

Port of Oswego Authority

REQUEST FOR PROPOSAL AUDIT SERVICES

INTRODUCTION

General Information

The Port of Oswego Authority is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending **March 31, 2019**. The audit is to be performed in accordance with generally accepted standards as set forth by the American Institute of Certified Public Accountants, applicable standards promulgated by the New York State Comptroller, auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. In addition, any relevant advisories from the New York State Authority Budget Office.

There is no expressed or implied obligation for the Port of Oswego Authority to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

Any firm interested in submitting a proposal to Port of Oswego Authority may schedule an appointment and on-site inspection. Any inquiries concerning the proposal should be addressed in writing to Deborah Godden, Accounting Manager at 1 East Second Street Oswego, New York 13126, (315) 343-4503 ext. 107.

MWBE PARTICIPATION

The Port of Oswego Authority has a 30% goal for minority and women-owned business enterprise (MWBE) participation. Bidders are required to make a good faith effort to provide all persons an opportunity to participate in the work of this project regardless of race, color, religion, country of origin, or other such conditions. Certified MWBE's may be found at the Division of Minority and Women-Owned Business Development's directory online at <https://ny.newnycontracts.com/FrontEnd/VendorSearchPublic.asp>.

SDVOB PARTICIPATION

The Port of Oswego Authority has a goal of 6% for SDVOB. Article 17-B of the Executive Law enacted in 2014 acknowledges that Service-Disabled Veteran-Owned Businesses (SDVOBs) strongly contribute to the economies of the State and the nation. Bidders are required to make a good faith effort and provide documentation in writing as part of their response to this RFP. http://ogs.ny.gov/Core/docs/CertifiedNYS_SDVOB.pdf

To be considered, Three copies of a proposal must be received by the Executive Director, William W. Scriber, at 1 East Second Street Oswego, New York 13126 **by 3:00 p.m. on March 4, 2019.** The Port of Oswego Authority reserves the right to reject any or all proposals submitted.

During the evaluation process, the Port of Oswego Authority reserves the right, where it may serve the Port's best interest, to request additional information or clarifications from proposals, or to allow corrections of errors or omissions. At the discretion of the Port, firms submitting proposals may be requested to make oral presentations as part of the evaluation process. The Port of Oswego Authority reserves the right to require all applicants, under final consideration, to make oral presentations regarding their RFP.

The Port of Oswego Authority reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected.

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the Port of Oswego Authority and the firm selected.

It is anticipated the selection of a firm will be completed by March 18, 2019. Following notification of the selected firm, it is expected a contract will be executed between both parties by March 25, 2019.

Term of Engagement

A multi-year contract (up to five years) is contemplated, said term subject to the annual review of the Port of Oswego Authority Board.

Subcontracting

No subcontracting will be allowed without express prior written consent of the Port of Oswego Authority's Executive Director/CEO.

NATURE OF SERVICES REQUIRED

General

The Port of Oswego Authority is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal year ending March 31, 2019. The audits are to be performed in accordance with the provisions contained in this request for proposals.

Background

Port of Oswego Authority is an operating port on Lake Ontario, in the City of Oswego New York. The Port is the only deep draft port on the U.S. side of Lake Ontario, and is the oldest freshwater deep-water port in the United States. Comprising two terminals of operation, the east side of the Oswego Harbor is home to the main dock, grain storage, rail connections and administrative operations. On the West, we maintain an operating pier and storage area.

The Port employs eleven full time and four part-time employees. In addition, we employ between five and twenty seasonal employees and members of the ILA (longshoremen) up to 50 on an as needed basis.

The anticipated annual budget for 2018/2019 is \$3.5 million.

Scope of Work to be Performed

The Port of Oswego Authority desires the auditor to express an opinion on the fair presentation of its financial statements in conformity with generally accepted accounting principles and governmental accounting standards.

Special Considerations

To meet the requirements of this request for proposals, the audit shall be performed in accordance with:

Generally accepted standards as set forth by the American Institute of Certified Public Accountants, Governmental Accounting Standards Board, applicable standards promulgated by the New York State Comptroller, applicable regulations of the New York State Authority Budget Office, generally accepted government auditing standards set forth for financial audits in the U.S. General Accounting Office's (GAO) Government Auditing Standards and GASB.

Budgetary Basis of Accounting

The Port of Oswego Authority prepares its budget on a basis consistent with a modified accrual basis of accounting. Appropriations lapse at fiscal year-end and encumbrances are shown as a reservation of fund balance and are honored through subsequent year's expenditures.

Reports to be Issued

1. Independent Auditor's Report on Basic Financial Statements with Accompanying Required Supplementary Information. Management's Discussion and Analysis (Unaudited).
2. Audited Financial Statements
 - a. Statements of Net Position
 - b. Statements of Revenues, Expenses, and Changes in Net Position
 - c. Statements of Cash Flows
3. Independent Auditors' Report on Investment Policy
4. Independent Auditors' 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
5. Other reports are required and necessary.

Contracts or Grant Agreements (if applicable).

In the required report (s) on internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Reportable conditions that are also material weaknesses shall be identified as such in the report.

Non-reportable conditions discovered by the auditors shall be verbally reported to management

Irregularities and Illegal Acts.

Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of which they become aware to the Audit Committee of the Port of Oswego Authority and the Executive Director.

Federal and State Awards

The Port of Oswego Authority receives and administers federal and state awards.

Pension and Other Plans

The Port of Oswego Authority participates in the NYS and Local Employees' Retirement System as well as contributing to the pension of the International Longshoremens' Association Local 1570A.

