



## REQUEST FOR PROPOSAL for AUDIT SERVICES

The Council is a private, non-profit corporation. The mission of the Council is to promote life-long learning by partnering with businesses, agencies, and organizations to bring the state's education, employment, and training programs together into a workforce development system that will provide the means for all residents of New Hampshire to gain sufficient skills, education, employment, and financial independence.

The Board believes that to maintain integrity in the audit process and to counter the potential for undue familiarity between Council and auditing staff, a change in outside auditors should be explored approximately every five years. This RFP is being issued to ascertain the availability and interest of prospective auditors.

### **Background:**

The Council incorporated in March 2000 and began its first year of operations on July 1, 2000. The fiscal year is July 1 through June 30. Currently, the staffing consists of five individuals.

Financial records are maintained on a hybrid cash/accrual basis during the year and converted to full accrual at year end. The accounting system is fully automated, using American Fundware (now Kintera) as the software. The payroll function is contracted with Checkmate Payroll Services, Inc., a company located in Concord, NH.

The New Hampshire Department of Labor (NHDOL) is the official grant recipient and fiscal intermediary for the Council. The Council is the sub-recipient and administrative agent of the federal grant awards. NHDOL draws funds, on behalf of and as requested by the Council, through the federal Smart-Link system. Generally, draws are accomplished every two weeks to cover operating and program costs. This audit will be used as a building block for the State of New Hampshire Single Audit.

The Council subcontracts with various organizations for the actual provision of services to the public, and acts as the oversight body to the subcontractors' activities.

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64 OLD SUNCOOK ROAD, CONCORD, NH 03301      PHONE: 603.228.9500      FAX: 603.228.8557      TDD: NH RELAY 711

The Workforce Opportunity Council, Inc. is a sponsor of the NH WORKS system, a proud member of America's Workforce Network, and an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities.

## Scope of Work:

- A. The primary focus of the work is to examine the Council's financial records in accordance with generally accepted auditing standards as defined and described in
- (1) Statement of Auditing Standards, published by the American Institute for Certified Public Accountants;
  - (2) "Uniform Requirements for Grants to Universities, Hospitals, and other Non-Profit Organizations", as revised, published by the Office of Management and Budget (OMB) Circular A-133; and
  - (3) Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, as published by the GAO.

Audit services must include an examination for compliance with applicable directives of the laws, regulations, and contracts or grant documents.

Evaluation of the Council's internal controls and preparation of the Council's Tax Report (Form 990) is the secondary focus of the work.

B. The auditor shall determine whether:

1. the financial statements of the Council present fairly its financial position and the results of its financial operations in accordance with generally accepted accounting principles;
2. the Council has an internal control structure and other control systems to provide reasonable assurance that it is managing federal funds in compliance with applicable laws, regulations, and grant documents that may have a material impact on the financial statements;
3. the Council has complied with applicable laws, regulations, and grant documents that may have a material impact on the financial statements. Compliance references include Public Law 105-220 (August 7, 1998) and 20 CFR 652 et al. (final rules dated August 11, 2000);
4. the Council has established and adhered to an appropriate system for the procurement, award, and oversight of contracts with subcontractors which contains acceptable standards for ensuring accountability;
5. the Council has entered into written contracts with such subcontractors which establish clear goals and obligations in unambiguous terms;
6. the Council has acted with due diligence to monitor the implementation and ongoing activities of the subcontractors, and taken prompt and appropriate corrective action upon becoming aware of any evidence of a violation of regulatory or contract terms;
7. the Council has established (where appropriate) and adhered to policies on cost limitations, cost allocations, allowability of costs, reasonableness of costs, and adequacy of meeting the matching fund requirements and reporting thereon.

- C. The audit shall take place at the Council's office in Concord, New Hampshire the first two weeks of August 2001. The fieldwork may be rescheduled upon mutual agreement of the parties.
- D. As of the date of this RFP release, the Council oversees two federal programs – the Workforce Investment Act (Adult, Dislocated Worker, and Youth programs), and the Senior Community Service Employment Program (SCSEP). Both programs limit the amount of funds available for administrative expenses, thus the funding of any audit activities must take into account the limited funds the Council has available for such activities.

The amount of federal funds received by the Council varies from year to year. However, at the date of this RFP release, allocations for FYE 6/30/2007 include:

- 1. **WIA Title-I**                      **\$6,796,429**
  - Youth                                \$2,310,103 (CFDA 17.259)
  - Adult                                 \$2,155,095 (CFDA 17.258)
  - Dislocated Workers    \$2,331,231 (CFDA 17.260)
- 2. **SCSEP**                              **\$459,661**      (CFDA 17.235)
- 3. **Youth Transition**      **\$300,000**      (CFDA 17.720)  
(approximate amount-grant ended 12/31/2006)

WIA Title I federal funds are allocated annually to states, by formula, through the USDOL/ETA, and are expended over a 3-year period. Audits of the WIA funds will naturally include the two previous years' funds expended during the audit period. SCSEP funds are also allocated annually based on a formula, but must be expended over a 1-year period.

