



Southern 14 Workforce Investment Board Inc.

REQUEST FOR PROPOSAL FOR AUDIT SERVICES

For the Period of
July 1, 2017 thru June 30, 2018

INQUIRIES AND PROPOSALS SHOULD BE DIRECTED TO:

Pamels Barbee
Chief Financial Officer / Executive Coordinator
Southern 14 Workforce Investment Board, Inc.
P.O. Box 186
Carmi, Illinois 62821
Phone: (618)382-5024
Fax: (618)382-7038
Email: pbarbee@so14lwib.com

Proposal Guidelines

Table of Contents

	Page Number
I General Information	
A Purpose	4
B. Who May Respond	4
C Bidders Conference	4
D Instructions on Proposal Submission	4
1 Closing Submission Date	4
2 Inquires	4
3 Conditions of Proposal	4
4 Instructions for Prospective Contractors	5
5 Right to Reject	5
6 Small and/or Minority Owned Businesses	5
7 Notification of Award	5
E Description of Entity and Records to be Audited	6
F Options	7
II Specific Schedule	
A Scope of Financial and Compliance Audit	7
B. Description of Programs, Contracts, and Grants	8
C Performance	8
D Delivery Schedule	8
E Price	9
F Payment	9
G Audit Review	9
H Exit Conference	9
I Working Papers	10
J Confidentiality	10
K AICPA Professional Standards	10
Offertory's Technical Qualifications	
A Prior Audit Experience	11
B. Organizations, Size, and Structure	11
C Staff Qualifications	11
D Understanding of Work to be Performed	12
E Certifications	12

IV	Proposal Evaluation	
A	Submission of Proposals	12
B.	Non-responsive Proposals	12
C	Proposal Evaluation	13
D	Review Process	14
V	Attachments	
A	Certifications	14
B.	Signature Page	16

I. GENERAL INFORMATION

A. Purpose

This Request for Proposal (RFP) is to contract for a financial and compliance audit for the year ending June 30, 2018 including the preparation of IRS Form 990 and the AG990IL, as well as IRS Form 8868 (Extension of Time to File) and appropriate State of Illinois extension of time forms, if applicable. At the discretion of the Southern 14 Workforce Investment Board the audit contract may be extended for two optional one-year periods.

B. Who May Respond

Only licensed Certified Public Accountants may respond to this RFP.

C. Bidder's Conference

A bidders conference will not be held for this RFP. All questions should be submitted to boffice@so14lwib.com Q&A will be posted on the Southern 14 web site www.so14lwib.com

D. Instructions on Proposal Submission

1. Closing Submission Date
Proposals must be received at the offices of the Southern 14 Workforce Investment Board, Inc. no later than 4:00 p.m. on June 1, 2018
2. Inquiries
Inquiries concerning this RFP should be directed to Pamela Barbee at: Southern 14 Workforce Investment Board (618) 382-5024 - pbarbee@so14lwib.com
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 Southern 14 Workforce Investment Board.

4. Instructions to Prospective Contractors

Your proposal should be addressed as follows:

Name: Pamela Barbee
Title: Executive Coordinator / Chief Financial Officer
Entity: Southern 14 Workforce Investment Board
Address: P. O. Box 186
Carmi, Illinois 62821

It is important that the Offeror'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 Offeror to insure that the proposal is received by the Southern 14 Workforce Investment Board by the date and time specified above. Late proposals will not be considered.

5. Right to Reject

Southern 14 Workforce Investment Board 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.

6. Small and/or Minority-Owned Businesses

Efforts will be made by the Southern 14 Workforce Investment Board 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), by having average annual receipts for the last three fiscal years of less than six million dollars.

7. Notification of Award

It is expected that the successful audit firm will be named within 3 weeks of the closing date for the receipt of proposals. Notification of the name of the successful audit firm will be provided to respondents on request. It is expected that the contract shall be a one-year fixed price contract with an option for two additional one-year periods.

E. Description of Entity and Records to be Audited

The Southern 14 Workforce Investment Board is a nonprofit organization which serves 14 counties in Illinois. Southern 14 Workforce Investment Board 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 34 member volunteer Board of Directors. Administrative offices and all records are located at 304 East Robinson Street - Suite 210, Carmi, Illinois 62821. Sub-Recipient *offices* are located throughout the 14 county area.

For the fiscal year to be audited the Southern 14 WIB, Inc. maintains two bank accounts at Peoples National Bank. Approximately 600 checks per year are run through the primary account which is the recipient of electronic deposits of grant funds. Disbursements from this account are for all administrative costs of the grant recipient as well as to the three agencies listed as service providers in WIOA # 26. The accrued leave account is the accrued vacation and sick leave funds which has three or four disbursements and receipts per year.

