

**REQUEST FOR PROPOSALS**

**FOR AUDIT SERVICES**

**(BID NUMBER 04-4721)**

**COBB COUNTY BOARD OF COMMISSIONERS**

**COBB COUNTY, GEORGIA**

**DUE DATE FOR PROPOALS:**

**AUGUST 26, 2004: 12:00 NOON**

REQUEST FOR PROPOSALS FOR AUDIT SERVICES

TABLE OF CONTENTS

1.0 INTRODUCTION.....1  
1.1 Purpose of Request for Proposals (RFP).....1  
1.2 General Instructions.....1  
1.3 Terms and Conditions.....3  
2.0 GOVERNMENT ENTITY TO BE AUDITED.....5  
2.1 Description of Cobb County.....5  
2.2 Definition of Cobb County's Government Entity.....5  
2.3 Accounting System and Records.....7  
2.4 Assistance Available to Auditor from County Staff....7  
3.0 SCOPE OF SERVICES TO BE PROVIDED.....7  
3.1 Type of Audit and Audit Objectives.....7  
3.2 Preparation of Financial Statements.....10  
3.3 Required Audit Reports.....11  
3.4 Required Audit Time Schedule.....13  
4.0 TECHNICAL QUALIFICATIONS AND APPROACH.....14  
4.1 General Information.....14  
4.2 Qualifications of Firm.....14  
4.3 Qualifications of Local Office Staff to be Assigned..15  
4.4 Approach to Audit.....15

REQUEST FOR PROPOSALS FOR AUDIT SERVICES

TABLE OF CONTENTS (Cont'd)

4.5 Client References.....15

4.6 Record of Firm.....16

4.7 Compensation: Fees.....16

4.8 Compensation: Reimbursable Expenses.....16

4.9 Compensation: Cost of Services.....16

4.10 Sample of Work.....16

4.11 Financial Statement .....17

4.12 Additional Information .....17

5.0 REQUIRED FORMATS.....17

5.1 General Information.....17

5.2 Qualifications of Firm.....19

5.3 Qualifications of Local Office Staff to Be Assigned..20

5.4 Approach to Audit.....21

5.5 Local Government Client References.....22

5.6 Record of Firm.....23

5.7 Compensation: Fees.....24-26

5.8 Compensation: Reimbursable Expenses.....27

5.9 Compensation: Total Cost of Services.....28

ENCLOSURES

System Development Fee Program Audit for fiscal year 2003

Cobb-Marietta Coliseum and Exhibit Hall Authority's 2003  
Comprehensive Annual Financial Report

Georgia Department of Natural Resources Solid Waste  
Financial Assurance Mechanism for Closure and Post-Closure  
Care Costs Financial Test for Local Governments and Cobb  
County's 2003 Financial Assurance Report.

COBB COUNTY BOARD OF COMMISSIONERS  
REQUEST FOR PROPOSALS FOR AUDIT SERVICES  
RESPONSE FORMAT

1.0 INTRODUCTION

1.1. PURPOSE OF REQUEST FOR PROPOSALS (RFP)

Cobb County intends to award a three-year contract for performance of audit services, with an option to extend for two additional years. To that end it requests proposals from qualified firms to examine and state an opinion on its financial statements for its fiscal years 2005 through 2009, to state a separate opinion on the fair presentation of the Cobb-Marietta Coliseum and Exhibit Hall Authority, to perform an annual program audit of the County's Water Systems System Development Fee for the same period, and to report on the financial assurance requirements for the closure and post-closure care costs of the County's Solid Waste handling facilities. The County's fiscal year runs from October 1, through September 30.

1.2 GENERAL INSTRUCTIONS

Cobb expects to award the contract for audit services according to the following schedule:

August 12, 2004	Pre-Proposal Conference (Attendance Recommended)
August 26, 2004	Due Date for Proposals
September 21, 2004	Recommendation to Board of Commissioners

The Pre-Proposal Conference will be held at 10:00 a.m. on August 12, 2004 in the Second Floor Bid of the Cobb County Purchasing Building at 1772 County Services Parkway in Marietta. The main number for Purchasing is 770-528-8400 if further direction is needed as to location. Finance Department Managers and other relevant officials will be available to answer questions about the County and its accounting system and procedures. At the end of that meeting, firms may schedule on-site inspections, if they wish to do so. Any questions that arise after the meeting and inspections must be directed in writing to Sam Young, Purchasing Director, 1772 County Services Parkway, Marietta, Georgia 30008 or faxed to 770-528-1154. The deadline for submittal of questions is August 17, 2004 at 5:00 PM. All interested parties will be answered in the form of an addendum that will be sent to all parties on record as receiving the Request for Proposal.

**Please submit the original and five copies of the bid.**

COBB COUNTY BOARD OF COMMISSIONERS  
REQUEST FOR PROPOSALS FOR AUDIT SERVICES  
RESPONSE FORMAT

All bids will be received until 12:00 noon on August 26, 2004 at Cobb County Purchasing Department, 1772 County Services Parkway (formerly County Farm Road), Marietta, GA 30008. No bids will be accepted after the 12:00 noon deadline. Please attach label that is provided to all bids.

