

Charlotte County
PO Box 608
250 LeGrande Avenue
Charlotte Court House, VA 23923

ADDENDUM 2

Date: May 10, 2022

Reference: RFP # 037-230, Forensic Financial Auditing Services for the Charlotte County Rescue Squad

Subject: RFP Question and Response

Bid Due Date: May 23, 2022 at 4:00 pm

In response to questions received regarding RFP #037-230, the following list of questions and responses is being provided to all potential offerors.

Please acknowledge receipt and acceptance of this addendum by completing the section below and returning this page with your proposal. Signature on this addendum does not substitute for your signature on the original bid document. The original bid document must be signed.

Name of Firm

Signature/Title

Date

General

- 1) Would the County consider proposals that provide an estimated time period for completion that is longer than 3 months? **Yes. As stated in Section III of the RFP, the term of the contract is three months, but by mutual agreement it may be extended for an additional three months.**
- 2) When is the target start date? **Staff anticipates the contract will be awarded at the June 13th Board meeting. The date of award would begin the three-month contract term.**
- 3) Please confirm that digital signatures are acceptable on e-mailed proposals rather than inked signatures? **The preference is to have an original signature then scan that page to submit via email.**
- 4) Please confirm that offerors do not have to provide an original hard copy plus two copies if submitting by email? **Offerors do not have to provide original and hard copies if submitting by email.**
- 5) Please clarify what “other pertinent information” is to be included in the executive summary or confirm that the “pertinent information” will be left up to the offeror to decide. **Offerors are to determine what, if any, additional “pertinent information” needs to be included.**
- 6) Please confirm that providing a table that identifies any proprietary information in the proposal and the offeror’s basis for considering this information to be proprietary is sufficient to “invoke the protections of Section 2.2-4342F of the Code of Virginia”. **Providing a table for this purpose is sufficient.**
- 7) Please clarify whether offerors should provide pricing with their proposals. **Since this RFP is for professional services, in accordance with the Virginia Public Procurement Act, pricing is not being requested at this time. At the discussion stage, the public body will request nonbinding estimates of total project costs.**
- 8) Does the County have a budget for the expected services? **A project budget has not been established.**
- 9) Will the County consider proposals from forensic financial examination firms that specialize in identifying fraud, waste, abuse, and mismanagement of funds, but that are not “certified public accounting firms”? **Yes, this approach would be considered; however, as stated in the RFP, the County is seeking the services of a certified public accounting firm. This could include a CPA firm that is partnering with a forensic financial examination firm.**
- 10) How do the Squad and County plan to use the results of this Forensic Financial Audit? **The audit will serve to help the Squad bring some closure to their past administration’s tenure, to confirm their current financial position, and to allow them to identify procedural and compliance issues that may need to be addressed as part of their restructuring process. It will also help the County identify changes that need to occur at the Squad to help guarantee their future financial viability and continued County support. Finally, if the findings identify potential illegal activity, Virginia State Police will be asked to perform further investigation.**
- 11) Are there any internal or regulatory drivers for performing this work? **The Squad does not have any known internal controls. Any regulatory concerns would be related to grant requirements.**

Scope of Work

- 12) It appears a forensic audit is what is needed. However, Phase 3 describes the preparation of financial statements or the rendering of an opinion on the financial statements. Preparation of financial statements and an opinion on the financial statements are part of a standard financial statement audit, but not part of a forensic audit. These are two different types of engagements. Is a financial statement audit needed in addition to the forensic audit?
The County is not aware that the Squad has previously had an independent audit. The Squad provides the County with an IRS Form 990 each year. Therefore, an Offeror may deem it necessary to complete both a financial audit and a forensic audit. That determination will be left to the discretion of the offeror as part of the proposal. A proposal requiring and/or separating the two audits would be considered by the County.

- 13) Will the County consider a forensic audit using the government auditing standards (GAGAS) and the Certified Fraud Examiners (CFE) methodology instead of the generally accepted accounting principles? See the response to Question #12 regarding the audit requirements. The determination of appropriate standards and methodology will be based upon the approach presented by the individual offeror but shall be clearly addressed in the proposal.
- 14) Instead of a report that is based on opinion, will the County consider a report that is based on the totality of evidence uncovered in Phase I and Phase II? Yes.
- 15) Will the winning vendor present the Forensic Financial Audit results to the Board? Yes, after a review by the County Administrator and Public Safety Committee.
- 16) What internal resources do the Squad and County foresee assigning to the Forensic Financial Auditors to ensure success? High & Associates PC, South Hill, VA has been providing accounting services for the Squad since 2017. They have provided financial statements and will be asked to provide other records of transactions and data as deemed necessary for this process. The Squad has several members who have access to the organization's computers, files and other documents, and these persons will be available to assist the selected offeror.
- 17) Who will be the point of contact within the Squad and County to assist in coordinating project initiatives and identifying internal financial, accounting, and reporting resources? The Squad's current President will be the point of contact the Squad and the County Administrator will assist with any identified coordination issues throughout the process.

Rescue Squad Position, Practices, and Financial Documents

- 18) Are financial statements available for all years included in the project? High & Associates PC, South Hill, VA has provided balance sheets and statements of profit and loss for years ending 2017 through 2021.
- 19) If audited financial statements are not available, what was the annual operating budget of the Squad? The 2021 budget was \$964,000.
- 20) What accounting system does the Squad use? To the County's knowledge, the Squad does not have an internal accounting software system.
- 21) Are the Squad's underlying documents available electronically or in hardcopy only, if known? The Squad's documents would be available via a combination of electronic and hardcopy. The consultant will have access to pertinent records on site and as required, electronically to complete the work.
- 22) How many bank accounts are held by the Squad? The squad has five bank accounts.
- 23) Does the County have copies of the bank statements for the Charlotte County Rescue Squad? The County does not. However, access will be provided by the Squad.
- 24) If yes, are these bank statements in PDF or native file (i.e., Microsoft Excel) version? Not known.
- 25) What types (federal, state, others) and amounts of grant funding was expended by the Squad during the scope period? Grant funding was received for the purchase of ambulances and associated equipment along with communication equipment through Virginia's Rescue Squad Assistance Fund (RSAF) Grant.
- 26) What is the estimated number of employees working at the Squad? 12-15 paid employees and 5-7 volunteers.
- 27) Is an organizational chart or a list of personnel available for the organization or those departments/employees involved in the financial reporting for the Squad of and the County's Board of Supervisors? Two former Squad staff members and High & Associates PC had sole access to the Squad's finances for the past 5-7 years.
- 28) Are approved policies or compliance requirements in place pertaining to the financial, accounting, and reporting process? There were no known policies or compliance requirements in place for the Squad and Squad members were not informed of the financial status of the organization during that time.

- 29) Is the Squad's and County's financial organization centralized or decentralized? [The Squad is an independent organization. In no way are the Squad and the County's financial duties or accounting systems associated.](#)
- 30) Have there been internal audits performed in the past pertaining to the Squad's financials? [No.](#)
- 31) What is the Squad's fiscal year-end closing cycle? [December 31st](#)
- 32) Do the Squad and County utilize a separate system for payroll? [The Squad is an independent organization and in no way is their payroll system associated with the County's system. The Squad uses Intuit.](#)
- 33) What system does the Squad utilize to inventory fixed assets? [The Squad has not been tracking any inventory for fixed assets.](#)
- 34) What system does the Squad utilize to track employee attendance? [For the past two years the Squad has used the 'When I Work App' and a paper timesheet system.](#)