

# AUDIT PROPOSAL

---

FOR THE COUNTY OF CARROLL, VIRGINIA



YEARS ENDING JUNE 30, 2020 THROUGH 2024

---

**Please Respond To:**

Gordon B. Jones CPA, Member  
Robinson, Farmer, Cox Associates  
108 South Park Drive  
Blacksburg, VA 24060

E: [gjones@rfca.com](mailto:gjones@rfca.com)  
P: (540) 552-7322  
F: (540) 552-0338

---

# TABLE OF CONTENTS

	Page
Opening Letter .....	1
Firm Profile:	
Overview .....	5
Professional Affiliations.....	5
Technology .....	6
Staffing .....	6
Client Support .....	7
RFC Specialized Software and Manuals .....	8
Consulting Services .....	9
Clients Served.....	10
Statement of Professional Status.....	11
Quality Control:	
Internal Quality Control .....	12
External Quality Control.....	13
State Auditor of Public Accounts Quality Control .....	14
Audit Approach:	
Summary .....	20
Phase 1: Planning .....	22
Phase 2: Preliminary Fieldwork.....	23
Phase 3: Final Fieldwork.....	25
Phase 4: Reporting .....	27
Audit Timeline .....	28
Continuing Service .....	29
Cost Allocation Plan .....	30
Client Expectations.....	33
Proposer’s Qualifications .....	34
Management Profiles.....	35
Staff Profiles .....	42
Continuing Professional Education .....	43
References.....	49



February 11, 2020

Cellell Dalton  
Interim County Administrator  
County of Carroll, Virginia  
605-1 Pine Street  
Hillsville, Virginia 24343

Dear Mr. Dalton:

We are pleased to submit our proposal to continue to provide professional audit services for the County of Carroll, Virginia (including Component Unit School Board, Public Service Authority, and Economic Development Authority) for fiscal years ending June 30, 2020 through June 30, 2024. This proposal is in response to your Request for Proposals of Audit Services. This introductory letter will provide you with an overview of our firm as well as a summary of our expertise and abilities.

#### **EXPERIENCED LEADERS**

For sixty-seven years, Robinson, Farmer, Cox Associates (RFC) has been the leading governmental auditing and consulting firm in the Commonwealth of Virginia. In continuous operation since 1953, we provide audit services for nearly 75% of Virginia's counties, over 25% of its cities, and dozens of its towns. We also serve numerous authorities, boards, commissions, and other entities. Staff members of RFC spend approximately 75,000 hours annually in the service of Virginia's local governments and related organizations.

RFC's approach is simple: to provide quality services performed by experienced staff with extensive knowledge in the areas of public entity accounting, auditing, and financial consulting. This straightforward approach to conducting business ensures that our clients receive the efficient, professional, and effective services they have come to expect.

#### **SERVICES**

In addition to performing the County's audit, we offer an array of value-added benefits:



### **Fiscal Review**

Along with the audit, RFC performs a detailed review of the County's financial condition against historical data and industry benchmarks. This review is designed to identify key financial trends that may require action by the governing body.

### **Management Recommendations**

As part of our audit process, we evaluate the County's internal controls and review significant accounting policies. This review allows us to provide insightful recommendations aimed at improving internal controls and operating efficiencies. In addition, we provide technical advice aimed at improving financial statement presentation and related note disclosures.

### **Audit Support**

RFC developed software and audit manuals provide our clients with cost effective ways of complying with ever-changing reporting requirements. Recent support products include:

- The RFC Governmental Fixed Asset Depreciation System ©;
- The RFC Integrated GASB 34 Financial Reporting Model ©;
- The RFC Local Government Accounting Manual©; and
- The RFC Linear Programming Cost Allocation Software ©.

### **Changes in Accounting Standards and State Legislation**

Since RFC's primary focus is public entity accounting, auditing, and consulting, we keep abreast of proposed changes in related accounting standards and state legislation. RFC takes a proactive approach in advising our clients of future legislative and regulatory changes, internal requirements necessary to meet these changes, and the related impact on operations. We publish several client newsletters annually to address these concerns. In addition, RFC provides seminars to clients detailing items that impact local governments in Virginia. Recent topics covered by our newsletters and seminars have included: implementation of GASB Statement Nos. 68/71 and 75/85, upcoming impacts of lease and fiduciary fund standards, as well as internal controls and fraud detection and prevention.



## Consulting

RFC provides a variety of financial, technological, and management consulting services which are discussed later in this proposal.

## QUALITY

Quality is synonymous with our reputation and is the cornerstone of our business. While all accounting firms are subject to the same standards regarding quality control and educational requirements, RFC distinguishes itself through its commitment to excellence. RFC's Quality Control Department epitomizes this commitment.

The firm's Quality Control Director, Kristen Choate, CPA, manages a team of three full-time reviewers whose focus is to review individual engagements to ensure that RFC standards are maintained year-round. She also oversees the Firm's annual quality control review.

A number of RFC clients have participated in the GFOA<sup>1</sup> Certificate of Excellence in Financial Reporting Program for over thirty years. **All clients that have applied for the certificate have been successful in receiving same.** Kristen Choate, CPA has served as a Special Review Committee member for the GFOA and she continues to review a selection of governmental audit reports from around the country each year. This process enhances our ability to ensure that your financial reports meet all reporting guidelines.

## ACCESSIBILITY

Partners of the firm are actively involved in the audit process. **Our Blacksburg Office maintains a partner to staff ratio of one to three.** This translates into a high level of partner involvement in your audit. **At RFC, we believe that you can't see the details from a distance.** As such, our partners will have a detailed understanding of your financial systems and controls.

We pride ourselves on remaining accessible to our clients during audit season and beyond. We encourage our clients to call us anytime with audit-related questions or concerns at **no extra charge.** We also maintain year-round contact through client newsletters, RFC sponsored events, and website postings.

---

<sup>1</sup> GFOA – Government Finance Officers Association



#### RISK ASSESSING

Although our continued relationship provides annual efficiency in audit administration, we perform a risk assessment annually to determine each year's independent audit plan. Each audit plan is tailored specifically for the transactions, staffing, and controls of the County for that fiscal year.

#### STAFFING AND TIMELINE

Gordon Jones, CPA will serve as Partner-in-Charge for this engagement, which will be staffed by personnel from our Blacksburg office. Corbin C. Stone, CPA, MBA will serve as reviewing partner and will be available as needed for the engagement. Staff assignments and additional details are included later in this proposal. Our fieldwork for the 2020 audit and subsequent audits will as outlined in the proposal. We will review and/or prepare reports in accordance with the timeline agreed to by the County and RFC.

Further, Gordon will be onsite for audit fieldwork to perform and supervise the audit work. We will continue to provide quality staff for each year's audit including returning Morgan Sklar who has worked with the County for the last 5 years.

#### CONCLUSION

Robinson, Farmer, Cox Associates is committed to providing the best audit and consulting services available by capitalizing on our highly trained and experienced engagement staff using proven techniques to satisfy your audit and consulting needs. We look forward to discussing our qualifications with you in further detail at your convenience.

With kindest regards, we remain

Very truly yours,

ROBINSON, FARMER, COX ASSOCIATES

A handwritten signature in black ink, appearing to read 'G. Jones', is written over the typed name.

Gordon Jones  
Certified Public Accountant  
Member

# FIRM PROFILE

---

## Overview

---

Robinson, Farmer, Cox Associates (RFC) is a **specialized** Certified Public Accounting firm providing audit, assurance, and financial consulting services to local governments and related organizations in the Commonwealth of Virginia. Since the firm's founding in 1953, RFC has been the leading governmental accounting firm in the Commonwealth.

Robinson, Farmer, Cox Associates maintains six offices in the Commonwealth located in Blacksburg, Charlottesville, Fredericksburg, Louisa, Richmond, and Staunton.



Among the six offices, we have fourteen partners, two directors, and approximately seventy staff serving on our governmental audit teams.

## Professional Affiliations

---

Members and staff of the Firm are actively involved in professional organizations that serve to enhance our abilities as auditors and advisors to existing clients.

Various members and staff of the firm are enrolled in the following professional organizations:

- › Virginia Society of Certified Public Accountants
- › American Institute of Certified Public Accountants
- › Association of Certified Fraud Examiners
- › Virginia Government Finance Officers' Association
- › Association of Government Accountants



# FIRM PROFILE

---

## Technology

---

Robinson, Farmer, Cox Associates' audit teams are deployed in the field with state-of-the-art audit software. Our audit teams use ProSystem fx Engagement Software coupled with PPC's<sup>2</sup> practice aids™, PPC's Workpapers™ and PPC's Interactive Disclosure Libraries™. Our audit and assurance work papers and programs are maintained in a paperless environment and are shared through secured wireless networks established during audit fieldwork. High speed scanners are used to replicate documents in a digital format, as necessary, for inclusion in our files. Daily offsite back-ups are used to ensure audit work is safe, secure, and maintained in accordance with professional standards.



Technology is used during the audit process to generate current year versus prior year analytical reviews as well as budget comparisons. Microsoft Excel features are used to aggregate data including reviews of aggregate vendor payments per year and Benford's Law testing, as deemed appropriate.

Robinson, Farmer Cox Associates' Director of Technology, Billy Gardner, is a registered Certified Information Systems Auditor (CISA) and provides IT system reviews of governmental agencies. These reviews go beyond the typical financial statement review and are aimed at identifying weaknesses in governmental IT systems and related controls. At RFC, we feel that these reviews are critical when new applications are in the development and implementation stages. Furthermore, we routinely request these in-depth expanded audits to document critical IT faults and available remedies.

## Staffing

---

Robinson, Farmer, Cox Associates strongly promotes a process of continual staff improvement through training programs and mentoring from our Partners. In addition, RFC promotes a positive work environment and a balanced workload. As a result, our average employee retention rates are nearly twice as strong as the average for national accounting firms. Our strong employee retention rates allow us to put more experienced auditors on your engagement.

The Blacksburg office of RFC maintains four audit teams of one partner and two staff each. We also have two additional staff members who are available to provide assistance on larger engagements and provide office support. These additional staff members give us the ability to fill engagement staff openings seamlessly with trained accountants. Further, our staff works year-round on governmental audits obtaining more experience in one-year than most firm's governmental audit staff.

---

<sup>2</sup> PPC is an acronym for Practitioners Publishing Company



# FIRM PROFILE

---

## Client Support

---

Partners of the firm routinely provide support for Virginia municipalities through the active participation in professional organization committee assignments aimed at developing and implementing financial reporting standards for all local governments in the Commonwealth.

Examples of our service include:

- The Virginia Society of Certified Public Accountants' Committee on Governmental Accounting and Auditing,
- The Virginia Chapter of the Governmental Financial Officers Association Committee on Local Governmental Reporting,
- The Auditor of Public Accounts of the Commonwealth of Virginia Committee on Local Government and Financial Reporting, and
- Officer assignments with the Association of Government Accountants.

Partners of the firm are routinely requested to speak at professional conferences. In recent years, Partners of the firm have given seminars on a variety of topics to the following audiences:

- Association of Government Accountants
- Virginia Association of Counties
- Virginia Municipal League
- Virginia Government Finance Officers Association
- Virginia Treasurer's Association

Recent topics presented at these conferences have included:

- Developing a Governmental Forecast
- The Methodology of Proffer Calculations
- The Basics of Bond Issuances in Virginia
- How to Assess Your Internal Controls
- Fraud and Internal Controls

# FIRM PROFILE

---

## RFC Specialized Software and Manuals

---

Robinson, Farmer, Cox Associates further provides support to Virginia's local governments through the development of specialized software, reporting manuals, and financial templates aimed at increasing the efficiency and effectiveness of Virginia's local governments. The County of Carroll benefits from several of these items. Some examples of our products in use include:

### RFC Management Discussion and Analysis (MD&A) Manual

Our MD&A Manual was developed to assist local governments in writing their MD&A for inclusion in their financial statements. The manual provides guidance on the requirements for the MD&A as well as examples from localities around the Country.

### RFC Financial Forecasting Model

This forecasting model uses multiple forecasting methods to predict future revenue and expenditure trends based on historical data as well as currently known facts. The model uses a "best fit test" to select forecasting methods for individual drivers based on historical accuracy. The model has been used primarily to develop medium-term financial plans (operating and capital) for Virginia localities and the establishment of tax rates to fund such plans; however, the model has served to predict the financial impact of annexations, boundary adjustments, and changes in governmental status.

