



TOWN OF ATLANTIC BEACH, SC

REQUEST FOR PROPOSALS AUDIT SERVICES

The Town of Town of Atlantic Beach is soliciting sealed proposals from qualified vendors for audit services for the fiscal period ending June 30, 2024. **Sealed proposals are due by 2:00 pm, January 28, 2025.** Sealed proposals should be delivered to Town of Atlantic Beach, Interim Town Manager, 717 30th Atlantic Beach, SC 29582 or electronically to procurement @ townofatlanticbeachsc.com. All proposals should be clearly marked **“RFP Auditing Services”**.

All offerors may submit questions or requests for clarification in writing no later than 1:00 PM, January 20, 2025. After that date, no more questions or requests will be accepted to procurement @ townofatlanticbeachsc.com. The Town reserves the right to accept or reject any or all proposals received as a result of this request for proposals or to negotiate with all qualified offerors, or to cancel, in part or in its entirety, this request for proposals if it is in the Town’s best interest to do so.

This solicitation does not commit the Town to award a contract or to pay for any costs incurred in the preparation of your proposal or to procure or contract for any goods or services.

Your proposal must be signed by an official of your company authorized to commit to and enter into a formal contract for goods and services.

The Town does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or in the provision of goods and services.

1.0 SPECIAL INSTRUCTIONS TO OFFERORS:

1.1 Purpose of RFP

This request solicits proposals from **Certified Public Accountants (CPAs)** to provide the Town of Town of Atlantic Beach, South Carolina, hereinafter referred to as “the Town”, auditing services for the fiscal period ending June 30, 2024. RFP requirements can be found in Section 4.0 of this document.

It is the Town's intent to select the most qualified vendors based on an evaluation of the proposals utilizing the following selection criteria:

- Previous governmental auditing experience of the firm.
- Firm size and organizational structure
- Qualifications of staff assigned to the Town
- Price

1.2 Information about the Town of Town of Atlantic Beach

The Town of Atlantic Beach is located in Horry County, South Carolina. Last financial audit and information about the Town can be found on its website at <http://www.townofatlanticbeachsc.com>. The Town of Atlantic Beach is a beach community located in Horry County, South Carolina, established in 1934. We are proud to have been approved by the South Carolina Office of Historic Preservation for placement on the National Registry of Historic Places as a historic district, celebrating and sharing our rich history and resilience.

As a seasonal beachfront community, Atlantic Beach has a year-round population of just 278 residents. However, during the summer season, this number swells to over 10,000 when seasonal residents and visitors arrive, creating significant demographic fluctuations. Due to our small year round population, our community’s data is often overshadowed by the larger surrounding areas, which can obscure the unique needs and challenges we face. However, Atlantic Beach remains a historically underserved and disadvantaged area.

Approximately 40% of the permanent residents live below the poverty line, highlighting the urgent need for continued investment in our community. Despite these challenges, the community has experienced a remarkable resurgence in recent years. Over the past decade, residents have worked tirelessly to reverse the impacts of years of neglect and marginalization. Although the Town of Atlantic Beach has been excluded from broader regional development plans and large-scale investment initiatives, our resilient community has successfully secured outside funding to support revitalization efforts. These funding sources include the Telling the Full History grant from the National Trust for Historic Preservation to collect our oral history stories; the Broadening the Narrative Grant from the Dorothy and Gaylord Foundation to digitize and preserve the historical artifacts and selection to the USDOT Thriving Communities Program, which has provided critical resources to advance our growth and development.

2.0 ADMINISTRATIVE AND CONTRACTUAL INFORMATION

2.1 Inquiries

All inquiries for information regarding procurement procedures, selection criteria, proposal submission requirements, technical operating environment, or other fiscal/administrative concerns shall be directed to:

Town of Atlantic Beach
Interim Town Manager
cheatham@townofatlanticbeachsc.com

2.2 RFP Specifications

This RFP is intended to describe the Town's requirements and provide a response format in sufficient detail to secure comparable proposals.

2.3 Implied Requirements

All products and services not specifically mentioned in this RFP, but which are necessary to provide the functional capabilities described by the vendor, must be included in the proposal.

