

FLINT HILLS  
**REGION**

**REQUEST FOR PROPOSAL**  
**INDEPENDENT AUDIT SERVICES**

**FLINT HILLS REGIONAL COUNCIL**

**Fiscal Year Ended December 31, 2020**  
**with option to renew for 3 additional years**

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## I. INTRODUCTION

The Flint Hills Regional Council, Inc. is requesting proposals from qualified certified public accountant (CPA) firms to perform an audit of its financial statements for the fiscal year ending December 31, 2020 with the option of renewal for each of the three (3) subsequent fiscal years ending 2021-2023.

**The audits will be performed in accordance with generally accepted auditing standards and all applicable state and federal granting requirements.** (CFR Title 2, Subtitle A, Chapter II, Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and OMB A-133).

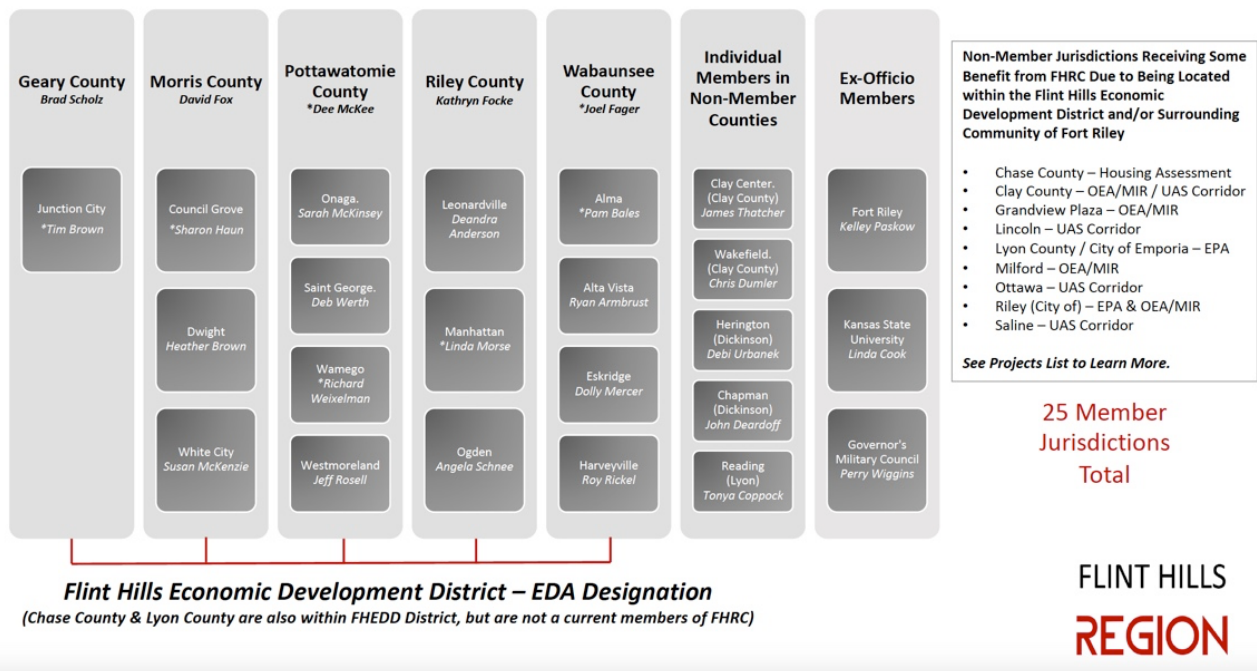
## II. DESCRIPTION OF AGENCY

**A. Background:** Flint Hills Regional Council, Inc. (FHRC) was incorporated on February 19, 2010 and established as a non-profit corporation led by a volunteer member Board of Directors. Daily operations are handled by the Executive Director, who is assisted by support staff. The FHRC currently provides services to a total of 25 member jurisdictions.

The Flint Hills Regional Council also serves as the administrator of the Flint Hills Economic Development District, which includes a seven-county area: Chase, Geary, Lyon, Morris, Pottawatomie, Riley, and Wabaunsee counties. Lyon and Chase County are not currently members but are a part of the official Economic Development District.