Bids will be opened at 2:00pm August 26, 2004 in the Purchasing Bid Opening Room, 2<sup>nd</sup> floor, 1772 County Services Parkway, Marietta, GA 30008.

Evaluation of proposals and selection of the recommended firm will be carried out by a committee. The committee recommendation will be taken to the Board of Commissioners who must approve the award of a contract. Firms will be evaluated initially on the basis of the written proposals submitted. Further evaluations may include an oral presentation to the Committee by the firm or firms deemed most responsive to the RFP.

Consideration will be given, but not limited to, the following criteria in evaluating the responsiveness of each proposal:

- Staffing: Qualifications and technical competence of the firm and of the proposed audit personnel.
- Performance: Experience and past performance of the firm and its proposed personnel on local government audits of similar or greater size and complexity, including such factors as quality of work, control of cost, ability to meet schedule and record of the firm for quality work, as evidenced by quality control reviews and client references.
- Firm Expertise/Experience: Experience of the firm and its proposed personnel in preparing Comprehensive Annual Financial Reports under the requirements of the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting.
- Availability: Capacity of the firm to absorb the work while meeting quality standards, using a realistic estimate of time requirements.
- Financial Stability: Financial stability of the submitting firm.
- Approach: Understanding expressed of Cobb's audit scope, objectives and requirements, and technical

COBB COUNTY BOARD OF COMMISSIONERS  
REQUEST FOR PROPOSALS FOR AUDIT SERVICES  
RESPONSE FORMAT

soundness of the audit approach to be used to achieve them.

- Cost: While cost is always a consideration, it is not the only important criterion in this evaluation. The quality of the audit is of paramount consideration; the County is seeking a high quality audit performed in a cost-effective manner.

1.3 TERMS AND CONDITIONS

The County will not be responsible for any costs incurred by any firm in preparation of a response to this RFP.

The County reserves the right to request clarification of information submitted and to request additional information of one or more applicants.

By submitting a proposal, a firm certifies that it has fully read and understood this RFP, has reviewed the 2003 CAFR that is available on the Finance Department website <http://www.cobbcounty.org/finance/index.htm>, a copy of the 2003 CAFR will be made available upon request to those firms not wishing to access via the internet, the single audit report which is found in the compliance section of the 2003 CAFR, the System Development Fee Program Audit Report, a copy of the 2003 Cobb-Marietta Coliseum and Exhibit Hall Authority CAFR, and the 2003 report on the Financial Assurance Requirements for the closure and post-closure costs of the County's Solid Waste Handling and Processing Facilities, and has full knowledge of the nature, scope, quantity, and quality of the work to be performed; the detailed requirements of the services to be provided; and the conditions under which the services are to be performed. If a firm wishes to suggest any alternatives to RFP items, such alternatives must be clearly specified and described in a memo accompanying the proposal.

Any proposal submitted shall constitute an irrevocable offer, for a period of 120 days, to provide to the County the proposed services at the proposed compensation.

The audit firm selected must present proof of professional liability insurance, covering wrongful acts including errors and omissions, in a minimum amount of \$1,000,000 with the county as the named insured. If the firm wishes to suggest an alternate arrangement, it must be clearly specified in the proposal and both alternatives must be costed. The audit firm must also

COBB COUNTY BOARD OF COMMISSIONERS  
REQUEST FOR PROPOSALS FOR AUDIT SERVICES  
RESPONSE FORMAT

provide a certificate of insurance showing that the firm has worker's compensation insurance in place.

The County reserves the right to reject any or all proposals, to waive any informality in a proposal, to call for new proposals, or to award the contract to the next most qualified proponent if the selected firm does not execute a contract within thirty days after its notification of the award to its proposal.

The RFP and the qualifications and proposal submitted by the successful firm will become part of a written contract between Cobb County and the firm. The contract shall be on forms either supplied by or approved by the County. Cobb reserves the right to reject any contract that does not conform to the RFP or to any County requirements for agreements and contracts.

The contract for audit services will be for a period of three years, with the option to renew for an additional two years. The County reserves the right to terminate the contract, for its convenience, by giving the audit firm 90 days written notice. The firm will be paid for its services through the effective date of termination.

If the audit firm shall fail to fulfill its obligations in a timely and proper manner, the County shall have the right to terminate the contract upon 30 days written notice to the firm. In such case, the firm shall be paid only for work satisfactorily completed.

The audit firm shall not assign any interest in the contract and shall not transfer any interest in the same without prior written consent of the County. The firm shall not subcontract any part of the audit without prior written consent of the County.

All replacement personnel to be assigned by the audit firm to perform services to the County are subject to approval by the County. Replacement personnel should have education and experience equivalent to the individual whom they replace, or at least of a level sufficient, in the County's judgment, to perform their duties well. Resumes of replacement personnel are to be submitted to the County for review, and the County reserves the right to interview replacement personnel prior to approving them. Replacement personnel are to be given thorough review and training on County systems and operations prior to their assignment. This preparation is to be performed by experienced audit firm personnel at no charge to the County.

