

UTAH COUNTIES INSURANCE POOL

Request for Proposal (RFP) ***for*** ***INDEPENDENT FINANCIAL AUDIT ENGAGEMENT***

The **Utah Counties Insurance Pool (UCIP)** will be accepting Proposals for the purpose of obtaining a qualified Certified Public Accountant to perform the audit of UCIP's financial statements.

Proposals must be received by the Chief Executive Officer of UCIP no later than 5:00 PM, January 9, 2012. Failure to deliver Proposal on time may result in rejection of the Proposal as UCIP's discretion.

Inquiries regarding this Proposal may be directed in writing to:

Johnnie Miller, CEO
Utah Counties Insurance Pool
P.O. Box 95730
South Jordan, UT 84095
801-565-8500
jmiller@ucip.utah.gov

GENERAL TERMS AND CONDITIONS OF PROPOSALS

- 1) No Proposer may withdraw his/her proposal for a period of thirty (30) days after the date and hour set for the delivery of proposals.
- 2) Any exceptions or deviations from written specifications shall be shown in writing and attached to the Proposal.
- 3) The enclosed Non Collusion Affidavit and Business Relationship Affidavit must be signed, notarized and returned with the Proposal.
- 4) UCIP reserves the right to reject any and all Proposals and to waive any technicalities in this RFP document, the RFP process and/or any Proposal received.
- 5) Proposal price shall be valid for a period of sixty (60) days after the Proposal delivery date.
- 6) Contact with any members of the UCIP Board of Trustees regarding this RFP may be grounds for elimination from the selection process.

AWARD OF ENGAGEMENT

This Engagement shall be awarded to the firm who, in the opinion of UCIP, is judged most advantageous to UCIP, considering the factors identified in this Request for Proposal. Only the UCIP Board of Trustees shall have the authority to award the engagement.

In addition to price, the following factors shall be considered:

- 1) The ability, capacity, skill and experience of the Proposer to fulfill the terms of the engagement or provide the service required.
- 2) Whether the Proposer can fulfill the terms of the engagement or provide the service promptly or within the time specified without delay or interference.
- 3) The character, integrity, reputation, judgment, experience and efficiency of the Proposer.
- 4) The quality of fulfillment of the terms of previous engagements or services provided UCIP or others.
- 5) The previous and present compliance of the Proposer with laws and ordinances relating to the engagement or service.

- 6) The sufficiency of the financial resources and ability of the Proposer to fulfill the terms of the engagement or provide the services required.
- 7) The quality, availability and adaptability of the engagement services to the particular use required.
- 8) The number and scope of the conditions attached to the Proposal.

Proposals should provide adequate information for UCIP to consider these factors including:

- a. Draft Engagement Letter sufficient to be accepted by UCIP as is or with modification as requested by UCIP. All statements made in the proposal may be incorporated by reference or by amendment to the draft engagement letter.
- b. Profile of Firm.
- c. Resumes of persons who will work directly on the UCIP engagement.
- d. Governmental Experience and more specifically experience with Utah governmental subdivisions.
- e. Insurance Entity Experience and more specifically experience with governmental risk pools.
- f. References and more specifically any references from governmental agencies, insurance companies or governmental risk pools.

GENERAL INFORMATION

Utah Counties Insurance Pool (UCIP or the Pool) was incorporated in December, 1991, as the Utah Association of Counties Insurance Mutual, or UACIM, (or the Mutual). In July, 2003, the Mutual was renamed the Utah Counties Insurance Pool. In December, 2011, the membership voted to change the name to the Utah Counties Indemnity Pool. UCIP is a public agency insurance mutual exempt from most insurance statutes of the State of Utah per 31A-1-103(7). For audit purposes UCIP is an interlocal entity formed under UCA 11-13-101 et. seq., as amended. UCIP is a joint program to provide for the pooling of risks among the counties of Utah and their related entities. All of the pool's business is conducted in Utah. UCIP pools risks in its Multiline Program. The Workers Compensation Program is a group purchase program, and required no actuarial services.

UCIP maintains its internal accounting records on a modified cash basis (for budgetary accounting purposes) during the year. At year end, UCIP staff prepares and posts the necessary journal entries to convert the records to GAAP. The conversion results in the reporting of governmental funds on the modified accrual basis of accounting and current financial resources measurement focus. UCIP implemented GASB Statement No. 34 in fiscal year 2005.

SPECIFICATIONS OF SERVICES REQUIRED

A. General

UCIP is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal year ending December 31, 2011 (sample statements provided as Exhibit 1). It is anticipated that the firm selected to serve as UCIP's independent auditor will be retained for at least three (3) years, with annual evaluations made of the firm's services. These audits are to be performed in accordance with Government Auditing Standards most recently published and issued by the Comptroller General of the United States, and the Accounting Reports from Political Subdivisions, Interlocal Organizations, and Other Local Entities Act, UCA 51-2A-101 et seq, as amended.