Southern 14 maintains an MIP NPS Fund Accounting G. L. for all WIOA activity. The WIOA contracts with three service providers to provide direct services to clients. Funds are disbursed on an as needed basis upon receipt of a fund request from the service providers. The disbursements to service providers and the service provider monthly cost reports are posted to accounts receivable by individual fund in the G.L. All receipts from the state are posted to WIOA income. Disbursements to the service providers reduce the WIOA income account and increase the service provider income accounts. Costs are also reported against the budget for each grant fund by service provider.

The cost for all grant recipient /board staff activities are charged to the grants per a cost allocation methodology.

F. Options

At the discretion of the Southern 14 Workforce Investment Board the audit contract may be extended for two optional one-year periods. The cost for the option period will be agreed upon by Southern 14 Workforce Investment Board and the *Offeror*, in negotiation. It is anticipated that the cost for the optional year will be based upon the same approximate cost per thousand dollars of audited expenditures as the contract for the initial year. Notice of intent to exercise the second years option shall be submitted to the office of the Southern 14 Workforce Investment Board within 90 days of completion of the first years audit. Notice of intent to exercise third years option shall be submitted to the office of the Southern 14 Workforce Investment Board within 90 days of completion of the second years audit.

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 to practice in the State of Illinois, hereinafter referred to as the "Offeror" to perform a financial and compliance audit of the Southern *14* Workforce Investment Board.

Government Audit Standards (2003 Revision), states on page 2- 1:

Financial statement audits determine (1) whether the financial statements of an audited entity present fairly the financial position, results of operations, and cash flows or changes in financial position in accordance with generally accepted accounting principles, and (2) whether the entity has complied with laws and regulations for those transactions and events that may have a material effect on the financial statements.

B. Description of Programs/Contracts/Grants

The majority of funds received are Department of Labor funds passed through the Illinois Department of Commerce and Economic Opportunity.

The following is a list of grants with activity to be audited under this RFP for the program year starting July 1, 2017 and ending June 30, 2018:

Grant Number	Amount of Grant Award	Contract Period	Funding Source
15-632026	10,735	4/1/2017-6/30/2018	DCEO
16-651026	95,526	10/1/2016-6/30/2018	DCEO
16-661026	329,745	10/1/2017-9/30/2018	DCEO
16-681026	1,472,703	7/1/2016-6/30/2018	DCEO
17-681026	2,185,445	4/1/2016-3/31/2018	DCEO

C. Performance

The Southern 14 Workforce Investment Board records should be audited through June 30, 2018.

The Offeror is required to prepare audit reports in accordance with the Government Audit Standards (2003 Revision), the Single Audit Act of 1984, as amended in 1996 and by the Office of Management and Budget Circular A-133 ("OMB Circular A-133"), as well as The Uniform Guidance: Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR 200 and 9130 the standard financial reporting form for other Federal grant recipients.

D. Delivery Schedule

Offeror is to meet with the Southern 14 Workforce Investment Board's Audit Committee to review audit and transmit one copy of the draft audit report to the Southern 14 Workforce Investment Board's Executive Coordinator. The meeting and draft audit report is due by October 31, 2018. The Offeror shall deliver 16 final audit reports, as well as associated tax returns to the Southern 14 Workforce Investment Board's Board of Directors no later than November 15, 2018. Reports may be submitted earlier than the above schedule. 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 which do not conform to all of the provisions of this contract, the Southern 14 Workforce Investment Board may, by written notice of default to the Offeror, terminate the whole or any part of this contract. 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. Include information indicating how the price was determined. For example, the Offeror should indicate the estimated number of hours by staff level, hourly rates, and total cost by staff level. Any out-of-pocket expenses should also be indicated. The pricing information should be in a separate sealed envelope.

F. Payment

Request for an initial payment, not to exceed 50 percent of the total audit cost may be submitted upon completion of all field work by the offeror's staff.

Final payment will be made when Southern 14 Workforce Investment Board has determined that the total work effort has been satisfactorily completed. Should Southern 14 Workforce Investment Board reject a report, Southern 14 Workforce Investment Board'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 ninety (90) days after the Offeror submits the final invoice for payment.

Upon delivery of the 16 copies of the final reports and all associated tax returns to the Southern 14 Workforce Investment Board and their acceptance and approval, the Offeror may submit a final bill for the audit.

G. Audit Review

All audit reports prepared under this contract will be reviewed by Southern 14 Workforce Investment Board and its funding sources to ensure compliance with General Accounting Office's (GAO) Government Audit Standards and other appropriate audit guides.

H. Exit Conference

An exit conference with Southern 14 Workforce Investment Board's representatives and the Offeror's representatives will be held at the conclusion of the field work. Observations and recommendations must be summarized in writing and discussed with Southern 14 Workforce Investment Board. It should include internal control and program compliance observations and recommendations.

