

**SELMA HEALTHCARE DISTRICT
REQUEST FOR PROPOSALS FOR AUDIT SERVICES
JUNE 24, 2024**

I. INTRODUCTION

General Information

The Selma HealthCare District ("District") is seeking proposals from qualified independent Certified Public Accounting firms to audit the District's financial statements for the fiscal year ending June 30, 2024 (the "audit year"). The audit is to be conducted in accordance with auditing standards generally accepted in the United States of America, Government Auditing Standards issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments and Non Profit Organizations.

There is no expressed or implied obligation for the District to reimburse responding firms for any expenses incurred in preparing proposals in response to this request. Materials submitted by respondents are subject to public inspection under the California Public Records Act (Government Code sec. 6250 et seq.), unless exempt. Any language purporting to render the entire proposal confidential or proprietary will be ineffective and will be disregarded.

To be considered, a proposal must be received by the District at 1710 Tucker Street, Selma, CA 93662, on or before 4:00 p.m., August 9, 2024. The District reserves the right to reject any or all proposals submitted.

During the evaluation process, the District reserves the right, where it may serve its best interest, to request additional information or clarifications from responders, or to allow corrections of errors or omissions. At the discretion of the District, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The District 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 is acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the District and the firm selected.

It is anticipated the District board will take action to select a firm by the beginning of the fourth quarter of calendar year 2024. Following the notification of the selected firm, it is expected a contract will be executed between all parties no later than the end of the fourth quarter of calendar year 2024.

General Description of the District

The Selma Healthcare District is a public entity organized under Local Hospital District Law as set forth in the Health and Safety Code of the State of California. The District is a political subdivision of the State of California and is generally not subject to state or federal income taxes. The District is governed by a five member board of directors who are elected by zone to specific terms. The District, located in around the city of Selma, California, formerly owned and operated Selma District Hospital, now operated by Adventist Health, provides community outreach programs related to healthcare issues for residents with the District boundaries and surrounding areas.

II. SCOPE OF THE WORK TO BE PERFORMED AND STANDARDS TO BE FOLLOWED

It is District policy to conduct an annual financial audit. The last audit was performed for the fiscal year ending June 30, 2023.

The District desires that its General Purpose Financial Statement (“GPFS”) be prepared by an independent auditor and be fully compliant with Governmental Accounting Standards Board (“GASB”) #34 for the audit year. The District may request the selected firm to also provide advice on how the District can comply with the requirements of GASB #45 and #54.

The following is a summary of the scope of the year audit:

1. The selected firm will audit the District in accordance with auditing standards generally accepted in the United States of America, Government Auditing Standards issued by the Comptroller General of the United States. The District’s GPFS will be prepared by the audit firm. The GPFS will be in full compliance with GASB #34. The audit firm will render its auditor’s report on the basic financial statements.
2. The audit firm shall issue a separate “management letter” that includes recommendations, if any, for improvements in internal control that are considered to be significant deficiencies or material weaknesses.
3. The District staff will provide cooperation and assistance during the audit by providing information, documentation, and explanations. District staff will prepare the Management’s Discussion and Analysis (“MD&A”). All other information and financial statements are the responsibility of the audit firm. The audit firm will apply limited audit procedures to MD&A and required supplementary information pertaining to each of the District’s funding categories.

All working papers and reports are to be retained at the auditor’s expense for a minimum of three years. The audit firm will be responsible for making working papers available to the District.

III. ESTIMATED TIMETABLE OF AUDIT WORK TO BE PERFORMED AND DELIVERABLE REPORTS

The audit firm shall perform the services and produce the deliverables required under this agreement in accordance with the following timeline for the audit year. The schedule is subject to modification by mutual agreement of the audit firm and the District Executive Director.

- September 9, 2024 – District board to select audit firm.
- November 8, 2024 – Auditor to provide the Executive Director with an audit plan and a list of required documents for interim and final fieldwork.
- January 7, 2025 – Auditor fieldwork shall be completed.
- March 10, 2025 – Draft financial statements shall be submitted by the audit firm to the District Executive Director.
- April 9, 2025 – The District Executive Director will provide Management’s Discussion and Analysis to the audit firm.
- April 23, 2025 – One (1) PDF electronic copy of the draft copy of the financial statement shall be submitted by the auditor firm to the Executive Director for the District review and comment.
- May 7, 2025 – One (1) bound and one (1) PDF electronic copy of the GPFS and Independent Auditor’s Report and the Management Letter shall be submitted to the Commission.
- The auditor shall be present at a board meeting to be scheduled to present the report and respond to any questions.