COBB COUNTY BOARD OF COMMISSIONERS  
REQUEST FOR PROPOSALS FOR AUDIT SERVICES  
RESPONSE FORMAT

The County may, at any time during the contract period, make changes within the general scope of the contract and its technical provisions. If such change causes any increase or decrease in the audit firm's cost of performance, an adjustment will be made in contract price, or in time allowed for performance, or both, and a written memorandum of such adjustment shall be made. Any claim by the firm for such an adjustment must be made in writing and prior to proceeding with the service for which an adjustment is requested. Nothing in this clause shall excuse the firm from proceeding with performance of this contract in accordance with its original terms and conditions and any approved changes.

2.0 GOVERNMENT ENTITY TO BE AUDITED

2.1 DESCRIPTION OF COBB COUNTY

Cobb County is governed by a five-member Board of Commissioners, of which four members are elected from four separate districts, and a Chairman from the County as a whole. Cobb is administered by a County Manager who reports directly to the Board. The Manager directs and oversees the activities of the appointed County Agency and Department heads. The Manager's office also acts as liaison for the board with other elected officials.

Cobb is a rapidly growing County with a 2003 estimated population of 667,772. There are currently 4,212 full-time and 1,056 part-time authorized employee positions in Cobb. In 2003 the County's assets totaled 4 billion dollars and revenues totaled over \$583 million.

The County's Administrative Complex is located on the Square in Marietta. Numerous County facilities are located on County Services Parkway, southwest of Marietta. The Cobb Water System is located on South Cobb Drive, near Atlanta Road. There are library branches, park facilities, and fire stations located throughout the County's 346 square miles. The 2003 CAFR contains additional information about the County, particularly in the Transmittal Letter, Management's Discussion and Analysis, and Statistical Section.

2.2 DEFINITION OF COBB COUNTY'S GOVERNMENT ENTITY

The entity to be audited includes all departments directly under the Board of Commissioners, as well as departments headed by elected officials. The latter include the Tax Commissioner and the judicial system with

COBB COUNTY BOARD OF COMMISSIONERS  
REQUEST FOR PROPOSALS FOR AUDIT SERVICES  
RESPONSE FORMAT

Superior, State, Magistrate, Probate, and Juvenile Courts, as well as the Offices of Sheriff, District Attorney, and Solicitor.

The entity does not include any Cobb County schools, hospitals, or municipalities, as they are independent agencies. The audit does include the Agency Funds held by the Tax Commissioner for municipalities and the Board of Education, as well as Agency Funds held by the courts. These Agency Funds are administered by the various elected officials rather than by the Finance Department. Most of them are accounted for on manual systems and they totaled about \$363 million in assets at September 30, 2003.

The audit does include the following authorities:

**Cobb-Marietta Coliseum and Exhibit Hall Authority** - The Authority was created for the general purpose of developing and promoting cultural growth, public welfare, and education. The Authority operates a multi-use coliseum and convention facility in Cobb County. The governing board of the Authority is comprised of the following: 5 members who are either directly or indirectly appointed by the Cobb County Board of Commissioners, one of these being the Chairman of the Cobb County Commission, the Mayor of the City of Marietta and the Mayor of the City of Smyrna.

The Authority has been included in the reporting entity because the Cobb County Board of Commissioners appoints a majority of the board members and because a financial benefit/burden relationship exists between the Authority and the County.

**Cobb Recreation Authority** - The purpose of the Authority is to acquire, construct, equip, maintain and operate recreational centers and areas throughout the County. The Authority is composed of members of the Board of Commissioners of Cobb County. The Authority has been included in the reporting entity because the County does have the ability to exercise influence over daily operations, approve budgets and provide funding.

**Cobb Solid Waste Management Authority** - The purpose of the Authority is to provide oversight of the compost facility operations and capital improvements. The Authority is composed of members of the Board of Commissioners of Cobb County. The Authority has been included in the reporting entity because the County does have the ability to exercise influence over daily operations, approve budgets and provide funding.

COBB COUNTY BOARD OF COMMISSIONERS  
REQUEST FOR PROPOSALS FOR AUDIT SERVICES  
RESPONSE FORMAT

The County maintains a single-employer, non-contributory, defined benefit pension plan, with management of the plan's assets handled by contracted investment managers. The pension oversight committee is composed of the Support Services Agency Director, the Finance Director-Comptroller, the Human Resources Director, the County Sheriff and a member from the local banking community.

The County does not currently participate in any joint ventures.

2.3 ACCOUNTING SYSTEM AND RECORDS

The County's accounting records are maintained through Advantage Financial - a product of American Management Systems (AMS). This governmental system is a fully integrated accounting system that includes purchasing, budgeting, grants and projects accounting, inventory management and fixed assets. The County also uses the Advantage HR product to do the payroll with the results interfacing into Advantage Financial.

