

Camino Real Community Services

Request for Proposal – FY2025 Annual Financial and Compliance Audit

Camino Real Community Mental Health Mental Retardation Center, d.b.a. Camino Real Community Services (“CRCS”) is requesting proposals from public accounting firms with experience auditing community mental health/intellectual developmental disability centers to perform its annual financial and compliance audit for fiscal year 2025.

I. BACKGROUND INFORMATION

Auditing requirements for CRCS’s fiscal year (FY) 2025 audit are contained in the current Texas Health and Human Services Commission’s *Guidelines for Annual Financial and Compliance Audits of Community MHMR Centers*.

A. Purpose of the Audit

The purpose of this Request for Proposal is to obtain the services of a public accounting firm for the annual financial and compliance audit for fiscal year 2025. The organization-wide audit will encompass the general-purpose financial statements, combining statements and other schedules for CRCS for the fiscal year ending August 31, 2025. The audit is to be performed in accordance with generally accepted auditing standards (GAAS), especially SAS 117 on compliance auditing as applied to governmental entities and recipients of financial assistance, *Government Auditing Standards*, issued by the Comptroller of the United States, the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, current Texas Health and Human Services Commission’s *Guidelines for Annual Financial and Compliance Audits of Community MHMR Centers*, the *State of Texas Uniform Grant Management Standards (UGMS)*, the Single Audit Act of 1996 and the *State of Texas Single Audit Circular*. The audit must also adhere to any new standard or requirement that may come into effect at any time during the term of the contract.

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

The audit process will also include the independent auditor obtaining an understanding of CRCS's internal control structure and identifying any reportable conditions relating to the internal control systems. Any reportable condition or material weakness noted during the study and evaluation of internal accounting and administrative controls must be reported as required by standard, rule, and/or law.

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. All instances of non-compliance required to be reported under the

Government Auditing Standards will be reported as required. The independent auditor will inform CRCS of the reportable item prior to its submission.

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) 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 must be reported to CRCS.

B. Independent Auditor

The proposer must demonstrate the ability to perform the annual financial and compliance audit in accordance with generally accepted government auditing standards. Public accounting firms that choose to file a proposal must have recent experience auditing community Mental Health and Intellectual Developmental Disabilities centers within the previous three (3) years.

C. Term of the Audit Engagement

The contract term for the audit engagement will be September 1, 2025, through August 31, 2026; however, the fiscal year to be audited is 2025 only. CRCS may request to extend the contract for up to five (5) additional one-year terms, following satisfactory delivery of the services specified in the proposal and engagement letter. The engagement can be terminated for cause.

D. Dispute Resolution

Disputes concerning the terms of contracted services that cannot be resolved may be brought before an independent mediation center, whose decision will be binding upon both parties. CRCS reserves the right to decide whether a dispute will be taken to mediation.

II. TECHNICAL PROPOSAL CONTENT

NOTE: THERE SHOULD BE NO DOLLAR UNITS OR TOTAL COST INCLUDED IN THE TECHNICAL PROPOSAL DOCUMENT.

A. Cover Letter

See conditions for submission of proposal in Section IV.

B. Technical Component

To describe clearly the public accounting firm's understanding of the work to be performed, the proposer will:

1. Provide a definition of the term "generally accepted government auditing standards" with clear distinctions between these standards and generally accepted auditing standards for non-governmental engagements;

2. Explain the proposer's approaches to performing an annual financial and compliance audit, including the methodology, nature and extent of audit procedures to be performed;
3. Describe how the approach to performing the audit would be affected if this were a multi-year contract; and
4. Make a statement concerning the independence of the proposer, including direct and indirect financial interest and the relationship of the proposed audit team members to Executive Staff of CRCS and any of the CRCS Board of Trustees members. (See Attachment A for a full roster.)

C. Management Component

The proposer will furnish satisfactory evidence of ability to provide, in a professional and timely manner, the services stated in this Request for Proposal. To meet this requirement, the proposer will:

