



The City of Ballinger is accepting proposals for **PROFESSIONAL AUDITING SERVICES** in full accordance with the specifications, terms and conditions contained in this request for proposal.

Proposals shall be received no later than **12:00 PM on Wednesday July 10, 2024** to the following address and clearly labeled accordingly:

PROFESSIONAL AUDITING SERVICES RFP FY 2022, 2023, 2024

Mailing Address and Physical Address for Drop Off

City of Ballinger
Attn. Blaine Ross
700 Railroad Ave.
Ballinger, TX 76821

Proposals received after the deadline stated herein will not be considered for the award of the contract and shall be considered void and unacceptable. At the time stated below, proposals will be publicly unsealed and read in City Hall, 700 Railroad Ave., Ballinger, Texas 76821.

Proposal forms, specifications and all necessary information may be obtained from the following website: <https://www.baltx.org>. Prospective respondents may submit the proposal by email to bross@baltx.org or mail a hard-copy proposal including a flash drive to the address listed above.

NOTE: Facsimile transmittals **will not** be accepted as valid Proposals. The City of Ballinger is aware and appreciative of the time and effort you expend in preparing and submitting proposals to the City.

Name and address of company submitting proposal:

Company Name: _____

Contact Person: _____

Title: _____

Phone number: _____

Email: _____

Signature: _____

NOTICE TO AUDITORS

The City of Ballinger is utilizing this Request for Proposal in order to retain a qualified auditor to provide audit services. All proposals submitted for the City of Ballinger consideration must be clearly marked on the outside of the sealed envelope with the words:

PROFESSIONAL AUDITING SERVICES RFP NO: 4-2024
Attention: Blaine Ross, City Secretary
CITY OF BALLINGER, TEXAS

The City of Ballinger reserves the right to reject any or all proposals and waive any or all irregularities. Proposals shall be valid for a period of ninety (90) days from the date the proposals are opened. Late proposal submissions will be returned unopened, and unsigned proposals will be rejected as non-responsive.

Packets will be available online at www.baltx.org or may be picked up at 700 Railroad Ave, Ballinger, Texas, 76821. Telephone requests may be executed by calling 325-365-3511.

QUESTIONS REGARDING PROPOSAL SPECIFICATIONS: All questions regarding this proposal should be submitted via email to Blaine Ross, bross@baltx.org. Responses submitted verbally will not be considered. All questions will be responded to in written form. Questions and responses will be distributed by addendum via email directly from Blaine Ross. Questions should be submitted in writing no later than 5:00 PM on July 1, 2024.

It is the policy of the City of Ballinger to afford all people an equal opportunity to bid on any contract being let by the City of Ballinger. The City of Ballinger has a policy that prohibits discrimination against any person because of race, color, sex, disability or national origin, in the award of performance of any contract. It is the policy of the City to involve small businesses and qualified minority/woman owned businesses to the greatest extent possible in the procurement of goods, equipment, services, and construction projects.

The City will have the right and option to terminate the contract upon thirty (30) days written notice. The successful Submitter may be required to execute a written contract.

I. INTRODUCTION

A. Purpose

The City of Ballinger, Texas (hereinafter referred to as the City) is requesting proposal statements from qualified and experienced public accounting firms whose principal officers are independent certified public accountants to audit the financial statements for the fiscal year ending September 30, 2022, thru 2024, with the option of auditing the financial statements for each of the two subsequent fiscal years. These audits are to be performed in accordance with generally accepted auditing standards (U.S. GAAS), the standards set forth for financial audits in the U.S. Comptroller General's Government Auditing Standards, (GAGAS), the provisions of the federal Single Audit Act Amendments and Title 2 US Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance).

A three-year contract is contemplated, renewable for two additional one-year terms, subject to annual review and recommendation, the satisfactory negotiation of terms, the concurrence of the City of Ballinger and the annual availability of an appropriation.

B. Term of Engagement

A three (3) year contract with an annual option for the next two (2) subsequent years is contemplated, subject to the following:

- 1) Review and recommendation by City Management.
- 2) The satisfactory negotiation of contract terms (including a fee acceptable to both the City of Ballinger and the selected auditor).
- 3) The annual availability of an appropriation approved by City Council.
- 4) **Notwithstanding the three (3) year term, the contract is subject to termination after any audit year at the sole discretion of the City.**

II. NATURE OF SERVICES REQUIRED

A. Scope of Work to be Performed.

The City of Ballinger desires the auditor to express an opinion on the fair presentation of its financial statements in conformity with Generally Accepted Accounting Principles (GAAP).

