



SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS
AND
SANTEE-LYNCHES REGIONAL DEVELOPMENT CORPORATION

REQUEST FOR PROPOSALS FOR AUDIT SERVICES
FOR THE FISCAL YEAR ENDING JUNE 30, 2023

RFP# 2023-02

REQUEST FOR PROPOSALS FOR AUDIT SERVICES

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Statement of Work and Conditions for Fee Proposals

Santee-Lynches Regional Council of Governments (hereinafter SLRCOG) and Santee-Lynches Regional Development Corporation (hereinafter SLRDC) are seeking written proposals for financial and compliance audits of their records and for preparation of SLRCOG's SF-SAC form for the fiscal year July 1, 2022 - June 30, 2023. The contract to perform such work may be renewed subject to the conditions of item C.2.

Historically, the audit team engaged by SLRCOG has prepared the financial statements from the general ledger statements provided by the staff. For purposes of this proposal, please include proposed fees for audit work with financial statement preparation performed by audit firm.

A separate audit for each entity will be required. Please designate fees for the following separately:

1. For SLRCOG, total fee for SLRCOG's audit and SF-SAC completion. Fees must be all-inclusive of meals & travel/per diem, costs of financial statement preparation, etc.
2. For SLRDC, total fee for SLRDC's audit. Fees must be all-inclusive of meals & travel/per diem, costs of financial statement preparation, etc.

Questions regarding this Request for Proposals must be submitted no later than 10:00 am on Friday, March 17, 2023, to Rachel Katorkas at rkatorkas@slcog.org.

Proposals must be submitted no later than 3:00 pm on Wednesday, April 5, 2023.

A. Description of Entities and Prior Year Information:

Santee-Lynches Regional COG (SLRCOG) is one of ten regional sub-state planning districts established by state legislation in 1970. The agency, a public, non-profit corporation with an IRS 501 (c) (4) tax exemption status, was organized to implement and administer various economic development programs. SLRCOG also administers human services programs through grants from the Administration on Aging (through the SC Department on Aging) and the Department of Labor (through the SC Department of Employment and Workforce) as well as a housing rehabilitation and assistance program through the Department of Housing and Urban Development. For the fiscal year 2022-2023, SLRCOG has a budget of approximately \$8.4 million. SLRCOG uses the accrual method of accounting and accounts for transactions using the principles of fund accounting. Accounting records are maintained in-house utilizing a Windows-based fund accounting software system, CSI Accounting Plus, supported by Harris Local Government Systems. The financial statements for June 30, 2021, and June 30, 2022, were audited by Mauldin & Jenkins of Columbia, SC. For 2019, 2020, and 2021, unqualified opinions were issued on the basic financial statements, and there were no findings or questioned costs; the reports for June 30, 2022, are in the process of being finalized. SLRCOG was determined to be a low-risk auditee. The agency has a nine-member Audit/Finance Committee that will be available to meet with the selected audit firm at the onset of the audit work for a pre-audit conference, if desired by either party, and at the end of the audit period for presentation of the audit report and related information.

Santee-Lynches Regional Development Corporation (SLRDC) is a non-profit civic and social welfare organization incorporated in the State of South Carolina in April 1983. This public, non-profit corporation has an IRS 501 (C) (4) tax exemption status, and its principle objective is to benefit the region (Clarendon, Kershaw, Lee and Sumter counties) by nurturing an increase in employment opportunities through the expansion of existing business and industry, the attraction of new business and industry and those activities directly related to tax-based growth. A secondary purpose of the SLRDC is to promote and assist in the development of residential housing in the jurisdictions served by the Corporation. For the fiscal year 2022-2023, SLRDC's budgeted expenses are approximately \$600 thousand with approximately \$400 thousand of those costs related to projected losses on the sales of properties currently owned by SLRDC as a result of its Neighborhood Initiative Program (NIP). Currently, the only source of revenue for the RDC is through interest earnings on bank accounts. SLRDC does not have any employees, but instead contracts with SLRCOG for administrative services. SLRDC's financial statements are presented on the accrual basis of accounting. The corporation maintains its financial statements and general accounting records on the Windows-based fund accounting software system, CSI Accounting Plus, supported by Harris Local Government Systems. The annual audits for the RDC are independent audits conducted in accordance with auditing standards generally accepted in the USA and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. The financial statements for June 30, 2021, and June 30, 2022, were audited by Mauldin & Jenkins of Columbia, SC.