The member jurisdictions are as follows:

### Flint Hills Regional Council - Board of Directors



The FHRC is currently the recipient of the following multi-year grant awards:

Funding Agency	Grant Program	Award Date	Grant Period End Date	Award Amount			Jan - Nov 2020 Estimated Grant Expenditures
				Federal Share	Match	Award Total	
Brownfield Assessment & Planning for Redevelopment							
*Environmental Protection Agency (EPA)	Community Assessment of Hazardous Substance & Petroleum Brownfields	October 2018	September 2021	\$600,000	\$0	\$600,000	\$59,025
Economic Development							
Economic Development Administration (EDA)	Planning Partnership (Year 5)	April 2020	March 2021	\$70,000	\$70,000	\$140,000	\$72,911
Economic Development Administration (EDA)	CARES Act Eco Dev District Supplemental Disaster Recovery & Resiliency Awards	July 2020 <i>(Awarded August 2020)</i>	June 2022	\$399,886	\$0	\$399,886	\$11,001
Fort Riley Support & Community Economic Development							
Office of Economic Adjustment (OEA)	Flint Hills / Fort Riley - Joint Land Use Study - Phase I Implementation	May 2018	March 2021	\$404,519	\$44,946	\$449,465	\$53,039
**Office of Economic Adjustment (OEA)	Flint Hills / Fort Riley - Joint Land Use Study - Phase II Implementation	July 2020	December 2021	\$466,420	\$51,826	\$518,246	\$13,300
<b>TOTAL</b>				<b>\$1,940,825</b>	<b>\$166,772</b>	<b>\$2,107,597</b>	<b>\$209,275</b>

*\*The Environmental Protection Agency grant award is managed jointly by the Flint Hills Regional Council and a subcontractor, Stantec.*

*\*\*The Flint Hills Regional Council serves as the fiscal agency for the U.S. Department of Defense, Office of Economic Adjustment 2020 award, which includes two subrecipient awards with Pottawatomie County and the North Central Regional Planning Commission.*

In addition to federal grants, the Flint Hills Regional Council receives membership dues (~\$84,000) that are applied to both grant match and operational expenses. To-date, dues are assessed at \$.60 per capita based on the 2010 Census of each member jurisdiction. The FHRC also receives local match contributions for specific grant funded projects and participates in two Community Foundation Match Day events.

Other items to be made aware of is that the Flint Hills Regional Council participated in the Paycheck Protection Program in fiscal year 2020 and is working with our lender to submit documentation to seek loan forgiveness for a portion of the loan. The FHRC also has a line of credit, of which the FHRC makes monthly payments.

B. **Organization of FHRC:** Organized as tax-exempt under IRC Section 501(c)(3). FHRC is run by a Member Board of Directors and managed by the Executive Board and Executive Director. The current professional full-time staff consists of the Executive Director, a Regional Planner, and a CARES funded Planner and Grant Specialist. The Flint Hills Regional Council has also employed a part-time, temporary Planner and throughout the year, a few interns to assist with project-based and administrative duties.

C. **Basis of Accounting:** The financial records are maintained on the cash basis. The accounting system is fully automated using QuickBooks. The FHRC has contracted with an outside CPA firm to provide payroll processing and reporting, including bi-weekly payroll checks for personnel, payroll tax payments, payroll reports, unemployment tax reports, classification of payroll check by funding source. The CPA firm also provides Quickbooks bookkeeping, including entry of deposits, checks and credit cards and reconciles bank statements and credit card statements and classifies all check, credit cards and deposits by funding source. The CPA firm also prepares monthly financial statements and prepares and submits an annual report to the Kansas Secretary of State.

In addition, the CPA firm assists with federal financial reports, the submission of grant drawdowns, and grant related invoices. The CPA firm also assists with the annual external audit, consulting services and set-up of new personnel.

### III. NATURE AND SCOPE OF SERVICES

A. **Scope of Services to be performed:** The primary focus of the work is to conduct an annual audit of the FHRC's financial statements in accordance with auditing standards generally accepted in the United States, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. In addition, the FHRC is subject to the regulations of the Uniform Guidance.

