



**REQUEST FOR PROPOSAL  
PROFESSIONAL AUDITING SERVICES**

For the Year Ended  
June 30, 2023

Central Texas Council of Governments  
Audit Committee  
Belton, Texas

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**Central Texas Council of Governments  
Request for Proposal  
Professional Auditing Services**

**1 INTRODUCTION**

The Central Texas Council of Governments (“CTCOG”) was organized under authority of Article 1011m, Vernon's Annotated Civil Statutes, a Regional Planning Commission and is a voluntary association of the Counties of Bell, Coryell, Hamilton, Lampasas, Milam, Mills, and San Saba. Counties, Cities and School Districts are the principal units of local government in the region. As such, they have the responsibility of planning for and meeting the local governmental needs which future development will produce, including the need for joint and coordinated area-wide service. Sound and workable policies and programs for meeting and solving the area-wide problems of local governments will be most effective and ultimately carried out through regular meetings of the local governmental units in an area-wide voluntary council dedicated to the solution of these problems. The Council is a voluntary organization whereby individual governmental units can work together in coordination of their efforts in planning and guiding the needs of a progressive society.

Eligible governmental units within the area of the Central Texas Council of Governments may become members by passage of an ordinance, resolution or other appropriate and legal action of the governing body of such governmental units.

**2 INQUIRIES**

Inquiries concerning this Request for Proposal document should be submitted to:

R. Michael Irvine  
Director of Administration  
Central Texas Council of Governments  
P.O. Box 729  
Belton, TX 76513  
[michael.irvine@ctcog.org](mailto:michael.irvine@ctcog.org)

**3 GENERAL INFORMATION**

CTCOG is requesting proposals from qualified firms for professional, financial and compliance audit services of Federal and State funds in accordance with state policy and Federal regulations including the single Audit Act Amendments of 1996, 2 CFR Part 200-UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS, and the Texas Grant Management Standards (TxGMS), to include the State Single Audit attachment for the fiscal year ending June 30, 2023.

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

#### **4 TERM OF ENGAGEMENT**

A one-year contract with a four-year renewal under the same terms and conditions is contemplated, subject to satisfactory performance, the satisfactory negotiation of terms (including amount acceptable to both CTCOG and the selected firm), and the concurrence of the CTCOG Audit Committee.

#### **5 MINORITY PARTICIPATION**

CTCOG is committed to providing women-and minority-owned business enterprises with all available opportunities possible under the law. CTCOG, therefore, encourages the prime contractor to extend an opportunity to qualified women and/or minority firms to participate in a joint venture agreement or as a subcontractor(s) in the engagement.

#### **6 SCOPE OF WORK TO BE PERFORMED**

CTCOG desires the auditor to perform the audit in compliance with Single Audit Act and the OMB Uniform Guidance. All reports including SEFA/SESA and supporting schedules are prepared by CTCOG. The June 30, 2022 PBC ('prepared by client') List is provided as Attachment I. This PBC list will be reviewed and amended as needed prior to field work for the current fiscal year.

The auditor will also be responsible for the IPA review portion of the HUD FASS (Financial Assessment Subsystem) submission of the fiscal year financial data.

#### **7 AUDITING STANDARDS TO BE FOLLOWED**

To meet the requirements of the Request for Proposal, the audit shall be performed in accordance with generally accepted auditing standards.

#### **8 REPORTS TO BE ISSUED**

Following the completion of the audit, the auditor shall issue:

A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles which would be presented at a meeting of the CTCOG Audit Committee. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the Director of Administration.