The auditor is not required to audit the supporting schedules. However, the auditor is to provide an "in-relation- to" report on the supporting schedules based on the auditing procedures applied during the audit of the general purpose financial statements and the combining and individual fund financial statements and schedules.

The auditor is not required to audit the statistical section of the report.

1. Auditing Standards to be Followed.

To meet the requirements of this RFP, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants and the Governmental Accounting Standards Board, the standards for financial audits set forth in the U.S. General Accounting Office's Government Auditing

Standards, the provisions of the Single Audit Act of 1996, and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Government, and any other applicable requirements from regulatory agencies.

2. Reports to be Issued

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 and by such as the American Institute of Certified Public Accountants, the Governmental Accounting Standards Board, the Government Finance Officers Association of the United States and Canada, and any other regulatory agencies. The auditor shall likewise issue any other reports subsequently required by these or similar entities following completion of the financial or single audit. The schedule of federal 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 Comprehensive Annual Financial Report, but are to be issued separately.

In the required reports on internal controls, the auditor shall communicate any reportable conditions found during the audit to the City of Ballinger's Financial Consultant Doug Martella. 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.

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. The report on compliance shall include all instances of noncompliance.

Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of which they become aware to the City Manager.

Auditors shall assure themselves that the City of Ballinger's Mayor and Council is informed of each of the following and any other item as required by the regulatory agencies as noted above:

- a. Difficulties encountered in performing the audit.
- b. Disagreements with management.
- c. Major issues discussed with management prior to retention.
- d. Management consultation with other accountants.
- e. Management judgment and accounting estimates.
- f. Other information in documents containing audited financial statements.
- g. Significant accounting policies
- h. Significant audit adjustments.
- i. The auditor's responsibility under generally accepted auditing standards and government auditing standards.

3. Preparation of Comprehensive Annual Financial Report

The audit firm will work with City staff to prepare all information included in the Annual Comprehensive Financial Report. The auditor reviews this information and approves it prior to the City printing the final document. Because the Annual Comprehensive Financial Report must be released within six months after the fiscal year end (March 31) to be eligible for the GFOA Certificate of Achievement, coordination of schedules will be required between the auditor and the City of Ballinger's Financial Consultant Doug Martella, upon the audit of current prior fiscal year.

4. Special Considerations

If applicable, the City of Ballinger will send its Annual Comprehensive Financial Report to the GFOA of the United States and Canada for review in their Certificate of Achievement for Excellence in Financial Reporting Program. The auditor will be required to provide assistance to the City to meet the requirements of this program.

The selected audit firm will assist the City in certain year end closing and conversion entries. The City does not have a mandatory auditor rotation policy.

The City anticipates that during the course of the engagement one or more official statements will be prepared in connection with the sale of debt securities, which will contain the basic financial statements and the Auditor's report thereon. The Auditor may be required, if requested by the City, financial advisor and/or the underwriter, to issue a "consent and citation of expertise" as well as any necessary "comfort letters."

5. Work Paper Retention and Access to Work Papers

All work papers and reports must be retained, at the Auditor's expense, for a minimum of seven years, unless the firm is notified in writing by the City of the need to extend the retention period. The Auditor will be required to make the work papers available, upon request, to representatives of federal and state agencies and the City.

In addition, the firm shall respond to the reasonable inquiries of successor Auditors and allow successor Auditors to review work papers relating to matters of continuing accounting significance.

6. Conferences

The following conferences are to be conducted with the City of Ballinger's Financial Consultant Doug Martella, or other City personnel as needed:

- a. Entrance conference prior to interim work.
- b. Exit conference at conclusion of interim work.
- c. Entrance conference at beginning of fieldwork.
- d. Progress conferences during fieldwork.
- e. Exit conference at end of fieldwork.
- f. Conference when draft copy of management letter is prepared.

7. Presentation to City Council.

The audit Partner and/or Manager will be present at the City Council meeting when the Comprehensive Annual Financial Report is presented to the full City Council to answer any questions of the Council.

