North Carolina Board of Funeral Service

REQUEST FOR PROPOSAL [RFP]

Two-Part Request for the
Selection of an Independent Auditor

Section I: Technical Proposal
Section II: Audit Cost Proposal

Le'Shekia T. Coleman, President
Brett D. Lisenbee, Executive Director

NC Board of Funeral Service 1033 Wade Avenue, Suite 108 Raleigh, North Carolina 27605
919.733.9380

REQUEST FOR PROPOSAL

The North Carolina Board of Funeral Service (the "Board") is an occupational licensing board authorized by Chapters 90 and 93B of the North Carolina General Statutes. The Board's primary responsibility is to safeguard the public health, safety, and welfare of North Carolina citizens by ensuring that those individuals and entities licensed for the practice of funeral services in this state are duly qualified. The Board is a nonmajor enterprise fund of the primary government of the State of North Carolina and is reported as such in the State's *Comprehensive Annual Financial Report (CAFR).* The Board's financial statements are separate and apart from those of the State of North Carolina and do not present the financial position of the State.

The Board invites qualified independent auditors (hereinafter called "auditor") having sufficient governmental accounting and auditing experience in performing an audit in accordance with the specifications outlined in this Request for Proposal (RFP) to submit a proposal.

There is no expressed or implied obligation for the Board to reimburse firms for any expenses incurred in preparing proposals in response to this request.

The specific details shown herein shall be considered minimum unless otherwise shown. The specifications, terms, and conditions included with this RFP shall govern in any resulting contract(s) unless approved otherwise in writing by the Board. The bidder consents to personal jurisdiction and venue in a state court of competent jurisdiction in Wake County, North Carolina.

Board's Budgets and Accounting Records

The Board prepares an annual budget, with budgeted revenues of $1,800,444.00 and expenses of $1,744,601.00 estimated for the year ending December 31, 2026. The Board prepares monthly budget-to-actual statements to monitor its budgeted activities. Schedules of Budget and Actual are included in the Board's annual audit report as supplementary information.

The Board maintains some accounting records at the Board office located at 1033 Wade Ave., Suite 108, Raleigh, NC 27605. The Board outsources its accounting systems [accounts payable, payroll, financial reporting, and fiscal analysis/trend statements] to Thomas, Judy & Tucker, P.A., Raleigh, North Carolina, who are primary custodians of accounting records.

Assistance Available to Auditor

The Board will make available to the auditor sufficient help to pull and re-file records and assist with obtaining all necessary confirmations. The Executive Director, in concert with Thomas, Judy & Tucker, P.A., will provide the auditor with an audit package to include the draft financial statements, footnotes, MD&A, and supporting schedules for audit. A trial balance will be made available via Excel (or hard copy, e-mail, etc.). The books of account will be fully balanced. All bank account reconciliations for each month will be completed.

Type of Audit

The audit will encompass a financial examination of the Board's basic financial statements, footnotes, and supplementary information in accordance with the laws and/or regulations of the State of North Carolina, which include requirements for the minimum scope of the audit. The financial statements will be audited in accordance with auditing standards generally accepted in the United States of America.

Period

The Board intends to continue the relationship with the auditor for no less than three years on the basis of annual review and renewal after the completion of the first-year contract. Each subsequent year renewal will be subject to the original contract documenting the terms of the audit. Since one governing board may not obligate future governing boards, the remaining years of the agreement are subject to annual governing board review and approval. The Board reserves the right to request proposals at any time following the first year of this contract. Thus, prepare proposals for the following years, with Year One being the only obligated year:

January 1, 2027 to December 31, 2027

January 1, 2028 to December 31, 2028

January 1, 2029 to December 31, 2029

Requirements

The audit must be conducted in accordance with auditing standards generally accepted in the United States. The financial statements will be prepared in accordance with generally accepted accounting principles (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) establishes standards of financial accounting and reporting for state and local governmental entities.

The Board is reported as a nonmajor enterprise fund since State law requires that occupational boards recover their costs of providing services, including capital costs, through fees and charges rather than taxes or similar revenues (GASB Statement #34, paragraph 67b). Statewide accounting policies are established by the North Carolina Office of the State Controller, and thus, apply to the Board.

