

**PROPOSAL FOR  
FINANCIAL AUDIT SERVICES  
FOR**

**LAMB COUNTY, TEXAS**

**LAMB COUNTY  
JUVENILE PROBATION DEPARTMENT**

**LAMB COUNTY  
ADULT PROBATION DEPARTMENT**

**DOSHIER, PICKENS & FRANCIS, LLC  
CERTIFIED PUBLIC ACCOUNTANTS  
P. O. BOX 9938  
301 S. POLK ST., SUITE 800  
AMARILLO, TEXAS 79105-5938  
TELEPHONE 806.373.3011  
CONTACT: JOHN MERRISS, CPA  
DATE: AUGUST 2, 2021**

**PROPOSAL FOR  
FINANCIAL AUDIT SERVICES  
FOR**

**LAMB COUNTY, TEXAS**

**LAMB COUNTY  
JUVENILE PROBATION DEPARTMENT**

**LAMB COUNTY  
ADULT PROBATION DEPARTMENT**

**TABLE OF CONTENTS**

	Page
LETTER OF TRANSMITTAL .....	1
SCOPE AND AUDIT APPROACH .....	2
SUMMARY OF OFFERORS' QUALIFICATIONS .....	4
GOVERNMENTAL EXPERIENCE .....	6
EXAMINATION APPROACH .....	7
COMPENSATION.....	9
AICPA PEER REVIEW REPORT .....	10

**DP**  
**&F** **DOSHIER, PICKENS & FRANCIS, LLC**  
CERTIFIED PUBLIC ACCOUNTANTS  
301 S. Polk, Suite 800 P.O. Box 9938  
Amarillo, TX 79105-5938 806.373.3011  
Fax: 806.376.8126 www.dpfcpa.com

August 2, 2021

Ms. Gina Jones  
Lamb County Auditor  
100 6<sup>th</sup> Drive  
Room B09  
Littlefield, Texas 79339

We appreciate the opportunity to make the proposal to provide the financial audit services to Lamb County, Texas, to the Lamb County Juvenile Probation Department and to the Lamb County Adult Probation Department. We are sending one proposal document as the information is similar for all three entities. We have noted were the information would be different.

We believe that we can provide the County and the Probation Departments with an appropriate audit, prepare the financial statement presentation and the necessary reports and present them in the time frame which you outlined.

We will perform the work stated in these specifications and the services provided will conform in all aspects to the requirements stated within the request for proposal (RFP).

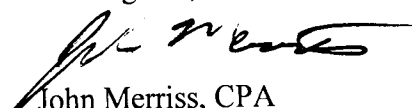
Our firm has an excellent background in auditing governmental entities. We have provided these services to cities, counties and other governmental districts in the Panhandle of Texas, have submitted and received the certificates of achievement from GFOA, and we have extensive experience in providing audits under the single audit requirements should that become necessary in the future.

We have quality people in our firm. We strive to provide them with excellent experience, training and continuing education. We encourage them to participate in the community and the profession. We believe that the County and the Juvenile and Adult Probation Boards will find working with our people a pleasant experience.

We welcome the opportunity to provide these financial audit services.

Mr. Merriss is authorized to bind the firm to the offer

Best regards,

  
John Merriss, CPA  
Engagement Partner

# SCOPE AND AUDIT APPROACH

-LAMB COUNTY, TEXAS-

It is our understanding that we will perform a comprehensive audit of the County's basic financial statements for the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information for the year ended September 30, 2021, for the purpose of expressing an opinion on them. We will conduct our audits in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State of Texas Single Audit Circular.

For the separate audits required by the Texas Juvenile Justice Department (TJJD) and the Texas Department of Criminal Justice, Community Justice Assistance Division (CJAD), we will utilize guidelines provided by Government Code, Title 10 s2256.023 (d), the independent audit guidelines issued by Texas Juvenile Justice Department and Texas Department of Criminal Justice - Community Justice Assistance Divisions (TDCJ-CJAD), and any other standards or requirements established during the term of the contract by any of these organizations that relate to the funds being audited under the contract. These audits are requested pursuant to Texas Local Government Code Section 115.045 and other applicable State and Federal laws. This would include the Texas Juvenile Justice Department and Texas Department of Criminal Justice-Community Justice Assistance Division (TDCJ-CJAD) and the Texas Department of Criminal Justice Financial Management Manual for CJAD Funding and TJJD grant agreements.

