

**The Auditor General's Office is accepting individual
Requests for Proposals for each of the following:**

YAVAPAI COUNTY

**For the fiscal year ending June 30, 2022
with an option for 2 additional years**

GILA COUNTY PROVISIONAL COMMUNITY COLLEGE DISTRICT

**For the fiscal year ending June 30, 2022
with an option for 2 additional years**

GRAHAM COUNTY COMMUNITY COLLEGE DISTRICT

**For the fiscal year ending June 30, 2022
with an option for 2 additional years**

**SANTA CRUZ COUNTY PROVISIONAL COMMUNITY COLLEGE
DISTRICT**

**For the fiscal year ending June 30, 2022
with an option for 2 additional years**

**Arizona Auditor General
State of Arizona**

**STATE OF ARIZONA
ARIZONA AUDITOR GENERAL**

Requests for Proposals from Qualified Firms

A. Project description

The Arizona Auditor General for the State of Arizona (Office) requires the services of certified public accounting firms (CPA Firms) to perform annual financial statement and compliance audits and annual expenditure limitation report examinations for each of the following auditees: Yavapai County, Gila County Provisional Community College District, Graham County Community College District, and Santa Cruz County Provisional Community College District for the fiscal year ending June 30, 2022, with options for 2 additional years. **A firm must bid on each auditee individually and may bid for 1 or more of the auditees. Each auditee will be awarded separately.** Each engagement must be completed no later than the dates specified on page 9. Earlier completion of each engagement is encouraged. Awards for each engagement will be determined on the basis of demonstrated competence and qualifications to perform the required audit and examination work for reasonable compensation.

B. Nature of services required

The selected CPA Firms will be required to perform financial statement and compliance audits in accordance with U.S. generally accepted auditing standards established by the American Institute of Certified Public Accountants (AICPA); *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), as applicable, and conduct annual expenditure limitation report examinations in accordance with the attestation standards established by the AICPA.

The selected CPA Firms may be required to perform certain additional auditing procedures of financial transactions in connection with the financial and compliance audits for the first year of the contract at the Office's request. Within 10 days of notice from the Office of additional auditing procedures required, the firm shall provide the Office a written estimate of the hours necessary to perform the additional auditing procedures. The firm shall not commence work on the additional auditing procedures until the Office provides written approval of the hours estimated. Costs for any additional auditing procedures shall be paid at the hourly rate submitted by the firm pursuant to Proposal Content (K)(2)(d) below. In completing any additional auditing procedures, the firm shall submit a written statement to the Office describing all deficiencies and errors noted as a result of the additional auditing procedures performed. If the Office exercises its option to extend the contract, the firm may be required to apply these same or other auditing procedures for each option year.

C. Reporting requirements

The selected CPA Firms must prepare reports at the completion of each audit and examination according to U.S. generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; Uniform Guidance; and the attestation standards established by the AICPA, as applicable.

D. Term of agreement

The initial term of each agreement shall provide for the audit and examination of the auditee for the fiscal year ending June 30, 2022, with options for 2 additional years.

E. Timing of work

These engagements must be completed no later than the dates specified on page 9.

The Auditor General may grant an extension of the reports' due dates because of auditee delays in preparing these reports.

F. Exit conference and governing board presentation

Following completion of draft reports, the CPA Firms shall be available to participate in an exit conference with auditee officials. Office staff may participate in the exit conference if necessary. The exit conference shall discuss the draft audit and examination reports with the auditee, identify any errors, and obtain comments on the reports' findings and recommendations.

A.R.S. §§11-661(D) and 15-1473(F) mandate that within 90 days after completing an audit, the auditee's board of supervisors/governing board shall require auditors who performed the audit to present audit results and any findings to the board in a regular meeting without the use of a consent agenda. CPA Firms' auditors who performed the audit shall present audit results and findings annually to the board within 90 days after the Single Audit Report is issued. For the entities that do not issue a Single Audit (including, Gila County Provisional Community College District and Santa Cruz Provisional Community College District), CPA Firms' auditors who performed the audit shall present audit results and findings annually to the board within 90 days after the Report on Internal Controls and Compliance is issued. In accordance with A.R.S. §41-1279.21, a representative from the Office may participate in the presentation.