### RFC Fixed Asset Software

Our fixed asset software was deployed to assist local governments in implementing changes required by Governmental Accounting Standards Board Statement 34 (GASB 34). The software calculates depreciation by asset type, department, function, and fund as specified by reporting standards. This software produces depreciation reports in a format that allows for easy input into the financial statements.

### RFC Report Writer

The RFC Report Writer is a scalable template for the production of governmental financial statements. The Report Writer is updated annually to meet the requirements of the Government Finance Officers' Excellence in Financial Reporting Certification Program. The Report Writer is used both internally at RFC and externally by our governmental clientele. Currently it is estimated that over 50% of the Commonwealth's local governments benefit from this program.

### RFC Cost Allocation Plan Software

Our cost allocation plan software is currently used by more than sixty local governments in Virginia for the preparation of their annual cost allocation plans.

# FIRM PROFILE

---

## Consulting Services<sup>3</sup>

---

For over sixty years, Robinson, Farmer, Cox Associates has provided consulting services to governments in the Commonwealth of Virginia. Many of our studies and analyses have been used in litigation support, and our consultants have served repeatedly as expert witnesses. Some examples of our consulting services follow:

- Consultation in preparing official statements and other data necessary for issuing both revenue and general obligation bonds.
- Administrative and financial management issues such as:
  - Financial feasibility and rate studies for utility enterprises,
  - Fiscal analysis and establishment of Special Districts,
  - IT systems evaluation, design and development for both financial and general governmental functions,
  - Financial forecasting and budgeting,
  - Proffer calculation systems and impact fees,
  - Fiscal impact analysis of residential and commercial development,
  - Capital improvement programs,
  - Indirect cost allocation plans,
  - Governmental cost containment studies,
  - Organizational studies,
  - Cash management planning, and
  - Personnel classification and pay plans.
- Intergovernmental matters such as:
  - Forms of government studies: incorporation, consolidation, and change of status,
  - Annexation impact analysis,
  - Utility rate requirements, and
  - Financial reporting and formulae analysis of inter-governmental agreements.

---

<sup>3</sup> Consulting services of the Firm are provided by the Firm's wholly owned subsidiary RFC Associates, LLC.

# FIRM PROFILE

---

## Clients Served

---

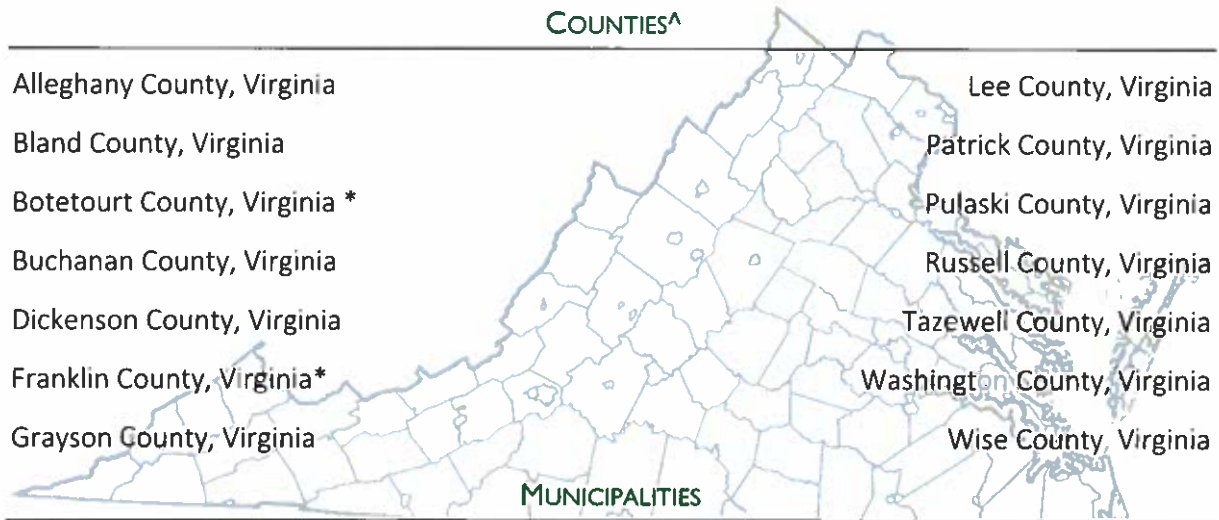
Robinson, Farmer, Cox Associates serves more than sixty-five counties, fifty towns and cities, and more than one-hundred authorities, boards, and commissions within our State’s boundaries. Below, we have listed engagements similar to yours that are serviced from our **Blacksburg office**:

### AUTHORITIES, BOARDS, AND COMMISSIONS

---

New River Regional Water Authority	Tazewell County Public Service Authority
New River Valley Regional Jail Authority	Roanoke Valley Juvenile Detention Commission
New River Valley Airport Commission	Montgomery Regional Solid Waste Authority
Southwest Virginia Regional Jail Authority	Western Virginia Regional Jail Authority*
Roanoke Valley Resource Authority*	Carroll-Grayson-Galax Solid Waste Authority
Blacksburg-Virginia Polytechnic Institute Sanitation Authority	Western Virginia Water Authority*

### COUNTIES<sup>^</sup>



### MUNICIPALITIES

City of Covington, Virginia	Town of Christiansburg, Virginia*
City of Galax, Virginia	Town of Rocky Mount, Virginia*
City of Lexington, Virginia*	Town of Wytheville, Virginia
City of Radford, Virginia	Town of Bluefield, Virginia

\* Denotes Localities Awarded the GFOA Certificate of Excellence in Governmental Reporting.

<sup>^</sup> Gray shading in map above represents counties audited by Robinson, Farmer, Cox Associates

# STATEMENT OF PROFESSIONAL STATUS

---

Robinson, Farmer, Cox Associates is licensed and chartered as a Professional Limited Liability Company under the *Code of Virginia (1950)*, as amended. Our staff of licensed Certified Public Accountants and other professional personnel conduct business in accordance with statutory requirements and the Code of Ethics of the Virginia Society of Certified Public Accountants. Robinson, Farmer, Cox Associates further represents that it is independent with respect to County of Carroll as defined in the Ethical Rules of the American Institute of Certified Public Accountants. Robinson, Farmer, Cox Associates will comply with all federal, state, and local laws and regulations in the performance of this agreement. In addition, Robinson, Farmer, Cox Associates shall maintain audit workpapers and programs in accordance with professional standards and shall make workpapers available for review by County, State, and Federal officials.

A Board of Directors, elected by Partners of Robinson, Farmer, Cox Associates, is responsible for company management. An Executive Committee aids the Directors in their administration of company affairs.

RFC assures that if the firm's work is referred to a professional organization for review, the firm waives the right to confidentiality and will permit the professional organization to inform the County of its results.

RFC assures that all requirements stated in the County's request for proposals for audit services are acceptable and will become a part of the final contract.

# QUALITY CONTROL

---

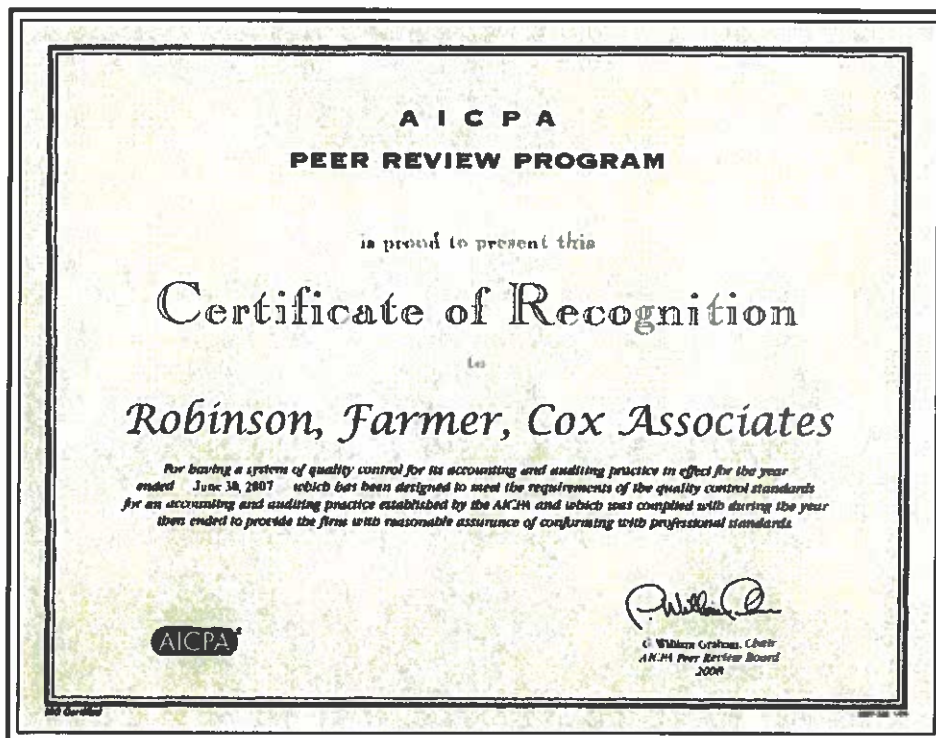
## Internal Quality Control

---

Robinson, Farmer, Cox Associates maintains a full time Quality Control Department staffed by four Certified Public Accountants, all with extensive and varied experience in providing professional services to Governments in the Commonwealth of Virginia. Primary functions of the Quality Control Department include:

- ▶ Quality Control reviews of all RFC audit and assurance work papers and programs
- ▶ Field support for technical audit and accounting issues
- ▶ Client research on auditing and accounting standards
- ▶ Annual detailed inspections of audit and assurance work programs and documents
- ▶ Reviews and updates of audit and assurance work programs based on changes to accounting and auditing standards
- ▶ Coordination of the Firm's external quality control review
- ▶ Preparation of training materials to support staff education and training
- ▶ Presentations to staff on key audit and accounting topics

The Quality Control Department was recognized by the AICPA Peer Review Board in 2008 for their efforts in developing a system of quality control.



# QUALITY CONTROL

---

## External Quality Control

---

Robinson, Farmer, Cox Associates is enrolled in the AICPA Peer Review Program. The most recent quality control review of RFC's accounting and auditing practice was conducted in December of 2016 and the Firm received a *pass* rating as documented below. Ratings of *pass*, *pass with deficiencies*, and *fail* are provided following each firm's review every three years. In early January 2020, the external CPA firm began their peer review and RFC again expects a pass rating when completed.



### SYSTEM REVIEW REPORT

To the Members of Robinson, Farmer, Cox Associates  
and the Peer Review Committee of the Virginia Society of CPA's

We have reviewed the system of quality control for the accounting and auditing practice of Robinson, Farmer, Cox Associates (the firm) in effect for the year ended June 30, 2016. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Robinson, Farmer, Cox Associates in effect for the year ended June 30, 2016, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Robinson, Farmer, Cox Associates has received a peer review rating of *pass*.

