



City of Rockwall  
*The New Horizon*

***REQUEST FOR PROPOSALS***  
***INDEPENDENT AUDITING SERVICES***

**PROPOSALS DUE BY:**

**10:00 A.M., JUNE 6, 2019**

**PROPOSALS DELIVERED TO:**

Lea Ann Ewing  
Purchasing Agent  
972-772-6418  
[lewing@rockwall.com](mailto:lewing@rockwall.com)

City of Rockwall  
385 South Goliad  
Rockwall, Texas 75087

**City of Rockwall  
Request for Proposal**

**Independent Auditing Services**

General Information

*The City of Rockwall is requesting proposals from Certified Public Accounting firms to perform financial auditing services for the fiscal year ending September 30, 2019. This engagement is subject to annual renewal for four additional years, based upon a review of the firm's performance. Proposals are requested in accordance with Section 7.18 of the City Charter that reads as follows:*

*"At the close of each fiscal year, and at such other times as may be deemed necessary, the City Council shall call for an independent audit to be made of all accounts of the City by a Certified Public Accountant. No more than four consecutive annual audits shall be completed by the same firm. The Certified Public Accountant selected shall have no personal interest, directly or indirectly, in the financial affairs of the City or any of its officers. The report of audit, with the Auditor's recommendations will be made to the City Council. Upon completion of the audit, the summary shall be published immediately in the official newspaper of the City and copies of the audit placed on file in the City Secretary's office as a public record."*

*A copy of the City's Comprehensive Annual Financial Report is available from the Finance Department. Interested firms should contact Lea Ann Ewing at 972-771-7700 extension 6418 or [lewing@rockwall.com](mailto:lewing@rockwall.com) for a copy. The report is also available online at [www.rockwall.com/finance](http://www.rockwall.com/finance). This document provides information concerning the City, its accounting policies and its related entities.*

*Pre audit work could begin after October 15th with field work beginning early December or later each year.*

*Software applications currently being used include: general ledger and budgetary accounting, accounting, accounts payable, purchasing, payroll, utility billing from New World Systems and municipal court software vendor Incode.*

*Ad valorem tax billing and collection are provided by the Rockwall Central Appraisal District.*

*The City's financial functions fall under the supervision of the Assistant City Manager / Director of Finance. The Finance Department staff includes a Purchasing Agent, Payroll Clerk, Accounts Payable Clerk, Utility Billing Supervisor, Billing Clerk, Cashiers and Municipal Court staff.*

### Scope of Audit

*The audit shall include an examination of the financial statements of all accounts and funds of the City and all component entities. This examination shall be made in accordance with all generally accepted auditing standards for local governments as established by the American Institute of Certified Public Accountants and in accordance with all applicable federal and state laws.*

*The City is, infrequently, the recipient of funds from the Community Development Block Grant Program, Texas Parks and Wildlife and TxDOT Aviation. Grant levels typically do not meet the threshold for the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-128, Audits of State and Local Governments.*

### Preparation of Working Papers, Schedules and Financial Statements

*It is intended that the City's Finance Department will be actively involved in the preparation of audit working papers and schedules; however, it is expected that the time available for such involvement will be limited. For the fiscal year 2019 audit process, the auditor shall be required to reach an agreement as to which working papers shall be the responsibility of the Finance Department. It shall be the auditors' responsibility to complete all other working papers and schedules.*

*The preparation of the Comprehensive Annual Financial Report shall be prepared in accordance with all applicable guidelines of the Governmental Accounting Standards Board and shall be in the format necessary in the opinion of the Director of Finance to receive the Certificate of Achievement of Excellence in Financial Reporting Award, issued by the Governmental Finance Officers Association. All financial statements and notes to the financial statements shall be prepared by the auditors with the assistance of the Director of Finance. Figures in the Introductory and Statistical sections of the report, tied directly to the financial statements, shall be inserted by the Finance Department staff from the statements prepared by the auditors.*

### Reporting Requirements

*At the conclusion of each year's audit, the auditors shall provide the following:*

- 1. Camera ready copies, both hard copy and electronic copy, of the Comprehensive Annual Financial Report including all introductory material, the basic financial statements with auditor's opinion and notes thereto, required supplementary information, all combining and individual statements as required, and component unit statements as required. The City will be responsible for introductory information, management's discussion and analysis, statistical information, and printing and binding of the CAFR.*

2. *A report as to the adequacy of the City's system of internal accounting controls as observed during the course of the audit. This report shall be addressed to the Mayor and City Council. Fifteen (15) final form copies of this report will be required.*
3. *Any audit working paper requested by the City whether prepared by the auditors or Finance Department.*
4. *All Adjusting Journal entries to ensure the consistency of the City's financial records with the audited financial statement.*

### Meeting Requirements

#### *Mandatory Meetings:*

1. *Senior Audit Firm Representative will meet with the City Council Audit Subcommittee, one (1) occurrence.*
2. *Senior Audit Firm Representative will present report to the City Council, one (1) occurrence.*

### Other Requirements

*The City shall provide the space and facilities necessary for the auditors to conduct the examination. In addition, all information, data, reports, and records necessary for carrying out the audit work shall be furnished to the auditor in charge and the City shall cooperate with the auditors in every reasonable way to ensure completion of the audit.*

*The City expects to close its books for the fiscal year ending September 30, 2019, no later than November 28, 2019 and would like to present the printed CAFR to the City Council no later than the third Monday in March 2020 regular City Council meeting. An Audit Committee meeting will be required after completion of the CAFR and prior to presentation to the full City Council. Printing of the Report will be the City's responsibility and printing will require approximately one week. With these dates in mind, a proposed "Schedule of Activities" should be included as part of the proposal.*

