

**PASCO-HERNANDO WORKFORCE BOARD, INC.**  
**REQUEST FOR PROPOSAL**

**ISSUED February 14, 2014**

**RFP No. AU 13-14-01**

**FINANCIAL AND COMPLIANCE AUDIT**

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**DATES TO REMEMBER**

- **Question and Answer Period- February 14 – February 28, 2014**
- **Non- Mandatory Pre-Proposal Conference- February 26, 2014**
  - **10:00 am at PHWB administrative office**  
3185 Premier Drive, Brooksville, Florida 34604
- **Due Date- March 5, 2014, at 1:00 P.M.**

**Submittal Deadline:** March 5, 2014 at 1:00 P.M. The Selection Committee will meet March 7, 2014 at 8:30 a.m. at the PHWB administrative office.

All responses are to be submitted to the address and contact person listed below. **Please reference Section III (C) for detailed instructions.**

Question and Answer period will be through February 28, 2014. Questions can be received by email to [dweiss@careersourcepascohernando.com](mailto:dweiss@careersourcepascohernando.com). The questions and answers will be posted on our website at [careersourcepascohernando.com](http://careersourcepascohernando.com).

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## **SECTION I - SUMMARY**

The Governing Board of Pasco-Hernando Workforce Board, Inc. (PHWB) is requesting sealed proposals from qualified Certified Public Accountants to perform audit services, which are described in Section IV. The audit services are to cover the fiscal year ending June 30, 2013. PHWB may also request additional services, on an agreed upon procedures basis, so long as providing those services does not interfere with the firm's and the *Government Auditing Standards* (GAS) independence requirements for the fiscal year beginning July 1, 2013 and ending upon completion of the audit engagement. It is anticipated that similar services will be contracted annually on the same terms for two (2) additional fiscal years ending June 30, 2016.

The qualified firm will be selected by the PHWB Selection Committee and presented to PHWB's Board for approval. The award of this contract is open to qualified certified public accountants, provided that they have the demonstrated ability to successfully perform the services required in this document.

The purpose of this Request for Proposals is to solicit bids from licensed audit firms to conduct the required financial audits and to perform the agreed upon procedures engagements. A proposal must address all information requested in this RFP. A proposal may add information not requested in this RFP, but the information should be in addition to, not instead of, the requested information and format.

Any questions regarding this RFP should be directed to Dianne Weiss by email at [dweiss@careersourcepascohernando.com](mailto:dweiss@careersourcepascohernando.com). All questions and answers will be posted to the PHWB website, [www.careersourcepascohernando.com](http://www.careersourcepascohernando.com). To respond to this RFP, an interested party should submit 1 original and 3 copies of their proposal to:

**Dianne S. Weiss, Sr. VP Finance & Admin  
Pasco-Hernando Workforce Board, Inc.  
3185 Premier Drive  
Brooksville, FL 34604**

**Proposals must be received at PHWB, Inc. offices by 1:00 P.M. on March 5, 2014.**

## **SECTION II – BACKGROUND**

### **A. PHWB Overview**

PHWB is a 501(c)(3) Florida non-profit corporation. PHWB is designated the Administrative Entity and Fiscal Agent by the Pasco and Hernando Boards of County Commissioners for local workforce development programs under the Federal Workforce Investment Act of 1998 (Public Law 105-220) and the Florida Workforce Innovation Act of 2000. As a local workforce development board, PHWB provides policy, guidance, and oversight for workforce development programs in Pasco and Hernando Counties, Florida (Region 16).

The audit for the year ended June 30, 2013 will be available for reference.