Tetrick & Bartlett, PLLC  
Clarksburg, West Virginia  
December 16, 2016

---

122 N. Oak St. • P.O. Box 1916 • Clarksburg, WV 26302-1916 • (304) 624-5564 • Fax: (304) 624-5582 • [www.tetrickbartlett.com](http://www.tetrickbartlett.com)  
1517 Mary Lou Retton • Fairmont, WV 26554 • (304) 366-2992 • Fax: (304) 366-2370



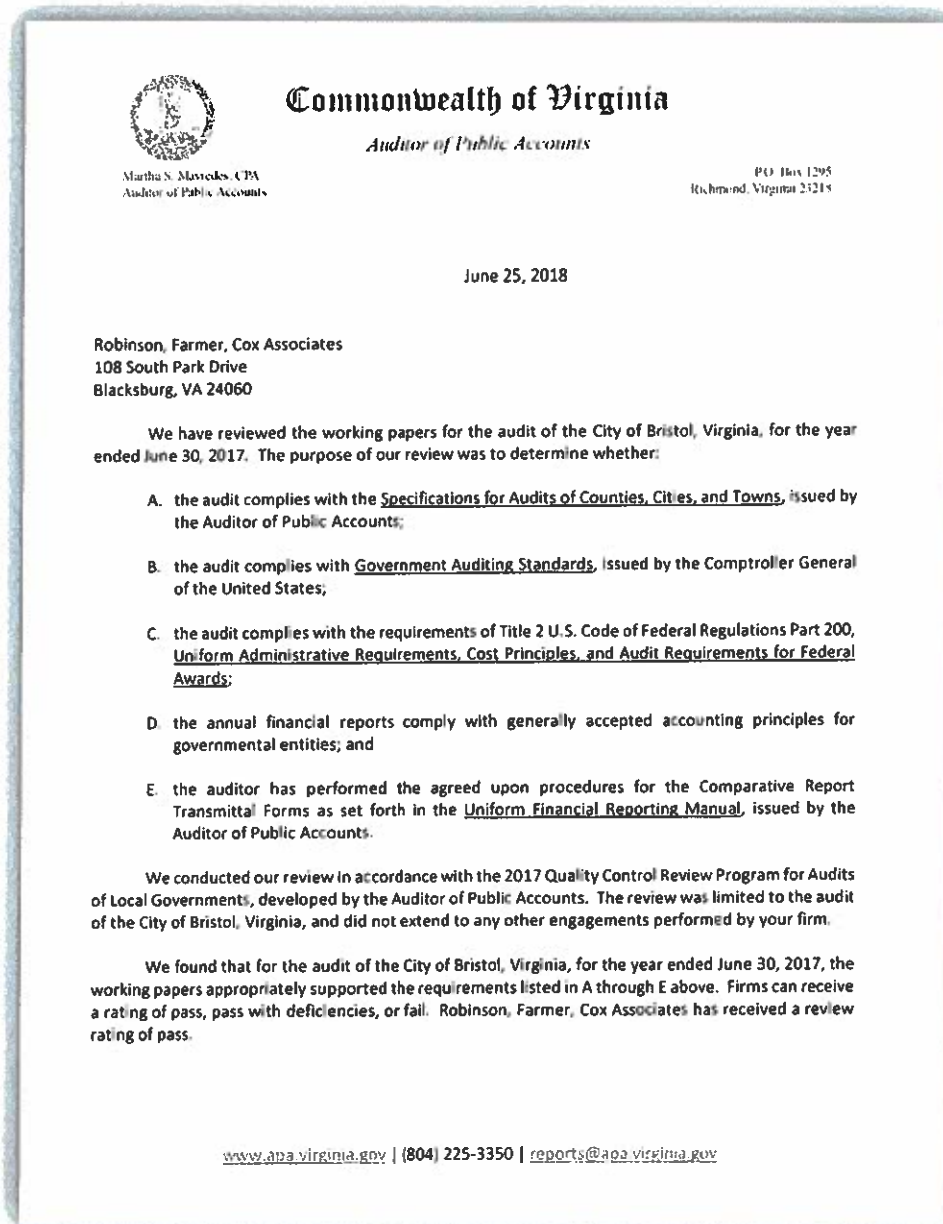
# QUALITY CONTROL

---

## State Auditor of Public Accounts Quality Control Review

---

A selection of Robinson, Farmer, Cox Associates' audit reports and workpapers are reviewed annually by the Auditor of Public Accounts (APA). The most recent reviews (opinion letters follow) of the Blacksburg office, consisting of the City of Bristol, City of Bristol School Board, and the County of Smyth, Virginia, took place in June of 2018 and resulted in a pass opinion (the highest possible).



# QUALITY CONTROL

---

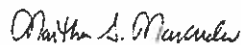
## State Auditor of Public Accounts Quality Control Review (Continued)

---

Robinson, Farmer, Cox Associates  
June 25, 2018  
Page Two

This report is intended for the information and use of management. However, it is a public record and its distribution is not limited.

Sincerely,



Martha S. Mavredes  
Auditor of Public Accounts

cc: City of Bristol  
Virginia Board of Accountancy  
Virginia Society of Certified Public Accountants

# QUALITY CONTROL

---

## State Auditor of Public Accounts Quality Control Review (Continued)

---



Martha S. Mavredes, CPA  
Auditor of Public Accounts

## Commonwealth of Virginia

*Auditor of Public Accounts*

P.O. Box 1295  
Richmond, Virginia 23218

June 25, 2018

Robinson, Farmer, Cox Associates  
108 South Park Drive  
Blacksburg, VA 24060

We have reviewed the working papers for the audit of the Public Schools for the City of Bristol, Virginia, for the year ended June 30, 2017. The purpose of our review was to determine whether:

- A. the audit complies with the Specifications for Audits of Counties, Cities, and Towns, issued by the Auditor of Public Accounts;
- B. the audit complies with Government Auditing Standards, issued by the Comptroller General of the United States;
- C. the audit complies with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;
- D. the annual financial reports comply with generally accepted accounting principles for governmental entities; and
- E. the auditor has performed the agreed upon procedures for the Comparative Report Transmittal Forms as set forth in the Uniform Financial Reporting Manual, issued by the Auditor of Public Accounts.

We conducted our review in accordance with the 2017 Quality Control Review Program for Audits of Local Governments, developed by the Auditor of Public Accounts. The review was limited to the audit of the Public Schools for the City of Bristol, Virginia and did not extend to any other engagements performed by your firm.

We found that for the audit of the Public Schools for the City of Bristol, Virginia, for the year ended June 30, 2017, the working papers appropriately supported the requirements listed in A through E above. Firms can receive a rating of pass, pass with deficiencies, or fail. Robinson, Farmer, Cox Associates has received a review rating of pass.

[www.apa.virginia.gov](http://www.apa.virginia.gov) | (804) 225-3350 | [reports@apa.virginia.gov](mailto:reports@apa.virginia.gov)

# QUALITY CONTROL

---


## State Auditor of Public Accounts Quality Control Review (Continued)

---

Robinson, Farmer, Cox Associates  
June 25, 2018  
Page Two

This report is intended for the information and use of management. However, it is a public record and its distribution is not limited.

Sincerely,



Martha S. Mavredes  
Auditor of Public Accounts

cc: City of Bristol Public Schools  
Virginia Board of Accountancy  
Virginia Society of Certified Public Accountants

# QUALITY CONTROL

---

## State Auditor of Public Accounts Quality Control Review (Continued)

---



Martha S. Mavredes, CPA  
Auditor of Public Accounts

## Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295  
Richmond, Virginia 23218

June 25, 2018

Robinson, Farmer, Cox Associates  
108 South Park Drive  
Blacksburg, VA 24060

We have reviewed the working papers for the audit of the County of Smyth, Virginia, which includes the County of Smyth Public Schools, for the year ended June 30, 2017. The purpose of our review was to determine whether:

- A. the audit complies with the Specifications for Audits of Counties, Cities, and Towns, issued by the Auditor of Public Accounts;
- B. the audit complies with Government Auditing Standards, issued by the Comptroller General of the United States;
- C. the audit complies with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;
- D. the annual financial reports comply with generally accepted accounting principles for governmental entities; and
- E. the auditor has performed the agreed upon procedures for the Comparative Report Transmittal Forms as set forth in the Uniform Financial Reporting Manual, issued by the Auditor of Public Accounts.

We conducted our review in accordance with the 2017 Quality Control Review Program for Audits of Local Governments, developed by the Auditor of Public Accounts. The review was limited to the audit of the County of Smyth, Virginia, and did not extend to any other engagements performed by your firm.

We found that for the audit of the County of Smyth, Virginia, for the year ended June 30, 2017, the working papers appropriately supported the requirements listed in A through E above. Firms can receive a rating of pass, pass with deficiencies, or fail. Robinson, Farmer, Cox Associates has received a review rating of pass.

[www.apa.virginia.gov](http://www.apa.virginia.gov) | (804) 225-3350 | [reports@apa.virginia.gov](mailto:reports@apa.virginia.gov)

# QUALITY CONTROL

---

## State Auditor of Public Accounts Quality Control Review (Continued)

---

Robinson, Farmer, Cox Associates  
June 25, 2018  
Page Two

This report is intended for the information and use of management. However, it is a public record and its distribution is not limited.

Sincerely,



Martha S. Mavredes  
Auditor of Public Accounts

cc: County of Smyth  
County of Smyth Public Schools  
Virginia Board of Accountancy  
Virginia Society of Certified Public Accountants

# AUDIT APPROACH

## Summary

The audit will be performed in four distinct phases – Phase 1: Planning, Phase 2: Preliminary Fieldwork, Phase 3: Final Fieldwork, and Phase 4: Reporting. Key tasks and objectives for each of the phases are summarized in the table below.

		<b>Key Tasks Performed (as applicable)</b>
P H A S E  1	<b>Planning</b>	<i>Engagement team planning meeting</i> <i>Review prior audit &amp; interim reports</i> <i>Review minutes of Board Meetings</i> <i>Establish schedule for fieldwork</i> <i>Obtain staff, management, and Board completed questionnaires</i> <i>Prepare &amp; provide preliminary fieldwork request list to client</i>
P H A S E  2	<b>Preliminary Fieldwork</b>	<i>Verify inventory balances, if applicable, &amp; perform other cutoff procedures</i> <i>Perform walkthroughs of client processes</i> <i>Assess client risk based on preliminary evaluation</i> <i>Determine procedures for a risk-based audit</i> <i>Test key internal controls</i> <i>Test compliance with Federal and State regulations</i>
P H A S E  3	<b>Final Fieldwork</b>	<i>Perform substantive tests</i> <i>Perform balance verifications/reconciliations</i> <i>Perform analytical procedures</i> <i>Reevaluate adequacy of risk assessment &amp; procedures</i> <i>Hold exit conference with Management upon completion of fieldwork</i> <i>Provide draft Management Comments &amp; Recommendations</i> <i>Partner review of audit workpapers &amp; procedures</i>
P H A S E  4	<b>Reporting</b>	<i>Audit report preparation &amp; Partner review</i> <i>Quality control review of workpapers &amp; audit report</i> <i>Audit report delivered to County</i> <i>Final Management Comments &amp; Recommendations delivered</i> <i>APA transmittal reports are prepared and filed</i> <i>Filing of Sherriff's letter, per APA</i> <i>Filing of SF-SAC form</i> <i>Preparation of County's landfill assurance form</i> <i>Presentation of the audit report</i>



# AUDIT APPROACH

---

## Summary (Continued)

---

The audit will include the financial records of all funds of the County as detailed in its Request for Proposals. An independent audit opinion will be expressed on the fairness of financial statements presented in conformity with generally accepted accounting principles. An in-relation to opinion will be expressed for the combining financial statements and the schedule of expenditures of federal awards.

The audits and related reports will be performed in accordance with the *Principles of Governmental Accounting, Auditing, and Financial Reporting* (GAAFR) and the standards of financial audits contained in the United States General Accounting Office's *Government Auditing Standards*, Office of Management and Budget's *Uniform Guidance*, and the *Specifications of Counties, Cities, and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Accordingly, the governmental funds will be reported on the modified accrual basis of accounting, and the proprietary funds and entity-wide exhibits will be presented on the full accrual basis of accounting.

During our audit, compliance tests will be conducted in connection with our review of the County's system of internal controls for the purpose of submitting our written reports on material weaknesses and significant deficiencies in internal control included in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance. The federal programs compliance audits will be conducted in accordance with the *Uniform Guidance*.

# AUDIT APPROACH

---

## PHASE 1: Planning

During the planning stage, Robinson, Farmer, Cox Associates will review prior audit work papers, publicly available information, and interim financial data, as well as state and local reports. The purpose of the planning stage is to:

- Gain knowledge of the government’s internal control over financial reporting obtained during prior engagements performed by RFC;
- Identify matters affecting the government, such as changes in financial reporting practices, economic conditions, laws and regulations, and technological changes;
- Identify matters relating to the government’s operations, including its organization, operating characteristics, and capital structure;
- Document our preliminary judgments about materiality, risk, and other factors relating to the determination of material weaknesses;
- Familiarize ourselves with control deficiencies previously communicated to the audit committee or management, as applicable;
- Identify legal or regulatory matters of which the government is aware;
- Review public information about the government relevant to the evaluation of the likelihood of material financial statement misstatements and the effectiveness of the government's internal control over financial reporting;
- Document knowledge about risks related to the government evaluated as part of the auditor's client acceptance and retention evaluation; and
- Identify key policy changes and financial actions taken during the current fiscal year.