The Council will produce a consolidated balance sheet and income statement for the fiscal year ending 6/30/07, along with appropriate trial balances and sub-ledger reports to assist the auditors in their work. Information for the notes to the financial statements will be provided. The auditors shall prepare the final audited reports, to include, but not be limited to, Statement of Financial Position (balance sheet), Statement of Activities (income statement), and Statement of Cash Flows.

The fiscal staff will be available to explain and pull documents, show reports, and prepare schedules or supporting documentation as necessary. The proposal should specify what schedules and supporting documentation will be required of the Council staff. No legal counsel is available.

- E. The auditor shall agree to keep the information related to all funds audited, related contracts, and all information obtained in the course of the audit, in strict confidence. Other than reports submitted to the Council, the auditor 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 reasonable measures as are

necessary to restrict information access to those employees on its staff and the Council's staff who must have information on a need-to-know basis.

- F. The auditor shall retain audit reports and related working papers for a minimum of six (6) years, or until resolution of the audit with the U.S. Department of Labor, whichever is later. Audit documents shall be made available to the Council upon request by authorized representatives of the Council or its designee.

**Deliverables:**

1. The auditor shall give biweekly progress reports to the Treasurer/Vice President of Operations during the audit process. There shall be immediate notification if fraud is found. Instances of fraud, waste, illegal acts, or indications of such, including all questioned costs, must be covered by separate written report to the Chair of the Workforce Opportunity Council with a copy to the President of the Council.
2. A management letter, if found to be necessary, should include a statement of audit findings and recommendations affecting the financial statements, internal control, accounting systems, legality of actions, other instances of noncompliance with regulatory requirements, and any other material matters.
3. An exit interview to review the draft Audit Report and/or Management Letter shall be held with the Chairman (if available), President, and Vice President.
4. Fifty-five (55) copies of the final audit report shall be submitted to the Council. Reports shall be submitted within 30 days of the audit work completion, but in any event, no later than October 31, 2002. Management reports, if applicable, shall be submitted with the audit reports.
5. A presentation of the Final Audit report and/or Management Letter shall be made to the Executive Committee of the Council at its November Meeting (usually scheduled for the 3<sup>rd</sup> Wednesday of the month).
6. The Council's Form 990 shall be prepared, along with any required schedules, in accordance with IRS filing deadlines. While the Council expects a filing extension to be unnecessary, should unexpected or unforeseen events occur to necessitate such an extension, the auditor shall be responsible for completing the paperwork required to secure the filing date extension.
7. The Council's Report to the Charitable Trust Department of the Attorney General's Office shall be prepared, along with any required schedules in accordance with the Office's filing deadlines. While the Council expects a filing extension to be unnecessary, should unexpected or unforeseen events occur to necessitate such an extension, the auditor shall be responsible for completing the paperwork required to secure the filing date extension.

8. The appropriate A-133 audit report shall be filed with the GAO Clearinghouse as required and within the appropriate deadlines.

## **Budget**

A detailed proposed budget should be included. Costs shall be stated as an hourly rate, and identify on-site senior audit managers and/or field supervisors and other staff who will work on the audit, including staff from other than the local office, should this situation apply. Please be specific about any additional expected costs such as travel, communications, and expendable supplies.

Projections for annual fees for the next 2-5 years should also be included in this section. However, the Council recognizes that such projections may be subject to change by either party.

## **Selection Process and Criteria**

It is the Council's intent to solicit bids for audit services at least every five (5) years. This RFP is for an annual audit with the option to renew, based upon satisfactory performance and comparable costs. There will be a full review of the CPA firm's performance by the Executive Committee, or its designee, to determine whether to engage the same firm for the next year in the five-year period. Unsatisfactory performance will result in the recommendation to the full Council Board that new proposals be solicited.

A review panel including representatives of the Executive Committee and Council staff will participate in the process of selecting the auditor. Reviewers will assess applications based on the following criteria:

1. Design of the proposal (25 points)
  - Demonstrated understanding of the scope and intent of the audit;
  - Consistency with the overall objectives of the scope of services;
  - Comprehensiveness and adequacy of the audit work plan; and
  - Concrete benchmarks and a timeline;
2. Qualifications (20 points)
  - Relevant professional experience of the firm and the staff selected to perform the actual audit duties;
  - Prior work samples (or equivalent) that demonstrate relevant professional experience;
  - Ability to meet the independence standards of the GAO Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, published by the U.S. General Accounting Office.
  - Reference verification (a minimum of three references shall be submitted);
  - Availability and ability to meet the time line;
  - Professional liability insurance of at least one million dollars (\$1,000,000), and willingness to provide a certificate of insurance upon request;

3. Budget (20 points)
  - Feasibility of carrying out the audit, internal control review, management letter, and various reporting requirements (Form 990, etc.) given the proposed budget;
  - Justification for proposed fees and costs.

