

**MID-COLUMBIA ECONOMIC
DEVELOPMENT DISTRICT
The Dalles, OR 97058**

REQUEST FOR PROPOSAL – AUDITING SERVICES

Issue Date: February 1, 2021

SUBMITTAL DEADLINE: March 31, 2021

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MID-COLUMBIA ECONOMIC DEVELOPMENT DISTRICT

REQUEST FOR PROPOSAL – AUDITING SERVICES

Mid-Columbia Economic Development District (MCEDD) invites you to submit a proposal for auditing services for fiscal year ending June 30, 2021, with possible continuation for three successive fiscal years through June 2024, in accordance with the following requirements and specifications.

All bidders shall be an independent, certified public accounting firm, be in good standing with the Oregon Board of Accountancy and active on the Oregon State Municipal Auditor’s Roster.

All bidders are required to comply with the applicable provisions of the Oregon Revised Statutes. Attention is directed to ORS 244, Government Ethics; ORS 279, Public Contracts and Purchasing; Oregon Administrative Rules, Chapter 125; and the Single Audit Act and U.S. Office of Management and Budget (OMB) Uniform Guidance / Super Circular Audits of States, Local Governments, and Nonprofit Organizations (formerly Circular A-133).

I. DESCRIPTION OF MID-COLUMBIA ECONOMIC DEVELOPMENT DISTRICT AND ITS ACCOUNTING SYSTEM

Mid-Columbia Economic Development District is located in The Dalles, Oregon. MCEDD is governed by a twenty-one member Board of Directors and employs 28 full and part-time permanent employees.

Mid-Columbia Economic Development District was formed as an ORS 190. MCEDD was organized to assist the counties of Wasco, Hood River and Sherman in Oregon, and Klickitat and Skamania in Washington, in obtaining and coordinating grants and loans for economic development and other related projects.

Mid-Columbia Economic Development District manages federal and state grant programs, multiple revolving loan funds, and operates Public Transportation in Wasco County.

Mid-Columbia Economic Development District uses fund accounting. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. MCEDD has the following funds: Governmental, Proprietary and Fiduciary. Mid-Columbia Economic Development District uses QuickBooks as their accounting software.

II. GENERAL INSTRUCTIONS FOR SUBMISSION OF PROPOSAL

- A. All proposals must be submitted no later than March 31, 2021, at 5:00 p.m. at the following address:

Mid-Columbia Economic Development District
ATTN: Finance and Operations Manager
802 Chenoweth Loop Road
The Dalles, OR 97058

- a. The outer envelope in which proposals are tendered should be marked
 - i. *“Proposal for External Audit of Mid-Columbia Economic Development District due March 31, 2021”*
- A. Three (3) copies of sealed proposals are required, which are not to be opened until after the final submission date and hour noted above. These submissions shall become the property of MCEDD without obligation.
- B. The selection of the external auditor will be based upon responses received to the criteria included in Part IV of this request for proposal.
- C. Contact Dana Woods, Finance and Operations Manager, 802 Chenoweth Loop Road, The Dalles, OR, 97058, (541) 541-296-2266, to answer questions. Please do not contact any MCEDD board members about this request for proposal.
- D. The audit contract may start as soon after the contract document is executed as is agreeable with both parties. The written audit report shall be completed and delivered within a reasonable time, but not later than November 30, 2021 for the audit period ending June 30, 2021, and within the same time period in each successive year thereafter. An engagement letter is required by July 31 of each year.
- E. Either party may cancel the written contract by giving notice, in writing to the other party at least forty-five (45) days prior to July 1 of each year.
- F. Mid-Columbia Economic Development District reserves the right to reject any and all proposals, and has the right, in its sole discretion, to accept the proposal it considers most favorable to MCEDD’s interest and the right to waive minor irregularities in procedure.

III. AUDIT OBJECTIVES AND SCOPE OF SERVICES

The audit will be for all funds and account groups for Mid-Columbia Economic Development District.

