



WACCAMAW REGIONAL  
COUNCIL OF GOVERNMENTS

1230 Highmarket Street, Georgetown SC 29440  
Ph: (843) 546-8502 Fax: (843) 527-2302

\*Georgetown \*Horry \*Williamsburg

NOTICE DATE: December 19, 2016

OPENING DATE AND TIME: Friday, February 3, 2017 @ 2:30 PM

**REQUEST FOR PROPOSAL TO PROVIDE PROFESSIONAL AUDITING SERVICES TO  
WACCAMAW REGIONAL COUNCIL OF GOVERNMENTS FOR THE FISCAL YEAR ENDING  
JUNE 30, 2017.**

The examination and expression of an opinion upon Waccamaw Regional Council of Government's combined financial statements for the year ending June 30, 2017, is required. At the discretion of the Council, the award may include FY 2017 through FY 2019 and three subsequent "one-year" options to renew. The renewal of audit services must be approved each year which will be achieved through an annual engagement letter.

A copy of the full proposal package is attached and may also be found on the website at [www.wrcog.org](http://www.wrcog.org). **Proposal is due in the offices of Waccamaw Regional Council of Governments, 1230 Highmarket Street, Georgetown, S.C. 29440, not later than 2:00 P.M., Friday, February 3, 2017.** Late proposals will not be considered as meeting the requirements of the Request for Proposal. Proposals submitted by e-mail will not be considered. Proposals will be opened Friday, February 3, 2017, 2:30 PM, at the Waccamaw Regional COG Conference Room, 1230 Highmarket Street, Georgetown, South Carolina.

The proposals shall be publicly opened and only the names of the proposers will be disclosed at the proposal opening. Contents of the competing proposals shall not be disclosed during the evaluation or negotiation phases. Proposals will be available for public inspection after the notice of intent to award is issued. Except where required by law, proprietary or confidential information (i.e., customer lists, financial reports, etc.), if marked as such, shall not be disclosed without the written consent of the proposer. The proposer shall identify such information by writing "CONFIDENTIAL" on such items.

This solicitation does not commit the Waccamaw Regional Council of Governments to award a contract, sign a letter of engagement, to pay any costs incurred in the preparation of a response, or to procure or contract for services. Waccamaw Regional reserves the right to reject any and all proposals.

The Waccamaw Regional Council of Governments is an equal opportunity employer/contractor. Contracts under this proposal will obligate the firm not to discriminate on the grounds of race, color, religion, sex (including pregnancy), disability, age or national origin in their employment practices.

TO PROVIDE PROFESSIONAL AUDITING SERVICES TO  
WACCAMAW REGIONAL COUNCIL OF GOVERNMENTS

PART I  
GENERAL INFORMATION

Requester's Address and Recipient of Proposals

The requester is:

Waccamaw Regional Council of Governments  
1230 Highmarket Street  
Georgetown, South Carolina 29440  
Attention: Sarah P. Smith, Executive Director

Questions concerning the scope of work should be directed to:

Arnold T. Johnson, Financial Director  
Waccamaw Regional Council of Governments  
1230 Highmarket Street  
Georgetown, South Carolina 29440  
Phone: 843 436-6124; Fax: 843 527-2302; [e-mail:ajohnson@wrocg.org](mailto:ajohnson@wrocg.org)

Interested parties are urged to contact the Waccamaw Regional Council of Governments to discuss the following scope in detail. To qualify for consideration, **seven (7) copies of the proposal/statement of qualifications, marked PROPOSAL FOR AUDIT SERVICES – DO NOT OPEN, must be submitted to the offices of Waccamaw Regional Council of Governments, no later than 2:00 P. M., Friday, February 3, 2017.** Late proposals will not be considered as meeting the requirements of this Request for Proposal. We will not consider a proposal submitted by e-mail. Your proposal should comply strictly to the required format. All proposals will be the property of Waccamaw Regional Council of Governments.

Background

Waccamaw Regional Council of Governments (also referred to as Waccamaw Regional COG, WRCOG, the Council, or the COG) is a regional agency serving county governments, municipalities, and citizens of Georgetown, Horry and Williamsburg counties. Waccamaw Regional COG offers a wide variety of planning, economic development and social services to aid in the orderly growth and development of the area. Created in 1969, Waccamaw Regional COG is one of ten such regional agencies in the State of South Carolina. The Council provides in-depth assistance to local governments, providing technical assistance for planning staff for numerous planning and zoning commissions, assisting in securing and administering grant funds for local projects and services and coordinating varied social services for the elderly and economically deprived. Waccamaw Regional COG operates under the guidance of a twenty-five member Board of Director's comprised of elected officials and citizens-at-large from the tri-county area. Waccamaw Regional COG's professional staff is engaged in five basic areas of activity: planning; aging services; workforce development; community & economic development; and finance. The agency is organized into five separate departments

according to those activities. The Waccamaw Regional Council of Governments was formed in 1969 under Act 487 Enabling Legislation as amended on June 4, 1971. Act 487 authorized local governments to create regional planning agencies. The Waccamaw Regional Council of Governments is a 501c4 organization.

