

Aroostook County Action Program, Inc.

Request for Proposal for Audit Services
for the Period, October 1, 2019
to September 30, 2020

Inquiries and Proposals should be directed to:

Robyn Locke
Chief Financial Officer

Aroostook County Action Program, Inc.
P.O. Box 1116, 771 Main Street
Presque Isle, Maine 04769
rlocke@acap-me.org
207/764-3721

www.acap-me.org

Table of Contents

I.	General Information	
A.	Purpose	3
B.	Who May Respond.....	3
C.	Instructions on Proposal Submission.....	3
1.	Closing Submission Date	3
2.	Inquiries.....	3
3.	Conditions of Proposal.....	3
4.	Instructions to Prospective Contractors.....	3
5.	Electronic Submissions.....	4
6.	Right to Reject	4
7.	Small and/or Minority-Owned Businesses	4
8.	Notification of Award	4
D.	Description of Entity and Records to be Audited	4
E.	Options	5
II.	Specification Schedule	
A.	Scope of a Financial and Compliance Audit	6
B.	Description of Programs/Contracts/Grants.....	6
C.	Performance	6
D.	Delivery Schedule	6
E.	Price	6
F.	Payment.....	7
G.	Audit Review	7
H.	Exit Conference	7
I.	Work Papers	7
J.	Confidentiality	7
K.	AICPA Professional Standards	8
III.	Technical Qualifications	
A.	Prior Auditing Experience	9
B.	Organization, Size and Structure.....	9
C.	Staff Qualifications	9
D.	Understanding of Work to be Performed	9
E.	Certifications	10
IV.	Proposal Evaluation	
A.	Submission of Proposals	11
B.	Non-responsive Proposals.....	11
C.	Proposal Evaluation.....	11
D.	Review Process	12
V.	Certifications	14

General Information

A. Purpose

This Request for Proposal (RFP) is to contract for a financial and compliance audit of federal grants, state appropriated funds and funds from private resources according to 2 CFR Part 200 Uniform Guidance and Maine Accounting and Auditing Practices (MAAP), and an audit of the 403(b) retirement plan for the period October 1, 2019 through September 30, 2020 and January 1, 2020 through December 31, 2020, respectively. The proposal includes options for four additional years.

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 submitted and received no later than 2:00 p.m. on Thursday, August 20, 2020.
2. Inquiries
Inquiries concerning this RFP should be directed to Wanda Osgood, Controller (207) 764-3721 wosgood@acap-me.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 Aroostook County Action Program, Inc. (ACAP).
4. Instructions to Prospective Contractors
Your proposal should be addressed as follows:

Name: Robyn Locke
Title: Chief Financial Officer
Entity: Aroostook County Action Program, Inc.
Address: PO Box 1116, Presque Isle, ME 04769

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
2:00 p.m., August 20, 2020
SEALED Proposal
For Audit Services

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

If you are e-mailing the proposal, include a subject line of **Audit Services RFP**. It is the responsibility of the Offeror to ensure that the proposal is received by ACAP by

the date and time specified above. Late proposals may not be considered.

5. **Electronic Submissions**

Proposals can be submitted electronically to rlocke@acap-me.org by the closing submission date noted above. An electronic response will be provided with acknowledgement of receiving the submission.

6. **Right to Reject**

ACAP 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.

7. **Small and/or Minority-Owned Businesses**

Efforts will be made by ACAP to utilize small and/or 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 121.3-8).

8. **Notification of Award**

It is expected that a decision selecting the successful audit firm will be made within four weeks of the closing date for the receipt of proposals. Upon conclusion of final negotiations with the successful audit firm, all Offerors submitting proposals in response to this RFP will be informed in writing of the name of the successful audit firm. It is expected that the contract shall be a one-year fixed price contract with options for four additional one-year periods.

D. Description of Entity and Records to be Audited

ACAP is a nonprofit organization which serves primarily Aroostook County, Maine. ACAP 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 21 member volunteer board of directors. Administrative offices and records are located at 771 Main Street, Presque Isle, Maine. Other offices are located throughout Aroostook County.

All records to be audited are available for review by the Offeror prior to submission of the proposal. Prior year audits are available.

A brief description of the accounting system is as follows:

The financial reporting system runs on an Intel based Windows 2016 server standard edition running a virtual server powered VMWare with Abila accounting and financial software. Modules include General Ledger, Accounts Payable, and Miscellaneous Cash Receipts. A five member central accounting staff maintains the computerized records.

Cash accounts include one checking account. An estimated number of checks written in each account are as follows:

	<u># Checks</u>	<u>#Electronic Transactions</u>
General	2,850	3,460
Payroll	<u>0</u>	<u>3,900</u>
Total Checks	2,850	7,360

The state lead agency is the Maine Department of Health and Human Services. ACAP is subject to the Maine Uniform Accounting and Auditing Practices (MAAP) for Community Agencies.

The Agency has been audited on an annual basis since its inception, and it plans to continue this practice.

Fiscal and Personnel Manuals have been written and updated. They are available to the audit team.