Computer Software

The business office utilizes a local area network (LAN) that runs on a Microsoft operating system. The Port's accounting software is Intuit QuickBooks Enterprise Solutions 2018.

Availability of Prior Audit Reports and Working Papers

Interested responders who wish to review prior years' audit reports and management letters should contact **Deborah Godden, Accounting Manager at 1 East Second Street Oswego, New York 13126**. The Port will use its best efforts to make prior audit reports and supporting working papers available to responders to aid their response to this request for proposals.

Date Final Report is Due

The report on the financial statements of the Port, Audit and Related Reports are due June 3, 2019.

The final report, nine signed copies plus a PDF version shall be delivered to the Executive Director at the Port offices by the date indicated above.

Business Office and Clerical Assistance

The business office staff and responsible supervisory and/or management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of the auditor.

Interim fieldwork shall be performed at a mutually agreed upon time during the month of May each year.

Work Area, Telephones, Photocopying and FAX Machines

The Port of Oswego Authority will provide the auditor with reasonable workspace, desks and chairs. The auditor will also be provided with access to a telephone line, photocopying facilities and a facsimile machine subject to minimal use and availability.

Report Preparation

Report preparation, editing and printing shall be the responsibility of the auditor.

Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of five (5) years, unless the firm is notified in writing by the Port of Oswego Authority of the need to extend the retention period. The auditor is required to make working papers available, upon request, to the following parties or their designees:

- Port of Oswego Authority
- Parties designated by the federal or state government or by the Port of Oswego Authority as part of an audit quality review process

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

Proposal

General Requirements

The purpose of the Proposal is to demonstrate the qualifications, competence, and capacity of the firms seeking to undertake an independent audit of the Port of Oswego Authority in conformity with the requirements of this Request for Proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the Request for Proposals requirement.

Independence

The firm should provide an affirmative statement that it is independent of the Port of Oswego Authority as defined by generally accepted auditing standards/the U.S. General Accounting Office's *Government Auditing Standards* (1994).

Prior single Audit Experience

The firm should include prior or current engagements pursuant to the Amended Single Audit Act and Office of Management and Budget Circular A-133. This may not be required for this reporting period however experience is desirable.

Firm Qualifications and Experience

The proposer should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.

Partner, Supervisory and Staff Qualifications and Experience

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether each such person is registered or licensed to practice as a certified public accountant in New York State. Provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. Indicate how the quality of staff over the term of the agreement will be assured.

Consultants and firm specialists mentioned in response to this Request for Proposals can only be changed with the express prior written permission of the Executive Director/CEO, which retains the right to approve or reject replacements.

Similar Engagements

For the firm's office that will be assigned responsibility for the audit, list the most significant

engagements (maximum-5) performed in the last five years that are similar to the engagement described in the Request for Proposals.

Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in this Request for Proposals. In developing the work plan, reference should be made to such sources of information as the Port of Oswego Authority' budget and related materials, organizational chart, programs, and financial and other management information systems.

Proposers will be required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement.
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement.
- c. Sample size and type and extent of testing.
- d. Approach to be taken to gain and document an understanding of the Port of Oswego Authority's internal control structure.
- e. Approach to be taken in drawing audit samples for purposes of tests of compliance.
- f. Approach to be taken in drawing audit samples for purposes of tests of compliance.

Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the Port of Oswego Authority.

Report Format

The proposal should include sample formats for required reports.

Sealed Dollar Cost Bid

Total All-Inclusive Maximum Price

The sealed dollar cost bid should contain all pricing information relative to performing the audit engagement as described in this Request for Proposals. The total-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses. This price is to include pre and post on-site audit conference meetings and a presentation to the Port of Oswego Authority Board.

The Port of Oswego Authority will not be responsible for expenses incurred in preparing and submitting the technical proposal or the sealed dollar cost bid. Such costs should not be included in the proposal.

The first page of the sealed dollar cost bid should include the following information:

- a. Name of firm
- b. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with the Port of Oswego Authority
- c. A total All-Inclusive Maximum Price for the engagement.

Rates by Partner, Specialist, Supervisory and Staff Levels Times Hours Anticipated for Each.

Rates for Additional Professional Services to include a price for services throughout the remainder of the year for consultations. **(If requested)**

Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost bid proposal. Ten percent (10%) will be withheld from each billing pending delivery of the firm's final reports

The Port of Oswego Authority reserves the right without prejudice to reject any or all proposals.

Proposals are to be sent choosing the following information on the outside and shall be mailed or hand delivered to the following:

Port of Oswego Authority
1 East Second Street
Oswego, New York 13126

Attn: William W. Scriber, Executive Director

RFP – INDEPENDENT AUDIT SERVICES

CONFIDENTIAL – DO NOT OPEN

[Please be sure your return address is shown on the outside of the envelope]

REQUEST FOR PROPOSALS FOR PROFESSIONAL AUDITING SERVICES

Port of Oswego Authority

Proposer Warranties

I. Proposer warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof.

II. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the Port of Oswego Authority.

III. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official: _____

Name (typed): _____

Title: _____

Firm: _____

Date:

**REQUEST FOR PROPOSALS FOR
PROFESSIONAL AUDITING SERVICES**

Port of Oswego Authority

**Schedule of Audit Quotations
As proposed**

	Fiscal Year	Fiscal Year	Fiscal Year
	2018-19	2019-20	2020-21
Audit of general purpose financial statements, and all other services not separately listed below	<hr/>	<hr/>	<hr/>
Single Audit	<hr/>	<hr/>	<hr/>
Total All-Inclusive Maximum Price	<hr/>	<hr/>	<hr/>