Our fiscal year begins July 1st and ends June 30<sup>th</sup> of the following year. The total operating and contractual budget for the Waccamaw Regional Council of Governments for Fiscal Year 2016 was approximately \$11.8 million and includes local, state and federal funds. Accounting records for the agency are maintained using a proprietary software system supported by Sage 50 Quantum Accounting 2017 (aka Peachtree) and/or Excel. We have purchased new fund accounting software from Accufund and are in the process of conversion this fiscal year.

The Waccamaw Regional Council of Governments is soliciting Proposals from firms for the purpose of selecting one firm to provide annual financial auditing services to the Council.

## PART II SCOPE OF WORK

### Nature of Services Required

The preparation of an examination and an expression of an opinion upon Waccamaw Regional Council of Governments' combined financial statements for the year ended June 30, 2017 is required. The examinations must be performed in accordance with generally accepted auditing standards and include audit procedures to ensure that all Federal & State Laws and Regulations have been complied with during the fiscal year. The audit must be a single audit made in accordance with generally accepted auditing standards; the standards for financial and compliance audits contained in Standards for Audit of Governmental Organizations, Programs, Activities, and Functions issued by the U. S. General Accounting Office; the Single Audit Act of 1984; and the provisions of OMB Omni Circular 2 CFR 200, Audits of State and Local Governments, as well as The Governmental Accounting Standards Board (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis for state and local governments, No. 43 – Financial Reporting for Post Employment Benefit Plans other than Pension Plans (when required), GASB Statement No. 45 – Accounting and Financial Reporting by Employers for Post Employment Benefits other than Pensions (when required), GASB Statement No. 67 – Financial Reporting for Pension Plans and GASB Statement No. 68 – Accounting and Financial Reporting for Pensions. The Waccamaw Regional Council of Governments fully intends to adopt the provisions of these statements and any new statements issued by the Governmental Accounting Standards Board as they become effective. The effects of the implementation of any new statements on the scope of the audit should be taken into consideration in developing your proposal.

In addition, proposer should indicate whether the firm is available to advise or assist COG staff on accounting issues that may arise during the course of the year. If so, please provide a cost estimate or hourly billing rate.

An evaluation is to be made of the internal control structure to assess the extent upon which it can be relied to ensure accurate information, to ensure compliance with law and regulations, and to provide for efficient record-keeping and effective controls. This evaluation should include a review of the internal control procedures and tests for compliance that will provide reasonable assurances that the procedures are being applied as prescribed. Data processing procedures are to be reviewed to enable the auditors to point out procedural weaknesses that may have an adverse effect on internal control, and to determine procedures that will assist in providing for greater efficiency and more effective controls.

Thirty (30) copies of the annual audited combined financial statements and management letter are to be delivered to the Waccamaw Regional Council of Governments at the address previously given.

A formal exit conference is to be held with the appropriate agency representatives of the Waccamaw Regional Council of Governments. This exit conference should be held once a preliminary typed draft of the management letter is available. The Council of Governments is to be given an opportunity to provide a written response to the management letter which will be included in the bound audit report prior to its issuance.

In performing this work, no written contract may be assigned, sublet, or transferred without the written consent of the Executive Director of the Waccamaw Regional Council of Governments.

#### Description of Entity and Records to be Audited

The financial records of the Waccamaw Regional Council of Governments are physically located within the office of Waccamaw Regional Council of Governments at 1230 Highmarket Street, Georgetown, South Carolina. The accounting records are maintained on a proprietary software system supported by Sage 50 Quantum Accounting 2017 (aka Peachtree) and/or Excel. We have purchased new fund accounting software from Accufund and are in the process of conversion this fiscal year. The accounting system is based on accrual.

