

Berkeley Charleston Dorchester Council of Governments
Berkeley Charleston Dorchester Regional Development Corporation
Request for Proposals
Independent Auditing Services

Berkeley Charleston Dorchester Council of Governments

REQUEST FOR PROPOSAL

FOR AUDIT SERVICES

FOR THE PERIOD

Fiscal Year Ending 6/30/12 – 6/30/16

INQUIRIES AND PROPOSALS SHOULD BE DIRECTED TO:

Name: Robin Mitchum

Title: Finance Manager

Email: robinm@bcdcog.com

Entity: Berkeley Charleston Dorchester Council of Governments

Address: 1362 McMillan Ave., Suite 100

N. Charleston, SC 29405

Phone: 843-529-0400

Fax: 843-529-0305

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I. GENERAL INFORMATION

A. **Purpose**

This Request for Proposal (RFP) is to contract for a financial and compliance audit for the year(s) ending June 30, 2012, June 30, 2013, June 30, 2014, June 30, 2015 and June 30, 2016. The services may be extended with no ending date, but would require successful firm to alternate lead auditor from time to time.

B. **Who May Respond**

Only licensed Certified Public Accountants may respond to this RFP. A proposal must be made in the official name of the firm or individual under which business is conducted (showing the official business address) and must be signed in ink by a person duly authorized to legally bind the person, partnerships, company or corporation submitting the proposal.

Offerors are to include all applicable requested information and are encouraged to include any additional information they wish to have considered. Additional information shall be a separate section of the proposal, and shall be identified as such.

C. **Instructions on Proposal Submission**

1. **Closing Submission Date**

Proposals must be submitted no later than 3:00 p.m. on June 14, 2012.

2. **Inquiries**

Inquires concerning this RFP should be directed to Robin Mitchum at 843-529-0400 or email: robinm@bcdcog.com.

3. **Conditions of Proposal**

All costs incurred in the preparation of a proposal responding to this RFP will be the responsibility of the Offeror and will not be reimbursed by Berkeley Charleston Dorchester Council of Governments.

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4. Instructions to Prospective Offerors

Your proposal should be addressed as follows:

Name: **Robin Mitchum**

Title: **Finance Manager**

Entity: **Berkeley Charleston Dorchester Council of Governments**

Address: **1362 McMillan Ave., Suite 100**
N. Charleston, SC 29405

It is important the Offerors proposal be submitted in a sealed envelope clearly marked in the lower left-hand corner with the following information:

Request for Proposal 3:00 p.m. June 14, 2012 <u>SEALED PROPOSAL</u> For Audit Services

Failure to do so may result in premature disclosure of your proposal.

It is the responsibility of the Offeror to insure that the proposal is received by Berkeley Charleston Dorchester Council of Governments by the date and time specified above.

Late proposals will not be considered.

5. Right to Reject

Berkeley Charleston Dorchester Council of Governments reserves the right to reject any and all proposals received in response to this RFP. A contract for the accepted proposal will be based upon the factors described in the RFP.

6. Small and/or Minority-Owned Businesses

Efforts will be made by Berkeley Charleston Dorchester Council of Governments to utilize small businesses and minority-owned businesses.

An Offeror qualifies as a small business firm, if it meets the definition of “small business” as established by the Small Business Administration (13 CFR 121.201).

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7. Notification to Award

It is expected that a decision selecting the successful audit firm will be made within 30 days of the closing date for the receipt of proposals. Upon conclusion of final negotiations with the successful audit firm, all Offerors submitting proposals in response to this Request for Proposal will be informed, in writing, of the name of the successful audit firm.

It is expected that the contract shall be a one-year fixed price contract with the options for two additional one-year periods.

D. Description of Entity and Records to be Audited

Berkeley Charleston Dorchester Council of Governments was organized under the provisions of Article 2 Act 487 of the 1967 South Carolina General Assembly, as amended. It is a three-county public agency involved in comprehensive planning activities, grants administration, economic development assistance and other such studies and programs it deems to be in the interest of the tri-county region.

The three major objectives of the Berkeley Charleston Dorchester Council of Governments are to prepare plans, provide technical assistance to local governments, and to promote coordination and cooperation among public programs in the region.