The required financial statements of the Board are:

- Statement(s) of Net Position
- Statement(s) of Revenues, Expenses, and Changes in Net Position
- Statement(s) of Cash Flows

The financial statements of the Board are presented using the economic resources measurement focus and the accrual basis of accounting. The financial statements include all relevant GAAP financial statements, note disclosures, and required supplementary information, including management's discussion and analysis (MD&A). The MD&A discusses all topics required by GAAP.

It should be noted that FASB ASC 958-605, *Not-for-Profit Entities: Revenue Recognition* (FAS- 116, *Accounting for Contributions Received and Contributions Made*) and ASC 958-205, *Not- for-Profit Entities: Presentation of Financial Statements* (FAS-117, *Financial Statements of Not- for-Profit Organizations*) are not applicable to governmental organizations and are therefore not appropriate accounting standards for occupational licensing boards.

The Board's Executive Director will prepare draft financial statements, inclusive of year-end adjusting journal entries. The draft financial statements will include the MD&A as prepared by the Board's Executive Director.

The audit report must be submitted to the Board's oversight State entities within four months following the December 31 fiscal year end. As such, the audit report must be finalized, presented, and approved by the Board not later than the March meeting such that the Board can comply with its April 30 statewide financial reporting requirements.

Based on the above requirements, the Board requests that all fieldwork be completed in sufficient time so that proper reviews can occur by both the Board staff and the Finance and Personnel Committee, prior to presentation to the full Board; however, the Board will work with the auditor to establish an adequate timeframe for the audit to occur. The Board's Executive Director will expect a listing of requested information needed for the audit at the preplanning conference, periodic conference, during the conduct of the audit, as well as an exit conference at the completion of fieldwork.

The auditor will submit a draft of the audit report to be reviewed in detail by the Board's Executive Director and the Board's Finance and Personnel Committee. This draft shall be submitted to the Board in time to allow ample review and clarifications. The timing of this presentation must ensure final completion of the audit report no later than the Board established April 30 deadline.

In accordance with *North Carolina Session Law 2012-142*, "*Each audit report prepared for a State agency by a Certified Public Accountant shall itemize the number of hours used in conducting the audit and in preparation of the audit report and the total cost of conducting the audit and preparing the audit*."

The auditor shall provide ten (10) copies of the audit report, management letter, and other applicable reports to the Board's Executive Director within the timeframe cited above. In addition, the auditor shall provide the Board with an electronic copy of the report for distribution purposes. Electronic copies are required for submission to the Office of the State Auditor, the Office of the State Controller, and other applicable state oversight entities.

The financial audit opinion will cover the basic financial statements. The supplemental information will be subjected to the tests and other auditing procedures applied in the audit of the basic financial statements, and an opinion will be given as to whether the supplemental information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. An opinion will not be given on the Management Discussion and Analysis.

The working papers shall be retained and made available upon request for no less than five years from the date of the audit report. The Office of the State Auditor will be permitted to review the audit documentation for the engagement upon request.

Audit Contract & Payment of Audit Fees

The audit contract must be approved by the Board. Invoices are subject to approval by the Board Executive Director. Interim or progress billings will be accepted up to 75% of the total fee prior to submission of the audited financial statements to the Board and its approval of the audited financial statements.

Other Services

The auditor will prepare and print the audited financial statements. The auditor will submit a draft for review by the Board Executive Director and the Finance and Personnel Committee. The Board's Executive Director will return the draft with proposed revisions within five (5) working days.

Description of Selection Process

Three (3) copies of each section of the proposal should be submitted at the time and place indicated under the section entitled "Timeline for Awarding Contract."

Proposals will be submitted in two (2) sections. The first section will be comprised of the audit firm's prior experience and qualifications of its personnel in performing governmental audits. The second section will be the audit cost proposal.

The Board's Executive Director will initially evaluate the auditor/firm on educational and technical qualifications and provide recommendations to the Finance and Personnel Committee. The top three (3) firms from the first section will have their second section opened and evaluated. The firm best meeting the Board expectations for experience, audit approach, and cost requirements will be selected.