III. DESCRIPTION OF THE GOVERNMENT

A. Entity Description

The City of Ballinger is located in Runnels County, Texas approximately 35 miles northeast of San Angelo, Texas. Ballinger is home to approximately 3575 people and serves as the county seat to approximately 9860 county residents.

Founded in 1886, Ballinger is a Home Rule Charter City and operates under a Council-Manager form of government. The City Council is comprised of a mayor and four council members and is responsible for enacting ordinances, resolutions, and regulations governing the City, as well as appointing members to various statutory and advisory boards, the City Manager, the City Attorney, the City Secretary, and the Municipal Judge.

The City of Ballinger provides the following major services:

Administration	Police & Fire Protection
Community Development	Municipal Court
Utility Services/ Water & Sewer	Airport Facilities
Parks & Recreation	Street & Sidewalk Maintenance

B. Fund Structure

The City of Ballinger's accounting records are maintained in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). Accordingly, the City maintains three major governmental funds (general, debt service, and capital projects) and two major proprietary funds (utility and airport) and multiple non-major funds.

Fund Structure:

- Major fund – General Fund
- Special Revenue funds -Court Technology, Court Security, Interest & Sinking
- Enterprise Funds consist of water and sewer.
- Airport Fund

1. Budget

The City of Ballinger Charter provides that the City Council shall adopt the annual budget for the fiscal year beginning on October 1. The budget prepared by the City Manager is reviewed by the City Council and is formally adopted by the passage of a budget ordinance. The City Manager is

authorized to transfer budgeted amounts between line items within departments; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.

Adopted FY 2021-2022 budgets for the City of Ballinger’s major funds are as follows:

General Fund	\$ 4,314,806
Debt Service	\$0
Capital Projects	\$0
Utility Fund	\$2,725,288
Airport	\$178,547

The City of Ballinger participates in the Texas Municipal Retirement System (TMRS).

2. Accounting Process – Related Systems

The City of Ballinger’s accounting records for general governmental operations are maintained on a modified accrual basis, and revenues are recorded when available and measurable and expenditures are recorded when the services or goods are received and the liabilities are incurred.

3. Computer Systems

The general ledger accounting system is operated and maintained on the comprehensive financial enterprise system Fundview. The system supports full reporting and inquiry functions.

4. Organizational Responsibility for the Accounting Function

The Accounting function falls under the general supervision of the City’s Financial Consultant Doug Martella, who reports to the City Manager. The present accounting staff members assigned to the audit include City Secretary Blaine Ross and Assistant City Secretary Lindsey Gayoso.

IV. GENERAL PROPOSAL REQUIREMENTS

A. Required Information

The City of Ballinger proposal packet contains various sections requiring completion. Requirements herein must be completed prior to the date and time set for proposal opening and included with the proposal or the auditor may be found non-responsive. Responding auditors may be required to complete and supply all information contained in a "supplemental information" packet at a date after proposal opening. Failure to complete "supplemental information" requirements in a timely manner, prior to award, may be used by the City of Ballinger in determining a respondent’s responsibility.

1. Instructions

These instructions apply to all proposals and become a part of terms and conditions of any proposal packet submitted.

2. Knowledge of Conditions

Auditors submitting proposals should carefully examine all terms, conditions, specifications and related documents. Should discrepancies in or omission from the specifications or related documents be discovered, or should there be doubt as to their meaning, the principal contact should be notified immediately for clarification prior to submitting the proposal. In the event of any conflict between the terms and provisions of these requirements and the specifications, the specifications shall govern. In the event of any conflict of interpretation of any part of this overall document, the City of Ballinger's interpretation shall govern.

3. Exceptions

All proposals must clearly and specifically detail all exceptions to the exact requirements imposed by this document. Such exceptions must be explained in the auditor's proposal. Otherwise, the City of Ballinger shall consider the subject proposal as being made in strict compliance with this document.

4. Late Proposals

Proposals received after the submission deadline will not be accepted and will not be returned. Unsigned proposals will be rejected as non-responsive. The City of Ballinger is not responsible for lateness or non-delivery of mail, carrier, etc., and the date/time stamp at the designated location shall be the official time receipt.