The auditors shall inform CTCOG's Director of Administration of each of the following:

- The auditor's responsibility under generally accepted auditing standards
- Disagreements with management
- Major issues discussed with management prior to retention
- Management consultation with other accountants
- Difficulties encountered in performing the audit

## 9 WORKING PAPER RETENTION AND ACCESS TO WORKING PAPERS

All working papers and reports must be retained, at the auditor's expense, for a minimum of five (5) years, unless the firm is notified in writing by CTCOG of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:

- Central Texas Council of Governments
- Federal Grant Agencies and other Federal agencies
- State of Texas Grant Agencies and other State of Texas agencies
- Auditors of entities of which CTCOG is a sub-recipient of grant funds

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

## 10 TIMELINE OF EVENTS

Proposal Calendar - The following is a list of key dates up to and including the date proposals are due to be submitted:

Request for Proposal issued	March 15, 2023
Due date for Proposals	April 14, 2023
Selection of Firm	May 1, 2023

Audit Commencement - Field work shall begin on or after October 16, 2023.

Audit Assistance - The Administration Department staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations.

Final Report - The Administration Department shall prepare draft financial statements, notes and all required supplementary schedules by November 1, 2023. The final report with opinions shall be completed on or before December 15, 2023.

## 11 SUBMISSION OF PROPOSAL

Proposals must be received by April 14, 2023 for a proposing firm to be considered.

Proposals should include the following:

- Title Page showing the firm's name, address and telephone number of the contact person; and the date of the proposal.
- Table of Contents - Include a clear identification of the material by section and by page number.
- Transmittal Letter – A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for 90 days.
- Software used for secure file sharing capabilities.

Proposers should send the completed proposal to the following:

R. Michael Irvine  
Director of Administration  
Central Texas Council of Governments  
P.O. Box 729  
Belton, TX 76513  
[michael.irvine@ctcog.org](mailto:michael.irvine@ctcog.org)

Both hardcopy and emailed proposals will be accepted. It is the responsibility of the proposer to ensure that the proposal is received in CTCOG's office by the designated due date. CTCOG assumes no responsibility for delays caused by postage or mail courier deliveries or any other form of delivery.

Proposal information is restricted and not publicly available until after award of a contract. All documents associated with the RFP, unless the proposer indicates a portion of the proposal is proprietary, will be subject to public inspection in accordance with the Open Records Act. All information obtained in the course of this RFP will become property of CTCOG.

## 12 TECHNICAL PORTION OF PROPOSAL

General Requirements - The purpose of the technical portion of the proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of CTCOG in conformity with the requirements of this Request for Proposal. The technical portion of the proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement.

The proposal should address all the points outlined in the Request for Proposal. The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the Request for Proposals. While additional data may be presented, the following subjects must be included.

Independence - The firm should provide an affirmative statement that it is independent of CTCOG as defined by generally accepted auditing standards and the U.S. General Accounting Office's Government Auditing Standards (1994).

License to Practice in Texas - An affirmative statement should be included indicating that the firm and all assigned key professional staff are properly licensed to practice in Texas.

Firm Proposal and Experience - The proposal should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

The firm is also required to submit a copy of the report on its most recent external quality or peer review, with a statement whether that quality control review included a review of specific government engagements.

Partner, Supervisory and Staff Proposals and Experience - The firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors, specialists, and staff who would be assigned to this engagement and indicate whether each such person is licensed to practice as a certified public accountant in Texas. The firm also should provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

The firm should provide as much information as possible regarding the number of staff, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. The firm also should indicate how the quality of staff over the term of the agreement will be assured. Audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better Proposals or experience.

Prior Engagements with CTCOG - The firm should list separately all engagements within the last five years, for CTCOG by type of engagement (i.e., audit, management advisory services, other).

Similar Engagements with Other Government Entities - For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum of 5) performed in the last five years that are similar to the engagement described in this Request for Proposals. These engagements should be ranked on the basis of total staff hours.

Specific Audit Approach - The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this Request for Proposal.

Proposers will be required to provide the following information on their audit approach.

- Proposed segmentation of the engagement
- Level of staff and number of hours to be assigned to each proposed segment of the engagement
- Sample sizes and the extent to which statistical sampling is to be used in the engagement
- Statistical sampling technique to be used for audit samplings for purposes of test of compliance
- Approach to be taken in determining laws and regulations that will be subject to audit test work

Identification of Anticipated Potential Audit Problems - The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from CTCOG.