The County's accounting records are maintained on the accrual or modified accrual basis, and the County makes every effort to record all payables and receivables existing at year-end. The Accounts Payable System is operated in a dual-year processing mode for three weeks following year-end with all payments for old year services charged directly to the old year. The AMS System is operated in the dual-year mode for a week longer, allowing additional prior year payments to be journalized to the old year by County staff. County staffs are instructed to remain on the watch for prior year transactions even after the AMS close, and to provide information on them to the auditors. The County adopts fund budgets on a basis consistent with generally accepted accounting principles except that encumbrances are treated as budgeted expenditures in the year in which the commitment to purchase is incurred.

The Finance Director/Comptroller is responsible for maintaining the County's accounting records, as well as for the Treasury function and Risk Management. The General Accounting Supervisor is responsible for audit coordination, and will meet on a weekly basis with audit staff. The General Accounting Supervisor will also be available as needed to confer with audit staff, answer questions, ensure that necessary information is provided to the auditor on a timely basis, etc. All Finance Department personnel are instructed that assistance to

COBB COUNTY BOARD OF COMMISSIONERS  
REQUEST FOR PROPOSALS FOR AUDIT SERVICES  
RESPONSE FORMAT

audit staff and meeting audit schedule deadlines are high priorities.

Cobb County Finance Department is constantly seeking better more efficient ways of implementing its policies and procedures. We are continually seeking ways to improve and it is important that Cobb's audit firm be prepared to actively participate in the improvement process. The County welcomes constructive suggestions, both during the audit and in the management letter.

Additional information about the County's accounting policies is contained in the Notes to Financial Statements in the CAFR.

2.4 ASSISTANCE AVAILABLE TO AUDITORS FROM COUNTY STAFF

County staff will prepare confirmation letters, following the format provided by the auditors, to banks, paying agents, and grantors. County staff will prepare supporting detail schedules for General Ledger account balances. They will prepare reconciliations of Due To and Due From accounts and Interfund Transfer accounts among funds. County staff will pull and refile requested documents, including journal entries and accounts payable vouchers. Adequate audit workspace will be provided in close proximity to accounting records. The auditors will have access to copier, telephone, and facsimile equipment.

The auditors will be provided with their own copies of AMS reports, including Fund Trial Balances; year-end expenditure, and revenue summaries by Fund; expenditure, revenue, and general ledger activity details covering the entire fiscal year; and a General Fund report organized according to CAFR Schedule of Expenditures requirements. They will also be provided with an Accounts Payable Report, covering the full year, which shows checks charged by org (department/division) and expense account number. In addition the Auditors will be provided access to Advantage Financial to view records online.

Prior year audit reports and working papers can be made available to the auditors. Management letters from prior years can be made available.

3.0 SCOPE OF SERVICES TO BE PROVIDED

3.1 TYPE OF AUDIT AND AUDIT OBJECTIVES

COBB COUNTY BOARD OF COMMISSIONERS  
REQUEST FOR PROPOSALS FOR AUDIT SERVICES  
RESPONSE FORMAT

Proposals are requested for an examination and expression of opinion on the fair presentation of the basic financial statements in conformity with generally accepted accounting principles (GAAP). The examination must be performed in accordance with generally accepted auditing standards (GAAS) as set forth by the American Institute of Certified Public Accountants, the Single Audit Act Amendments of 1996, the provisions of OMB Circular A-133, and the Government Auditing Standards issued by the United States General Accounting Office. It must also meet the requirements of the applicable laws of the State of Georgia.

The auditor is not required to audit the supporting schedules contained in the comprehensive annual financial report. 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 basic financial statements. The auditor is not required to audit the statistical section of the report. The auditor shall be responsible for performing certain limited procedures involving supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards. The auditor is not required to audit the Schedule of Federal Financial Assistance. 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.

In connection with the Financial Assurance Requirements for Solid Waste Handling and Processing Facilities Closure and Post-Closure costs, the auditor is required to perform limited procedures for the purpose of expressing an opinion on Cobb County's compliance with the financial assurance provisions of the Municipal Solid Waste Landfill Criteria under subtitle D of the Resource Conservation and Recovery Act. A copy of the reporting requirements is attached as well as a copy of FY 2003's report.

In addition, the auditor is also to perform the audit of the Water Department's Regional Sewer System Development Fee Program (SDF). The SDF audit was established as a result of an agreement between Cobb County and intergovernmental customers of Cobb County's regional wastewater treatment system. This agreement was initiated as a means to equitably share and distribute the costs of future expansion and extension of regional wastewater facilities. The agreements specified the amount and basis of calculation of a system development fee as well as the amounts of those collected fees to be

COBB COUNTY BOARD OF COMMISSIONERS  
REQUEST FOR PROPOSALS FOR AUDIT SERVICES  
RESPONSE FORMAT

retained by the collecting jurisdiction or to be directed to Cobb County to support the regional facilities. Background documentation will be provided to the successful firm.