5. Altering Proposals

Proposals cannot be altered or amended after submission deadline. Any alterations or erasures made before the opening time must be initialed by the signer of the proposal, thus guaranteeing authenticity.

6. Withdrawal of Proposals

Any proposals may be withdrawn prior to the scheduling time for the opening. Notice to withdraw the proposal must be in writing and submitted to the City of Ballinger prior to the scheduled time for opening proposals. Any proposal withdrawal notice, which is received after the deadline for receiving proposals, shall not be considered.

7. Sales Tax

The City of Ballinger is exempt by law from payment of Texas Sales Tax and Federal Excise Tax. Do not include tax in the proposal.

8. Fees

Fees for all services shall be firm for the duration of the contract and shall be all inclusive. **Additional charges not shown in the proposal will not be honored without the prior express written approval of the City Manager.**

9. Preparation Costs

The City of Ballinger will not be liable for any costs associated with the preparation, transmittal, or presentation of any proposals or material submitted in response to this RFP.

10. Duration

The auditor must agree, in writing, that all information contained in the submitted proposal is valid for at least ninety (90) days from the date of submittal or until a final contract is approved, whichever occurs first.

11. Proposal Opening

All proposals submitted will be read at the City of Ballinger scheduled proposal opening for the designated project. *However, the reading of a proposal at such opening should not be construed as a comment on the responsiveness of proposal or as any indication that the City of Ballinger accepts such proposal as responsive.*

12. Rejection of Proposals

The City of Ballinger may choose to reject all proposals and not award any contract. If the aforementioned does not award a contract within ninety (90) days following the date specified for the opening of proposals, all proposals are deemed to be rejected by the City of Ballinger.

13. Contract Award

The City will evaluate all proposals and determine one or more finalists. The City will negotiate with the first finalist to determine if the parties can arrive at an agreement including price. If the first finalist does not reach an agreement with the City, the City may negotiate with the next finalist(s) until an agreement is reached with the respective finalist. The auditor will be selected on a rational basis using the proposal evaluation criteria and results of subsequent negotiations. The City of Ballinger has a right to award a contract upon the conditions, terms and specifications contained in a proposal submitted to the City for a period of up to ninety (90) days following the date specified for the opening of proposals. **The City of Ballinger contract form shall be used in the negotiation process.**

14. Addenda

Any interpretations, corrections or changes to this proposal packet will be made by addenda. Addenda will be sent to all who are known to have received a copy of this proposal packet. Auditors shall acknowledge receipt of all addenda or they may be declared non-responsive.

15. Defects

The City of Ballinger reserves the right to waive any defect, irregularity, or informality in any proposal.

16. Funding

The City of Ballinger is a governmental entity operated and funded on an October 1 to September 30 fiscal year; accordingly, the City of Ballinger reserves the right to terminate, without liability to them, any contract for which funding is not available.

17. Insurance

Before commencing work, the audit firm shall, at its own expense, procure, pay for, and maintain the following insurance written by companies approved by the state of Texas and acceptable to the City of Ballinger. The audit firm shall furnish to the City of Ballinger certificates of insurance executed by the insurer or its authorized agent stating coverages, limits, expiration dates and

compliance with all applicable required provisions. Certificates shall reference the project/contract number and be addressed as follows:

Professional Auditing Services
Attn. Blaine Ross
City of Ballinger 700 Railroad Ave., Ballinger, TX 76821

18. Insurance Policies

- a. Commercial General Liability insurance, including, but not limited to Premises/Operations, Personal & Advertising Injury, Products/Completed Operations, Independent Contractors and Contractual Liability, with minimum combined single limits of \$1,000,000 per-occurrence, \$2,000,000 Products/Completed Operations Aggregate and \$1,000,000 general aggregate. Coverage must be written on an occurrence form.
- b. *If Proposer's employees will be performing services under the contract on City of Ballinger premises, then Workers' Compensation insurance with statutory limits; and Employers' Liability coverage with minimum limits for bodily injury: a) by accident, \$500,000 each accident, b) by disease, \$500,000 per employee with a per policy aggregate of \$500,000.*
- c. *If vehicles will be used in the performance of services under the contract, then Business Automobile Liability insurance covering owned, hired and non-owned vehicles, with a minimum combined bodily injury and property damage limit of \$1,00,000 per occurrence.*
- d. Professional Liability Insurance to provide coverage against any claim which the audit firm becomes legally obligated to pay as damages arising out of the performance of professional services caused by error, omission or negligent act with minimum limits of \$1,000,000 per claim, \$2,000,000 annual aggregate.