The total operating and contractual budget for the Waccamaw Regional Council of Governments for Fiscal Year 2017 was approximately \$11.8 million and includes local, state and federal funds. For further clarification, the operating budget is approximately \$7.4 million while pass-through funds total \$4.4 million. In general, the COG operates from the general fund, three special revenue funds and an enterprise fund. Even so, the general fund contains many other sub-funds that are accounted for separately but not specifically delineated as a special revenue fund. These sub-funds, include but are not limited to, funds for the administration of seven distinct transportation grants, numerous Community Development Block Grants, an Economic Development grant, a Water Quality Management Grant, and several service or technical assistance contracts with other local governments within the three county region. The three special revenue funds comprise the majority of our total annual budget and account for most of the pass-through funds. All three special revenue funds contain sub-contracts for specific services authorized under the respective enabling legislation. More specifically, the three special revenue funds are for the regional administration of programs authorized by the Older Americans Act (Area Agency on Aging), the Workforce Innovation & Opportunities Act (Workforce Development) and the Georgetown County HOME Consortium (Housing Assistance). The enterprise fund is for the administration of a revolving loan fund (Economic Development).

#### Assistance Available to Proposer

Do not assume that COG accounting staff will be available to prepare schedules. COG staff will provide normal financial statements, as generated by the internal accounting system, for review and consideration and prepare a management discussion and analysis for integration in the report. Any exhibits, statements and notes are to be prepared by the audit firm. COG accounting staff will generally pull requested documents, assist with copying, and provide insight with respect to contracts and/or grants administered. A specific list of any documents requested by the auditor should be given to COG staff prior to the commencement of the audit. A suitable work area will be provided for the auditor at the COG.

Representatives of Waccamaw Regional Council of Governments will meet with any prospective auditors to answer questions about the scope of work, the proposed audit and the records to be audited. Audits have been conducted annually since 1969 and each has shown an unqualified opinion.

### Report Requirements

The reports and management letters are to be addressed to the Board of Directors, Waccamaw Regional Council of Governments. The report of examination of the combined financial statements must state the scope of the examination and that the audit was performed in accordance with generally accepted auditing standards. It must also express an opinion as to whether the statements conform to generally accepted accounting principles.

The report of compliance examination must include a statement that the examination was conducted in accordance with applicable auditing standards. The audit report must state whether the examination disclosed instances of significant noncompliance with laws and regulations. Findings of noncompliance or ineligible expenditures must be presented in enough detail for management to clearly understand them.

A management letter is required and should include a statement of audit findings and recommendations affecting the financial statements, internal control, accounting systems, legality of actions, other instances of noncompliance with laws and regulations, and any other material matters. The auditor will be required to meet, discuss and present a draft of the audit and/or other pertinent information to the audit committee. A presentation of the final report to the Board will be required at the first regularly scheduled meeting of the Waccamaw Regional Council of Governments after completion of the audited statements, but no later than December 31, 2017.

### Time Considerations and Requirements

The firm selected for audit of the Waccamaw Regional Council of Governments will be announced on or before April 28, 2017. At the discretion of the Council, the award may include FY 2017 through FY 2019 and three subsequent “one-year” options to renew. The Council will exercise this discretion annually. The renewal of audit services must be approved each year and will be achieved through an annual engagement letter.

Audit work can commence at a date mutually agreed upon by the successful proposer and the Waccamaw Regional Council of Governments. Final report and management letter for the Waccamaw Regional Council of Government’s audit must be submitted to the Waccamaw Regional Council of Government’s Office no later than November 15, 2017. A draft report is due no later than October 31, 2017.

### Contractual Arrangements

An award letter will be issued no later than April 28, 2017 by the Waccamaw Regional Council of Governments to the successful proposer. Subsequently, an engagement letter will be prepared by the accounting firm and signed by both the successful firm and the Waccamaw Regional Council of Government’s Executive Director. The engagement letter will specify the maximum fee to be paid for performance of the proposed audit for the period ended June 30, 2017 and will outline the work to be performed. Any expansion of services resulting in an increase in the maximum fee must have the prior written approval of the Waccamaw Regional Council of Governments. The contract will indicate whether the firm is available to advise or assist our staff on issues during the year and include a cost estimate or hourly billing rate for those services.

The proposal for audit services, including the management letter, and all other required services, shall be for a firm fixed price, for the first year. In addition, the proposal should include a reasonable estimate of the cost for the second and third year. Subsequently, the contract can be renewed for up to three succeeding fiscal years, if the cost and other conditions can be negotiated and agreed by Waccamaw Regional Council of Governments and the selected firm.

The Waccamaw Regional Council of Governments is an equal opportunity employer/contractor. Contracts under this proposal will obligate the firm not to discriminate on the grounds of race, color, religion, sex (including pregnancy), disability, age or national origin in their employment practices.

