

NORTHEAST FLORIDA REGIONAL COUNCIL

REQUEST FOR PROPOSALS

FOR

AUDITING FIRM

General Information

A. Purpose

This Request for Proposal (RFP) is to contract for a financial audit and a compliance audit as required by OMB Circular A-133 and the Single Audit Act. The audit is to be performed under the Government Auditing Standards. The contract is for a three-year period for fiscal year 2012, 2013, 2014.

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 to practice in the State of Florida, hereinafter referred to as the "Auditing Firm" to perform a financial and compliance audit of the Northeast Florida Regional Council, hereinafter referred to as the "Council".

B. Who May Respond

Only Certified Public Accountants who are licensed in the State of Florida may respond to this RFP. The Auditing Firm should have a minimum of ten (10) years experience in continuous CPA services with a minimum of two (2) years experience in governmental auditing. The firm must also be a member of the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants.

C. Bidder's Conference

If requested, a bidder's conference will be held on February 27, 2012, at 11:00 a.m. at the office of the Northeast Florida Regional Council, 6850 Belfort Oaks Place, Jacksonville, FL 32216. The Auditing Firm may request a conference by contacting Donna Starling at (904) 279-0885 ext. 109 by February 22, 2012, before 5:00 p.m.

D. Instructions on Proposal Submission

1) Closing Submission Date

Proposals must be submitted no later than 4:00 p.m. on March 12, 2012.

2) Inquiries

Inquiries concerning this RFP should be directed to Donna Starling at (904) 279-0885 ext. 109.

3) Conditions of Proposal

All costs incurred in the preparation of a proposal responding to this RFP will be the responsibility of the Auditing Firm and will not be reimbursed by the Council.

E. Instructions to Prospective Bidders

Your proposal should be addressed as follows:

Northeast Florida Regional Council
6850 Belfort Oaks Place
Jacksonville, FL 32216
Attention: Donna Starling

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

SEALED PROPOSAL
For Audit Services

Failure to do so may result in premature disclosure of your proposal.

It is the responsibility of the Auditing Firm to insure that the proposal is received by the Council by the date and time specified above.

Late proposals will not be considered.

F. Right to Reject

The Council reserves the right to reject any and all proposals received in response to this RFP. A contract for the accepted proposal will be based upon the factors described in this RFP. The Council may request additional information from any proposer.

G. Small and/or Minority-Owned Businesses

Efforts will be made by the Council to utilize small businesses and minority-owned businesses.

An Auditing Firm qualifies as a small business firm if it meets the definition of "small business" as established by the Small Business Administration (13 CFR 121.3-8)

H. Notification of Award

It is expected that a decision selecting the successful Auditing Firm will be made within one month of the closing date for the receipt of proposals.

I. Description of Entity and Records to be Audited

The Northeast Florida Regional Council is a regional government agency serving seven counties—Baker, Clay, Duval, Flagler, Nassau, Putnam, and St. Johns—and their 27 municipalities. Formed in 1977 by an interlocal agreement pursuant to Florida Statutes, Chapter 163, it is one of 11 Regional Planning Councils statewide. The Northeast Florida

Regional Council provides a wide scope of services and programs including local and regional comprehensive and strategic planning, Development of Regional Impact reviews, economic development, regional transportation, natural resources, affordable housing, emergency preparedness, technical assistance to local governments and conflict resolution services.

The Northeast Florida Regional Council is governed by a 35-member Board, two-thirds elected officials and one-third gubernatorial appointees.

The Council receives funding from federal, state and local governments.

Additionally, the Council provides administrative and management services to the North Florida Procurement Association and the Regional Community Institute of Northeast Florida.

The books of account are maintained using the Grants Management System (GMS) accounting software. The Council maintains one main operating checking account and two transfer accounts. Total accounts payable and payroll checks issued throughout the year total approximately 1700. The current operating budget is 4.4 million, of which approximately 75% of the funds are pass-through funds to other Regional Councils throughout the State of Florida.

Administrative offices and all records are located at 6850 Belfort Oaks Place, Jacksonville, FL 32216.

J. Terms of Agreement

It is expected that the contract shall be a three-year fixed price contract.

