	
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.	
<b>Certification instructions.</b> You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.	
<b>Sign Here</b>	Signature of U.S. person ▶ _____ Date ▶ _____

**General Instructions**

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at [www.irs.gov/tw9](http://www.irs.gov/tw9).

**Purpose of Form**

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)

- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding?* on page 2.

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued).
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.