



**ANNUAL FINANCIAL AUDIT  
SERVICES  
REQUEST FOR PROPOSALS  
November 15, 2018**

Proposals are due by or before 10:00 AM, Thursday, December 20, 2018

## **1.0 BACKGROUND INFORMATION**

**1.1 The Austin County Appraisal District (ACAD) is a political subdivision of the State of Texas, having been established under the Texas Property Tax Code by the Texas Legislature in 1979. The District is responsible for the appraisal of, and arriving at fair market values for, property subject to ad valorem taxation in Austin County. It is governed by an eight-member Board of Directors. Directors are selected by vote of the taxing unit participating in the district. The Board of Directors appoints a Chief Appraiser/Executive Director who serves as the district's chief administrator.**

**1.2 Section 6.063 of the Property Tax Code requires that, at least once each year, an appraisal district must "have prepared an audit of its affairs by an independent certified public accountant or a firm of independent certified public accountants." The purpose of this Request for Proposals (RFP) is to seek proposals from such licensed, qualified, and experienced individuals or firms to provide independent financial audit services and work products in accordance with the provisions of this RFP.**

**1.3 The annual audit services and work products being requested herewith encompass each of these ACAD fiscal years:**

**FY 2018 which ends December 31, 2018  
FY 2019 which ends December 31, 2019  
FY 2020 which ends December 31, 2020  
FY 2021 which ends December 31, 2021  
FY 2022 which ends December 31, 2022  
FY 2023 which ends December 31, 2023**

**1.4 For the most recent six-year period (through December 31, 2017), ACAD's audit report was prepared by Seidel Schroeder. For their services, Seidel Schroeder was paid:**

	<u><b>Billed</b></u>
<b>FY 2012 audit</b>	<b>\$10,300</b>
<b>FY 2013 audit</b>	<b>\$10,715</b>
<b>FY 2014 audit</b>	<b>\$10,805</b>
<b>FY 2015 audit</b>	<b>\$11,400</b>
<b>FY 2016 audit</b>	<b>\$11,600</b>
<b>FY 2017 audit</b>	<b>\$11,775</b>

### **1.5 Significant RFP Background/Audit-Related Information**

**As reflected in the information which follows and the accompanying FY 2017 Comprehensive Annual Financial Report, ACAD's accounting records and financial statements are relatively straightforward, unencumbered by multiple funds, federal grant reporting requirements, and other such complications.**

**1.51 ACAD's fiscal year extends from January 1 through December 31 each year.**

**1.52 ACAD's FY 2018 total approved budget was \$1,374,755, including \$650,760 in budgeted total payroll costs and 16 authorized**

- positions. The budget is organized into five budget units which coincide with ACAD's department and division organizational structure.
- 1.53 ACAD's governmental fund type is a general fund. ACAD utilizes general fixed asset groups to respectively control and account for the district's fixed asset obligations.
  - 1.54 ACAD employs a modified accrual basis of accounting in its general fund.
  - 1.55 ACAD's annual budget is prepared in accordance with generally accepted accounting principles.
  - 1.56 ACAD does *not* receive any state or federal loan, grant, or other financial assistance and is, therefore, *not* subject to Single Audit Act, OMB Circular A-133, or similar requirements.
  - 1.57 Pursuant to Governmental Accounting Standards Board (GASB) tests for determining component unit status, there are no entities deemed to be ACAD component units.
  - 1.58 ACAD does not currently participate in any joint ventures with other governments.
  - 1.59 ACAD participates in the Texas County and District Retirement System.
  - 1.60 For informational purposes, a copy of ACAD's FY 2017 Comprehensive Annual Financial Report (CAFR) is available upon request. Additional ACAD financial information, including copies of the approved FY 2018 Budget, prior Comprehensive Annual Financial Reports, and monthly financial statements/budget reports, can be provided or made accessible upon request.

## **2.0 SCOPE OF WORK**

The auditor, with each annual audit, shall:

- 2.10 Sample, test, and/or inspect the ACAD appraisal and collection accounting practices and processes, financial records and reports, internal controls, and related information and make such other inquiries and analyses so as to be able to independently arrive at a reasonable assurance that ACAD's general purpose financial statements either are or are not fairly presented;
- 2.11 Provide a written opinion as to whether or not ACAD's general purpose financial statements for the applicable ACAD fiscal year are, in all material respects, fairly presented in conformity with generally accepted accounting principles;
- 2.12 Provide a written "in relation to" opinion as to whether or not ACAD's governmental fund and account group statements and schedules are fairly presented;
- 2.13 Prepare and provide, as part of ACAD's CAFR, government-wide and fund financial statements and notes to the basic financial statements;
- 2.14 Prepare or provide assistance in preparing required supplementary information;
- 2.15 Not be required to audit the supporting schedules contained in the CAFR;
- 2.16 Perform certain limited procedures involving supplementary information as required by the Governmental Accounting Standards Board and mandated by generally accepted auditing standards;
- 2.17 Not be required to audit the statistical section of the report;

