Auditor Selection

REQUIREMENTS

• SC Code of Laws 5-7-240 Required Annually
• Auditor must be Independent
• Contract for no more than 4 years, without requiring competitive bids
• Within 30 days after beginning of fiscal year

SC Code of Laws 5-7-240

SECTION 5-7-240. Council required to provide for independent annual audit of financial records and transactions of municipality and agencies funded by municipal funds.

The council shall provide for an independent annual audit of all financial records and transactions of the municipality and any agency funded by municipal funds and may provide for more frequent audits as it deems necessary. Special audits may be provided for any agency receiving municipal funds as the municipality deems necessary. Such audits shall be made by a certified public accountant or public accountant on time or of such accountants who have no personal interest, direct or indirect, in the fiscal affairs of the municipal government or any of its officers. The council may, if it desires, require competitive bids, designate such accountants or hire annually or for a period not exceeding four years, provided that the designation or hiring is made no later than thirty days after the beginning of the fiscal year, and may, in its discretion, accept independent audits of municipal agencies and departments and include such audits in its general report of the audit of the municipality.
PROCUREMENT

- Request for Proposal
- Previous Respondents
- Any Solicitations
- Website
- Conduct Pre-proposal Conference – mandatory or not?
- Use Audit Committee
- Compare Services Independent of Price
- Make Recommendation to Council

WHAT TO INCLUDE

- Introduction
  - General Information
  - Term of Engagement
  - If Subcontracting Allowed
- Services Required
  - Scope of Work and Auditing Standards
  - Experience with preparation of CAFR
  - Reports to be Issued
  - Any Special Considerations
  - Implementation of new GASB requirements
  - Working Papers Access & Retention

WHAT TO INCLUDE (cont.)

- Description of the Municipality
  - Contact Information
  - Background/History
  - Fund Structure
  - Budgetary Basis
  - Federal/State Assistance
  - Pension Plan
  - Component Units
  - Computer Systems
  - Internal Audit Function
  - Availability of Prior Work Papers and Reports
WHAT TO INCLUDE (cont.)

• Time Requirements
  • Proposal Calendar
  • Notification and Contract Dates
  • Schedule for Audit
    • Interim Work
    • Audit Plan and Programs
  • Draft Reports
  • Entrance Conferences, Progress Reporting and Exit Conferences
  • Date Final Report Due

WHAT TO INCLUDE (cont.)

• Any Assistance Provided to Auditor
• Proposal Requirements
  • Date, etc.
  • Technical Information
  • Sealed Dollar Cost Bid
• Evaluation Process
  • Who is Audit Committee
  • Criteria for Evaluation
  • Oral Presentations Required?
  • Right to Reject

WHAT TO INCLUDE (cont.)

• Appendices
  • Key Officials and Contact Information
  • Proposer Guarantees
  • Proposer Warranties
  • Format for Schedule of Fees and Expenses
  • Frequent Q&A
AFTER SELECTION

• When Changing Get List of Schedules Needed
• Determine Contact for Interim Questions