### **B. Workforce Development Region 16**

PHWB is one of twenty-four regional workforce development boards (WDB) in Florida. Pasco and Hernando County Boards of County Commissioners designate and appoint members to the Board of Directors of PHWB. PHWB board members are from private business, education, economic development; labor organizations, community based organizations, state agencies, and other individuals as required who are responsible for developing a regional workforce development system. Criteria for composition of the Board are set forth in Section 117, Chapter 2, Subtitle B, Title I of the Workforce Investment Act of 1998 and the Workforce Innovation Act of 2000, *Florida Statutes Section 445.007*. The Board was chartered by Workforce Florida Inc. (WFI) to provide strategic planning and oversight of local WIA initiatives including youth activities, high skills/high wage jobs, one-stop career centers, and the local welfare reform program.

The Department of Economic Opportunity (DEO) assists WDBs in complying with the Federal and State Single Audit Acts and ensures that its duties as a pass-through entity (as defined in these Acts) are accomplished. In addition, CareerSource Florida, Inc. and DEO have established special guidelines concerning audit quality that WDBs are expected to follow.

**C. Identification of funds to be audited**

1. The projected funds to be audited for the fiscal year ended June 30, 2014 are as follows:

<b>Program Title/Description</b>	<b>CFDA * Number(s)</b>	<b>Projected Funds</b>
Department of Economic Opportunity (DEO)- Workforce Investment Act	17.258-17.278	\$ 5,123,292
Department of Economic Opportunity (DEO) – Trade Adjustment Assistance	17.245	\$ 187,980
Department of Economic Opportunity (DEO)- Wagner-Peyser	17.207	\$ 906,771
Department of Economic Opportunity (DEO) –Veterans Programs	17.801-804	\$134,000
Department of Economic Opportunity (DEO) –Re-employment Assistance (Formerly Unemployment Compensation)	17.225	\$300,269
Department of Economic Opportunity (DEO) – Supplemental Nutrition Assistance Program	10.561	\$210,000
Department of Economic Opportunity (DEO) -Welfare Transition Program	93.558	\$2,018,867
U. S. Department of Labor– Direct Grants	Various	<u>\$981,786</u>
<b>Total Projected Funding</b>		<u><b>\$ 9,862,965</b></u>

2. The following is a listing as of February 7, 2014 of service provider contracts (sub recipients) that are required to have audits of their organizations in accordance with OMB Circular A-133 because the threshold level of \$500,000 (combined federal funding) will be exceeded:

<b>Service Provider</b>	<b>CFDA * Number(s)</b>	<b>Contract Value</b>
Goodwill Industries-Suncoast, Inc.	17.258-17.278, 93.558, 10.561	\$ 4,636,881
<b>Total Contracts/Grants Awarded</b>		<u><b>\$ 4,636,881</b></u>

\* - Catalog of Federal Domestic Assistance

#### **D. Nature of This RFP**

This RFP sets forth minimum standards for a proposal. A Selection Committee consisting of members of the Board's Audit/Finance Committee will evaluate the proposals and select the firm. PHWB's Board will then approve the execution of a contract with the chosen firm.

### **SECTION III - INSTRUCTIONS TO PROPOSERS**

#### **A. GENERAL**

1. All proposals must be made in accordance with the conditions of this RFP. Failure to address any of the requirements is grounds for rejection of the proposal.
2. All information should be as complete, specific, and concise as possible.
3. Proposals may include any additional information that the respondent deems pertinent to the understanding and evaluation of the bid.
4. The Audit Committee of PHWB may modify this RFP or issue supplementary information or guidelines during the proposal preparation period prior to March 5, 2014.
5. Proposals shall present firm offers valid for 90 days from March 5, 2014. Once submitted, proposals cannot be altered without the written consent of PHWB.
6. The Selection Committee expects to select a firm subject to PHWB Board ratification on March 20, 2014.
7. The contract with PHWB should be fully executed by April 30, 2014.
8. PHWB expects, based on past experience, that no more than three months would be needed to complete the audit through submission of the final audit report.
9. PHWB reserves the right to reject any and all proposals.

#### **B. BASIS OF PROPOSALS**

1. The firm must be qualified according to rules and regulations of the State of Florida and Government Auditing Standards, which require external peer reviews.
2. The firm must have a background and experience in providing financial and compliance auditing services to governmental and non-profit organizations.

