



A-133 Request for Proposal
For audit services

For the audit period

2020 with an option to renew for 4 years

Inquiries and proposals should be directed to:

Mary Anne Kieliszewski

Director of Finance & Administration

Hocking Athens Perry Community Action

P.O. Box 220, Glouster OH, 45732

740-767-4500

Maryanne.kieliszewski@hapcap.org

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General Information

A. Purpose

This Request for Proposal (RFP) is to contract for a financial and compliance audit for the year ending 2020. The proposal includes options for four additional years.

B. Who May Respond

Only licensed certified public accountants may respond to this RFP.

C. Instructions on Proposal Submission

1. Closing Submission Date: Proposals must be submitted no later than 4:00 p.m. on October 23, 2020.
2. Inquiries: Inquiries concerning this RFP should be directed to Mary Anne Kieliszewski at 740-767-4500 or maryanne.kieliszewski@hapcap.org.
3. Conditions of Proposal: All costs incurred in the preparation of a proposal responding to this RFP will be the responsibility of the Offeror and will not be reimbursed by *Hocking Athens Perry Community Action (HAPCAP)*.
4. Instructions to Prospective Contractors:

Your proposal should be addressed as follows:

Name: Mary Anne Kieliszewski
Title: Director of Finance & Administration
Entity: Hocking Athens Perry Community Action
Address: P.O. Box 220
Glouster, Ohio 45732
Email: Maryanne.kieliszewski@hapcap.org

It is important that the Offeror's proposal be submitted by email or in a sealed envelope clearly marked in the lower left-hand corner with the following information:

Request for Proposal
4:00 p.m. on October 23, 2020
Sealed Proposal
For Audit Services

5. Electronic or Hard Copy Submissions: Proposals can be submitted electronically to the following e-mail address Maryanne.kieliszewski@hapcap.org by the closing submission date noted above. In the subject line please note Sealed Proposal For Audit Services.

Proposals may also be submitted by hard copy to the following mailing address: *P.O. Box 220* by the closing submission date noted above. *Three* copies of the proposal must be submitted.

It is the responsibility of the Offeror to ensure that the proposal is received by *HAPCAP* by the date and time specified above.

Late proposals will not be considered.

6. Right to Reject: *HAPCAP* reserves the right to reject any and all proposals received in response to this RFP. A contract for the accepted proposal will be based on the factors described in this RFP.
7. Small and/or Minority-Owned Businesses: Efforts will be made by *HAPCAP* to utilize small businesses and minority-owned businesses. An Offeror qualifies as a small business firm if it meets the definition of "small business" as established by the Small Business Administration (13 CFR 121.201).
8. Presentations: At the discretion of *HAPCAP*, Offerors submitting proposals may be requested to make oral presentations as part of the evaluation process. Presentations may be delivered in person or via teleconference. Reasonable advance notice will be provided to selected Offerors. Not all Offerors submitting a proposal will be asked to participate in oral presentations.
9. Notification of Award:
 - a. It is expected that a decision about selection of the successful audit firm will be made within *six* weeks of the closing date for the receipt of proposals.
 - b. Upon conclusion of final negotiations with the successful audit firm, all Offerors submitting proposals in response to this Request for Proposal will be informed, in writing, of the name of the successful audit firm.

D. Description of Entity and Records to Be Audited

HAPCAP is a nonprofit organization that serves *three* counties in *Ohio*. *HAPCAP* is a private, nonprofit corporation and has been determined to be exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. It is governed by a *18*-member volunteer board of directors. Administrative offices and all records are located at *3 Cardaras Drive, Glouster Ohio 45732*. Other offices are located throughout the *Southeast Ohio* area.

The audit firm will audit all agency books for the applicable fiscal year. This includes, the general ledger, payroll, accounts payable and receivable, cash receipts, fixed assets, and 16 bank accounts. The accounting records are maintained using Abilia, MIP Funding Accounting Software. *HAPCAP* typically issues, 8,000 to 9,000 accounts payable checks, approximately 500 W-2's- with 200 being summer youth participants, and processes 11,000 journal entries per year.

In addition to the single agency audit, the audit firm will be responsible for completing and filing the following audits and tax forms. HAPCAP's annual 990, Kimberly Meadows annual 990, K-1 filings for seven apartment complexes, a wrap 5500 filing for the following plans: Life, Disability, Vision, Health, Dental & Prescription Plan, and the Flex Spending Account.

HAPCAP will also require that an audit of the 401K Plan be performed.

Due dates for the items listed above are as follows:

Single Agency Audit, final draft due to the Director of Finance & Administration no later than the August 31st of the following year.