Upon completion of our initial assessment, we will provide the County with a detailed list of items we would like to review upon commencement of audit fieldwork. This list is delivered several weeks prior to the date of audit commencement and is intended to provide a starting point for the audit and affords the County time to gather necessary documents.

# AUDIT APPROACH

---

## PHASE 2: Preliminary Fieldwork

Robinson, Farmer, Cox Associates begins preliminary audit work in the spring of each year. During preliminary fieldwork, we perform the following key procedures:

### Review of Policies and Procedures

RFC will review current accounting, purchasing and personnel policies to gain an understanding of the controls and requirements set forth in such policies. In addition, we will review minutes of governing bodies to identify key actions and directives of the Board.

### Walkthroughs

In performing a walkthrough, our auditors follow a transaction from origination through the government's processes, including information systems, until it is reflected in the County's financial records, using the same documents and information technology that the County personnel use. The primary purpose of a walkthrough is to identify key internal controls, control systems, and responsible parties.

### Identification of Fraud Risk

We will conduct inquiries of management and of other employees regarding their knowledge or any actual fraud or suspicions of fraud, as well as any allegations of fraud affecting the County. We will inquire about the County's understanding of the risk of fraud within the organization including any specific fraud risks the County has identified, as well as account balances or transaction classes that may be susceptible to fraud. We will inquire about the controls the County has implemented to identify fraud risks and to detect fraud and how those programs and controls are monitored.

### Control Testing

Upon completion of the procedures above, we will identify key controls and control systems that are necessary to provide accurate financial data and deter or prevent material fraud within the government.

Sampling will be used while performing control testing during preliminary fieldwork. RFC utilizes statistical sampling methods based on factors such as the population size and the auditors' assessment of risk related to the control. Sample sizes will vary based on these factors along with any deviations encountered during testing and can range from as few as two to as many as ninety items; however, the most common samples range from twenty-five to forty items. Samples may be selected from the population using systematic, haphazard, or random selection, as deemed appropriate for each instance.

# AUDIT APPROACH

---

## PHASE 2: Preliminary Fieldwork (Continued)

### Compliance Testing

Local governments are subject to local, state, and federal compliance testing. Local compliance testing centers around compliance with purchasing policies, personnel policies, Board orders as well as administrative policies. State compliance testing is determined by the State Auditor of Public Accounts in the *Specifications of Counties, Cities, and Towns*. Federal compliance testing is required by the Office of Management and Budget's *Uniform Guidance*. Annually, our workpapers are updated to identify compliance testing required by the State Auditor of Public Accounts and the Uniform Guidance. Compliance testing with local policies and procedures is specific to each government according to key local policies established by the County and/or administration.

The audit team will use sampling while performing compliance testing during preliminary fieldwork. Statistical sampling methods are used and are based on factors such as the population size and the auditors' determination of the tolerable exception rate for the test. Sample sizes will vary based on these factors along with any deviations encountered during testing. Sample sizes can range from as few as two to as many as one-hundred-twenty items; however, the most common samples are approximately twenty-five to forty items. Samples may be selected from the population using systematic, haphazard, or random selection, as deemed appropriate for each instance.

Upon the completion of preliminary fieldwork, we will have documented the following in our work papers and programs:

- ▶ Key policies and procedures and the extent to which they are being followed;
- ▶ Fraud risk within the government;
- ▶ The government's compliance with local, state, and federal requirements;
- ▶ Key accounting processes and the effectiveness of control systems and controls in place to prevent material financial and fraud risk;
- ▶ Key information technology controls and how they may be circumvented or overridden;
- ▶ Weaknesses in control systems or controls that represent material weaknesses or significant deficiencies;
- ▶ The extent to which controls may be relied upon in relation to key financial statement assertions; and
- ▶ Documentation of key areas of concern under which audit procedures should be expanded.

In addition, upon completion of preliminary fieldwork, we will advise the County of any areas or items of concern and our recommendations for dealing with same.

# AUDIT APPROACH

---

## PHASE 3: Final Fieldwork

After the end of the fiscal year, Robinson, Farmer, Cox Associates will schedule final fieldwork. Final fieldwork is generally scheduled in the fall of each year after all closing and year end accrual entries are posted to the books. Final fieldwork programs and work plans are designed to substantiate account balances and key financial statement assertions including related note disclosures. In addition, final fieldwork is used to complete control testing and perform audits of federal programs (Single Audits). Key activities performed during final fieldwork include:

### Evaluation of Controls

The audit team will perform a review of prior control testing activities and determine if controls have changed since preliminary fieldwork. Additional control testing will be performed, if necessary, at this time. A final determination of controls, including IT controls, that will be relied upon as part of the audit will be established at this time.

### Review of Risk Assessment

A review of material fraud risk will be performed. Based on this review, the team will implement audit procedures aimed at identifying misappropriations within the organization. The team will also review the risk of material misstatements within the financial statements and implement audit procedures to mitigate such risk.

### Substantive Procedures

Substantive procedures will be used during final fieldwork to provide the audit team with information regarding the audit assertions. A determination of areas for which controls are insufficient will be made and auditors will identify substantive audit procedures for those areas. The team will also implement substantive audit procedures and testing to validate material balances in the financial statements and related note disclosures not evaluated through control testing.

Sample sizes for substantive testing can vary considerably based on a number of factors. These factors include the auditors' calculation of materiality/tolerable misstatement for the fund/account balance being tested and the auditors' assessment of the risk of material misstatement and other procedures risk ("risk factors"). Once these factors are determined, the sample size is calculated using algorithms created to provide a statistically acceptable (i.e. 95%-99%) level of assurance. Similar to other samples, these samples are selected from the population using systematic, haphazard or random selection as deemed appropriate in each instance.

# AUDIT APPROACH

---

## PHASE 3: Final Fieldwork (Continued)

### Analytical Procedures

Analytical reviews of key account balances will be performed to determine any variances in balances from prior periods and budgeted amounts. These reviews allow the audit team to evaluate actual changes compared to expectations and investigate the reasons for any unexpected changes.

Upon the completion of final fieldwork, the County can expect the following deliverables:

- An exit conference with key officials concerning the auditors' preliminary conclusions;
- An overview of findings identified in the audit and a recommended course of action to deal with such findings; and
- A list of additional items needed from the County for completion of the audit (if necessary).

# AUDIT APPROACH

---

## PHASE 4: Reporting

Upon completion of final fieldwork, Robinson, Farmer, Cox Associates will begin preparation of the County's audit report using our proprietary Report Writer Software®. This software is scalable to



meet the demands of large and small governments and incorporates all reporting elements required by the Government Finance Officers' Association's Certificate of Excellence in Governmental Reporting Program. In conjunction with report preparation, Robinson, Farmer, Cox Associates will prepare all necessary state and federal filings. Upon completion of the audit report, you can expect the following submittals:

- ▶ A report on the fair presentation of the financial statements and required supplementary information in conformity with accounting principles generally accepted in the United States.
- ▶ A report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
- ▶ A report on compliance with requirements applicable to each major program and on internal control over compliance in accordance with *Uniform Guidance*.
- ▶ Any other report that may be required over the period of this contract, in accordance with *Government Auditing Standards*, *Uniform Guidance*, *Audits of State and Local Governments*, the *Specifications of Counties, Cities, and Towns*, and the *Uniform Financial Reporting Manual*.
- ▶ Landfill Assurance Form for the Virginia Department of Environmental
- ▶ Sheriff's Letter for the Auditor of Public Accounts of Commonwealth of Virginia
- ▶ SF-SAC Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations.
- ▶ Transmittal form for the Auditor of Public Accounts of Commonwealth of Virginia.
- ▶ VRS attestation report for the Auditor of Public Accounts of Commonwealth of Virginia.
- ▶ A letter to management on other matters, not considered significant deficiencies or material weaknesses.
- ▶ An annual post-audit of proposed entries, if needed.
- ▶ Written report of irregularities and illegal acts, when applicable.

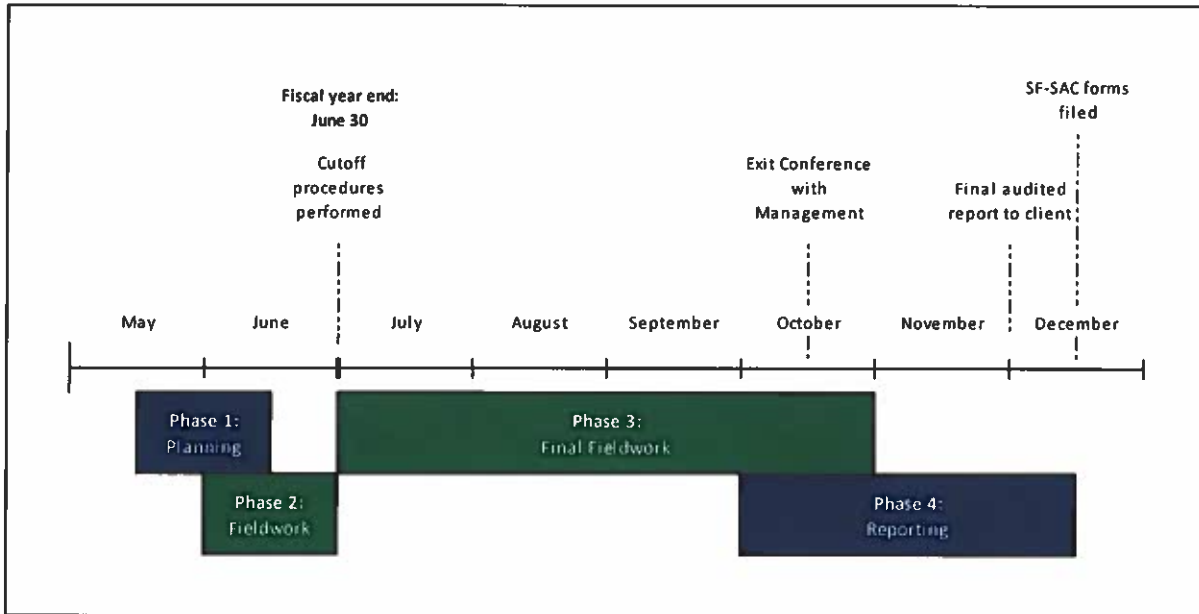
The key to a successful audit is to define the project timing and to communicate expectations to all parties involved. To that end, we have established a tentative timeframe for the audit as presented on the next page. Once engaged as your auditor, we will present specific dates for the audit and key deliverables.



# AUDIT TIMELINE

---

The key to a successful audit is to define the project timing and to communicate expectations to all parties involved. To that end, we have established a tentative timeframe for the audit as presented below. Once engaged as your auditor, we will present specific dates for the audit and key deliverables.



# CONTINUING SERVICE

---

Robinson, Farmer, Cox Associates will remain on-call during the year for audit related issues. It is our policy to provide support through telephone calls, emails, staff meetings, and client bulletins at no additional charge. Robinson, Farmer, Cox Associates is also available to provide other services as may be requested. These services will be separately identified as consulting services. Such services include:

- Agreed-Upon Procedures
- Financial forecasting
- Budget consultation
- Continuing professional education (CPE) seminars
- Cost Allocation Plans

# COST ALLOCATION PLAN

---

## Methodology and Approach

Based on the requirements of appropriate federal and state regulations, Robinson, Farmer, Cox Associates proposes to develop a County cost allocation and reimbursement plan to include the following:

- ▶ A Central Services Cost Allocation Plan detailing the cost of central services provided to all departments or units of the County including, but not limited to, those performing federal grants or contracts. Such central service cost centers may include, but are not limited to:
  - Building depreciation
  - Equipment depreciation
  - Annual audit costs
  - Cost allocation plan expense
  - County Administrator's office
  - Finance office
  - County Attorney's office
  - Personnel office
  - Buildings and grounds office
  - Data processing
  - Purchasing office
  - Garage

Such costs will be allocated to beneficiary departments or centers as appropriate. Robinson, Farmer Cox Associates will review the County organizational structure and operations and interview management personnel to ascertain that the central service center/beneficiary department mixture is appropriate, accurate, and properly represents support service relationships.