2.4 Vendor-Supplied Materials

Any material submitted by a vendor shall become the property of the Town unless otherwise requested at the time of submission. Any material considered confidential in nature must be so marked.

2.5 Vendor's Proposals

Vendors must submit a sealed response to this RFP in writing. The vendor's proposal must follow the format provided in Section 3 of this document. Any proposals that do not follow the format outlined in this RFP will be deemed non-responsive. Each proposal must be submitted with one (1) original and one (1) copy.

2.6 Economy of Preparation

Proposals should be prepared simply and economically. Emphasis should be placed on clarity and content. All of the questions in the requirements sections of this RFP must be completed in their entirety. Any proposal that fails to respond to all the questions will be deemed non-responsive.

2.7 Response Date

Sealed proposals to be considered must arrive at Town of Atlantic Beach Town Hall 717 30th Avenue South, Atlantic Beach SC 29582 on or before the date and time specified in this RFP. Proposals not received by the Town by proposal closing time will be returned, after receipt, unopened to the vendor

3.0 RFP REQUIREMENTS AND GENERAL INFORMATION

3.1 General Information

The Town of Town of Atlantic Beach, South Carolina, operates under a Council/Manager form of government and provides the normal services including police protection, planning and development, judicial, tourism and historic preservation. The Town utilizes QuickBooks.

3.2 Scope of Services

The audit shall be conducted in accordance with auditing standards generally accepted in the United States of America, promulgated by the American Institute of Certified Public Accountants (AICPA) and in accordance with the standards applicable to financial audits contained in the Government Auditing Standards issued by the Comptroller General of the United States. If a Single Audit is required as a part of the annual audit, the audit shall be performed in accordance with the American Institute of Certified Public Accountants (AICPA) auditing standards generally accepted in the United States, Government Auditing Standards, the Office of Management and Budget (OMB) Uniform Guidance. The audit shall be designed to accomplish the following objectives:

1. To determine whether the financial statements present fairly the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General fund and the Major Special Revenue funds involved in conformity with accounting principles generally accepted in the United States of America. In addition, to determine whether the combining and individual non-major fund financial statements are fairly stated in all material respects in relation to the basic financial statements taken as a whole.
2. To obtain an understanding of internal control over financial reporting sufficient to plan the audit by performing procedures to understand both the design of controls relevant to an audit of financial statements and whether they have been placed in operation, and assess control risk, in accordance with the American Institute of Certified Public Accountants risk assessment standards.
3. To provide reasonable assurance that the financial statements are free of material misstatements resulting from violations of laws and regulation that have a direct and material effect on the determination of financial statements amounts in accordance with AU Standards. The Codification of Statements on Auditing Standards, Section AU 317 requires the auditor to consider laws and regulations that are generally recognized by auditors to have a direct and material effect on the determination of financial statement amounts. The auditor's responsibility to detect and report misstatements resulting from illegal acts having a direct and material effect on the determination of financial statement amounts is the same as that for misstatements caused by error or fraud. In addition, the auditor should be aware of the possibility that illegal acts that may, in particular circumstances, be regarded as having material but indirect effects on financial statements may have occurred. If specific information comes to the auditor's attention that provides evidence concerning the existence of possible illegal acts that could have a material indirect effect on the financial statements, the auditor should apply audit procedures specifically directed to ascertaining whether an illegal act has occurred.

4. To provide reasonable assurance of detecting material misstatements resulting from violations of provisions of contracts or grant agreements that have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives. If specific information comes to the auditor's attention that provides evidence concerning the existence of possible violations of provisions of contracts or grant agreements that could have a material indirect effect on the determination of financial statement amounts or other financial data significant to the audit objectives, auditors should apply audit procedures specifically directed to ascertain whether violations of provisions of contracts or grant agreements have occurred or are likely to have occurred. In addition, auditors should be alert to situations or transactions that could be indicative of abuse, and if indications of abuse exist that could significantly affect the financial statement amounts or other financial data, auditors should apply audit procedures specifically directed to ascertain whether abuse has occurred and the effect on the financial statement amounts or other financial data.

5. To consider the results of previous audits and attestation engagements and follow up on known significant findings and recommendations that directly relate to the objectives of the audit being undertaken.