990 to be filed by November 1st of the following year for HAPCAP.

990 to be filed by November 1st of the following year for Kimberly Meadows.

K-1's to be filed by September 15th of the following year.

401K audit to be completed by June 30th of the following year.

All other 5500's must be filed by the required due date imposed by the IRS.

E. Options

At the discretion of *HAPCAP*, this audit contract can be extended for four additional one-year periods. The cost for the option periods will be agreed on by *HAPCAP* and the Offeror. It is anticipated that the cost for the optional years will be based on the same approximate cost per thousand dollars of audited expenditures as the contract for the initial year.

Specification Schedule

A. Scope of a Financial and Compliance Audit

The purpose of this RFP is to obtain the services of a public accounting firm, whose principal officers are independent certified public accountants, certified or licensed by a regulatory authority of a state or other political subdivision of the United States, hereinafter referred to as the "Offeror," to perform a financial and compliance audit of *Hocking Athens Perry Community Action*.

B. Description of Programs/Contracts/Grants

Hocking-Athens-Perry Community Action is a multi-funded social service agency located in Glouster, Ohio. The organization operates and administers a wide variety of programs including federally funded Head Start and various other projects. The agency also operates federal and state funded Employment and Training, Weatherization, Child Development, Food and Nutrition Programs, Transit, and Outreach. The largest source of direct federal funding is the HHS Head Start Program (*please see Attachment A for a complete list of programs*). The agency processes \$27 million dollars in expense per year with \$20 million being federal funds.

The agency has been determined to be exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code as a non-profit social service corporation that deals primarily with the problems of low income residents of Hocking, Athens, and Perry counties in Ohio.

Please note that the agency is on accrual based accounting.

C. Performance

HAPCAP's records should be audited through 2020. With the option to renew the contract for four more years, which include 2021, 2022, 2023, and 2024.

The Offeror is required to prepare audit reports in accordance with *Government Auditing Standards*. Federal awards must have a single audit conducted in accordance with §200.514 scope of audit, §200.515 Audit reporting, § 200.516 Audit findings, §200.517 Audit documentation and §200.518 Major program determination.

D. Delivery Schedule

The Offeror is to transmit one copy of the draft audit report to Hocking Athens Perry Community Action's Director of Finance. The draft audit report is due on August 13th, 2021.

The Offeror shall deliver 30 final audit reports to Hocking Athens Perry Community Action's Director of Finance no later than August 31st, 2021.

Reports may be submitted earlier than the schedule above. However, if the Offeror fails to make delivery of the audit reports within the time schedule specified herein, or if the

Offeror delivers audit reports that do not conform to all of the provisions of this contract, HAPCAP may, by written notice of default to the Offeror, terminate the whole or any part of this contract as well as charge the auditing firm a penalty of 5% of total auditing cost for each day the audit is late. Under certain extenuating circumstances, the contracting agent may extend this schedule upon written request of the Offeror with sufficient justification.

E. Price

The Offeror's proposed price should be submitted separately. Specifically, include a not-to-exceed total fee, a fee per service (audit services, tax services, etc.), and average hourly billing rates by position. Any out-of-pocket expenses should also be indicated. The pricing information should be in a separate, sealed envelope.

F. Payment

Payment will be made when HAPCAP has determined that the total work effort has been satisfactorily completed. Should HAPCAP reject a report, HAPCAP's authorized representative will notify the Offeror in writing of such rejection, giving the reason(s). The right to reject a report shall extend throughout the term of this contract and for 90 days after the Offeror submits the final invoice for payment.

Progress payments will be allowed to the extent that HAPCAP can determine satisfactory progress is being made.

Upon delivery of the 30 copies of the final reports to Hocking Athens Perry Community Action and their acceptance and approval, the Offeror may submit a bill for the balance due on the contract for the audit.

G. Audit Review

All audit reports prepared under this contract will be reviewed by HAPCAP and its funding sources to ensure compliance with the General Accounting Office's (GAO) *Government Auditing Standards* and other appropriate audit guides.

H. Exit Conference

An exit conference with HAPCAP's representatives and the Offeror's representatives will be held at the conclusion of the fieldwork. Observations and recommendations must be summarized in writing and discussed with HAPCAP. It should include internal control and program compliance observations and recommendations.

I. Workpapers

1. Upon request, the Offeror will provide a copy of the workpapers pertaining to any questioned costs determined in the audit. The workpapers must be concise and provide the basis for the questioned costs as well as an analysis of the problem.

