



Town of Ware Shoals
Request for proposals for
Forensic Examination and Audit of
the Inter-Municipal Agreement financial standing

Due: April 28, 2023 @ 5:30pm

Contact:

Randee Beasley

Town Clerk/Treasurer

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864-456-7478

REQUEST FOR PROPOSALS

1. BACKGROUND AND PURPOSE

In 1990, Town of Ware Shoals (herein called Ware Shoals), Town of Honea Path (herein called Honea Path) and Donalds-Due West Water Authority (herein called Donalds-Due West) entered into an Inter-municipal Agreement to construct and maintain a sewer trunk line that would connect Honea Path's and Donalds-Due West's sewer infrastructure to the Ware Shoals wastewater treatment plant. Approximately 9 miles of sewer trunk line was installed running from Honea Path to Ware Shoals. This line ran through the Donalds-Due West service area. A meter was installed on the Honea Path end of line to capture the amount of sewage that was sent to the Ware Shoals treatment plant. Donalds-Due West calculates their usage and reports to Ware Shoals monthly.

Once the construction phase of the project was completed and the sewer line was operational, the Town of Ware Shoals was tasked with the daily operation and maintenance of sewer line. At the end of each fiscal year a reconciliation was to be performed to determine the contribution due from Honea Path and Donalds-Due West for the operation and maintenance cost incurred by Ware Shoals. Each month the towns were billed according to a projected budgeted amount and the amount of total capacity of plant was factored in. This process later became known as the Swartz Equation.

Honea Path and Donalds-Due West are billed a fixed base rate and the volumetric rate each month. The Swartz Equation takes the daily operating expenses, cost of repairs and other capital expenditures of the Ware Shoals Wastewater Treatment plant, 9 miles sewer trunk line, pump stations along the trunk line and determines a volumetric rate that Honea Path and Donalds-Due West is charged per thousand gallons of sewer discharged each month. The total capacity of treatment plant and capacity of each party's usage of plant is factored into the equation as well. See attachment for equation.

2. SCOPE OF WORK REQUESTED

The Inter-Municipal Agreement Oversight Committee (herein after called IMA) is seeking a qualified CPA firm to conduct a forensic examination and audit of the reconciliations for FY 2012 through FY 2022. This is NOT an audit on any parties' operating financials. This audit is solely to review the Swartz Equations, determine if expenditures were correctly factored into the equation, reconciliations of rates were properly calculated and determine if any what monies are due to what party.

Ware Shoals will provide all of the information needed for the audit such as the inter-municipal agreement, yearly Swartz Report, audited Fiscal Year Financials, reconciliation documents, any invoices that may be questioned as well as provide any information needed to thoroughly completed the requested audit.

Successful bidder will work closely with the IMA Ad hoc Committee which is made up of representative of each municipality. The Ad hoc committee was formed and tasked with review of the financials of FY 2017-2021 and to report back to IMA findings. During this review it was determined that a forensic audit was needed to be performed by an outside basis third party.

3. PERIOD OF CONTRACT

Once audit is complete, contract will expire

4. PROPOSALS SUBMISSION REQUIREMENTS

Proposals should not be extensive but should convey enough information for the IMA to evaluate the ability of your firm to prove the requested services.

Proposals should include the following:

1. Brief description of the Firm – History, principals and qualifications to undertake this project
2. List of personnel who would be assigned to the project in terms of related experience and project role.
 - a. Team performing audit should include at least one member with experience in forensic audits.
3. Brief description of similar projects
4. Briefly describe your firm's general approach to providing like services.

5. Proposals should be submitted to the Ware Shoals Town Hall no later than 5:00 pm on April 28, 2023. Please provide one hard copy and a digital copy.

Town of Ware Shoals
PO Box 510
8 Mill St
Ware Shoals, SC 29692
Attention: Randee Beasley