

INVITATION TO RFP

Sealed RFPs, subject to the conditions contained herein, will be received by the Oneida County Office of the Comptroller until 4:00 P.M., local time on Friday March 30, 2012:

Auditing Services RFP # 2012-078

Copies of the described RFP may be examined or picked up at no expense at the Oneida County Office of the Comptroller, or can be reviewed at <http://www.ocgov.net> (public notice section.)

The return envelope must be clearly marked with the RFP # and addressed to the Oneida County Office of the Comptroller, Joseph J Timpano, Oneida County Office Building, 800 Park Ave, Utica, NY 13501.

The owner reserves the right to reject any or all proposals received.

The County of Oneida, in order to promote its established Affirmative Action Plan, invites sealed bids from minority groups. This policy regarding sealed bids and contracts applies to all persons without regard to race, creed, color, national origin, age, sex, or disability.

Comptroller
Joseph J Timpano

Dated: Thursday January 26th & Friday January 27th, 2012

January 23, 2012

To Whom It May Concern:

Your firm is invited to submit a proposal to this office for the audit of the County of Oneida for the three years ended December 31, 2012, 2013 and 2014.

Proposals are to be addressed to:

**Joseph J. Timpano, Oneida County Comptroller
Department of Audit and Control
800 Park Avenue
Utica, NY 13501**

Questions concerning the proposals may be directed to either: Joseph J. Timpano, County Comptroller or Sheryl Brown, Deputy Comptroller at (315) 798-5780 or to the above address.

We require four bound and sealed proposals to be delivered to the Department of Audit & Control at the above address by 4:30 p.m. on March 30, 2012. The Department of Audit & Control is located on the fifth floor in the County Office Building.

Interviews with selected applicants may be held within two to four weeks after the submission date.

This contract must be approved by the County Legislature. The County has the right to reject any and all quotes.

A. Nature of Services Required

Oneida County's fiscal year begins January 1st and ends December 31st. The audit will cover all operations and departments of Oneida County.

The auditor will conduct a financial audit of the County's financial statements for the governmental activities, the business-type activities, certain aggregate discretely or blended component units, each major fund, and the aggregate remaining fund information of Oneida County. These statements must be in compliance with GASB No. 34 rules, technical bulletins, and interpretations. **Major funds** include:

General Fund (Including the Joint Activity Planning Fund)
Debt Service Fund

Other governmental funds include:

County Road Fund
Road Machinery Fund
Job Training Partnership Act Fund (Workforce Development)
Capital Projects Fund

Business-type activity funds include:

Sewer Fund
Self Insurance Fund (Worker's Compensation)

Fiduciary funds include:

Trust and Agency Fund

The auditor, as part of the audit activity described in the above paragraph, will also conduct a single organization-wide financial and compliance audit of Federal grants, grant programs, and contracts awards. This audit will be a Single Audit conducted in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; the provisions of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and guidelines promulgated by the Office of the State Comptroller and the Education Department of the State of New York.

The auditor shall conduct the audit for the following express purpose:

1. Provide the County with the auditor's opinion on the County's financial statements, which are to be prepared in accordance with generally accepted accounting principals.

2. Determine the effectiveness of controls over, and proper accounting for, revenue, expenditures, assets, and liabilities. This shall include a determination that the County's internal accounting control system provides reasonable assurance that material payments to sub-recipients are properly authorized and are allowable under the terms and conditions of the Federal award.
3. Determine that Federal funds are being expended in accordance with the terms of applicable agreements and those provisions of Federal law or regulations that could have a material effect on the financial statements, grants, or awards tested.
4. Ensure accounting practices are in accordance with Generally Accepted Accounting Principles providing guidance where this is not the case.

B. Description of Entity To Be Audited

Background

The County of Oneida, New York (the County) is governed by the Charter of the County of Oneida, the County Law, and other general laws of the State of New York and various local laws and ordinances. The present County Charter provides for a County Executive form of government. The County is divided into 29 legislative districts with an elected legislator representing each district in the County Legislature. The County Executive is the Chief Executive of the County. The County Comptroller is the Chief Fiscal, Accounting and Auditing Officer of the County. The County Executive and County Comptroller are each elected for a four-year term.

The County provides the following principal services as established by its Charter: police and law enforcement services; economic assistance; health and nursing services; maintenance of County roads, parks and waterways; and among others, operation of a community college and waste management facilities.

Financial Reporting Entity

The basic financial statements present the County, as well as the component units determined to be included in the County's financial reporting entity, in accordance with GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units."

The decision to include a potential component unit in the County's reporting entity is based on several criteria set forth in GASB Statement No. 39 including legal standing, fiscal dependency, and financial accountability. Statement No. 39 defines financial accountability of the primary government as being determined on the basis of fiscal dependency, appointment of a voting majority of a governing board, ability to impose its will or potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government.

