

## **SOUTH DAKOTA SCIENCE AND TECHNOLOGY AUTHORITY LEAD, SOUTH DAKOTA**

### **REQUEST FOR PROPOSAL**

#### **INTERNAL CONTROLS AUDIT Contract #2018-27**

This Request for Proposal (RFP) is issued by the South Dakota Science and Technology Authority (SDSTA) for consulting services to evaluate/audit SDSTA's internal controls to ensure compliance with federal, state and sponsor requirements and to provide recommendations to SDSTA for improvements to controls. This audit must conform to the Generally Accepted Government Auditing Standards (GAGAS).

The selected consultant will review SDSTA's systematic measures (such as reviews, checks and balances, methods and procedures) for (1) conducting its business in an orderly and efficient manner, (2) safeguarding its assets and resources, (3) deterring and detecting errors, fraud, and theft, (4) ensuring accuracy and completeness of its accounting data, (5) producing reliable and timely financial and management information, and (6) ensuring adherence to its policies and plans. Key areas for review will include governance, accounting disbursement process, payroll, procurement, property management, information technology, and segregation of duties. The SDSTA Organizational Chart has been included for reference.

#### **BACKGROUND INFORMATION:**

*SDSTA Mission: To enable compelling underground research in a safe work environment and to foster transformational science education.*

The Sanford Underground Research Facility in Lead, South Dakota, advances our understanding of the universe by providing laboratory space deep underground, where sensitive physics experiments can be shielded from cosmic radiation. Researchers at the facility explore some of the most challenging questions facing 21<sup>st</sup> century science, such as the origin of matter, the nature of dark matter and the properties of neutrinos. The facility also hosts experiments in other disciplines—including geology, biology, and engineering.

#### **SCOPE OF WORK:**

The selected consultant will be expected to establish an Internal Control Audit on SDSTA, including to conduct interviews and facilitate all working sessions with the core team and additional key staff members as needed. Based on the analysis, specific goals will be identified and the consultant will develop a final audit report which provides SDSTA with clear objectives and action steps that lead to achieving organizational goals.

The consultant will conduct an internal controls audit to evaluate the existing internal controls over both monetary and physical assets and identify any areas of risk. This scope of work includes:

- Follow federal, state, and sponsor regulations or requirements that require compliance:
  - SDSTA is subject to 2 CFR 200 Uniform Administrative Requirement, Cost Principles, and Audit Requirements.
  - SDSTA is subject to the Cost Principles for State, Local and Indian Tribal Governments.
- Review and evaluate the Accounting Policy and Procedures Manual for internal controls requirements; Table of Contents included for reference.
- Conduct interviews of key accounting personnel and supervisors within SDSTA to determine if existing policies and procedures are being followed; identify any internal control deficiencies. The auditing firm will determine the number of interviews conducted. Any future monitoring will be determined by SDSTA.
- Test limited accounting documentation for any identified areas of concern.
- Identify inconsistencies in internal controls between divisions and recommend changes to enhance consistency across departments.
- Perform an analysis of selected electronic data on a limited basis for anomalies or unusual transactions.
  - Manager+ procurement software for purchase orders and work orders
  - Deltek Costpoint for accounts payable and payroll
- Review audit committee charter.
- Review compliance with all standard federal audit files.
- Create a report identifying internal control weaknesses and potential risks; make recommendations to improve internal controls.

**DELIVERABLES:** Consultant will interact with several departments during the audit to gather data and to provide SDSTA with an internal controls audit report. The anticipated timeframe for delivery of the Internal Control Audit and resulting report need to be within the upcoming fiscal year ending June 2020.

- Internal Control Audit Report – a presentation will be presented remotely to the SDSTA Board of Directors and SDSTA Audit Committee to explain any findings and recommendations for future actions.

**EVALUATION CRITERIA:** In awarding a contract for the SDSTA Internal Controls Audit, SDSTA will examine the following factors and criteria:

1. Applicant clearly describes the scope of work to be used to perform the audit.
2. Qualifications and internal controls audit experience of the consultant, with references.
3. Project cost.
4. Proposed project timeline.

**APPLICATION PROCESS & PROCEDURES:** Please provide a complete written response to this RFP. Proposals should include:

1. A brief Executive Summary.
2. A description of the proposed general approach to the requested audit.

3. A detailed budget that clearly identifies expenses.
4. Credentials and qualifications of key personnel who will take responsibility for working directly on the project.
5. Example(s) of internal control audits done by your company.
6. Proposed schedule, including proposed start date and completion time.
7. Contact information for three (3) client references.

