



MEMORIAL VILLAGES POLICE DEPARTMENT
REQUEST FOR QUALIFICATIONS FOR
INDEPENDENT FINANCIAL AUDIT SERVICES

DUE: FRIDAY, AUGUST 16, 2019, BY 10:00 AM (CST)

**REQUEST QUALIFICATIONS TO CONDUCT THE
ANNUAL AUDIT AND PREPARE FINANCIAL STATEMENT
FOR
THE MEMORIAL VILLAGES POLICE DEPARTMENT**

INTRODUCTION

The Memorial Villages Police Department is soliciting proposals to prepare the Department's annual financial audit for the fiscal year beginning January 1, 2019 and ending December 31, 2019 with the opportunity to award for two additional years. The selection of auditors will consist of evaluating a comparison of each firm's past performance, appropriate references, ability to meet Department's deadlines on the report, prior experience in other municipalities, expertise related to the Department's requirements, and scope of the work program.

CONTACT PERSON

Requests for information concerning access to financial records, prior audits, and other public documents may be referred to Victoria Bowman, Finance Manager, at 713-365-3702 or ybowman@mvpdtx.org.

SUBMITTAL

Demonstrated competence, qualifications, methodology, and proposal for cost should be sent to the Memorial Villages Police Department, 11981 Memorial Drive, Houston, Texas 77024. In order to receive consideration, three copies of submittals must be received no later than **Friday, August 16, 2019, at 10:00 a.m.**

DESCRIPTION OF THE DEPARTMENT

The Memorial Villages Police Department is a jointly owned and operated municipal police department. The Department was established on March 8, 1977 through an Interlocal Cooperation Agreement between the City of Bunker Hill Village, the City of Hunters Creek Village, and the City of Piney Point Village. The Departments 2019 budget provides for \$5.4 million dollars in operating and capital expenditures. The major source of revenue for the Department is the annual appropriation received from each contracting municipality pursuant to the formula adopted during the budget process. The services provided by the Department are police dispatch and protection services. The Department employs 44 full - time employees.

The Memorial Villages Police Department uses QuickBooks software for its accounting and financial reporting. Funds include General, Vehicle Replacement, Special Capital Assets, Health Benefits, and Dare Fund. Each fund is a separate entity with its own self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures. Resources are accounted for in each fund based upon the purposes for which they are to be spent and the restrictions placed on the spending activities. The annual financial statements of the Memorial Villages Police Department are to be presented in conformity with GAAP.

PENSION PLANS

The Memorial Villages Police Department participates in Texas Municipal Retirement Systems.

AUDIT REQUIREMENTS

The Board of Police Commissioners shall provide for an independent annual audit of all Department accounts. Such independent audit shall be made by a Certified Public Accountant or firm of such accountants who have no personal interest, direct or indirect, in the fiscal affairs of the Department or any of its officers. The audit firm selected will prepare a Department Annual Audit in a print ready copy and an electronic format of the required financial reports and exhibits to the Department for its approval and review in addition to the supporting spreadsheets accumulating the information from the individual funds based upon trial balance and subsidiary information. A draft of the report should be submitted to the Department no later than May 1, 2020 with a final report submitted no later than June 8, 2020.

Please advise the Department of agreed upon procedures (tests, checks, materials, weakness or reportable condition) or criteria which the Department may choose to employ through its auditor to ensure that the Department's financial affairs are in order, to assist in protecting the Department's public assets and for the purposes of discovering any potential fraud or theft of funds.

AUDIT STANDARDS AND PROCEDURES

Generally accepted government auditing standards as issued by the Government Accounting Standard Board (GASB) will be used in performing the audit in conjunction with the American Institute of Certified Public Accountants (AICPA) standards for audits of state and local government units.

The selected audit firm shall review its written audit program with the Department, identifying the plan for testing records and procedures using statistical sampling and computer auditing where appropriate, the method of evaluating internal control, and the audit procedures to be taken prior to performing detailed audit work.

