



**REQUEST FOR PROPOSALS  
for  
FINANCIAL AUDIT SERVICES  
NO. CARTA2023-03**

Issued: August 2, 2023

Responses Due: August 25, 2023

## I. **INTRODUCTION**

Charleston Area Regional Transportation Authority (CARTA) is requesting proposals (RFP) from qualified certified public accounting firms to perform professional auditing services for a three (3) year period beginning with the fiscal year ending September 30, 2023 for CARTA with the option of extending the contract for two (2) additional one-year periods, not to exceed five-years. The contract may be canceled if CARTA determines the audit services to be unsatisfactory.

These audits are to be performed in accordance with generally accepted auditing standards (GAAS) and *Government Auditing Standards (GAGAS)* issued by the Comptroller General of the United States and those of the Single Audit Act Amendments of 1996 and the uniform guidance.

There is no expressed or implied obligation for CARTA to reimburse responding firms for any expenses incurred in preparing proposals in response to this request. CARTA reserves the right to reject any or all proposals submitted.

CARTA reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between CARTA and the firm selected.

To be considered, please submit an original and five (5) copies of your proposal by 2:00 p.m. on Friday August 25, 2023 to:

Charleston Area Regional Transportation Authority (CARTA)  
Attn: Jason McGarry  
5790 Casper Padgett Way  
N. Charleston, SC 29406

The outside of the envelope must identify the RFP subject and number "Financial Audit Services #CARTA2023-03." and the name of the firm.

## II. **BACKGROUND**

CARTA was created in 1997 pursuant to the Regional Transportation Authority by adoption of a mutual agreement. The following jurisdictions have joined CARTA: Charleston County, City of Charleston, City of Hanahan, City of Isle of Palms, City of North Charleston, Town of Kiawah Island, Town of Mt. Pleasant, and Town of Sullivan's Island. Law, codified as Section 58-25-10 to 59-25-100, Code of Laws of South Carolina, 1976.

CARTA provides public transportation services within the service areas as defined in the agreement. CARTA is authorized to determine the scope (routes, equipment, and facilities) and standards of the service to be provided. CARTA is funded, in part, by FTA and SCDOT. CARTA is subject to the regulations of the U.S. Department of Transportation (DOT), Federal Transit Administration (FTA), South Carolina Department of Transportation (SCDOT), and federal, state, and local laws.

In July 2015, the CARTA Board contracted with the BCD Council of Governments to manage CARTA. CARTA has a contracted operating service to National Express. The BCD Council of Governments office is located at 5790 Casper Padgett Way North Charleston, SC. This location holds all records for the agency. The finance department utilizes SmartFusion for managing the financial records for the agency.

### III. **NATURE OF SERVICES REQUIRED**

#### i) **Scope of Work**

To perform professional auditing services for a three (3) year period beginning with the fiscal year ending September 30, 2023 for CARTA with the option of extending the contract for two (2) additional one-year periods, not to exceed five-years. Prepare annual fiscal and compliance audit for fiscal year 2022/2023, 2023/2024, and 2024/2025.

To meet the requirements of this Request for Proposals, the audit shall be performed in accordance with generally accepted auditing standards (GAAS) and Government Auditing Standards (GAGAS), the provisions of the Single Audit Act Amendments of 1996 and Subpart F of the uniform guidance.

#### ii) **Reports to be Issued**

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

1. Express an opinion on the financial statements as to whether they present fairly, in material respects, the financial position of CARTA and the changes in financial position in conformity with generally accepted accounting principles (GAAP), and issue an independent auditor's report stating this opinion.
2. Test internal controls over financial reporting and compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters, in accordance with *Government Auditing Standards*.
3. Apply limited procedures related to the Required Supplementary Information (RSI), Management's Discussion and Analysis (MD&A), budgetary comparison information, and the Supplementary Information.
4. Prepare Report to Board of Directors and Management that identifies control deficiencies, significant deficiencies and material weaknesses, if any, and your recommendations for improvements in accounting and administrative controls.
5. Prepare single audit in compliance with 2 CFR Part 200, Subpart F of the uniform guidance.
6. Communicate immediately and in writing all irregularities and illegal acts, or indications of illegal acts, of which they become aware, to the CARTA Executive Director.
7. Retain at auditor's expense audit working papers for three (3) years, unless the firm is notified in writing by CARTA of the need to extend the retention period. In addition, the firm shall respond to reasonable inquires of CARTA and successor auditors and allow CARTA and successor auditors to review working papers relating to matters of continuing accounting significance.
8. Provide general consultation as required, during the year, on financial reporting matters.