**QUESTIONS:** Questions on this RFP shall be submitted to Michele Baumann ([mbaumann@sanfordlab.org](mailto:mbaumann@sanfordlab.org)) by close of business July 9, 2019; all questions and responses thereto will be posted on the SDSTA website by close of business July 12, 2019.

**SUBMISSION:** Submit one electronic copy of the proposal to **mbaumann@sanfordlab.org** by 2:00 p.m. July 31, 2019. SDSTA reserves the right to conduct interviews with applicants as required. Contract award is expected by August 30, 2019. Audit expected to begin by October 1, 2019.

Following contract award, the selected consultant will report to the following individuals:

- Mike Headley – SDSTA Executive Director
- Pat Lebrun – SDSTA Board of Directors Secretary/Treasurer, Audit Committee

Enclosures:

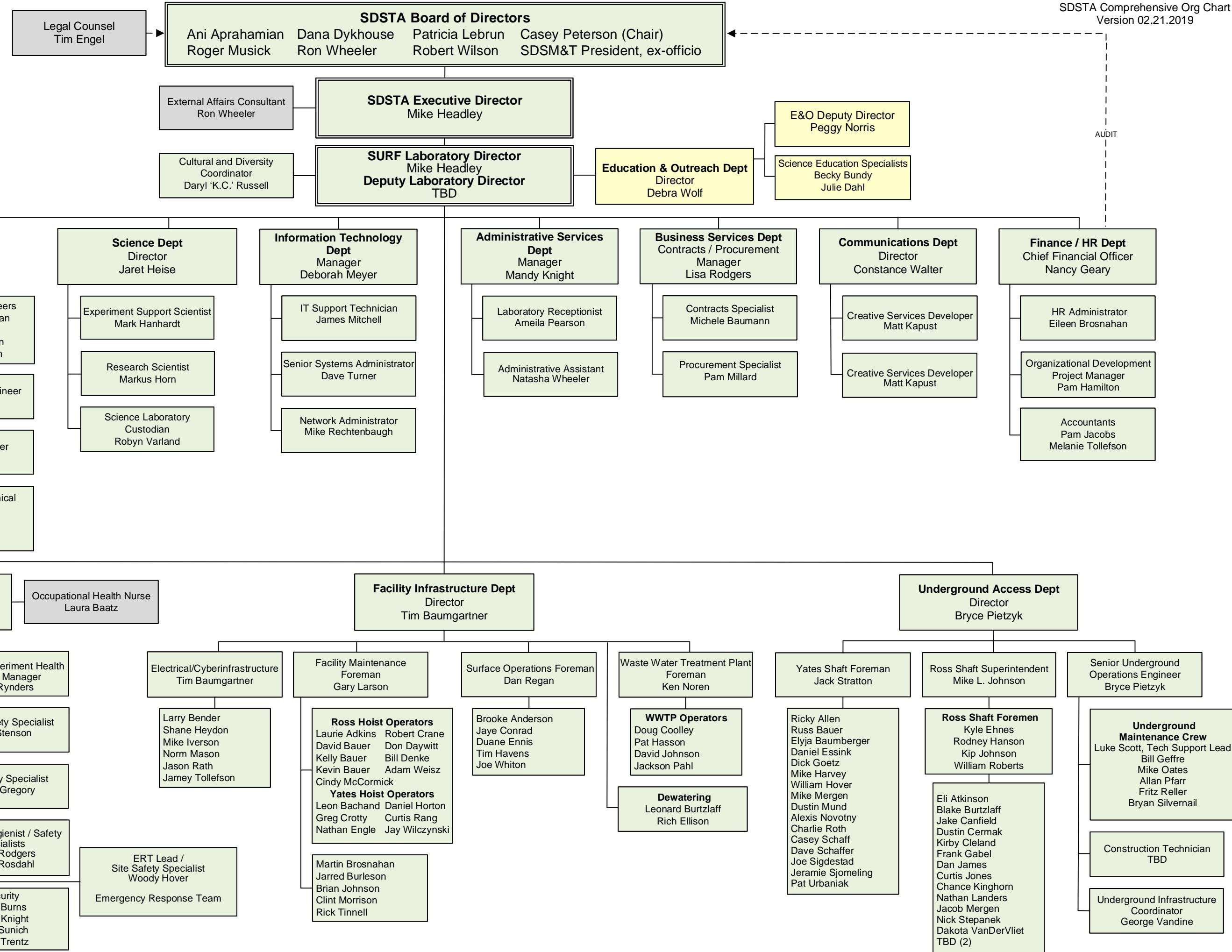
SDSTA Organizational Chart

SDSTA Accounting Policy and Procedures Manual Table of Contents



South Dakota Science and Technology Authority

Institutional Key
BHSU
Contract
SDSTA



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