These intergovernmental agreements state that the Committee based upon the findings of the audit, will:

*"Verify that monies collected from the regional development (sewer taps) are being used for projects identified as regional capital improvements only,*

*Verify that all regional development fees (sewer taps) are being collected in jurisdictions that are served by Cobb County's regional wastewater treatment system.*

*Report back to each jurisdiction the results of such an audit review. The audit should be conducted no less than once during each twelve-month period, ending with the County's fiscal year.*

*Recommend methodology for calculating future system development fees."*

The selected audit firm will be supportive of the Committee's mission by addressing the above two verification efforts. The firm will audit, separately for each required fiscal year period: (1) fees collected by each jurisdiction; (2) the fees remitted to the SDF program fund with explanation of any discrepancies; (3) the condition of the County maintained SDF program fund; and, (4) the use of the funds for program projects. This requires inspecting the pertinent records of each participating jurisdiction. The Committee and County staff will introduce the audit firm to the respective responsible agency of each jurisdiction.

Additionally, the auditor will provide a separate opinion of the fair presentation of the financial statements of the Cobb-Marietta Coliseum and Exhibit Hall Authority in conformity with GAAP. The examination must be performed in accordance with GAAS.

### 3.2 PREPARATION OF FINANCIAL STATEMENTS

The County intends to issue annually a Comprehensive Annual Financial Report (CAFR) prepared in accordance with generally accepted government accounting principles and all applicable federal and state requirements. It will submit each CAFR to the Government Finance Officers Association Certificate for Achievement for Excellence in

COBB COUNTY BOARD OF COMMISSIONERS  
REQUEST FOR PROPOSALS FOR AUDIT SERVICES  
RESPONSE FORMAT

Financial Reporting Program, and expects to receive the award each year, as it has done for the years 1986-2003.

The audit firm engaged will be responsible for limited portions of the CAFR preparation, including the cash flow statement portion of the basic financial statements and the nonmajor fund financial statements. Preparation of the CAFR will also include working with Finance department staff in setting up the document, including the Statistical Section, for the printer. The audit firm may also propose to be responsible for arranging and overseeing the printing of CAFR.

County Finance Department staff is responsible for compiling the Statistical Section of the report, except for certain tax-related items to be provided by the auditor after his examination of the Tax Commissioner's records. (As noted in Section 3.4, final property tax collection amounts are not available until December.) Additionally, a separate component Unit Financial Report for the Cobb-Marietta Coliseum and Exhibit Hall Authority will be issued annually. The audit firm will be responsible for the CAFR preparation.

Concerning the SDF audit, the audit firm should include statements and reports as deemed appropriate to address the previously stated SDF audit requirements. Reference to the enclosed previous SDF audit report will identify several types of reports considered necessary.

Throughout the contract period the auditor shall advise the County on implementation of new accounting standards as promulgated by authoritative bodies. The auditor shall also give advice to the County on specialized accounting questions that may arise. The County acknowledges its responsibility for the reliability, accuracy, and completeness of all financial preparations.

### 3.3 REQUIRED AUDIT REPORTS

The County will require the following reports for each year of the audit contract:

- A report on the fair presentation of the basic financial statements in the CAFR.
- A report on the fair presentation of the financial statements in the Cobb-Marietta Coliseum and Exhibit Hall Authority's CAFR.

COBB COUNTY BOARD OF COMMISSIONERS  
REQUEST FOR PROPOSALS FOR AUDIT SERVICES  
RESPONSE FORMAT

- A report on the Schedule of Federal Financial Assistance, and all reports on compliance and internal control necessary to meet the Single Audit Act Amendments of 1996 and OMB Circular A-133 (Sub-recipients of County grants are required to sign an understanding of their responsibility to submit their own audits to the County on a timely basis.) Housing and Urban Development is Cobb's cognizant agency.
- A report on State Statutory Grants
- Upon completion of the SDF audit, the firm shall furnish 25 copies of bound report(s). The firm will be available to present findings in person to the Committee.
- A report on compliance and on internal controls over financial reporting based on an audit of financial statements performed in accordance with government auditing standards.
- A report on the financial assurance of the County's closure and post-closure care costs for the solid waste handling facilities.
- An Audit Progress Report to be made each week to the County's Audit Coordinator by the audit manager or senior. (The report will update the County on areas covered during the week, findings in those areas and any recommendations for improvements.) When the audit of a Fund is completed, that week's Progress Report is to include a copy of any Adjusting Journal Entries (AJEs) found to be required in that Fund. AJEs must specify amounts to be adjusted by org, account and project number (where used). The County will reactivate the AMS prior year files to post AJEs to them, and AMS requires entry by sub-unit and account.
- Recommendations for improving the County's accounting procedures, internal accounting controls, and related areas. Recommendations should be developed by the auditor during the course of the examination. Areas in need of improvement should be communicated verbally during the weekly meetings described above. Within thirty (30) days after the CAFR and the Single Audit are issued, the findings and the recommendations for improvement should be summarized in a draft report (management letter). Three copies of the draft are to be delivered to the Finance Director, who will have a work plan prepared to address the recommendations. Drafts of the management letter and work plan will be submitted to the County Manager. Following their review the auditors will participate in a conference to discuss

COBB COUNTY BOARD OF COMMISSIONERS  
REQUEST FOR PROPOSALS FOR AUDIT SERVICES  
RESPONSE FORMAT

the management letter and the work plan drafts. The auditors will then present the management letter to the Board of Commissioners in a regularly scheduled meeting or work session.

