

Shasta County Private Industry Council, Inc.
dba Smart Business Resource Center



Request for Proposal (RFP) for:
Audit Services for the Period of
July 1, 2019- June 30, 2022

RFP Issued	March 9, 2020
Proposal Due Date	May 15, 2020
Anticipated Award Notification	May 25, 2020
Contract Start	July 1, 2020

Proposal must be received no later
than Friday May 15, 2020 by 5:00PM

ABSOLUTELY NO EXCEPTIONS

Contact for Request for Proposal: Marie Granberry,
Controller gmarie@thesmartcenter.biz

Smart Business Resource Center is an equal opportunity employer and is committed to equal opportunity in its contracting process. Auxiliary aids and services are available upon request to individuals with disabilities.

GENERAL INFORMATION

A. Purpose

The Request for Proposal (RFP) is to contract for a financial and compliance audit for a three-year period beginning with the fiscal year ending June 30, 2020.

B. Who May Respond

Only licensed Certified Public Accountants may respond to this RFP.

C. Instructions on Proposal Submission

1. Closing Submission Date

Proposals must be received in the Smart office by no later than 5:00 p.m. on May 15, 2020. It is the responsibility of the Proposer to ensure that the proposal is received on time. Late proposals will not be considered.

2. Inquiries

Inquiries concerning this RFP should be directed to Marie Granberry, gmarie@thesmartcenter.biz (530) 245-1570.

3. Conditions of Proposal

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

4. Proposal Submission

One bound copy of the proposal should be sent to:

Marie Granberry, Controller
Smart Business Resource Center
1201 Placer Street
Redding, CA 96001

Email submissions are acceptable and should be sent to gmarie@thesmartcenter.biz. No late email submissions will be accepted.

D. Notification of Award

It is expected that a decision selecting the successful audit firm will be made by May 25, 2020. It is expected that a letter of agreement will be executed, with the successful audit firm by May 31, 2020.

E. Description of Entity and Records to be Audited

1. General Description

Smart is a service provider for the Northern Rural Training and Employment Consortium “NoRTEC” (www.ncen.org) and within the County of Humboldt, Humboldt.gov.org. As a California nonprofit corporation, Smart provides services in Shasta, Trinity and Humboldt counties. Effective July 1, 2020 Smart will provide services in Shasta, Trinity, Humboldt, Siskiyou and Del Norte counties. The Smart administrative offices and all audit records are located in Redding, California.

2. Records to be Audited

- a. Smart has annual revenues of approximately \$4 million. Approximately 95% of these revenues are received from the Workforce Innovation and Opportunity Act (WIOA) programs funded by the U.S. Department of Labor, passed through the State of California, NoRTEC and Humboldt County.
- b. Smart has offices in Shasta, Trinity and Humboldt Counties. It is not anticipated that the audit firm will need to conduct any on-site work at any locations other than Shasta.
- c. Smart maintains three bank accounts: one main account to accommodate deposits and general operating expenditures, one savings account, and one payroll account. Smart issues approximately 1500 checks per year between all accounts. Smart also has a substantial investment account containing unrestricted funds.
- d. Smart maintains accounting records utilizing a computerized fund accounting package (Abila MIP Fund Accounting), supplemented by computerized spreadsheet subsidiary reports.
- e. Smart carries no inventory. Smart has less than \$5000 of net fixed assets. Most of the Smart furniture and equipment is owned by the State.

I. SPECIFICATION SCHEDULE

A. Scope of 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, to perform a financial and compliance audit of Smart. The audit must be in compliance with the following:

1. Single Audit Act

The audit will be conducted in conformance with the requirements of the Single Audit Act of 1984, P.L. 98-502, with amendment in 1996.

2. Uniform Guidance

The audit will be conducted in conformance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

3. WIOA Compliance

The audit will be conducted in conformance with the compliance review requirements of WIOA.

4. Smart Compliance

Smart requires that audited expenditures be reconciled to the NoRTEC and Humboldt County grant close-out reports.

5. Government Audit Standards

The audit will be conducted in conformance with the U.S. General Accounting Office Standards for Audit of Governmental Organizations, Programs, Activities, and Functions.

6. AICPA

The audit will be conducted in conformance with generally accepted auditing standards, for audits of state and local governmental units, as established by the American Institute of Certified Public Accountants.

7. Federal Audit Clearinghouse

The audit must be submitted to the Federal Audit Clearinghouse.

B. Performance

The audit shall be performed for fiscal years ending June 30, 2020, 2021, 2022.

C. Delivery Schedule

1. Field Work

On-site audit work should begin eight-ten weeks after the end of each fiscal year.

2. Draft

The Proposer will deliver a draft report, for Smart review, no later than 120 days after the end of the fiscal year.

3. Final

The Proposer will deliver one (1) PDF copy and fifteen (15) bound copies of the final report to Smart no later than November 10 of each fiscal year.

