

**SOUTH BROWARD DRAINAGE DISTRICT (SBDD)  
REQUEST FOR PROPOSALS FOR ANNUAL FINANCIAL AUDITING SERVICES**

SBDD is accepting proposals for Annual Financial Auditing Services. Sealed proposals must be received by **3:00 P.M. Thursday, July 5, 2018**, in the SBDD Headquarters, 6591 SW 160<sup>th</sup> Avenue, SW Ranches, FL 33331. Proposals will be opened in the SBDD Board Room at 3:15 P.M.

All sealed proposals that are timely received will be publicly opened. Proposals received after the cut-off date and time will not be considered.

The SBDD Audit Committee will review the proposals and rank and recommend in order of preference no fewer than three firms deemed to be the most highly qualified to perform the required services on Wednesday, July 11, 2018 at 9:00 A.M. and may then interview those firms on Tuesday, July 17, 2018 at 10:00 A.M. If fewer than three firms respond to the Request for Proposals, the committee shall recommend such firms as it deems to be the most highly qualified. On Thursday, July 26<sup>th</sup> at 8:00 A.M. the SBDD Board of Commissioners will select one of the recommended firms. All meetings will be held at SBDD Headquarters and will be open to the public.

**SCOPE OF SERVICES:** SBDD is soliciting the services of an independent certified public accounting firm to provide annual independent financial auditing services to the SBDD for a period of up to five (5) years beginning with an audit of the financial statements of the SBDD for its fiscal year ending September 30, 2018.

The Request for Proposals packet is available for pick-up at SBDD Headquarters. Questions should be submitted in writing to SBDD Headquarters, Attn: Kevin Hart or via e-mail at [kevin@sbdd.org](mailto:kevin@sbdd.org).

SBDD reserves the right to reject any or all proposals, to waive informalities, and to readvertise.

A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a Bid on a Contract to provide any goods or services to a public entity, may not submit a Bid on a Contract with a public entity for the construction or repair of a public building or public work, may not be awarded or perform Work as a Contractor, Supplier, Subcontractor, or Consultant under a Contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, Florida Statutes, for Category Two for a period of 36 months from the date of being placed on the convicted vendor list.

BY \_\_\_\_\_  
Kevin Hart, P.E., Director  
South Broward Drainage District

**SOUTH BROWARD DRAINAGE DISTRICT**  
**BOARD OF COMMISSIONERS**  
**REQUEST FOR PROPOSALS – ANNUAL FINANCIAL AUDITING SERVICES**

South Broward Drainage District (“SBDD”) is requesting qualification proposals from certified public accounting firms duly licensed under Chapter 473, Florida Statutes, and qualified to conduct audits in accordance with government auditing standards as adopted by the Florida Board of Accountancy to audit its financial statements for its fiscal years ending September 30, 2017, 2018, 2019, 2020, and 2021. These audits are to be performed in accordance with generally accepted auditing standards including the following:

- A. Section 218.39, Florida Statutes
- B. Rules of the Florida Department of Financial Services
- C. Rules of the Florida Auditor General (Chapter 10.550, Local Government Entity Audits)
- D. AICPA Audit and Accounting Guide - Audits of State and Local Governmental Units
- E. Federal and Florida Single Audit Acts (if applicable)
- F. *Government Auditing Standards* issued by the Comptroller General of the United States
- G. Circular No. A-133, Executive Office of the President, Office of Management and Budget, Washington D.C. (if applicable)

I. General Information

- 1) Written questions regarding the Request for Proposals (RFP) are to be addressed to:

Kevin Hart, Director  
South Broward Drainage District  
6591 SW 160 Avenue  
Southwest Ranches, FL 33331  
Telephone: (954) 680-3337, Extension 206  
Fax: (954) 680-3339  
Email: Kevin@sbdd.org

Each firm should carefully examine the RFP, including the RFP Packet, and may make a written request to SBDD’s Director for interpretations or corrections of any ambiguity, inconsistency or error. Only written responses issued by the Director should be relied upon, and reasonable efforts will be made to distribute all written responses issued by the Director to everyone who obtains a RFP Packet from SBDD.

