



## TWO PART REQUEST FOR PROPOSAL FOR AUDITING SERVICES AND SELECTION OF AN INDEPENDENT AUDIT FIRM

**BY: TOWN OF WADESBORO, NORTH CAROLINA      Proosal's Due Date: 04/03/2026 by 2:00 p.m.**

The Governing Body of the Town of Wadesboro (hereinafter called the "unit") invites qualified independent auditors (hereinafter called "auditor") having sufficient governmental accounting and auditing experience in performing an audit in accordance with the specifications outlined in this Request for Proposal (RFP) to submit a proposal.

There is no expressed or implied obligation for the Town of Wadesboro to reimburse firms for any expenses incurred in preparing proposals in response to this request.

The specific details shown herein shall be considered minimum unless otherwise shown. The specifications, terms, and conditions included with this RFP shall govern in any resulting contract(s) unless approved otherwise in writing by the Town of Wadesboro. The bidder consents to personal jurisdiction and venue in a state court of competent jurisdiction in Anson County, North Carolina.

### Type of Audit

The audit will encompass a financial and compliance examination of the unit's basic financial statements, supplementary information, and compliance reports, in accordance with the laws and/or regulations of the State of North Carolina, which include requirements for the minimum scope of the audit. The financial and compliance audit will cover federal, state, and local funding sources in accordance with generally accepted auditing standards; Government Auditing Standards, July 2018 revisions; the provisions of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), the State Single Audit Implementation Act; and all other applicable laws and regulations.

The scope of the audit and all fee quotes presented should include all approved and known pronouncements through the date of proposal submission. This includes, but is not limited to, the Governmental Accounting Standards Board (GASB) statements and Government Auditing Standards. Although some pronouncements will not be in effect until after the first year of the audit, estimates for future years should include pronouncements that will become effective during that contract period. The audit firm will be expected to advise appropriate Town of Wadesboro staff on the applicability of accounting and reporting standards as they become effective.

The financial audit opinion will cover the financial statements for the governmental activities, the business-type activities, the financial statements of the aggregate discretely presented component units, each major fund, and the remaining fund information, which collectively constitutes the basic financial statements. The combining and individual financial statements, schedules, and related information are not necessary for fair presentation, but will be presented as additional analytical data. This supplemental information, as required by GASB 34, will be subjected to the tests and other auditing procedures applied in the audit of the basic financial statements, and an opinion will be given as to whether the supplemental information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The auditor shall also express an opinion on the budgetary comparison information for the general fund, the major funds, and any annually budgeted special revenue funds. An opinion will not be given on the Management Discussion and Analysis.

The work papers shall be retained and made available upon request for no less than three years from the date of the audit report. The audit will also include the following:

**A.** Pre-planning conference with Finance Staff where both the auditor and Finance staff discuss their expectations of the audit.

**B.** Interim audit work prior to June 30th and/or prior to final closing.

**C.** Attendance at the Town Council meeting within 45 days of approved audit for presentation of the financial statements by Manager or Partner of the Audit Staff with comments and potential questions from the Board as requested.

The audit should include all funds and entity-wide activities as reported in the unit's audit report and any additional funds or entity-wide activities that may be added after that date.

If required, the audit firm will issue a management letter to the town council after completion of the audit and assist management in implementing recommendations, as in practical. Town of Wadesboro staff also request that an informal letter be addressed to the Finance Director with efficiency, internal control or accounting improvements that could be made based on the audit staff's observation during their fieldwork. All content must be discussed with the Finance Director prior to issuance. The audit firm is encouraged to discuss the content while management letter is in draft form to ensure that all parties fully understand the circumstances that lead to auditor's comments.

The Town of Wadesboro staff may require the auditor's guidance or input on the completion of certain schedules/documents as to proper format and content, so that they can be used in the audit process as well as inclusion in the town's financial statements. Guidance may be required for new note disclosures, all outstanding and effective authoritative standards and other reporting requirements at June 30 year-end. Cost for providing these services should be included in the auditor's base fee quote and will not be considered extra for additional billings. In the event that circumstances arise during the audit that require work to be performed in excess of the original estimates, any additional costs will be negotiated prior to commencement of the work and an amended contract will be approved by the governing board and forwarded to the staff of the LGC for approval.