To review copies of prior year audit reports for SLRCOG and SLRDC, please visit our website at www.santeelynchescog.org/finance-reports.

B. Assistance Available to Contracted Firm

SLRCOG's financial staff is available to assist the auditor in reproduction of documents and pulling of random sample items. Appropriate work area with wireless internet access and access to a copier/scanner can be provided. All of the financial documents for both entities are stored in an electronic format, so staff is able to share documents electronically as well.

SLRCOG's financial staff will assist in the preparation of any schedules as deemed necessary and as requested by the audit team. Staff prepares an MD&A for both SLRCOG and SLRDC for inclusion with the audited financial statements.

C. Contractual Arrangements

1. This contract shall run for a period of up to one year commencing upon award and ending upon successful completion of all required audit work.
2. Firm and SLRCOG/SLRDC may renew such contract provided such renewal is mutually agreeable and provided further that a maximum increase in fee does not exceed five percent (5%) per year.
3. This RFP shall comprise the integral part of such contract and will be incorporated therein.

D. Audit Standards and Report Requirements

1. The audit for **SLRCOG** is to be conducted in accordance with generally accepted auditing standards as adopted by the AICPA; GAO Standards for Audit of Governmental Organizations, Programs, Activities, and Functions; the GAO Guidelines for Financial and Compliance Audits of Federally Assisted Programs; and the requirements of Title 2, *US Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirement for Federal Awards* (Uniform Guidance).

The audit for **SLRDC** is to be conducted in accordance with auditing standards generally accepted in the United States of America. Statements are to be prepared as a government entity, but there is currently no requirement to issue the report under "Yellow Book" standards.

2. **SLRCOG** reports of internal control and compliance examinations must include a statement that the examination was conducted in accordance with applicable auditing standards including, but not limited to, Title 2, *US Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirement for Federal Awards* (Uniform Guidance), and other applicable federal and state requirements as furnished by SLRCOG. Such reports must state whether the examination disclosed instances of significant non-compliance with laws and regulations. Any findings of noncompliance or ineligible expenditures must be presented in enough detail for management to be able to clearly understand them.

3. With respect to federal and state grants received by SLRCOG, the audit shall also be made in compliance with the laws of the State of South Carolina and the requirements of all granting agencies.
4. The Auditor shall review the general audit plans for both entities with SLRCOG's finance staff identifying the records to be audited and procedures to be followed. SLRCOG's finance staff may require the Auditor to include in the audit coverage additional records and procedures which are generally accepted.
5. SLRCOG's financial statements should include, but are not limited to, the following statements and any required supplementary information as set forth by GASB, as well as supplemental information/schedules required by SLRCOG and/or its funding sources:
 - a. Independent Auditor's Report
 - b. Management's Discussion and Analysis (unaudited)
 - c. Government-Wide Financial Statements to include:
 - i. Statement of Net Position
 - ii. Statement of Activities
 - d. Fund Financial Statements to include:
 - i. Balance Sheet- Governmental Funds
 - ii. Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Position
 - iii. Statement of Revenues, Expenditures and Changes in Fund Balance- Governmental Funds
 - iv. Reconciliation of Statement of Revenues, Expenditures and Fund Balance Changes to the Statement of Activities
 - e. Notes to the Financial Statements
 - f. Required Supplemental Information:
 - i. Schedules of Council's Proportionate Share of Net Pension and Other Post-Employment Benefits (OPEB) liabilities
 - ii. Schedules of Council's Contributions - Pension and OPEB
 - g. Budgetary Comparison Schedules
 - h. Supplemental Information required by SLRCOG and/or funding sources:
 - i. Governmental Funds- Detail Revenues, Expenditures and Changes in Fund Balances
 - i. Single Audit Section:
 - i. Independent Auditor's Reports on Internal Control and Compliance
 - ii. Schedule of Expenditures of Federal Awards
 - iii. Notes to Schedule of Expenditures of Federal Awards
 - iv. Schedule of Findings and Questioned Costs
 - v. Summary Schedule of Prior Audit Findings