6. To ensure that audit documentation related to planning, conducting, and reporting on the audit should contain sufficient information to enable an experienced auditor who has had no previous connection with the audit to ascertain from the audit documentation the evidence that supports the auditors' significant judgments and conclusions. Audit documentation should contain support for findings, conclusions, and recommendations before auditors issue their report.

7. To determine whether the government entity complied with laws, regulations, and the provisions of contracts or grant agreements pertaining to federal awards that have a direct and material effect on each major program. With regard to internal control over compliance, the auditor is required to do the following (in addition to meeting the requirements of Government Auditing Standards): (1) perform procedures to obtain an understanding of internal control over federal programs that is sufficient to plan the audit to support a low assessed level of control risk for major programs, (2) plan the testing of internal control over major programs to support a low assessed level of control risk for the assertions relevant to the compliance requirements for each major program, and (3) perform tests of internal control (unless the internal control is likely to be ineffective in preventing or detecting noncompliance).

REPORTING AND DELIVERY REQUIREMENTS

The auditor will prepare the required audit reports including those required by Government Auditing Standards, OMB Uniform Guidance and (if applicable) the Official Code of South Carolina Annotated at the completion of the audit.

1. Standard report on the financial statements. Reference should be made that the audit was conducted in accordance with generally accepted government auditing standards. Auditors should include in their report on the financial statements either a (1) description of the scope of the auditors' testing of internal control over financial reporting and compliance with laws, regulations, and provisions of contracts or grant agreements and the results of those tests or (2)

reference to the separate report(s) containing that information. If auditors report separately, the opinion or disclaimer should contain a reference to the separate report containing this information and state that the separate report is an integral part of the audit and should be considered in assessing the results of the audit.

2. Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. The report should describe the scope of the auditor's testing of compliance with laws and regulations and present the results of those tests. The report should also describe the scope of the auditor's testing of internal control and present the results of those tests. Also, separate identification and written communication of all significant deficiencies, including those significant deficiencies that are individually or cumulatively material weaknesses, is required in accordance with SAS no. 112, Communicating Internal Control Related Matters Identified in an Audit.

3. If applicable, Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Uniform Guidance. The auditor is required to express an opinion on whether the government entity complied with laws, regulations, and with the provisions of contracts or grant agreements which could have a direct and material effect on each major program and, where applicable, refer to a separate schedule of findings and questioned costs. The report on internal control over major programs should describe the scope of testing internal control and the results of the tests, and, where applicable, refer to a separate schedule of findings and questioned costs.

i. In accordance with OMB Uniform Guidance, the auditor's report(s) may be in the form of either combined or separate reports. The auditor's report(s) shall include an opinion as to whether the financial statements are presented fairly in all material respects in conformity with generally accepted accounting principles and an opinion as to whether the schedule of expenditures of federal awards is presented fairly in all material respects in relation to the financial statements taken as a whole. Auditors should follow the guidance contained in the American Institute of Certified Public Accountants' Audit Guide: Audits of States, and Local Governments.

ii. In accordance with OMB Uniform Guidance, a schedule of findings and questioned costs is required and should include the following three components: (1) a summary of the auditor's results; (2) findings related to the financial statements which are required to be reported in accordance with generally accepted government auditing standards; and (3) findings and questioned costs for federal awards.

4. **Ten (10) copies** of the above reports plus one electronic copy are required. The electronic copy shall be in a format similar to the ones posted on the Town website so that it may be posted there without further data manipulation.

5. A written management letter containing matters not included in the auditor's report on compliance and on internal control over financial reporting shall be prepared and presented to the government entity's director at the conclusion of each audit. This letter shall address all exceptions in accounting practices, immaterial instances of noncompliance with laws and regulations, and deficiencies in the internal control that are not reportable conditions as defined in American Institute of Certified Public Accountants Codification of Statements on Auditing Standards, Section AU 325. Such immaterial instances of noncompliance and deficiencies in internal control that are not significant deficiencies should be referred to in the report on

compliance and on internal control over financial reporting (see Government Auditing Standards, paragraphs 5.16 and 5.20. The auditor must offer recommendations for appropriate corrective action for each item contained in the management letter.

6. Any other reports required shall be submitted to the government entity upon request.

3.3 Certificate of Achievement for Excellence in Financial Reporting

The Town desires to pursue the Certificate of Achievement for Excellence in Financial Reporting.