- 2) All responses to this RFP must be delivered to the above address no later than 3:00 p.m. E.S.T. on July 5, 2018. Ten signed copies of the proposal shall be submitted in one sealed package, clearly marked on the outside "Proposal for SBDD Annual Financial Auditing Services." Qualifications must be typed or printed in ink. A single disc pdf file of the entire transmittal should also be included with the Qualifications Package. Any responses received after the deadline will be returned to the proposer unopened. All costs incurred by the responding firms in preparing proposals in response to this request will not be reimbursed by SBDD.
- 3) SBDD reserves the right to reject any and all proposals submitted and to request additional information from the proposers. At the discretion of the SBDD Audit Committee, firms submitting proposals may be requested to make oral presentations to the SBDD Audit Committee as part of the evaluation process.
- 4) SBDD reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this RFP, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between SBDD and the firm selected.
- 5) Firms submitting proposals may subcontract portions of the engagement. If this is to be done, the name of the proposed subcontracting firms must be clearly identified in the proposal. Following the award of the audit contract, no additional subcontracting will be allowed without the express prior written consent of the SBDD Board of Commissioners.
- 6) The SBDD Audit Committee will recommend and rank in order of preference no fewer than three firms deemed to be the most highly qualified to perform the required services to the Board. The Board may interview the ranked firms and shall select one of the firms recommended by the SBDD Audit Committee and negotiate a contract with the firm in accordance with Section 218.391, Florida Statutes. It is anticipated that the Board will enter into a one year contract starting with the fiscal year beginning October 1, 2018 and ending September 30, 2019 and the contract will include an option to extend the contract for four (4) additional one (1) year periods through September 30, 2023.
- 7) If the Board is unable to negotiate a satisfactory contract with any of the recommended firms, the SBDD Audit Committee will recommend additional firms, and negotiations will continue in accordance with Section 218.391, Florida Statutes, until an agreement is reached.
- 8) Anticipated RFP Calendar:

June 4, 2018

RFP to be advertised.

June 11, 2018	RFP to be advertised.
July 5, 2018	Responses to RFP due by 3:00 p.m E.S.T.
July 11, 2018	SBDD Audit Committee meeting to recommend and rank firms. Meeting will be held in SBDD's Board Room at 9:00 a.m.
July 17, 2018	SBDD Audit Committee to meet at 9:00 a.m. to listen to oral presentations and interview firms, if applicable. Develop final list of ranked firms. Thereafter, the SBDD Audit Committee recommendations will be submitted for the Board's consideration at the August 24, 2017 Board meeting.
July 26, 2018	Board of Commissioners will interview ranked firms and shall select one of the firms.
August 30, 2018	Board to approve contract for annual financial auditing services.

9) Audits for the last ten fiscal years were completed by Margolies, Fink and Wichrowski, P.A.

10) SBDD does not have an internal audit department.

11) The audit fees for the past five fiscal years are as follows:

- a. 2013 - \$24,250
- b. 2014 - \$24,500
- c. 2015 - \$24,750
- d. 2016 - \$25,000
- e. 2017 - \$22,500

12) There have been no Federal or State single audits performed in the prior five years. The proposed fees should not include a Federal or State audit. If a Federal or State audit becomes necessary, a separate fee for that additional service will be negotiated at that time.

13) A copy of the SBDD Audited Financial statements for the Fiscal Year ending 9/30/2017 and Management Letter are included as an Appendix to this RFP Package. In addition, a copy of the SBDD Audited Financial statements for the Fiscal Year ending 9/30/2017 can be viewed on the District's web page at [www.sbdd.org](http://www.sbdd.org).

14) The fiscal year for SBDD runs from October 1<sup>st</sup> to September 30<sup>th</sup>.

15) All requirements and conditions set forth in this RFP shall be incorporated into the contract between SBDD and the selected firm unless otherwise specified in the contract.

## II. Description of South Broward Drainage District and Records to be Audited

- 1) SBDD is located in the southwestern corner of Broward County and encompasses approximately 73 square miles. SBDD is an independent special district originally created by the Florida Legislature in 1927 as the Hollywood Reclamation District (Chapter 12049, Laws of Florida). The original Hollywood Reclamation District was abolished in 1967 and the new Hollywood Reclamation District was created in 1967 by Chapter 67-904, Laws of Florida. In 1986, the name of the District was changed to South Broward Drainage District by Chapter 86-362, Laws of Florida. In 1998, the SBDD's charter and all amendments thereto were repealed and along with minor revisions were included in a codification of the SBDD's Charter approved by Florida Legislature by Chapter 98-524, Laws of Florida. SBDD has powers primarily in the areas of stormwater management and flood control. Its powers include the right to borrow money and issue bonds or other evidence of indebtedness, assess and impose upon the lands in SBDD annual drainage, water management, administrative, operation and maintenance taxes, and SBDD has the ability to install and foreclose special assessment liens.
- 2) For reporting purposes, the Annual Financial Report (Audited Financial Statements) will include the General Fund and Capital Project Fund. SBDD has no component units.
- 3) Accounting records for the Board include the general fund, 1 capital projects fund and 1 fiduciary fund. The FY 2017-2018 total budget is approximately \$3.8 million dollars.
- 4) As of the date of this proposal, SBDD has no bond issues, no loans, and no line of credit outstanding.
- 5) SBDD's main source of revenue consists of non-ad valorem tax assessments. These assessments are collected by the Broward County Revenue Collector together with all other governmental entity's non-ad valorem assessments and ad valorem taxes. Parcels within SBDD are taxed based upon their applicable Property Designation. SBDD's adopted budget for FY 2017-2018 included revenue generated from seven (7) unique non-ad valorem tax rates.
- 6) Fiscal year ending September 30, 2011 was the first year of its reporting under GASB Statement No. 54.
- 5) All accounting records are maintained on the modified accrual basis. The accounting records of SBDD are prepared in conformity with generally accepted accounting principles as applied to government units.