### IV. **TIMING AND OTHER REQUIREMENTS**

## 1. Key Dates for Proposal Evaluation and Selection:

- |                              |                                  |
|------------------------------|----------------------------------|
| a) Wednesday, August 2, 2023 | RFP issued                       |
| b) Friday, August 25, 2023   | Proposals Due                    |
| c) September 2023            | Board Approval of Recommendation |

## 2. Project Schedule for Fiscal Year 2023 Audit (Year Ending September 30, 2023)

- a) Offeror is to transmit one copy of the draft audit report to Berkeley Charleston Dorchester Council of Government's Executive Director no later than six months after the end of the fiscal year. The Offeror shall deliver approximately 5 final audit reports to Berkeley Charleston Dorchester Council of Governments no later than March 31, 2024. The final number is determined before publishing the report.
- b) Reports may be submitted earlier than the above schedule. However, if the Offeror fails to make delivery of the audit reports within the time schedule specified herein, or if the Offeror delivers the audit reports which do not conform to all of the provisions of this contract, CARTA, by written notice of default to the Offeror, terminate the whole or any part of this contract. Under certain extenuating circumstances the contracting agency may extend this schedule upon written request of the Offeror with sufficient justification.
- c) A similar schedule will be developed for audits of subsequent fiscal years with the goal of completion and presentation within 6 months following the year-end.

## 3. Assistance Provided to the Auditor

CARTA staff will be available during interim and audit field work to assist the firm by providing access and direction to information, documentation, and be available for explanations of all inquiries. Staff will provide clerical assistance for preparation of confirmations and other routine correspondence. The CARTA staff will be responsible for the preparation of the Management Discussion and Analysis (MD&A).

CARTA will provide the auditors with reasonable workspace, phone, wireless internet access and copy machine.

## 4. Additional Services

If it should become necessary for CARTA to request the auditor to render additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between CARTA and the auditor. Any such additional work agreed to between CARTA and the auditor shall be performed at the same rates set forth in the schedule of fees and expenses included in the Cost Data Form.

## 5. Payment

Progress payments will be made on work completed during the course of the engagement. Interim billings shall cover a period of not less than a calendar month.

## V. Proposal Requirements

### A. Format of Technical Proposal

1. Title Page
  - a) the RFP subject,

- b) the proposing firm's name,
  - c) contact person's name, local address, telephone number, and email address. If the firm has more than one office, state which office will be responsible for providing services to CARTA, and
  - d) the date of submission
2. Table of Contents
- a) identification of material submitted, by section and page number, and
  - b) cross reference to section and page number of RFP
3. Transmittal Letter
- a) general introduction stating the proposer's understanding of the services to be provided,
  - b) a positive commitment to perform the service within the time period specified,
  - c) a statement why the firm believes itself to be the best qualified to perform the engagement,
  - d) a statement of how long you have been in business and how many financial audits were performed by your firm for public agencies during the past five (5) years,
  - e) a statement that the proposal is a firm and irrevocable offer for the stated period of time,
  - f) name(s) of person(s) authorized to represent the proposer, title, address, telephone number, email address and
  - g) signature
4. Detailed Proposal Following the Order Set Forth in Section B

## **B. Contents of Technical Proposal**

The purpose of the Technical Proposal is to demonstrate the qualifications, competence, and capacity of the firms seeking to undertake an independent audit of CARTA in conformity with the requirements on this RFP. The substance of proposals will carry more weight than their form or manner of presentation. The Technical Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the RFP requirements.

The Technical Proposal should address all the points on the order outlined in the RFP. The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the RFP. While additional data may be presented, the areas detailed below must be included. They represent the criteria against which the proposal will be evaluated.

### 1. License to Practice in South Carolina

An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in South Carolina.

### 2. Independence

The firm should provide affirmative statement that it is independent of CARTA as defined by generally accepted auditing standards and the U.S. General Accounting Office's *Government Auditing Standards*.

The firm should also list and describe the firm's professional relationships involving CARTA for the past five (5) years, with a statement explaining why such a relationship does not constitute a conflict of interest relative to performing the proposed audit.

3. Insurance Requirements

The Offeror shall, at its expense, procure and keep in force during the entire term of this Agreement, public liability, and property damage liability insurance protecting CARTA, its Board, officers, employees and agents as well as the Offeror(s) and its employees. Deductibles shall be identified in the Proposal. All deductible payments are the responsibility of the Offeror(s). CARTA reserves the right to approve deductible levels.

The Offeror(s) shall provide CARTA a certificate of insurance evidencing such coverage.

4. Firm Qualifications and Experience

To qualify, the firm must have extensive experience in audits of local governments as well as experience with the preparation of basic financial statements in compliance with generally accepted auditing standards and Governmental Accounting Standards Board (GASB) requirements.