ACAP employs approximately 140 employees. Payroll levels are comparable to the prior year. Preliminary audit work prior to closing the accounts may be conducted during the month of September. The September 30, 2020 books will be closed by December 31, 2020. Post closing audit work may start after that date.

ACAP's 403(b) plan has total assets of approximately \$7 million and 212 participants as of 12/31/2019. The plan is administered by a third party, Downeast Pension, and uses American Funds as its platform.

Final financial audit reports will be required to be available for the March, 2021 board meeting.

E. Options

At the discretion of ACAP this audit contract can be extended for four additional one-year periods. The cost of the option periods will be agreed upon by ACAP and the Offeror. It is anticipated that the cost of the optional years will be based upon the same approximate cost per thousand dollars of audited expenditures as the contract for the initial year.

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 of the State of Maine or other political subdivision of the United States, hereinafter referred to as the "Offeror" to perform a financial and compliance audit of ACAP.

B. Description of Programs/Contracts/Grants

Please see enclosed ACAP's annual report, directory of service brochure and our website at www.acap-me.org for descriptions of ACAP services.

C. Performance

ACAP financial records shall be audited through September 30, 2020. The 403(b) plan records shall be audited through December 31, 2020.

The Offeror is required to prepare audit reports in accordance with the Government Audit Standards and MAAP.

The Offeror is expected to prepare the 990 tax return for ACAP by the required due date. A separate indication of the costs for the 990 preparation should be included in the total audit cost.

D. Delivery Schedule

Offeror is to transmit one copy of the draft financial audit report to ACAP's Chief Financial Officer. The draft audit report is due by March 15, 2021.

The Offeror shall deliver 5 bound, one unbound, and electronic final audit reports to ACAP's Chief Financial Officer no later than April 15, 2021.

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, ACAP 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 shall be submitted separately. Include information indicating how the price was determined. For example, the Offeror shall 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. If e-mail is the method of submission, please send a separate e-mail with a subject line of Pricing Info for Audit RFP.**

F. Payment

Payment will be made when ACAP has determined that the total work effort has been satisfactorily completed. Should ACAP reject a report, ACAP'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.

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

Upon delivery of the copies of the final reports to ACAP 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 ACAP and its funding sources to ensure compliance with General Accounting Office's (GAO) Government Audit Standards and other appropriate audit guidance including OMB's Uniform Guidance and the State of Maine "MAAP Rules."

H. Exit Conference

An exit conference with ACAP'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 ACAP. 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 (3) 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, General Accounting Office and ACAP.

J. Confidentiality

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

“Engagement for audits of government grants, governmental 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, she/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/her report the fact that such requirements were not followed and the reasons therefore.”

III 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 person, and telephone numbers of prior organizations audited. Experience should include the following categories:

1. Prior experience auditing Community Action Programs within the last three (3) years. A short narrative must be provided describing the nature and extent of each engagement.
2. Prior experience auditing similar programs funded by the State of Maine.
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.

B. Organization, Size and Structure

The Offeror should briefly describe its organizational structure, history and size. Indicate, if appropriate, that the firm is a small or minority-owned firm. Offeror should provide a recent Peer Review with related findings.

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, and state(s) in which licensed as a CPA will be considered.

D. Understanding of Work to be Performed

The Offeror should describe its understanding of work to be performed, by including a Work Plan for the engagement, including audit procedures, estimated hours, billing rates and other pertinent information:

1. A narrative description of Offeror's understanding of the scope of work involved,

potential problem areas, and issues to be addressed during the contract negotiation process.

2. Principal staff to be assigned to the audit with details of their qualifications, their positions in the firm, planned responsibilities, approximate number of hours to be spent on this audit, and a list of the audits of federal programs in the past three years in which each staff member participated.
3. A narrative description of quality control systems to be used to assure that the audit will be performed fully and properly.
4. A narrative description of the key compliance areas for all grants and contracts to be addressed, detailed listing of testing, and a listing of testing procedures which will be used to arrive at conclusions upon each identified area.
5. A narrative description of sampling techniques to be used for testing purposes.
6. An outline of the tasks to be performed to achieve the audit objectives.
7. Time budgets showing estimated hours by staff level and a schedule of hourly rates for each staff level. The proposal should include hours and rates by major component areas such as compliance testing, field work, financial statement preparation and tax return preparation.
8. Travel expense budget.
9. Provide a copy of the most recent peer review report.
10. A narrative indicating the approximate start and end dates of the audit, including interim and year end. The successful bidder will be required at the end of the engagement to provide a breakdown of actual costs by audit component. Preliminary audit work is recommended and encouraged.
11. Given the Audit threshold requirements of Uniform Guidance and assessment of audit risk, the Offeror will indicate which programs will be tested. The Offeror will explain which programs were selected for Audit, why they were selected, and why others were omitted.

The Offeror must immediately amend or update any facts which have changed or which the firm has reason to believe will change between the time of submission of the bid and the award of the contract. Failure to do so may result in disqualification of Offeror's proposal.