2. The workpapers will be retained for at least three years from the end of the audit period.
3. The workpapers will be available for examination by authorized representatives of the cognizant federal or state audit agency, the GAO, and HAPCAP.

J. Confidentiality

The Offeror agrees to keep the information related to all contracts in strict confidence. Other than the reports submitted to HAPCAP, the Offeror agrees not to publish, reproduce, or otherwise divulge such information in whole or in part, in any manner or form, or authorize or permit others to do so, taking such reasonable measures as are necessary to restrict access to the information, while in the Offeror's possession, to those employees on the Offeror's staff who must have the information on a "need to know" basis.

The Offeror agrees to immediately notify, in writing, HAPCAP's authorized representative in the event the Offeror determines or has reason to suspect a breach of this requirement.

K. AICPA Professional Standards

The AICPA Professional Standards state:

Ethics Interpretation 501-3 – Failure to follow standards and/or procedures or other requirements in governmental audits.

Engagements for audits of government grants, government units or other recipients of government monies typically require that such audits be in compliance with government auditing standards, guides procedures, statutes, rules and regulations, in addition to generally accepted auditing standards. If a member has accepted such an engagement, and undertakes an obligation to follow specified government auditing standards, guides, procedures, statutes, rules and regulations, in addition to generally accepted auditing standards, he is obligated to follow such requirements.

Failure to do so is an act discreditable to the profession in violation of Rule 501, unless the member discloses in his report the fact that such requirements were not followed and the reasons therefor.

Technical Qualifications

The Offeror, in its proposal, shall, as a minimum, include the following:

A. Prior Auditing Experience

The Offeror should describe its prior auditing experience, including the names, addresses, contact persons, and telephone numbers of prior organizations audited. Experience should include the following categories:

1. Prior experience auditing Community Action Agencies.
2. Prior experience auditing similar programs operated by HAPCAP.
3. Prior experience auditing nonprofit organizations.

B. Value-Added Services Beyond the Audit

The Offeror should include an explanation of other services that can and have been provided to organizations similar to HAPCAP. Value-added services provide efficiencies and improved compliance that contribute to the continued success of HAPCAP. Value-added services can include consulting and training services as well as industry-specific products.

C. Organization, Size, and Structure

The Offeror should describe its organization, size (in relation to audits to be performed), and structure. Description should include:

1. Size of the Offer, including number of employees and physical site locations.
2. Explanation of independence.
3. Any conflicts of interest that exist.
4. Results of peer review.
5. Explanation if the Offer is a small or minority-owned business or women's business enterprise.

D. Staff Qualifications

The Offeror should describe the qualifications of staff to be assigned to the audits. Descriptions should include:

1. Audit team makeup.
2. Overall supervision to be exercised.
3. Prior experience of the individual audit team members. Include résumés of only the staff to be assigned to the audits. Include education, position in firm, years with the firm, industry-specific experience, and training on the recent Uniform Guidance 2 CFR Part 200 ("Super Circular").

E. Audit Approach to the Engagement

The Offeror should describe its approach of the work to be performed, including audit procedures, estimated hours, and other pertinent information.

F. Certifications

The Offeror must sign and include, as an attachment to its proposal, the Certifications enclosed with this RFP. The publications listed in the Certifications will not be provided to potential Offerors by HAPCAP, because HAPCAP desires to contract only with an Offeror who is already familiar with these publications.

Proposal Evaluation

A. Submission of Proposals

If submitted by hard copy, all proposals shall include 1 copy of the Offeror's technical qualifications, 1 copy of the pricing information (in a separate, sealed envelope), and 1 copy of the signed Certifications. These documents will become part of the contract.

If submitting the proposal electronically it should be emailed to Maryanne.kieliszewski@hapcap.org.

B. Nonresponsive Proposals

Proposals may be judged nonresponsive and removed from further consideration if any of the following occur:

1. The proposal is not received in a timely manner in accordance with the terms of this RFP.
2. The proposal does not follow the specified format.
3. The proposal does not include the Certifications.
4. The proposal is not adequate to form a judgment by the reviewers that the proposed undertaking would comply with the *Government Auditing Standards* of the U.S. Comptroller General.

C. Proposal Evaluation

Evaluation of each proposal will be scored on the following six factors. In compliance with 2 CFR Part 200.319 – Competition, no geographic preferences will be given in the evaluation of this proposal, since the section states: “The non-Federal entity must conduct procurements in a manner that **prohibits the use of statutorily or administratively imposed state or local geographical preferences in the evaluation of bids or proposals**, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference.”