- A. The proposal is for four (4) years, with separate audits each year. The periods to be audited are the fiscal years ending June 30, 2021, 2022, 2023, and 2024.
- B. It is MCEDD’S intent to negotiate a four (4) year contract with the succeeding year contingent upon the successful completion of the first year of the contract as determined by MCEDD. Included in the fee shall be the printing cost of twenty-five (25) copies of the audit report supplied to MCEDD, one (1) copy of the Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations and two (2) copies of the Summary of Revenues and Expenditures (one copy will be mailed by you to the Secretary of State). The Finance and Operations Manager and the Executive Director shall authorize final draft approval.
- C. The auditing services performed by the CPA shall allow the firm to express an opinion on: (a) whether the financial statements of MCEDD present fairly the financial position and financial results of financial operations in conformity with generally accepted accounting principles (GAAP); and (b) whether MCEDD has complied with laws and regulations that may have a material effect on the audited financial statements.

- D. Use of Audit Reports. Audit reports are public documents and may be used as samples of work to respond to other agencies' requests for proposals.
- E. The audit examination shall be made in accordance with the provisions of the OMB Uniform Guidance, 2 CFR 200 Subpart F and the Minimum Standards for Audits of Oregon Municipal Corporations. Financial statements shall be prepared according to GAAP. The report should be in accordance with auditing standards generally accepted in the United States of America and include a statement that the audit was made in accordance with GAAS and Government Auditing Standards issued by the Comptroller General of the U.S. A Schedule of Expenditures of Federal Awards (SEFA) will be included as part of the Single Audit Act.
- F. The audit will include the Risk Assessment Standards, which are required by GAAS and will provide the following:
- G. An in-depth understanding of MCEDD and its environment including MCEDD's internal control systems;
- A rigorous assessment of risks of material misstatement caused by fraud or error;
 - A linkage between assessed risks and the nature, timing and extent of audit procedures performed in response to those risks;
 - Guidance on the performance and documentation of tailored audit procedures.
- H. Year-end fund account combinations and combined financial statements implementing the new reporting model for GASB 34 shall be the responsibility of the auditing firm and the cost of preparing such financial statements shall be included in the audit fee.
- I. The audit firm shall also produce GAAP based financials for each individual fund.
- J. The auditing firm is expected to provide MCEDD with a summary of any audit adjusting entries and a final trial balance upon completion of the fieldwork.
- K. Any unusual conditions encountered during the course of the audit where services of the auditing firm must be extended beyond the normal work anticipated will require written notification to the Executive Director who will respond in writing concerning the additional services.
- L. Recommendations based upon the auditing firm's review of the adequacy of internal accounting controls and other audit investigations shall be made a part of a formal management report separate from the financial audit. Such associated costs shall be included in the audit fee. The discussion of these recommendations shall be with the Executive Director and Finance & Operations Manager.
- M. An exit conference is required of the auditing firm on completion of all fieldwork so as to inform the Executive Director of pertinent findings.

N. Mid-Columbia Economic Development District will furnish the following information and work papers in conjunction with the audit engagement:

- Working profit and loss lead schedules.
- Lead schedules with backup detail.
- Balance sheet by fund type.
- Bank reconciliations for all checking accounts of MCEDD.
- Revolving loan fund detail.
- Schedule of Federal Financial Assistance.

O. In addition MCEDD will:

- Complete and balance all accounts at year-end.
- Provide staff assistance to the greatest extent possible.
- Prepare individual fund statements of revenues and expenditures on the non-GAAP budgetary basis (modified accrual).

IV. EVALUATION CRITERIA

Proposals will be evaluated primarily on technical responses and price. In addition, consideration will also be given to the following:

1. The ability to understand MCEDD's auditing needs.
2. Availability of audit staff for assistance during fiscal year.

The Executive Director, Finance and Operations Manager, and Executive Committee will review the proposals. In certain circumstances, the written proposals may be so similar in quality that oral interviews may be required to assist in making the final selection.