- 2.18 Inform ACAD of any reportable conditions involving deficiencies in the design and/or operation of ACAD's internal controls. (A reportable condition shall be defined as a significant deficiency or material weakness 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.) Nonreportable conditions discovered by the auditors shall be reported in a separate letter to ACAD management;
- 2.19 Perform tests, in conjunction with obtaining reasonable assurance that ACAD's general purpose financial statements are free of material misstatement, of ACAD's compliance with applicable laws, regulations, contracts, and agreements. The report on compliance shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall be reported in a separate letter to ACAD management;
- 2.20 Immediately report, in writing, to ACAD's Executive Director/Chief Appraiser any and all irregularities and illegal acts or indications of illegal acts of which they become aware; and
- 2.21 Provide ACAD with up to twenty-eight (28) copies of the final Comprehensive Annual Financial Report to be determined each year pursuant to the timetable/schedule outlined below.

### **3.0 AUDITING STANDARDS**

To meet the requirements of this RFP, the audit must, at a minimum, be performed and completed in accordance with the following:

- 3.1 Generally accepted auditing standards issued by the Auditing Standards Board of the American Institute of Certified Public Accountants for local governmental units, and
- 3.2 The Government Auditing Standards for financial audits set forth in the most recent revisions issued by the United States Comptroller General's Government Accountability Office.

### **4.0 BASIC AUDIT TIMETABLE/SCHEDULE**

While subject to some adjustment, the basic timetable/schedule presented below shall be adhered to in conducting and completing each annual audit.

- 4.1 Audit to commence by no later than late February or early March of each year;
- 4.2 Fieldwork/technical review to be completed by or before March 31<sup>st</sup> of each year;
- 4.3 Draft financial section and auditor's report to be presented to ACAD administration by or before the end of the first week in April of each year of the engagement; and
- 4.4 Final CAFR and management letter to be presented to ACAD Board of Directors at either its April or May meeting each year.

### **5.0 NON-AUDIT ASSISTANCE/SERVICES**

Unless deemed a violation of established GASB and/or GAO auditing and associated standards, the auditor:

- 5.1 May provide ACAD with advice on internal controls, capital lease payment schedules, accounting systems, and provide advice and recommendations

from time to time to provide assurance that ACAD staff are following best practices and proper procedures, and other similar matters.

#### **6.0 WORKING PAPERS ACCESS/RETENTION**

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 ACAD of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:

- 6.1 ACAD Board of Directors
- 6.2 ACAD Chief Appraiser/Executive Director
- 6.3 Chief executives of the taxing units which financially support ACAD

#### **7.0 ACAD AUDITOR ASSISTANCE**

In addition to full access to ACAD financial records and related documents, ACAD will provide the following to assist the auditor:

- 7.1 The Administration Department staff and responsible management personnel will be available during the audit to provide information, documentation, and explanations;
- 7.2 The Administration Department will prepare (based on form letters provided by the auditor) and mail confirmation letters, with the responses to same being sent directly to the auditor;
- 7.3 ACAD will provide the auditor with reasonable work space, desks and chairs, access to a telephone, photocopying equipment, and a fax machine during normal business hours.

#### **8.0 TERMS AND CONDITIONS**

- 8.1 This contract is for a period of three years with ACAD's option to renew for a second three-year period.
- 8.2 Over the six-year term of the financial audit engagement, continuation from year-to-year shall be subject to ACAD satisfaction with the auditor's performance of its professional responsibilities and the quality, thoroughness, objectivity, and timeliness of its work product each year;
- 8.3 The attached "Annual Financial Audit Services Terms and Conditions" are a part of this RFP as if fully set forth herein and will automatically be a part of any subsequent contract award, contract, and/or purchase order; and
- 8.4 ACAD reserves the right to accept or reject any or all proposals, to waive any irregularities or informalities in any proposals timely received, and to award a contract to the accountant or accounting firm whose proposal is deemed to be the most advantageous to ACAD, after considering the demonstrated competence, relevant qualifications, and other evaluation factors applicable to the proposing accountant or accounting firm. ACAD reserves the right to negotiate with those vendors whose proposals are deemed most susceptible of contract award.

