

***LORAIN COUNTY COMMUNITY  
ACTION AGENCY, INC.***

***936 Broadway  
Lorain, Ohio 44052  
Tel. (440) 245-2009  
Fax (440) 245-2246***

**REQUEST FOR PROPOSAL FOR AUDIT SERVICES**

**FOR THE PERIOD**

**08/01/2017 – 07/31/2018**

**INQUIRIES AND PROPOSAL PACKAGES  
DIRECTED TO:**

**JACKIE BOEHNLEIN, EXECUTIVE DIRECTOR**

**LORAIN COUNTY COMMUNITY  
ACTION AGENCY, INC.**

**936 Broadway  
Lorain, Ohio 44052  
Tel. (440) 245-2009  
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# PROPOSAL GUIDELINES

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**I. GENERAL INFORMATION**

**A. Purpose**

This Request for Proposal (RFP) is to contract for a yearly financial and compliance audit for the fiscal year ending July 31, 2018. The proposal includes options for two additional years.

**B. Who May Respond**

Only licensed Certified Public Accountants may respond to this RFP.

**C. Bidder's Conference**

No bidder's conference will be held.

**D. Instructions on Proposal Submission**

1. Closing Submission Date

Proposals must be submitted no later than 4:30 p.m. on August 31, 2018.

2. Inquires

Inquiries concerning this RFP should be directed to Justin Paige, (440) 204-3140.

3. Conditions on Proposal

All costs incurred in the preparation of a proposal responding to this RFP will be the responsibility of the Offerer and will not be reimbursed by Lorain County Community Action Agency.

4. Instructions to Prospective Contractors

Your proposal should be addressed as follows:

**Jackie Boehnlein, Executive Director  
Lorain County Community Action Agency, Inc.  
936 Broadway  
Lorain, OH 44052**

Offerer's proposal must be submitted in a sealed envelope clearly marked in the lower left-hand corner with the following information:

**Request for Proposals**  
**4:30 p.m. July 31, 2018**  
**SEALED PROCUREMENT**  
**FOR SINGLE AGENCY AUDIT**

Failure to do so may result in premature opening, and disqualification of your proposal.

It is the responsibility of the Offerer to insure that the proposal package is received by the Lorain County Community Action Agency by the required date and time.

5. Right to Reject

The Lorain County Community Action Agency reserves the right to reject any and/or all proposals that may be received as a result of this RFP.

6. Notification of Award

It is expected that a decision selecting the successful audit firm will be made within four weeks of the closing date for the receipt of proposals. Upon conclusion of final negotiations with the successful audit firm, all Offerers who have submitted proposals will be informed of the name of the successful audit firm.

It is expected that the contract shall be a one-year fixed price contract with options for  additional one-year periods.

**E. Descriptions of Entity and Records to be Audited**

Lorain County Community Action Agency is a non-profit organization which serves Lorain County in Ohio. As a private, non-profit organization, the Lorain County Community Action Agency has been determined to be exempt from Federal Income tax under Section 501 (c)(3) of the Internal Revenue Code. Lorain County Community Action Agency reduces the incidence and impact of poverty by strengthening and empowering individuals, families and communities.

The Lorain County Community Action Agency is governed by a 15-member volunteer Board of Directors. Administrative Offices and all records are located at 936 Broadway, Lorain, Ohio 44052. We have 180 employees and our funding level is approximately \$11,279,777.00.

The Fiscal Department is computerized and uses Abila Micro Information Products (MIP) software. The staff of this department consists of a Director of Finance, an Accounting Specialist, and a Bookkeeper. The Accounting Specialist is responsible for monthly journal entries, all bank reconciliations and reconciliations of the balance sheet accounts, responsibility for payroll taxes, processing payroll, and reconciliations. The Bookkeeper is responsible for

purchase order numbers and any deposits needed to be taken to the bank. Budgets for all programs are prepared by a program director with the help from the Director of Finance. Each program is identified by a separate fund number. Approximately 2,210 checks are issued annually through the main agency bank account. A separate account is also maintained for payroll. Details of the programs may be found in Attachment A of this RFP.

All records will be available for review prior to proposal submission.

**F. Options**

At the discretion of the Lorain County Community Action Agency this audit contract can be extended for two additional one year periods. The cost for the option periods will be agreed upon by the Lorain County Community Action Agency and the Offerer. It is anticipated that the cost for the optional years will be based upon the same approximate cost per thousand dollars of audited expenditures as the contract for the initial year.