Based upon this review, a recommendation will be made to the Mid-Columbia Economic Development District Board of Directors as to award.

V. RESPONSE FORMAT

- A. Title Page – Show the proposal subject, the name of the proposer's firm, firm and email addresses, telephone and fax numbers, and name of contact person and the date.
- B. Table of Contents – Include a clear identification of the material by section and by page number.
- C. Letter of Transmittal – This section shall be limited to two pages. Proposers may use this section to present any information that they consider essential to their proposal. Give the names of persons who will be authorized to make representations for the proposer, their title, addresses, and telephone numbers.
- D. Independence of the Proposer – The following information is required:
 1. Describe any business, investment, or family relationships with Mid-Columbia Economic Development District, board members or appointed employees.

2. Describe any formal independence guidelines within your firm.

VI. TECHNICAL CRITERIA AND PRICE

Your proposal should clearly respond to the following:

A. ORGANIZATION/LOCAL OFFICE TECHNICAL QUALIFICATIONS AND APPROACH

1. State whether your audit organization is national, regional, or local.
2. Indicate the number of people (by level) located within the local office that will handle the audit.
3. For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum – 5) performed in the last five years that are similar to the engagement described in this request for proposal. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.
4. Indicate the local office's experience in providing additional services to government clients by listing the name of each government, the type(s) of services performed, and the year(s) of engagement with reference to performance auditing, rate structure development, etc.
5. Describe your approach to the audit. This should include at least the following points:
 - a. Type of audit program used (tailor-made, standard government, or standard commercial).
 - b. Use of statistical sampling.
 - c. Use of computer audit specialists.
 - d. Organization of audit team and approximate percentage of time spent on audit.
 - e. Management letter (provide a sample letter).
 - f. Typical assistance expected from MCEDD staff.
 - g. Tentative schedule for completing audit within specified deadlines of the RFP.
 - h. Policy on rotation of personnel to be assigned to the client the first year and each year thereafter.
6. Include a sample of a recent audit report in accordance with the provisions of the OMB Uniform Guidance, 2 CFR 200 Subpart F, or the provisions of the Single

Audit Act, U.S. Office of Management and Budget (OMB) Uniform Guidance / Super Circular Audits of States, Local Governments, and Nonprofit Organizations (formerly Circular A-133), OMB's Compliance Supplement, and the Minimum Standards for Audits of Oregon Municipal Corporations, audited by your firm.

7. Describe your firm's expertise in auditing Federal and State grants and your approach to "Single Audits."
8. Submit a copy of the report on your most recent external quality control review, with a statement indicating if it included a review of specific government engagements.
9. Provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. Submit a copy of the most recent peer review. In addition, provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.
10. Describe how your proposal is the best value.

B. INDIVIDUAL AUDIT STAFF TECHNICAL QUALIFICATIONS

1. Describe the experience in government audits of each senior and higher level person assigned to the audit, including years on each job and their position while on the audit. Indicate the percentage of the time the senior will be on-site.
2. Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether each such person is registered or licensed to practice as a certified public accountant in Oregon. Provide information on relevant continuing professional education for the past three (3) years.
3. Describe any specialized skill, training, or background in public finance by assigned individuals. This may include participation in state or national professional organizations, speaker or instructor roles in conferences or seminars or authorship of articles and books.

C. PRICE QUOTE

1. Provide the firm's not to exceed maximum fee, separated by fiscal years 2021 through 2024 for which the requested work in Part B of this proposal will be done. Also include the hourly rates for each staff employee classification, separated by fiscal years 2021 through 2024.

The audit firm will not be reimbursed for any travel, per diem, photocopying, telephone bills, or other related expenses of the audit unless incurred at the specific request of Mid-Columbia Economic Development District.