- ▶ Recommendations for additions and alterations to any prior plan structure will be made as necessary.
- ▶ Prior to issuing any draft reports, Robinson, Farmer, Cox Associates shall review with designated County officials the methodology to be used for allocation and the levels of the selected allocation bases.
- ▶ Robinson, Farmer, Cox Associates shall submit such Central Cost Allocations Plans to the appropriate State of Virginia and/or Federal agencies, monitor the progress of the plan's review, and respond to any issues raised by these agencies concerning the plan prepared for the County. Robinson, Farmer, Cox Associates' intent during any discussions with these agencies will be to expedite, in the County's best interest, a fair and accurate reimbursement as presented in the plan representing central service costs provided to applicable operations.

# COST ALLOCATION PLAN

---

## Technical Component

Robinson, Farmer, Cox Associates shall:

- ▶ Determine the most accurate and reasonable basis of indirect cost allocation
- ▶ Utilize the County audit and other financial reports as source data for costs to be allocated
- ▶ Determine and develop additional data necessary for proper allocation beyond available County financial records for the fiscal year. It is expected that such activities will require limited County staff involvement and that such involvement will be of an informational resource nature
- ▶ Use such data to compute, in a manner consistent with regulatory guidelines, the appropriate level of costs and allocations. An iterative allocation methodology shall be employed to fully allocate all costs
- ▶ Review allocation basis with responsible County staff prior to preparation of a draft report

## Computer Software and Methodology

Traditionally, cost allocation plans have been prepared using cumulative double apportionment methodology, a variation of standard cost accounting step-down procedures. Double apportionment can be characterized as follows:

In the first round of allocations, costs of service departments are allocated both to service and production centers. However, a center is not considered closed after the first allocation; it remains only to accumulate costs from other general service departments. A second and final allocation of expenses is made to allocate those costs assigned to the service departments on the same basis as the step-down method. A double apportionment can be either cumulative (a service center can make an allocation to itself on the first round) or non-cumulative (a service center cannot make an allocation to itself on the first or second round, and its costs must be fully allocated).

Clearly, double apportionment does not capture all costs available for allocation and the question “Why not a third or fourth allocation?” is often asked.

# COST ALLOCATION PLAN

---

## Computer Software and Methodology (Continued)

Robinson, Farmer, Cox Associates in conjunction with Expression Networks, LLC, created the Linear Programming Cost Allocation Plan system (LPCAP®). LPCAP creates a series of simultaneous equations and then solves these equations with matrix algebra and linear programming. LPCAP answers the question of “Why not a third or fourth allocation?” by using a system that allocates all direct and overhead costs of a particular function. By comparison, the double apportionment methodology would have to complete a third, fourth, fifth, etc. allocation to ensure that all costs are allocated. In addition to providing a superior allocation methodology, LPCAP is scalable to meet the needs of individual localities regardless of the number of departments or functions for which detailed allocations are required.

# CLIENT EXPECTATIONS

---

It is anticipated that the County will provide the items listed below to assist us in completing the audit in an efficient and timely manner.

- A final trial balance, balance sheet, and income statement.
- A copy of the final approved budget presented to the Board for the audit period.
- A schedule of fixed asset outlays and dispositions during the period, including a schedule of depreciation expense by asset and activity
- A copy of the commitments and contingencies as of the balance sheet date
- A schedule of insurance in force during the year and of insurance expense for the year
- A schedule of investments at the statement date showing both book value and estimated market value
- A schedule of accounts payable and accounts receivable at statement date
- A schedule of all outstanding loans receivable at statement date
- Reconciliation of the final quarter's fringe benefit tax returns
- Copies of all contracts with governmental grantor or grantee agencies
- Copies of all other contracts in force at statement date of a material amount
- Such reasonable additional schedules as may be requested for financial and compliance audits
- All minutes relating to County meetings.
- Financial statements and related notes for inclusion in the bound audit document.

The above list is not exhaustive of all the items we will need to complete your audit; however, we will provide detailed fieldwork requests prior to our arrival. These lists are tailored to each client's specific audit needs and are delivered approximately three weeks prior to fieldwork.

# PROPOSER'S QUALIFICATIONS

---

The following is a list of key personnel and their assignments on this engagement. All members of this audit team have extensive and varied experience in governmental auditing.

**PARTNER-IN-CHARGE – GORDON B. JONES, CPA** will have the overall responsibility for the coordination of the audit and will perform the final review of financial statements and work programs.

**REVIEWING PARTNER – CORBIN C. STONE, CPA, MBA** will be available for specific assignments by the Partner-in-Charge and will provide additional audit review as necessary.

**COST ALLOCATION PLAN PARTNER – SCOTT WICKHAM, CPA, CFE** will be responsible for the overall coordination of the cost allocation plan including the data collection, preparation of the plan, and reviewer.

**QUALITY CONTROL REVIEW – KRISTEN CHOATE, CPA** will oversee the quality control reviews of the audit work papers and the audit report.

**KEY STAFF – MORGAN SKLAR** will be onsite for fieldwork. In addition, she will assist the Partner-in-Charge during audit fieldwork.

All staff assigned to this engagement have experience in governmental auditing. In addition, all staff assigned have continuing education as required by *Government Auditing Standards* and will have adequate supervision on a day-to-day basis.

Other staff assignments will occur at the discretion of the Partner-in-Charge as they relate to the technical areas of the audit engagement. Services will be performed primarily from our office in Blacksburg, Virginia, which employs four partners, ten professional accountants and consultants, and one administrative support personnel. Robinson, Farmer, Cox Associates' administration carefully monitors the professional staffing resources to assure a balanced staffing compliment. The Blacksburg office has four Partners that are available for auditor rotation, if requested. To ease the burden of auditor rotation, the outgoing Partner-in-Charge will be available in a technical capacity to assist the new audit team during the first year of transition.

Staff profiles for the individuals who will be directly responsible for this engagement can be found on the pages that follow.



# MANAGEMENT PROFILES

---

GORDON B. JONES, *Certified Public Accountant*

---



A Partner of Robinson, Farmer, Cox Associates, Gordon started his career with the firm in 1999. During his tenure with the firm, Gordon has managed or participated in over two hundred and fifty governmental and non-profit audits including audits of counties, cities, towns, school divisions, numerous water and sewer authorities, industrial development authorities, regional libraries, volunteer fire departments and rescue squads, and school activity funds. Gordon has also provided a wide range of consulting services to governmental clients including: analysis of tax assessments, cost allocation plans, budget preparation, fixed asset data accumulation, and financial advisory services.

## PROFESSIONAL REGISTRATION

- State of Virginia, *Certified Public Accountant, License #28931*

## EDUCATION

- Radford University, *Bachelor of Science in Business – Accounting*
- Radford University, *Bachelor of Science in Mathematics*

## PROFESSIONAL AFFILIATIONS

- American Institute of Certified Public Accountants, *Member*
- Virginia Society of Certified Public Accountants, *Member*
- Virginia Government Finance Officers Association, *Associate Member*

## PROFESSIONAL POSITIONS

---

2010 to Present	Partner <i>Robinson, Farmer, Cox Associates</i>
2008 to 2010	Audit Manager <i>Robinson, Farmer, Cox Associates</i>
2006 to 2008	Finance Director <i>County of Pulaski, Virginia</i>
1999 to 2006	Staff/Manager <i>Robinson, Farmer, Cox Associates</i>

---

# MANAGEMENT PROFILES

GORDON B. JONES, *Certified Public Accountant (Continued)*

## EXPERIENCE ON SIMILAR ENGAGEMENTS

Organization	Years Served	Engagement Assignment <sup>4</sup>
Bland County	10 +	Audit and Assurance – Partner in Charge Audit and Assurance – Senior Staff/Manager School Activity Fund Audit
City of Covington	8 +	Audit and Assurance – Partner in Charge Audit and Assurance – Senior Staff/Manager School Activity Fund Audit
Craig County	10 +	Audit and Assurance – Partner in Charge Audit and Assurance – Senior Staff/Manager School Activity Fund Audit
Franklin County*	10 +	Audit and Assurance – Senior Staff/Manager School Activity Fund Audit
Giles County	10 +	Audit and Assurance – Partner in Charge Audit and Assurance – Senior Staff/Manager School Activity Fund Audit
Pittsylvania County	10 +	Audit and Assurance – Partner in Charge Audit and Assurance – Senior Staff/Manager School Activity Fund Audit
City of Radford	6 +	Audit and Assurance – Second Partner Review School Activity Fund Audit
Russell County	8 +	Audit and Assurance – Partner in Charge Audit and Assurance – Senior Staff/Manager
Washington County	6 +	Audit and Assurance – Partner in Charge Audit and Assurance – Second Partner Review
Western Virginia Workforce Development Board	1 +	Audit and Assurance – Partner in Charge
Wythe County	6 +	Audit and Assurance – Senior Staff/Manager School Activity Fund Audit
Town of Wytheville	10 +	Audit and Assurance – Partner in Charge Audit and Assurance – Senior Staff/Manager

\*Denotes localities that participate in the GFOA Certificate of Excellence Program

<sup>4</sup> Audit and Assurance services include: Audited Financial Statements with related opinions, Virginia Retirement System census data testing, Landfill Assurances, Transmittal Preparation and Review

# MANAGEMENT PROFILES

---

## CORBIN C. STONE, *Certified Public Accountant*

---



Managing Director of the Blacksburg office, Corbin has been with the firm since 1991. During his time with the firm he has managed in excess of six-hundred governmental audits, including audits of counties, cities, towns, school divisions, numerous water and sewer authorities, industrial development authorities, and special audits of various federal grant projects. Corbin has also provided clients with consulting services including financial forecasting and budgeting, impact studies related to annexations and boundary adjustments, cost allocation plans, personnel pay rate studies, conversion to new accounting software, and investment related decisions. Corbin has further assisted clients in the placement of bank qualified financings.

### PROFESSIONAL REGISTRATION

- ▶ State of Virginia, *Certified Public Accountant, License #18422*

### EDUCATION

- ▶ Virginia Tech, *Bachelor of Science in Business – Accounting*
- ▶ Virginia Tech, *Bachelor of Science in Business – Management*
- ▶ Virginia Tech, *Master of Business Administration*

### PROFESSIONAL AFFILIATIONS

- ▶ American Institute of Certified Public Accountants, *Member*
- ▶ Virginia Society of Certified Public Accountants, *Member*
- ▶ Association of Government Accountants-Roanoke Chapter, *Member*
- ▶ Virginia Government Finance Officers Association Associate, *Member*

### PROFESSIONAL POSITIONS

---

1997 to Present	Managing Director - Blacksburg Office <i>Robinson, Farmer, Cox Associates</i>
1991 to 1997	Staff/Manager <i>Robinson, Farmer, Cox Associates</i>

---

# MANAGEMENT PROFILES

**CORBIN C. STONE, Certified Public Accountant (Continued)**

## EXPERIENCE ON SIMILAR ENGAGEMENTS

Organization	Years Served	Engagement Assignment <sup>5</sup>
Alleghany County	10 +	Audit and Assurance – Partner in Charge Financial Forecasting Debt Issuance Consultation
Buchanan County Public Service Authority	10 +	Audit and Assurance – Partner in Charge
Botetourt County*	10 +	Audit and Assurance – Partner in Charge Cost Allocation Plan Preparation
Franklin County*	10 +	Audit and Assurance – Partner in Charge Audit and Assurance – Second Partner Review Cost Allocation Plan Preparation
Grayson County	10 +	Financial Forecasting Debt Issuance Consultation Cost Allocation Plan Preparation
Lee County	10 +	Audit and Assurance – Partner in Charge Cost Allocation Plan Preparation
Floyd County	10 +	Audit and Assurance – Partner in Charge Cost Allocation Plan Preparation
Radford City	10 +	Audit and Assurance – Partner in Charge Cost Allocation Plan Preparation
Roanoke Valley Resource Authority*	10 +	Audit and Assurance – Partner in Charge
Town of Troutville	10 +	Audit and Assurance – Partner in Charge
Western Virginia Regional Jail*	6 +	Audit and Assurance – Partner in Charge
Western Virginia Water Authority*	10 +	Audit and Assurance – Partner in Charge

\*Denotes localities that participate in the GFOA Certificate of Excellence Program

<sup>5</sup> Audit and Assurance services include: Audited Financial Statements with related opinions, Virginia Retirement System census data testing, Landfill Assurances, Transmittal Preparation and Review

# MANAGEMENT PROFILES

---

**SCOTT, WICKHAM**, *Certified Public Accountant, Certified Fraud Examiner*

---



Scott, a Partner of Robinson, Farmer, Cox Associates began his career with the firm in 2007. Scott has managed or participated in over one-hundred governmental and non-profit audits including audits of counties, cities, towns, school divisions, water and sewer authorities, industrial development authorities, regional libraries, volunteer fire and rescue squads, and school activity funds, as well as special audits for various federal grant projects. Scott has also provided a wide range of consulting services to governmental clients including cost allocation plans, budget preparation, fixed asset data accumulation, and financial advisory services.