B. **Funding Sources:** As of the date of this RFP release, FHRC receives funding from federal and other funding sources. Each program limits the amount of funds available for administrative expenses, thus the funding of any audit activities must take into account the limited funds the Council has available for such activities.

C. **Agency will provide:** The Agency will produce a Statement of Financial Position and Statements of Activities and Cash Flows, along with appropriate trial balances and sub-ledger reports to assist the auditors in their work. Information for the notes to the financial statements will be provided. The auditors may assist in preparing the final audited reports for formatting purposes using the provided trial balances.

The fiscal staff will be available to explain and pull documents, show reports, and prepare schedules or supporting documentation as necessary. The proposal should specify what schedules and supporting documentation will be required of the Agency staff.

*D. Required Reports and Communication (Deliverables)*

- (1) The auditor shall give biweekly progress reports to the FHRC during the audit process. There shall be immediate notification if fraud is found. Instances of fraud, waste, illegal acts, or indications of such, including all questioned costs, must be covered by separate written report to the Board of Directors.
- (2) An exit interview (via live meeting, and/or conference call) to review the draft Audit Report and/or Management Letter shall be held with the management.
- (3) **Communication to Those Charged with Governance: (Board of Directors):** The auditor will provide a separate letter of communication to those charged with governance at or near the end of the engagement. The letter will communicate audit matters that, in your professional judgment, are significant and relevant to those charged with governance in overseeing the financial reporting process. This letter will also communicate internal control related matters found during our audit process. The firm will also present the final audit to the FHRC Board at a regular board meeting upon completion of the audit via Zoom or in person.
- (4) **Management Letter Comments:** The auditor will provide communication either in a separate letter or included in the letter discussed in #3, to the management. The letter will include communication regarding any significant deficiencies noted during the audit and those deficiencies you consider to be material weaknesses. In addition, the auditor will note other findings or matters for our consideration and auditor recommendations.
- (5) Ten (10) copies of the final audit report and an electronic version of the final audit report shall be submitted to the Council. Reports at least one week prior to the presentation to the Board so as to be provided to the Executive Committee and included in the Board of Directors packet leading up to the Board meeting of the audit work completion, as provided in the timeline. Management reports, if applicable, shall be submitted with the audit reports.
- (6) If required, the appropriate A-133 audit report shall be filed with the GAO Clearinghouse as required and within the appropriate deadlines.

E. *Preparation and Filing of Form 990-Return of Organization Exempt from Income Tax.* The auditor will complete and file Form 990 for Flint Hills Regional Council annually upon audit completion.

F. *Working Paper Retention and Access to Working Papers:* The auditor shall agree to keep the information related to all funds audited, related contracts, and all information obtained in the course of the audit, in strict confidence. Other than reports submitted to the Council, the auditor agrees not to publish, reproduce, or otherwise divulge such information, in whole or in part, in any manner or form, or authorize or permit others to do so, taking reasonable measures as are necessary to restrict information access to those employees on its staff and the Agency staff who must have information on a need-to-know basis.

The auditor shall retain audit reports and related working papers for a minimum of five (5) years, or until resolution of the audit with the federal cognizant agency or state agency, whichever is later. Audit documents shall be made available to the Agency upon request by authorized representatives of the Agency or its designee.

#### IV. TIMING OF ENGAGEMENT

- A. It is the Council's intent to solicit bids for audit services at least every three (3) years. This RFP is for an annual audit with the option to renew up to an additional three (3) years as funding is available, based upon satisfactory performance and comparable costs.

Invitation for Proposal Issued: January 12, 2021

Due Date for Proposal: February 10, 2021

Award: On or before: February 26, 2021

- B. *Fiscal Year Ending December 31, 2020. Audit Commencement and Conclusion:* Due to timing of the request for proposal, we expect that planning for the audit for year-end December 31, 2020 will commence no later than June 15, 2021 and field work should be completed by August 15th, 2021. The Flint Hills Regional Council's fiscal year is from January 1<sup>st</sup> to December 31<sup>st</sup>. The final report and letter of comments will be issued no later than July 15th, 2021, with presentation to the Board no later than the September board meeting, which is traditionally held the third Friday of each month.