**II. 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 "offerer" or the "Auditor" to perform a financial and compliance audit of Lorain County Community Action Agency, Inc.

**B. Description of Programs/Contracts/Grants**

See Attachment A

**C. Performance**

The Offerer will perform a financial and legal compliance audit of all records of Lorain County Community Action Agency for the earlier specified periods.

The Offerer is required to perform the audit in compliance with OMB's Uniform Guidance 2 CFR Part 200 and any other regulatory or contract requirement as necessary

The Auditor will provide financial statements prepared in accordance with GAAP and a schedule of Federal Assistance Programs.

The Auditor will provide reports on internal accounting and administrative controls as well as compliance with grant terms and conditions.

These reports will contain sufficient detail to enable grantee staff to investigate the response to audit findings, particularly questioned costs. Offerer will notify grantee managements promptly of any illegal acts of irregularities found during the audit.

The Auditor will provide a schedule of revenues and expenditures by cost category for all Ohio Department of Development Administered Grants.

**D. Delivery Schedule**

The Auditor is to transmit one copy of the draft audit report to Lorain County Community Action Agency's Executive Director. The draft audit report is due December 14, 2018.

The Auditor shall deliver 25 final audit reports to Lorain County Community Action Agency's Board of Directors no later than **December 21, 2018**.

Reports may be submitted earlier than the above schedule. However, if the Offerer fails to make delivery of the audit reports within the time schedule specified herein, or if the Offerer delivers audit reports which do not conform to all of the provisions of the contract, Lorain County Community Action Agency by written notice of default to the Offerer, may terminate any or all of this contract.

**E. Price**

The Offerer's proposed price should be submitted separately. Information indicating how the price was determined may include, but not be limited to: service hours, hourly pay rate, total cost by staff level, etc. Pricing information should be in a separate sealed envelope.

**F. Payment**

Payment will be made when Lorain County Community Action Agency has determined that the complete work effort and reports of the Auditor have been submitted satisfactorily. The Lorain County Community Action Agency reserves the right to reject in part, or completely, the work performed by the Auditor throughout the term of this contract, and for ninety days following. Such rejection would be presented to the Auditor in writing, specifically stating the justifying reasons.

Upon delivery of the 25 copies of the final reports to the Lorain County Community Action Agency the Auditor may submit a bill for the balance due on the contract of the audit.

**G. Audit Review**

All audit reports prepared under this contract will be reviewed by the Lorain County Community Action Agency and its funding sources to ensure compliance

with General Accounting Office's (GAO) Government Audit Standards for Audit of Governmental Organizations, Programs Activities, and Functions and other appropriate audit guides.

**H. Exit Conference**

An exit conference with Lorain County Community Action Agency representatives and the Auditor's representative will be held when the in-house work has been completed. Observations and recommendations must be summarized, presented in writing, and discussed with the Lorain County Community Action Agency's representatives. Recommendations will include program compliance issues, and internal control recommendations.

**I. Work Papers**

1. Upon request, the Offerer will provide a copy of the work papers pertaining to any questioned costs determined in the audit. The work papers must be concise and provide the basis for the questioned costs, as well as an analysis of the problem.
2. The work papers will be kept on record for no less than three years from the end of the audit period.
3. The work papers will be made available for review by authorized representatives of the relevant federal or state agencies, the General Accounting Office, the Auditor of the State, the State Inspector General, and Lorain County Community Action Agency representatives.

**J. Confidentiality**

The Offerer agrees to keep the information related to all contracts in strict confidence. Other than the reports submitted to Lorain County Community Action Agency, the Offerer agrees not to publish, reproduce or otherwise make public, any information gained through this audit, or to allow any other individual or organization to do likewise. The Auditor will take such reasonable measures as are necessary to restrict access to the information to only those employees retained by the Auditor who are in a position of "need to know" for professional purposes. The Auditor will notify the appropriate representative of the Lorain County Community Action Agency of any breach, or suspected breach of this condition.

**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 of other recipients of government monies typically require that such audits be in compliance with government audit standards, guides, procedures, statutes, rules and regulation, in addition to generally accepted audit 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 therefore.

### **III. OFFERER'S TECHNICAL QUALIFICATION**

The Offerer, in its proposal, shall, at a minimum, include the following:

#### **A. Prior Auditing Experience**

The Offerer 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 Private Non-Profit Organizations.
2. Prior experience auditing similar programs financed by the Federal Government.
3. Prior experience auditing similar programs funded by the State of Ohio.

