



*Request for Proposals
For Professional Auditing Services*



**REQUEST FOR PROPOSAL
For Audit Services**

**FOR THE PERIOD
July 1, 2019 Through June 30, 2020**

INQUIRIES AND PROPOSALS SHOULD BE DIRECTED TO:

KTHD Contact Name: Arlie Rogers, Board Chairman
1425 Marion Street
Kingsburg, CA 93631
arlie@kthd.org
(559) 897-5841
(559) 897-8645 fax

Closing Submission Date

Proposals must be submitted no later than 4:00P.M. on August 20, 2020.

I. INTRODUCTION

A. General Information

The Kingsburg Tri-County Health Care District (District) is advertising this Request for Proposals (RFP), seeking the services of a qualified certified public accounting firm to audit its financial statements for the fiscal year ending June 30, 2020, with the option of extending the contract for one (1) additional fiscal year audit, at the District's sole discretion. The contract may be canceled if the District determines the audit services to be unsatisfactory.

These audits are to be performed in accordance with the Minimum Audit Requirements and Reporting Guidelines for California Special Districts as required by the State Controller's office and with generally accepted auditing standards.

Submission of a proposal indicates acceptance by the firm of the conditions contained in this RFP, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the District and the firm selected.

Proposals submitted will be evaluated by the District's Board of Directors ("**Board**") or a committee which consists of the Chairman of the Board and one other District Board member. During the evaluation process, the District reserves the right, where it may serve the District's best interest, to request additional information and clarifications from proposers, or to allow corrections of errors or omissions. It is anticipated that a recommendation on the selection of an auditing firm will be presented to the Board on or before October 14, 2020. Following notification of the selected firm, it is expected a contract will be executed between both parties within ten (10) working days after such notification.

II. DESCRIPTION OF THE KINGSBURG TRI-COUNTY HEALTH CARE DISTRICT

A. Background Information

The Kingsburg Tri-County Health Care District, ("**District**") is a special district, organized under the California Local Health Care District Law (the "**Act**") [Health and Safety Code §§ 32000 *et seq.*], with its territorial boundaries covering portions of Fresno, Tulare and Kings counties.

The District was established in 1959 and formerly operated a licensed acute care hospital and skilled nursing facility. The District's FY2017-18 audited financial statements reflect total revenues of \$953,754 and total expenses of \$474,199. The District's FY2018-19 audited financial statements reflect total revenues of \$1,053,755 and total expenses of \$721,480. The District's audited financial statements and annual budgets are available on the District's website (www.kthd.org) or upon request.

The District is governed by a five-member Board of Directors, elected by the registered voters residing within the District. The Board establishes the operating policies of the District; District employees carry out those policies on a day-to-day basis.

III. NATURE OF SERVICES REQUIRED – Scope of Work

The selected auditor will be required to complete the following tasks:

1. Audit the District’s financial statements in accordance with generally accepted auditing standards (GAAS) in the United States and all applicable audit requirements, standards and reporting guidelines under State and federal law. [See 2 C.C.R. §§ 1131.1 *et seq.*]
2. Express an opinion on the financial statements as to whether they present fairly, in all material respects, the financial position of the District and the changes in financial position in conformity with generally accepted accounting principles (GAAP), and issue an independent auditors’ reporting stating this opinion.
3. Test internal control over financial reporting and compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters, in accordance with all applicable government auditing standards and requirements, and issue a report on their consideration.
4. Application of limited procedures related to required supplementary information (RSI), including a management’s discussion and analysis (MD&A), as required by the Governmental Accounting Standards Board (**GASB**) and in accordance with auditing standards generally accepted in the United States of America.
5. Prepare a report to Board of Directors which identifies control deficiencies, significant deficiencies and material weaknesses, if any, and your recommendations for improvements in accounting and administrative controls.
6. Present and discuss annual financial statements and results of operations to the Board of Directors at the meeting following completion of the audit.
7. Provide general consultation as required, during the year, on financial accounting and reporting matters.
8. Retain at auditor’s expense audit working papers for no less than three (3) years, unless the firm is notified in writing by the District of the need to extend the retention period. In addition, the firm shall respond to reasonable inquiries of the District and successor auditors and allow the District and successor to review working papers relating to matters of continuing accounting significance.