ACCOUNTING INFORMATION

The financial records of the Department are maintained on our QuickBooks computerized software system, which is directly interfaced with Bill.com our accounts payable system. Financial reports, including a Balance Sheet and Profit & Loss statements are prepared monthly by the Department.

ASSISTANCE TO AUDITORS

The firm of Belt Harris Pechacek LLLP is the Department's current auditor. The latest report for the year ending December 31, 2018 is available on the Departments website under the Police Commission tab: <https://mvpdtx.org>

The Finance Manager will address questions pertaining to accounting procedures. All

inquiries into the financial records of the Department will be directed through the Finance Manager, and any scheduled interviews with other Department personnel will be made available.

The Office Manager keeps on file, properly indexed for ready reference, all ordinance records, minute records, contracts, leases and agreements. Records of this type will be made available through that source. The Department's attorney will be available to provide legal counsel pertinent to the audit.

PROPOSAL REQUIREMENTS

Each firm should submit its proposal in three copies. Elements to be included are:

1. **Table of Contents -**
Include a clear identification of the material by section and by page number.
2. **Scope Section -**
Clearly describe the understanding of the scope of the required services to be provided, defined in terms of both financial statement examination and compliance examination.
3. **Audit Staff -**
Identify the responsible personnel who will work on the audit. Resumes for each should be provided, including prior relevant experience and CPE's received in governmental auditing.
4. **Audit Approach -**
Clearly describe your firm's approach to conducting the examination. Provide the estimated hours to be assigned by the firm to all major audit components. Estimated hours for administration, planning, and report preparation should be segregated from the other major components. Include in this description your proposed utilization of available Department staff, methodology for accomplishing the varied audit requirements, and any special techniques you may employ. State your approach to staff training on the Department's financial system, and time requirements of Department staff in the process. Include a technical plan which includes the approach and benchmarks to meet the May 1, 2020 deadline, including analytical procedures, sampling technologies and staffing plans by position. Indicate the frequency of progress reports or progress meetings which the Memorial Villages Police Department can anticipate during the engagement.
5. **Profile of Firm -**
Give the location of the office from which the work is to be done. Provide the number of partners, managers, supervisors, seniors, other professional staff employed at that office, and the proposed billing rates for each. Describe recent governmental auditing experience similar to the type requested and emphasize any local office engagements. Provide as references the names and telephone numbers of client officials responsible for those audits for the

last five years. Describe your firm's quality control procedures.

6. **Ongoing Consultation -**
Provide a schedule of charges for ongoing consultation with the Department auditing, accounting, and internal control matters. Also provide a schedule of charges for consultation outside these areas, such as federal tax law research.
7. **Additional Data -**
Give any additional information considered essential to this proposal, including involvement in state and local government organizations, seminars, etc.
8. **Audit Fees -**
Give your proposed fee for the audit. Should the Department consider engaging your firm during subsequent years, what changes in time requirements and fees may we anticipate? Please give estimated fees and time requirements for two additional years.
9. **Litigation and Disciplinary Action -**
Describe all major pending and settled litigation of the firm during the past five years. Describe any disciplinary action imposed on the firm by the AICPA, state board, state society, or SEC during the past five years.
10. **Peer Review -**
Describe the results of your firm's most recent peer review and its status under the AICPA peer review program.
11. **Filing -**
Clearly label your Proposal – RFP for Annual Audit and Financial Statement to the following office by 10:00 a.m., Friday, August 16, 2019:

Victoria Bowman, Finance Manager
11981 Memorial Villages Drive
Houston, Texas 77024

PROPOSAL ACCEPTANCE

The Memorial Villages Police Department reserves the right to accept or reject any or all proposals, to waive any formalities, and to accept the proposal deemed most advantageous to the Department. The Department staff and/or Board of Police Commissioners may interview a firm prior to appointment for additional questions and concerns. The final appointment of an audit firm will be made by the Memorial Villages Police Department Board of Police Commissioners.

All proposals must include a statement that they are valid for a minimum period of 90 days subsequent to the closing date of the RFP. The Department expects that a firm will be selected by the Board of Police Commissioners on September 9, 2019 and that a contract will be executed following the meeting.