#### **9.0 PROPOSAL SUBMISSION REQUIREMENTS**

- 9.1 A two-part proposal must be received by ACAD by or before 10:00 AM, Thursday, December 20, 2018, and should be addressed and marked as follows:

Austin County Appraisal District  
Attn.: Greg Cook

"Financial Audit Services Proposal"

The two parts encompass a technical proposal and a sealed cost proposal.

## **9.2 Technical Proposal**

An original and two copies of the technical proposal should be provided. At a minimum, the technical proposal should include:

- 9.21** A title page which shows the RFP subject, the firm's name, the name, address and telephone number of the firm's primary contact person for this RFP, and the date of the proposal;
- 9.22** A signed letter of transmittal which briefly states the firm's understanding of the work to be accomplished, a commitment to perform the work within the established timetable/schedule each year (including any reasonable adjustments made after the first year's audit), and a statement that the proposal is a firm and irrevocable offer for the specified three-year term and potential three-year renewal;
- 9.23** A work plan, including an explanation of the audit methodology to be followed, to provide the professional services and complete the work (within the timetable/schedule) stipulated under Section 2.0 of this RFP;
- 9.24** A list of at least three Texas governmental entities for whom the firm has conducted an annual audit within the last five years. The name of the public entity and its address (street, city, state, zip code) and the name, title, and telephone number of the key contact person should be provided;
- 9.25** An identification of and pertinent information about:
  - 9.251** The specific personnel (by name) who will actually conduct the audit, including their roles and responsibilities regarding the audit and an elaboration of their education, licenses, relevant years of governmental auditing experience (including a partial list of clients for whom they have provided such services), and other relevant information concerning their competence and qualifications to conduct ACAD financial audits; and
  - 9.252** The firm's qualifications, competence, and capacity to undertake an independent audit of ACAD in conformity with the requirements of this RFP. Included should be information as to the staff size of the firm, the size of the firm's governmental audit staff, and the location of the office from which the audit work will be managed.
- 9.26** Affirmative statements that the firm:
  - 9.261** Is independent of ACAD as defined by generally accepted auditing standards and the GAO Government Auditing Standards, and
  - 9.262** An affirmative statement that the firm is currently and properly registered with the Texas State

Board of Public Accountancy and that all key professional staff assigned to this engagement are, and will remain, currently and properly certified/licensed to practice in the State of Texas;

**9.27 Information regarding:**

**9.271 The results of any federal or state desk reviews or field reviews of its audits during the past three (3) years; and**

**9.272 The circumstances and status of any disciplinary action(s) taken or pending against the firm during the past three (3) years with state regulatory and licensing bodies.**

**9.28 Three executed copies of the attached “Proposer Guaranty and Warranties;” and**

**9.29 Any other information which the firm deems helpful and appropriate to ACAD’s evaluation of its qualification to perform the stated financial audit work.**

**Note: The substance of the technical proposal will carry more weight than its form or manner of presentation. The technical proposal should clearly and thoroughly define the qualifications of the firm and of the specific audit personnel to be assigned to this engagement.**

**NO DOLLAR AMOUNTS OR TOTAL COSTS SHOULD BE INCLUDED  
IN THE TECHNICAL PROPOSAL.**

**9.3 Sealed Cost Proposal**

**An original and two copies, *sealed* in separate envelopes and accompanying the technical proposal, of an engagement cost proposal should be provided and marked as follows:**

**COST PROPOSAL  
AUSTIN COUNTY APPRAISAL DISTRICT  
AUDITING SERVICES  
SUBMITTED BY (NAME OF FIRM)**

**The cost proposal should include:**

- 9.31 Proposed cost information for performing the audit work and providing the audit work products specified in this RFP for *each fiscal year* to be audited (2018, 2019, 2020, and for the fiscal years 2021, 2022, and 2023 should the contract be renewed). The total all-inclusive maximum cost for each fiscal year to be audited should include all direct and indirect costs, report printing/reproduction, out-of-pocket expense, and other costs;**
- 9.32 By fiscal year to be audited, the estimated annual hours required of each position (partner, manager, senior accountant/auditor, staff accountant, et al.) to be assigned to this engagement and the hourly rates for those positions. The multiplied products of these figures**

and their sums for a particular fiscal year should equal the total all-inclusive maximum cost for that year; and

- 9.33 A certification that the person signing the sealed cost proposal is entitled to represent the firm, empowered to submit both the technical and sealed cost proposals, and authorized to sign a contract with ACAD.

Note: ACAD is not and will not be responsible for expenses incurred in preparing and submitting either the technical proposal and/or the sealed cost proposal. Such costs should not be included in the proposal.

