



Single Audit Services: Request for Proposal

TO PROVIDE FINANCIAL AUDIT SERVICES FOR
Mountainland Association of Governments

BACKGROUND INFORMATION

The Mountainland Association of Governments (MAG), an interlocal agency was established in 1972 and currently has the following funds: federal, state, local and individual donations. A sampling of the programs and funding sources MAG administers and receives include:

- Housing and Urban Development CDBG
- Economic Development Administration
- Federal Highway Administration
- Federal Transit Administration
- Utah State Department of Workforce Services (Small Cities CDBG, Weatherization, HEAT)
- Utah Department of Health and Human Services Aging and Adult Programs
- Utah Department of Transportation

Total revenue for all funds was approximately \$23,000,000 for the fiscal year ended June 30, 2022. MAG is currently transitioning to GovSense software for its accounting applications which is supported by Netsuite. However, for the fiscal year ended June 30, 2022 a DOS based accounting system was used.

MAG is required by State law to provide an annual audit of its financial statements by a Certified Public Accountant in accordance with generally accepted auditing standards. This audit must be submitted to the Office of the State Auditor within 180 days after the end of the fiscal year (December 31, 2022).

OBJECTIVE AND SCOPE

A single audit is requested for the fiscal year ended June 30, 2022. The audit shall be performed in accordance with generally accepted auditing standards, as promulgated by the American Institute of Certified Public Accountants (AICPA); the *AICPA Audits of State and Local Governmental Units* audit and accounting guide; and the *Government Auditing Standards*, published by the U.S. General Accounting Office. Federal compliance test work will be done in accordance with Uniform Guidance.

The audit must be completed, and the report issued prior to December 31, 2022. The auditor must deliver an electronic copy of the report to the Office of the State Auditor and an electronic copy and 1 hard copy to the MAG.

The auditor will be involved in drafting, typing, and printing financial statements, and will assist management's efforts to obtain the Government Finance Officers Association's

Certificate of Achievement of Excellence in Financial Reporting. Auditors will be available to MAG's Executive Council to answer questions regarding the final audit.

Auditors are expected to commence work in mid to late September.

REPORT REQUIREMENTS

For financial audits, the auditor shall examine the financial statements and records of the entity and shall issue an auditor's opinion on the entity's financial statements with an in-relation-to opinion on combining and supplementary information, if any. Such financial statements shall be prepared in conformity with generally accepted accounting principles.

The auditor shall issue a compliance report based on an audit of general purpose or basic financial statements and a report on the internal control structure; both in accordance with *Government Auditing Standards*

The auditor shall prepare and include a statement expressing positive assurance of compliance with State fiscal laws identified by the state auditor and other financial issues related to the expenditure of funds received from Federal, State, or local governments.

The auditor shall prepare a comprehensive management letter including the auditor's findings and recommendations relative to the internal accounting and administrative controls, compliance with laws and regulations as applicable and adherence to generally accepted accounting principles.

The auditor shall include the written responses from Mountainland Association of Governments for each recommendation included in the state compliance letter and the management letter required by the *State of Utah Legal Compliance Audit Guide*.

The auditor shall examine the financial systems and records as they relate to the various federal grants and agreements and shall issue auditor's reports on internal and administrative control and on compliance with federal and state laws and regulations as required by generally accepted auditing standards promulgated by the AICPA.

AUDIT TERM

If the selected certified public accounting firm performs satisfactorily for the June 30, 2022 audit, it is anticipated that the same firm will be engaged to perform the audit for the succeeding 4 years, subject to an annual evaluation and Mountainland Association of Governments council appropriation. But, in any event, it will not exceed 4 years.