Generally accepted auditing standards (GAAS) provide requirements for and guidance to, auditors to insure quality and uniformity in order to instill public trust in our opinions on financial statements and reports. Generally accepted governmental auditing standards (GAGAS) incorporate all generally accepted auditing standards plus additional requirements primarily related to more detailed work paper documentation and reporting. The main additional requirements for a GAGAS audit are: a) a written report disclosing reportable conditions on the internal controls and compliance with laws and regulations where as a GAAS audit allows oral communication on internal controls and testing of compliance with laws and regulations is not required by a GAAS audit, and b) 24 hours of continued education be obtained by each auditor every two years specifically relating to governmental audits.

Prior to submission of the completed reports, we will review with the County Auditor and other officials our findings and reports.

We will submit our final report to the Commissioner's Court no later than the meeting in June. (January in subsequent years)

We will maintain our work papers for a period of not less than five years after the date of the report or until notified that all cognizant agency reviews have been accomplished.

## SCOPE AND AUDIT APPROACH

### -LAMB COUNTY JUVENILE PROBATION DEPARTMENT-

We will audit the Texas Juvenile Justice Department grant funds of the Lamb County Juvenile Probation Department for the year ended August 31, 2021. We will conduct our audit in accordance with generally accepted auditing standards applicable to financial audits contained in *Government Auditing Standards*. We understand that the department uses a basis of accounting used for reporting to the Texas Juvenile Justice Department, and that compliance testing will be done in accordance with TJJD guidelines.

We will begin our work as soon as the County Auditor is prepared, after January 1. We will deliver our audit report in February.

### -LAMB COUNTY ADULT PROBATION DEPARTMENT-

We will audit the combined statement of financial position of the Lamb County Adult Probation Department for the year ended August 31, 2021, as well as the related combined, combining and individual statements of revenues, expenditures and changes in fund balance for the year then ended. We will conduct our audit in accordance with generally accepted auditing standards applicable to financial audits contained in *Government Auditing Standards*. We understand that the department uses a basis of accounting used for reporting to the Texas Department of Criminal Justice – Community Justice Assistance Division, and that compliance testing will be done in accordance with TDCJ-CJAD guidelines.

Our audit approach is outlined in the section “Examination Approach.”

## SUMMARY OF OFFERORS' QUALIFICATIONS

### Firm Qualifications:

Doshier, Pickens & Francis, LLC is a local accounting firm which was established in 1957. Our firm is located in Amarillo, Texas at 301 South Polk Street, Suite 800. We have three partners, all of which are licensed CPA's, and a professional staff of twelve.

The firm is currently engaged in the practice of Public Accountancy in the State of Texas.

The firm has developed a very broad base of audit clients including agriculture, energy, health care services, merchandising, construction, communication, transportation, not-for-profit agencies, and governmental entities. Our services have expanded with our growth. In addition to audit and tax services, we provide accounting system designs, computer system support, and financial planning and budgeting.

Those in our office who work on governmental engagements include two partners and six professional staff. Both of the partners will be involved in the engagement as well as approximately four or five of the professional staff. The additional partner will provide a technical review at the end of the engagement.

It is our expectation that our audit team leadership will remain basically the same in future years. We have found that experience on a client is invaluable in gaining insights into the entity being audited which in turn, produces certain economies and audit efficiencies.

We have worked with several governmental entities to obtain the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting.

We believe that we have a quality firm. To assure ourselves that we maintain that quality, we joined the American Institute of Certified Public Accountants "Division of Firms". The purpose of this Division of Firms is to strive for professional excellence in the manner in which CPA firms practice and to assure the public of the quality of accounting and auditing services through an effective peer review and continuing education program.

Since joining the Division of Firms in 1977, we have had a review every three years. All of the resulting reports stated that our firm was meeting the objectives of quality control standards established by the American Institute of Certified Public Accountants. Our last review was in 2011, and a copy of that report is included in this document. Each year, due to the amount of governmental work which we perform, our review includes governmental entities.

The Firm has a membership with the AICPA Governmental Audit Quality Center.

We do not anticipate the need of any outside specialist and/or consultants. We are, however, members of the Texas Management Group. This is a group of firms from around the state which make available to each other the expertise of the individual firms, work together to develop educational programs, and provide benefits similar to those of a national firm while retaining the autonomy of the member firms. Should the need arise; the experience and knowledge of this group is available to us.

Our objective is to provide quality service to our clients by hiring quality people and providing them with excellent training, education and experience.