Based upon the Statement No. 39 criteria and the significant factors presented below, the following organizations, functions, or activities are included as component units of the primary government:

Mohawk Valley Community College - Mohawk Valley Community College (Community College) was founded in 1946 with the County of Oneida as the local sponsor under provisions of Article 126 of the New York State Education law. The College is administered by a Board of Trustees consisting of ten voting members, five are appointed by the County Executive and confirmed by the Legislature, four by the Governor, and one student is elected by the student body. The College budget is subject to the approval of the County Executive and the County Legislature, with the County providing substantial funding for the operation of the College. Title of the real property of the College rests with the County. Bonds and notes for College capital costs are issued by the County and are County debt.

Oneida-Herkimer Solid Waste Management Authority – Solid waste management within the County is the responsibility of the Oneida-Herkimer Solid Waste Management Authority (the Authority), a public benefit corporation established in 1988 pursuant to a special Act of the State Legislature (the "Act"). The Authority is authorized by the Act to provide solid waste management services and to develop appropriate solid waste management facilities for the benefit of the Counties of Oneida and Herkimer (the "Counties").

The powers of the Authority include the power to contract with the Counties and municipalities and other entities within the Counties for the purpose of collecting, receiving, treating and disposing of solid waste, and to market materials and energy recovered from solid waste. The Authority currently owns eight operational solid waste management facilities and one closed facility. These facilities are as follows: an administration facility, a recycling center, two solid waste transfer stations, a green waste composting facility, a land clearing debris facility, a household hazardous waste facility, and a regional land fill; and a closed ash landfill.

The Counties have individually entered into a Solid Waste Management Agreement with the Authority pursuant to which the Counties have agreed to pay the Authority, quarterly in arrears, a service fee equal to the operating costs, less revenues, of the operations. The obligation of the Counties to pay such service fee is joint and several and continuing as long as any bonds of the Authority remain outstanding, so long as the Authority continues to provide to the Counties, services, as defined in the Solid Waste Management Agreement. The Authority has, in the Solid Waste Management Agreement, committed to establish fees and charges to all users at the level necessary to cover all operating and debt service expenses. There has never been an instance in which a service fee payment from the Counties has been triggered, and one is not anticipated in future years.

Pursuant to an Allocation Agreement by and between the Counties, the Counties have agreed to apportion such service fees between them in accordance with the ratio that the population of each County bears to the total population of the Counties. It is estimated that Oneida County will pay 75% of such service fee and Herkimer County will pay 25% of such service fee. Notwithstanding such service fee allocation agreement, the obligation of each of the Counties to pay such service fee is joint and several.

Oneida Tobacco Asset Securitization Corporation - The Oneida Tobacco Asset Securitization Corporation (OTASC) is a special purpose, bankruptcy-remote local development corporation incorporated under the provisions of section 1411 of the State's Not-For-Profit Corporation Law. OTASC is exempt from income taxes under section 115(1) of the Internal Revenue Code. The Corporation was established in December 2000 for the exclusive purpose of acquiring all rights, titles and interest the County of Oneida is due under the Master Settlement Agreement (MSA), the result of tobacco industry litigation. OTASC acquired the rights to receive all future Tobacco Settlement Receipts (TSR's). The acquisition price of the County's future right, title and interest in the TSR's has been financed by the issuance of serial bonds, as part of the New York Counties Tobacco Trust I, Trust IV, and Trust V, which issued Tobacco Settlement Pass-Through Bonds. The County has no legal obligation for any of the liabilities or debt which may exist in the OTASC.

In order to meet payments on debt service and other obligations the OTASC is dependent upon the receipt of future TSC's.

The financial statements of OTASC can be obtained at the Oneida County Comptroller's Office located at 800 Park Avenue, Utica, New York 13501.

All of the financial data for the Community College, the Authority, and OTASC is derived from their own independently audited financial statements. These Organizations Are Not A Part Of The County's Audit. They shall not be considered in your fee.

C. Assistance Available to the Auditing Firm

Members of the Oneida County Comptroller's Office will be available to provide information and explanations relating to various financial reports, and will provide names of contacts from other departments who will assist the auditors with the collection of data for inclusion in the Schedule of Federal Awards. The Comptroller's staff will prepare basic financial statements, with guidance from the Audit Firm.