## PROFESSIONAL REGISTRATION

- State of Virginia, *Certified Public Accountant, License #38664*
- Association of Certified Fraud Examiners, *Certified Fraud Examiner*

## EDUCATION

- Virginia Tech, *Bachelor of Science in Business - Accounting*

## PROFESSIONAL AFFILIATIONS

- American Institute of Certified Public Accountants, *Member*
- Virginia Society of Certified Public Accountants, *Member*
- Association of Government Accountants, *Member*
- Association of Fraud Examiners, *Member*
- Virginia Government Finance Officers Association, *Associate Member*

## PROFESSIONAL POSITIONS

---

2017 to Present	Partner <i>Robinson, Farmer, Cox Associates</i>
2012 to 2016	Audit Manager <i>Robinson, Farmer, Cox Associates</i>
2008 to 2012	Associate <i>Robinson, Farmer, Cox Associates</i>
2007	Intern <i>Robinson, Farmer, Cox Associates</i>

---

# MANAGEMENT PROFILES

SCOTT WICKHAM, *Certified Public Accountant, Certified Fraud Examiner (Continued)*

## EXPERIENCE ON SIMILAR ENGAGEMENTS

Organization	Years Served	Engagement Assignment <sup>6</sup>
Blacksburg-Virginia Polytechnic Institute	6 +	Audit and Assurance – Audit Manager Audit and Assurance – Partner in Charge
Carroll County	8 +	Audit and Assurance – Senior Staff Cost Allocation Plan Preparation
Carroll County Public Service Authority	8 +	Audit and Assurance – Audit Manager Audit and Assurance – Partner in Charge
Craig County	10 +	Audit and Assurance – Audit Manager Audit and Assurance – Partner in Charge
Dickenson County	10 +	Cost Allocation Plan Preparation Audit and Assurance – Senior Staff
Floyd County	8 +	Audit and Assurance – Audit Manager Audit and Assurance – Partner in Charge Cost Allocation Plan Preparation
Franklin County	8 +	Cost Allocation Plan Preparation Audit and Assurance – Senior Staff
Patrick County	10 +	Audit and Assurance – Audit Manager Audit and Assurance – Partner in Charge Cost Allocation Plan Preparation
Grayson County	10 +	Audit and Assurance – Audit Manager Audit and Assurance – Partner in Charge Cost Allocation Plan Preparation
Lee County	6 +	Audit and Assurance – Audit Manager Audit and Assurance – Partner in Charge Cost Allocation Plan Preparation
Montgomery Regional Solid Waste Authority	5 +	Audit and Assurance – Audit Manager Audit and Assurance – Partner in Charge
Tazewell County Public Service Authority	6 +	Audit and Assurance – Audit Manager Audit and Assurance – Partner in Charge
Town of Bluefield	10 +	Audit and Assurance – Audit Manager Audit and Assurance – Partner in Charge
Town of Christiansburg*	4 +	Audit and Assurance – Audit Manager Audit and Assurance – Partner in Charge
Town of Rural Retreat	6 +	Audit and Assurance – Audit Manager Audit and Assurance – Partner in Charge

\*Denotes localities that participate in the GFOA Certificate of Excellence Program

<sup>6</sup> Audit and Assurance services include: Audited Financial Statements with related opinions, Virginia Retirement System census data testing, Landfill Assurances, Transmittal Preparation and Review

# MANAGEMENT PROFILES

---

## KRISTEN CHOATE, *Certified Public Accountant*

---



Kristen is a Partner of Robinson, Farmer, Cox Associates in the firm's Charlottesville office. She has participated in and managed audits of counties, towns, cities, and public authorities in the Commonwealth of Virginia. In addition, she has participated in and managed numerous audits of voluntary health and welfare organizations and other not-for-profit organizations. Kristen is currently the Director of Quality Control for the firm's six offices. In this position, she oversees audit report and work paper reviews as well as the development of audit programs and work paper templates for the firm. Kristen was recently named a Super CPA by Virginia Business Magazine.

### PROFESSIONAL REGISTRATION

- State of Virginia, *Certified Public Accountant, License #28799*

### EDUCATION

- Radford University, *Bachelor of Science in Business – Accounting*

### PROFESSIONAL AFFILIATIONS

- American Institute of Certified Public Accountants, *Member*
- Virginia Society of Certified Public Accountants, *Member*
- National Government Finance Officers Association, *Member*
- Virginia Government Finance Officers Association, *Associate Member*
- GFOA<sup>7</sup> Excellence in Financial Reporting Program, *Reviewer*

### PROFESSIONAL POSITIONS

---

2015 to present	Partner and Quality Control Director <i>Robinson, Farmer, Cox Associates</i>
2007 to 2015	Quality Control Director <i>Robinson, Farmer, Cox Associates</i>
2000 to 2007	Staff/Manager <i>Robinson, Farmer, Cox Associates</i>

---

<sup>7</sup> GFOA denotes the Government Finance Officers Association

# STAFF PROFILES

---

## MORGAN SKLAR, STAFF ACCOUNTANT

---

Morgan began her career with Robinson, Farmer, Cox Associates in 2014. Throughout her career with the firm, Morgan has participated in over seventy-five governmental and non-profit audits, including audits of counties, cities, towns, school divisions, water and sewer authorities, industrial development authorities, regional libraries, volunteer fire and rescue squads, school activity funds, as well as special audits of various federal grant projects. In addition, Morgan has prepared state and federal government filings, including: SF-SAC Forms, Commonwealth of Virginia transmittal forms, and DEQ landfill financial assurance forms.

### EDUCATION

Liberty University, *Bachelor of Science in Accounting*

### PROFESSIONAL POSITIONS

---

2014 to Present      Staff Accountant  
*Robinson, Farmer, Cox Associates*

---

### EXPERIENCE ON SIMILAR ENGAGEMENTS

---

- City of Bristol
  - Bland County
  - Carroll County Public Service Authority
  - City of Covington
  - Giles County
  - Giles County Public Service Authority
  - New River Regional Jail Authority
  - Regional Center for Animal Care and Protection
  - Russell County
  - Southwest Virginia Regional Jail Authority
  - Washington County
  - Town of Wytheville
-



# CONTINUING PROFESSIONAL EDUCATION

---

Robinson, Farmer, Cox Associates requires a minimum of one-hundred and twenty (120) hours every three years of continuing professional education for all certified public accountants. Further, RFC provides semi-annual in-house staff seminars which review current accounting, auditing, and reporting topics inclusive of current legislative matters. RFC's policy meets and exceeds the continuing professional education requirements established by the Virginia Society of Certified Public Accountants.

Individual Continuing Professional Education hours for the prior 3 years are detailed on the following pages.

# CONTINUING PROFESSIONAL EDUCATION

GORDON B. JONES, *Certified Public Accountant*

Year	Sponsor	Course Title	Industry Type	Hours Earned
2017	RFC	2017 Blacksburg Governmental A&A Update Session 1	<i>Governmental</i>	6
	RFC	2017 Blacksburg Governmental A&A Update Session 2	<i>Governmental</i>	4
	RFC	2017 Annual Govt A&A Update - Session 1	<i>Governmental</i>	8
	VSCPA	Virginia CPA Ethics: 2017 Required Course	<i>Non-Specific</i>	2
	RFC	2017 Annual Govt A&A Update - Session 2	<i>Governmental</i>	6
	NCACPA	2017 Individual Income Tax Workshop	<i>Taxation</i>	8
	NCACPA	2017 Corporate/Business Income Tax Workshop	<i>Taxation</i>	8
	2018	RFC	2018 Annual Govt A&A Update - Session 1	<i>Governmental</i>
VSCPA		Virginia CPA Ethics: 2018 Required Course	<i>Non-Specific</i>	2
RFC		2018 Blacksburg Governmental A&A Update Session 1	<i>Governmental</i>	2.8
Self-Study		Governmental and Not-for-Profit Annual Update	<i>Governmental</i>	7
RFC		2018 Blacksburg Governmental A&A Update Session 2	<i>Governmental</i>	10
Self-Study		Performing Single Audits Under the UG for Federal Awards	<i>Governmental</i>	8
Self-Study		Fraud & Abuse in NP Entities And Govts: Stealing from Everyone	<i>Governmental</i>	8
Self-Study		GASB Pension Standards Overview	<i>Governmental</i>	11
RFC		2018 Annual Govt A&A Update - Session 1	<i>Governmental</i>	6.5
VSCPA		Virginia CPA Ethics: 2018 Required Course	<i>Non-Specific</i>	2
2019	RFC	2019 Blacksburg Governmental A&A Update	<i>Governmental</i>	8.6
	RFC	2019 Annual Governmental A&A Update	<i>Governmental</i>	8
	Great Minds, LLC	Risk Assessment & Auditing Standards Update	<i>Governmental</i>	8
	Self-Study	Yellow Book and Single Audit Deficiencies	<i>Governmental</i>	5
	RFC	Virginia CPA Ethics: 2019 Required Course	<i>Ethics</i>	2
	Self-Study	Internal Control and Fraud in Govt and Nonprofit Entities	<i>Governmental</i>	11
	<b>Total Hours</b>			

# CONTINUING PROFESSIONAL EDUCATION

CORBIN C. STONE, *Certified Public Accountant*

Year	Sponsor	Course Title	Industry Type	Hours Earned
2017	Checkpoint	Accounting for Derivatives and Hedging Activities	<i>Audit &amp; Assurance</i>	6
	Checkpoint	PPC's Guide for Preparing Governmental Financial Statements-1	<i>Governmental</i>	7
	Checkpoint	PPC's Guide for Preparing Governmental Financial Statements-1	<i>Governmental</i>	8
	RFC	2017 Annual Government Update – Session 1	<i>Governmental</i>	8
	VSCPA	Annual Ethics Training	<i>Ethics</i>	2
	RFC	2017 Annual Government Update – Session 2	<i>Governmental</i>	6
	RFC	Blacksburg Governmental Audit and Assurance Update – Session 1	<i>Governmental</i>	6
	RFC	Blacksburg Governmental Audit and Assurance Update – Session 1	<i>Governmental</i>	8
2018	Checkpoint	Auditing for Fraud Detection	<i>Audit &amp; Assurance</i>	12
	RFC	2018 Annual Government Update – Session 1	<i>Governmental</i>	6.5
	VSCPA	Annual Ethics Training	<i>Ethics</i>	2
	RFC	2018 Annual Government Update – Session 2	<i>Governmental</i>	8.5
	RFC	2018 Blacksburg Governmental A&A Update	<i>Governmental</i>	17.8
2019	RFC	2019 Blacksburg Governmental A&A Update	<i>Governmental</i>	8.6
	PES	Cash Flow Analysis and Forecasting	<i>Audit &amp; Assurance</i>	15
	RFC	2019 Annual Government Update	<i>Governmental</i>	8
	Great Minds, LLC	Risk Assessment and Auditing Standards Update	<i>Governmental</i>	8
	RFC	2019 Employee Benefit Training Session	<i>EBP A &amp; A</i>	3.5
	Checkpoint	Audits of 401(k) Plans	<i>EBP A &amp; A</i>	8
	RFC	2019 Virginia CPA Ethics	<i>Ethics</i>	2
<b>Total Hours</b>				<b>150.9</b>

