



Request for Proposal No. 21-04
Fiscal Auditing Services

RELEASE DATE:	Monday, March 1, 2021
CLOSING DATE:	Monday, April 5, 2021 by 12:00 pm/PST
CONTACT:	Chinayera Black Hardaman, MPA Chief Executive Officer
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	Address: Sierra Kings Health Care District 1011 G. Street PO Box 1350 Reedley, CA 93654

ABOUT US

The Sierra Kings Health Care District (District) is in southeast Fresno County and borders Tulare County to the south. Formed in 1962, the District operates under the Local Hospital District Law (1945) and the District Reorganization Act (1965) which charged Districts to develop and expand health care infrastructure in underserved and geographically isolated areas. The hospital in Reedley was built under this act. The communities served have evolved, as have the health care needs of District residents. Like many other rural hospitals, the District faced significant fiscal challenges maintaining quality care through hospital operations and in October 2009 the District filed for Chapter 9 bankruptcy reorganization. In April 2011, as per a unanimous vote, the District started transitioning the hospital to Adventist Health and in January of 2012 the lease became effective. Since then the District has made history in the repayment of its bankruptcy, paying all of debt at 100%. In addition, by leasing the hospital, the District was able to:

- Pay off USDA loan early
- Provide a sustainable solution to maintain the hospital
- Salvage hundreds of jobs in the community
- Continue to own and maintain real property (building and land)

The District serves a population of roughly 44,000 residents in a 247,188-acre region that includes the City of Reedley, City of Parlier, Squaw Valley, Miramonte, and Dunlap. Having discontinued hospital operation in 2011, in 2020 the District recently hired staff and transitioned into a community-based grant-making agency that invests in health and wellness activities. The District's total net position as of June 30, 2020 is roughly \$8.6 million.

The District is governed by five elected board members who represent specific zones. The District’s business is conducted by a Chief Executive Officer and an Executive Assistant/Clerk of the Board.

PURPOSE OF REQUEST FOR PROPOSALS

The Sierra Kings Health Care District issues this Request for Proposals (RFP) to select a firm to perform an agency audit for the current fiscal year 2020-2021 ending on June 30, 2021. The State of California requires the District to undergo a fiscal audit annually to determine that financial statements fairly present the financial position of the agency being audited in accordance with Government Accounting Standards Board (GASB). Previous audits can be found at www.skhcd.org (select “Financials”).

District audits typically follow the schedule below:

Action	Timing
Planning/Interim Fieldwork	First week of September
Final Fieldwork	First week of October
Drafts of Auditor’s Report and Financial Statements Sent to Management	October 31
Presentation of Audit Report to the District Board of Directors	November/December

Qualified firms interested in providing these services for the District are encouraged to submit a proposal. The selected firm will have demonstrated understanding in providing similar services and must be capable of producing the desired services in a professional, timely, and cost-conscious manner.

CONTRACT PERIOD

The contract term is for a 12-month period, beginning July 1, 2021 and concluded June 30, 2022. There will be a renewable option for an additional five years based on performance.

RFP TIMELINE

This RFP shall follow the timeline below:

Activity	Timeline
Release of RFP	Monday, March 1, 2021
RFP Submission Deadline	Monday, April 5, 2021
District Board Makes Selection	Tuesday, April 27, 2021

SCOPE OF SERVICES

The firm will be required to perform any and all tasks related to a certified audit including but not limited to the following:

1. Agency audit is to be performed in accordance with Government Accounting Standards Board..

2. The firm will evaluate the adequacy for the internal control systems and where weaknesses are noted, make appropriate recommendations for improvements. A management letter will be submitted by the auditing firm if material weaknesses are noted or if otherwise deemed appropriate.
3. The auditing firm will be required to make immediate written report of all irregularities, fraud and illegal acts of which they become aware to the Board.
4. The audit will cover the general-purpose financial statements and supporting documentation and schedules.
5. The auditing firm shall provide ten (10) copies of the auditor's report, financial statements, supporting schedules, and management letter.
6. The partner in charge of the audit **must** be available to attend at least one (1) public meeting at which the audit report will be discussed.
7. The auditing firm shall submit a draft of the financial statements no later than August 31, 2021 for the fiscal year 2020-2021 audit. In this regard, the District will provide a year-end adjusted trial balance with support schedules in the first week of September each year. Records for appropriate testing will be made available immediately after June 30 each year.
8. The firm shall make available its working papers and respond to all reasonable inquiries of successor auditors and others to review working papers of the District, upon the District's written consent. The auditing firm will retain working papers, at the firm's expense, for a minimum of seven (7) years, or longer if required by Public Company Accounting Oversight Board (PCAOB).