At the discretion of the Council, this audit contract can be renewed for up to three additional years. The cost for the optional periods will be negotiated at renewal.

Scope of Services

A. Scope of a Financial and Compliance Audit

The Council's fiscal year is October 1st through September 30th. The Council's records will be audited for fiscal years 2012, 2013, 2014.

The financial audit and compliance audit should be performed in accordance with generally accepted auditing standards in the United States of America and Standards contained in the Government Auditing Standards, issued by the Comptroller General of the United States. The audit should also comply with OMB Circular A-133 and the Single Audit Act.

B. Internal Controls

The Auditing Firm will prepare a report or reports relative to its study and evaluation of the internal control structure conducted in accordance with the requirements stated above as follows:

- 1) Internal accounting controls
- 2) Management comments relating to the accounting and administrative controls denoting any substantive weaknesses, an assessment of their effects on financial management and recommendations on initial steps toward eliminating them.

C. Report Requirements

- 1) The following financial statements are to be included in the audit report:
 - A. Statement of Net Assets
 - B. Statement of Activities
 - C. Balance Sheet
 - D. Statements of Revenues, Expenditures and Changes in Fund Balances
 - E. Other financial statements as may be required.
- 2) The following supplemental schedules:
 - A. Statement of Revenues and Expenditures and Change in Fund Balance, Budget to Actual
 - B. Schedules of Expenditures of Federal and State Awards
 - C. Schedule of Findings and Questioned Costs
 - D. Other reports as may be required.

Auditing Firm Responsibilities

- A. Adhere to “Generally Accepted Auditing Standards” as established by the American Institute of Certified Public Accountants (AICPA) and the “Governmental Auditing Standards”, issued by the Comptroller General of the United States.
- B. Acknowledge that they are currently aware of Federal and State Laws applicable to the Council.
- C. Conduct the audit in accordance with the requirements pronounced by the State of Florida and particularly the rules and regulations of the Auditor General.
- D. Staff the engagement with adequately trained and supervised personnel who are experienced in auditing governmental organizations.

- E. Be responsible for all typing, printing, and processing of seventy-five (75) copies of the Council's Annual Financial Statements, Supporting Schedules and Other Reports.
- F. Not directly or indirectly become associated, in any manner whatsoever, with any event, enterprise, association, contract, relationship, venture or situation of any nature which will conflict with or compromise its independence with regard to the Council audit during the term of this Agreement.
- G. Additional Services
- 1) The Auditing Firm will serve as audit and accounting consultant to the Council throughout the agreement period and as such will provide necessary information and assistance on an as needed basis. The Council will not be billed for such services.
 - 2) The Auditing Firm will prepare all required tax returns for the Council. The Council is required to file two 990 Return of Organization Exempt From Income Tax and one Tangible Property Tax Returns. The Council will not be billed for such services.
 - 3) The Auditing Firm will prepare the Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations as required by OMB Circular A-133. The Council will not be billed for such services.
 - 4) If the Auditing Firm, due to one or more accounting and/or reporting deficiencies, is required to give advice, testimony, or other such activity not within the scope of rendering, confirming or justifying a report of audit services rendered, such service will be made without an additional charge to the Council. The Auditing Firm will obtain corrective action and submit audit reports to appropriate agencies. Any preliminary findings of possible fraud, misapplication or misappropriation of funds shall be immediately reported to the Chief Executive Officer of the Council.
 - 5) The Council may, from time to time, desire the Auditing Firm to include additional records and procedures in its audit. Such requests for additional work will be submitted in writing to the Auditing Firm by the Chief Executive Officer. The Auditing Firm will be compensated based on its standard hourly billing rates at the time of the request. Additional services performed under this subsection will be billed to the Council separately from its normal billings.

Delivery Schedule

Auditing Firm is to transmit three copies of the draft audit report to the Council's Chief Financial Officer. The draft audit report is due on or before the first week in December.

The Auditing Firm shall complete its audit fieldwork and render seventy-five (75) completed Annual Financial Statements, Supporting Schedules and Other Reports ten (10) business days

prior to the January Board meeting. Audit should begin no earlier than the fourth week in October, in order to meet the identified deadlines. The Council is required to present the completed audit report to its full policy board at the January board meeting following the fiscal year end closing.

