



Request for Proposal – Annual Financial and Compliance Audit

Gulf Bend Mental Health Mental Retardation Center, DBA Gulf Bend Center (GBC), is requesting proposals from public accounting firms to perform its annual financial and compliance audit for fiscal year 2024.

I. BACKGROUND INFORMATION

GBC is a community center in the State of Texas formed as the result of legislation passed in 1965. GBC is a 501(c)(3) non-profit agency governed by a nine-member Board of Trustees. It has grown from a small organization offering limited services to a major behavioral health provider, serving over 2,000 individuals annually in a comprehensive array of mental health, intellectual developmental disabilities, and substance use disorder services. GBC provides services in a seven-county region that includes: Victoria, Jackson, Calhoun, Refugio, Goliad, Dewitt, and Lavaca Counties.

GBC's fiscal year 2024 operating budget is \$14,838,112. GBC receives federal and state financial assistance from various agencies, the more significant of which is the Texas Health and Human Services Commission.

A. Purpose of the Audit

Comprehensive financial and compliance audit requirements for local mental health authorities and local intellectual developmental disability authorities are prepared in accordance with Health and Human Services' *Guidelines for Annual Financial and Compliance Audits of Community MHMR Centers*.

The comprehensive financial and compliance audit will encompass the general purpose financial statements, combining statements and other schedules for GBC for the fiscal year ending August 31, 2024. The audit is to be performed in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Grant and Contract Management Standards, the Single Audit Act of 1996, OMB A-133 (as revised), the *Guidelines for Annual Financial and Compliance Audits of Community MHMR Centers* and the *State of Texas Single Audit Circular*.

The financial statement audit is to determine whether (1) the financial statements present fairly the financial position, results of operation and cash flows in accordance with generally accepted accounting principles; and (2) whether GBC has complied with laws and regulations for those transactions and events that may have a material effect on the financial statements. The financial-related audit will also include determining whether (1) financial reports and related items are fairly presented; and (2) financial information is presented in accordance with the established or stated criteria.

As a part of the audit of the general purpose financial statements, the annual audit will also include obtaining an understanding of GBC's internal control structure and identifying any reportable conditions relating to the internal control systems coming to the attention of the auditors. Any reportable condition or material weakness noted during the study and evaluation of internal accounting and administrative controls must be reported.

As part of the audit of the general purpose financial statements, transactions and records pertaining to Federal and State programs will be tested for material compliance with applicable Federal and State laws, rules and regulations and all instances of non-compliance required to be reported under *Government Auditing Standards* will be reported to GBC.

The compliance audit, commonly referred to as the single audit, subjects to testing all Federal and State financial assistance. Federal and State financial assistance must be treated as separate populations for the determination of major programs. Major Type A and Type B financial assistance programs (as defined by OMB Circular A-133 and TSAC) will be tested for compliance with laws and regulations, as well as compliance with specific requirements of the grants or contracts. All instances of non-compliance will be reported to GBC.

B. Independent Auditor

The proposer must demonstrate the capability to perform the annual audit in accordance with generally accepted government auditing standards and must have performed annual audits for similar entities.

C. Term of the Audit Engagement

The contract for audit services, based upon the Board of Trustees' approval of the proposal, will be for the fiscal year ending on August 31, 2024. GBC may request to extend this agreement for up to five additional one-year terms through the fiscal year ending August 31, 2029, following satisfactory delivery of the services specified in the proposal and engagement letter. The agreement can be terminated for cause.

D. Dispute Resolution

Disputes concerning the terms of contracted services that cannot be resolved will be brought before an independent mediation center, whose decision will be binding upon both parties.

II. PROPOSAL CONTENT

Proposals must include:

- A. A statement concerning the independence of the proposer, including direct and indirect financial interest, and the relationship of the proposed audit team to employees of the Center and members of the Board of Trustees;
- B. A copy of the firm's most recent peer review report;
- C. A list of current and past audit clients along with the names and telephone numbers of contact persons and the number of years audit services were provided;
- D. A statement regarding whether the proposer is currently under the terms of public or private reprimand by the Texas State Board of Public Accountancy and/or licensing boards of other states;
- E. A general work plan and description of the proposed audit team, including the staff member who will direct the overall audit and those staff members who will be responsible for planning, directing, and conducting substantial portions of the fieldwork or reporting, including the educational background of all staff members named and professional licenses held;

F. A total all-inclusive maximum price bid for the fiscal year 2024 engagement as described in this request for proposal. GBC will not be responsible for expenses incurred in preparing and submitting the proposal. Such costs should not be included in the proposal.