3. Individuals assigned to the audit should be qualified to perform an audit under Government Auditing Standards and be familiar with the workforce development programs and related regulations.
4. The firm must be independent and free of conflicts of interest in discharging professional responsibilities. Independent is specifically defined in Rule 101 of the Code of Professional Conduct issued by the American Institute of Certified Public Accountants and Section 303 of Government Auditing Standards.
5. PHWB recognizes that prospective proposers may be under contract to perform financial statement and compliance audits of one or more local service provider recipients of PHWB revenues and does not consider that circumstance as compromising the independence of such proposers.

### **C. SUBMITTAL OF PROPOSALS**

1. One original and three copies of the proposal must arrive at the address specified in Section I by 1:00 P.M. on March 5, 2014. An electronic version in Word or PDF format should be provided on compact disc or flash drive.
2. Proposals received after the time and date specified may not be considered.

### **D. PRE-PROPOSAL CONFERENCE AND INTERVIEWS**

1. The pre-proposal conference is intended to provide all potential respondents with information and clarifications prior to their preparation of the RFP proposal. This conference is scheduled for February 26, 2014 at 10:00 AM in the conference room at the offices of PHWB, 3185 Premier Drive, Brooksville, FL 34604.
2. At the Selection Committee's option, PHWB may interview proposers. The interviews will be for the purpose of clarifying the proposals to PHWB's Board.
3. Submittal of new material at an interview will not be permitted.

## **SECTION IV - SCOPE OF WORK**

### **A. OBJECTIVES**

It is the intent of PHWB to contract with an experienced, qualified licensed CPA firm for financial and compliance audits of PHWB's financial statements.

#### ***Independent Auditing Services***

The audits are to be performed in accordance with generally accepted auditing standards and the most current revision of Governmental Auditing Standards

issued by the Comptroller General of the United State, Government Accountability Office

In addition, the audits are to be performed in accordance with OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", most current revisions issued by the U.S. Office of Management and Budget. The Single Audit Act of 1984, Public Law 98-502, and any Single Audit Act Amendments.

Also, each Audit shall comply with the Florida Single Audit Act, FS 215.97, and Chapter 10.600, Rules of the Auditor General, most current revisions.

## **B. WORK STATEMENT**

The selected audit firm shall perform a financial and compliance audit of PHWB's financial statements for the fiscal year ending June 30, 2014, with options for two additional fiscal years. At the end of the three years, an option to extend for two additional years may be offered. Each year the auditor should perform financial audits in order to express an opinion on whether the financial statements of PHWB are presented fairly in conformity with accounting principles generally accepted in the United States. Each year's audit should also cover compliance with laws, regulations, contracts, grants, and internal controls. Audit guidelines and other requirements are described in Paragraphs 1 through 3 below.

### **1. Financial and Compliance Audit Requirements**

- a. Financial Statement Audit - The examination of financial statements of PHWB shall be conducted in accordance with OMB Circular A-133. The examination shall be conducted in accordance with generally accepted auditing standards and Government Auditing Standards
- b. Compliance Audit - The selected audit firm shall conduct compliance audits as required in Section IV A above, subject to Government Auditing Standards, and shall prepare a report on PHWB's compliance with the applicable laws and regulations. Specific test required by PHWB's Board include:
  1. Test PHWB's reconciliation of its financial records to the One Stop Management Information System (OSMIS) maintained by DEO. The notes to the audit report must include supplementary information describing the reconciliation done by PHWB.
  2. Examine the status of compliance with state and federal laws governing structure, functions, and mission of PHWB and report any material noncompliance.

3. Prepare and submit a Management Letter for those findings and observations not included in the audit report, as opposed to providing only a verbal briefing. The Management Letter should be addressed to the Board.
- c. Preparation of Form 990 – The selected firm, with assistance from PHWB staff, will prepare the 990 for submission.