# CONTINUING PROFESSIONAL EDUCATION

KRISTEN CHOATE, *Certified Public Accountant*

Year	Sponsor	Course Title	Industry Type	Hours Earned
2017	AICPA	EBPAQC Designated Partner 2017 Audit Planning	<i>Audit &amp; Assurance</i>	2
	AICPA	Uniform Guidance Considerations	<i>Governmental</i>	2
	AICPA	2017 GAQC Annual Update Webcast	<i>Governmental</i>	2
	RFC	2016 Annual Govt A&A Update – Session 1	<i>Governmental</i>	11.8
	VGFOA	VGFOA 2017 Spring Conference	<i>Governmental</i>	10
	RFC	2016 Annual Govt A&A Update – Session 2	<i>Governmental</i>	9.8
	VSCPA	2017 Virginia Specific Ethics Course	<i>Ethics</i>	2
2018	AICPA	Ug Yr 3: A Deeper Dive Into Challenging Audit Areas	<i>Governmental</i>	2
	AICPA	Internal Control and COSO Essentials	<i>Audit &amp; Assurance</i>	8
	AICPA	EBPAQC Designated Partners 2018 Audit Planning Webinar	<i>Audit &amp; Assurance</i>	2
	RFC	2018 Annual Govt A&A Update - Session 1	<i>Governmental</i>	8.5
	VSCPA	2018 Virginia Specific Ethics Course	<i>Ethics</i>	2
	RFC	2018 Annual Govt A&A Update - Session 2	<i>Governmental</i>	10.9
	AICPA	2018 G400 Conference	<i>Spec. Know.</i>	6
	AICPA	2018 G400 Conference	<i>Audit &amp; Assurance</i>	2
	VGFOA	VGFOA 2018 Spring Conference	<i>Governmental</i>	4
	GFOA	GFOA 112 <sup>th</sup> Annual Conference	<i>Governmental</i>	16
2019	RFC	Tax Year 2018 Update	<i>Taxation</i>	8
	AICPA	EBP Audit Planning Webinar	<i>Audit &amp; Assurance</i>	2
	AICPA	2019 GAQC Annual Update Webcast	<i>Governmental</i>	2
	VSCPA	2019 Virginia Specific Ethics Course	<i>Ethics</i>	2
	RFC	2019 Annual Govt A&A Update	<i>Governmental</i>	8.4
	Great Minds LLC	Risk Assessment & Audit Standards Update	<i>Governmental</i>	8
	VGFOA	2019 Spring Conference	<i>Governmental</i>	8
	GFOA	GFOA 113 <sup>th</sup> Annual Conference	<i>Governmental</i>	13
<b>Total Hours</b>				<b>152.4</b>

# CONTINUING PROFESSIONAL EDUCATION

SCOTT WICKHAM, *Certified Public Accountant, Certified Fraud Examiner*

Year	Sponsor	Course Title	Industry Type	Hours Earned
2017	ACFE	Advanced Fraud Techniques	<i>Fraud</i>	6
	ACFE	Fraud 101: A Basic Preventions Guide for Small Business	<i>Fraud</i>	4
	RFC	Blacksburg Governmental Audit and Assurance Update	<i>Governmental</i>	15.6
	RFC	Annual Governmental Audit and Assurance Update - 1	<i>Governmental</i>	8
	VGFOA	Spring Conference	<i>Governmental</i>	9
	RFC	Annual Governmental Audit and Assurance Update - 2	<i>Governmental</i>	6
	VSCPA	Virginia CPA Ethics: 2017 Required Course	<i>Non-Specific</i>	2
	2018	GFOA	Annual Governmental GAAP Update	<i>Governmental</i>
ACFE		Conversation with a Fraudster	<i>Fraud</i>	2
ACFE		Alternative Currencies and Fraud	<i>Fraud</i>	2
ACFE		Conducting Grant Fraud Investigations	<i>Fraud</i>	2
ACFE		Auditing for Vendor Fraud	<i>Fraud</i>	4
VGFOA		Spring Conference	<i>Governmental</i>	8
RFC		Blacksburg Governmental Audit and Assurance Update	<i>Governmental</i>	11
RFC		Annual Governmental Audit and Assurance Update - 1	<i>Governmental</i>	5.5
RFC		Annual Governmental Audit and Assurance Update - 2	<i>Governmental</i>	8.5
VSCPA		Virginia CPA Ethics: 2018 Required Course	<i>Ethics</i>	2
2019	GFOA	Annual Governmental GAAP Update	<i>Governmental</i>	4
	RFC	2019 Blacksburg Governmental A&A Update	<i>Governmental</i>	12.4
	RFC	2019 Annual Governmental A&A Update	<i>Governmental</i>	8
	Great Minds, LLC	Risk Assessment & Auditing Standards Update	<i>Governmental</i>	8
	VGFOA	Spring Conference	<i>Governmental</i>	9
	VSCPA	Virginia CPA Ethics: 2019 Required Course	<i>Ethics</i>	2
	ACFE	Fraud & Abuse in Nonprofits & Governments	<i>Governmental</i>	8
	ACFE	Investigating Via Social Media	<i>Fraud</i>	2
	<b>Total Hours</b>			

# CONTINUING PROFESSIONAL EDUCATION

MORGAN SKLAR, *Staff Accountant*

Year	Sponsor	Course Title	Industry Type	Hours Earned
2017	Self-Study	Microsoft Excel 2013: Useful Functions for CPAs	<i>Governmental</i>	4
	Self-Study	Audits of States, Local Governments, and NonProf Org.	<i>Governmental</i>	6
	Self-Study	AICPA Guidance for Pension Audits	<i>Governmental</i>	1
	Self-Study	Cash Flow Statements	<i>Audit and Assurance</i>	1
	Self-Study	OPEB Plans	<i>Governmental</i>	1
	Self-Study	Fraud Auditing and Investigation	<i>Audit and Assurance</i>	4
	Self-Study	Audit Workpapers: Fieldwork Standards	<i>Audit and Assurance</i>	2
	Self-Study	Audit Sampling	<i>Audit and Assurance</i>	7
	Self-Study	2017 Auditing Update	<i>Audit and Assurance</i>	2
	RFC	2017 Blacksburg Govt A&A Update – Session 1	<i>Governmental</i>	8
	RFC	2017 Blacksburg Govt A&A Update – Session 2	<i>Governmental</i>	4
	RFC	2017 Annual Govt A&A Update – Session 1	<i>Governmental</i>	8
	RFC	2017 Annual Govt A&A Update – Session 2	<i>Governmental</i>	6
	Self-Study	GAAP Reporting: Revenue and Expenses	<i>Audit and Assurance</i>	3
	Self-Study	2017 Auditing Update – CPAU17	<i>Audit and Assurance</i>	2
	Self-Study	GAAS Guide: Audit Programs	<i>Audit and Assurance</i>	1
	2018	RFC	2018 Annual Govt A&A Update – Session 1	<i>Governmental</i>
RFC		2018 Blacksburg Annual Training – Session 1	<i>Governmental</i>	2.8
RFC		2018 Blacksburg Annual Training – Session 1A	<i>Governmental</i>	7
RFC		2018 Blacksburg Govt Audit Training – Session 2	<i>Governmental</i>	7
2019	RFC	2019 Blacksburg Annual Training	<i>Governmental</i>	8
	RFC	2019 Annual Govt A&A Update	<i>Governmental</i>	8
	Great Minds, LLC	Risk Assessment and Auditing Standards Update	<i>Governmental</i>	8
	Self-Study	Understanding and Analyzing Financial Statements	<i>Governmental</i>	3
	Self-Study	Yellow Book and Single Audit Deficiencies	<i>Governmental</i>	5
	Self-Study	Audit Workpapers – Fieldwork Standards	<i>Governmental</i>	2
	Self-Study	GAAS Guide – Standards	<i>Governmental</i>	3
	Self-Study	Trends in Governmental Accounting	<i>Governmental</i>	3
<b>Total Hours</b>				<b>123.3</b>

County officials are encouraged to contact the administrative and financial officers of any of our clients in regard to the caliber of services provided by our firm. Representative audit clients serviced by our Blacksburg office are listed below:

<b>Bland County</b> Eric Workman County Administrator	612 Main Street Bland, VA 24315	(276) 688-4622
<b>City of Bristol</b> Tamyra Spradlin Chief Financial Officer	300 Lee Street Bristol, VA 24201	(276) 645-7300
<b>Washington County</b> Tammy Copenhaver Finance Director	1 Government Center Place, Suite A Abingdon, VA 24210	(276) 525-1310
<b>Town of Wytheville</b> Mike Stevens Treasurer	150 E Monroe St Wytheville, VA 24382	(276) 223-3335

**COUNTY OF CARROLL**  
**REQUEST FOR PROPOSAL**  
**AUDIT SERVICES**

January 28, 2020

**GENERAL INSTRUCTIONS**

**Invitation:**

The County of Carroll Board of Supervisors, hereby issues to qualified firms, licensed in the State of Virginia, a Request for Proposal (hereinafter referred to as "RFP"), for auditing services for the financial operations of County of Carroll, Virginia.

**Deadline:**

Seven (7) copies of a sealed proposal shall be submitted no later than 2:00 p.m. Friday, March 6, 2020, to the following:

By postal service only:

Attn: County Administrator  
Carroll County  
605-1 Pine Street  
Hillsville, Virginia 24343

Or by hand delivery, UPS or FedEx only:

Attn: County Administrator  
Carroll County  
Carroll County Government Center  
Administrator's Office – 2<sup>nd</sup> Floor Room 233  
605-1 Pine Street  
Hillsville, Virginia 24343

Sealed proposals shall be marked "Audit Services" along with the due date.

Proposals received after the deadline will not be considered or returned.

**Auditing Services for the Years Ending June 30, 2020-2024**



The County of Carroll, Virginia invites qualified independent certified public accountants to submit proposals to perform an independent financial audit of Carroll County, Virginia in accordance with the following specifications:

## I. INTRODUCTION:

The Board of Supervisors of the County of Carroll, Virginia requests independent certified public accountants to submit proposals to enter into a term contract to perform a financial audit for the fiscal years ended June 30, 2020 through June 30, 2024. There is no expressed or implied obligation that the County of Carroll, Virginia shall reimburse responding firms for any expenses incurred in preparing proposals in response to this request. Financial records of the County are available for review in the Carroll County Treasurer's Office. The County reserves the right to negotiate with the successful vendor for the following 3 (three) years.

## II. SCOPE OF WORK TO BE PERFORMED:

### Financial Statements

The auditor shall audit all funds in the custody of the County Treasurer as well as all account groups, component-units/related organizations, identified in section II, of the County in accordance with generally accepted auditing standards; the standards for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the provisions of the *Uniform Guidance*. The audit shall result in the preparation of financial statements from the audited records of the Local Government with the auditor's opinion thereon. These financial statements shall be prepared in accordance with standards established by the Governmental Accounting Standards Board.

### Supplemental Schedules and Statistical Schedules

The auditor shall apply procedures and report on the supplementary schedules included in the Financial Report, the analysis of funding progress for pension plans, and the schedule of expenditure of federal awards. The auditor is also required to apply procedures and report on statistical tables included in the Financial Report.

### Internal Controls

In connection with the audit of the financial statements, the auditor shall consider, test, and report on internal controls in accordance with Generally Accepted Auditing Standards (GAAS), *Government Auditing Standards*, OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and the *Specifications for Audits of Counties, Cities and Towns*.

### Compliance Auditing

In connection with the audit of the financial statements, the Auditor shall perform tests and report on compliance in accordance with Government Auditing Standards, OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and the *Specifications for Audits of Counties, Cities and Towns*.

### Technical Assistance

The auditor will be required to provide technical assistance to the County related to applicable accounting and auditing standards as necessary.

### Component Units Related Organizations:

The County has identified the following as component units requiring inclusion in the Local Government's financial statements.

Carroll County School Board  
Carroll County Industrial Development Authority  
Carroll County Public Service Authority

### Comparative Report Transmittal Forms

The Auditor of Public Accounts requires all local governments to complete Comparative Report Transmittal Forms in accordance with the provisions of the *Uniform Financial Reporting Manual*. The auditor shall prepare the required forms, perform the agreed upon procedures specified in the Uniform Financial Reporting Manual, and submit the forms to the Auditor of Public Accounts by November 30<sup>th</sup> following the end of each fiscal year. The selected firm agrees that if the audit is not completed and reported as required that a 10 % penalty will be deducted from the audit price.

### Cost Allocation Plan

Prepare a cost allocation plan which in accordance with all applicable standards

## III. MEETINGS AND REPORT PREPARATION:

### Meetings

The selected Auditor shall schedule conferences between the Auditor and the County Administrator before the preliminary work and at the end of the fieldwork.

### Required Reports

Based on the audit work performed, the Auditor shall include the following reports in the Audited Financial Report unless otherwise indicated:

1. An opinion on the fair presentation of the basic financial statements and any fund statements presented in conformity with accounting principles generally accepted in the United States of America.

