Moraga-Orinda Fire Protection District

Request For Proposals

Audit Services

Issue Date: January 27, 2023

Proposal Due Date: March 3, 2023

SECTION I - OVERVIEW

1. INTRODUCTION

The Moraga-Orinda Fire Protection District (District) is requesting proposals from qualified firms of certified public accountants to audit its annual financial statements for the fiscal years ending June 30, 2023 through June 30, 2025, with the option of auditing its annual financial statements for each of the two subsequent fiscal years. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial and compliance audits in the U.S. General Accounting Office's (GAO) *Standards for Audit of Governmental Organizations, Programs, Activities, and Functions,* the provisions of the Single Audit Act of 1984, as amended in 1996, U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of State and Local Governments* and Governmental Accounting Standards Board (GASB) Pronouncements.

The District is a Special District organized under the California Health and Safety Code. The District is responsible for the protection of the lives and property of the residents of the City of Orinda, the Town of Moraga, the community of Canyon and some unincorporated areas located in the west portion of Contra Costa County, California. The District provides fire protection, emergency medical services, rescue and other emergency services. The District operates five fire stations, one administrative office building and employs approximately 70 personnel.

The District's Annual Comprehensive Financial Report and Budget are available on the District's website at www.mofd.org under Key Documents. The District's 2022-23 Budget is approximately $37,000,000.

Questions or inquiries regarding this RFP should be directed to Gloriann Sasser, Administrative Services Director, at 925.258.4530 or via email at gsasser@mofd.org

2. TERMS OF ENGAGEMENT

A five-year contract is contemplated: three (3) years initially, with the option to renew for two (2) subsequent years, subject to annual review and recommendation by District staff, satisfactory negotiation of terms (including a price acceptable to both the District and the selected firm), concurrence of the Board of Directors and annual availability of an appropriation.

3. PROPOSAL SUBMISSION AND MEETING

Proposals may be submitted via email to gsasser@mofd.org. District staff is available to meet with any interested firms to discuss the engagement. Please contact Gloriann Sasser at 925.258.4530 or via email if you would like to meet and discuss the engagement. The proposal due date is March 3, 2023.

4. PRIOR AUDITOR AND STATUS OF THE JUNE 30, 2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT

The District contracted with Vavrinek, Trine, Day and Co. (VTD) for completion of the 2017 and 2018 audits. VTD was then sold to Eide Bailly, LLP. Eide Bailly completed the District's audits in 2019 through 2021. The District is under contract with Eide Bailly to complete the 2022 audit. At the April 18, 2022 Audit Committee meeting, Eide Bailly informed the District that they could not meet the District's usual audit schedule and that the cost of the audit would increase due to Eide Bailly staffing issues. On May 18, 2022, the Board approved a contract with Eide Bailly to produce the 2022 ACFR and other required reports by February 2023 at a cost of $35,000. The audit field work was scheduled for the week of December 12, 2022. On January 11, 2023, Eide Bailly informed the District they are unable to meet the agreed-upon schedule and the 2022 ACFR will now be issued in March 2023. The audit field work is scheduled for the week of February 13, 2023. Eide Bailly informed the District they will not bid on the new audit contract.

5. OTHER INFORMATION

The Administrative Services Division encompasses the Finance, Human Resources and Information Technology Divisions and is staffed as follows: Administrative Services Director (1), Finance Manager (1), Human Resources Manager (1), Payroll Technician (0.6) and District Clerk (1). District staff will be available to provide customary information, explanation or other assistance during the audit.

The District's administrative staff has worked remotely since COVID and continues to work remotely. The audit has been conducted virtually since 2020. The District can provide all records electronically. District staff is flexible and will work with the auditor to conduct the audit virtually and/or in-person as appropriate.

The District's accounting system is fully automated using MIP Fund Accounting software by Community Brands. The District uses ADP software for payroll and human resources.

6. DISTRICT FORM CONTRACT

The District's form contract is required for provision of audit services.

SECTION II – SCOPE OF SERVICES

1. NATURE OF SERVICES REQUIRED

The District desires the auditor to perform an audit in accordance with generally accepted auditing standards in the United States.

The District desires the auditor to express an opinion as to whether the District presents fairly, in all material respects, the financial position of the governmental activities and each major fund of the District and the respective changes in financial position in conformity with generally accepted accounting principles.

The District desires the auditor to attend public Audit Committee and Board meetings as necessary to discuss annual financial statements and related audit information.