- 6) Budgets are integrated with the accounting records.
- 7) SBDD is progressive in its attitude toward new accounting standards. Early implementation is practiced when recommended.
- 8) SBDD is currently utilizing QuickBooks Pro (2015 edition) for maintaining its accounting records. SBDD uses an outside payroll vendor to prepare its monthly, quarterly and annual payroll filings.

### III. Services Required

- 1) An audit and an opinion on the basic financial statements of SBDD. The auditor is not required to audit the Management's Discussion and Analysis.
- 2) The audit is to be done in accordance with the Rules of the Auditor General, Chapter 10.550; the Federal and Florida Single Audit Acts (if applicable); OMB Circular A-133 (if applicable); *Government Auditing Standards* issued by the Comptroller General of the United States; and the AICPA Auditing Standards.
- 3) Following completion of the audit for each fiscal year's financial statements, the auditor shall issue:
  - a. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
  - b. A report on compliance and on internal control over financial reporting, which will include any significant deficiencies or material weaknesses found during the audit (if applicable).
  - c. A report on bond compliance (if applicable).
  - d. Reports on compliance with specific requirements applicable to Federal awards and State financial assistance programs (if applicable).
  - e. The auditor shall communicate in a letter to management any significant deficiencies or material weaknesses found during the audit.
- 4) An Independent Auditors' Management Letter required by Chapter 10.550, Rules of the State of Florida Office of the Auditor General.
- 5) The auditor will prepare one electronic copy (required in pdf) and twenty bound copies of the Annual Financial Report for SBDD.

- 6) The auditor will provide assistance in providing guidance and implementing changes in governmental accounting standards.
- 7) Irregularities and illegal acts. Auditors shall be required to make an immediate, written report of all irregularities and/or illegal acts to the District Director, the Board of Commissioners and to SBDD's General Counsel.
- 8) The auditor shall submit a draft copy of the Annual Financial Report by no later than January 11, 2019 and shall be present at the District's January 31, 2019 Board meeting to present the draft report to the Board of Commissioners and to answer any questions.
- 9) The auditor shall submit the final copy of Annual Financial Report by no later than February 15, 2019 and shall be present at the District's February 28, 2019 Board meeting to present the final report to the Board of Commissioners and to answer any questions.

#### IV. Additional Professional Services

SBDD may request additional professional services during the term of the contract. The proposer shall, upon receipt of a written request from the District Director, perform such additional services. The proposer must be able to provide, at a minimum, the following services:

- 1) Extended audit services or special audits.
- 2) Miscellaneous accounting services.
- 3) If SBDD does issue debt, for which the official statement in connection with the debt contains basic financial statements and the report of independent auditors, the firm shall be required to issue a "consent and citation of expertise" as auditor and any necessary "comfort letters".

Such services will be billed according to the rates agreed upon as a result of the RFP. The total amount for additional services shall be separately negotiated at the time of the engagement for a not-to-exceed amount calculated in accordance with the rates of the awarded contract.