SLRDC's financial statements should include, but are not limited to, the following statements and supplemental information/schedules required by SLRDC and/or its funding sources:

- a. Independent Auditor's Report
- b. Management's Discussion and Analysis (unaudited)
- c. Government-Wide Financial Statements to include:
 - i. Statement of Net Position
 - ii. Statement of Activities

- d. Fund Financial Statements to include:
 - i. Balance Sheet- Governmental Funds
 - ii. Reconciliation of Governmental Funds Balances to Statement of Net Position
 - iii. Statement of Revenues, Expenditures and Changes in Fund Balance- Governmental Funds
 - iv. Reconciliation of Statement of Revenues, Expenditures and Fund Balance Changes to the Statement of Activities
 - v. Statement of Fiduciary Net Position - Custodial Funds
 - vi. Statement of Changes in Fiduciary Net Position - Custodial Funds
- e. Notes to the Financial Statements
- f. Supplemental Information required by SLRDC and/or funding sources:
 - i. Combined Statement of Fiduciary Net Position - Custodial Funds
 - ii. Combined Statement of Changes in Fiduciary Net Position - Custodial Funds
 - iii. Schedule of Cash Receipts and Disbursements - Custodial Funds
- 6. The required written communication from the audit firm to **SLRCOG** and to **SLRDC** that relays information about the audit processes and outcomes should be addressed, respectively, to SLRCOG's Audit-Finance Committee and to SLRDC's Board of Directors. Such communication, and the costs thereof, shall be a part of the proposed audit costs.

E. Other Support Required

The auditor should be available to provide financial advice and counsel on matters occurring throughout the year that would significantly affect the annual report and/or compliance with applicable new, or changes in, accounting procedures.

F. Time Considerations and Other Requirements

1. A schedule for audit work will be negotiated with the successful proposer and an engagement letter issued no later than mid-July 2023. Depending on the award timeframe, preliminary audit work (process observation) may be done in late July or at a time mutually agreeable and if the auditor so desires. **We prefer that the majority of the audit work for both SLRCOG and SLRDC be performed during the weeks of September 18-29, 2023.** Audit work must be scheduled and conducted during normal business hours of 8:30 am to 5:00 pm Monday - Friday.
2. **Preliminary audit reports must be completed no later than Friday, November 3, 2023. Final reports must be submitted to staff no later than Friday, November 24, 2023.** Audit report presentations will be to the Audit-Finance Committee at a time to be determined and to the Board of Directors at its meeting on December 4, 2023.
3. Proposers should include assurances in their proposal that indicate a firm commitment to meeting the deadlines as outlined above, barring any unusual or exceptional circumstances.
4. SLRCOG will require that the successful proposer designate a **minimum** of two people to the audit team for the duration of the audit.

G. Report Review and Copies Required

1. Prior to submission of the completed reports, the auditor may be required to review a draft of such reports with SLRCOG's finance team.
2. An electronic copy of all reports will be required.

H. Working Papers

Working papers must be retained by the auditor for a period of at least three years following the date of the final report and must be available for examination by authorized representatives of the cognizant federal and/or state agencies, a subsequent audit firm and/or SLRCOG/SLRDC.

Working papers from the previous audit firm may be requested by the successful proposer after award of audit engagement.

I. Right to Reject

1. SLRCOG & SLRDC reserve the right to reject any and all proposals, the right in their sole discretion to accept the proposal they consider most favorable to SLRCOG's/SLRDC's interests, and the right to waive minor irregularities in the procedures.
2. SLRCOG & SLRDC further reserve the right to reject all proposals and seek new proposals when such procedure is reasonable and in the best interest of SLRCOG and/or SLRDC.