3.4 Completion of Work

The auditor must complete all audit work and provide a “Draft” Audit Report to the Town by April 30, 2025. A Final Audit Report shall be provided prior to May 20, 2025.

3.5 Engagement

Engagement shall be for one (1) year, with a stipulation, at the Town’s option, that it can be extended an additional four (4) years.

GENERAL PROPOSAL PREPARATION REQUIREMENTS

1. Proposals shall be signed by an authorized representative of the auditor. All information requested must be submitted. The mandatory requirements listed in the Appendix are required and will not be waived and are not subject to negotiation.

2. Proposals shall be prepared simply and economically, providing a straightforward, concise description of capabilities to satisfy the requirements of the RFP. Emphasis should be placed on completeness and clarity of content.

3. Each copy of the technical proposal shall be bound in a single volume and relate solely to the response to the RFP. Nothing shall be included in the technical proposal which would indicate, in whole or in part, the cost component of the proposal or would be otherwise indicative of the dollar amount associated with the technical proposal. All cost component documentation should be included in a separate sealed envelope clearly labeled as to contents.

4. Ownership of all data, materials and documentation prepared for and submitted to the government entity in response to the RFP shall belong exclusively to the government entity and will be considered a record prepared and maintained or received in the course of operations of a public office or agency and subject to public inspection in accordance with the South Carolina Freedom of Information Act, Official Code of Laws of South Carolina Annotated, Chapter 4, Title 30, et. seq., unless otherwise provided by law.

5. Oral presentation: Auditors who submit a proposal in response to the RFP may be required to give an oral presentation of their proposal to the government entity representatives. This provides an opportunity for the auditor to clarify or elaborate on the proposal. This is a fact finding and explanation session only and does not contemplate or authorize negotiation. Oral presentation is

an option of the government entity in its sole discretion at the government entity's request.

6. Costs incurred to prepare a proposal are solely those of the proposer. Nothing contained within this RFP is indicative of intent by the government entity to reimburse the proposer, in whole or in part, for any costs associated with preparation, submission, or presentation of proposals.

SPECIFIC PROPOSAL PREPARATION REQUIREMENTS

In order to get a uniform review process and to obtain the maximum degree of comparability, it is required that proposals be organized in the manner specified. Please provide a separate sheet for each part (clearly marked and identified). Proposals shall be thorough and detailed as possible so that the Town may properly evaluate the auditor's capabilities to provide the required services.

Complete the Mandatory Pre-Qualification Form, Attachment A. The purpose of the Mandatory Pre-Qualification Form is to determine if the auditor meets the following mandatory criteria.

1. The proposer is properly licensed for public practice as a certified public accountant.
2. The proposer meets the independence requirements of the Government Auditing Standards issued by the Comptroller General of the United States.
3. The auditor's staff working on or associated with the engagement must meet the continuing education requirements of the Government Auditing Standards.
4. The auditor does not have a record of substandard audit work.
5. The proposer agrees to abide by the terms and conditions in Section 5.
6. Failure to meet the mandatory criteria will result in immediate rejection of the entire proposal and no evaluation of the remainder of the technical component or of the cost proposal will be made.

TECHNICAL COMPONENT OF PROPOSAL

1. Title Page

Show the RFP subject, the name of the proposer's firm, local address, telephone number, name of the contact person and the date.

2. Table of Contents

Include a clear identification of the material by section and by page number. Letter of Transmittal Limit to one or two pages. Briefly state the proposer's understanding of the work to be done and make a positive commitment to perform the work within the time period. Give the names of the persons who will be authorized to make representation for the proposer, their titles, addresses and telephone numbers.

3. Profile of the Proposer

State whether the firm is local, national or international. Give the location of the office from which the work is to be done and the number of partners, managers, supervisors, seniors, and other professional staff employed at that office. Describe the range of activities performed by the local office such as audit, accounting, tax service, or management services.

4. Summary of the Proposer's Qualifications (in addition to minimum qualification)

Identify the partners, managers, and supervisors who will work on the audit, including staff from other than the local office. Resumes for each supervisory person to be assigned to the audit should be included. (The resumes may be included in the appendix.)