## SUMMARY OF OFFERORS' QUALIFICATIONS

### **Firm Qualifications:**

We have provided accounting and auditing services to governmental entities for many years. As a local firm, we are able to be involved with our clients on a continuing basis. We take great pride in the successes of our clients and strongly believe in involving our staff, from partner to staff level, in assisting client personnel with any request. It is this involvement which allows us to practice accounting with a personal touch.

The firm is not currently nor has it ever been under any public or private reprimand by the Texas State Board of Public Accountancy and/or licensing boards of any other state. The firm has no litigation open.

We are independent with respect to Lamb County, and the Lamb County Juvenile and Adult Probation Departments.

### **Partners, Supervisory and Staff Qualifications and Experience**

John Merriss, CPA – engagement partner responsible for the overall quality of the audit and the efficient delivery of our services. Mr. Merriss joined the firm in 2004 and then went onto graduate from West Texas A & M University in 2005 with a Masters of Business Administration degree in accounting. He has more than fifteen years of experience in auditing governmental entities. Mr. Merriss is licensed by the Texas State Board of Public Accountancy, he is a member of the American Institute of CPA's, the Texas Society of CPA's and the Panhandle Chapter of the Texas Society of CPA's.

Mike Young, CPA – partner responsible for the second partner review on this engagement. He is a graduate of West Texas State University and has been with our firm since graduation in 1977. He has extensive experience in audits of not-for-profit, governmental entities, employee benefit plans and other for profit companies.

Jeff Fewell – audit senior who is responsible for assisting in the planning, field work and report preparation. Mr. Fewell has been with our firm since graduating from West Texas A & M University in 2013 with a Bachelor's of Business Administration degree in accounting. Mr. Fewell is a member of the American Institute of CPA's, the Texas Society of CPA's and the Panhandle Chapter of the Texas Society of CPA's.

All of the individuals noted above receive the required continuing education required under generally accepted governmental audit standards as described previously.

## GOVERNMENT EXPERIENCE WITH REFERENCES

The following is a listing of some governmental financial and compliance audits performed by the Firm within the last 5 years:

- Randall County; Comprehensive Annual Financial Report (CAFR) financial and compliance audit, GFOA Certificate, single audit, (TJJD audit for Juvenile Probation Department); Karon Kantor, County Auditor at 806.468.5533;
- Potter County; Comprehensive Annual Financial Report (CAFR) financial and compliance audit, GFOA Certificate, single audit, TJJD audit for Juvenile Probation Department, TDCJ audit for Community Services and Corrections Department; Kerry Hood, County Auditor at 806.349.4801;
- Bailey County; financial and compliance audit; Shonda Black, County Treasurer at 806.272.3239;
- Ochiltree County; financial and compliance audit; Jim Dear, CPA, County Auditor at 806.435.8044;
- City of Floydada; financial and compliance audit; Patti Lowrance, City Secretary at 806.983.2834;

We are currently providing audit services to 18 counties, 16 Cities or townships, 7 Juvenile Probation Departments, 4 Adult Probation Departments, and numerous appraisal, hospital, water authority and other special purpose districts in the Panhandle and surrounding areas of Texas.



## EXAMINATION APPROACH

Our firm approaches an audit in three stages; the planning procedures, the fieldwork procedures, and the review and report procedures. The stages are discussed below:

### Planning Procedures –

Upon our selection as auditors, we will schedule a conference with the County's (Probation Departments) personnel to discuss the engagement objectives and develop a plan to achieve those objectives.

Procedures in the planning process would include:

- Gain an understanding of goals and objectives through meetings with the County's management and other officials that have control over financial reporting.
- Determine that our firm is the principal auditor and that no other audit firm engagement will be necessary.
- Determine the materiality level for each fund type, account group.
- Obtain an understanding of the County's operations by reviewing the budget, special grants or programs, organizational structure, current and previous year financial and compliance reports, and interviews with key personnel.
- Develop our understanding of the County's internal control structure, which includes reviewing policies, procedures and records, and determining whether they have been placed in operation; assessing materiality; and evaluating the risk factors. Based on our findings, we will test certain controls to determine that they are achieving their objectives.
- Evaluate the risk factors which could affect the misstatement of the financial statements. Consideration will be given to the control environment, management's qualifications and integrity, prior year's audit reports, laws and regulations, accounting estimates for reasonableness, and the existence and effectiveness of the internal audit function.
- Develop our overall strategies and tailor our audit programs for all accounts and/or transaction cycles based on our knowledge of the system, using a risk-based audit approach.
- Develop and communicate with the County's personnel what the auditor's and the client's responsibilities are, what assistance for schedules and document preparation will be needed, and the timing of the engagement process.
- Determine the compliance tests to be performed based on the laws and regulations applicable to the County.
- Perform preliminary analytical reviews of current and prior year financial statements, current year actual information to budgets, and compare expected results to actual.