### Period

The unit intends to continue the relationship with the auditor for no less than three years on the basis of

annual negotiation after the completion of the first-year contract. Each year after negotiation has taken place an annual contract documenting the terms of the audit will be signed. Since one governing board may not obligate future governing boards, the remaining years of the agreement are subject to annual governing board approval. The Town of Wadesboro reserves the right to request proposals at any time following the first year of this contract. Thus, prepare proposals for the following years, with Year one being the only obligated year:

July 1, 2025 to June 30, 2026

July 1, 2026 to June 30, 2027

July 1, 2027 to June 30, 2028

The required current revision of the form "Contract to Audit Accounts" (form LGC-205) is required to be executed as the contract document; however, the auditor and the town may also execute an engagement letter and/or a unit contract to include additional terms not addressed in the LGC-205. The entire audit contract package must be approved by the staff of the Local Government Commission. Invoices are subject to approval by the LGC prior to payment by the town. Interim or progress billings for services rendered marked approved by the LGC will be paid up to 75% of the total fee prior to submission of the final audited financial statements to the staff of the Local Government Commission. The final 25% of the Audit fees (final invoice) will be paid when the financial statements, single audit (if applicable), management letter and amended contract (if applicable) have been reviewed or approved by the LGC.

The LGC only approves invoices for audit related work. Requests for payment related to any additional agreed upon procedures or AFIR work do not require LGC approval. Final invoices for these services will be paid after the final report results and findings have been reviewed and deemed satisfactory by town staff.

### Requirements

The audit must be conducted in accordance with Generally Accepted Auditing Standards (GAAS); Government Auditing Standards, the latest revision issued by the Comptroller General of the United States; Office of Management and Budget's (OMB) Uniform Guidance and, if applicable, the State Single Audit Implementation Act, and any other applicable procedures for the audit of a local government's financial statements prepared in accordance with Generally Accepted Accounting Principles (GAAP). By accepting this engagement, the Auditor warrants that they have met the requirements for a peer review and continuing education as specified in Government Auditing Standards. **The Auditor must provide a copy of their most recent peer review report with their proposal.**

The Auditor will prepare most year-end adjusting journal entries. The auditor will be ultimately responsible for the preparation, typing, proofing, printing, and copying of the Basic Financial Statement, supplementary information, and compliance reports. The Town of Wadesboro's Finance Director will be actively involved in the MD&A, and other schedules section preparation. The auditor will submit a draft of the Financial Statement to be reviewed in detail by the Finance Director. This draft should be submitted to the Town of Wadesboro in time to allow ample review and corrections. **The timing of this should ensure final completion of the Financial Statements no later than the annual December 31st deadline.**

The Town of Wadesboro prefers interim fieldwork be completed in early June. Year-end fieldwork should begin in late August and be completed by September 30th. **The town would like an agreed upon post-closing trial balance to exist by November.** The Finance Director will expect a listing of requested information needed for the audit, PBC list during the month of June, prior to the preplanning conference, periodic conferences during the conduct of the audit, as well as an exit conference prior to the completion of fieldwork.

The audit must be completed, and reports rendered six months following the fiscal year end (December 31).

**A preliminary draft of the audit and required journal entries should be submitted to the Finance Director by late November or early December for proofing and reconciliation to the unit's records.** Along with a detailed listing of general ledger accounts used when grouping numbers together.

Fifteen copies of each audit report, management letter, and other applicable reports must be supplied to the Finance Director within the time frame cited above. In addition, the auditor is responsible for submitting the required copies to the staff of the Local Government Commission (LGC). Any other copies required will be charged on an as needed basis in addition to the quoted fee. The Town also requires a digital copy of the audit and all applicable reports.

### Other Services

The auditor will prepare, type, and print the audited financial statements. The auditor will submit a draft for review by the Finance Director. The Finance Director will return the draft with proposed revisions as quickly as possible.

### Description of Selection Process

Three copies of each section of the proposal should be submitted at the time and place indicated under the section entitled "Time Schedule for Awarding Contract" along with a digital copy of the proposal.