#### V. Qualifications of the Auditor

The RFP proposal must include the following information:

- 1) Experience of the firm with special districts within the last five years.
- 2) Information describing personnel with training and experience appropriate to the

nature of the project. The RFP shall include:

- a) The names and positions of each professional to be assigned to this audit, including familiarity with projects of a similar nature.
  - b) The estimated amount of involvement expressed as a percentage of time, of each of the staff members.
  - c) Willingness and ability to complete the project within the time and budget constraints, considering the firm's current and projected workload.
  - d) Resumes of those assigned to this audit reflecting academic training and employment in the applicable fields.
  - e) Evidence of possession of required licenses or business permits.
  - f) Evidence of any previous experience in projects of a similar nature-provide contact names and phone numbers along with project names and appropriate agency contacts.
- 3) Reference listing, including contact names and phone numbers.
  - 4) A list of all lawsuits in which the firm has been named as a defendant in the past five (5) calendar years.
  - 5) The firm must have been established in Florida and performed continuous CPA services for a minimum of five (5) years.
  - 6) The firm shall be a member of the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants.
  - 7) The firm shall indicate its approach to peer review and provide a report of the two most recent peer reviews. Indicate whether the peer reviews included a review of local government client activities.
  - 8) The firm shall indicate any disciplinary actions that have been instituted or proposed during the last five (5) calendar years against the firm or any of the firm's professionals assigned to the audit.
  - 9) The firm shall describe the results of any State or Federal reviews during the past three calendar years of the firm's governmental client audit work.
  - 10) Technological Expertise. Must demonstrate up-to-date administrative, spreadsheet (Excel) and database (Access) expertise as well as training and staff expertise with each type of software. Technological expertise may be tested or require verification satisfactory to SBDD.



VI. Information to be Included in the Proposal

- 1) Title page showing the RFP subject, the name of the firm, address, telephone number, the name of the contact person, and the date.
- 2) A table of contents providing a clear identification of the material by section and by page number.
- 3) A statement setting forth the proposer's understanding of the work to be done and a positive commitment to perform the work within the specified time period.
- 4) A statement as to whether the firm is local, regional, or national.
- 5) The location of the office from which the work is to be done and the number of personnel in that office who would be working on the audit.
- 6) An identification of the partners, managers and supervisors who will work on the audit, including staff from other than the local office if necessary for this audit. Resumes for each managerial and supervisory person to be assigned to the audit should be submitted and include the following information:
  - a. Formal education
  - b. Supplemental education relative to governmental accounting and auditing
  - c. Experience in public accounting in general
  - d. Experience in private business or government
  - e. Experience in auditing governmental units
  - f. Membership in various national and state governmental accounting boards, committees, or associations (past and present)
  - i. Professional recognition, such as Certified Public Accountant licenses, awards, etc.
- 7) A description of the proposer's experience in preparing governmental financial statements.
- 8) A listing of Florida counties, municipalities, and special districts for which the proposer is currently providing or within the last five years has provided audit services.
- 9) The proposal should set forth a work plan, including an explanation of the audit methodology to be followed in order to perform the services required in Section III of this RFP.

Proposers will be required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement scope.
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement.
- c. Sample size and the extent to which statistical sampling is to be used in the engagement.
- d. Type and extent of analytical procedures to be used in the engagement.
- f. Approach to be taken to gain and document an understanding of the internal control structure.
- g. Approach to be taken in determining laws and regulations that will be subject to audit work.
- h. Approach to be taken in drawing audit samples for purposes of tests of compliance (single audit procedures, if applicable).

10) Firm promotional material may be included as supplemental information.

11) A fee for providing auditing services during the first year of the Contract and estimates for each subsequent year up to a total of 5 years. Said fees shall include:

- Total All-Inclusive Maximum Price
- Lump Sum Price for professional auditing services
- Rates by Partner, Specialist, Supervisory and Staff Levels with Estimated Hours for Each Category
- Out-of-pocket Expenses and Reimbursement Rates (to be included in the Total All-inclusive Maximum Price)
- Rates for Additional Professional Services
- Manner of Payment

Said fees shall be provided in a separate, sealed envelope titled "Fee for SBDD Annual Financial Auditing Services". The sealed envelope will only be opened for those proposals that meet the Mandatory Elements noted in Section VIII.(A) and the minimum Technical Quality standard as established by the SBDD Audit Committee. Any sealed envelope that is not opened will be returned to the respective Proposer.

12) Insurance - Each response should contain a statement regarding the amount of the firm's general liability insurance and errors and omissions (i.e. professional) insurance.

13) Business Ethics - Disclose (i) any circumstance where conduct of your firm or that of its Principal's are being investigated by any legal or administrative agency; (ii) any adverse decision or settlement with any legal or administrative body; and (iii) identify any

substantive failure in the proper performance of any award or delivery on time of contracts of a similar nature as described above.

- 14) Firm Ethics - Disclose firm policies and procedures to prevent ethical violations. Discuss specific staff responsibilities and management commitment.
- 15) Other Disclosure - Applicants must answer the following question: "Has the firm ever been asked to resign, voluntarily resigned or withdrew from a project, contract or agreement within the past five (5) years? If so, where and why?"
- 16) Anti-Kickback Affidavit - The attached affidavit must be completed, signed and included in each applicant's submittal.
- 17) Non-Collusion Affidavit - The attached affidavit must be completed, signed and included in each applicant's submittal.