### Fieldwork Procedures –

Based on our planning, we would return at the scheduled time to perform tests and procedures designed to obtain sufficient, competent, and relevant evidence that will provide a reasonable basis for our opinions, judgments, and conclusions regarding the audit objectives. These procedures would include:

- Substantive tests related to specific accounts and transactions would be performed.
- Compliance testing with laws and regulations would be performed and finalized.
- A field review of work papers and supporting documents would be performed by engagement managers.
- Accounting and reporting issues would be resolved.

## EXAMINATION APPROACH

### Review and Report Preparation –

Our final process is the review of work papers, final resolution of accounting and reporting issues, and preparation of the comprehensive annual financial reports. These procedures would include:

- Work papers are reviewed by the partner in charge of the engagement and accounting and reporting issues are cleared.
- The annual financial reports are then subjected to a second review by another partner as a technical reviewer.
- The annual financial reports and management letter comments are reviewed with the County's staff.
- The annual financial reports and management letters are presented to the County's Commissioners' Court.

Sample Sizes and the use of Statistical Sampling – Our firm uses random sampling, when possible, in order to determine individual items, accounts, or programs to be tested. When random sampling cannot be used or would not achieve our desired level of evidence, we use a systematic sampling method with more emphasis placed on either monetary amount or specific programs or classes. Our sample sizes are based on our risk assessments which will be documented during our planning procedures, taking into account your internal controls and the results of any substantive tests performed on your internal controls.

We anticipate the utilization of audit software during our engagement. Our trial balance and work papers are prepared and controlled in ProSystem fx Engagement.

The following is a time line for the three phases of the audit engagement.

PLANNING: Beginning in July or August for the County and for both Probation Departments

FIELDWORK: Beginning in April for the County and October for both Probation Departments

REVIEW AND REPORT: Beginning near the end of fieldwork and completed for review with management by May with the delivery of annual financial reports at the Commissioners' meeting no later than June. The Probation Departments will be completed and for review with management by November with delivery of the annual financial reports to the Chief Probation Officers and Boards by the end of December, in compliance with Texas deadlines.

## COMPENSATION

We are providing our fixed fee estimate for these engagement years. If significant changes occur in the County's operations, issuance of bonds, single audit requirements due to federal or state grants, or in the Probation Department's TJJP requirements or funding, we will discuss with you additional costs which will be required.

Our fee estimates include our out pocket expenses for travel and report preparation.

Our anticipated "**Fixed Fee Estimates**" for each of the next three years:

	<u>County</u>	<u>Juvenile Probation</u>	<u>Adult Probation</u>
Fiscal Year 2021	\$ 31,100	\$ 4,600	\$ 5,200
Fiscal Year 2022	\$ 32,000	\$ 4,700	\$ 5,300
Fiscal Year 2023	\$ 33,000	\$ 4,800	\$ 5,400

The estimated costs for a Single Audit are \$2,000 - \$4,000 depending on the type of grant and the revenues received. These costs are included in the Fixed Fee Estimates above. If the County falls below the Single Audit threshold those costs will be removed from that year's engagement letter.

The Fixed Fee Estimates above also show fees for each year of the Probation Departments, we understand that Departments have traditionally been granted audit exemptions from the State of Texas on alternating years. As such, the listed costs will not exist during an exempted year.

Per our conversation with the County Auditor we are not including a price estimate for the preparation of the Comprehensive Annual Financial Report or presenting the CAFR to the GFOA for certification and the resulting comments.

## Report on the Firm's System of Quality Control

November 12, 2020

To the owners of Doshier, Pickens & Francis, LLC  
and the Peer Review Committee of the Texas Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Doshier, Pickens & Francis, LLC in effect for the year ending June 30, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*.

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Doshier, Pickens & Francis, LLC in effect for the year ended June 30, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Doshier, Pickens & Francis, LLC has received a peer review rating of *pass*.

*Condley and Company, L.L.P.*

Certified Public Accountants