NOTE: If the insurance described in #1 or #4 above is written on a claims-made form, coverage shall be continuous (by renewal or extended reporting period) for not less than *thirty-six (36) months* following completion of the contract and acceptance by the City of Ballinger .

The required limits may be satisfied by any combination of primary, excess or umbrella liability insurance, provided all policies comply with all requirements. The audit firm may maintain reasonable deductibles, subject to approval by the City of Ballinger. Whenever possible, the City will be named as additional insured.

19. Subcontracting

No subcontracting will be allowed without the express prior written consent of the City of Ballinger.

20. Conflicts of Interest and Certificate of Interested Parties Form 1295; Israel and Other Verifications

No officer or employee of the City of Ballinger shall have a financial interest, direct or indirect, in any contract with the City of Ballinger. The successful finalist is required to complete online and notarize the Certificate of Interested Parties Form 1295 and the form must be submitted to City Secretary before the purchase/contract will be presented to City Council. The form may be completed at https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm

As applicable, Proposers must include a written verification that it does not and will not during the term of the contract (i) boycott energy companies; (ii) have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; or (iii) boycott Israel.

21. Ethics

The auditor shall not offer or accept gifts or anything of value or enter into any business arrangement with any employee, official or agent of the City of Ballinger. More than one proposal on any one contract from a firm or auditor under different names shall be grounds for rejection of all proposals in which the firm or auditor has an interest. One or all proposals will be rejected if there is any reason to believe that collusion exists between auditors.

22. Indemnification

The auditor shall indemnify, defend, and hold the City of Ballinger, its officers, agents and employees harmless from any liability, claims, suits, actions, causes of action, costs, expenses, charges or fees, including attorney's fees, for injury to any person (including death) or damage to or destruction of any property; and, any act of omission of auditor, its contractors, subcontractors, suppliers, or agents, in connection with or arising out of, whether directly or indirectly, this agreement.

23. Ownership

All responses and accompanying documentation will become the property of the City of Ballinger.

24. Proprietary Information

Information construed as proprietary by a submitting auditor must be marked as such and will be so regarded by the City of Ballinger. Subject to Texas Open Records Act, Texas Government Code, Chapter 552, the City of Ballinger will treat such information as confidential to the extent permitted by law and the City of Ballinger agrees to withhold any such information and request an opinion from the Attorney General should another party request such data. The City of Ballinger shall abide by the decision of the Attorney General. Such information should be submitted in a separate folder attached to the proposal and referred to appropriately in the proposal. For a proposal to be valid, however, all information must be available for review by approval bodies as required by the City of Ballinger. Viewing of information designated as proprietary by such bodies will not be construed to violate the constraints of proprietary information.

25. References

Auditors submitting proposals shall submit the names, addresses, contact persons, phone numbers, and dates of a minimum of three (3) current and three (3) previous governments in which the auditor has provided similar services.

26. Protests

All protests regarding the Submittal solicitation process must be submitted in writing to the City within FIVE (5) working days following the opening of Submittals. This includes all protests relating to advertising of notices, deadlines, opening, and all other related procedures under the Local Government Code, as well as any protests relating to alleged improprieties or ambiguities in the specifications.

27. Force Majeure

If, by reason of Force Majeure, either party hereto shall be rendered unable wholly or in part to carry out its obligations under this contract, then such party shall give notice and full particulars of such Force Majeure in writing to the other party within a reasonable time after occurrence of the event or cause relied upon, and the obligation of the party giving such notice, so far as it is affected by such Force Majeure, shall be suspended during the continuance of the inability then claimed, except as hereinafter provided, but for no longer period, and such party shall endeavor to remove or overcome such inability with all reasonable dispatch. The term Force Majeure as employed herein, shall mean acts of God, strikes, lockouts, or other industrial disturbances, act of public enemy, orders of any kind of government of the United States or the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquake, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines, or canals, or other causes not reasonable within the control of the party claiming such inability. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of the party having the difficulty, and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing party or parties when such settlement is unfavorable in the judgment of the party having the difficulty.