The Council of Governments works with local governments in promoting economic development opportunities through its Revolving Loan Fund and a variety of other activities involving the effective delivery of public services.

As an Affiliate Data Center of the U.S. Census Bureau, the Council of Governments is the source of information on population, housing and socio-economic characteristics of the three-county area. Technical assistance is offered to area citizens by making available maps, publications and research data on transportation, environmental concerns and many other issues. This assistance facilitates marketing studies that often generate economic development in the region.

The Council of Governments currently provides staff services for the Charleston Area Transportation Study (CHATS) and also maintains an Areawide Water Quality Management program.

The Council of Governments is the Administrative and Financial Entity and Operator of the Workforce Investment Act (WIA) Program for the BCD Region. The COG

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operates three SC Works Centers located in North Charleston, Moncks Corner & Summerville, South Carolina.

Berkeley Charleston Dorchester Council of Governments has approximately 48 full time employees, 1 part time employee and a total budget for fiscal year 2012 of \$9,199,753. The Finance Manager is responsible for the accounting policies and procedures for the Berkeley Charleston Dorchester Council of Governments and the Berkeley Charleston Dorchester Regional Development Corporation.

In 1983 Berkeley Charleston Dorchester Council of Governments initiated efforts to form Berkeley Charleston Dorchester Regional Development Corporation the commercial and industrial development of its three county areas and to assist small business concerns in the region with fulfilling capital financing. The Regional Development Corporation was incorporated as a non-profit corporation by the State of South Carolina on February 24, 1984.

The Council of Governments provides staff, office space, support equipment and supplies under contract with the Regional Development Corporation. The Council of Governments currently pays all of the Regional Development Corporation's expenses not covered by its own funding sources.

The reporting entity of Berkeley Charleston Dorchester Council of Governments is made up of Berkeley Charleston Dorchester Council of Governments, the stand-alone government, and Berkeley Charleston Dorchester Regional Development Corporation, the component unit.

Offerors are required to break down cost proposals into two portions – one for Berkeley Charleston Dorchester Council of Governments and one for Berkeley Charleston Dorchester Regional Development Corporation. The audit fees are required to be billed separately.

Berkeley-Charleston-Dorchester Council of Governments uses the following fund types and account groups in its financial reporting.

FUND TYPE/ACCOUNT GROUP

General Fund - The General Fund is the general operating fund of the Council of Governments. It is used to account for all financial resources except those required to be accounted for in another fund.

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Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of the Council of Governments Revolving Loan Fund. Receipts from the Economic Development Administration and the South Carolina State Budget and Control Board for the Revolving Loan Fund can only be used to make approved loans. Interest collected on outstanding loans that is not used to reimburse administrative costs must be returned, along with all principal repayments, to the Revolving Loan Fund.

The modified accrual basis of accounting is followed by the General Fund and the Special Revenue Fund.

General Fixed Assets Account Group - This account group is used to account for all property, plant and equipment of the Council of Governments.

Berkeley Charleston Dorchester Regional Development Corporation's financial statements utilize an unrestricted operating fund, and, when necessary, a restricted operating fund and a plant fund. The Regional Development Corporation uses the accrual basis of accounting.

Berkeley-Charleston-Dorchester Council of Governments retains the right to make minor additions and/or deletions to the fund account groups listed above.

Berkeley-Charleston-Dorchester Council of Governments prepares its budgets on the modified accrual basis. The budget cannot be legally adopted because the Council of Governments has no legislative body.

The Regional Development Corporation does not prepare a separate budget. Line item revenues and expenses are included as part of the Council of Governments budget as contributions to the Regional Development Corporation.

Federal Financial Assistance - Please see the attached schedule of Federal Financial Assistance for the fiscal year ended June 30, 2011. During the current fiscal year the Council of Governments received federal and state financial assistance. No federal or state financial assistance has been received by the Regional Development Corporation.

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The Council of Governments' employees participate in the South Carolina Retirement System through Charleston County. The system is a cost-sharing multiple-employer PERS. The system requires employer contributions of 9.535% for retirement and life insurance.

The Council of Governments maintains its general ledger, accounts payable ledger and accounts receivable ledger along with applicable journals on Computer Software Innovations (CSI) Software.

The Regional Development Corporation's general ledger and journals are maintained on QuickBooks Pro Software.