B. Scope of Work

UCIP desires the auditor to audit all UCIP financial statements to express opinions on the fair presentation of the basic financial statements in conformity with generally accepted accounting principles.

The Management Discussion and Analysis and budgetary comparison schedules will be presented as required supplementary information. The auditor will be responsible for applying certain limited procedures, which consist principally of inquiries of

management regarding the methods of measurement and presentation of the required supplementary information. However, the auditor is not expected to audit the information nor express an opinion on it.

The independent accounting firm should be familiar with the State of Utah statutes dealing with financial matters of political subdivisions.

C. Other Considerations

In addition to the opinions on the basic financial statements, the auditor will be required to issue the by-product report on internal control and compliance over financial reporting in accordance with Government Auditing Standards most recently published and issued by the Comptroller General of the United States. A separate management letter shall be prepared by the firm setting forth findings and recommendations relative to other internal control findings, fiscal affairs and other significant observations of the accounting firm during the course of the audit.

The accounting firm will be readily available to answer questions throughout the year and meet with UCIP staff if requested.

D. 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 UCIP of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties:

- UCIP
- Utah State Auditor
- Parties designated by the federal or state government or by UCIP as part of an audit or quality review process
- Auditors of entities with which UCIP transacts primary insurance, excess insurance, or reinsurance

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.

E. Report Requirements

All reports shall be provided electronically and in bound hard copy format (up to 20 bound copies at the firm's expense).

The firm will present the final report to the audit committee and/or the UCIP Board of Trustees.

The firm will file the report with the Office of the State Auditor before June 30, 2012.

The firm will be responsible for providing any proposed adjusting entries to the UCIP CEO for review and acceptance. The audit firm will also provide a list of immaterial audit differences not proposed for adjustment.

F. UCIP Responsibilities

UCIP staff will prepare and provide to the auditor in advance of the audit draft financial statements, end of year adjusting entries and working trial balances. UCIP staff may also prepare confirmations and certain schedules at year end which assist the independent accounting firm. UCIP staff will be available during the audit to assist the audit firm by providing information, documentation and explanations.

UCIP will provide the auditor with reasonable work space, desks and chairs at the UCIP offices during the period of on-site audit procedures. The auditor will also be provided with access to all wireless internet connections, telephone lines and photocopying facilities available at the UCIP offices.

FEE PROPOSALS

Fee Proposals submitted in response to this RFP should provide a maximum all-inclusive price to perform the services required by this RFP. The fee information should include a total price for the audit for the 2011 fiscal year and an estimate for each of the two succeeding fiscal years. Include in the proposal a minimum of the following information:

- Budgeted hours by type of staff
- Hourly rate proposed by type of staff
- Manner of billing including interim or progress payment billings
- Total not-to-exceed fee, including expenses

INSTRUCTIONS FOR PROPOSAL SUBMITTAL

Two (2) copies of your proposal must be submitted to Chief Executive Officer, UCIP, P.O. Box 95730, South Jordan, UT 84095. Failure to deliver Proposal on time may result in rejection of the Proposal at UCIP's discretion.

Remember, the attached "Non Collusion Affidavit" and "Business Relationship Affidavit" must accompany your proposal.

UCIP reserves the right to reject any and/or all Proposals.

NON COLLUSION AFFIDAVIT

State of _____)
) ss
County of _____)

_____, of lawful age, being first sworn on oath says that (s)he is the agent authorized by the firm to submit the attached proposal. Affiant further states that the firm has not been a party of any collusion with other firms in restraint of freedom of competition by agreement to provide a proposal at a fixed price or refrain from submitting a proposal; or with State, County, or City officials or employees as to the quantity, quality, or price in prospective contract, or any other terms of said prospective contract; or in any discussions between the firm and any State, County, or City official concerning exchange of money or any other thing of value for special consideration in the submission or acceptance of the proposal.

AFFIANT

Name

Title

Signature

NOTARY PUBLIC

Subscribed and sworn before me this _____
day of _____, 20__.

Name

Signature

My Commission Expires: _____

BUSINESS RELATIONSHIP AFFIDAVIT

State of _____)

County of _____)

_____, of lawful age, being first duly sworn on oath states that (s)he is the agent authorized by the firm to submit the attached proposal.

Affiant further states that the nature of any partnership, joint venture, or other business relationship presently in effect or which existed within one (1) year prior to the date of this statement between the firm and UCIP or any of its officers, employees or agents is as follows:

Affiant further states that the names of all persons who have any such business relationships and the positions they hold with their respective companies or firms are as follows:

(If none of the business relationships hereinabove mentioned exists, affiant should so state)

AFFIANT

Name

Title

Signature

NOTARY PUBLIC

Subscribed and sworn before me this _____
day of _____, 20__.

Name

Signature

My Commission Expires: _____