### Working Papers

Working papers must be retained by the successful proposer for three years from the date the final audit is prepared and accepted by the Council and/or until advised otherwise by the Waccamaw Regional Council of Governments, in writing. The working papers must be made available for examination by representatives of the Waccamaw Regional Council of Governments. In addition, the successful proposer must make all working papers physically available at the audit site to any future auditors.

### Right to Reject

The Waccamaw Regional Council of Governments reserves the right to reject any and all proposals/qualifications submitted and to request additional information from all proposers. It further reserves the right to waive formalities or technicalities insofar as it is legally authorized to do so in the best interest of the Council. An award will be made to the firm, which in the opinion of the Waccamaw Regional Council of Governments, is best suited to accomplish the work required by the Waccamaw Regional Council of Governments. Waccamaw reserves the right to interview any or all offerors' in connection with the RFP and to award based on qualifications with the right to negotiate with any offeror under this proposal.

### Report Requirements

The reports and management letters are to be addressed to the Waccamaw Regional Council of Governments Board of Directors. The comprehensive annual financial reports will include (as applicable to the audit year) at a minimum:

1. Financial statements
  - (a) Combined Balance Sheet
  - (b) Statement of Net Assets
  - (c) Statement of Activities
  - (d) Combined Statement of Revenue, Expenditures and Changes in Fund Balance
  - (e) Budgetary Comparison Schedule- General Fund and Grant Sub Funds
  - (f) Statement of Revenues and Expenditures - Grant Sub Funds

2. Financial Schedules
  - (a) Schedule of Active Grant Awards - All awards and all receipts
  - (b) Schedule of Findings and Questioned Costs by Source and Program
  - (c) Such Individual Reports as may be applicable or required by the Respective Federal and State Funding Sources
  - (d) Schedule of Expenditures of Federal Awards
3. Other requirements as may be imposed by funding sources or audit standards
4. Financial comments must be made by the auditor on the following:
  - (a) Financial Report
  - (b) Compliance
  - (c) Internal Control
  - (d) Accuracy and Completeness of Financial Reports submitted to federal and state agencies
  - (e) Corrective action taken or planned by the recipient
  - (f) Such other comments as may be required by funding sources or audit standards
5. Tax Filings as required for Waccamaw Regional Council of Governments, if required by law.

#### Announcement of Award

The Waccamaw Regional Council of Governments will send a letter of “Intent to Award the Contract” to all firms submitting proposals.

#### Appeal Policy

Offerors that are dissatisfied with the decisions regarding contract award can appeal to the WRCOG. The appeal must specifically delineate cause or reason for appeal. The protest must be filed in writing by the authorized signatory official for the offeror and addressed to Sarah P. Smith, Executive Director, Waccamaw Regional COG within ten working days from the announcement of the notice of intent to award. Announcement of our “Intent to Award Contracts” will be transmitted through a letter to be sent to all firms submitting proposals. The ten working days to file appeals will begin on the date the transmission letter is sent. The Council will not consider appeals from individuals or organizations that do not have standing to appeal nor from subcontractors of parties with which contracts have been placed. The signature of a party on an appeal document constitutes a certification by the signer that the signer has read the document and to the best of their knowledge, information, and belief and, after reasonable inquiry, it is well grounded in fact. It must be warranted by existing law or by a good faith argument, and that it is not submitted for any improper purpose such as to harass, limit competition, or cause unnecessary delay or needless increase in the cost of the procurement or the appeal. The cost of the appeal will be borne solely by the appealing organization or individual. The Council will issue a written decision within (30) working days of receipt of the appeal. Frivolous appeals will not be addressed by the Council. The decision of the Waccamaw Regional Council of Governments is final. There will be no formal debriefing on the Council decisions on the appeal.



PART III.  
EVALUATION OF PROPOSALS

The weighted factors below will be considered during our evaluation.

Technical Factors

1. Responsiveness of the proposal in clearly stating understanding of the work to be performed = 45%.  
Evaluators will consider:

- a. Appropriateness and adequacy of proposed procedures.
- b. Necessity of procedures.
- c. Reasonableness of time estimates.
- d. Appropriateness of assigned staff levels.
- e. Timeliness of expected completion.

2. Technical experience of the firm = 20%.

3. Qualifications of staff = 20%.

4. Cost = 15%

Although cost is a significant factor, it will not be the dominant factor. Cost will be given more importance when all the other evaluation criteria are relatively equal. If there is reason to believe that an unreasonably low or high proposal has been made, it will be rejected.