Please keep in mind that cost, while an important factor, will not be a sole determining factor. The first priority in evaluating proposals will be for obtaining a quality audit. Unusually low bids that are out of line with other bidders or bids that are significantly lower than our current fees might raise concerns. The lowest bid will not automatically be awarded preferential consideration.

- The Board requests that no Board officials be contacted during this process. The Board's Executive Director may be contacted only to clarify questions concerning the RFP.

- The Board reserves the right to reject any or all bids, waive technicalities, and to be the sole judge of suitability of the services for its intended use and further specifically reserve the right to make the award in the best interest of the Board.

- Failure to respond to any requirements outlined in the RFP, or failure to enclose copies of the required documents, may disqualify the bid.

Timeline for Awarding the Contract

June 15, 2026	Request for Proposal [RFP] packages will be mailed electronically to prior audit service providers and to those known by the Board to work with NC Occupational Licensing Boards. RFP will be posted on the Board's website at www.ncbfs.org.
July 15, 2026	Deadline for acknowledging receipt of the RFP and intent to respond with a proposal to the Board.
August 1, 2026	Deadline for receipt of RFP's. Proposals must be signed by authorized official[s] and sent to Amy Acord Elston, Executive Director, NC Board of Funeral Service, at the address shown below either by electronic mail or via delivery to the Board office. Proposals will be received until 5:00 p.m. on the last day of the submission period.
August 12, 2026	NC Board of Funeral Service meeting. Members will award the contract for audit services, subject to final approval by the NC Office of the State Auditor.

Envelopes containing proposals should be clearly identified on the front with the words "RESPONSE TO RFP FOR AUDIT SERVICES". The Board Executive Director will review the proposals and make a recommendation to the Finance and Personnel Committee. The Finance and Personnel Committee will make its recommendation to the full Board at its August 12, 2026 regularly scheduled Board meeting. A contract will then be awarded to the approved auditor, subject to final approval by the NC Office of the State Auditor.

CONTACT

Brett D. Lisenbee, Executive Director   blisenbee@ncbfs.org   919.733.9380
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1033 Wade Avenue, Suite 108
Raleigh, North Carolina 27605

Section I: Technical Proposal

1. Provide a listing of key personnel who will be performing the audit and their qualifications. This listing should include a description of the professional experience of individuals assigned to the audit. This could also include professional continuing education courses attended in the past three years, particularly those related to governmental accounting and auditing.

2. Provide the anticipated staff hours to be used in conducting the audit. If possible, staffing hours should be identified by the various levels of staffing that will be assigned to the audit.

3. Provide a list of similar current and prior government audit clients, indicating the type(s) of services performed and the number of years served for each. Provide names, addresses, and telephone numbers of personnel of those current and prior governmental audit clients who may be contracted for a reference.

4. Describe your audit organization's participation in AICPA-sponsored or comparable quality control programs (peer review). Provide a copy of the firm's most recent peer review.

5. Describe any regulatory action taken by any oversight body against the proposing audit organization or local office.

6. You may provide a brief description of your firm's anticipated audit process and any expectations of the Board staff in the performance of the audit services.

Note: Responses to the questions above may be provided through narrative, attachments, or a combination of both.

Section II: Audit Cost Proposal

Proposals should include a completed audit cost proposal and any other necessary cost information in a *separate, sealed* envelope marked – "*Audit Cost Proposal*." The Board plans to evaluate the Experience and Qualifications of all firms submitting proposals before considering the Audit Cost Proposals.

Specify costs using the format provided below for the audit year January 1, 2027 to December 31, 2027. For the two audit years that follow, please list the proposed costs. Include an itemization of the amount expected to be billed for the audit and a description of the billing arrangements. The cost for the audit year ending December 31, 2027 is binding, while the second and third years are proposed costs subject to approval and continuation of the audit contract by the Board.

Proposed Audit Fee:

Inclusive pricing including personnel costs, travel, and all other costs related to finalizing the audit:

January 1, 2027 to December 31, 2027 $____________________

January 1, 2028 to December 31, 2028 $____________________

January 1, 2029 to December 31, 2029 $____________________