D. Report Requirements

The annual financial reports are to be addressed to the County Comptroller and must include:

1. **Management's Discussion and Analysis**
2. **Basic Financial Statements**

Government-Wide Financial Statements

- Statement of Net Assets
- Statement of Activities

Fund Financial Statements

- Balance Sheet – Governmental Funds
- Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds
- Reconciliation of the Statement of Revenues, and Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities

Proprietary Fund Financial Statements

- Statement of Net Assets – Proprietary Funds
- Statement of Revenues, Expenses, and Changes in Net Assets – Proprietary Funds
- Statement of Cash Flows – Proprietary Funds

Fiduciary Fund Financial Statements

- Statement of Fiduciary Net Assets

Discretely Presented Component Units

- Statement of Net Assets Component Units
- Statement of Revenues, Expenses, and Changes in Net Assets – Component Units

Notes to Basic Financial Statements are to be prepared by Audit Firm

3. **Supplemental Schedules**

- Combined Statement of Revenues and Other Financing Sources and Expenditures and Other Financing Uses – Budget and Actual – General Fund
- Combined Statement of Revenues and Other Financing Sources and Expenditures and Other Financing Uses – Budget and Actual – Debt Service Fund

Combining Statements of Other Governmental Funds

- Combining Balance Sheet – Nonmajor Governmental Funds
- Combining Statement of Revenues and Other Financing Sources, Expenditures and Other Financing Uses, and Changes in Fund Balance – Nonmajor Governmental Funds

4. **Single Audit Reports and Schedules**

Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133

Schedule of Expenditures of Federal Awards

Notes to Schedule of Expenditures of Federal Awards

Schedule of Findings and Questioned Costs – Federal Compliance Requirements

Status of Prior Year's Findings and Questioned Costs – Federal Compliance Requirements

STATE SINGLE AUDIT REPORTS AND SCHEDULES

- Report on Compliance and Controls Over State Transportation Assistance Expended
- Schedule of State Transportation Assistance Expended
- Notes to Schedule of State Transportation Assistance Expended
- Schedule of Findings and Questioned Costs for State Transportation Assistance Expended

The Audit Firm will perform all Single Audit testing, gather data and prepare all Single Audit schedules in consultation with Comptroller's Office and other county personnel.

The audited financial statements must be delivered to the Comptroller on or before July 1st, 2013, 2014, and 2015.

The report of examination of financial statements must (a) state the scope of the examination and that the audit was performed in accordance with generally accepted auditing standards and (b) must include an opinion as to whether the statements conform to generally accepted accounting principles.

A separate report on federal financial assistance will be required in order to satisfy the requirements of the provisions of OMB Circular A-133 Audits of States, Local Governments, and Non-Profit Organizations, otherwise known as the Single Audit. If significant inadequacies are found in the audit, the County will be advised and will prepare a plan for corrective action with guidance from the Auditing Firm.

The management letter should include a statement of audit findings and recommendations affecting the financial statements, internal controls, accounting, accounting systems, legality of action, other instances of non-compliance with laws and regulations and any other material matters.

The exit conference shall be conducted with the County Comptroller and/or governing body.

The Auditing Firm shall complete the Federal Clearinghouse Data Collection Form and perform all necessary steps to electronically file the required reports with them.

E. Contractual Arrangements and Price-Quote

The contract will be a three year contract for fiscal years beginning January 1, 2012 and ending December 31, 2014. Your price quote is to include separate quotes for each of the three years and broken down between the financial and single audit functions.

F. Format and Content of Proposal

Title Page

RFP Subject
Firm name, address and telephone number
Name of contact person

Table of Contents

Include a clear identification of the material by page number.

Letter of Transmittal

State briefly your understanding of the work to be done with a positive commitment to perform the work within the time period outlined in the proposal.

Other Provisions

The names of person or persons who are authorized to make representation for the firm, their titles, address and telephone numbers will be required.

State that the person signing the letter is authorized to bind the firm.

Indicate the number of people (by level) located within the local office that will handle the audit.

Provide a list of local office's current and prior government audit clients indicating the type of services performed and the number of years served for each.

Indicate the local office's experience in providing additional services to governments, the types of services performed and the years of engagement.

Describe the experience in government audits of each Senior and higher level person assigned to the audit, including years on each job and their position while on each audit. Indicate the percentage of time the Senior will be on site.

Describe the relevant educational background of each individual assigned to the audit. This should include seminars and courses attended within the past three years.

Substitution of assigned personnel listed in your RFP will be allowed upon approval by the County Comptroller. Reasons for the substitution must be provided together with the replacement's qualifications, which should approximate those of the person being replaced.

In addition to the above, you may submit additional information relevant to your proposal and its evaluation.

G. Evaluation of Proposals

1. Mandatory criteria

- Must be a firm of certified public accountants licensed in New York State.
- Must not have a record of substandard work.
- All work is to be performed by the winning firm's employees.
No work is to be sub-contracted out.

2. Technical Criteria

Those proposers who have met each of the criteria in the above section will be evaluated on the following criteria:

Sixty-five (65) technical points using the information provided by the firm in the proposal.

- Prior Auditing Experience of County Governmental Entities (0-20)
- Organization Size and Structure of Firm (0-5)
- Professional and Educational Qualifications of Staff (0-10)
- Responsiveness of the Proposal in Clearly Stating an Understanding of the Work to be Performed (0-15)
- Cost of Audit (0-15)

All proposals will be examined and evaluated by members of the Oneida County Comptrollers' staff.

Sincerely,

**JOSEPH J. TIMPANO
ONEIDA COUNTY COMPTROLLER**