### **Mailing Instructions:**

One (1) original written proposal (including a signed certification) and four (4) copies be **received** by **4:00 p.m. on Tuesday, February 20, 2007**. Mail or hand-deliver to:

Cindy L. Naiditch, Vice President Operations  
Workforce Opportunity Council, Inc.  
64 Old Suncook Road  
Concord, NH 03301

Questions should be directed to Cindy Naiditch via fax at 603-228-8557, or via e-mail at [cnaiditch@nhworkforce.org](mailto:cnaiditch@nhworkforce.org), and be received no later than 4:00 p.m. Monday, February 12, 2007.

Bidders will be notified of the final selection by no later than March 15, 2007 with the award of the auditor contract to take effect by no later than May 1, 2007.

### **Disclaimers**

The Workforce Opportunity Council, Inc. reserves the right to reject any and all proposals, or portions of proposals. The Council also reserves the right to partially award the scope of work, based on the quality of proposals received.

If deemed necessary, the Council shall

1. conduct quality reviews of the audit work;
2. require auditors to submit revised reports, at no additional cost, when findings or recommendations are unclear;
3. take prompt and appropriate action to remedy deficient audit contractor performance;
4. make alternative arrangements or follow-ups if auditors find records to be non-auditable;
5. impose a 10% penalty if due dates are missed.

## Proposal Cover Sheet

Applicant: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Telephone: \_\_\_\_\_ FAX: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Federal Tax ID No.: \_\_\_\_\_

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If awarded funding, the applicant hereby certifies and assures that it will fully comply with the following federal regulations (if applicable to your organization):

- 29 CFR Part 96 (Single Audit Act)
- 29 CFR Part 98 (Debarment and Suspension: Drug-free Workplace)
- 29 CFR Part 93 (Lobbying Certification)
- 29 CFR Parts 33, 34, and 37 (Non-discrimination and Equal Opportunity Requirements)
- Assurances (Non-Construction Programs)
- 29 CFR Part 97 (Uniform Administrative Requirements), Part 95 (Administrative Requirements for Institutions of Higher Education, Hospitals, and other Non-Profit Organizations), and any subsequent amendments
- P.L. 101-166, Sec. 511 (Federal Dollar Amount Participation)
- RSA 193:13 (Gun-Free Schools)
- Public Law 105-220, Workforce Investment Act
- 20 CFR Part 652 et al (Workforce Investment Act, Final Rules)

Applicant's signature below indicates organization is agreeing to comply fully with the assurances and certifications as part of its responsibilities as a successful vendor/contractor.

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Signature

Date

Printed Name and Title

## **Certification and Other Terms/Conditions**

1. The signing individual certifies that he/she is authorized to contract on behalf of the organization offering this proposal.
2. The signing individual certifies that the prices in this proposal have been arrived at independently, without consultation, communication, or agreements made for the purpose of restricting competition.
3. When delivering services under an approved contract, the contractor shall work under the broad supervision of Council staff.
4. The signing individual certifies that there has been no attempt by him/her or anyone in their organization to discourage any potential applicant from submitting a proposal.
5. The signing individual certifies that he/she has read and understands all of the information in this Request for Proposals.
6. The signing individual certifies that his/her organization, and any individuals to be assigned to the project, does not have a record of substandard work and has not been debarred or suspended from doing work with any federal, state, or local government.
7. Unless otherwise deleted or modified by mutual agreement between the Council and the contractor, all general provisions contained on the Proposal Cover Sheet (attachment A) shall be incorporated into the contract.
8. The Council reserves the right to negotiate a best and final offer with applicant selected.
9. Payments shall be made on a cost reimbursement basis (no advances). Invoices shall detail expenses based on the line items in the proposal budget. Generally, the Council will pay invoices within 15 days of receipt, unless questions arise as to the appropriateness of an expense.
10. All information received by the contractor during the course of the contract period is considered confidential, and shall be protected to the utmost ability of the contractor. The contract shall include more specific language on this issue.
11. The contract awarded under this RFP shall be subject to and interpreted under the laws and jurisdiction of New Hampshire.

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**Signature**

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**Date**

**(signed certification/conditions to be returned with the proposal)**