

KAYENTA TOWNSHIP COMMISSION

Request for Proposals:

Internal Auditing Services

PROPOSAL DUE DATE: September 20, 2021

CONTACT PERSON: Ms. Corinne Holiday, Accounting Manager

PLEASE RETURN ALL RESPONSES TO:

Mailing Address: Kayenta Township Commission
Attn: Ms. Corinne Holiday, Accounting Manager
P.O. Box 1490
Kayenta, Arizona 86033

Physical Address: Kayenta Township Commission
1/4 Mile North on Hwy 163
Kayenta, Arizona 86033

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I. INTRODUCTION.

The Kayenta Township Commission (“Commission”), the governing body of the Kayenta Township (“Township”), a home-rule political subdivision of the Navajo Nation, is issuing this Request for Proposals (“RFP”) for internal audit services from interested firms who have experience in the scope of work, meet the minimum qualifications set forth in this RFP, and who are not disbarred or otherwise ineligible under applicable law. This RFP, any contract negotiations, and finalization of a contract shall be carried out by Township management and staff.

II. BACKGROUND

The Commission is the governing body of the Township, a “home-rule” municipality located on Navajo tribal trust lands in Kayenta, Navajo County, Arizona. The Navajo Nation is a federally recognized Indian tribe with reservation lands covering a large area of Arizona, Utah, and New Mexico. The Commission and Township share in the sovereign aspects of the Navajo Nation and in its various governmental privileges and immunities. The Commission was first established in 1985 by the Navajo Nation Council as a “pilot project” for local governance. Since 2003, after codification of its plan of operation by the Council, the Commission has had broad authority and responsibility to govern for the welfare of Township and its residents, including the inherent authority to enact such ordinances, rules and regulations as it deems in the best interest of the Township. *See* 2 N.N.C. §§ 4081-4086 (2005); *Kayenta Township Comm’n v. Ward*, 9 Nav. R. 481, 486 (Nav. Sup. Ct. 2011) (the broad grant of power to KTC under Title 2 of the Navajo Nation Code includes the power to exercise all inherently governmental functions); *Kayenta Township Comm’n v. Ocean Properties Ltd.*, No. KY-CV-058-2013, slip op. at 7, 11 (Kayenta Dist. Ct. Dec. 4, 2013) (confirming the Commission’s authority to adopt and enforce local ordinances).

Pursuant to its home rule authority, the Commission has adopted, *inter alia*, comprehensive tax, trespass, leasing and zoning ordinances, and the only comprehensive building codes on the Navajo Nation for commercial and residential construction (the Commission adopted the most current versions of the International Building Codes). Under the Commission’s governance, the Township is a thriving and growing community, located at a tourist hub on the Navajo Nation at the gateway of Monument Valley with multiple businesses serving its residents and visitors, including hotels, restaurants, and a shopping center that includes a hardware store and large grocery store. The Township operates a recreational center, a fire station serving the region, and provides multiple government services including solid waste collection and a transfer station.

III. PROJECT SUMMARY AND DESCRIPTION

The selected firm will provide internal audit services for the Commission and Township, as set forth in the Scope of Work/Services (the “Services”), for a four-year contract term. The Services will include onsite fieldwork for data collection, in addition to analysis and reporting. The goal of the Services is to assist Township management in achieving Finance Department objectives by providing information about the effectiveness of internal controls and by recommending courses of action which improve financial performance and efficacy. The Services will be conducted in accordance with GAO Government Auditing Standards.

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IV. SCOPE OF WORK/SERVICES

- A. Objectives. The selected firm will perform internal audits on a quarterly or annual basis to determine the following:
- The reliability and integrity of financial information;
 - Compliance with applicable ordinances, laws, regulations, contracts and grant agreements;
 - Compliance with the Township's Fiscal Policies and Procedures;
 - Proper safeguarding of Township assets;
 - Effectiveness and efficiency of operations of the Finance Department; and
 - The Township's implementation of recommendations included in prior quarters' internal audit report(s).
- B. Engagement Procedures. As set forth in subsection (A), next above, procedures conducted by the selected firm will include determining the Township's compliance with its Fiscal Policies and Procedures. Specific tests will include without limitation the following:
- Tests to determine that accounting transactions are properly initiated, authorized, executed, and recorded;
 - Confidential interviews with both finance and non-finance department employees related to fraud and the fraud risks affecting the Township;
 - Tests to determine safeguarding of assets (namely cash and property assets);
 - Reconciliation of subsidiary records to the general ledger;
 - Testing of document retention and filing procedures;
 - Cash disbursements testing;
 - Payroll transactions policies and procedures testing;
 - Personnel policies and procedures testing;
 - Testing of accounts receivable and cash receipting policies and procedures;
 - Testing of cash handling procedures at the Township administrative office and Transfer Station;
 - Testing of capital assets inventory procedures;
 - Performing inventory test counts where applicable;
 - Testing of revenue recognition policies and procedures;
 - Testing of purchasing and procurement policies and procedures;
 - Tests to determine compliance with retail sales and business sales tax ordinances;
 - Tests to determine compliance with lease tax and business site-leasing ordinances;
 - Tests to determine compliance with budgeting ordinances;
 - Testing of backup procedures as it relates to IT electronic data files in the Finance Department;