3.4 REQUIRED AUDIT TIME SCHEDULE

Please note that work under this proposed contract does not begin until 2005. The County's 2004 fiscal year audit will be performed under an existing contract from the 1999 RFP. Cobb County Code requires that the auditor be selected by the start of the fiscal year to be audited, and for that reason we are issuing this RFP now.

Cobb's fiscal year runs from October 1 through September 30. For each fiscal year the audit is to be scheduled so that the CAFR is in print by January 31 of the following year. County records will be available for testing at any time. All Funds will be closed and ready for audit by the end of the first week of November of each year, with a preliminary trial balance available at that time. Firms should be aware that, under current revenue recognition standards, the County accrues property taxes received through November 30. Thus the actual revenue amounts are not known and cannot be fully audited until December. Estimates of property tax revenues are accrued on the trial balances available in November.

Following the signing of the audit contract, a pre-audit conference will be held by the selected firm and the County financial staff. At this time a detailed schedule for the FY 2005 audit will be developed. A similar conference will be held each year of the contract. The County reserves the right to specify the order in which Funds are to be audited each year. Proposed bond issues or other events may require that a particular Fund be given priority.

It is preferred that the Single Audit compliance reports be included in the January printing of the CAFR. If this is not possible, because of a wait for sub-recipient audits, the Single Audit reports will be issued under separate cover as soon as available.

The SDF program audit should be initiated as soon as practical after completion of the CAFR for the respective fiscal year scheduled for January 31. It is anticipated that audit efforts can be completed within 90 days of initiation.

COBB COUNTY BOARD OF COMMISSIONERS  
REQUEST FOR PROPOSALS FOR AUDIT SERVICES  
RESPONSE FORMAT

In March of year the financial assurance for closure and pos-closure cost for the County's Solid Waste Handling facilities must be completed and submitted to the Georgia Department of Natural Resources Environmental Protection Division.

In May of each year the audit firm must provide the County with an estimated breakdown by fund of audit costs for the following fiscal year, for budgetary purposes. When the audit is billed, the actual breakdown by Fund must be provided. Audit costs shall be billed and paid after the CAFR is in print. If the Single Audit is issued separately, its costs shall be billed and paid after it is in print. Likewise, the SDF shall be billed and paid after it is in print.

Audit working papers are to be retained for at least five years and are to be made available for examination by authorized representatives of Cobb County and other governmental agencies. Working papers are also to be available for review by successor auditors, and the audit firm shall respond to reasonable inquiries from a successor firm.

4.0 TECHNICAL QUALIFICATIONS AND APPROACH

Section 5 provides a standard format for your firm's use in addressing each of the following areas. You may replicate the form on your word processor and use the additional copies of a form if necessary. Submittals that do not follow this format will be considered non-responsive. If your submittal includes any suggested alternative terms and conditions, they must be clearly spelled out in an accompanying memo.

4.1 GENERAL INFORMATION

4.2 QUALIFICATIONS OF FIRM

Submittals should provide information about the firm and should address the qualifications and depth of experience of the firm's local office in conducting governmental audits, including Single Audits and CAFR preparation (please identify GASB-34 CAFR preparation experience). It is mandatory that a proponent be properly licensed for public practice in the State of Georgia as a Certified Public Accountant, and that a proponent meet the independence requirements of the GAO Audit Standards.

COBB COUNTY BOARD OF COMMISSIONERS  
REQUEST FOR PROPOSALS FOR AUDIT SERVICES  
RESPONSE FORMAT

4.3 QUALIFICATIONS OF LOCAL OFFICE STAFF TO BE ASSIGNED TO AUDIT

Submittals should address the qualifications and experience of each senior and higher level person to be assigned to the audit. Qualifications include education, certification, special training and professional activity. Experience should be quantified by degree of responsibility as well as number of years.

Please note that the County has requested information on each senior or higher level person to be assigned to the audit. If your firm is not yet ready to make an assignment, you should give information on current staff that may be assigned. At a time closer to the audit, replacements may be made, subject to the provisions stated in Terms and Conditions on Page 4.

4.4 APPROACH TO AUDIT

Proposals should describe the approach that the firm would use in performing the County's annual audit, single audit, as well as the SDF program audit. Address the type of audit program, statistical sampling techniques, and analytical procedures that will be used. Also discuss the proposed organization of the audit team and segmentation of the engagement, including estimated time to be spent on each segment by each level of staff. Include information on assistance expected from County staff, and a preliminary schedule in accordance with Section 3.4.