#### **B. Organization, Size and Structure**

The Auditor should describe its organization, size (in relation to audits to be performed) and structure. Explain if the organization is a small business and/or minority owned. Auditor should enclose a copy of the most current Peer Review, or explain why such document is not included.

**C. Staff Qualifications**

The Auditor should describe the qualifications of staff who will be involved with this auditing contract. Such descriptions would include, but need not be limited to, the following:

1. Audit team makeup.
2. Overall supervision to be conducted.
3. Prior Experience of the individual audit team members.

Only include resumes of staff to be assigned to the contracted audits. Educations, position in the firm, years and types of experience, continuing educations, state(s) in which licensed as a CPA, etc., will be considered.

**D. Understanding of Work to be Performed**

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

**E. Certifications**

The Offerer must sign and include as an attachment to its proposal the Certification enclosed with this RFP. The publications listed in the Certifications enclosed will not be provided to potential Offerers by the Lorain County Community Action Agency.

**IV. PROPOSAL EVALUATION**

**A. Submission of Proposals**

All proposals shall include two copies of the Offerers technical qualifications, two copies of the pricing information in separately sealed envelopes, and two copies of the signed Certifications. These documents will be considered part of any contract.

**B. Nonresponsive Proposals**

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

1. The proposal is not received in a timely manner.
2. The proposal does not follow format.
3. The proposal does not include the Certifications.
4. The proposal is not adequate to form a judgment by those reviewing that the audit would be in compliance with the Government Audit Standards

Standards for Audit of Governmental Organizations, Programs, Activities, and Functions of the U.S. Comptroller General (1988 Revision).

**C. Evaluation**

Evaluation of each proposal will be based on the following criteria:

Factors

1. Prior auditing experience.
  - a. Prior experience auditing Private Non-Profit Organization.
  - b. Prior experience auditing similar programs funded by the State of Ohio.
  - c. Prior experience auditing program financed by the Federal Government.

\*Verifications of past experience will be expected. Factors a-e will be rated on a scale from 0 – 5 with a 5 rating considered the highest.
2. Organization, size and structure of Offerer's firm.  
(Considering size in relation to audits to be performed.)
  - a. Adequacy of the size of the firm.
  - b. Minority and/or small business.

\* 0-5 rating will be utilized as above.
3. Qualifications of staff to be assigned to the audits contracted, determined by the resumes submitted. Education, position in the firm, quality of experience, professional education, state(s) issuing license for CPA, etc., will be considered.
  - a. Audit team makeup.
  - b. Overall supervision to be provided.
  - c. Prior experience of the individual audit team members.

\* 0-5 rating utilized.

4. Offerer's understanding of work to be performed.
  - a. Adequate coverage.
  - b. Realistic time estimates of each audit step.

\* 0-5 rating utilized.

5. Price

\* Price rated on a scale from 0-20.

MAXIMUM POINTS POSSIBLE – 100

**D. Review Process**

The Lorain County Community Action Agency may, at its discretion, request presentation by, or meetings with, anyone responding to this RFP to clarify proposals or negotiated modifications of the proposals.

The Lorain County Community Action Agency reserves the right to make an award with no further discussion or consideration of the proposals submitted. Therefore, proposals should be presented in the most favorable terms when initially submitted for review.

The Lorain County Community Action Agency expects to contract with the Auditor who submits the proposal earning the highest total point score.

## CERTIFICATIONS

- A. The individual signing documents certifies that she/he is authorized by contract on behalf of the Offerer.
- B. Above stated individual certifies that the Offerer is not engaged in any agreement to financially reimburse or otherwise compensate or be compensated for the execution of this agreement/contract, other than wages typical of employment.
- C. The above stated individual certifies that the prices in this proposal have been arrived at independently, without consultation, communication, or agreement for the purpose of restricting competition.
- D. The individual signing certifies that the price quoted in this proposal has not been knowingly disclosed by the Offerer prior to an award to any other auditor or competitor.
- E. The above stated individual certifies that no attempts have been made by the Offerer to discourage any other potential auditor from submitting a proposal.
- F. The signing party certifies that the Offerer is a properly licensed Certified Public Accountant, or a public accountant licensed on or before December 31, 1970.
- G. The individual signing certifies that the Offerer meets the independence standards of the Government Auditing Standards (1988 Revision).
- H. The signing party certifies that he/she is aware of and will comply with the GAO continuing Education Requirement of 89 hours of continuing education every two years; and that 24 hours of the 89 required will be in courses directly related to government environment and auditing for individuals.
- I. The individual signing certifies that she/he is aware of the GAO requirements of an external quality control review at least once every three years and will comply with this requirement.
- J. The signing party certifies that he/she has read and understands the following publications relative to the proposed audits.