The Council of Governments' Finance Department is headed by the Finance Manager, Robin W. Mitchum. The Finance Department employs a Benefits & Payroll Administrator, Staff Account, Grants Account and Accounts Payable Technician. The principal contact person for the auditor will be Robin Mitchum, who will coordinate the assistance to be provided by the Council of Governments to the auditor.

More detailed information on the Council of Governments and its finances can be found in the Annual Audit Report. Interested offerors who wish to review prior year's reports and information should contact Robin Mitchum, Finance Manager; Berkeley-Charleston-Dorchester Council of Governments; 1362 McMillan Ave., Suite 100; North Charleston, SC 29405; email: robinm@bcdcog.com or call 843-529-0400 extension 213.

E. **Options**

At the discretion of Berkeley Charleston Dorchester Council of Governments, this audit contract may be extended indefinitely. The successful firm may be required to alternate lead auditor from time to time. The cost for the option periods will be agreed upon by Berkeley Charleston Dorchester Council of Governments and the Offeror.

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II. SPECIFICATION SCHEDULE

A. Scope of a Financial and Compliance Audit

The purpose of this RFP is to obtain the services of a public accounting firm, whose principal officers are independent certified public accountants, certified or licensed by a regulatory authority of a state or other political subdivision of the United States, hereinafter referred to as the “Offeror” to perform a financial and compliance audit of Berkeley Charleston Dorchester Council of Governments.

Government Audit Standards, states on page 2-1:

Financial statement audits determine (1) whether the financial statements of an audited entity present fairly the financial position, results of operations, and cash flow or changes in financial position in accordance with generally accepted accounting principles, and (2) whether the entity has complied with laws and regulations for those transactions and events that may have a material effect on the financial statements.

B. Description of Programs/Contracts/Grants

The Berkeley Charleston Dorchester Council of Governments is receiving funds from Federal, State and Local contracts and grants to provide planning and technical assistance to the Tri-County area. Our grant and contract funding is different from year to year. The Department of Commerce Economic Development Administration is the Council of Governments cognizant agency.

C. Performance

The Berkeley Charleston Dorchester Council of Governments records should be audited through June 30, 2016.

The Offeror is required to prepare audit reports in accordance with the Government Audit Standards, and requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program

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D. Delivery Schedule

Offeror is to transmit one copy of the draft audit report to Berkeley Charleston Dorchester Council of Government's Executive Director no later than nine months after the end of the fiscal year.

The Offeror shall deliver 52 final audit reports to Berkeley Charleston Dorchester Council of Governments Board of Directors and an additional unknown number of audits to be submitted to grantor's as required by such grant agreements no later than March 31, 2013.

Reports may be submitted earlier than the above schedule. However, if the Offeror fails to make delivery of the audit reports within the time schedule specified herein, or if the Offeror delivers the audit reports which do not conform to all of the provisions of this contract, Berkeley Charleston Dorchester Council of Governments may, by written notice of default to the Offeror, terminate the whole or any part of this contract. Under certain extenuating circumstances the contracting agency may extend this schedule upon written request of the Offeror with sufficient justification.

E. Price

The Offerors proposed price should be submitted separately. Include information indicating how the price was determined. For example, the Offeror should indicate the estimated number of hours by staff level, hourly rates, and total cost by staff level. Any out-of-pocket expenses should also be indicated. **The pricing information should be in a separate sealed envelope.**

F. Payment

Payment will be made when Berkeley Charleston Dorchester Council of Governments has determined that the total work effort has been satisfactorily completed. Should Berkeley Charleston Dorchester Council of Governments reject a report, Berkeley Charleston Dorchester Council of Government's authorized representative will notify the Offeror in writing of such rejection giving the reason(s). The right to reject a report shall extend throughout the term of this contract and for ninety (90) days after the Offeror submits the final invoice for payment.

Progress payments will be allowed to the extent that Berkeley Charleston Dorchester Council of Governments can determine that satisfactory progress is being made.

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Upon delivery of the final reports to Berkeley Charleston Dorchester Council of Governments and their acceptance and approval, the Offeror may submit a bill for the balance due on the contract for the audit.

G. Audit Review

All audit reports prepared under this contract will be reviewed by Berkeley Charleston Dorchester Council of Governments and its funding sources to ensure compliance with General Accounting Office's (GAO) *Government Audit Standards* and other appropriate audit guides.