Reports may be submitted earlier than the above schedule. However, if the Auditing Firm fails to make delivery of the audit reports within the time schedule specified herein, or if the Auditing Firm delivers audit reports which do not conform to all of the provisions of this agreement, or if any terms of the contract have been breached, the Council may give written notice of default to the Auditing Firm, terminate the whole or any part of this agreement. Administrative, contractual or legal actions may be taken if there is a serious breach of contract.

The Auditing Firm will present the completed audit reports to the Personnel, Budget, and Finance Committee and the full policy body of the Council and additional committees as requested.

Price

The Auditing Firm's proposed price should be submitted separately. Include information indicating how the price was determined. For example, the Auditing Firm should indicate the estimated number of hours by staff level, hourly rates, and total cost by staff level. Any out-of-pocket expenses should be indicated. **The pricing information should be given in a separate sealed envelope.**

Payment

Payment will be made when the Council has determined that the total work effort has been satisfactorily completed. Should the Council reject the report, the Chief Executive Officer will notify the Auditing Firm in writing of such rejection giving the reason(s). The right to reject a report shall extend throughout the term of this agreement and for ninety (90) days after the Auditing Firm submits the final invoice for payment.

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

Upon delivery of the all copies of the final reports to the Council full policy body and their acceptance and approval, the Auditing Firm may submit an invoice for the balance due on the agreement for the audit. In no instances will a payment be made above and beyond the agreement price.

Audit Review

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

Exit Conference

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

Work Papers

Upon request, the Auditing Firm 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.

- A) The Work Papers will be retained at least five (5) years from the end of the audit period.
- B) The Work Papers will be available for examination by authorized representatives of the cognizant federal or state audit agency, the General Accounting Office, and the Council.

Confidentiality

The Auditing Firm agrees to keep the information related to this agreement in strict confidence. Other than the reports submitted to the Council, the Auditing Firm 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 Auditing Firm's possession to those employees on the Auditing Firm's staff who must have the information on a "need-to-know" basis. The Auditing Firm agrees to immediately notify, in writing, the Council's authorized representative in the event the Auditing Firm determines or has reason to suspect a breach of this requirement.

Insurance Requirement

The firm awarded the contract shall secure, maintain and present insurance coverage reflecting the minimum amounts of \$ 1,000,000 for general liability, \$1,000,000 for professional liability and workers compensation to include employers liability limits as required by the State of Florida.

The firm must also name the Council as an additional insured on the general liability and professional liability.

Public Entity Crimes Certification

In accordance with Florida Statutes section 287.133(3) (a), the Auditing Firm will complete and return as part of the RFP the Public Entity Crimes Certification form.

Drug-Free Workplace Certification

In accordance with Florida Statutes section 287.087, the Auditing Firm will complete and return as part of the RFP the Drug-Free Workplace Certification form.

Peer Review

Firm must include a copy of the most recent peer review report, the related letters of comments, and the firm's response to the letter of comments.

Auditing Firm's Technical Qualifications

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

A. Prior Auditing Experience

The Auditing Firm 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 multi-funded nonprofit governmental agency under the Single Audit Act.
- 2) Prior experience auditing similar programs funded by the State of Florida.
- 3) Prior experience auditing Federal programs in accordance with OMB Circular A-133.
- 4) Prior experience auditing computerized systems that allocate indirect costs.

B. Organization, Size, and Structure

- 1) The Auditing Firm should describe its organization, size (in relation to audits to be performed) and structure. Indicate, if appropriate, if the firm is a small or minority-owned business.
- 2) State whether the firm is local, regional, or national. Provide the location of the office from which the work is to be performed.

C. Staff Qualifications

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

- 1) Audit team make-up.

- 2) Overall supervision to be exercised.
- 3) Prior experience of the individual audit team members.

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

D. Understanding of Work to be Performed

The Auditing Firm 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 Auditing Firms by the Council, because the Northeast Florida Regional Council desires to contract only with an Auditing Firm who is already familiar with these publications.

E. Auditing Firm Contact

The Auditing Firm will identify the person who will serve as the Auditing Firm's contact with the Council, along with the person's mailing address and telephone number.