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- Any other tests not specifically mentioned here that the selected firm finds necessary to determine compliance with the Kayenta Township Fiscal Policies and Procedures;
- Any other test specifically requested by Township management.

Before the selected firm's audit team departs the Township at the end of each fieldwork phase, a meeting will be held with management to discuss the preliminary findings raised, any outstanding information and the next steps to the internal audit. Each draft audit report will be completed by the audit staff and will be presented to management for analysis and response. Management will provide a response to the draft report that will be included in the final report. The internal audit testing procedures should be designed to be unpredictable and may be unannounced.

Fieldwork dates should be scheduled at the beginning of each quarter to perform tests of compliance of the previous quarter ended, *e.g.*, in the first week of January, April, July, and October.

V. MINIMUM QUALIFICATIONS

- The firm and all of its principals shall have a minimum of 10 years' experience providing auditing services for governments and/or governmental entities in accordance with GAO Government Auditing Standards.
- All of the principals for the firm shall be duly licensed, Certified Public Accountants ("CPAs"), and one or more of the persons conducting the fieldwork shall be a duly licensed CPA.
- The selected firm shall have an outstanding record of performance and timeliness in the execution of previous contracts, which shall be verified by at least five (5) professional references from governments or governmental entities, three of which must be municipalities (which may include LGA certified chapters of the Navajo Nation or state chartered municipalities).

VI. SPECIAL REQUIREMENTS

Experience with indigenous groups, tribes and/or tribal enterprises is desirable but not required. The Company recognizes Navajo and Indian preference in contracting selection and specifically complies with the requirements of the Navajo Nation Business Opportunity Act, 5 N.N.C. § 201 *et seq.* As applicable, preference will be given to firms on the Source List of Certified Navajo Businesses kept by the Navajo Nation Business Regulatory Department, Division of Economic Development that meet the minimum qualifications of this RFP.

Proposals by any firm that has been disbarred or is otherwise deemed ineligible under the Navajo Business and Procurement Act, 12 N.N.C. § 1501 *et seq.*, or other applicable law, including without limitation the Ethics in Government Law, 2 N.N.C. § 3741 *et seq.*, shall not be considered.

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VII. PROJECT TIMETABLE

Proposals are required to be submitted no later than September 20, 2021. The Commission nonetheless retains the right to accept late submissions, in its sole discretion, subject to compliance with applicable law. The following schedule shall apply, unless otherwise modified by the Township, in accordance with applicable law:

August 16, 2021:	Issuance of RFP
September 20, 2021 by 4PM (Local Time):	Proposals Due
September 22, 2021 @ 9AM (Local Time):	Selection of Successful Firm
October 1, 2021:	Commencement of Services

Termination of Contract and Deliverables shall be in accordance with Contract terms.

VIII. GENERAL CONDITIONS

A. Limitations. This RFP does not commit the Commission to award a contract, to pay any costs incurred in the preparation of the RFP or contract in response to this request, or to procure or contract for services or supplies. The Commission expressly reserves the right to reject any and all proposals or to waive any irregularity or information in any proposal or in the RFP procedure and to be the sole judge of the responsibility of any proposer and of the suitability of the materials and/or services to be rendered. The Commission reserves the right to withdraw this RFP at any time without prior notice. Further, the Commission reserves the right to modify the RFP schedule described above.

B. Award. The Commission may ask RFP finalists to present oral presentations regarding their firms and any special expertise in the necessary areas. All finalists may be required to participate in negotiations and submit such price, technical, or other revisions of their proposals as may result from negotiations. The Commission also reserves the right to award the contract without discussion, based upon the initial proposals. Accordingly, each initial proposal should be submitted on the most favorable terms from a price and a technical viewpoint.