### **13 FEE PROPOSAL**

Total All-Inclusive Maximum Amount - The amount should contain all pricing information relative to performing the audit engagement as described in this Request for Proposal.

The total all-inclusive maximum amount is to include all direct and indirect costs.

CTCOG will not be responsible for expenses incurred in preparing and submitting the proposal. Such costs should not be included in the proposal.

The fee proposal should include the following information:

- Name of Firm.
- Certification that the person signing the proposal is entitled to represent the firm empowered to submit the proposal and authorized to sign a contract with CTCOG.
- A total all-inclusive maximum amount for the fiscal year 2023 engagement.

Rates for Additional Professional Services - Should it become necessary for CTCOG to request the auditor to render any additional services to either supplement the services requested in this Request for Proposal or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, such additional work shall be performed only if set forth in an addendum to the contract between CTCOG and the firm. Any such additional work agreed to between CTCOG and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the proposal.

Manner of Payment – Progress payments will be made on the basis of hours of work completed during the course of the engagement with final payment being made upon delivery of the Independent Auditors' Report to CTCOG.

## 14 EVALUATION PROCEDURES

Proposal Review - Proposals submitted will be evaluated by the Audit Committee.

Evaluation Criteria - Firms meeting the following mandatory criteria will have their proposal evaluated for the technical portion and fee amount.

- The audit firm is independent and licensed to practice in Texas.
- The audit firm's professional personnel have received adequate continuing professional education within the preceding two years.
- The firm has no conflict of interest with regard to any other work performed by the firm for CTCOG.
- The firm submits a copy of its most recent external quality control review report and the firm has a record of quality audit work.
- The firm adheres to the instructions in this Request for Proposal on preparing and submitting the proposal.

Fee – Cost will not be the primary factor in the selection of a firm.

Right to Reject Proposal - Submission of a proposal indicates acceptance by the firm of the conditions contained in this Request for Proposal unless clearly and specifically noted in the proposal submitted and confirmed in the contract between CTCOG and the firm selected.

CTCOG reserves the right without prejudice to reject any or all proposals.

## 15 GENERAL TERMS AND CONDITIONS

CTCOG is exempt from states sales tax. Tax exemption certificates will be issued upon request.

CTCOG reserves the right to accept or reject any and/or all proposals or to cancel this notice at any time.

A response to this Request for Proposal (RFP) does not commit CTCOG to a purchase agreement or contract, or to pay any costs incurred in the preparation of such response.

Unless the proposer specifies in its proposal, the CTCOG may award the contract for any items/services or group of items/services in the RFP and may increase or decrease the quantity specified.

CTCOG reserves the right to hold and accept any proposal for a period of ninety (90) days after the response deadline.

CTCOG reserves the right to negotiate the final terms of any and all purchase agreements with bidders selected and such agreements negotiated as a result of this RFP may be re-negotiated and/or amended in order to successfully meet the agency needs.

CTCOG reserve the right to contact any individual, agencies or employers listed in a proposal, to contact others who may have experience and/or knowledge of the bidder's relevant performance and/or proposal; and to request additional information from any and all proposers.

CTCOG reserves the right to conduct a review of records, systems, procedures, etc., of any entity selected for funding. This may occur prior to, or subsequent to the award of a purchase agreement. Misrepresentation of the proposer's ability to perform as stated in the proposal may result in cancellation of the purchase agreement award.

CTCOG reserves the right to withdraw or reduce the amount of an award, or to cancel any contract resulting from this procurement if adequate funding is not available.

Proposers shall not, under penalty of law, offer or provide any gratuities, favors or anything of monetary value to any officer, member, employee or agent of CTCOG for the purpose of or having the effect of influencing favorable disposition toward their own proposal or any other proposal submitted hereunder.

No employee, officer or agent of CTCOG shall participate in the selection, award or administration of a contract if a conflict of interest, real or apparent, exists.

Proposers shall not engage in any activity that will restrict or eliminate competition. Violation of this provision may cause a proposer's bid to be rejected. This does not preclude joint ventures or subcontracts.