**10.0 PAYMENT**

Progress payments will be made on the basis of hours worked and work/tasks completed during the course of the engagement. Interim billing shall cover a period of not less than a calendar month. Ten percent (10%) may be withheld from each billing pending ACAD receipt and acceptance of the firm's final reports.

**11.0 QUESTIONS**

Questions pertaining to this Request for Proposals should be directed to ACAD Chief Appraiser Greg Cook. He can be reached by telephone at (979) 865-9124 during normal business hours or by email at [gcook@austincad.org](mailto:gcook@austincad.org).

**AUSTIN COUNTY APPRAISAL DISTRICT  
ANNUAL FINANCIAL AUDIT SERVICES  
TERMS AND CONDITIONS**

These terms and conditions are, by reference, incorporated into and made a part of the Austin County Appraisal District "Annual Financial Audit Services Request for Proposals" and any and all subsequent purchase orders/contract awards:

**Late Proposals**

Proposals received by ACAD after the submission deadline will be considered void and unacceptable. ACAD is not responsible for lateness or non-delivery of mail, carrier, etc.

**Altering Proposals**

Proposals cannot be altered or amended after the submission deadline. Any interlineation, alteration, or erasure made before opening must be initialed by the signer of the proposals, guaranteeing authenticity.

**Withdrawal of Proposal**

Proposals may not be withdrawn or cancelled by the vendor without permission of ACAD for a period of ninety (90) days following the date designed for the receipt of proposals, and vendor so agrees upon submittal of its proposals.

**Funding**

Funds for payment have been provided through the ACAD budget approved by its Board of Directors for this fiscal year only. Texas state statutes prohibit the obligation and expenditure of public funds beyond the fiscal year for which a budget has been approved.



Therefore, anticipated orders or other obligations that may arise after the end of the current fiscal year shall be subject to budget approval.

#### **Sales TAX**

ACAD is exempt from payment of Texas sales tax and federal excise tax.

#### **Contract**

This proposal, when properly accepted or approved by ACAD via a written purchase order, will constitute a contract equally binding between the successful vendor and ACAD. No different or additional terms will become a part of this contract except upon written changes agreed upon by the parties.

#### **Changes**

No oral statement of any person shall modify or otherwise change or affect the terms, conditions, or specifications stated in the resulting contract. All changes to this contract shall be made in writing as agreed upon by the parties.

#### **Certificate of Interested Parties (Form 1295)**

The following information regarding Form 1295 Information applies ONLY to an awarded vendor.

The law states that a governmental entity may not enter into certain contracts with a non-exempt business entity unless the business entity submits a disclosure of interested parties to the governmental entity. By submitting a Bid in response to this solicitation, the Bidder agrees to comply with HB 1295, Government Code 2252.908. Bidder agrees to provide Austin County Purchasing Agent, and/or requesting department, the "Certificate of Interested Parties," Form 1295 as required, within ten (10) business days from notification of pending award, renewal, amended or extended contract.

#### **The Filing Process:**

1. Prior to award by ACAD, Vendor will be required to log in to the Texas Ethics Commission, [https://www.ethics.state.tx.us/whatsnew/elf\\_info\\_form1295.htm](https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm) and fill out the Electronic Filing Application.
2. Once submitted, the system will generate an electronic Form 1295 displaying a "Certificate Number." Vendor must print and complete Form 1295.
3. Within ten (10) business days from notification of pending award by the ACAD Purchasing Agent, the completed Form 1295 must be submitted to ACAD.
4. Vendor will need to repeat the process and obtain a separate Form 1295 each time they enter into a new contract, renew a contract or make modification, and/or amendments to a ACAD contract.

Instruction and information are available at <https://www/ethics.state.tx.us/tec/1295-Info.htm> or you may call the Texas Ethics Commission at (512) 463-5800.

**PROHIBITION ON CONTRACTING WITH COMPANIES THAT BOYCOTT ISRAEL**

Vendor acknowledges that in accordance with Chapter 2270 of the Texas Government Code, ACAD is prohibited from entering into a contract with a company for goods or services unless the contract contains a written verification from the company that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract. The terms “boycott Israel” and “company” shall have the meanings ascribed to those terms in Section 808.001 of the Texas Government Code. By signing this contract, Vendor certifies that Vendor’s signature provides written verification to ACAD that Vendor: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract.