PROPOSAL SUBMISSION REQUIREMENTS

Firms should respond to the following prompts in the given order, not to exceed four (4) typed single sided pages:

1. Provide a brief description of the organization, size, and structure of your firm. Include information on the division that focusses on public entities or related type agencies.
2. List other similar governmental agency audits your firm currently performs or has performed in the last 3 years. Indicate audits performed by the local office and fiscal year(s) audited.
3. Provide a draft workplan that outlines the entirety of the proposed processes. The workplan should describe the proposed approach to be taken, including a timeline and suggestions for strategies that may be necessary for completing the audit.
4. Identify key personnel proposed to work with the District including background, relevant experience, and time available to complete this project.
5. List the names and contact information for at least three (3) references from current and former clients.

6. Delineate costs for services considering the possible opportunity to renew the contract for five additional years. Provide a proposed budget that includes cost breakdowns for the following milestones of the project.
 - Completion of interim work
 - Completion of field work
 - Draft Financial Statements
 - Completed Financial Statements
7. Provide proof of the firm's license, affiliations and associations.
8. Provide a statement regarding the status of any disciplinary actions against the firm.
9. Provide a statement affirming your firm is being properly insured against fraud, errors, and omissions.
10. Provide a statement that individuals handling funds have not been convicted of a felony and have not had a judgment entered against him/her upon misappropriation of funds or similar action.
11. Provide a completed W-9 Form with signature.

SUBMISSION INSTRUCTIONS

The completed proposal in response to this RFP must be received by Monday, April 5, 2021 by noon as follows:

An Electronic Copy to:

cblack@skhcd.org

-AND-

Six (6) Hard Copies to:

Chinayera Black Hardaman, MPA
Sierra Kings Health Care District
1011 G. Street
Reedley, CA 93654

PROPOSAL EVALUATION

The District will evaluate the proposals received based on the required content and the following qualifications:

1. Only Certified Public Accountant firms will be eligible for consideration, including previously selected firms. The firm must be able to demonstrate that it has operated as a business entity for a minimum of five (5) years and must employ a professional (accountant) staff of no fewer than three (3) years.
2. The principal officers of the firm and the audit manager for this audit must be members of the California Society of Certified Public Accountants and the American Institute of Certified Public Accountants (AICPA). It is also desirable that the firm (or firm staff members) be

involved with the AICPA peer review program and/or be a member of the Government Financial Officer Association (GFOA) and on the GFOA list to receive regular notices.

3. The firm to be retained and assigned staff must have substantial experience and demonstrate strong knowledge of governmental and independent public entities. You must address such experience in your proposal.
4. The final evaluation process will include obtaining references from current and former audit clients (governmental and/or public entity) as a means of verifying that the firm meets the qualifications as described herein.

CONFIDENTIALITY OF RESPONSES

The District cannot guarantee the confidentiality of information submitted by the organization/agency. In the event the District receives a request for records or court order that the District reasonably determines compels its disclosure of the proposal, the District shall provide such records as it deems appropriate. All materials submitted as part of the proposal become the property of the District.

MISCELLANEOUS INFORMATION

1. Issuance of this RFP does not constitute a commitment by the District.
2. The firm submitting their proposal agrees that by submitting a proposal it authorizes District Staff to verify any or all information and/or references given in the proposal.
3. The District reserves the right to approve all subcontractors proposed by the primary firm. Approval is based on the subcontractor contract language and budget with the primary firm.
4. District Staff reserves the right to amend the contract (if necessary) as needed throughout the term of the contract to best meet the needs of all parties.