J. Proposal Procedure

1. Six (6) copies of the proposal are required.
2. Sealed proposal packages will be accepted at Santee-Lynches Regional Council of Governments' office at 2525 Corporate Way, Suite 200, Sumter, SC 29154 Attn: Rachel Katorkas. **Proposals may be hand delivered or mailed but may not be emailed.**
3. Indicate on face of submittal envelope/box - **Response to RFP# 2023-02**
4. Proposals must be submitted **no later than 3:00 pm on Wednesday, April 5, 2023.** Late proposals will not be accepted.
5. All proposals will become a part of SLRCOG's/SLRDC's official files.

K. Proposal Format

In order to simplify the review process and obtain the maximum degree of comparison, the following is the requested format of all proposals:

1. Title Page - Show the full legal name of the proposer's firm, local address, telephone number, name of contact person, and the date.

2. Table of Contents – Include a clear identification of the material by section and by page number.
3. Letter of Transmittal (limit: two pages)
 - a. Briefly state the proposer’s understanding of the work to be done and make a positive commitment to perform the work within the time period stated.
 - b. State the name(s) of the person(s) who will be authorized to make representations for the proposer, their title(s), address(es), and telephone number(s).
 - c. State that the person signing the letter will be authorized to bind the proposer.
4. Profile of the Proposer:
 - a. State the location of the office performing the work along with the number of partners, managers, supervisors, seniors, and other professional staff employed at that office.
 - b. Describe the range of activities performed by the local office such as auditing, accounting, tax and/or management services.
 - c. Describe and evidence the firm’s previous experience in auditing governmental agencies which are recipients of federal funds and which are similar in nature to SLRDCOG and to SLRDC. At a minimum, include names and telephone numbers of *at least two such agencies* that have been audited by your firm and that staff may contact as references. In addition, provide three (3) letters of reference or written recommendations from entities/local governments/companies that you have audited. Please assure these letters of reference are included in your bound proposal package.
 - d. Indicate whether the firm is a member of AICPA- GAQC.
 - e. Include a copy of your firm’s most recent peer review report, the related letter of comments, and the firm’s response to the letter of comments.
5. **Mandatory Criteria:**
 - a. To affirm that the proposer (firm) is a properly licensed CPA firm, attach a copy of the firm’s license information from the SC Department of Labor, Licensing & Regulation (LLR) website – SC Board of Accountancy. A printout of the information displayed when performing a “licensee lookup” is acceptable provided it includes the firm’s name, license number, issued and expiration dates, and shows that the license status is active.
 - b. Affirm that the proposer meets the independence standards of the GAO Standards for Audit of Governmental Organizations, Programs, Activities, and Functions.
6. Summary of the Proposer’s Qualifications:
 - a. Identify the staff persons who will work on the audits and indicate the supervisory staff person(s). For each supervisory person to be assigned to the audit, please include resumes including relevant experience and continuing education. (The resumes may be included as an appendix.)
 - b. For all staff proposed to work on this audit, indicate if they have received continuing professional education in governmental accounting and auditing during the last 2 years. If so, indicate for each person the courses/classes taken;
 - c. Submit a work plan to accomplish the scope defined herein. The work plan should include time estimates for each significant segment of the work and the

staff level to be assigned; where possible, individual staff members should be named. The planned use of consultants should be specified, if applicable.

7. Fee Schedules:

For SLRCOG and SLRDC separately, **state the all-inclusive first year fee for which each entity's described work will be done.** Also include, separately for each entity, proposed successive years' fees in the event the contract is extended (see Section C. 2. for limitations to fee increases).

8. Such other information as the proposer feels to be relevant.

L. Evaluation Criteria

Proposals will be evaluated based on the following criteria, listed in order of importance:

1. Technical and Professional Experience and Credentials of the Firm and Staff

- a. Responsiveness of the proposer in clearly stating an understanding of the work to be performed, including timeliness of work performed
- b. Peer Review Report
- c. Qualifications of the staff, including consultants, assigned to the audit engagement
- d. Auditing of the type under consideration, particularly auditing of other Councils of Governments
- e. Auditing of similar entities, for example: non-profits or entities with Workforce (WIOA), Aging or HOME programs
- f. Recommendations from other entities audited
- g. Member of AICP-GAQC
- h. Range of services, other than audit, available

2. Cost of Proposed Work