THIS IS NOT AN ORDER

ADVERTISED SOQ 1112-102
CITY OF CARSON CITY INTERNAL AUDIT FUNCTION

RELEASE DATE: September 30, 2011

Carson City (City) invites interested individuals and firms to submit Statement of Qualifications (S.O.Q.) to perform the City's Internal Audit. The City is required to have an Internal Audit function to perform specific duties as described in Section 3.075(2) of the Carson City Charter. The selected individual or firm will perform auditing and support services as directed by the Audit Committee and the Board of Supervisors.

The auditing services needed include the areas of program effectiveness and efficiency, i.e. performance audits.

The Board of Supervisors may satisfy the requirements to appoint an Internal Auditor by entering into a contract with an independent contractor (CONSULTANT).

STATEMENT OF QUALIFICATIONS shall be submitted to **CARSON CITY FINANCE DEPARTMENT**, 201 N. Carson Street, Suite 3, Carson City, Nevada 89701, by no later than *3:00 p.m. on October 21, 2011.*

RECOMMENDATION FOR AWARD will be made by the Finance Department in coordination with the Audit Committee based on the evaluation results of the City Review and Selection Committee/Audit Committee. The City Review and Selection Committee/Audit Committee may narrow the field to three or four consultants for possible oral interviews. Interviews will allow for a 20 minute presentation, 20 minutes questions and answers and a 15 minute set-up and tear down. Once the committee has made a recommendation and a contract is negotiated, the results will be posted on www.carson.org and all respondents will be notified by fax of the Recommendation for Award to the successful respondent.

FINAL SELECTION will be made by Carson City Board of Supervisors, and is tentatively scheduled for Thursday, November 17, 2011. Recommendation will be made by the Audit Committee, with final approval being awarded by the Board of Supervisors at a regularly scheduled meeting. Should it become necessary to reschedule the date set for award, notice will be provided to those finalists selected. In all instances, a decision rendered by Carson City shall be deemed final.

- 1. **INTRODUCTION** (General Information)
 - 1.1 Carson City (City) invites interested individuals and firms to submit Statement of Qualifications (S.O.Q.) to perform the City's Internal Audit function. The City is required to have an Internal Audit function to perform specific duties as described in Section 3.075(2) of the Carson City Charter. The selected individual or firm will perform auditing and support services as directed by the Audit Committee and the Board of Supervisors.

The auditing services needed include the areas of program effectiveness and efficiency, i.e. performance audits.

The Board of Supervisors may satisfy the requirements to appoint an Internal Auditor by entering into a contract with an independent contractor (**CONSULTANT**).

- 1.2 A City Review and Selection Committee/Audit Committee will evaluate the S.O.Q. submittals.
- 1.3 During evaluation, the City Review and Selection Committee/Audit Committee reserves the right, where it may serve the City's best interest, to request additional information or clarification from the Consulting Firm, or to allow corrections of errors or omissions. Oral interviews may be conducted by the City Review and Selection Committee/Audit Committee for the Consultants who submit an S.O.Q. and were short listed.
- 1.4 Submission of an S.O.Q. indicates acceptance by the Consulting Firm of the conditions contained in this Statement of Qualification, unless clearly and specifically noted in the S.O.Q. submitted and confirmed in the resultant contract between Carson City and the Firm selected.
- 1.5 The use of the term "firm" refers to Consultant Firms with certified personnel, doing business in the United States and duly registered in the state of Nevada with business license paid to Carson City after selection of the firm. With this type of project, the City may accept one or more firms teaming up for joint venture with a Nevada-based firm to prepare the required services, but the City will recognize such a consortium as a single entity only with one juridical personality.
- 1.6 There is no expressed or implied intent or obligation for Carson City to reimburse responding firms for any expenses incurred in preparing S.O.Q. submittals as well as travel expenses during interviews in response to this Statement of Qualifications.
- 1.7 Carson City shall reserve the right to terminate any agreement resultant from this solicitation and subsequent action for cause but not limited to inadequacy of performance.

2 CARSON CITY CONTACT PERSON:

2.2 Until the receipt and opening of S.O.Q. submittals, the consultants' principal contact with Carson City will be as listed below. All questions are to be submitted in writing and potential consultant will receive copies of all questions and answers except for the questions that are considered proprietary. Questions that are considered proprietary by Finance will only be answered to the consultant who asked the question. Questions will only be received through 12:00 p.m. on October 19, 2011.

