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## **REQUEST FOR PROPOSALS FINANCIAL AUDIT SERVICES**

Our current auditing firm's audit partner has announced his retirement and so the District is soliciting proposals from qualified certified public accounting firms, with government auditing experience, to audit its financial statements for three fiscal years beginning with the fiscal year ending June 30, 2024, with the option to extend for the two additional years. These audits are to be performed in accordance with Generally Accepted Auditing Standards (GAAS) the standards for financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the Minimum Audit Requirements for California Special Districts, and any other applicable standards.

### **Description of the District**

The District was organized in December 1982 under California Government Code Section 61000 as an independent Special District. The District was formed to service the residents and commercial businesses with water, wastewater, and trash services within the boundaries of Hollywood Beach, Hollywood-by-the-Sea and Silver Strand Beach in Ventura County, California. The District also provides water service to the Channel Islands Harbor, Oxnard, California. The population of the area is approximately 4,500 full time residents with many part time and Airbnb owners.

The District is governed by a five-member Board of Directors who are elected by the registered voters of the Channel Islands Beach area, two four-year staggered terms, with elections held in even-numbered years. The CIBCSD staff includes eight full-time employees who comprise the following departments: Administration, Finance, Maintenance, Operations, and Customer Services. All employees are overseen by a General Manager who is appointed by the Board of Directors.

The District does receive some property taxes but is exempt from the Appropriations Limit (GANN Limit). Currently, the District does not receive federal awards that meet the threshold requiring a single audit.

### **Objectives and Scope of Work**

The services include a financial audit under GAAS and GAS for the fiscal year ending June 30, 2024, with an option to extend to audit the FYE 2024, 2025 and 2026.

The selected qualified auditing firm will assist the District in preparing the draft financial statements under generally accepted accounting principles and the adjustment to the District's investment in the Port Hueneme Water Agency (PHWA), a joint venture, based on the PHWA audited financial statements. The District will prepare Management's Discussion and Analysis. The qualified firm will provide assurance that the audits are completed in accordance with generally accepted Government Auditing Standards.

Prior to beginning any work, the auditor will review the audit approach and any special audit requirements with the District accounting staff, identifying the records and other supporting documents to be audited, preparing and assignment of responsibility and tentative timetable for work to be done. The District will prepare lead schedules, worksheets, reconciliations and other information requested.

The auditor will provide an internal control report under GAS which includes audit findings and recommendations affecting the financial statements, internal controls, accounting systems and instances of noncompliance.

The District audit is to be completed in a timely fashion and the audit report is to be submitted within sixty (60) days of all field work. The completed audit reports, auditor's opinions, and accompanying District financial statements are to be presented to the Board of Directors by the December 2024 Board meeting. With legitimate reasons on behalf of the Auditors or the District, audits will be accepted at the January meetings at the latest.

The District also requests technical accounting assistance to be included in the proposal limited to a maximum of 8 hours for general governmental accounting questions or the implementation of Government Accounting Standards Board (GASB) statements throughout the year. Any accounting assistance required over those hours will be separately billed and agreed-upon.

**Qualifications**

If your firm is interested in obtaining the District audit agreement, please prepare a letter of Proposal which identifies, discusses, and comments on your firm's general qualifications in the following areas:

1. Current government auditing assignments in southern California. Give length of engagement and scope of work currently being performed.
2. Identify government audit experience of partners, manager and other key members of the firm who will be assigned to the audit. Indicate the level of automation used by the firm who will be assigned and the field audit team.
3. Level of expertise in dealing with full financial disclosure particularly with respect to the Government Accounting Standards Board.
4. Describe the audit firms review process, type of review and the time frame from field work to issuance of audit reports. Also indicate which PEER review program your firm is a member of and the date of your last peer review.

**Selection Criteria**

The proposals submitted will be evaluated by the General Manager, District Office Manager, Board Finance Committee and District's contract CPA Firm. Evaluation of the proposals by the District staff will include but is not limited to the following:

- Demonstrated understanding of the engagement.
- Acceptability of audit approach and fit of firm style and objectives.
- Qualifications of firm in local government auditing, especially Special Districts and single audit engagements.
- Qualifications, availability, and compatibility of assigned individuals, including local government audit experience.
- Be properly licensed to practice in California, including supervisory professional staff to the engagement.
- Overall level of effort and fees.

The firms submitting the proposal which best meet the criteria may be required to meet with District representatives and discuss their proposal in detail. Firms are encouraged to include relevant information which may be useful in their evaluation.

**Selection Process and Award of Contract**

RFP Issued by CIBCSD	March 14, 2024
Notice of Intent to Submit Proposal Due	March 28, 2024
Vendor Question and Comments Due	April 1, 2024
District Responses to Vendor Question/Comments	April 4, 2024
Proposal Submission Deadline	April 17,2024
Finalist Notification and Interviews Scheduled	No later than April 29, 2024
Vendor Selection and Notification	No later than May 6, 2024
Contract Negotiations and Award of Contract	No later than May 17, 2024

### **RFP Coordinator**

All communications regarding this RFP must be submitted via email to:

CJ Dillon, Office Manager  
cdillon@cibcsd.com

Vendors contact with anyone else in the District is expressly forbidden and may result in disqualification of the Vendor's bid.

### **Notice of Intent to Submit Proposal**

By March 28, 2024, Proposers must send an email to the RFP Coordinator that indicates an intent to submit a Proposal along with the primary contact person's name, phone number, and email address. This notice of intent does not create an obligation to submit a proposal but ensures we can properly communicate with all potential Proposers.