Provide a list of your government clients (within the last three years), the number of years that you have been completing their audits and the number of times they have received the GFOA award.

5. Fee Schedule

Clearly describe the scope of the required services to be provided. The CPAs shall familiarize themselves with and comply with the provisions of any and all federal, State, County and Municipal Orders, Statutes, Ordinances, Charter, Administrative Code and Orders, Rules and Regulations which may pertain to the work required in the engagement.

6. The Proposal Summary Sheet.

3.5 Evaluation of Proposals

Proposals will be evaluated to ascertain which proposer best meets the needs of the requester.

1. Responsiveness of the proposal, in clearly stating the understanding of the work to be performed.
2. Technical experience of the firm.
3. Experience and professional activities of the team.
4. Size and structure of the firm.
5. Total fee including all direct and indirect costs and out-of-pocket expenses and a schedule of hourly rates for additional services, preferably for each year for the next three years.

3.6 Additional Information and Contact

1. The Town will not be liable for any costs incurred in the preparation of the proposals.
2. The proposer shall furnish the Town such additional information as the Town may reasonably require.
3. The Town will not be liable for any costs which were not included in the proposal and, subsequently, contracted for costs.
4. The Town will not be liable for any costs incurred by the proposer in connection with doing an on-site presentation (i.e. travel, accommodations, etc.)
5. Proposers wishing additional information or clarification of information provided herein should contact Linda Cheatham, Interim Town Manager at cheatham@townofatlanticbeachsc.com
6. A copy of the FY 2023 audit is available for download at: <http://www.townofatlanticbeachsc.com>

5. Terms and Conditions

1. INDEMNIFICATION AND HOLD HARMLESS AGREEMENT

The successful proposer will indemnify and hold harmless the Town and its agents and employees from and against all claims and damages, losses and expenses, including attorney's fees arising out of or resulting from the performance of the work provided that any such claims, damage, loss, or expense is attributable to bodily injury, sickness, disease or death, injury to or destruction of tangible property, including the loss of use resulting therefrom and is caused by any negligent or willful act or omission of the successful proposer and anyone directly or indirectly employed by it or anyone for whose acts any of them maybe liable. In any and all claims against the Town or any of their agents or employees by an employee of the successful proposer and anyone directly or indirectly employed by any of them, or anyone for whose acts any of them maybe liable, the indemnification obligation shall not be limited in anyway to the amount or type of damages, compensation or benefits payable by or for the successful proposer workman's compensation acts, disability benefit acts, or other employee benefit acts.

1. Liability Coverage

The successful proposer shall provide proof of all required insurance(s), including workers' compensation, automobile liability and general liability. Workers' compensation shall include a minimum limit of \$100,000 per accident and comprehensive general liability coverage shall provide minimum limits of liability of \$1,000,000 per occurrence combined single limit for bodily injury and property damage. This shall include coverage for premises/operations, products/completed operations, contractual liability, independent contractors and vehicles used in premises/operations. Professional liability insurance must be provided with minimum liability limits of \$1,000,000 per occurrence (in addition to commercial general liability insurance) by professional services such as accountant, attorney, architect, design, engineering and most consultants that involve errors and omissions exposure protection. Town of Atlantic Beach shall be named as an additional insured on all liability policies and expressed on the Certificate of Liability Insurance. Insurance shall indemnify the Town against any and all claims arising under or as a result of the performance of the contract resulting from this solicitation. The Town must be provided written notice prior to cancellation, modification or reduction in limits of any stipulated insurance. It is the responsibility of the vendor/contractor to ensure all subcontractors comply with all insurance requirements of this solicitation and the resulting contract.

Please submit a sample Certificate of Insurance with your proposal.

ATTACHMENT A: MANDATORY PRE-QUALIFICATION FORM

To be answered by Audit Firm

Section A - General Information

1. Firm Name: _____

Contact Person: _____ Telephone Number: _____

2. Address: _____

3. Firm FEI Number: _____

4. Firm's South Carolina CPA State License Registration Number: _____

5. Type of Accounting Practice (place an "X" next to the appropriate response)

a. _____ Individual

b. _____ Partnership

c. _____ Corporation - Give name of the State where incorporated: _____