The Regional Planner and the Executive Director will be the point of contact for the audit and will be available during the audit to assist the firm by providing information, documentation and explanation.

- C. *Audit Commencement and Conclusion for audits beginning with December 31, 2021 thereafter:* Commencement of audits after December 31, 2021 will begin no later than June 15, the Agency's records are expected to be ready no later than January 31st following the fiscal year end. The final report and letter of comments will be issued no later than July 15th, following the fiscal year end. The presentation to the Board will be no later than the September board meeting, which is traditionally the third Friday of the month, subject to change if deemed necessary by the Executive Director.

## V. SELECTION CRITERIA & SUBMISSION OF PROPOSAL

**A. Selection Process and Criteria** - A review panel including representatives of the FHRC staff and selected individuals with financial and/or grant expertise will participate in the process of selecting the auditor. Reviewers will assess applications based on the following criteria:

**(1) Work Plan Approach - 20%**

- (a) Demonstrated understanding and approach in fulfilling the scope and intent of the audit;
- (b) Comprehensiveness and adequacy of the audit work plan; and
- (c) Proposed timeline

**(2) Qualifications - 40%**

- (a) Relevant professional experience of the firm
- (b) Prior work experience of staff selected to perform the actual audit duties and description of services provided that demonstrate relevant professional experience;
- (c) Demonstrated knowledge of local, state and federal laws and regulations relevant to federal grant awards, non-profit organizations and accounting standards relevant to the Flint Hills Regional Council operations. Approach to ensure the audit process is efficient and ability to meet all deadlines.
- (d) Client list - demonstrating relevant experience with organizations that receive grant funding and/or non-profit organizations

**(3) Budget - 30%**

- (a) Reasonableness of the overall proposed budget and approach
- (b) Demonstration of adequate budget detail for the Committee to clearly understand any and all fees and relevant costs in order to complete the scope of
- (c) Budgets should outline estimated cost options for regular annual audit vs. estimated cost for a single audit should federal expenditures trigger this requirement.

**(4) References & Satisfaction of Prior Work (as applicable) – 10%**

- (a) References --a minimum of three (3) references shall be submitted
- (b) Satisfaction of prior work quality and overall value provided to the Flint Hills Regional Council will be considered, if applicable

**B. Proposal Requirements:** Proposals are required to be received **by mail or e-mailed no later than 5:00 p.m. on February 10, 2021.** In order to achieve a uniform review process and obtain the maximum degree of comparability, it is recommended that proposals be organized based on the four scoring categories listed above. In addition, proposals must also include professional liability insurance of at least one million dollars (\$1,000,000), and verification of a certificate of insurance.



C. **Inquiries:** Inquiries regarding the request for proposal must be made to:

Janna Williams, Regional Planner  
FLINT HILLS REGIONAL COUNCIL  
PO BOX 514,  
OGDEN, KS 66517-0514  
[Flinthillsregion.org](http://Flinthillsregion.org)  
[Jwilliams@Flinthillsregion.org](mailto:Jwilliams@Flinthillsregion.org)  
785-203-8086

**Any inquires, responses, or changes related to this RFP will be posted to our website at [www.flinthillsregion.org](http://www.flinthillsregion.org).**

- D. **Submission:** To be considered, the original proposal (if mailing), along with a PDF version must be received **by mail and/or via email no later than 5:00 p.m. on February 10, 2021** (at the address/email listed above). PDF versions of the proposals can be e-mailed to the e-mail address above. If FedEx or UPS is preferred, FHRC will provide an alternative physical address upon request.
- E. **Disclaimers:** The Flint Hills Regional Council, Inc. reserves the right to reject any and all proposals, or portions of proposals.

If deemed necessary, the Council shall:

- (1) Conduct quality reviews of the audit work;
- (2) Require auditors to submit revised reports, at no additional cost, when findings or recommendations are unclear;
- (3) Take prompt and appropriate action to remedy deficient audit contractor performance;
- (4) Make alternative arrangements or follow-ups if auditors find records to be non-auditable;