I. Work papers

1. Upon request, the Offeror 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 retained for at least three years from the end of the audit period.
3. The work papers will be available for examination by authorized representatives of the cognizant federal or state audit agency, the General Accounting Office, and Southern 14 Workforce Investment Board.

J. Confidentiality

The Offeror agrees to keep the information related to all contracts in strict confidence. Other than the reports submitted to the Southern 14 Workforce Investment Board, 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, the Southern 14 Workforce Investment Board'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 audit 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 audit 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.

III. OFFEROR'S 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 similar programs funded by the Workforce Investment Act.
2. Prior experience auditing similar programs funded by the State of Illinois.
3. Prior experience auditing programs financed by the Federal Government.
4. Prior experience auditing similar county or local government activities.
5. Prior experience auditing nonprofit organizations.
6. Prior experience designing and/or installing accounting systems in agencies using fund-based accounting programs.

B. Organization, Size, and Structure

The Offeror 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. Offeror should include a copy of the most recent Peer Review.

C. 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.

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

E. 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 the Southern 14 Workforce Investment Board because the Southern 14 Workforce Investment Board desires to contract only with an Offeror who is already familiar with these publications.

IV. PROPOSAL EVALUATION

A. Submission of Proposals

All proposals shall include two copies of the Offeror's technical qualifications, two copies of the pricing information (in a separately sealed envelope), and two copies of the signed Certifications. These documents will become part of the contract.

B. Non-responsive Proposals

Proposals may be judged non responsive 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 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 Audit Standards of the U.S., Comptroller General (1994 Revision)

C. Evaluation

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

Factors	Point Range
1. Prior experience auditing and/or designing and installing accounting systems	
a. Prior experience auditing programs funded by the Workforce Investment Act	0 - 5
b. Prior experience auditing similar programs funded by the State of Illinois	0 - 5
c. Prior experience auditing programs financed by the Federal Government	0 - 5
d. Prior experience auditing similar county or local government activities	0 - 5
e. Prior experience auditing nonprofit organizations	0 - 5
f. Prior experience designing and/or installing accounting systems in agencies using fund-based accounting programs	0 - 5
<p>The Southern 14 Workforce Investment Board will contact prior audited organizations to verify the experience provided by the Offeror.</p>	
2. Organization, size, and structure of Offerors firm. (Considering size in relation to audits to be performed.)	
a. Adequate size of the firm	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. Prior experience of the individual audit team members	0 - 10
4. Offerors understanding of work to be performed.	
a. Adequate coverage	0 - 10
b. Realistic time estimates of each audit step	0 - 5
5. Price	<u>0 - 20</u>
Maximum Points	100

D. Review Process

The Southern 14 Workforce Investment Board may, at its discretion, request presentations by or meetings with any or all Offerors, to clarify or negotiate modifications to the Offerors' proposals.

However, Southern 14 Workforce Investment Board 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 Offeror can propose.

Southern 14 Workforce Investment Board contemplates award of the contract to the responsible Offeror with the highest total points.

CERTIFICATIONS

On behalf of the Offeror:

- A. The individual signing certifies that he/she is authorized to contract on behalf of the Offeror.
- B. 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.
- C. 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.
- D. 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.
- E. The individual signing certifies that there has been no attempt by the Offeror to discourage any potential Offeror from submitting a proposal.
- F. The individual signing certifies that the Offeror is a properly licensed certified public accountant.
- G. The individual signing certifies that the Offeror meets the independence standards of the Government Auditing Standards (1994 Revision).

- H. The individual signing certifies that 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.
- a. 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.
 - b. The individual signing certifies that he/she has read and understands the following publications relative to the proposed audits:
 - c. *Government Auditing Standards* (2003 Update) (Yellow Book)
 - d. OMB Circular A 133, *Audits of Institutions of Higher Education and Other Nonprofit Institutions* (June 1997) (Revisions 2003)
 - e. OMB Circular A -133 - *Compliance Supplement* (Revised June 1997)
 - f. OMB Circular A 110, *Uniform Administrative Requirements for Grants and Agreements with Institutions Of Higher Education, Hospitals, and Other Nonprofit Organizations* (1993) (Amended 9/30/99)
 - g. OMB Circular A 122, *Cost Principles for Nonprofit Organizations* (May 2004)
 - h. A Guide for Nonprofit 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)
 - i. *Audits of Voluntary Health and Welfare Organizations* (AICPA Audit Guide)
 - j. *Audits of Certain Nonprofit Organizations* (AICPA Audit Guide)
 - k. *The Uniform Guidance: Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR 200, as well as 9130 the standard financial reporting form for other Federal grant recipients.*

- I. 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.

- J. The individual signing certifies that the Offeror, 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 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)

(Address)

(Address)

(Signature of Offeror's Representative)

(Printed Name and Title of Individual Signing)