1. Provide the name of the external quality control review organization of which the proposer is a member and the proposer's length of membership. Also, state the review organization's planned frequency of peer reviews;
2. State whether the proposer has received a peer review within the past 36 months and whether, in the most recent review, an unqualified report was issued (a copy of the peer review report must be provided to CRCS);
3. State whether the proposer is a national, regional or local public accounting firm;
4. Provide evidence that the proposer has experience in performing annual financial and compliance audits for community Mental Health and Intellectual Developmental Disabilities centers within the past three (3) years. List current and past audit clients along with the names and telephone numbers of contact persons and the dates audit services were provided;
5. State whether the proposer is currently under the terms of a public or private reprimand by the Texas State Board of Public Accountancy and/or licensing boards of other states;
6. Describe the proposed audit team: Identify the proposer's staff member who will direct the overall audit throughout the duration of the engagement. In addition, identify those staff members who will be responsible for planning, directing and conducting substantial portions of the fieldwork or reporting on this audit engagement. Include the verifiable educational background of all staff members named and professional licenses held;
7. Describe continuing professional education in governmental accounting and auditing received by the proposed audit team during the last two (2) years;
8. Provide the names and qualifications of any needed outside specialists and consultants necessary to assist the proposer's staff members;
9. Describe the level of assistance that will be expected from CRCS personnel; and

10. Provide evidence of the ability to comply with the requirements in Sections II and VII of the Request for Proposal.

D. Task/Activity Plan

The proposer must specify timelines and sequence for audit procedures, including names of staff to be assigned.

E. Evaluation

Proposer's methodologies, products, services, and sealed dollar cost bids will be evaluated, using a standardized evaluation/score sheet.

III. SEALED DOLLAR COST BID

A. Total All-Inclusive Maximum Price

The sealed dollar cost bid should contain all pricing information related to performing the audit engagement as described in this Request for Proposal. CRCS is not responsible for any expense incurred in preparing and/or submitting the technical proposal or the sealed dollar cost bid. Such costs should not be included in the proposal.

The first page of the sealed dollar cost bid should include the following information:

1. Legal name of proposer's firm;
2. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid and authorized to sign a contract/engagement letter with CRCS; and
3. A total all-inclusive maximum price for the fiscal year 2025 engagement as described in this Request for Proposal, including a description of how pricing would be affected if the engagement was for a multi-year time period.

B. Manner of Payment

Payments will be made in accordance with the contract/engagement letter; however, the first payment made by CRCS in association with the work outlined in this Request for Proposal will not be made prior to September 1, 2025.

IV. CONDITIONS FOR SUBMISSIONS OF PROPOSAL

CRCS reserves the right to withdraw this Request for Proposal at any time without award. All proposals in response to this request must meet the following conditions to be considered:

- A. Proposals must meet all requirements contained in this Request for Proposal. Failure to meet any of the requirements contained in this Request for Proposal could result in a proposal not being

considered. CRCS reserves the sole right to determine whether a proposal meets the stated requirements.

- B. Proposals must include a cover letter clearly stating the legal name of the firm and the name, address and telephone number of the proposer's authorized representative;
- C. Proposers shall furnish additional information CRCS may reasonably require;
- D. Proposers shall, upon request, send a representative for an oral interview prior to the Board of Trustees approval of a proposal. CRCS will not be liable for the costs incurred by the proposer in connection with such interview.

V. PROCEDURES FOR SUBMITTING PROPOSALS

A. Delivery

Electronic Delivery

Responses to the Request for Proposal may be submitted electronically via email to:

Camino Real Community Services
David Oviedo, Chief Financial Officer
Email: davido@caminorealcs.org

On the subject line identify “Confidential: 2025 RFP Audit Response”

Mail Delivery

Responses to this Request for Proposal should be addressed to:

David E. Oviedo, Chief Financial Officer
Camino Real Community Services
P.O. Box 725
Lytle, Texas 78052-0725
(210) 357-0364

Hand Delivery

David E. Oviedo
Chief Financial Officer
19965 FM 3175 N.
Lytle, Texas 78052
(210) 357-0364

Russell Rakowitz
Associate CFO
(same address)
(210) 357-0372

Proposals must be received no later than 4:00 p.m., Friday, May 30, 2025.
NO PROPOSALS WILL BE ACCEPTED VIA FAX.

B. Number of Copies of Proposal

Proposers must submit one (1) bound copy of the technical proposal and one (1) sealed dollar cost bid. The technical proposals are to be bound and sealed in a separate envelope from the sealed dollar cost bid. Each envelope must be clearly marked as “Technical Proposal” or “Sealed Dollar Cost Bid.”

VI. ASSISTANCE TO PROPOSERS

Any person wishing to obtain additional information about the Request for Proposal or about the operations of CRCS may contact the individual’s mentioned above in Section V., or also Jesus Vasquez, Chief Accountant, at (210) 357-0376.

