



# Environmental Council of States

1250 H Street NW, Suite 850 | Washington, DC 20005  
(202) 266-4920 | [www.ecos.org](http://www.ecos.org)

## **Request for Proposals for Audit Services**

**May 12, 2023**

The Environmental Council of States (ECOS) invites proposals for the preparation of its yearly audited financial statements, single audit, and tax services for a three-year period beginning with the year ending September 30, 2023. The Audit Committee of ECOS's Executive Committee will review all proposals received by June 30, 2023, and select the successful firm. They may elect to interview finalists or may delegate that responsibility to ECOS professional staff.

### **Background of the Environmental Council of States (ECOS)**

ECOS is a 501(c)(6) organization comprised of environmental secretaries, commissioners, and directors responsible for administering air, water, waste, pollution prevention, and cleanup programs in the United States, its territories, and the District of Columbia. ECOS's mission is to improve the environment by providing for the exchange of ideas, views, and experiences among the states, fostering cooperation and coordination in environmental management, and articulating state positions on environmental issues to the United States Congress and Environmental Protection Agency.

ECOS has an integrated sister organization, the Environmental Research Institute of the States (ERIS). ERIS is a 501(c)(3) organization that ECOS established for the purpose of accepting funds to conduct educational and research activities. ERIS is controlled by ECOS and we present the organizations' financial statements on a combined basis. Both organizations receive a significant portion of their funding from federal awards and have September 30 fiscal year-ends.

### **Purpose of the Audit**

The objective of the audit is the expression of an opinion about whether ECOS's financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles including those for a single audit. The audit is expected to be conducted in accordance with auditing standards generally accepted in the United States, and will include tests of ECOS's accounting records and other procedures necessary to enable you to express such an opinion.

### **Services to Be Performed**

Your proposal is expected to cover the following services:

1. Annual audit completed in accordance with auditing standards generally accepted in the United States (GAAS) and government auditing standards (GAGAS);
2. Required electronic filing of the single audit submission;
3. Tax filings in accordance with filing requirements for both the IRS and the District of Columbia;
4. Auditor evaluation of and reporting on the internal control over financial reporting; and
5. Meetings with the audit committee and board of directors as necessary.

### **Reports to Be Prepared**

Your proposal is expected to cover the preparation of the following reports:

1. A written report of the audit of the organizations' combined financial statements;
2. Single Audit Data Collection Form (SF-SAC);

3. ECOS Form 990, Return of Organization Exempt from Income Tax, with supporting schedules;
4. ERIS Form 990, Return of Organization Exempt from Income Tax, with supporting schedules.

### **Deadline for Completion of Audit Services and Reports**

Audit services and reports are expected to be completed by the last day of March following the end of each fiscal year, or by the filing deadline for the SF-SAC as determined by the OMB if it is later.

### **Key Personnel**

The organizational contacts with respect to this engagement are:

Elizabeth Schilling  
Finance Manager  
[eschilling@ecos.org](mailto:eschilling@ecos.org)  
(202) 915-1052

Carolyn Hanson  
Deputy Executive Director  
[chanson@ecos.org](mailto:chanson@ecos.org)  
(202) 266-4924

### **Relationship with Prior CPA Service Provider**

Audit services have been successfully provided by one firm for the past several years, and we have been satisfied with their work. The audit committee has requested that we open the RFP to interested firms as it has been some time since the organization last issued an RFP for audit services.

### **Your Response to this Request for Proposal**

In responding to this request, please ensure that your proposal includes the following information:

#### *Firm Background*

1. Detail your firm's experience in providing auditing and tax services in accordance with Auditing Standards Generally Accepted in the United States and Government Auditing Standards to entities in the not-for-profit sector.
2. If applicable, highlight your work with associations of a size similar to ECOS, and note whether you currently provide services to any related industry associations or groups.
3. Discuss the firm's independence with respect to ECOS. Explain how you monitor and maintain your independence on an ongoing basis.
4. Describe how your firm will prioritize the work you do for ECOS.

#### *Approach*

5. Describe how your firm will approach the audit of the organization and its affiliate. Note the factors that impact your approach, and what changes, if any, you would make to a standard approach based on the size of the audited entity.
6. Describe the firm's use of technology in developing the audit approach, conducting the audit, and communicating with clients.
7. Discuss the communication process used by the firm to address issues with management and audit committees of the board.
8. Describe the firm's approach to the resolution of technical disagreements (*a*) among engagement personnel and (*b*) between the firm and the not-for-profit client.

*Staffing*

9. Identify the partner, manager, and senior accountant who will be assigned to our job if you are successful in your bid, and provide their biographies. Indicate any complaints that have been leveled against them by the state board of accountancy or other regulatory authority, if any, and note any corrective actions that the firm has taken as a result.
10. Discuss commitments you will make to staff continuity, including your staff turnover experience in the last three years.

*Fees*

11. Set forth your fee proposal for the 9/30/23 audit with whatever guarantees you offer regarding fee increases in future years. Ensure that the fee as proposed is sufficient to cover all of the work that you would expect to perform if you were awarded this engagement.
12. Describe how you bill for questions on technical matters that may arise throughout the year.
13. Furnish current standard billing rates for classes of professional personnel for each of the last three years, including an expense policy describing how incidental costs (for example, travel and mileage) are billed.

*Additional Information*

14. Provide the names and contact information of other similarly sized not-for-profit clients of the partner and manager who will be assigned to our organization.
15. Include a copy of your firm's most recent Peer Review report, the related letters of comments, and the firm's response to the letters of comments.
16. Submit information on the firm's liability insurance coverage.

**Deadline – 5:00 pm on June 30, 2023**

Proposals should be submitted via email to the following contact:

*Elizabeth Schilling, Finance Manager*  
*eschilling@ecos.org*

**Evaluation of Proposals**

The Audit Committee will evaluate proposals on a qualitative basis, including consideration of the firm's peer review and related materials, interviews with senior engagement personnel to be assigned to our organization, results of discussions with other clients, and the completeness and timeliness of responses.

Thank you for your consideration.

Sincerely,

Carolyn Hanson  
Deputy Executive Director