V. SPECIFIC PROPOSAL REQUIREMENTS

A. Deadline and Distribution

All proposals must be received by the City of Ballinger prior to 12:00 p.m. on Wednesday July 10, 2024. Proposals may be emailed to bross@baltx.org or delivered/mailed to:

City of Ballinger
Attn: Blaine Ross
700 Railroad Ave
Ballinger, TX 76821

Proposals must be signed by the auditor, with his or her signature in full. When an auditor is a partnership, the proposal shall be signed in the name of the partnership by one or more of the partners. When an auditor is a corporation, the officer signing shall sign his name and give the title of his office. The proposal shall also bear the seal of the corporation.

Upon selection, the successful auditor shall submit, within seven (7) days after notice of award of contract, a corporate resolution, certificate of partnership, partnership agreement or joint venture agreement, which identifies the person(s) authorized to execute a contract on behalf of the corporation, partnership or joint venture.

B. Inquiries

All inquiries regarding this RFP should be directed to the Principal Contact:

Blaine Ross,
700 Railroad Ave.
Ballinger, TX 76821
Phone (325) 365-3511
Email: bross@baltx.org

C. Submission of Proposal

To simplify the review process and obtain the maximum degree of comparison, the proposal should be organized in the following manner:

1. Title Page

- a. Show the RFP number and subject, the name of the auditor's firm, address, telephone number, name of contact person, and the date.

2. Table of Contents

- a. Include a clear identification of the material by section and by page number.

3. Letter of Intent

- a. A signed letter of intent briefly stating the auditor's understanding of the work to be performed and a positive commitment to perform the work within the time period required should be included. Such letter of intent should also state why the auditor believes itself to be best qualified to perform the engagement and that the proposal is a firm and irrevocable offer for at least ninety (90) days from the date of submittal or until a final contract is approved, whichever occurs first.

4. Detailed Proposal

- a. The detailed proposal should follow the order set forth in Section V: Specific Proposal Requirements.

D. Technical Proposal

The purpose of the proposal is to demonstrate the qualifications, competence, and capacity of the auditors seeking to undertake an independent audit of the City of Ballinger in conformity with the requirements of the RFP. As such, the substance of proposals will carry more weight than their form

or manner of presentation. The proposal should demonstrate the qualifications of the auditor and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the RFP requirements.

Interested auditors are encouraged to use their own preferred style and format in preparing a proposal. However, it is suggested that the proposal include at least the following arranged accordingly. ***Do not include dollar units or total costs in the Technical Proposal document.***

The Technical Proposal should address all the points outlined in the RFP, excluding any cost information, which should only be included in the Compensation Proposal document. The proposal should be prepared simply and economically, providing a straightforward and concise description of the auditor's capabilities to satisfy the requirements of the RFP. While additional data may be presented, the following subjects, item No. 1 through 10, must be included. They represent the criteria against which the proposal will be evaluated. ***The Technical Proposal document should be no more than 20 pages in its entirety.***

1. Independence

- a. The audit must be made by an independent auditor or auditors. An "independent auditor" means a public auditor who meets the independence standards specified by the GAO and AICPA.
- b. The auditor should provide an affirmative statement that it is independent of the City of Ballinger as to relationships between the City of Ballinger and its management and members of your firm, and with regard to any other work performed by the firm for the City of Ballinger that might impair the firm's independence and objectivity.
- c. The auditor should also list and describe its professional relationships involving the City of Ballinger or any of its agencies for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

2. License to Practice in Texas

- a. An affirmative statement should be included indicating that the auditor and all assigned key professional staff are properly licensed to practice in Texas.

3. Auditor Qualifications and Experience

- a. The proposal 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 and a part-time basis. State whether your firm is local, regional, national, or international. State the number of partners, managers, supervisors, seniors, and other professional staff employed at the local office. Describe the range of activities performed by the local office, such as auditing, accounting, tax service, or management advisory

services. Describe the local office's capability to audit computerized systems, including the number and classification of personnel skilled in computer science who will work on the audit.