1. Prior audit experience	Point Range
a. Prior experience auditing Community Action Agencies	0 – 15
b. Prior experience auditing similar programs funded by State and Federal funding sources	0 – 10
c. Prior experience auditing nonprofit organizations	0 - 5

HAPCAP will contact prior audited organizations to verify the experience provided by the Offeror.

2. Value-Added Services Beyond the Audit	0 – 5
3. Organization, size, and structure of Offeror’s firm (consider size in relation to audits to be performed)	
a. Adequate size of the firm	0 – 2
b. Proper independence	0 – 2
c. No conflicts of interest	0 – 2
d. Results of peer review	0 – 2
e. Minority-owned/small business/women’s business enterprise	0 – 2
4. Qualifications of staff to be assigned to the audits to be performed. This will be determined from résumés submitted. Include education, position in firm, and years and types of experience.	
a. Prior experience of the individual audit team members	0 – 15
b. Overall supervision to be exercised	0 – 5
5. Offeror’s audit approach to the engagement	
a. Adequate coverage	0 – 10
b. Realistic time estimates of each audit step	0 – 5
6. Price	0 – 20
Maximum Points	100

D. Review Process

In compliance with Uniform Guidance 2 CFR Part 200.319 – Competition, HAPCAP has conducted this procurement in a manner that prohibits the use of statutorily or administratively imposed state or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable federal statutes expressly mandate or encourage geographic preference.

The HAPCAP may, at its discretion, request presentations by or meetings with any or all Offerors to clarify or negotiate modifications to the Offerors’ proposals.

However, HAPCAP reserves the right to make an award without further discussion of the proposals submitted. Therefore, proposals should be submitted initially on the most favorable terms, from both technical and price standpoints, that the Offeror can propose.

HAPCAP will award the bid to the firm it considers to be the best and most responsive to the RFP.

Certifications

On behalf of the Offeror:

1. The individual signing certifies that he/she is authorized to contract on behalf of the Offeror.
2. The individual signing certifies that the Offeror is not involved in any agreement to pay money or other consideration for the execution of this agreement, other than to an employee of the Offeror.
3. The individual signing certifies that the prices in this proposal have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition.
4. The individual signing certifies that the prices quoted in this proposal have not been knowingly disclosed by the Offeror prior to an award to any other Offeror or potential Offeror.
5. The individual signing certifies that there has been no attempt by the Offeror to discourage any potential Offeror from submitting a proposal.
6. The individual signing certifies that the Offeror is a properly licensed certified public accountant or a public accountant licensed on or before October 23, 2020.
7. The individual signing certifies that the Offeror meets the independence standards of the *Government Auditing Standards*.
8. The individual signing certifies that he/she is aware of and will comply with the GAO's continuing education requirement of 80 hours of continuing education every two years and that 24 hours of the 80 hours of education will be in subjects directly related to the government environment and to government auditing for individuals.
9. The individual signing certifies that he/she is aware of and will comply with the GAO requirement of an external quality control (peer) review at least once every three years.
10. The individual signing certifies that he/she has read and understands the following publications relative to the proposed audits:
 - a. *Government Auditing Standards* (Yellow Book)
 - b. OMB Circular A-133, *Audits of Institutions of Higher Education and Other Nonprofit Institutions*
 - c. *OMB Circular A-133 – Compliance Supplement*
 - d. *Government Auditing Standards and Circular A-133 Audits (AICPA Audit Guide)*

- e. OMB Circular A-110, *Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations*
- f. OMB Circular A-122, *Cost Principles for Nonprofit Organizations*
- g. *Audits of Not-for-Profit Entities* (AICPA Audit Guide)
- h. *Audits of State and Local Governments* (AICPA Audit Guide)
- i. *Uniform Guidance 2 CFR Part 200* (“*Super Circular*”)
- j. The Offeror should be familiar with 10 CFR Part 600, DOE’s administrative requirements, and 10 CFR Part 400, DOE’s weatherization program requirements.

11. The individual signing certifies that he/she has read and understands all of the information in this Request for Proposal, including the information on the programs/grants/contracts to be audited.

12. The individual signing certifies that the Offeror, and any individuals to be assigned to the audit, does not have a record of substandard audit work and has not been debarred or suspended from doing work with any federal, state, or local government. (If the Offeror or any individual to be assigned to the audits has been found in violation of any state or AICPA professional standards, this information must be disclosed.)

Dated this _____ day of _____, 20_____.

 (Offeror’s Firm Name)

 (Signature of Offeror’s Representative)

 (Printed Name and Title of Individual Signing)