2. REPORTS TO BE ISSUED

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

1. Annual Comprehensive Financial Report (ACFR): The ACFR and the preparation of the financial statements, schedules, and accompanying notes are to be prepared by the audit firm for inclusion in the ACFR.
2. Agreed-Upon Procedures Applied to Appropriations Limit (Gann).
3. Other Auditor Communications or Other Governing Standards as required including reports on internal control.
4. State Controller's Special Districts' Financial Transactions Report

In the required reports on auditor communications, the auditor shall communicate any deficiencies, material weaknesses or significant deficiencies in internal control found during the audit.

Auditors shall be required to make an immediate, written report of all irregularities and illegal acts of which they become aware to the following parties: Fire Chief and Administrative Services Director.

3. ADDITIONAL REQUIRED SERVICES

The District requires the audit firm to provide the following additional services:

- Prepare the annual tax returns for the Public Facilities Financing Corporation
- Calculate the fire flow tax for every parcel in the District for submittal to Contra Costa County for inclusion on the tax roll (14,000 parcels).

4. SPECIAL CONSIDERATIONS

A. The District will send its ACFR to the Government Finance Officers Association of the United States and Canada for review in the financial reporting award programs. The auditor selected will be expected to review the ACFR in relation to the awards checklist to ensure compliance with the award programs.

B. 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 District 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 designee:

- District
- U.S. Government Accountability Office
- Parties designated by the Federal or State governments or by the District as part of an audit quality review process
- Auditors or entities of which the District is a subrecipient of grants
- State of California, Office of the State Controller

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.

5. TIME REQUIREMENTS

Following is the anticipated audit schedule for 2023:

Audit contract awarded		April 19, 2023
Audit Committee meet with auditors to discuss scope of audit		Late April/Early May
Interim field work		May or June 2023
District submits to auditors the final trial balance		Early September 2023
Final field work		September 2023
Draft reports to Board		October 2023
Auditors meet with Audit Committee		October 2023
Final reports to Board of Directors		November 15, 2023

Upon completion of the audit examination and prior to issuing any audit reports or the management letter, the auditor will participate in an exit conference with the Administrative Services Director and Finance Manager to discuss observations and findings. The auditors will also be required to meet with the Audit Committee two times per year (at the beginning of the audit and prior to the presentation to the Board.) During the course of the engagement, the auditor will meet with and provide periodic status reports to the Administrative Services Director and Finance Manager on a regular basis. The auditor should also be available to meet with District staff as needed, to provide consultation on various accounting and auditing matters.

6. ASSISTANCE TO BE PROVIDED TO THE AUDITOR

The Finance Division staff and responsible management personnel will be available during the audit to assist the auditor by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of the District.

Finance staff and the District's Information Technology contractor will be available to provide systems documentation and explanations. Auditors will also be provided access to the District's network and accounting system.

The District is responsible for the preparation of Management's Discussion and Analysis.

The auditor will be provided with reasonable work space, internet connectivity and a photocopying machine for use in connection with work as described in this request for proposals.

The District's administrative staff has worked remotely since COVID and continues to work remotely. The audit has been conducted virtually since 2020. The District can provide all records electronically. District staff is flexible and will work with the auditor to conduct the audit virtually and/or in-person as appropriate.

7. REPORT PREPARATION

District staff will submit the trial balance, Introductory Section, Management's Discussion and Analysis, and Statistical Section information to the auditors. The auditors will prepare the ACFR. The District requires only electronic versions of all reports (pdf files) including the ACFR. No printed copies are required.

SECTION III – PROPOSAL REQUIREMENTS

- Statement of Qualifications
- Client List
- Peer review report
- Size of firm
- Fee broken out as follows:
    - Audit
    - Tax return
    - State Controller's Report
    - Fire flow tax calculations

FINAL COMMENTS

The District reserves the right to reject any and all proposals, cancel all or part of this RFP, and waive any minor irregularities and to request additional information from proposing firms. By requesting proposals, the District is in no way obligated to award a contract or pay expenses of the proposing firms in connection with the preparation or submission of a proposal.

During the review process, the District may, at its discretion, request any one or all firms to make an oral presentation. Such a presentation will provide firms with an opportunity to answer questions. Not all firms may be asked to make such oral presentations.

The decision to award a contract will be based on many factors including but not limited to service, experience or cost. No single factor, such as cost, will determine the final decision to award.

The District appreciates the efforts of all the firms and their respective staffs in responding to the Request for Proposals.