*As part of the proposal, the ordinance shall include resumes of all employees to be assigned to the audit. It is understood by the City that the individuals specified in the auditor's proposal are the individuals who will perform or supervise the work associated with the City audit, as described in the proposal but may change year to year*

*It is the City's objective to resume receipt of the Certificate of Achievement for Excellence in Financial Reporting awarded by the Government Finance Officers Association. The auditor shall provide all reasonable assistance and advice to the City to ensure that the certificate is received annually during the term of the engagement. The auditor shall include as part of this proposal, a statement as to prior experience in receiving the Certificate of Achievement, both on the part of the firm and the individuals assigned to the audit.*

#### *Auditor Selection Criteria*

*Final selection of an auditing firm for this engagement will be made by the Rockwall City Council, upon recommendation by staff. Although not intended to be all-inclusive, the following is a list of criteria that will be considered in making the selection:*

- 1. Extent and quality of the governmental auditing experience of the firm, based on information provided by the firm as well as references from former and present clients;*
- 2. Experience and qualifications of persons who will be assigned to perform the actual work;*
- 3. Existing and future time commitments of persons assigned to the engagement;*
- 4. Proven ability of the firm to meet work schedules and communicate and work effectively with government officials;*
- 5. Completeness of the project approach as outlined in the proposal;*
- 6. Auditors' demonstrated understanding of the City's requirements and the auditor's plan for meeting them;*
- 7. Degree of assurance by the auditor that audit procedures will minimize disruption of the City's normal activities and ensure timely completion of the audit;*
- 8. Degree of assurance by the auditor that technical assistance and advice will be available to the City when requested throughout the engagement period subject to limitations mutually agreed to;*
- 9. Proposed costs for a five-year engagement period; and*
- 10. General responsiveness to the City's request for proposal.*

#### *Instructions for Submitting Proposals*

*Firms interested in responding to this proposal may schedule an interview with Mary Smith,*

*Assistant City Manager / Director of Finance, for the purpose of receiving additional information concerning the audit engagement. Firms requesting such an interview should come prepared with specific questions. Requests for an interview should be made to Ms. Smith at (972) 771-7701 or [msmith@rockwall.com](mailto:msmith@rockwall.com).*

*Final proposal shall be addressed and delivered to:*

*City of Rockwall  
Attn: Lea Ann Ewing, Purchasing Agent  
385 S. Goliad  
Rockwall, TX 75087*

*Proposals must be received no later than 10:00 A.M., JUNE 6, 2019 to be considered. Each proposal should be sealed and clearly marked on the outside of the envelope or container "Proposal for Auditing Services".*

#### *Suggestions for Preparing Proposals*

*Interested firms are encouraged to use their own preferred style and format in preparing a proposal; however, it is suggested the proposal include at least the following:*

- 1. Full description of the firm's planned audit approach and procedures used for this engagement.*
- 2. Response to the conditions and requirements outlined in the RFP, including the proposed work schedule. Any reservations or exceptions to the RFP should be fully explained, as the City intends to incorporate the RFP and proposal into the final contract by reference.*
- 3. Listing of present and former governmental clients for whom the local office of the firm has performed auditing services similar to those outlined in the RFP within the past three years, including the names, addresses and phone numbers of persons who may be contracted as referenced. Indicate which clients of the firm are currently.*
- 4. Listing of all governmental clients served by the local office of the firm that have been lost (no longer clients) within the last three years, and provide reasons for the loss.*
- 5. Professional resumes on all employees of the firm who will be assigned to this engagement, indicating specific auditing experience to date, with a clear indication as to what specific responsibility each individual will have.*

6. *Information as to what time commitment or workload is presently assigned to each person who will be working on this engagement.*
7. *Indication as to the degree of technical assistance that will be provided to the City throughout the fiscal year (outside of the audit process).*
8. *Proposed fee for the engagement, for each of the five years.*
9. *Proposed billing schedule.*

#### *Selection Process*

*Proposals submitted in response to the RFP will be reviewed initially by the Assistant City Manager / Director of Finance. Based on this review, interviews may be scheduled with the firms considered to be the best qualified, although interviews will not necessarily be scheduled prior to final selection.*

*Recommendations will be made to the City Council who will make the final selection. It is expected that the final selection will be made on or about June 2019.*

*In all interviews held with auditing firms, the proposed audit project manager for the City's engagement and individual who will have on-site responsibility for the audit (usually the senior auditor) should be present.*

#### *Acceptance/Rejection of Proposals*

*The City reserves the right to accept the proposal considered to be the most advantageous to the City and to reject any and all proposals and re advertise.*

**PUBLIC NOTICE**  
**CITY OF ROCKWALL, TEXAS**  
**REQUEST FOR PROPOSALS**

The City of Rockwall is accepting proposals for Independent Auditing Services. Sealed proposals will be received by the Purchasing Agent, City of Rockwall, 385 South Goliad, Rockwall, TX 75087 until 10:00 a.m. on June 6, 2019. Proposals duly received will be publicly opened in the City Hall Finance Conference Room at the above stated address. Any proposal received after proposal closing time will be returned unopened. The City of Rockwall reserves the right to adopt the most advantageous proposal, to reject any or all proposals, waive formalities and re advertise. Request for Proposal document is available on the City's website [www.rockwall.com](http://www.rockwall.com) and from the Purchasing Office located at the above stated address. For additional information, contact the Purchasing Agent at 972-771-7700.

Publish: Herald Banner  
May 3, 2019 and May 10, 2019