Kim Belt
Carson Finance Department – Purchasing and Contracts
201 N. Carson Street, Suite 3
Carson City, NV 89701
775-283-7137
e-mail: KBelt@carson.org

FAX: 775-887-2107

2.2 All contacts regarding the S.O.Q. should be with the above-named individual <u>only</u>. Consultants contacting other City staff or City officials may be disqualified for doing so.

3 BACKGROUND INFORMATION:

3.1 Carson City is required to have an Internal Audit Function to perform specific duties as described in Section 3.075(2) of the Carson City Charter. Section 3.075(2) provides that:

The internal audit function shall:

- •Investigate each office and department of Carson City to determine compliance with the accounting procedures manual,
- •Recommend changes in accounting procedures which would on the opinion of the internal auditor, improve efficiency of internal controls.
- •Conduct special investigations at the direction of the Audit Committee and Board into any financial matter of any office or department of Carson City.
- •Perform other duties as directed by the Audit Committee and the Board

In addition as a primary focus for the fiscal year 2011/2012, the audit function will undertake performance audits to evaluate the efficiency and effectiveness of departments and/or programs under audit as recommended by the framework outlined by the Government Accounting Standards Board Concept #5 for reporting on performance.

Performance audits will focus on the examination of programs, functions, operations, management systems and procedures to determine whether an agency/department is achieving the objectives established by the Board of Supervisors and managing its resources in an effective, economical and efficient manner.

The Board of Supervisors may satisfy the requirement to appoint an Internal Auditor by entering into a contract with an independent individual or firm (CONSULTANT) for 12 months.

4 SCOPE OF WORK:

4.1 The **CONSULTANT** will provide requested auditing and administrative support services predicated on direction from the Audit Committee and approved by the Board of Supervisors. The auditing services performed will be primarily in the area of "performance audits". As such the "performance audits" with focus on the examination of programs, functions, operations, management systems and procedures to determine whether an agency/department is achieving the objectives established by the governing body of the City and managing its resources in an effective, economical and efficient manner. The "performance audits" will focus on programs and issues that are of particular interest to the governing body and the public and make recommendations to improve an agency/department's operations. The administrative support services will include performing administrative functions needed to support the mission of the Committee such as 1) working with City's strategic planner on performance measures including budgetary performance measures, 2) providing input into the City's annual financial audit, 3) evaluating the City's fiscal health, 4) establishing a process to evaluate the legal and ethical conduct of the city staff, and the City's internal controls with an emphasis on potential for fraud, waste and abuse, 5) reviewing and making recommendations about City Ordinance Chapter 2.14 for possible revisions to include identifying possible fraud, waste and abuse, expanding the skills and background of possible Committee members to include management of government organizations that includes budgetary and operational experience, and other revisions and/or clarifications as appropriate, and 6) providing clerical duties to support the Audit Committee.

The **CONSULTANT** must be able to lead the development of the Internal Audit function as one that focuses on the audit of performance as outlined in the city's strategic plan based on direction from the Audit Committee, the **CONSULTANT** will prepare and present an annual audit plan to evaluate the efficiency and effectiveness of proposed areas to be audited.

The **CONSULTANT** will provide monthly status reports, either written or oral, to the Audit Committee regarding the progress of audits being performed. In addition, at the request of the Board of Supervisors, progressive reports maybe required to be presented at regularly scheduled Board meetings.

Audit process and reports to be performed in compliance with auditing and reporting standards established by the Institute of Internal Auditors. At the conclusion of each audit, a final report will be prepared. This report will include the scope and methodology of the audit, as well as a summary of the auditor's findings, recommendations and management responses. This report will be formally presented for discussion to the Audit Committee and the Board of Supervisors.

The position for the City's Internal Audit function is not required to be a

full time position; however the **CONSULTANT** must be able to devote an average of 25 hours per week over the contract period.

Selected **CONSULTANT** will be required to submit to an extensive background investigation. Failure to pass the background will result in removal from the position.