- b. The auditor should demonstrate a commitment to governments by participation in Special Review Committees of the GFOA Certificate of Achievement program and active participation in the governmental accounting standards process.
- c. If the auditor 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.
- d. The auditor is required to submit a copy of the report on its most recent external quality control review, with a statement as to whether that quality control review included a review of specific government engagements.
- e. The auditor shall 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 auditor shall provide information on the circumstances and status of any disciplinary action taken or pending against the auditor during the past three (3) years with state regulatory bodies or professional organizations. Please identify any litigation involving the local office.
- f. Indicate the strengths of your firm in general, and more specifically, your local office. Being specific, indicate how your audit philosophy differs from that of other firms. Indicate the strategy for the future of your local office and in what areas you will be investing resources.
- g. Describe the rate of audit staff turnover in the local office due to resignations or terminations in the past twenty-four (24) months.
- h. Describe why the City of Ballinger would be important to your firm and to the local office as a client. Discuss your policies regarding staff education and development. Indicate which universities are the major sources of new staff for the local office.

4. Partner, Supervisory and Staff Qualifications and Experience

- a. The auditor 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 CPA in Texas. Indicate areas of specialty: audit, tax, management advisory services, etc. Indicate the ratio of audit managers and other staff to audit partners in the local office.
- b. The auditor should provide information on the governmental 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. Include resumes as an appendix. Clearly indicate what specific

responsibility each individual will have. Provide information as to what time commitment or workload is presently assigned to each person who will be working on this engagement. The auditor should also indicate how the quality of staff over the term of the agreement would be assured.

- c. Indicate your firm's policy in rotating partners and managers. Indicate what commitments your firm will make to the City of Ballinger management and financial employees with respect to accessibility of the partners and managers assigned to this engagement.

5. Assignment of Auditing Staff and Changes in Assigned Staff

- a. It is understood by the City of Ballinger that the individuals specified in the auditor's proposal are the individuals who will actually perform the work associated with the City of Ballinger's audit. The City of Ballinger reserves the right to approve or deny any change to the assigned staff named in the proposal, whether such change occurs prior to or during the engagement. The City of Ballinger shall be provided with a resume of any proposed substitute and shall be given the opportunity to interview that person prior to its decision to approve or disapprove.

6. Prior Engagements with the City of Ballinger

- a. The auditor should list separately any and all engagements performed for the City of Ballinger within the last five (5) years. For each engagement, the auditor should indicate the scope of work, date, engagement, partners, total hours, and the location of the firm's office from which the engagement was performed.

7. Similar Engagements with Other Governmental Entities

- a. The auditors must list the most significant engagements (maximum of 5) performed in the last five (5) years that are similar to the engagement described in the RFP. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date of engagement, partners, total hours, and the name and telephone number of the principal client contact. Auditors desiring to keep this list confidential or that do not want these past or present clients contacted should state next to each engagement listed. The City of Ballinger will comply with confidentiality requests to the full extent allowed by federal and State of Texas public information statutes. Auditors should be advised that failure to provide evidence satisfactory to the City of Ballinger of any listed engagement may result in that engagement being disallowed for evaluation purposes.

8. 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 Section II of the RFP. In developing the work plan, reference should be made to such sources of information as the City of Ballinger budgets and related materials, organizational charts, manuals and programs, and financial and other management information systems.

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

- a. Proposed segmentation of the engagement.
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement.
- c. Sample sizes and the extent to which statistical sampling is to be used in the engagement.
- d. Extent of use of EDP software in the engagement.
- e. Approach to be taken to gain and document an understanding of the City of Ballinger's internal control structure.
- f. Approach to be taken in determining laws and regulations that will be subject to audit test work.
- g. Approach to be taken in drawing audit samples for purposes of tests of compliance.
- h. List of standard schedules required to be prepared by the City.

9. Identification of Anticipated Potential Audit Problems

- a. The proposal should identify and describe any anticipated potential audit problems, the auditor's approach to resolving these problems, and any special assistance that will be requested from the City of Ballinger.

10. Additional Information

- a. Any additional information the auditor considers essential to the proposal should be included in this section. If there is no additional information to present, state, "There is no additional information we wish to present."

VI. ASSISTANCE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

A. Finance Department and Clerical Assistance

The Finance Department 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 City of Ballinger.

B. Electronic Data Processing (EDP) Assistance

Any requirements for computer time and/or system documentation will be coordinated through the Director of Finance.