Proposal Evaluation

A. Submission of Proposals

All proposals shall include four copies of the Auditing Firm's technical qualifications, four copies of the pricing information (in a separately sealed envelope), four copies of the Drug-Free Workplace form, four copies of the Public Entity Crimes form, four copies of latest peer review and four copies of the signed Certifications. These documents will become part of the agreement.

B. Nonresponsive Proposals

The Council reserves the right to waive any immaterial inconsistencies in a proposal which might otherwise appear to make said proposal nonresponsive. Proposals may be judged nonresponsive and removed from further consideration if any of the following occur:

- 1) The proposal is not received timely in accordance with the terms of this RFP.
- 2) The proposal does not include the Certifications, Drug-Free Workplace form and Public Entity Crimes form.
- 3) The proposal is not adequate to form a judgment by the reviewers that the proposed undertaking would comply with the Governmental Auditing Standards of the U.S. Comptroller General.

C. Evaluation

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

<u>Factors</u>	<u>Point Range</u>
1) Prior experience auditing	
a. Prior experience auditing multi-funded nonprofit governmental agency	0-5
b. Prior experience auditing similar programs funded by State of Florida	0-10
c. Prior experience auditing Federal programs per OMB A-133	0-5
d. Prior experience auditing computerized systems allocating leave, fringe, common, and indirect cost	0-10
e. Prior experience auditing GASB compliance	0-5
2) Organization, size, and structure of Auditing Firm.	
a. Number of staff auditors available for this audit	0-5
b. Minority/small business	0-5
3) Qualifications of staff to be assigned to the audits to be performed. This will be determined from resumes submitted. Education, position in firm, years and types of experience, continuing professional education, and state(s) in which licensed as a CPA, etc. will be considered.	
a. Audit team makeup	0-10
b. Overall supervision to be exercised	0-5
c. Average length of public and governmental experience for staff auditors and supervisor involved in audit	0-10
4) Auditing Firm's understanding of work to be performed.	
a. Statement of understanding of work to be performed	0-10
b. Realistic time estimates of each audit step	0-5
5) Price	<u>0-15</u>

D. Review Process

The Council may, at its discretion, request presentations by or meeting with any or all Auditing Firms, to clarify or negotiate modifications of the Auditing Firm's proposals.

However, the Council 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, which the Auditing Firm can propose.

The Council contemplates award of the contract to the responsible Auditing Firm with the highest total points.

CERTIFICATIONS

On behalf of the Auditing Firm:

- A. The individual signing certifies he/she is authorized to contract on behalf of the Auditing Firm.
- B. The individual signing certifies the prices in this proposal have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition.
- C. The individual signing certifies the prices quoted in this proposal have not been knowingly disclosed by the Auditing Firm prior to an award to any other Auditing Firm or potential Auditing Firm.
- D. The individual signing certifies there has been no attempt by the Auditing Firm to discourage any potential Auditing Firm from submitting a proposal.
- E. The individual signing certifies the Auditing Firm is a properly licensed certified public accountant, or a public accountant licensed in the State of Florida.
- F. The individual signing certifies the Auditing Firm meets the independence standards of the Governmental Auditing Standards.
- G. The individual signing certifies he/she is aware of and will comply with the GAO Continuing Education Requirement of 80 hours of continuing education every two years; and that 24 hours of the 80 hours education will be in subjects directly related to the government environment and to government auditing for individuals.
- H. The individual signing certifies 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.

- I. The individual signing certifies he/she has read and understands the following publications relative to the proposed audits:
1. Governmental Auditing Standards (Yellow Book)
 2. Governmental, Accounting, Auditing, and Financial Reporting (GAAFR)
 3. OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.
 4. Guidelines for Financial and Compliance Audits of Federally Assisted Programs.
 5. OMB Circular A-87, "Cost Principles for State, Local, and Indian Tribal Governments".
 6. Audits of Certain Nonprofit Organizations (AICPA Audit guide).
 7. GASB Standards
- J. The individual signing certifies he/she has read and understands all of the information in this Request for Proposal.
- K. The individual signing certifies the Auditing Firm, and any individuals to be assigned to the audits, 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 Auditing Firm 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 _____, 2012.

 (Auditing Firm's Name)

 Signature of Auditing Firm's Representative

 Printed Name and Title of Individual Signing