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## **ATTACHMENT – CONFLICT OF INTEREST QUESTIONNAIRE CONFLICT OF INTEREST DISCLOSURE REQUIREMENT**

Pursuant to Chapter 176 of the Local Government Code, any person or agent of a person who contracts or seeks to contract for the sale or purchase of property, goods, or services with a local governmental entity (i.e. ACAD) must disclose in the Questionnaire Form CIQ (“Questionnaire”) the person’s affiliation or business relationship that might cause a conflict of interest with the local governmental entity. By law, the Questionnaire must be filed with ACAD no later than seven days after the date the person begins contract discussions or negotiations with ACAD, or submits an application or response to a request for proposals or bids, correspondence, or another writing related to a potential agreement with ACAD. Updated Questionnaires must be filed in conformance with Chapter 176.

A copy of the Questionnaire Form CIQ is available at  
<http://www.ethics.state.tx.us/forms/CIQ.pdf>.

If you have any questions about compliance, please consult your own legal counsel. Compliance is the individual responsibility of each person or agent of a person who is subject to the filing requirement. An offense under Chapter 176 is a Class C misdemeanor.

NOTE: If you are not aware of a Conflict of Interest in any business relationship that you might have with ACAD, state Vendor name in the # 1, use N/A in each of the areas on the form. However, a signature is required in the #7 box in all cases.

ACAD Board members are J. Frank Monk, Greg Lapham, Chris Nanez, Curtis Brenner, Dee Anne Lerma, Clay Kistler, Don Griser and Mark Lamp. ACAD’s Chief Appraiser is Greg Cook.

### **Ethics**

The vendor shall not offer or accept gifts or anything of value nor enter into any business arrangement with any employee, official, or agent of ACAD.

### **Lawful Compliance**

The successful vendor, proposal, and services provided must comply with all relevant federal, state, county, and local regulations and laws.

### **ACAD Indemnification**

The successful vendor shall defend, indemnify, and hold harmless ACAD and all its officers, agents, and employees from all suits, actions, or other claims of any character, name, or 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 selected vendor, or any agent, employee, subcontractor, or supplier in the execution of, or performance under, any proposal award contract. The selected vendor indemnifies and will indemnify and save harmless ACAD from liability, claim, or demand on their part and their agents, servants, customers, and/or employees whether such liability, claim, or demand arise from event or casualty happening on or within the property and/or improvements at 906 E Amelia St, Bellville Tx, themselves or happening upon or in walkways, entrances, driveways, or approaches of or to said property. The selected vendor shall be responsible for the prompt and proper repair, replacement, or payment for any ACAD and on-site ACAD employee, visitor, or customer property damaged or injury

sustained in conjunction with, or as a consequence of, the work and services under this contract. The selected vendor shall pay any judgment with costs which may be obtained against ACAD growing out of such injury or damages.

**Wages**

The selected vendor shall pay or cause to be paid, without cost or expense to ACAD, all such wages and benefits to its employees as required by state and federal law.

**Termination of Contract**

ACAD 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 ACAD in the event of breach or default of this contract. In the event the selected vendor shall fail to perform, keep, or observe any of the scope of work, standards, terms, or conditions of this contract, ACAD may give the selected vendor written notice of such default and, if same is not remedied to the satisfaction and approval of ACAD within two business days of receipt of such notice, default may be declared and all the selected vendor's rights shall terminate.

**Assignment**

The selected vendor shall not assign, transfer, sell, or convey this contract, in whole or in part, without the prior written consent of ACAD.

**Venue**

This contract will be government and construed according to the laws of the State of Texas. This agreement is performable in Austin County, Texas.

**Silence of Specifications**

The apparent silence of these specifications and terms and conditions as to any detail or to the apparent omission from it of a detailed description concerning any point, shall be regarded as meaning that only the best commercial practices are to prevail. All interpretations of these specifications and terms and conditions shall be made on the basis of this statement.

**AUSTIN COUNTY APPRAISAL DISTRICT  
ANNUAL FINANCIAL AUDIT SERVICES  
REQUEST FOR PROPOSALS**

**PROPOSER GUARANTY AND WARRANTIES**

The proposing firm certifies that it can and will provide and make available, at a minimum, the services, work products, and reports set forth in the Austin County Appraisal District's November 15, 2018 "Annual Financial Audit Services Request for Proposals."

The proposing firm warrants that:

- It is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts or omissions of any of its officers, employees, and agents;
- It will not delegate or subcontract its duties and responsibilities under an agreement with the Austin County Appraisal District without the prior written permission of the Austin County Appraisal District;
- All the information provided by it in, and in conjunction with, its proposal (including both the technical proposal and the sealed cost proposal) is true and accurate, and that the costs, rates, and commitments made therein are firm and will, unless agreed to in writing by ACAD and the proposing firm, remain unchanged throughout the term of the engagement and the records retention period thereafter.

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

Name (printed): \_\_\_\_\_

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

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

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