

***MOUNTAINHEART COMMUNITY SERVICE INC.***

**Uniform Guidance Request for Proposal for Audit Services**

**For the period**

***January 1, 2017 to December 31, 2017***

**Inquiries and proposals should be directed to:**

Teresa Runyon  
Chief Financial Officer  
MountainHeart Community Services Inc  
PO Box 1509  
Oceana WV 24870  
304-682-8271

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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 *December 31, 2017*. The proposal includes options for four additional years.

### B. Who May Respond

Only licensed certified public accountants may respond to this RFP.

### C. Bidder's Conference

A bidder's conference may be scheduled in the opinion of MountainHeart Community Services Inc., if there are two or more firms being seriously considered for the contract.

### D. Instructions on Proposal Submission

1. Closing Submission Date: Proposals must be submitted no later than 4:30 p.m. on February 28, 2018.
2. Inquiries: Inquiries concerning this RFP should be directed to Teresa Runyon at 304-682-8271 or [trunyon@mountainheartwv.org](mailto:trunyon@mountainheartwv.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 MountainHeart Community Services Inc.
4. Instructions to Prospective Contractors:

Your proposal should be addressed as follows:

Name: Dreama Padgett  
Title: CEO  
Entity: MountainHeart Community Services Inc  
Address: PO Box 1509  
Oceana WV 24870

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:

Request for Proposal  
4:30 p.m. February 28, 2018  
Sealed Proposal  
For Audit Services

5. Electronic or Hard Copy Submissions: Proposals can be submitted electronically to the following email address: [dpadgett@mountainheartwv.org](mailto:dpadgett@mountainheartwv.org) by the closing submission date noted above.

Proposals may also be submitted by hard copy to the following mailing address:  
PO Box 1509 Oceana WV 24870 by the closing submission date noted above.  
One copy of the proposal must be submitted.

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

It is the responsibility of the Offeror to ensure that the proposal is received by  
MountainHeart Community Services Inc. by the date and time specified above.

Late proposals will not be considered.

6. Right to Reject: MountainHeart Community Services 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 MountainHeart Community Services Inc. 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 MountainHeart Community Services Inc., offerers 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 Offerers. Not all Offerers 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 2 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.

## **E. Description of Entity and Records to Be Audited**

MountainHeart Community Services Inc. is a nonprofit organization performing the duties of a community action agency which serves twenty-seven (27) counties in West Virginia. MountainHeart Community Services Inc. 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 nine (9) member volunteer board of directors. Administrative offices and all records are located at 33 MountainHeart Lane in Matheny, West Virginia. Other offices are located throughout the state.

The major programs include the Child Care Resource and Referral contract for Regions I and IV which includes 10 offices throughout the state; the Head Start program, Early Head Start program; the WV Birth to Three program for Regions V, VI, and VII; Medicaid Waiver Program, Housing Program, VITA/EITC Program and the Weatherization Program.

MountainHeart currently maintains three (3) bank accounts, two (2) CDAR accounts and maintains computerized accounting.

## **F. Options**

At the discretion of MountainHeart Community Services Inc., this audit contract can be extended for four additional one-year periods. The cost for the option periods will be agreed on by MountainHeart Community Services Inc. 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 MountainHeart Community Services Inc.

MountainHeart also operates a profit sharing retirement plan that requires a 5500 audit in addition to the A-133 audit.

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

A list of programs to be audited can be found in Appendix A.

### **C. Performance**

The fiscal year to be audited for the A133 Audit and the 5500 audit is January 1, 2017 through December 31, 2017.

The Offeror is required to prepare audit reports in accordance with *Government Auditing Standards* and *(include any other pertinent requirements that the Offeror must comply with, such as specific audit guides or specific state funding source requirements)*.

### **D. Delivery Schedule**

The Offeror is to transmit one copy of the draft audit report to MountainHeart Community Services Inc.'s Chief Executive Officer. The draft audit report is due on May 31, 2018.

The Offeror shall deliver ten (10) copies of the final audit reports to MountainHeart Community Service's Board of Directors no later than June 30, 2018.

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, MountainHeart Community Services Inc., 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. 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 and clearly marked in the lower left hand corner: SEALED BID  
For Audit Services  
4:00 pm February 28, 2018

## **F. Payment**

Payment will be made when MountainHeart Community Services Inc. has determined that the total work effort has been satisfactorily completed. Should MountainHeart reject a report, MountainHeart'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 MountainHeart Community Services Inc. can determine satisfactory progress is being made.

Upon delivery of the ten (10) copies of the final reports to MountainHeart 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 MountainHeart 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 MountainHeart'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 MountainHeart. 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 MountainHeart Community Services Inc.

## **J. Confidentiality**

The Offeror agrees to keep the information related to all contracts in strict confidence. Other than the reports submitted to MountainHeart, 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, MountainHeart'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 therefore.

## **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 groups or local government activities
3. Prior experience auditing nonprofit organizations

### **B. Value-Added Services Beyond the Audit**

The Offerer should include an explanation of other services that can and have been provided to organizations similar to MountainHeart. Value-added services provide

efficiencies and improved compliance that contribute to the continued success of MountainHeart. 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 Offeror, 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 Offeror 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.

### **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 MountainHeart Community Services Inc. because MountainHeart desires to contract only with an Offeror who is already familiar with these publications.

## **Proposal Evaluation**

### **A. Submission of Proposals**

Submission of proposals made be submitted either electronically or by hard copy. All proposals shall include one (1) copy of the Offeror's technical qualifications, one (1) copy of the pricing information (in a separate, sealed envelope), and one (1) copy of the signed Certifications. These documents will become part of the contract.

## 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 ( <i>Community Action Agency</i> )	0 – 15
b. Prior experience auditing similar programs or local governments	0 --10
c. Prior experience auditing nonprofit organizations	0 – 5

MountainHeart 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, MountainHeart 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.

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

However, MountainHeart 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.

MountainHeart contemplates award of the contract to the responsible Offeror with the highest total points.

## 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 (*date of licensing*).
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. *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance")
  - c. *Audits of Not-for-Profit Entities* (AICPA Audit Guide)
  - d. *Audits of State and Local Governments* (AICPA Audit Guide)

Note: The RFP should also list any regulations, publications, or audit guides that are relevant to specific programs to be audited. For example, if a Department of Energy weatherization program is to be audited, 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)

## APPENDIX A

PROGRAM	FUNDING PERIOD	GRANT AMOUNT
Birth to Three 5	July – June	130,000
Birth to Three 6	July - June	130,000
Birth to Three 7	July - June	142,000
CSBG	January - December	223,215
CSBG T/TA	April - March	10,000
Childcare Region 5	July - June	2,668,490
Childcare Region 6	July - June	2,654,687
DOE	July - June	113,198
DOE-DHHR	October - December	274,391
APCO DSM	January - December	30,000
Early Head Start	January - December	1,346,833
Head Start	January - December	1,568,600
PREP	October – September	25,000
Parents as Teachers	June - September	241,182
EITC Reg East	October - September	34,000
EITC Reg South	October - September	39,000
Medicaid Waiver	January - December	50,000
FRN	July - June	38,600
FRC	July - June	75,000
NHEP	January - December	55,000
Unrestricted	January - December	388,282