E. Certifications

The Offeror must sign and include as an attachment to its proposal the Certifications enclosed with this RFP. ACAP desires to contract only with an Offeror who is already familiar with the publications listed in the Certifications, therefore, ACAP will not provide the publications to potential Offerors.

IV Proposal Evaluation

A. Submission of Proposals

All proposals shall include four (4) copies of the Offeror's technical qualifications, four (4) copies of the pricing information (in a separate sealed envelope), and four (4) copies of the signed Certifications. These documents will become part of the contract. If e-mailing the proposal, one copy is sufficient.

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 judgement by the reviewers that the proposed undertaking would comply with the Government Audit Standards "Standards for Audit of Governmental Organizations, Programs, Activities and Functions" of the U.S. Comptroller General (1988 Revision).

C. Proposal Evaluation

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

FACTOR	AVAILABLE POINTS
Capability of Offeror to provide experienced principal staff and to perform and report on the requested audit by the necessary deadline.	0 – 20
Capability of firm to provide ongoing services in a responsive manner throughout the year.	0 – 5
Breadth and depth of other firm services that can be provided (e.g., tax compliance and management advisory services).	0 – 5
Prior experience in auditing federally funded programs and providing other services to community action agencies in Maine within the last three (3) years.	0 – 10
Responsiveness to the provisions of the RFP and adequate identification of potential problem areas and tasks to be performed.	0 – 15
Adequacy of time budgets and utilization of staff levels.	0 – 5
Evidence of quality control systems in place to assure that the audit will be performed fully and properly.	0 – 10
Low Bid/Price	0 – 25
Small Business/Women/Minority–Owned	<u>0 – 5</u>
MAXIMUM POINTS AVAILABLE	100

D. Review Process

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

However, ACAP 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.

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

The Agency's review and evaluation of the proposals will be conducted by the Chief Executive Officer, Chief Financial Officer, Controller, and select designees from the Board of Directors as follows:

1. Written proposals will be reviewed and evaluated.
2. References may be contacted and evaluated.
3. A representative from the Offeror who best responds to the RFP may be asked to participate in oral discussions about the proposal and the work to be performed.

Should the successful Offeror be unable to accept the contract, the Offeror with the next highest total score will be offered the contract

V. Certifications

- 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 on 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 Audit Standards, “Standards for Auditing of Governmental Organizations, Programs, Activities and Functions” (1988 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 (2) 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.
- I. The individual signing certifies that he/she is aware of and will comply with GAO requirement of an external quality control (peer) review at least once every three years.
- J. The individual signing certifies that he/she has read and understands the following publications relative to the proposed audits:
 - 1. Government Audit Standards, “Standards for Audit of Governmental Organizations, Programs, Activities and Functions” (The Federal Yellow Book)
 - 2. 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards
 - 3. OMB Circular A-133, “Audits of Higher Education and Other Nonprofit Organizations” (61 FR 19134; April 30, 1996, effective July 1, 1996, applying to audits FYE on or after June 30, 1997)

4. "Guidelines for Financial and Compliance Audits of Federally Assisted Programs" (The Federal Red Book)
 5. "Compliance Supplement for Single Audits of State and Local Governments" (The Federal Green Book)
 6. OMB Circular A-110, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, and other Nonprofit Organizations" (November 1993 Revision and subsequent changes: 10/13/1994, 8/29/1997, 11/16/1999 & 5/11/2000)
 7. OMB Circular A-122, "Cost Principles for Nonprofit Organizations" (June 1, 1998 revision)
 8. "A Guide for Nonprofit Organizations:" Cost Principles and Procedures for Establishing Indirect Cost and Other Rates for Grants and Contracts with the Department of Health and Human Services; OASMB-5
 9. "Uniform Administrative Requirements Grants and Cooperative Agreements to State and Local Governments: (The new "Common Rule")"
 10. OMB Circular A-87, "Cost Principles for State and Local Governments"
 11. "Audits of Voluntary Health and Welfare Organizations" (AICPA Audit Guide)
 12. "Audits of Certain Nonprofit Organizations" (AICPA Audit Guide).
 13. "Administration of Grants, 45 CFR Part 74" (Health & Human Services)
 14. "10 CFR Part 600" (Department of Energy's Weatherization Assistance Program Requirements)
 15. Any regulations, publications, or audit guides that are relevant to specific programs to be audited. For example, if a Department of Health and Human Services program is to be audited, the Offeror should be familiar with the DHHS's requirements, and so on.
 16. "Maine Uniform Accounting and Auditing Practices for Community Agencies" - Department of Finance, State of Maine (MAAP) (including state department exceptions)
 17. AICPA Statement of Position 92-9, "Audits of Not for profit Organizations Receiving Federal Awards"
- K. The individual signing certifies that he/she has read and understands all of the information in this RFP, including the information on the programs/grants/contracts to be audited.
- L. 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).

- M. The individual signing certifies that the Offeror (does/does not) carry professional malpractice insurance.

(Offeror Firm Name)

(Signature of Offeror's Representative)

(Printed Name and Title of Individual Signing)