The only purpose of this RFP is to ensure uniform information in the selection of proposal and procurement of services. This RFP is not to be construed as a purchase agreement or contract, or as a commitment of any kind, nor does it commit the CTCOG to pay for costs incurred prior to the execution of a formal contract unless such costs are specifically authorized in writing by CTCOG.

The contents of a successful proposal may become a contractual obligation, if selected for award of a contract. Failure of the proposer to accept this obligation may result in cancellation of the award. No plea of error or mistake shall be available to successful proposer as a basis for release of proposed services at stated amount/cost. Any damages accruing to the CTCOG as a result of the proposer's failure to contract may be recovered from the proposer.

**Item Needed**

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**General Items**

Trial balance as of 6/30/2022 and 6/30/2021  
GL transaction register detail export (by source)  
CTCOG council meeting minutes  
WFB meeting minutes  
Government wide revenue and expense allocation worksheet  
Lease commitment schedule including future minimum lease payments  
All debt agreements, lease agreements or other significant agreements relevant to FY 2022  
Copies of all audit reports and/or reviews conducted by federal or state agencies during FY 2022  
Accounting policy & procedures  
Copies of any policy & procedures updated in FY 2022  
COG org chart  
WFB org chart  
Related party questionnaires for COG & WFB  
Major fund determination

**Cash**

Bank reconciliations plus original bank statements for all cash accounts for June & July 2022  
Detail of reconciling items from bank reconciliation  
General depository agreement/letter of credit  
Support services fund reconciliation  
Listing of all active bank accounts during FY 2022  
Federal pledgee report as of 6/30/2022

**Investments**

Confirmations for all investment accounts  
All Texpool/Texstar investment statements for June and July 2022  
Approved investment policy  
Quarterly investment reports for the FY 2022  
Listing of all active investment accounts during FY 2022  
Investment training CPE certifications for all investment officers

**Accounts Receivable**

A/R aging report as of 6/30/2022

**Prepaid Expenses**

Schedule of all prepaid expenses including amortization by month for each prepayment

**Capital Assets**

Roll forward of capital assets from July 1, 2021 to June 30, 2022  
Detail of all additions and deletions  
G/L detail for all repairs and maintenance expense  
Allocation of depreciation expense among the programs

**Accounts Payable / Accruals**

Open A/P report as of 6/30/2022  
Listing of cash disbursements for all checks and wires from 7/1/2022 through start of fieldwork  
Detail of all other liabilities at 6/30/2022 including support  
Detail of unearned revenue at 6/30/2022 including support  
Accrued payroll schedule as of 06/30/2022 including timesheets and posting reports

**Noncurrent Liabilities**

Support for notes payable including agreements, G/L detail, amortization schedules, rollforward  
Notes payable confirmations  
Derivative valuation statement for 6/30/2022  
Detail of compensated absences balance at 6/30/2022  
Detail of retirement related plans for FY2022

**Income / Expenditures**

Updated schedules of expenditures of federal and state awards as of 6/30/2022  
Schedule of in-kind contributions for FY 2022  
Schedule of indirect costs  
Indirect cost allocation plan  
Schedule of employee benefits  
Head count total at 6/30/2022 for both the COG and WFB  
Average salary increase from 6/30/2021 to 6/30/2022  
PIP payroll details for FY 2022  
Detail of all legal expenses  
Schedule of funding  
General fund revenue schedule with all supporting documentation

**Grants**

Rollforward schedule of all grants on SEFA and SESA showing following items for each grant:  
AL No or state ID  
Name of grant  
Cash received  
Reverse prior receivable/deferred revenue  
Current receivable  
Current deferred revenue  
Current revenue  
HUD unaudited FASS financial statements and submission confirmation  
Current program year HUD funding exhibit  
Grant agreements for each major program  
Support for monitoring activities for subrecipients of major program funds

**Financial Reports**

Annual financial report (xlsx) - CTCOG  
Annual financial report (xlsx) - WFB  
Annual financial report draft & final (docx) - CTCOG  
Annual financial report draft & final (docx) - WFB  
Equity section reconciliation  
GF assigned reserves calculation