IV. PROPOSAL REQUIREMENTS

The following material is requested to be received by the proposal due date or the firm will not be considered.

1. Title Page – The title page shall show the proposal subject, the firm’s name and contact person, the firm’s California CPA License Number and Federal Identification Number.
2. Cover Letter – The cover letter should briefly state the auditing firm’s understanding of the work to be performed, the commitment to perform the work in the required time frame and statements as to why the firm believes it is best qualified to perform the engagement. The cover letter should also make a statement that the firm’s offer is a firm, irrevocable offer for 60 days. The cover letter should indicate whether the firm is independent with respect to the District and that the firm is an Equal Opportunity Employer.
3. Table of Contents of Proposal
4. Proposer’s Qualifications – The audit firm should set forth the following:

a. Qualifications and Related Experience of the Personnel who will Serve The District – Resumes of the partner, manager, and senior auditor should be included. Resumes should include all relevant experience, education, and CPA licenses and continuing education of the individuals over the past three years.

b. Prior Experience Auditing Cities, Special Districts, and Other Local Governments – Sufficient information should be provided regarding current local government audit clients and dates that the client was served. Information should be provided regarding clients that the firm serves that have received the CSMFO and GFOA awards.

c. Assistance in Implementation of GASB #34 and Other GASB Pronouncements – Set forth your understanding of these accounting pronouncements and provide information on clients that you have assisted to date in implementing GASB #34, #45, #54, and others that may apply.

d. References of Local Government Clients – Provide a listing of public agency clients for which the firm’s local office serves.

e. Capabilities in General Consulting and Compliance Auditing – Provide any other information regarding general consulting and special audits provided by the firm.

5. Approach, Scope, and Timing of the Audit

a. Provide, in Sufficient Detail, the Firm’s Approach to the Audit – Include procedures to be performed, tasks to be accomplished under GASB #34, a determination whether the A-133 single audit is required, the use of statistical sampling, the utilization of computers on the audit engagement, analytical procedures that may be used, the consideration of laws and regulations, assistance required from the District staff, and proposed segmentation of the audit. Segmentation of the audit should include a breakdown of hours required to perform the audit by classification and in total for the planning and interim, GASB #34 implementation, final audit procedures including CAFR and reports preparation.

b. Provide Sufficient Information of the Firms Understanding of the Objectives and Scope of the Engagement – Specifics of the auditing standards to be followed and reports to be issued by the audit firm should be provided.

6. Maximum Fee and Hourly Rates – The maximum fees and estimated hours for the proposed audit shall be provided in the following format for fiscal year ending June 30, 2024. The fees should be inclusive of any out-of-pocket expenses incurred by the audit firm:

a. Description of Services – Include GASB #34 implementation and ongoing audit procedures for GASB #34, GASB Preparation and Management letter.

b. Not to exceed maximum fee (including expenses) for the fiscal year ending June 30, 2024 \$_____.

c. Hourly Rates of the Firm’s Employees – Rates should be provided by the form for services that may be required outside the scope of the audits as follows:

Classification Hourly Rate
Partner \$_____
Manager \$_____
Senior Accountant \$_____
Staff Accountant \$_____

7. Other Information Required in Proposal – The auditing firm shall provide a copy of its most recent peer review together with the California Society of CPAs acceptance of such peer review. The auditing firm shall make a positive statement that it has the required insurance policies in force in amounts of coverage for not less than \$1,000,000 for Professional Liability, Workers Compensation, Comprehensive General Liability, and Auto (Owned and Non-Owned). Prior to any commencement of audit services, the selected firm will be required to provide certificates of insurance coverage to the District.

V. EVALUATION CRITERIA

Proposals will be evaluated based upon their response to the provisions of this Request for Proposal. The following will be used to evaluate responses to this proposal:

1. The firm’s licensing, independence with respect to the District and results of most recent peer review (mandatory requirements).
2. Qualifications and related experience of the audit team that will serve the District (partner, manager, and senior auditors).
3. Experience of the firm auditing California cities, special districts, or other public agencies.
4. Prior experience of the engagement team in implementation of GASB #34.
5. References of local government clients.
6. Thoroughness of approach to conducting the District’s audit.
7. Demonstration of the understanding of the objectives and scope of the audit.

8. Commitment to timelines in the conduct of the audit.

9. Maximum fees to conduct the audit.

VI. OTHER INFORMATION

Firms are encouraged to contact Executive Director David Fey any questions relating to this RFP at *execdirector@selmahealthcaredistrict.org*.