The proposal should briefly introduce your firm, indicating whether your firm is local, regional, national, or international. State the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed, and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be employed on a part-time basis. Indicate the name of the person who will be authorized to answer questions and to bind the firm, the person's title, address, email, and telephone number.

If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal auditor should be noted, if applicable.

If your firm participates in a peer review or quality review program provide the year, month and result of the most recent review and submit a copy of the report on the firm's most recent external quality control (peer) review, with a statement whether that quality control review included a review of specific government engagements (required by *Government Audit Standards*).

Provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. 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.

5. Engagement Partner, Manager/Supervisor and Staff Qualifications Experience

Identify the senior-level staff, including engagement partner and manager/supervisor, who would be assigned to this engagement on an on-going basis. Indicate whether these individuals have CPA licenses to practice in South Carolina. Please provide information on the governmental auditing experiences of these individuals, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit. CARTA reserves the right to approve or reject any replacements in the senior level staff participating in the audit.

Identify junior-level staff who would be assigned to this engagement. How stable is the team of individuals in relationship to being assigned to this engagement on an annual basis? Please indicate their experience as outlined above for senior level staff. How will

the quality of the junior-level staff be assured over the term of the agreement? CARTA reserves the right to approve or reject any replacements in the junior level staff participating in the audit.

Staff consistency is a very important consideration.

Include resumes of those individuals supervising the audit.

6. Prior Engagements with CARTA

List separately all engagements within the last five (5) years for CARTA. Indicate the scope of work, date, engagement partners, total hours, the location of the firm's office from which the engagement was performed, and the name and telephone number of the principal contact.

7. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed to perform the services required in Section III of this RFP.

- a) proposed segmentation of the audit work;
- b) expectations of CARTA staff
- c) proposed time frame for each segment of audit work;
- d) planned number of hours on the engagement for each level of auditing staff;
- e) sample size and the extent to which statistical sampling is to be used in the engagement;
- f) type and extent of use of software in the engagement;
- g) type and extent of analytical procedures to be used in the engagement;
- h) approach to be taken to gain and document an understanding of CARTA's internal control structure;
- i) approach to be taken in determining laws and regulations that will be subject to audit test work and
- j) approach to be taken in drawing audit samples for purposes of tests of compliance.

8. Identification of Anticipated Potential Audit Problems

The proposer should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems, and any special assistance that will be required from CARTA.

9. References

Please provide the name of all cities, counties, and special audits for which the firm has audited basic financial statements during the past five (5) years. Indicate the scope of work, date, engagement partner, and total hours.

Please include reference contact information for at least three of the agencies, including the name, telephone number, and email address of the principal client contact. CARTA reserves the right to contact any or all of the listed references.

10. Additional Information Required

What additional information would you require from CARTA, if you were selected to provide audit services, before you accepted the engagement?

11. Price

A complete estimate and explanation of fees is to appear on the Cost Data Form. A total all-inclusive maximum price for the 2022/2023 engagement. Indicate how additional years fees would be calculated if the contract is extended. Please provide a list of fees for additional services that may be requested in relation to this audit.

All proposals shall contain provisions to the effect that in the event that extraordinary circumstances warrant more intensive and detailed services beyond those in the contractual agreement, the firm shall provide in writing and in advance, the reasons for the additional services together with the firm's estimate of costs, and a statement that no work will be performed without prior approval of CARTA. All additional work as agreed in advance by CARTA shall be compensated for at the same rate quoted in the Cost Date Form submitted with the proposal.

**ONE (1) PRICE PROPOSAL SHALL BE SUBMITTED IN A SEPARATE SEALED ENVELOPE FROM THE PROPOSAL IN AN ENVELOPE THAT IS LABELED WITH THE OFFERORS NAME AND IDENTIFIED AS CONTAINING A COST PROPOSAL RESPONDING TO CARTA'S RFP NO. CARTA2023-03 TO PROVIDE FINANCIAL AUDIT SERVICES.**

**VI. EVALUATION PROCEDURES**

The proposal will be evaluated on the following categories listed below:

- A. The qualifications and professional competence of the Offeror and principal staff who will be assigned to the project. **(20 pts)**
- B. The Offerors quality of Proposal including the approach to ensuring high quality of service. **(20 pts)**
- C. The Offerors previous experience on projects of similar size, scope, and complexity. **(15 pts)**
- D. The availability of sufficient personnel, facilities, and equipment to comply satisfactorily with all requirements of this solicitation. **(15 pts)**
- E. The Offerors demonstrated understanding of the contractual undertaking. **(5 pts)**
- F. Cost **(25 pts)**