5 S.O.Q. REQUIREMENTS

5.1 GUIDELINES FOR SUBMITTING STATEMENT OF QUALIFICATIONS:

- •All questions regarding the Statement of Qualifications will be submitted in writing by mail, e-mail, or fax to Kim Belt, Purchasing and Contracts Manager 201 North Carson Street Suite 3, Carson City, NV 89701 775-283-7137/ FAX 775-887-2107 kbelt@carson.org
- •The **CONSULTANT**'s Statement of Qualifications will be in a single sided, 81/2 x 11 in. format and limited to 10 pages. The Statement of Qualifications will include the following information:
 - a. Introductory cover letter
 - b. Experience relevant to the type of work requested by Carson City.
 - c. Key **CONSULTANT** individual or firm team resumes from the organization chart including any sub consultants.
 - d. Certifications of team members such as the Certified Internal Auditor by the Institution of Internal Auditors and/or other financial related certifications.
 - e. References that can be contacted by staff to confirm information presented on the S.O.Q.
- •List of current rates and charges to perform the 12-month engagement and meet the objectives.
- •Estimated manpower and expense matrix for the above Scope of Work. (not included in the 10 page limitation)
- •A general description of how the **CONSULTANT** would approach providing the Internal Audit function to Carson City and the Audit Committee audit and what can be expected to be accomplished.
- •The consultant shall submit one (1) original and four (5) copies of the Statement of Qualifications to: Kim Belt, Purchasing and Contracts Manager 201 North Carson Street Suite 3, Carson City, NV 89701 775-283-7137/ FAX 775-887-2107 kbelt@carson.org.

6 EVALUATION OF S.O.Q.:

- 6.1 S.O.Q. submittals will be evaluated by the City Review & Selection Committee/Audit Committee.
- 6.2 The Committee may call for <u>oral interviews</u>. The City reserves the right to retain all S.O.Q. submittals and use any idea in an S.O.Q. regardless of whether or not said S.O.Q. is selected.

6.3 The following categories will be evaluated in the selection process:

- Qualifications of Firm to provide service
- Professional training certifications of individuals

7 **RIGHT TO REJECT S.O.Q.:**

- 7.1 Submission of S.O.Q. indicates acceptance by the Consulting Firm of the conditions contained in this S.O.Q. unless clearly and specifically noted in the S.O.Q. submitted and confirmed in the subsequent contract between Carson City and the Consulting Firm selected.
- 7.2 Carson City reserves the right to reject any or all S.O.Q. and to award to the **CONSULTANT** the City deems most qualified and whose award of the contract will accrue to the best interests of the City.
- 7.3 Late S.O.Q. Submittals will not be accepted. Prospective CONSULTANTS are held responsible that their S.O.Q. Submittals arrive at the Carson City Finance Department Purchasing & Contracts on or before the designated time and date.

8 WITHDRAWAL OF S.O.Q.:

8.1 Requests to withdraw S.O.Q. submittals received after the time and date set for opening and acknowledging S.O.Q. submittals will <u>not</u> be considered.

9 **CONTRACT TERMINATION:**

- 9.1 Carson City reserves the right to terminate the contract if the Consultant does not perform as required by the terms of the contract. Reasons for termination may include, but are not limited, to the following:
 - 9.1.A Failure to provide sufficient personnel as identified in the S.O.Q.
 - 9.1.B Failure to provide the principal Team as submitted.
 - 9.1.C Substitution of the Team or other identified personnel without prior approval of Carson City.

10 **INSURANCE**

10.1 **General Liability:**

10.1.A The successful **CONSULTANT** shall be required to furnish and maintain throughout the term of the proposed Agreement, such general liability and property damage insurance as shall protect him/her and any sub-consultants, agents, and employees performing work covered by the proposed Agreement from claims for, but not limited to, bodily injury, sickness, disease, death, or property damage arising or resulting from the consultants performance, or by any sub-consultant, person, firm, or employee directly or indirectly employed by The successful CONSULTANT shall furnish the City a certificate of said insurance, with limits no less than One Million Dollars (\$1,000,000) combined single limit per occurrence for bodily injury, personal injury as well as property damage and with the City added as a co-insured.

10.2 **Worker's Compensation:**

10.2.A The successful **CONSULTANT** shall purchase and maintain throughout the term of the contract such Industrial Insurance (SIIS) as will protect him from claims which may arise out of or result from the Consultant's execution of the work on this project, whether such execution be by the Consultant or by any sub-consultant, or by anyone directly or indirectly employed by any of the consultants, or by anyone for whose acts any of them may be liable.

11 OBJECTION BY UNSUCCESSFUL CONSULTANT:

- 11.1 Any unsuccessful Consultant may file an objection to the City regarding the selection of the City Review & Selection Committee/Audit Committee by following the procedure outlined in Paragraph 11.2 below. Information on the results of the Committee's evaluation may be obtained on www.carson.org.
- 11.2 Any objection shall be written and submitted to the Finance Department before the recommendation shall be scheduled to be heard by the Board of Supervisors. The objection will be placed on the next available Board of Supervisors meeting agenda.