Also, use this section to address your firm's understanding of Cobb County's objectives and requirements for the audits and CAFR preparation. Explain how your firm's audit approach would meet those objectives and requirements.

4.5 CLIENT REFERENCES

Submittals should provide the names and telephone numbers of previous and/or current governmental clients whom the County may contact for a candid appraisal of the firm's services. The most effective references will come from entities, comparable in size to Cobb, for which your firm has provided services very similar to those Cobb is requesting. Indicate those governmental clients for whom

COBB COUNTY BOARD OF COMMISSIONERS  
REQUEST FOR PROPOSALS FOR AUDIT SERVICES  
RESPONSE FORMAT

you have prepared CAFRs and which of those CAFRs have received the GFOA Certificate of Achievement.

4.6 RECORD OF FIRM

Submittals should address the firm's participation in quality-control programs, either AICPA-sponsored or comparable. Include the results of peer reviews during the past three years, and a description of any regulatory action taken by any oversight body against the firm and/or its staff in the last three years.

4.7 COMPENSATION: FEES

Proposals should clearly outline the firm's hourly fee structure and the maximum hours to be billed for the County's financial audit, single audit, financial assurance for closure and post-closure care costs and SDF audit. Make any additions necessary to the format to give a complete picture. Advise if these rates will apply to any additional work that might be requested by the County. If not, show the rates that would apply for additional work. Also, indicate any rate increases to be made during the life of the contract.

4.8 COMPENSATION: REIMBURSABLE EXPENSES

Proposals should clearly indicate any other charges that might be made in conjunction with audit services. Indicate any rate increases to be made during the life of the contract.

4.9 COMPENSATION: TOTAL COST OF SERVICES

Proposals should clearly state the not-to-exceed amount to be charged for each year of the potential five-year audit contract. Make any additions necessary to the format to give a complete picture.

4.10 SAMPLE OF WORK

Enclose one copy each of a CAFR and a Single Audit Report that demonstrate the firm's performance on a local government engagement comparable to Cobb's.

COBB COUNTY BOARD OF COMMISSIONERS  
REQUEST FOR PROPOSALS FOR AUDIT SERVICES  
RESPONSE FORMAT

4.11 FINANCIAL STATEMENT

Please provide a copy of your most recent financial statements.

4.12 ADDITIONAL INFORMATION

Proposals may include any other information about your firm that you believe would be relevant to Cobb's selection of its auditor for the Fiscal Years 2005-2007. You may use your own format for this information. Please head it 5.10 ADDITIONAL INFORMATION.

5.0 REQUIRED FORMATS

The required formats are listed in the Table of Contents and referenced in Section 4.0. They appear on the following pages.

5.1 GENERAL INFORMATION

1. Name of Firm:

2. Address of Firm Headquarters:

3. Address of Local Office:

4. Primary Contact Person(s) at Local Office:

\_\_\_\_\_ (Tel)  
\_\_\_\_\_ (Tel)

5. Number of Employees:

Firm:	Total _____	Government Audit Staff
Local Office:	Total _____	Government Audit Staff

6. Founding Date:

COBB COUNTY BOARD OF COMMISSIONERS  
REQUEST FOR PROPOSALS FOR AUDIT SERVICES  
RESPONSE FORMAT

Firm:\_\_\_\_\_ Local Office

7. Number of audits for local governmental units in which local office participated in the last three years: \_\_\_\_\_.  
Number of these that were Single Audits: \_\_\_\_\_.
8. Number of CAFRs prepared for local governmental units by local office in last three years: \_\_\_\_\_. Number of these which received GFOA Certificate of Achievement for Excellence in Financial Reporting: \_\_\_\_\_.
9. Attach an affirmation of proper licensing for public practice as a Certified Public Accountant in the State of Georgia.
10. Attach an affirmation that firm members meet the independence requirements of the GAO Auditing Standard.

COBB COUNTY BOARD OF COMMISSIONERS  
REQUEST FOR PROPOSALS FOR AUDIT SERVICES  
RESPONSE FORMAT

5.2 QUALIFICATIONS OF  
FIRM

Audits Performed for Local  
Governmental Units by Local  
Office in Last Three Years \*  
(Provide Dates)

Scope of Services  
(Specify Those  
Which Were  
Single Audits)

CAFR  
Preparation  
Included?

Certificate of  
Achievement  
Awarded?

Were Your Services  
Completed on Schedule? \*\*

\* Total number of projects listed must agree with Section 5.1.7.

\*\* If no, attach an explanation on why services were not completed as scheduled.