C. Prior Audit

Condley and Company, LLP, located at 302 Pine Street, Abilene, TX 79601 conducted the audit of the financial records for the fiscal years ended September 30, 2019 through 2021.

Condley and Company, LLP has agreed to make their work papers available to the successor auditor. Requests concerning inspection of previous work papers should be submitted to Tara Boiles, Condley & Co, (325) 677-6251.

D. Work Area, Telephones, Photocopying and Facsimile Machines

The City of Ballinger shall provide the space and facilities necessary for the auditor to conduct the examination. In addition, all information, data, reports, and records necessary for carrying out the work shall be furnished to the auditor and the City of Ballinger shall cooperate with the auditor in every reasonable way to ensure timely completion of the audit. The auditor will also be provided with access to one telephone line, photocopying facilities, and a facsimile machine.

E. Report Preparation

- 1. *Management Letter*
 - a. The auditor will prepare and print the management letter, three (3) copies of which will be furnished to the City of Ballinger.

VII. EVALUATION PROCESS

A. City Staff

Submitted proposals will be evaluated by management staff of the City of Ballinger consisting of the following individuals: (1) Marty Akins, Interim City Manager, (2) Doug Martella, Financial Consultant and (3) Blaine Ross, City Secretary/Finance.

B. Schedule

RFP Released & Published-----	June 20, 2024
Deadline for Questions (5:00 pm)-----	July 1, 2024
Proposal Submission Deadline (12:00 P.M.)-----	July 10, 2024
Proposal Opening (2:00 P.M.)-----	July 10, 2024
Evaluation of Proposals including fee discussion-----	July 10-July 12, 2024
Recommendation to Governing Body-----	July 15, 2024 *
Selected Auditor Notified-----	July 16, 2024 *
Contract Execution-----	July 16, 2024 *
Final Reports-----	September 23, 2024*

*Indicates tentative dates.

C. Evaluation Criteria

Proposals will be evaluated using the following weighted criteria:

Audit Approach and timeline for completion	60%
Experience and Quality of Personnel	40%
TOTAL	100%

D. Finalists:

During the evaluation process, the City may select one or more firms to hold oral interviews to discuss its proposal including its financial structure. .

E. Final Selection

The City of Ballinger will select an auditor based upon the proposal submitted, financial proposal, recommendations of management staff and the approval of City Council. Following notification of the auditor selected, it is expected a contract will be executed between both parties within thirty (30) days of approval.

F. Engagement Letter

The auditor shall prepare a written and dated engagement letter, using the City’s format contract, which will identify the specific responsibilities of the City of Ballinger and the auditor, along with a list of client prepared documents and delivery dates established within ten (10) days of final selection.

APPENDIX A: 3 CURRENT AND 3 PREVIOUS REFERENCES
(SAMPLE FORMAT)

COMPANY NAME: _____
ADDRESS: _____
CITY / STATE / ZIP: _____
PHONE: _____
CONTACT / TITLE: _____
DATES: _____

COMPANY NAME: _____
ADDRESS: _____
CITY / STATE / ZIP: _____
PHONE: _____
CONTACT / TITLE: _____
DATES: _____

COMPANY NAME: _____
ADDRESS: _____
CITY / STATE / ZIP: _____
PHONE: _____
CONTACT / TITLE: _____
DATES: _____

APPENDIX B: AUDITOR CHECKLIST

All information included in, attached to, or required by the RFP shall be public record upon delivery to the City of Ballinger. Please ensure, at a minimum, that the following have been attached:

1. Proposal.
2. Appendix A: References (3 Current and 3 Previous).
3. Insurance Requirements as outlined in Section IV (items 17 and 18)
4. If selected, document identifying person(s) to execute a contract on behalf of corporation, partnership or joint venture, as outlined in Section V: Specific Proposal Requirements (Within 7 Days of Selection).
5. Include any Applicable Forms, (not exhaustive list)
 - a. Form CIQ, Conflict of Interest Questionnaire
 - b. Disclosure of Lobbying Activities
 - c. Certificate of Interested Parties
 - d. Debarment status of any relevant persons in the Firm
 - e. W-9
6. If selected, Engagement Letter, as outlined in Section VII: Evaluation Process (Within 10 Days of Selection).