III. CONDITIONS FOR SUBMISSIONS OF PROPOSAL

All proposals in response to this request must meet the following conditions to be considered:

- A. Proposal must include a cover letter clearly stating the name of the firm and the name, address, and telephone number of the proposer’s representative;
- B. GBC reserves the right to reject any and all proposals, and to negotiate portions thereof. Proposals that address only part of the requirements contained in this request for proposal may not be considered;
- C. GBC reserves the right to select any proposal, considering the quoted estimated fee, best value, and other factors;
- D. The proposer shall furnish such additional information that GBC may reasonably require.

IV. DELIVERY OF PROPOSALS

Responses to the request for proposal should be addressed to:

Gulf Bend Center
Attn: Kasie Mundine, CFO
6502 Nursery Drive, Ste 100
Victoria, TX 77904
kasie5278@gulfbend.org

Proposals must be received no later than March 8, 2024 by EOB.

V. PROPOSAL INQUIRIES

Any person wishing to obtain additional information about the request for proposal or about the operations of GBC may contact Kasie Mundine, CFO, by phone at 361-582-5367, or by e-mail at kasie5278@gulfbend.org. All emails should include the subject header “Annual Audit RFP Questions”. Please submit any questions on or before 5:00 p.m.

RFP	DEADLINE DATE
Request for proposal issued	02/05/2024
Deadline to Submit Questions	02/23/2024
Application Submission Deadline	03/08/2024
Selected Applicant Presented to Board for Approval	03/26/2024

VI. STATEMENT OF REQUIREMENTS

- A.** The independent auditor will provide fifteen (15) copies of the written audit report and single audit report that meet the requirements of *Guidelines for Annual Financial and Compliance Audits of Community MHMR Centers*.
- B.** Satisfactory delivery of the services specified by the request for proposal and the engagement letter shall be accomplished no later than the December 2024 meeting of the Board of Trustees.
- C.** The independent auditor will be required to present the reports to the Board of Trustees at the December 2024 meeting which is normally held on the fourth Tuesday of the month.
- D.** The independent auditor is required to provide a Management Letter containing comments oriented toward constructive improvements.
- E.** Copies of selected audit working papers will be provided as requested by the Center and as provided for in the engagement letter. The independent auditor will make its working papers available for review by the Center's coordinating agency.

VII. BOARD OF TRUSTEES APPROVAL

A proposal will be selected at the March 26, 2024 Board of Trustees meeting, barring a decision by the Board of Trustees to reject all proposals submitted or postponement of the meeting.

ATTACHMENT A

EVALUATION WORKSHEET

This worksheet is to be used to document GBC's evaluation of the proposers' qualifications. Points within the ranges specified are to be assigned to the below-listed criteria as a means for quantifying the relative strengths and weaknesses of the various proposals. It should be understood that while the total score is a significant factor, the requester of the services reserves the right to consider other factors in making a final selection.

A committee comprised of the CFO, Executive Director and Accounting Manager will convene to evaluate and make a recommendation to the Board of Trustees based on the information in the Evaluation Worksheet.

PROFESSIONAL QUALIFICATIONS

The evaluation of professional qualifications of the proposers will be based on the following criteria:

I. MANDATORY CRITERIA

Proposals will not be considered for further evaluation unless there is compliance with the following criteria. The proposer:

- A. Must be an independent auditor properly licensed for public practice.
- B. Must meet the independence standards and the continuing education requirements of *Government Auditing Standards*.
- C. Must not have a record of substandard work.
- D. Must submit a proposal meeting all the requirements of the request for proposal.

II. TECHNICAL CRITERIA

Proposals which have met each of the criteria in Section I above will be evaluated on the following criteria:

- A. Technical experience of the firm (1-20)
 1. Auditing experience with Community Centers
 2. Auditing experience in government entities
- B. Characteristics of the staff, including consultants to be assigned to the audit (1-15)
 1. Qualifications of supervisory personnel, consultants, and the audit team
 - Education, including continuing education courses during the past two years
 - Licensure
 - Years and types of experience

2. General direction and supervision to be exercised over the audit team by the firm's management personnel.

C. Clear understanding of the work to be performed (1-20)

1. Comprehensiveness of the audit work plan including schedule of interim and final field work to meet the January financial report review deadline.
2. Realistic time estimates of each major segment of the work plan.
3. Identified level of assistance needed from GBC personnel.

D. Subsequent year approach and continuity of knowledge (1-10)

1. How would the approach be affected if the contract were multi-year.
2. The firm's approach to senior staff rotation, notification of changes in key personnel and the ability to maintain a continuity of knowledge during subsequent years.

TOTAL TECHNICAL POINTS: _____

III. COST CRITERIA (1-35)

The inclusive fee for the audit with maximum annual increases identified for maximum benefit and cost effectiveness.

TOTAL COST POINTS: _____

TOTAL POINTS: _____