2. A report on the supplementary schedules described in Section II above. The auditor will also prepare a report on the statistical schedules included in the Financial Report.
3. A report on compliance and internal control over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards*. The Auditor shall communicate all reportable conditions found during the audit in the report on internal controls. Further, the Auditor shall identify any material weaknesses in his audit. The Auditor shall report other weaknesses in internal controls not meeting the definition of a reportable condition in a separate letter to management referred to in the report on internal controls.
4. A report on compliance with requirements applicable to each major program and internal control over financial reporting in accordance with OMB Circular A-133.
5. A report disclosing the status of findings and recommendations from the previous audits in accordance with *Government Auditing Standards* and the *Specifications for Audits of Counties, Cities and Towns*.
6. A report on the application of agreed-upon procedures relative to the Comparative Report Transmittal Forms. This report shall be submitted to the Auditor of Public Accounts with the Comparative Report Transmittal Forms.
7. The completion of Form SF-SAC, Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations, in accordance with OMB Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations.
8. The preparation of the County's landfill assurance test required to be submitted to the Virginia Department of Environmental Quality by each year.
9. A separate opinion on the County's compliance with requirements governing the use of E-911 funds in accordance with standards established by the State Auditor of Public Accounts, if necessary.
10. Report Preparations and Presentation  
The Auditor shall be responsible for report preparation, editing, and printing. The selected auditor shall provide 20 bound copies of the final report, and one electronic copy. The electronic copy should be mailed to the County Administrator.

#### Submission of Reports to the APA

The Auditor shall submit two copies of the Financial Report to the Auditor of Public Accounts in accordance with the *Code of Virginia*.

Submission of Reports to Federal and State Agencies

The Auditor shall be responsible for submitting copies of the Financial Reports to appropriate state and federal agencies.

Submission of Transmittal Forms to the APA

The Auditor shall submit one copy of the Comparative Report Transmittal Forms, including his report thereon, to the Auditor of Public Accounts by November 30<sup>th</sup> following the end of the fiscal year

**IV. ASSISTANCE TO BE PROVIDED TO THE AUDITOR**

**A. Books of Account**

The Local Government shall fully balance the books of account, reconcile subsidiary ledgers to control accounts, and reconcile all bank accounts within 60 days of year-end.

**B. Schedules**

The staff of the County shall prepare the following information on forms acceptable to the Auditor:

1. A final detailed trial balance of each fund;
2. A copy of the final budget presented to the Board of Supervisors for the audit period, the original budget ordinance for the audit period, and all amendments to the budget ordinance;
3. A schedule of insurance in force during the year and of insurance expense for the year;
4. A schedule of investments held by all funds at the statement date showing both book value and estimated market value at the statement date;
5. A schedule of capital outlays during the period;
6. A schedule of capital asset dispositions during the period;
7. Reconciliation of the final quarter's fringe benefit tax returns;
8. Copies of contracts with governmental grantor and grantee agencies;
9. Copies of other contracts in force at statement date of a material amount and
10. Such reasonable additional schedules as may be requested for financial audits.
11. A schedule of County and component unit fixed assets with depreciation calculated thereon.

**C. Other Assistance**

The staff of the County shall be available during the audit to assist the firm by providing information and explanation.

## V. PROPOSAL PRESENTATION AND SUBMISSION

### A. Format of the Proposal

Proposals should be as thorough and detailed as possible so that the County may properly evaluate the Auditor's ability to provide the required services. Each copy of the proposal should be bound or contained in a single volume. All documentation submitted with the proposal should be contained in that single volume.

### B. Contents of the Proposal

The Auditor is required to submit the following items as a complete proposal:

#### (1) Title Page

Show the RFP subject, the name of the proposer's firm, local address, telephone number, name of contact person and date.

#### (2) Letter of Transmittal or other format which includes the items listed below.

- a. History of the firm, including number of years in business and size of firm.
- b. A statement by the prospective Auditor of his understanding of the work to be performed with descriptions of the audit approach.
- c. The approximate dates the audit will begin (including preliminary field work) and end. Also, the approximate dates for delivery of the financial statements and Auditor's reports.
- d. Biographies, including experience, of the individuals who will be assigned to the engagement, relevant experience of each in auditing municipalities and recent continuing professional education of each.
- e. Names, addresses and telephone numbers of persons who may be contacted for references.
- f. A copy of the report on the firm's most recent external peer review.
- g. A copy of the firm's most recent review performed by the Auditor of Public Accounts
- h. A statement by the prospective Auditor that:
  1. The firm is independent of the County of Carroll, as that term is defined in the Ethical Rules of the AICPA.
  2. The firm and the partner assigned to the engagement are licensed to perform the audit as provided by applicable laws of the Commonwealth of Virginia.

3. The firm has met the peer review standards of the AICPA and as required by *Government Auditing Standards*.
4. The firm will provide adequate supervision on a day-to-day basis.
5. Staff assigned to the audit has met the continuing education requirements required by *Government Auditing Standards*, issued by the Comptroller General of the United States.

C. Right to Reject Proposals

Proposals shall be signed by an authorized representative of the firm. All information requested must be submitted. Failure to submit all requested information may result in the rejection of the proposal.

D. Deadline for Submission

To be considered for selection, the Auditor shall submit a complete response to the Request for Proposal. Seven (7) copies of a sealed proposal shall be submitted no later than 2:00 p.m. on Friday, March 6, 2020. Copies of the proposal may be mailed to the County Administrator, 605-1 Pine Street, Hillsville, VA 24343, hand delivered proposals should be delivered to the of the County Administrators Office at 605 Pine Street, Hillsville, Virginia 24343, Room 223. The proposal should clearly be marked "Proposal for Audit Services."

E. Inquiries

Inquiries concerning the request for proposal should be directed to the County Administrator by email to [cellell.dalton@carrollcountyva.gov](mailto:cellell.dalton@carrollcountyva.gov). All inquiries, questions and responses shall be sent by email to all that request a proposal packet.

VI. Evaluation and Award Criteria

A. Evaluation of Proposals

Proposals submitted will be evaluated by a committee appointed by the Carroll Board of Supervisors and shall include the County Administrator and Treasurer.

B. Award of Contract

The selection process shall be in accordance with Section 11-37 of the *Code of Virginia*.

VII. Payment Terms

The audit fee shall be payable in full upon completion of the audit and upon approval of the report by the Governing Body. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than is necessary under ordinary circumstances, the Auditor shall inform the County Administrator of the need for such additional investigation and the additional compensation to complete the investigation. The payment term for the county is net 30 days.

#### VIII. General Terms and Conditions for Professional Services

- A. **Submission of Proposal:** Failure to submit a proposal in accordance with the requirements set forth in this solicitation is cause for rejection of the proposal. However, the County reserves the right to decide, on a case-by-case basis, in its sole discretion, whether or not to reject such a proposal.
- B. **Clarification of Terms:** If any prospective offeror has questions about the terms contained in the solicitation documents, the prospective offeror should contact the County Administrator, no later than five working days before the due date. Any revisions to the solicitation will be made only by addendum by the County Attorney.
- C. **Applicable Laws and Courts:** This solicitation and any resulting contract shall be governed in all respects by the laws of the Commonwealth of Virginia and any litigation with respect thereto shall be brought in the courts of Carroll County in the Commonwealth of Virginia. The Auditor shall comply with applicable federal, state, and local laws and regulations.
- D. **Anti-Discrimination:** By submitting their proposals the Auditor certifies that he will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, the Virginians with Disabilities Act, and the Americans with Disabilities Act. The Auditor also agrees that during the performance of this contract:
  - a. The Auditor shall not discriminate against any employee or applicant for employment because of race, religion, color, sex or national origin. The Auditor agrees to post in a conspicuous place, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
  - b. The Auditor, in all solicitations or advertisements for employees placed by or on behalf of the Auditor, shall state that the Auditor is an equal opportunity employer.
  - c. Notices, advertisements and solicitations placed in accordance with federal laws, rules or regulations shall be deemed sufficient for the purpose of meeting the requirements of this section.

- E. The Auditor shall protect the confidentiality of any confidential information received by it pursuant to the Code of Virginia.
- F. The Auditor shall keep a drug free workplace pursuant to the requirements of the Code of Virginia.
- G. Ethics in Public Contracting: By submitting their proposals, the Auditor certifies that their proposals are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other bidder/offeror in connection with their proposal, and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, or anything of more than nominal value, present or promised unless consideration of substantially equal or greater value was exchanged.
- H. Immigration Reform and Control Act of 1986: By submitting their proposals, the Auditor certifies that they do not and will not during the performance of this contract employ illegal alien workers or otherwise violate the provisions of the federal Immigration Reform and Control Act of 1986.
- I. Qualifications of Prospective Bidder: The County of Carroll may make such reasonable investigations as they deem proper and necessary to determine the ability of the firm proposing to perform the work. The County reserves the right to reject any proposal if the evidence submitted by the firm, or investigations of the firm, fail to satisfy the County that the firm is properly qualified to carry out the obligations of the contract and to complete the work contemplated therein.
- J. Changes to the Contract: The County of Carroll may order changes within the general scope of the contract at any time by written notice to the Auditor. The Auditor shall be compensated for any additional costs incurred as a result of such order, however such changes shall be offset by any other items not performed and contained in this proposal. Said compensation shall be determined by mutual agreement between the parties in writing prior to starting the work.
- K. Default: In case of failure to deliver services in accordance with the contract terms and conditions, the County of Carroll, after due oral and written notice, may procure them from other sources and hold the Auditor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies that the County may have.
- L. Canceling or Amending a Solicitation: The County of Carroll may cancel or withdraw a solicitation in whole or in part and reject any and all proposals at any time prior to an award. The County also may amend the solicitation by the issuance of an addendum prior to the time set for receipt of response.



- M. Protest of Award or Decision to Award: Any Auditor submitting a proposal in response to a solicitation may protest the award or decision to award a contract by submitting such protest in writing no later than ten days after the award is made or the notice of intent to award is posted. The written protest must be received by Cellell Dalton, County Administrator no later than 5:00 p.m. of the tenth day. If the tenth day falls on a weekend or official holiday, the ten-day period expires on the next regular working day. The protest shall include the specific basis for the protest and the relief sought. The **County Administrator** shall issue a decision in writing within ten days stating the reason for the action taken. This decision shall be final unless the offerer appeals within ten days of written decision by invoking the County's appeal procedures, or institutes legal action as provided in Section 11-70 of the *Code of Virginia*. If the protest of any offeror depends in whole or in part upon information, then the time within which the protest must be submitted shall expire ten days after these records are available for public inspection by such offeror, or at such later time as provided in this section. No protest shall lie for a claim that the selected offeror is not a responsible offeror.
- N. Claims: Contractual claims for money or other relief shall be submitted in writing no later than sixty days after approval of the audit report by the governing Body.

IX. Special Terms and Conditions

- A. Availability of Funds: It is understood and agreed between the parties herein that the County of Carroll shall be bound hereunder only to the extent funds are available or which may hereafter become available for the purpose of this agreement.
- B. Cancellation of Contract: The County of Carroll reserves the right to cancel and terminate any resulting contract, in part or in whole, without penalty, upon 60 days written notice to the Auditor. Any contract cancellation notice shall not relieve the Auditor of the obligation to complete an audit commenced before the effective date of the cancellation.
- C. Extension of Contract: This contract may be extended by the County of Carroll upon written agreement of both parties for 2 successive one year periods, under the terms of the current contract and at a reasonable time prior to the expiration.
- D. Filing Requirements: The prospective bidders are reminded that the audit contract will be filed with the Auditor of Public Accounts, Commonwealth of Virginia.
- E. Retention of Working Papers: The Auditor hereby agrees to retain all books, records and other working papers relative to this contract for three (3) years after final payment. The County of Carroll, Virginia, its authorized agents, and/or state

and federal auditors shall have full access to and the right to examine any of said materials during this period.

- G. Subcontracts: No portion of this work shall be subcontracted without prior written consent of the County of Carroll, Virginia. The Auditor shall, however, remain fully liable and responsible for the work to be done by the subcontractors and shall assure compliance with all requirements of the contract.

  
\_\_\_\_\_  
Signature

MEMBER  
\_\_\_\_\_  
Title

MARCH 2, 2020  
\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date