Reports may be submitted earlier than the above schedule. However, if the Proposer fails to make delivery of audit reports within the time schedule specified herein, or if the Proposer delivers audit reports which do not conform to all the provisions of this proposal and the subsequent contract, Smart may, by written notice of default to the Proposer, terminate the whole or any part of the audit contract. Under certain extenuating circumstances, with sufficient justification, Smart may extend the delivery schedule upon written request.

D. Payments

Full payment will be made when Smart has determined that the total work effort has been satisfactorily completed. Should Smart reject a report, an authorized representative will notify the Proposer in writing of such rejection, giving the reasons. The right to reject a report shall extend throughout the term of the audit contract and for ninety (90) days after the Proposer submits the final report and invoice for payment.

Progress payments may be allowed, to the extent that Smart can determine that satisfactory progress has been made, and will be negotiated prior to issuance of the contract.

Upon delivery of all copies of the final report, and Smart's acceptance and approval of the report, the Proposer may submit a bill for the balance due on the contract for the audit.

E. Audit Review

1. Smart

The audit will be reviewed by Smart for compliance with the previously described auditing standards or requirements. In the event the audit report does not comply with any of the auditing standards or requirements, as determined by Smart, the Proposer will be responsible for revising the report to the appropriate specifications, without additional remuneration.

F. Work Papers

1. Upon request, the Proposer will provide copies of any/all 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 Proposer will retain all work papers for at least seven years from the date of acceptance of the audit.
3. All work papers will be available for examination by authorized representatives of Smart, the State of California, the Department of Labor, the Office of the Inspector General, or the U.S. General Accounting Office.

G. Confidentiality

The Proposer agrees to keep the information related to all Smart contracts in strict confidence. The Proposer agrees not to publish, reproduce or otherwise divulge such information in whole or in part, in any manner or form, or to authorize or permit others to do so, taking such reasonable measures as are necessary to restrict access to the information while in the Proposer's possession. Proposer's employees will have access to the information only on a "need-to-know" basis. The Proposer agrees to immediately notify Smart in writing, in the event the Proposer determines or has reason to suspect a breach of this requirement.

II. PROPOSAL CONTENTS

The proposal must include, as a minimum, the following elements:

A. General Description

The Proposer should describe its organization, size (in relation to audits to be performed) and structure. Proposer should include a copy of the most recent Peer Review, if the Proposer has had a Peer Review in the last three years. If the Proposer has not had a Peer Review, it should be so stated in the proposal.

B. Prior Auditing Experience

Proposer should describe its prior auditing experience and include a list of references that may be contacted by Smart. The proposal should specifically describe auditing experience in the following areas:

1. Prior experience auditing nonprofit organizations in the State of California.
2. Prior experience auditing organizations funded by the Workforce Innovation and Opportunity Act in the State of California.

C. Staff Qualifications

The Proposer should describe the qualifications of the staff to be assigned to this audit. Descriptions should include:

1. Audit team makeup.
2. Overall supervision to be exercised.
3. Prior experience of the individual audit team members. Please include resumes of staff to be assigned to this audit. Do not include information on general partners, etc., who would not normally be involved in this audit. Education, position in firm, years and types of experience, and continuing professional education should be addressed in the narrative or in the resumes provided.

D. Understanding of Work to be Performed

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

E. Price

The Proposer's price for services should be submitted as a separate attachment to the proposal. Proposer should include information indicating how the price was determined. For example, the Proposer should indicate the estimated number of hours by staff level, hourly rates, and total cost by staff level. Any estimated out-of-pocket expenses or contingencies should be shown.

F. Time Frame

Although final scheduling will be agreed upon during the negotiation process, the Proposer should indicate the anticipated start date of on-site work, date for receipt of the draft report, and date of receipt for the final report. Although this may be subject to change, the Proposer should also indicate the approximate number of days anticipated for the on-site work.

III. PROPOSAL EVALUATION

A. Submission of Proposals

Proposers must submit one original signature copy of all proposal documents.

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 on a timely basis in accordance with the terms of this RFP.
2. The proposal does not include all of the specified elements.

3. The proposal is not adequate to form a judgment by the reviewers that the proposed undertaking would comply with all of the auditing standards and requirements specified in this RFP.
4. The proposal indicates that the audit reports would not be made available to Smart in the time frames outlined in this RFP.

C. Review Process

Smart may, at its discretion, request presentations by or meetings with any and all Proposers, to clarify or negotiate modifications to the proposals. However, Smart 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 the Proposer can provide, from both technical and price standpoints.

IV. TAX AND INFORMATION RETURN SERVICES

- A.** Please provide a separated cost of tax and information return services that includes preparation of:
1. Federal Form 990
 2. California Form 199
 3. California Form RRF-1