

## I – INTRODUCTION

The Woodlands Firefighters' Retirement System (TWFRS), is soliciting Requests for Proposals (RFP) for a financial and compliance audit for the year ending December 31, 2018. The proposal includes options for three additional years.

The Fund was established and operates under the provisions of the Texas Local Firefighters' Retirement Act Vernon's Ann. Civ. Stat., Art. 6243e (TLFRA). As such, it is a "governmental plan" under I.R.C. §414(d) and ERISA §3(32) which is not subject to Title I of ERISA. It is governed by a seven member Board of Trustees. The Fund has approximately \$32,743,176.34. in assets and currently serves 140 active and 1 retired participants.

Proposals must follow the format of this RFP. It is important to note that proposers are encouraged to provide responses that go beyond the minimum, as extra consideration may be given for additional services or qualifications. **Proposers are required to understand all applicable statutes regarding investment of public funds and specifically, TLFRA pension funds.**

**Ten (10)** copies of the proposal, clearly marked "**The Woodlands Firefighters' Retirement System Proposal**" shall be mailed or delivered to the following address by 12:00 p.m. September 30, 2018.

Jennifer Hanna, Plan Administrator  
The Woodlands Firefighters' Retirement System  
13095 FM 1484  
Conroe, Texas 77303

**PROPOSALS RECEIVED AFTER 12:00 P.M. SHALL BE RETURNED UNOPENED, IF A RETURN ADDRESS IS VISIBLE.**

## II – SERVICES REQUIRED

The purpose of this RFP is to obtain the services of a public accounting firm, whose principal officers are independent certified public accountants, certified or licensed by the Texas Board of Certified Public Accountants, hereinafter referred to as the "Proposer," to perform a financial and compliance audit of the TWFRS.

1. The audit of the statement of plan net assets of the Retirement System as of December 31, 2018, and the related statements of changes in plan net assets for the year ended.
2. The audit report is to include the analysis of funding progress and the schedule of employer contributions that will be subjected to the audit procedures applied in the audit of the financial statements.
3. The audit report will be presented in a written form and a presentation to the Board of Trustees.
4. The board would also like to request separate pricing for additional bookkeeping/professional services.

### **III – PERFORMANCE**

The Proposer is required to prepare audit report in accordance with the General Accounting Office's *Government Audit Standards*. The AICPA Professional Standards state:

*Ethics Interpretation 501-3 Failure to follow standards and/or procedures or other requirements in governmental audits.* Engagements for audits of governmental plans typically require that such audits be in compliance with government audit standards, guides procedures, statutes, rules and regulations, in addition to generally accepted auditing standards. If a member has accepted such an engagement, and undertakes an obligation to follow specified government audit standards, guides, procedures, statutes, rules and regulations, in addition to generally accepted auditing standards, he is obligated to follow such requirements. Failure to do so is an act discreditable to the profession in violation of Rule 501, unless the member discloses in his report the fact that such requirements were not followed and the reasons therefor.

The Proposer is required to complete the audit by April 30<sup>th</sup>. Reports may be submitted earlier; however, if the Proposer fails to make delivery of the audit reports within the time scheduled, or if the Proposer delivers audit reports which do not conform to all the provisions of this contract, TWFRS may, by written notice of default to the Proposer, terminate the whole or any part of this contract. Under certain extenuating circumstances TWFRS may extend this schedule upon written request of the Proposer with sufficient justification.

### **IV – PRICE**

The Proposer's price should be submitted separately and should include information indicating how the price was determined. For example, the Proposer should indicate the estimated number of hours by staff level, hourly rates and total cost by staff level. Any out-of-pocket expenses should also be indicated. The pricing information should be in a separate sealed envelope.

### **V – PAYMENT**

Payment will be made when TWFRS has determined that the total work effort has been satisfactorily completed. Progress payments will be allowed to the extent that TWFRS can determine that satisfactorily progress is being made. Upon the presentation to the TWFRS Board and delivery of 8 copies of the final report and the acceptance and approval by TWFRS, the Proposer may submit a bill for the balance due on the contract audit.

### **VI – EXIT CONFERENCE**

An exit conference with TWFRS representatives and the Proposer's representatives will be held at a meeting of the Board of Trustees following the conclusion of the fieldwork. Observations and recommendations must be summarized in writing and discussed with TWFRS. It should include internal control and program compliance observations and recommendations.

## **VII – CONFIDENTIALITY**

Except as required by law to the contrary, the Proposer agrees to keep the information related to all contracts in strict confidence. Other than the reports submitted to TWFRS, the Proposer agrees not to publish, reproduce or otherwise divulge such information in whole or in part, in any manner or form or authorize or permit other to do so, taking such reasonable measures as are necessary to restrict access to the information, while in the Proposer's possession, to those employees on the Proposer's staff who must have the information on a "need-to-know" basis. The Proposer agrees to immediately notify, in writing, TWFRS's Plan Administrator in the event the Proposer determines or has reason to suspect a breach of this requirement.

## **VIII – PROPOSER'S TECHNICAL REQUIREMENTS**

The Proposer should describe its relevant prior auditing experience including the names, addresses, contact persons, and telephone numbers of prior organizations audited. Experience is preferred to include the following categories:

1. Prior experience auditing public retirement systems.
2. Prior experience auditing similar public retirement pension funds.
3. Prior experience auditing non-profit organizations.

The Proposer should describe its organization's size and structure. Proposer should include a copy of the most recent Peer Review, if the Proposer has had a Peer Review.

The Proposer should describe the qualifications of staff to be assigned to the audit. Descriptions should include:

1. Audit team makeup.
2. Overall supervision to be exercised.
3. Prior experience of the individual audit team members. Include resumes of staff to be assigned to the audits. Education, position in firm, years and types of experience, continuing professional education and state(s) in which licensed as a CPA will be considered.

The Proposer should describe its understanding of work to be performed, including audit procedures, estimated hours and other pertinent information.

## **IX – REVIEW PROCESS**

The TWFRS Board of Trustees anticipates that it will schedule interviews with one or more proposing firms following the review of timely submitted responses to this RFP. The Board of Trustees expects to negotiate an Audit Agreement with one of the proposing firms.

The TWFRS Board of Trustees reserves the right to request additional information and reserves the right to accept or reject any or all parts of proposals, to waive any formalities and technicalities and to accept the proposal that is considered to be in the best interest of the TWFRS.

INTENT FORM

**TO: Contact, THE WOODLANDSFIRE FIGHTERS' RETIREMENT FUND PLAN ADMINISTRATOR**

**E-mail: [jhanna@twfrs.org](mailto:jhanna@twfrs.org)**

**Re: *The Woodlands Fire Fighters' Retirement Fund***

**RFP: Retirement Income Plan  
Supplemental Retirement Plan  
Auditor**

**Please check the following and respond to the above stated address immediately.**

\_\_\_\_\_ I have reviewed the RFP and intend to submit a proposal.

\_\_\_\_\_ I do not intend to submit a proposal. Please provide explanation.

**Name:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Company:** \_\_\_\_\_

**Fax:** \_\_\_\_\_ **Phone number:** \_\_\_\_\_

**E-Mail address:** \_\_\_\_\_