



REQUEST FOR PROPOSAL

FINANCIAL AUDIT SERVICES

Responders to this Request for Proposal (RFP) must deliver one signed original, two copies, and one electronic copy of the proposal.

Proposal Submission Deadline (date/time):

September 8, 2023, at 4:00 pm

Submit Proposal to:

**South San Joaquin Irrigation District
Attn: Sonya Williams, Finance and Administration Manager
11011 E. Highway 120
Manteca, CA 95336**

**P.O. Box 747
Ripon, CA 95366-0747**

Request for Proposal Financial Audit Services South San Joaquin Irrigation District

The South San Joaquin Irrigation District is soliciting proposals for audit services for the fiscal years ending December 31, 2023, December 31, 2024, and December 31, 2025

Background

The South San Joaquin Irrigation District (SSJID) was formed on May 24, 1909, and is governed by Division 11 of the California Water Code. SSJID encompasses 72,000 acres in the southeastern portion of San Joaquin County and serves approximately 56,900 acres with irrigation water.

SSJID also owns and operates the Nick C. DeGroot Water Treatment Plant, which supplies domestic water to the cities of Lathrop, Manteca and Tracy.

SSJID owns one-half interest in the Tri-Dam Project, a system of reservoirs, dams and powerhouses that currently produce approximately 135 megawatts of power per year.

SSJID's annual financial reports can be viewed at <https://www.ssjid.com/wp-content/uploads/Annual-Financial-Report-2021-FINAL.pdf>

Nature of Services Required

SSJID is seeking annual audit services for a three (3) year term, for the fiscal years ending December 31, 2023, December 31, 2024, and December 31, 2025.

The annual audit shall be conducted in accordance with generally accepted auditing standards and, if applicable, generally accepted government auditing standards covering financial compliance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

The selected firm will evaluate the adequacy of the internal control system and, where weaknesses are noted, make appropriate recommendations for improvements. A management letter will be submitted by the auditing firm if material weaknesses are noted or if otherwise deemed appropriate.

SSJID will draft the annual GAAP compliant financial report consisting of:

1. Insertion of the independent auditor's report
2. Management discussion and analysis
3. Statement of net position or balance sheet
4. Statement of revenues, expenses and changes in net position
5. Statement of cash flows
6. Notes to financial statements
7. Required supplementary information

A Comprehensive Annual Financial Report *will not* be issued.

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Additional Requirements

1. Rate schedule of the auditing firm (for staff assistance during the year)
2. Preparation of State Controller's Reports with all required schedules

Insurance Requirements

The selected firm shall maintain the following insurance coverage, at a minimum, for the duration of engagement:

- Professional Liability Coverage \$1,000,000 per occurrence
- Auto Liability \$2,000,000 general aggregate
- Workers' Compensation Coverage \$1,000,000 per occurrence
 - Certificate of insurance must state that SSJID will be provided with written notice at least thirty (30) days prior to any cancellation (10 days for non-payment of premium)
 - Additional insured endorsement language covering SSID's directors, officers, employees, and authorized volunteers.

Time for Performance

The selected auditor/firm shall meet with the SSJID Finance Committee prior to commencing services. The meeting will be scheduled for a mutually agreeable date and time.

SSJID shall endeavor to prepare all schedules and confirmations for the auditor by January 31 of each year. Fieldwork can generally begin in mid-February when the preliminary trial balances will be available.

Final reports are generally due by April 30.

The audit partner will be required to personally present the annual financial report and audit at a Board of Directors meeting. Meetings are held the second and fourth Tuesday of each month.

Required Contents of Proposal:

Proposals must be in writing and provide at least the following information:

1. Names and contact information for at least four (4) similar public agencies or special districts (for example: irrigation, water, or power districts) for whom your firm has provided auditing services in the past five (5) years.
2. Most recent peer review report, with a statement of whether the peer review included a review of government engagements.
3. A statement of whether the firm or any of its principals/partners/shareholders have been the subject of any disciplinary action in the past three (3) years, and a statement that all assigned professional staff are properly licensed to practice in California.

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4. A statement that the firm is independent of South San Joaquin Irrigation District as defined by generally accepted auditing standards. The proposal should indicate any professional relationships between the firm and South San Joaquin Irrigation District during the last five (5) years.
5. Name of the partner or other principal responsible for the engagement, their professional qualifications, the proposed staffing for this engagement, and the location of the office from which the fieldwork will be staffed.
6. A profile of the firm, including the approximate number of public agency audits undertaken during 2022 and 2023, number of CPAs on staff, and office locations.
7. A detailed cost breakdown of each area within the audit, including the number of hours expected to complete the area, and staffing levels for each area. A typical breakdown would include tasks such as internal control, fieldwork, travel, and State Controller's Report preparation. These categories are a suggestion and other areas can be included if needed.
8. An itemized estimate of any expenses to be charged in rendering services.
9. An annual "not to exceed" price for the audit engagement.
10. Any other information that will be helpful in understanding the qualifications and experience of the firm and its suitability for this engagement.

Two (2) hard copies of the proposal should be submitted to the following address:

South San Joaquin Irrigation District:

Sonya Williams
Finance and Administration Manager
South San Joaquin Irrigation District
P.O. Box 747
Ripon, CA 95366

Written proposals must be received by **4:00 p.m., September 8, 2023**. The Board of Directors will make its selection at the October 24, 2023, meeting, and the selected firm will be notified immediately thereafter.

The Board reserves the right to reject any and all proposals and may solicit the services of any auditor/firm of its choice. South San Joaquin Irrigation District shall not be liable for any costs incurred as a result of responding to this request for proposals. The Board also reserves the right to cancel the engagement after the 2023 audit, with a 30-day written notice.

Final selection will be based on the firm's qualifications, experience in similar audits, the audit approach, and price for services. The proposing firms should note that the lowest price for services will not be the sole factor in the final selection.