VII. STATEMENT OF REQUIREMENTS

- A. Fieldwork will be at the mutual convenience of CRCS’s and the independent auditor’s schedules.
- B. On or before January 9, 2026, the preliminary draft of the reports will be presented to CRCS for review and comment.
- C. Satisfactory delivery of the services specified in this Request for Proposal and the engagement letter shall be accomplished in time for CRCS’s January Board of Trustees’ meeting (approximately January 23, 2026.)
- D. The independent auditor will be required to present the reports to the Board of Trustees’ Audit Committee and to the full Board (not necessarily on the same date.)
- E. The independent auditor will be required to provide a management letter containing comments oriented toward constructive improvements.
- F. The independent auditor will provide CRCS with 20 bound copies and one (1) unbound copy of the audit report, and the pdf file following the standards outlined herein.
- G. Copies of the independent auditor’s work papers will be made available to CRCS and to its coordinating agency, upon request.

VIII. BOARD OF TRUSTEES’ APPROVAL

A proposal will be selected on or before July 25, 2025, barring a decision by the Board of Trustees to reject all proposals submitted.

ATTACHMENT A

Criteria for Scoring the RFP

The following criteria will be used to evaluate responses. Points within the ranges specified will be assigned to the below-listed criteria as a means for quantifying the relative strengths and weaknesses of the proposals received. In the event that oral interviews are necessary to break a tie or for making clarification in the evaluation process, additional points may be awarded. 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.

MANDATORY CRITERIA: Proposals will NOT be considered for further evaluation unless there is compliance with ALL of the following criteria.			
MANDATORY CRITERIA		Met?	Not Met?
1.	Must be an independent auditor properly licensed for public practice in Texas.		
2.	Firm must have experience performing annual financial and compliance audits within the past three (3) years for Community mental health/intellectual disability centers.		
3.	Must meet the independence standards and continuing education requirements of <i>Government Auditing</i> United States General Accounting Office (GAO).		
4.	Must be a member of an external review quality control review organization. Proposer must provide the name of the external review organization of which it is a member, the length of time of membership and the frequency of the firm's planned peer review.		
5.	Firm must have had a peer review conducted within the past three (3) years and, in the most recent review, have an unqualified report issued.		
6.	Firm must not be under the terms of a public or private reprimand by the State of Texas Board of Public Accountancy and/or licensing boards of other states.		
7.	Firm must provide verifiable evidence that it is eligible to do business in the State of Texas.		
8.	Must submit a proposal meeting all of the requirements of the Request for Proposal.		

PROPOSALS WHICH HAVE MET EACH OF THE MANDATORY CRITERIA LISTED ABOVE WILL BE EVALUATED ON THE FOLLOWING CRITERIA:

EVALUATION CRITERIA		Weighting
1	<p>Qualifications of the Audit firm:</p> <ul style="list-style-type: none"> • The experience of the audit firm in performing annual and compliance audits for Community mental health/intellectual disability centers in Texas with Single Audit Requirements within the past three (3) years. • The opinions of prior clients of the audit firm. • The results of the latest peer review of the firm. • Certification or eligibility to be certified as a State of Texas Historically Underutilized Business (HUB). 	20 Points
2	<p>Qualifications of the Audit Team:</p> <ul style="list-style-type: none"> • The collective experience of the team to be assigned to the audit. • The specifications in the proposal, in concrete language, of the education and experience in the type of work that the audit entails of the key personnel. The experience is explained in terms of specific audit engagements. • The professional continuing education in governmental accounting and auditing of key personnel explained in detail. 	15 Points
3	<p>Audit work plan reflects a clear understanding of the work to be performed:</p> <ul style="list-style-type: none"> • The proposal contains a comprehensive work plan including schedule of interim and final fieldwork to meet the January financial report review deadline. • The plan contains a realistic estimate of time required to complete the audit and meet the requirements in Section VII of the proposal. • The proposal indicates that the proposer will use (1) a systematic approach to examining systems and internal controls and (2) effective procedures, including consideration of risk and materiality, to determine the extent of audit testing and review necessary. • The proposal identifies the level of assistance needed from CRCS personnel. • The ease of accessibility of the audit team to CRCS personnel. 	20 points
4	<p>Subsequent year approach and continuity of knowledge:</p> <ul style="list-style-type: none"> • The proposal addresses how the approach to audit would be affected if the contract were a multi-year one. • 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. 	10 points
5	The inclusive fee for the audit with maximum annual increases identified for maximum benefit and cost effectiveness.	35 points
	TOTAL MAXIMUM SCORE AVAILABLE	100 Points