IV. TIMING AND OTHER REQUIREMENTS

A. Key Dates for Proposal Evaluation and Selection:

Time Table	
Distribution of RFP	July 15, 2020
Deadline for submission of questions	July 31, 2020
Deadline for proposal submission	August 20, 2020
Proposal review (completed)	August 31, 2020
Oral presentations, as needed	September 9, 2020
Board approval (no later than)	October 14, 2020
Notification (of decision) to finalists	November 11, 2020
Required signing of contract	within ten (10) working days after District's award of contract

We have made every effort to include sufficient information within this Request for Proposal to prepare as responsive, comprehensive, and competitive a proposal as possible.

The timing of the proposal process is as follows:

1. **Posting/Distribution of Request for Proposals: July 15, 2020.**
2. **Questions:** Inquiries concerning the RFP should be addressed to Arlie Rogers, Board Chairman, c/o secretary@kthd.org. A copy of the District's most recent audited financial statements and the Board adopted FY2019–20 budget is available on the District's website at www.kthd.org.
3. **Proposal Submission:** Proposals must be delivered by email, in-person or mailed directly to the Kingsburg Tri-County Health Care District office no later than 4:00 P.M. (local time in Kingsburg), **August 20, 2020**. All submissions by email shall be invalid if a signed hardcopy with an original wet signature is not actually received by the District within five (5) working days after the submission deadline. Late submissions after the deadline or proposals delivered via fax will not be accepted. Please submit your proposal to the following address:

Kingsburg Tri-County Health Care District
1425 Marion Street
Kingsburg, CA 93631
secretary@kthd.org

4. **Proposal Review:** The District's Board or review committee will evaluate each proposal submitted. It is anticipated that the review process will be completed by August 31, 2020.
5. **Oral Presentations, as needed:** If necessary, the District will contact finalists to participate in oral presentations, likely following completion of the proposal review process. A venue and time for these presentations will be established once proposers are notified of the need for an oral presentation.
6. **Notification to finalists:** The Board of Directors will review and select a proposal on or before October 14, 2020. All finalists will be notified of the final decision by November 11, 2020.
7. **Contract Term:** The audit services contract will become effective upon the execution of the contract for one (1) fiscal year ending June 30, 2020, with the option to extend the contract for one (1) additional fiscal year, at the District's sole discretion.

We will make every effort to administer the proposal process in accordance with the terms and dates discussed in this RFP. However, we reserve the right to modify the proposal process and dates as deemed necessary, and reserve the right to not award a contract through this RFP process. The District assumes no obligation for any costs incurred by any proposer in preparing the response to this request, attending an interview, or any other activity prior to award of the contract to the selected proposer.

B. Project Schedule for Fiscal Year 2019-20 Audit (Year ending June 30)

1. The auditor shall provide the District with an audit plan, including a list of schedules and other work requested no later than twenty (20) business days following the signing of the audit services agreement with the District.
2. The District expects to have all records and schedules ready for the audit work within ten (10) working days after they are requested by the auditing firm and would expect audit work to commence no later than early December 2020.
3. The auditor shall complete audit work in time to allow preparation of the draft financial statements and discussion of the draft statements with District's Board no later than April 7, 2021.
4. A draft of the management letter shall also be provided by April 7, 2021. District Board Chairman shall have the opportunity to discuss and comment upon any anticipated or tentative findings and recommendations prior to finalizing the same and its issuance.
5. Final copies of the audited financial statements shall be issued no later than May 5, 2021, along with the final version of the management letter. Eight (8) bound hardcopies and one loose page copy will be provided by auditor along with a copy of the Final Audited Financial Statements in PDF format.

A similar schedule will be developed for audits of subsequent fiscal years.

C. Assistance Provided to the Auditor

District staff will be available during interim and audit field work to assist the auditor by providing access and direction to information, documentation, and be available for explanation of all inquiries. Staff will provide clerical assistance for preparation of confirmations and other routine correspondence.