## VII. Annual Financial Report

### 1) Calendar

August 30, 2018	SBDD Board approval of contract & engagement letter; audit procedures begin
September 30, 2019	Fiscal year end for SBDD
Oct – Dec, 2019	Review of SBDD financial records; completion of final trial balance for audit; and preparation of draft financial statements by auditor
January 11, 2019	Submit Draft Annual Financial Report to SBDD
January 31, 2019	Present Draft Annual Financial Report to SBDD Board
February 15, 2019	Submit Final Annual Financial Report to SBDD
February 28, 2019	Present Final Annual Financial Report to SBDD Board

### 2) Contents

Title Page

#### Introductory Section

Board of Commissioners

#### Financial Section

a) Independent Auditors' Report

- b) Management’s Discussion and Analysis
- c) Basic Financial Statements
  - 1) Government-Wide Financial Statements
  - 2) Fund Financial Statements

Required Supplementary Information other than M,D&A (unaudited)

Budgetary Comparison Statement – General Fund

Other Reports Section

- a) Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Management Letter Section

- a) Independent Auditors’ Management letter Required by Chapter 10.550, rules of the State of Florida Office of the Auditor General

3) Support

- a) SBDD’s Staff will perform the year-end closing of the books.
- b) SBDD’s Staff will prepare the Management’s Discussion and Analysis.
- c) SBDD’s Staff will prepare the Annual Local Government Financial Report (Form DBF AA-401 and DBF AA-403) as required by the Florida Department of Banking and Finance.
- d) SBDD’s Staff will prepare work schedules, notes and related materials as requested by the selected firm.
- e) SBDD’s Staff will provide paid invoices, canceled checks and other supportive documentation as requested by the firm.

VIII. Evaluation Procedures

1. All responses will be reviewed by the Selection Committee.
2. The responses will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored on technical qualifications. The following represent the principal criteria which will be considered during the evaluation process.

(A) Mandatory Elements – Qualifications and Experience

- (i) Whether the audit firm is independent and licensed under Chapter 473, Florida Statutes, to practice in Florida.
- (ii) Whether the firm has any conflicts of interest with regard to any

- other work performed by the firm for SBDD.
- (iii) Whether the firm adheres to the instructions in this RFP on preparing and submitting the proposal.
- (iv) Whether the firm submits a copy of its last external quality control review report and has a record of quality audit work.
- (v) Whether the RFP is submitted in proper form.

(B) Technical Quality:

- (i) General government audit experience
- (ii) Special district audit experience
- (iii) Qualifications of individuals assigned to audit
- (iv) Size and organization structure of firm
- (v) Demonstrated understanding of SBDD's requirements
- (vi) Audit approach
- (vii) Technological proficiency of individuals assigned to audit

(C) Compensation:

Compensation will be considered as an evaluation factor, but will not be the sole or predominant factor used to evaluate proposals. Compensation will only be considered for those proposals that meet the Mandatory Elements noted above and the minimum Technical Quality standard as established by the SBDD Audit Committee.

IX. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a period of three (3) years after completion of any herein identified services unless the firm is notified in writing by SBDD of the need to extend the retention period. SBDD's management and their representatives shall be entitled at any time during the contract period to inspect and reproduce such documents as deemed necessary.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance. As requests for copies of working papers are fulfilled, the auditors will be required to notify the District Director of the request, as appropriate.

**ANTI-KICKBACK AFFIDAVIT**

STATE OF FLORIDA )  
 ) SS  
COUNTY OF \_\_\_\_\_ )

I, the undersigned, hereby duly sworn, depose and say that no money or contributions have or will be paid to any officer(s) or employee(s) of the South Broward Drainage District as a commission, kickback, reward of gift, directly or indirectly by me or any member of my firm or by an officer of the firm, as a result of or in connection with my Firm’s submittal of its affixed submittal.

By: \_\_\_\_\_  
Name – Signature

Print \_\_\_\_\_  
Name

\_\_\_\_\_  
Title

Sworn and subscribed before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_

\_\_\_\_\_  
NOTARY PUBLIC, State of Florida at Large

“OFFICIAL NOTARY STAMP”

**THIS PAGE TO BE SUBMITTED ALONG WITH RESPONSE IN ORDER FOR PACKAGE TO BE CONSIDERED COMPLETE AND ACCEPTABLE.**