H. Exit Conference

An exit conference with Berkeley Charleston Dorchester Council of Governments representatives and the Offerors representatives will be held at the conclusion of the field work. Observations and recommendations must be summarized in writing and discussed with Berkeley Charleston Dorchester Council of Governments. It should include internal control and program compliance observations and recommendations.

I. Workpapers

1. Upon request, the Offeror will provide a copy of the workpapers pertaining to any questioned cost determined in the audit. The workpapers must be concise and provide the basis for the questioned costs as well as an analysis of the problem.
2. The workpapers will be retained for at least three years from the end of the audit period.
3. The workpapers will be available for examination by authorized representatives of the cognizant federal or state audit agency, the General Accounting Office, and Berkeley Charleston Dorchester Council of Governments.

J. Confidentiality

The Offeror agrees to keep the information related to all contracts in strict confidence. Other than the reports submitted to Berkeley Charleston Dorchester Council of Governments, the Offeror agrees not to publish, reproduce or otherwise divulge such information in whole or in part, in any manner or form or authorize or permit others to do so, taking such reasonable measures as are necessary to restrict access to the information, while in the Offerors possession, to these employees on the

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Offerors staff who must have the information on a “need-to-know” basis. The Offeror agrees to immediately notify, in writing, Berkeley Charleston Dorchester Council of Government’s authorized representative in the event the Offeror determines or has reason to suspect a breach of this requirement.

K. AICPA Professional Standards

The AICPA Professional Standards state:

Ethics Interpretation 501-3- Failure to follow standards and/or procedures or other requirements in governmental audits. Engagements for audits of government grants, government units or other recipients of government monies typically require that such audits be in compliance with government audit standards, guides, procedures, statues, rules and regulations, in addition to generally accepted auditing standards. If a member has accepted such an engagement, and undertakes an obligation to follow specified government audit standards, guides, procedures, statues, rules and regulations, in addition to generally accepted auditing standards, he is obligated to follow such requirements. Failure to do so is an act discreditable to the profession in violation of Rule 501, unless the member discloses in his report the fact that such requirements were not followed and the reasons therefore.

III. OFFERORS TECHNICAL QUALIFICATIONS

The Offeror, in its proposal, shall, as a minimum, include the following:

A. Prior Auditing Experience

The Offeror should describe its prior auditing experience including the names, addresses, contact persons, and telephone numbers of prior organizations audited. Experience should include the following categories:

1. Prior experience auditing water/wastewater provider.
2. Prior experience auditing similar programs funded by South Carolina.
3. Prior experience auditing programs funded by the Federal Government.
4. Prior experience auditing similar county or local government activities.

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B. Organization, Size and Structure

The Offeror should describe its organization, size (in relation to audits to be performed) and structure. Indicate if appropriate, if the firm is a small or minority-owned business. Offeror should include a copy of the most recent Peer Review, if the Offeror has had a Peer Review.

C. Staff Qualifications

The Offeror should describe the qualifications of staff to be assigned to the audits. Descriptions should include:

1. Audit team makeup.
2. Overall supervision to be exercised.
3. Prior experience of the individual audit team members.

Only include resumes of staff to be assigned to the audits. Education, position in firm, years and types of experience, continuing professional education, state(s) in which licensed as a CPA, etc. will be considered.

D. Understanding of Work to be Performed

The Offeror should describe its understanding of work to be performed, including audit procedures, estimated hours, and other pertinent information.

E. Certifications

The Offeror must sign and include as an attachment to its proposal the Certifications enclosed in the RFP. The publications listed in the Certifications will not be provided to potential Offerors by Berkeley Charleston Dorchester Council of Governments, because Berkeley Charleston Dorchester Council of Governments desires to contract only with an Offeror who is already familiar with these publications.

IV. PROPOSAL EVALUATION

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A. Submission of Proposals

All proposals shall include two copies of the Offerors technical qualifications, two copies of the pricing information (in a separately sealed envelope), and two copies of the signed Certifications. These documents will become part of the contract.