PROPOSAL QUALIFICATION REQUIREMENTS

Interested certified public accounting firms should include the following information in their proposal to perform the audit of the fiscal year ended June 30, 2022:

A. Profile of the Independent Auditor

The profile of the proposers should provide general background information. This should include:

1. The organization and size of the proposer, whether it is local, regional, national or international in operations.
2. The locations of the office from which the work is to be done and the number of professional staff, by staff level, employed at the office.
3. A statement on the proposer's staff capability to audit computerized systems.
4. A positive statement that the following mandatory criteria are satisfied:
 - a. An affirmation that the proposer is properly licensed for practice as a certified public accountant in the State of Utah.
 - b. An affirmation that the proposer meets the independence requirements of the American Institute of Certified Public Accountants and the *Government Auditing Standards*, 2003 revision, published by the U.S. General Accounting Office.
 - c. An affirmation that the firm meets the continuing education and external quality control review requirements contained in the *Government Auditing Standards*, 2003 revision, published by the U.S. General Accounting Office.

Proposer's Qualifications

1. Identify the audit partners, audit managers, field supervisors and other staff who will work on the audit, including staff from other than the local office. Résumés including relevant experience and continuing education for the staff auditors up to the individual with final responsibility for the engagement should be included.
2. Describe the recent local office auditing experience similar to the type of audit requested.
3. If other auditors are to participate in the audit, those auditors should be required to provide similar information.

C. Proposer's Approach to the Examination

Submit a general audit work plan to accomplish the scope defined in these guidelines. The audit work plan should demonstrate that the proposer understands the audit requirements and the audit tests and procedures to be applied in completing the audit plan. The plan should detail the expected number of audit hours by staff level. The planned use of specialists should also be specified.

D. Time Requirements

Detail how the reporting deadline requirements of the audit will be met.

E. Fees

Supply the billing rates, estimated number of billable hours, other billable expenses and a "not-to-exceed" fee for the audit, inclusive of travel, per diem and all other out-of-pocket expenses. As noted in section IV, it is expected that if the selected certified public accounting firm performs satisfactorily for the June 30, 2022 audit, it will be engaged to perform the audit for the succeeding 4 years. Therefore, the not-to-exceed fee information requested above should be provided on an annual basis for 4 years.

F. Non-discrimination Clause

Affirm that the firm does not discriminate against any individual because of race, religion, sex, color, age, handicap or national origin, and that these shall not be a factor in consideration for employment, selection of training, promotion, transfer, recruitment, rates of pay, or other forms of compensation, demotion, or separation.

CONTRACTUAL ARRANGEMENTS

- A. Audit programs, work papers and reports must be retained for a period of three years after the completion of the audit and made available for inspection by MAG or government auditor's if requested by them.
- B. Payment for the audit will be made upon receipt of the audit reports required in section III.
- C. MAG staff will be available to prepare schedules, trial balances, and provide documentation to assist the auditor as their schedules permit during the course of the audit.

EVALUATION OF PROPOSALS

The following criteria will be considered when making an evaluation of the proposals:

A. Technical Factors

- Responsiveness of the proposal in clearly stating an understanding of the audit services to be performed.
 - Appropriateness and adequacy of proposed procedures.
 - Reasonableness of time estimates and total audit hours.
 - Appropriateness of assigned staff levels.
- Technical experience of the firm.
- Qualifications of staff.
- Size and structure of firm, considering the scope of the audit.
- Geographic location of key personnel and responsible office.

B. Cost of the audit

C. Right to Reject

MAG reserves the right to reject any and all proposals submitted and to request additional information from all proposers. Any contract awarded will be made to the independent certified public accounting firm who, based on evaluation of all responses, applying all criteria and oral interviews, if necessary, is determined to be the best to perform the audit.

SUBMISSION OF PROPOSALS

One (1) electronic copy of your proposal must be submitted to Michelle Carroll, Deputy Director at mcarroll@mountainland.org no later than September 2, 2022. Alternatively one

(1) hard copy can be mailed to, MAG, attention: Michelle Carroll, 586 E 800 N, Orem, UT 84097, mailed copies must be postmarked by September 2, 2022. Selection of the CPA firm will be made by September 12, 2022, and all firms submitting proposals will be notified immediately as to the selection results. No proposal will be considered that is not received at or prior to the above time and date.

SOURCES OF INFORMATION

Michelle Carroll can be contacted at 801.229.3833 or mcarroll@mountainland.org for information necessary to complete the proposal. Audit reports and management letters from prior years will be made available for inspection.