G. Audit and engagement documentation

Audit and engagement documentation of the selected firms shall be retained for 5 years from the date of the final audit report and should be available, free of charge, for examination by authorized representatives of the cognizant or oversight agency, the U.S. Government

Accountability Office, and the Office. If the firm does not desire to retain the documentation for such period, the firm shall give the documentation to the Office for safekeeping.

H. Number of report copies

The selected CPA Firms will provide the Office with 2 bound copies of the Annual Comprehensive Financial Reports or Annual Financial Reports, Report on Internal Control and on Compliance and/or Single Audit Reports, and Annual Expenditure Limitation Reports. Auditees should print any additional copies they may need for their own distribution or make arrangements with the CPA Firms to provide additional copies. The Office will not provide the auditees with bound copies of these reports.

In addition, the selected CPA Firms shall provide the Office with an electronic copy of the final reports through a ShareFile upload link that the Office will provide to the CPA Firms and shall provide the reports in PDF format, which must not be password protected. Further, the CPA Firms will provide links and bookmarks set up for each page of the table of contents within the PDF files. The Office will place these PDF copies on its website. When each report is finalized, the Office will send an email notification of the report issuance to each of the auditee's board members, chief executive officer, and chief financial officer with a direct link to the PDF copy of the report on the Office's website.

Lastly, the selected CPA Firms must provide the Office with a copy of the Federal Clearinghouse confirmation receipts for the Single Audit Reports, as applicable.

I. Qualifications and independence

The CPA Firms must have no conflict of interest with regard to any other work performed for the State of Arizona or auditees. The CPA Firms must also provide information on other areas that may result in independence issues, such as participation on a board or having a direct or indirect financial interest. The CPA Firms must submit this information using the Independence Disclosure Form in Attachment A to this Request for Proposal (RFP). If the Auditor General determines that an independence issue exists, the CPA Firms' proposal will not be considered. The Auditor General is the sole authority in determining whether any conflicts of interest or independence issues exist.

J. Proposal delivery

1. Sealed proposals will be received until 5:00 p.m. Mountain Standard Time on October 17, 2022, at the following location:

Arizona Auditor General (Attention: Julie Cantrell)
State of Arizona
2910 N. 44th St., Ste. 410
Phoenix, AZ 85018

Timely receipt of proposals will be determined by the date and time the proposal is received at the address specified. No proposals will be accepted after the time indicated. Proposals received after the deadline will be stamped for time and date, and returned unopened.

All material submitted in accordance with this solicitation becomes the Office's property and will not be returned.

Alternatively, the proposal may be emailed to RFP@azauditor.gov until 5:00 p.m. Mountain Standard Time on October 17, 2022. No emails will be opened until after the deadline.

2. If the proposal is mailed, 4 copies of the proposal are required. They should be packaged in such a manner that **the outer wrapping clearly indicates** the following information:

PROPOSAL FOR (Name of Auditee/Auditees)
PROPOSAL DEADLINE: October 17, 2022

3. Any questions relating to the RFP should be directed to Julie Cantrell at jcantrell@azauditor.gov. Email inquiries will be acknowledged, and inquiries and responses will be posted on the Office's website (www.azauditor.gov). Email inquiries will be accepted only until 5:00 p.m. Mountain Standard Time on Wednesday, October 5, 2022. No responses will be provided for inquiries received after that date/time. Please do not contact the auditees.
4. Information provided in the proposal, including cost, will be held confidential and will not be disclosed to competitors before selecting the contractors. However, proposals may be disclosed following selection of the contractors.

K. Proposal content

1. The technical portion of the proposal for each auditee shall include a minimum of:
 - a. A brief statement of the firm's understanding of the work to be done.
 - b. A work plan detailing the approach the firm intends to follow.
 - c. A plan for organizing and staffing the audit and examination. The plan should include the following:
 - An organization chart identifying the engagement partner and manager.
 - The names of engagement staff members.

- The role of each staff member.
- The percentage of effort (time) of each staff member for the contract period.
- The resumes of key engagement staff members showing education and experience relevant to this engagement. Specify their level of participation, if any, in the engagements identified in item 4 below.