## PART IV INFORMATION REQUESTED FROM THE PROPOSER

To simplify the review process and obtain the maximum degree of comparison, proposals/statements of qualifications must be organized in the following manner.

### Title Page

Show the name of the Proposer, the proposer's firm, local address, telephone number, name of the contact person, and the date.

### Table of Contents

Include a clear identification of the material by section and by page number.

### Letter of Transmittal

Limit to one or two pages.

1. Briefly state the proposer's understanding of the work to be done and make positive commitment to perform the work within the time period.
2. State the all-inclusive fee for which the work will be done, including out of pocket costs for the first year. Show a reasonable estimate of the cost for the three subsequent years.
3. State the names of the persons who will be authorized to make representations for the proposer, their titles, addresses, and telephone numbers.
4. State that the person signing the letter will be authorized to bind the proposer.

### Profile of the Proposer

1. State whether the firm is local, regional, national, or international.
2. State the location of the office from which the work is to be done and the number of partners, manager, supervisors, seniors, and other professional staff employed at that office.
3. Describe the range of activities performed by the local office such as auditing, accounting, tax service, or management services.
4. Identify the supervisor who will work on the audit, including staff from other than the local office. Include as an appendix the resumes for each supervisory person to be assigned to the audit. Relevant experience and continuing education should also be included.
5. Describe any recent local and regional government auditing experience similar to the type of audit requested, and give the names and telephone numbers of client officials responsible for three of the audits listed. Particular attention should be given to past experience/expertise in auditing of federal and state grant programs.
6. Describe any recent government auditing experience related to or involving an examination of a regional Council of Governments, a quasi-governmental agency or programs authorized by the Older Americans Act (Area Agency on Aging), the Workforce Innovation Opportunities Act (Workforce Development) and/or the HUD HOME Consortium (Housing Assistance). Give the names and telephone numbers of client officials responsible for any such audits listed. Particular attention should

be given to past experience/expertise in auditing of federal and state grant programs administered at the local level.

7. Describe the various methodologies generally employed to obtain accounting information from the Council including secure portal access, off-site review and on-site review. Provide specific information regarding the auditing process, special accommodations, preferred communications and the estimated time spent on-site with COG staff.
8. Provide information, if applicable, on the circumstances and status of any disciplinary action taken or pending against the firm, or any of its professional personnel during the past three years with the South Carolina Board of Accountancy, the AICPA, or the South Carolina Association of CPA's.

#### Mandatory Criteria

1. Affirm that the proposer meets the independent requirements as defined by generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and/or any later pronouncements, and the independence standards of the South Carolina Board of Accountancy.
2. Affirm that the proposer does not discriminate in employment of persons upon the basis of race, color, religion, sex (including pregnancy), disability, age or national origin.

#### Proposer's Approach to the Examination

Submit a work plan to accomplish the scope of work as defined. The work plan should include time estimates for each significant segment of the work, the staff level to be assigned to each segment, a list of the individual staff members who will conduct the review, and the estimated number of physical on-site visits to our office. In addition, the planned use of any specialists should be specified.

##### 1. Financial Audit

- a. State whether the examination will be made in accordance with generally accepted auditing standards.
- b. State that the primary purpose of the examination is to express an opinion on the financial statement and that such an examination is subject to the inherent risk that errors or irregularities may not be detected. State that if conditions are discovered which lead to the belief that material error, defalcations, or other irregularities may exist, or if any other circumstances are encountered that require extended services, the auditor will promptly advise the Waccamaw Regional Council of Governments to receive authorization for such services.

##### 2. Compliance Audit

State that in accordance with the auditing standards, the proposer will select the necessary procedures to test compliance and to disclose non-compliance with specified laws, regulations, and contracts.

### Compensation

State the total hours and hourly rate required by staff classification and the resulting all-inclusive maximum fee, including out of pocket costs for the first year, for which the requested work will be done. The proposal for audit services, including the management letter, and all other required services, shall be for a firm fixed price, for the first year. In addition, the proposal should include a reasonable estimate of the cost for the second and third year. Subsequently, the contract can be renewed for up to three succeeding fiscal years, if the cost and other conditions can be negotiated and agreed by Waccamaw Regional Council of Governments and the selected firm.

If available to advise or assist our staff on issues during the year, the firm must provide a cost estimate or hourly billing rate.

### Additional Data

Since the preceding sections are to contain only data that is specifically requested, any additional information considered essential to the proposal should be included in this section. The proposer's general information publications, such as directories or client lists, should not be included. If there is no additional information to present, state "There is no additional information we wish to present."