### **RFP Questions and Comments**

Questions and comments concerning this RFP should be submitted via email to the RFP Coordinator no later than April 1, 2024, by 5:00 PM Pacific Standard time. The District's responses to all questions received will be provided via email by April 4, 2024 to all known Proposers.

### **Proposal Submission**

Proposals must be received by the District on or before 4:00 pm (PST) on April 17, 2024. Proposals received by the District after the deadline will not be considered.

Proposers must submit one (1) bound copy in a sealed envelope or package of the marked "Audit Proposal" to the RFP Coordinator. Proposal packages should be delivered to the address indicated below. We recommend using a private shipping company, such as UPS or FedEx, rather than the US Postal Service.

**Channel Islands Beach CSD, Attention; CJ Dillon  
2300 Roosevelt Blvd., 2<sup>nd</sup> Floor  
Oxnard, CA 93035**

**Phone: 805-985-6021**

## **Cover Letter**

The cover letter must include the following:

- Firm's legal name• Primary business address
- Name, address, phone number, and email address for the primary contact associated with this RFP
- Statement indicating that the proposal is valid for at least 120 days
- Statement certifying that the firm and its employees are free from conflicts of interest
- Signature of a company officer empowered to bind the Proposer to the provisions of this RFP and any contract awarded pursuant to it.

## **Firm Background and Qualifications**

The proposal should include the following:

- A brief description of the firm's background and organizational history
- Overview of the firm's operations, management, and audit methodology
- Description of your firm's special district/government agency experience

## **Interviews**

If selected as a finalist, informal interviews, either in person or virtual meeting, will be scheduled and conducted.

## **Contract Negotiations and Award of Contract**

Once evaluation and interviews are complete, the District reserves the right to enter into contract negotiations with the selected firm. These negotiations could include all aspects of services and fees. If a contract is not finalized within 30 days, the District reserves the right to open negotiations with the next best-ranked firm. The selected firm will be required to enter into a written contract with the District in a form approved by legal counsel for the District. Any part of the proposal may be incorporated into and make a part of the contract.

If a Proposer indicates an offer of services in addition to those required by and described in this RFP, these additional services may be added to the contract before contract signing at the sole discretion of the District.

### **References**

Provide at least three references, which should include other public agencies of a similar size and complexity to the District. For each reference, the Proposer must provide the agency name and contact information (name, title, address, and email address).

### **Cost of service**

Provide an all-inclusive maximum fee for performing the audits and other services as defined in the Scope of Services for each year to be audited, including the optional two-year extension. Include direct, indirect, and travel costs.

### **Exhibits**

- Firms most recent external quality review
- Sample Audit Report
- Disclosure of any disciplinary action taken or pending against the firm and settled or pending litigation within the past three years.

### **RFP Terms and Conditions**

#### **Collusion**

By submitting a response to the RFP, each Proposer represents and warrants that its response is genuine and not made in the interest of or on behalf of any person not named therein; that the Proposer has not directly induced or solicited any other person to submit a sham response or any other person to refrain from submitting a response; and that the Proposer has not in any manner sought collusion to secure any improper advantage over any other person submitting a response.

## **Gratuities**

No person will offer, give or agree to give any District employee or its representatives any gratuity or offer of employment in connection with the award of contract by the District. No District employee or its representatives will solicit, demand, accept or agree to accept from any other person a gratuity or offer of employment in connection with a District contract.

## **Right of Rejection**

The District reserves the right, at its sole discretion, to reject any and all proposals or to cancel this RFP in its entirety. Any proposal received that does not meet the requirements of this RFP may be nonresponsive, and the proposal may be rejected. Proposers must comply with all the terms of this RFP and all applicable State laws and regulations. The District may reject any proposal that does not comply with all of the terms, conditions, and performance requirements of the RFP.

Proposers may not restrict the rights of the District or otherwise qualify their proposals. If a Proposer does so, the District may determine the proposal to be a nonresponsive counteroffer, and the proposal may be rejected.

The District reserves the right, at its sole discretion, to waive variances in technical proposals provided such action is in the best interest of the District. Where the District waives minor variances in proposals, such waiver does not modify the RFP requirements or excuse the Proposer from full compliance with the RFP. Notwithstanding any minor variance, the District may hold any Proposer to strict compliance with the RFP.

## **Disclosure of Proposal Content**

All proposals and other materials submitted in response to this RFP procurement process become the property of the District. Selection or rejection of a proposal does not affect this right. All proposal information, including detailed price and cost information, will be held in confidence during the evaluation process. Upon the completion of the evaluation of proposals, the proposals and associated materials will be open for review by the public to the extent allowed by the California Public Records Act. By submitting a proposal, the Proposer acknowledges and accepts that the contents of the proposal and associated documents will become open to public inspection.

## **Rights of the District**

The District reserves the right to:

- Make the selection based on its sole discretion.
- Reject any and all proposals.
- Issue subsequent Requests for Proposals.
- Remedy errors in the Request for Proposal process.
- Accept other than the lowest offer.
- Waive informalities and irregularities in the proposals.
- Enter into an agreement with another Proposer in the event the originally selected Proposer defaults or fails to execute an agreement with the District.

An agreement will not be binding or valid with the District unless and until it is executed by authorized representatives of the District and the Proposer.

**Attachment- Fiscal Year 2022 Audited Financial Statements. The current 2023 audit is still in progress due to unforeseen circumstances and is expected to be completed by April 2024.**