2. Bid amount

The proposal must outline the number of **estimated hours and the related fee for each report by year as listed below**, which includes estimates for each audit year ending June 30, 2022, 2023, and 2024. The total fee for the engagements should be set forth according to the audit and examination work required to produce the following reports for each auditee, as applicable:

- a. Auditors' report on the financial statements.
- b. Auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of basic financial statements performed in accordance with *Government Auditing Standards*.
- c. Single Audit Reports, including the auditors' report on compliance for each major federal program; report on internal controls over compliance; report on schedule of expenditures of federal awards required by the Uniform Guidance; and schedule of findings and questioned costs (for Yavapai County and Graham County Community College District only).
- c. Accountants' report on the Annual Expenditure Limitation Report.
- d. In addition, the proposal shall include a single hourly rate for any additional auditing procedures required in connection with the financial and single audits, including an hourly rate for each optional year.

3. Changes in work

Significant changes in the scope, character, or complexity of the work may be negotiated if it is mutually agreed that such changes are desirable and necessary. Contract changes defining, increasing, or limiting the work and compensation must be authorized in writing by the Auditor General prior to performing work.

4. References

The proposal should include a description of the offeror's experience in performing recent local and regional audits and examinations similar to that anticipated by this RFP. The following data should be included for at least 3 such audits and examinations:

- a. The date of the audit or examination.
 - b. The name and address of the client organization.
 - c. The name and telephone number of the individual in the client organization who is familiar with the audit or examination.
5. Other items to be included in each auditee's proposal are as follows:
- a. A description of the offeror's organization.
 - b. The location of the office from which the work is to be performed.
 - c. A description of the local office's capability to audit or examine computerized systems.
 - d. A copy of the most recent peer review report.

Each auditee's proposal must be signed by a representative or officer authorized to bind the offeror. Individuals of the offering organization authorized to negotiate a contract with the Office based on the proposal must be identified by name, title, address, and telephone number.

L. Proposal evaluation and selection

1. Proposals will be evaluated by a selection committee. During the evaluation process, we may contact you to answer questions by telephone. As part of the final selection process, the Office reserves the right to:
 - a. Contact references from among those the firm provides as requested in the Proposal Content.
 - b. Request oral presentations or discussions with the CPA Firms. Presenters from the firm must include key members of the proposed engagement team.
2. The Auditor General shall select the proposal judged most likely to meet the needs and objectives of the engagement. Emphasis will be placed on:
 - a. Responsiveness to the objectives and issues described in the RFP.
 - b. Firm's related past experience and reputation.

- c. Qualifications of staff assigned to the project.
 - d. Proposed work plan.
 - e. Engagement hourly and total costs.
3. A recommendation for contract award will be made to the Auditor General; her decision will be final. An award will be made to the responsible firm whose proposal is determined to be the most advantageous to the State.
 4. A successful bidder will be notified by telephone with a confirmation letter and contract to follow. A sample contract is included herein.
 5. The Auditor General reserves the right to:
 - a. Cancel this solicitation.
 - b. Reject any and all proposals.
 - c. Select for contract negotiation the firm's proposal that, in the Auditor General's judgment, best meets the Office's needs, regardless of any differences in estimated project costs between the firm and all others.
 - d. Negotiate a contract that covers selected parts of this proposal.

M. Other requirements

Prior to commencing work, the CPA Firms selected will be required to perform the following:

1. Execute a contract, a sample of which is included as a separate document.
2. Provide an insurance certificate naming the State as an additional insured in the amounts stated in pages 5 through 8 of the sample contract.

TIME FRAME FOR PROPOSAL PROCESS
AND SUBMISSION OF REPORTS

The following dates will apply unless the Auditor General waives or modifies them in writing.

Event	Date
RFP released	September 26, 2022
Deadline for submission of proposals	October 17, 2022
Estimated contract award and notice to proceed	October 24, 2022
 Yavapai County:	
Work may begin	October 25, 2022
Deadline for submission of preliminary drafts and exit conference	February 24, 2023
Deadline for submission of final reports	March 31, 2023
 Gila County Provisional Community College District	
Work may begin	October 25, 2022
Deadline for submission of preliminary drafts and exit conference	February 24, 2023
Deadline for submission of final reports	March 31, 2023
 Graham County Community College District	
Work may begin	October 25, 2022
Deadline for submission of preliminary drafts and exit conference	February 24, 2023
Deadline for submission of final reports	March 31, 2023
 Santa Cruz County Provisional Community College District	
Work may begin	October 25, 2022
Deadline for submission of preliminary drafts and exit conference	February 24, 2023
Deadline for submission of final reports	March 31, 2023