D. Additional Services

If it should become necessary for the District to request the auditor to render any additional services to either supplement the services requested in this RFP or 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 the District and the firm. Any such additional work agreed to between the District and the firm shall be performed at the same rates set forth in the schedule of fees and expenses.

E. Payment

Progress payments will be made on work completed during the course of the engagement.

F. Miscellaneous

The District reserves the right to reject any or all proposals, to request additional information concerning any proposal for purposes of clarification, to accept or negotiate any modification to any proposal and, following the deadline for receipt of all proposals, to waive any irregularity(ies) in any proposal if such would serve the best interest of the District, as determined by the District's governing Board.

V. PROPOSAL REQUIREMENTS

A. Format of Technical Proposal

1. Title Page

- a. The RFP subject
- b. The proposing firm's name,
- c. Contact person's name, local address, telephone number, and email address. If the firm has more than one office, state which office will be responsible for providing services to the District, and
- d. The date of the submission

2. Table of Contents

- a. Identification of material submitted, by section and page number,
- b. Cross reference to section and page number of RFP.

3. Transmittal Letter

- a. General introduction stating the proposer's understanding of the services to be provided,
- b. A positive commitment to perform the service within the time period specified,
- c. A statement why the firm believes itself to be best qualified to perform the engagement,
- d. A statement of how long you have been in business and how many financial audits were performed by your firm for local health care districts in particular, and for California public agencies generally during the past five (5) years,
- e. A statement that the proposal is a firm and irrevocable offer for the stated period of time, at the proposed fee(s) which must be indicated in U.S. dollars,
- e. Name(s) of person(s) authorized to represent the proposer, title, address, telephone number, email address,
- f. Attach a schedule of fees and expenses which shall apply in the event that any other services, which are additional or supplemental to those services requested in this RFP, become necessary or are recommended, and
- g. Signature of principal or authorized representative.

4. Detailed Proposal Following the Order Set Forth in Section B

B. Contents of Technical Proposal

The purpose of the Technical Proposal is to demonstrate the qualifications, competence, and capacity of the firms seeking to undertake an independent audit of the District in conformity with the requirements of this RFP. 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 which will satisfy the RFP requirements.

The Technical Proposal should address all the points in the order outlined in the RFP (Exclude any cost information, which should only be included in the cost proposal section).

The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the RFP. While additional data may be presented, the areas detailed below must be included. They represent the criteria against which the proposal will be evaluated.

1. License to Practice in California

An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in California. The primary or lead auditor should be identified.

2. Independence

The firm should provide affirmative statement that it is independent of the Kingsburg Tri-County Health Care District as defined by generally accepted auditing standards and all applicable government auditing standards and requirements. The firm should also list and describe the firm's professional relationships involving the District for the past five (5) years, if any, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

In addition, the firm must provide the District written notice of any professional relationships with District personnel, officers or agents, if any.

3. Identification of Anticipated Potential Audit Problems

The proposer should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems, and any special assistance which will be required from the District.

4. References

Please provide the name of all cities, counties and special districts for which the firm has audited financial statements during the past three (3) years. These engagements should be ranked first for special districts on the basis of total staff hours, followed by all cities and counties ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partner and total hours.

Please include reference contact information for at least three of these special districts, including the name, telephone number and email address of the principal client contact. The District reserves the right to contact any or all of the listed references.

5. Scope of Services and Limitations

Please list the entire scope of the services which are included under your proposal, including any limitations and/or exclusions.

6. Insurance

Please indicate whether the proposer shall have in effect professional liability and/or errors and omissions insurance coverage for the work to be performed for the District, the amount of each such coverage and a statement that such coverage shall not be canceled without at least thirty (30) days prior notice to the District of a proposed cancellation of insurance coverage. A certificate of insurance may be required, at the discretion of the District, at the time the written agreement is signed.

VI. EVALUATION PROCESS

1. Oral Presentation

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

2. Final Decision

It is anticipated that the Board of Directors will select a firm on or before October 14, 2020. Following notification of the firm selected, it is expected a contract will be executed between both parties by within ten (10) business days thereafter.