1. Government Auditing Standards (1988 Revision) (Yellow Book)
  2. OMB Circular 1 – 133, “Audits of Higher Education and Other Non-profit Organizations” (March 1990)
  3. Guidelines for Financial and Compliance Audit of Federally Assisted Programs (February 1980) (Red Book).
  4. Compliance Supplement for Single Audits of State and Local Governments (April 1985) (Green Book).
  5. Department of Health and Human Services Guidelines for Audits of Federal Awards to Non-Profit Organizations (April 1989).
  6. OMB Circular A-110, “Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and other Non-Profit Organizations” (July 1976).
  7. OMB Circular A-122, “Cost Principles for Non-Profit Organizations” (June 1980).
  8. A Guide for Non-Profit Organizations: Cost Principles and Procedures for Establishing Indirect cost and Other Rates for Grants and contract with the Department of Health and Human Services (May 1983).
  9. OMB Circular A-102, “Uniform Administrative Requirements for Grants-in-Aid to State and Local Governments; including the Common Rule” (March 1988).
  10. OMB Circular A-87, “Cost Principles for State and Local Governments” (January 1981).
  11. Audits of Voluntary Health and Welfare Organizations (AICPA Audit Guide).
  12. Audits of Certain Non-Profit Organizations (AICPA Audit Guide).
  13. All CFR’s relating to Programs that are a part of this Audit.
- K. The signing party 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.
- L. The signing party certifies that the Offerer, and any persons providing services, does not have a record of substandard audit performance and has not been debarred or suspended from during work with any federal state or local government.

If the Offerer or any person to conduct services on this Audit has been found in violation of any state or AICPA professional standard, this information must be disclosed.

Dated on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

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Offerer Firm Name

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Authorized Agent of Audit Firms  
Original Signature

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Printed Name and Title of Signing Party

**ATTACHMENT A**

**Lorain County Community Action Agency, Inc.**  
Lorain, Ohio

**List of Programs**

<b>Program</b>	<b>Funding Source</b>	<b>Program Period*</b>
Child Care Food Program (USDA)	Ohio Dept. of Education	10/01/16-09/30/17
Child Care Food Program (USDA)	Ohio Dept. of Education	10/01/17-09/30/18
State Early Childhood Expansion	Ohio Dept. of Education	07/01/17-06/30/18
HEAP Energy Assistance Program #16-HA-132	State of Ohio, Dept. of Development	09/01/16-08/31/17
HEAP Energy Assistance Program #17-HA-132	State of Ohio, Dept. of Development	09/01/17-08/31/18
HEAP Energy Assistance Program (WCP) #17-HE-232	State of Ohio, Dept. of Development	11/01/17-03/31/18
HEAP Energy Assistance Program (SCP) #16-HC-232	State of Ohio, Dept of Development	07/01/17-08/31/17
HEAP Summer Cooling Program (SCP) #17-HC-232	State of Ohio, Dept. of Development	07/01/18-08/31/18
Community Services Block Grant #1617-035	State of Ohio, Dept. of Development	01/01/17-12/31/18
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>		
Step Up To Quality	OCCRRA	04/01/17-08/30/18
Head Start Program #05CH010444-01	U.S. Dept. of Health and Human Services	08/01/17-07/31/18
Early Head Start #05CH010444-01	U.S. Dept. of Health and Human Services	08/01/17-07/31/18
<b>STATE AND LOCAL PROGRAMS</b>		
OPAE	Columbia Gas	06/01/17-05/31/18
OPAE	Columbia Gas	06/01/18-05/31/19
<b>UNRESTRICTED ACTIVITY</b>		
Corporate Activity		08/01/17-07/31/18

## **TIME REQUIREMENTS**

The following dates are firm unless waived in writing by the Executive Director or his/her designee.

Proposal Deadline	July 31, 2018
Contract Awarded	August 15, 2018
Entrance Conference	September 7, 2018
Audit Work Commences	November 1, 2018
Field Work Completed	December 1, 2018
Exit Conference	December 14, 2018
Draft Report Due	December 14, 2018
Final Report Due	December 31, 2018