C. Modifications to RFP Requirements. Any changes to the RFP requirements will be made by written addenda by the Commission and shall be considered part of the RFP. Upon issuance, such addenda shall be incorporated in the agreement documents, and shall prevail over inconsistent provisions of earlier issued documentation.

D. Verbal Agreement or Conversation. No prior, current, or post award verbal conversations or agreement(s) with any officer, agent, or employee of the Commission shall affect or modify any terms or obligations of the RFP, or any contract resulting from this RFP.

E. Pre-contractual Expenses. Pre-contractual expenses, ***which are not chargeable to the Commission***, are defined as expenses incurred by proposers and the selected firm in: preparing proposals in response to this RFP; submitting proposals to the Commission; negotiations with the Commission on any matter related to proposals; other expenses incurred by a contractor or proposer prior to the date of award of any agreement. In any event, the

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Commission shall not be liable for any pre-contractual expenses incurred by any proposer or selected firm. Proposers shall not include any such expenses as part of the price proposed in response to this RFP. The Commission shall be held harmless and free from any and all liability, claims, or expenses whatsoever incurred by, or on behalf of, any person or organization responding to this RFP.

F. Signature Authority. The proposal will also provide the following information: name, title, address and telephone number of individual with authority to bind the company and also who may be contacted during the period of proposal evaluation. The proposal shall be signed by an official authorized to bind the consultant. Execution of the contract is expected by October 1, 2021.

G. Term. The initial period of the contract will be for one year, with the option to extend the contract upon agreement and execution by the Parties of an amendment in writing.

IX. PROPOSAL CONTENT AND ORGANIZATION

A. Transmittal Letter. The transmittal letter should include the name, title, address, phone number, and original signature of an individual with authority to negotiate on behalf of and to contractually bind the firm, and who may be contacted during the period of proposal evaluation. Only one transmittal letter needs to be prepared to accompany all copies of the technical and cost proposals.

B. Table of Contents. A listing of the major sections in the proposal and the associated page numbers.

C. Introduction. In this section, the firm should demonstrate an adequate understanding of the contractor's role and relationship with the Commission.

D. Technical Approach. This should include:

1. A brief description of the firm, including the year the firm was established, type of organization of firm (partnership, corporation, etc.), and any variation in size over the last five years, along with a statement of the firm's qualifications for performing the Services.
2. A brief description of the firm's experience with similar organizations and similar work.
3. An organizational chart depicting the individuals or team proposed by the firm, a summary of their qualifications including requisite certifications, and experience of each member proposed to provide services.

E. Consultant Staff. The Proposal shall describe the qualifications and experience of each professional who will participate in the project, including a resume for each member of the project team. A project manager shall be designated, and an organizational chart

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showing the manager and all project staff shall be included.

F. Consultant Qualifications and References. The Proposal shall include a list of references for similar clients, in accordance with the minimum requirements set forth herein. References shall include client contact names, mailing and email addresses, and phone numbers, descriptions of the type of work performed, approximate dates on which the work was completed and shall identify the professional staff who performed the work. Work conducted by subcontractors or firm consultants is inapplicable as experience.

G. Cost Proposal. **The cost/bid portion of the Proposal shall be packaged separately** from the rest of the Proposal and shall describe in detail flat rates, hourly rates, reimbursement of expenses, etc. Prior to opening the rest of the Proposal, the cost/bid portion of the proposal shall be reviewed by the Township to determine whether it is at or below the maximum feasible cost for the Services. **Failure to package the cost/bid portion of the Proposal separately shall render the Proposal non-responsive.**

H. Number of Copies. Interested firms shall provide four (4) bound copies and one (1) unbound original (suitable for reproduction) of the firm's Proposal. All copies should be sealed and should indicate on the outside whether the firm is on the Source List of Certified Navajo Businesses and, if so, whether the firm is Priority #1 or #2.

I. Submittal. The Proposal should be hand delivered or submitted via courier (*e.g.*, Federal Express, UPS) to:

Kayenta Township
Attn: Corinne Holiday, Accounting Manager
P.O. Box 1490
Kayenta, AZ 86033

X. PAYMENT SCHEDULE

Payments shall be made in accordance with the contract terms.

XI. CONTACT PERSON

The successful firm will report directly to the Acting Town Manager, Stephen Young, and any questions about the RFP should be directed to Corinne Holiday, Accounting Manager at (928) 697-8451, or to choliday@kayentatownship-nsn.gov.