COBB COUNTY BOARD OF COMMISSIONERS  
 REQUEST FOR PROPOSALS FOR AUDIT SERVICES  
 RESPONSE FORMAT

5.3 QUALIFICATIONS OF LOCAL OFFICE STAFF TO BE ASSIGNED TO AUDIT AND CAFR PREPARATION

Name/ Title/ Position On <u>Cobb Audit</u>	Degree(s)/ Certification(s) <u>Added Training</u>	Years of Professional <u>Experience</u>	Years With <u>Your Firm</u>	Audits Performed/ CAFRs Prepared For Local Governments <u>In Last Three Years</u>	Responsibility On Each Engagement <u>Listed</u>	Other <u>Qualifications</u>
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COBB COUNTY BOARD OF COMMISSIONERS  
REQUEST FOR PROPOSALS FOR AUDIT SERVICES  
RESPONSE FORMAT

5.4 APPROACH TO AUDIT

- State your understanding of Cobb County's objectives and requirements for the financial audit, single audit, sdf audit, and CAFR preparation.
- Describe the approach your firm would use to meet the above objectives and requirements. Include the items that are specified in Section 4.4.  
(Use additional sheets, if necessary.)

COBB COUNTY BOARD OF COMMISSIONERS  
REQUEST FOR PROPOSALS FOR AUDIT SERVICES  
RESPONSE FORMAT

5.5 LOCAL GOVERNMENT CLIENT REFERENCES

<u>Name of Client Government</u>	<u>Service(s) Provided to Client (Audit/Single Audit/CAFR Prep)</u>	<u>Date(s) of Service</u>	<u>Client Contact Person *</u>	<u>Contact Telephone #</u>
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\* Attach a signed letter or statement authorizing the County to contact the listed clients.

COBB COUNTY BOARD OF COMMISSIONERS  
REQUEST FOR PROPOSALS FOR AUDIT SERVICES  
RESPONSE FORMAT

5.6 RECORD OF FIRM

- Describe your firm's participation in AICPA-sponsored or comparable quality control programs.  
Include results of peer reviews during the last three years.
- Describe any regulatory action taken by any oversight body against the firm and/or any staff members in the last three years.
- Describe any lawsuits in the last three years involving the firm's audit services.

COBB COUNTY BOARD OF COMMISSIONERS  
REQUEST FOR PROPOSALS FOR AUDIT SERVICES  
RESPONSE FORMAT

5.7 COMPENSATION: FEES

Cobb Financial Audit

<u>Position/Title</u>	<u>Hourly Rate</u>	<u>Hours To Be Spent</u>	<u>Total Cost</u>
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Cobb Single Audit

<u>Position/Title</u>	<u>Hourly Rate</u>	<u>Hours To Be Spent</u>	<u>Total Cost</u>
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5.7 COMPENSATION: FEES (Cont.)

COBB COUNTY BOARD OF COMMISSIONERS  
REQUEST FOR PROPOSALS FOR AUDIT SERVICES  
RESPONSE FORMAT

Cobb-Marietta Exhibit Hall Authority Audit

<u>Position/Title</u>	<u>Hourly Rate</u>	<u>Hours To Be Spent</u>	<u>Total Cost</u>
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Cobb Water SDF Audit

<u>Position/Title</u>	<u>Hourly Rate</u>	<u>Hours To Be Spent</u>	<u>Total Cost</u>
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COBB COUNTY BOARD OF COMMISSIONERS  
 REQUEST FOR PROPOSALS FOR AUDIT SERVICES  
 RESPONSE FORMAT

*Financial Assurance Mechanism for Closure and Post-Closure Care Cost*

<u>Position/Title</u>	<u>Hourly Rate</u>	<u>Hours To Be Spent</u>	<u>Total Cost</u>
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*Total – All Audits*

<u>Position/Title</u>	<u>Hourly Rate</u>	<u>Hours To Be Spent</u>	<u>Total Cost</u>
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- Hours To Be Spent should agree with the response to Section 5.4.
- This form should show figures for fiscal year 2000. Additional sheets should be used to show any changes in amounts for later years.
- It is assumed that there is no overhead factor charged in addition to the hourly rate. If there is, please indicate the overhead factor and show above the hourly cost with overhead included.

COBB COUNTY BOARD OF COMMISSIONERS  
REQUEST FOR PROPOSALS FOR AUDIT SERVICES  
RESPONSE FORMAT

5.8 COMPENSATION: REIMBURSABLE EXPENSES

<u>List any reimbursable Expenses To Be Charged in Relation to Audits (Mileage, Computer Time, Telephone, Travel, Printing or Copy Costs, etc.)</u>	<u>Rate At Which Each Cost is Charged</u>	<u>Total Charges</u>
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- This form should show figures for fiscal year 2000. Additional sheets should be used to show any changes in amounts for later years.

COBB COUNTY BOARD OF COMMISSIONERS  
 REQUEST FOR PROPOSALS FOR AUDIT SERVICES  
 RESPONSE FORMAT

5.9 COMPENSATION: TOTAL COST OF SERVICES

<u>For Fiscal Year</u>	<u>Financial Audit</u>	<u>Single Audit</u>	<u>Cobb-Marietta Exhibit Hall Authority Audit</u>	<u>SDF Audit</u>	<u>Landfill Closure Post-Closure Financial Report</u>	<u>Other*</u>	<u>Total Cost</u>
2005							
2006							
2007							
2008							
2009							

\* Specify nature of any costs included that are not detailed on 5.7 and 5.8.