

RFQ Title: Professional Auditing Services

SCOPE OF SERVICES

The Sumter County Board of County Commissioners desires the auditor to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles accepted in the United States of America.

The auditor is not required to audit the schedule of expenditures of federal and state awards. However, the auditor is to provide an "in-relation-to" report on that schedule based on the auditing procedures applied during the audit of the financial statements.

The auditor is required to apply the agreed-upon procedures required by the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC) as it relates to assisting the Sumter County Housing Department and the U.S. Department of Housing and Urban Development REAC in determining whether the electronic submission of audit information, notes and audit findings, as required by the Uniform Financial Reporting Standards (UFRS), 24 CFR Part 5, agrees with the related hard-copy documents included with the OMB A-133 reporting package.

A. Auditing and Attestation Standards to Be Followed

This audit is to be performed in accordance with:

1. The Florida Laws (Florida Statute 218.39, Annual Financial Audit Reports).
2. Auditing standards generally accepted in the United States as set forth by the American Institute of Certified Public Accountants.
3. Auditing standards applicable to financial audits as contained in the General Accounting Office's (GAO) *Government Auditing Standards*, and any amendments thereto issued by the Comptroller General of the United States.
4. The provisions of the Federal Single Audit Act Amendments of 1984 (as amended in 1996) and U.S. Office of Management and Budget (OMB) Circular No. A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and any amendments thereto.
5. The Florida Single Audit Act, Florida Statutes 215.97 and Chapter 27D-1, Rules of the Executive Office of the Governor, Florida Administrative Code.
6. Rules of the Auditor General, Section 10.550, Local Government Audits.
7. Any other applicable federal, state, local regulations or professional guidance not specifically listed above as well as any additional requirements that may be adopted by these organizations in the future.

The attestation required by the U.S. Department of Housing and Urban Development REAC is to be performed in accordance with:

1. Attestation standards established by the American Institute of Certified Public Accountants (AICPA).
2. Attestation standards applicable to attestation engagements contained in the *Government Auditing Standards* issued by the Comptroller General of the United States.

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B. REPORTS TO BE ISSUED

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue, as required by the above mentioned standards no later than February 28th annually:

1. A report on the fair presentation of the County's financial statements in conformity with generally accepted accounting principles, including an opinion on the fair presentation of the supplementary schedule of expenditures of federal awards "in relation to" the audited financial statements.
2. A report on compliance and internal control over financial reporting based on an audit of the financial statements in accordance with government auditing standards.
3. A report on compliance and internal control over compliance applicable to each Major Federal Awards Program and State Financial Assistance Projects in accordance with OMB Circular A-133; Chapter 10.550, Rules of the Auditor General of the State of Florida; and the Florida Department of Financial Services *State Projects Compliance Supplement*.
4. A report on compliance and internal control over compliance applicable to all laws, regulations and contracts.
5. Notes to the financial statements.
6. A schedule of findings and questioned costs as mandated by the Single Audit Act Amendments of 1996, OMB Circular A-133, and the Florida Single Audit Act.
7. A summary schedule of prior audit findings.
8. An independent auditor's management letter as required by Section 10.554(1)(i) of the Rules of the Auditor General of the State of Florida including all required disclosures.
9. A schedule of activity on the Landfill Closure and Long-Term Care Escrow Account in accordance with the requirements of Rule 62-701.630, Florida Administrative Code.
10. A statement of County Funded Court-Related Functions in accordance with Florida Statutes Section 29.0085.
11. A schedule of Expenditures of Federal Awards and State Financial Assistance.
12. A report entitled "Independent Accountant's Report on Applying Agreed-Upon Procedure - Sumter County Housing Authority" listing the procedures performed and the findings, if any, for the attestation required by the U.S. Department of Housing and Urban Development REAC under the Uniform Financial Reporting Standards for our Section 8 Housing Department. This report shall include a statement that no auditing procedures were performed after the date of the reports on the audited financial statements and supplemental information.
13. Any other statements, schedules or reports that may be required under any of the auditing standards notated in Section II C "Auditing Standards To Be Followed" or by Federal or Florida law.

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Items 1-13 above shall be provided as a PDF file and also bound in the following manner:

1. Twenty Five (25) copies of a single bound report shall be required annually. This single bound report shall include item numbers 1-13 with the exception of item number 9, 10 and 12. This single bound report shall include the annual audit of the Sumter County Board of County Commissioners, Clerk of Circuit Court, Tax Collector, Sheriff, Property Appraiser and Supervisor of Elections (Attachment A).
2. Ten (10) copies of each Constitutional Officer's annual audit shall be required annually. Each Constitutional Officer's audit shall be in a separately bound report (Attachments B-F).
3. Ten (10) copies of item number 9, "Schedule of Activity on the Landfill Closure and Long-Term Care Escrow Account," shall be required annually in a separately bound report (Attachment G).
4. Ten (10) copies of item number 10, "Statement of County Funded Court-Related Functions," shall be required annually in a separately bound report (Attachment H).
5. Ten (10) copies of item number 12, "Independent Accountant's Report on Applying Agreed-Upon Procedure - Sumter County Housing Authority", shall be required annually in a separately bound report (Attachment L).

In the above required report(s) on compliance and internal controls, the auditor shall communicate any reportable conditions found during the audit. 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 report(s) on compliance and internal controls. The report(s) on compliance and internal controls shall include all instances of non-compliance.

The auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the Sumter County Audit Committee, Chairman of the Board of County Commissioners, County Administrator, County Attorney and the Clerk of Circuit Court.

Auditors shall assure themselves that the Sumter County Audit Committee is informed of each of the following:

1. The auditor's responsibility under generally accepted auditing standards.
2. Significant accounting policies.
3. Management judgments and accounting estimates.
4. Significant audit adjustments.
5. Other information in documents containing audited financial statements.
6. Disagreements with management.
7. Management consultation with other accountants.

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8. Major issues discussed with management prior to retention.
9. Difficulties encountered in performing the audit.

In addition, a detailed audit plan and proposed time line should be submitted to the Sumter County Finance Department under the direction of the Clerk of Circuit Court and to each Constitutional Officer subsequent to the awarding of the contract for audit services and each year prior to the beginning of the interim audit procedures. This audit plan should conform to Section IV "Time Requirements." The auditor shall submit an "Auditor Request List", similar to the one found in Attachment I, to the Sumter County Finance Department and each Constitutional Officer prior to October 1 of each fiscal year.

C. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of five (5) years, unless the firm is notified in writing by the Sumter County Audit Committee 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:

1. Sumter County Audit Committee
2. U.S. General Accounting Office
3. Any party designated by the federal or state governments or by the Sumter County Board of County Commissioners or its Constitutional Officers as part of an audit quality review process
4. Auditors of entities of which the Sumter County Board of County Commissioners is a sub-recipient of grant funds

D. Implied Requirements

All services not specifically mentioned in this request for qualifications that are necessary to provide the functional capabilities described in this RFQ shall be included in the Scope of Work to be performed. 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.