B. Nonresponsive Proposals

Proposals may be judged nonresponsive and removed from further consideration if any of the following occur:

1. The proposal is not received timely in accordance with the terms of this RFP.
2. The proposal does not follow the specified format.
3. The proposal does not include the Certifications.
4. The proposal is not adequate to form a judgment by the reviewers that the proposed undertaking would comply with the *Government Audit Standards* of the U.S. Comptroller General.

C. Evaluation

<u>Factors</u>	<u>Point Range</u>
1. Prior experience auditing.	
a. Prior experience auditing comparable government and non-profit engagements.....	0-6
b. Prior experience auditing similar programs funded by South Carolina.....	0-6
c. Prior experience auditing programs financed by the Federal Government.....	0-6
d. Prior experience auditing similar county or local government activities.....	0-6

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Berkeley Charleston Dorchester Council of Governments will contact prior audited organizations to verify the experience provided by the Offeror.

2. Organization, size, and structure of the Offerors firm.
 (Considering size in relation to audits to be performed)
 - a. Adequate size of the firm.....0-6
 - b. Minority/small business.....0-6

3. Qualifications of staff to be assigned to the audits to be performed. This will be determined from resumes submitted. Education, position in the firm, years, types of experience, continuing professional education, and state(s) in which licensed as a CPA, etc. will be considered.
 - a. Audit team makeup.....0-10
 - b. Overall supervision to be exercised.....0-5
 - c. Prior experience of the individual audit team members.....0-10

4. Offerors understanding of work to be performed.
 - a. Adequate coverage.....0-10
 - b. Realistic time estimates of each audit step.....0-5

5. Price0-24

- MAXIMUM POINTS:.....100

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D. Review Process

The Berkeley Charleston Dorchester Council of Governments may, at its discretion, request presentations by or meetings with any or all Offerors, to clarify or negotiate modifications to the Offerors' proposals.

However, Berkeley Charleston Dorchester Council of Governments reserves the right to make an award without further discussion of the proposals submitted. Therefore, proposals should be submitted initially on the most favorable terms, from both technical and price standpoints, which the Offeror can propose.

Berkeley Charleston Dorchester Council of Governments contemplates award of the contract to the responsible Offeror with the highest points.

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CERTIFICATIONS

On behalf of the Offeror:

- A. The individual signing certifies that he/she is authorized to contract on behalf of the Offeror.
- B. The individual signing certifies that the Offeror is not involved in any agreement to pay money or other consideration for the execution of this agreement, other than to an employee of the Offeror.
- C. The individual signing certifies that the prices in this proposal have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition.
- D. The individual signing certifies that the price quoted in the proposal have not been knowingly disclosed by the Offeror prior to an award to any other Offeror or potential Offeror.
- E. The individual signing certifies that there has been no attempt by the Offeror to discourage any potential Offeror from submitting a proposal.
- F. The individual signing certifies that the Offeror is a properly licensed certified public accountant, or a public accountant licensed on or before January 1, 2005.
- G. The individual signing certifies that the Offeror meets the independence standards of the *Government Auditing Standards*.
- H. The individual signing certifies that he/she is aware of and will comply with the GAO Continuing Education Requirement of 80 hours of continuing education every two years; and that 24 of the 80 hours education will be in subjects directly related to the government environment and to government auditing for individuals.
- I. The individual signing certifies that he/she is aware of and will comply with the GAO requirement of an external quality control (peer) review at least once every three years.
- J. The individual signing certifies that he/she has read and understands the following publications relative to the proposed audits:

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1. *Government Auditing Standards (Yellow Book)*
2. OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*.
3. OMB Circular A-133 – Compliance Supplement
4. OMB Circular A-87, *Cost Principles for State and Local Governments*.
5. *Audits of State and Local Units of Government (AICPA Audit Guide)*

- K. The individual signing certifies that he/she has read and understands all of the information in the Request for Proposal, including the information on the programs/grants/contracts to be audited.
- L. The individual signing certifies that the Offeror, and any individuals to be assigned to the audited, does not have a record of substandard audit work and has not been debarred or suspended from doing work with any federal, state or local government. (If the Offeror or any individual to be assigned to the audits has been found in violation of any state or AICPA professional standards, this information must be disclosed.)

Date this _____ day of _____, 20__.

(Offerors Firm Name)

(Signature of Offerors Representative)

(Printed Name and Title of Individual Signing)