Proposals will be submitted in two sections. The first section will be comprised of the audit firm's prior experience and qualifications of its personnel in performing governmental audits. The proposals will be reviewed and evaluated based on the auditor's/firm's educational and technical qualifications. The top three firms from the first section will have their second section opened and evaluated. The firm that best meets the Town of Wadesboro's expectations for experience, audit approach, and cost requirements will be selected.

Please keep in mind that cost, while an important factor will not be a sole determining factor. unusually low bids that are obviously out of line with other

bidders or are significantly lower than our current fees will raise concern. the lowest bid will not automatically be awarded preferential consideration.

The Town of Wadesboro requests that no Town of Wadesboro elected officials or town staff be contacted during this process. However, the Finance Director may be contacted only to clarify questions concerning the RFP.

The Town reserves the right to reject any or all bids, waive technicalities, and to be the sole judge of suitability of the services for its intended use and further specifically reserve the right to make the award in the best interest of the Town.

Failure to respond to any requirements outlined in the RFP, or failure to enclose copies of the required documents, may disqualify the bid. Firms must be registered with North Carolina State Board of CPA Examiners.

### First Section

The first section should address the requested information below. The corresponding responses should begin with the number below for the requested information.

1. Indicate the Audit firm's North Carolina office location(s) that will handle the audit.

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

3. Provide a list of the local office's current and prior government audit clients, indicating the type(s) of services performed and the number of years served for each. Responsive firms should include any relevant information regarding audits performed on financial statements prepared under the new reporting model.

4. Indicate the experience of the local office in providing additional services to government clients by listing the name of each government, the type(s) of service performed, and the year(s) of engagement.

5. Describe your audit organization's participation in AICPA-sponsored or comparable quality control programs (peer review). Provide a copy of the firm's current peer review.

6. Describe the professional experience in governmental audits of each senior and higher-level person assigned to the audit, the years on each job, and his/her position while on each audit. Indicate the percentages of time each senior and higher-level personnel will be on site. Again, relevant experience with the new GASB reporting requirements should be clearly communicated.

7. Describe the relevant educational background of each person assigned to the audit, senior level and higher including the new GASB reporting requirements. This should include seminars and courses attended within the past three years, especially those courses in governmental accounting and auditing.

8. Describe the professional experience of assigned individuals in auditing relevant government organizations, programs, activities, or functions (e.g., solid waste, grants, enterprise funds, bonds and capital projects).

9. Describe any specialized skills, training, or background in public finance of assigned individuals. This may include participation in State or national professional organizations, speaker or instructor roles in conferences or seminars, or authorship of articles and books.

10. Provide names, addresses, and telephone numbers of personnel of current and prior governmental audit clients who may be contracted for a reference.

11. Describe the firm's Statement of Policy and Procedures regarding Independence under Government Auditing Standards (Yellow Book), July 2018 Revision. Provide a copy of the firm's Statement of Policy and Procedures.

12. Is the firm adequately guaranteed to cover claims? Describe liability insurance coverage arrangements.

13. Describe any regulatory action taken by any oversight body against the proposing audit organization or local office.

14. Comment on your knowledge of and relationship with the NC Local Government Commission and the University of North Carolina School of Government in Chapel Hill.

### Second Section

Proposals should include completed cost estimate sheets and any other necessary cost information in a separate, sealed envelope marked – "Cost Estimate." The Town plans to evaluate the qualifications of all firms submitting proposals before considering the Cost Estimate.

This second section should consist of completed cost estimate sheets, which will include the following information:

1. Type of audit program used (tailor-made, standard government, or standard commercial).

2. Use of statistical sampling.

3. Use of automated processes and internal control testing methods.

4. Use of computer audit specialists.

5. Organization of the audit team and the approximate percentage of time spent on the audit by each member.

6. Information that will be contained in the management letter.

7. Assistance expected from the town's staff, if other than outlined in the RFP.

8. Tentative schedule for completing the audit within the specified deadlines of the RFP.

9. Use of internal audit staff (if applicable).

10. Specify costs using the format below for the audit year July 1, 2025 to June 30, 2026. For the two audit years, which follow, list the estimated costs. The cost for the audit year ending June 30, 2026, is binding, while the second and third years are estimated costs.