#### 4. PHWB Support

- a. PHWB will assist the selected audit firm in locating required records, documentation and supporting information within its possession. The selected firm will be responsible for scheduling times to review material in possession of service providers.
- b. PHWB will work to ensure that the selected firm receives cooperation from staff and the service providers in the conduct of the audits.
- c. Throughout the audit engagement, PHWB's Sr. VP Finance & Admin will coordinate and support the audit including; clarifying PHWB's organizational structure; providing contact information such as the names and phone numbers of personnel who can provide the information or documents needed during the audit; providing the auditor reports from the Accounting System; obtaining the summary reports, schedules and supporting documentation requested in advance; and arranging all audit status meetings.
- d. PHWB will provide the auditor with reasonable working space, tables, and chairs.
- e. PHWB will provide the auditor with access to telephones, photocopiers, and fax machine.

### **C. DELIVERABLES**

1. The auditor will issue a Summary Report highlighting for the Audit/Finance Committee the audit, significant findings and issues that arise during the audits and recommendations to the Audit/Finance Committee. This report will be sent to the President/CEO and Sr. VP Finance & Admin in draft form. Within thirty days, the President/CEO and Sr. VP Finance & Admin will provide comments on the report to the firm. The firm will then revise the draft report and send the Audit Committee a final Summary Report.
2. The auditor must issue an individual report, containing the information described below, for each Audit Committee member:



- (a) An opinion (or disclaimer of opinion) as to whether the financial statement(s) of PHWB are presented fairly in all material respects in conformity with the stated accounting policies;
  - (b) A report on internal control related to the Federal and/or State programs, which shall describe the scope of testing of internal control and the results of the tests;
  - (c) A report on compliance which includes an opinion (or disclaimer of opinion) as to whether PHWB complied with laws, regulations, and the provisions of contracts or grant agreements which could have a direct and material effect on the Federal and/or State program; and
  - (d) A schedule of findings and questioned costs for the Federal and/or State program that includes a summary of the auditor's results relative to the Federal program in a format consistent with 505(d)(1) and findings and questioned costs consistent with the requirements of 505(d)(3) of OMB Circular A-133., revised June 27, 2003.
3. Prepare and submit a Management Letter for those findings and observations not included in the audit report, as opposed to providing only a verbal briefing. The Management Letter should be addressed to the Board.
  4. An exit conference with representatives of PHWB will be held at the conclusion of the fieldwork.
  5. The selected firm should adhere to the following schedule for the above deliverables:

<b>Description</b>	<b>Due Date</b>
Commencement of annual Audit	August 2014
Submit Financial and compliance audit report draft to the President/CEO and Sr. VP Finance & Admin	October 2014
Final Financial and compliance audit report to the Audit/Finance Committee	November 2014
Submit Form 990 to President/CEO for review and submission	November 1, 2014
Final audit report presented to Board of Directors for approval	December 2014
Submit two copies of the audit report to CareerSource Florida and DEO and U.S. Department of Labor (DOL) along with management's corrective action plan, management letter (if applicable) and the audit transmittal letter	December 2014

## SECTION V - PROPOSAL FORMAT AND CONTENTS

### A. CONTENTS OF PROPOSAL

Submitted proposals must follow the format outlined below and all requested information must be supplied. Failure to submit proposals in the required format will result in the proposal being eliminated from evaluation and consideration.

#### 1. Technical Proposal

Cover Letter - Must include the name, address, and telephone number of the company, and must be signed by the person or persons authorized to represent the firm.

Table of Contents - Clearly identify material contained in the proposal by section and page number.

Summary (Section I) - State overall approach to the audit, including the objective(s) and scope of work to be performed.

Firm Contact Information (Section II) - Provide the following information on the firm:

- Address and telephone number of office nearest to Spring Hill, Florida
- Name of firm's representative designated as the contact.
- Name of the project manager, if different from the individual designated as the contact.

Program Schedule (Section III) - Provide projected milestones or benchmarks for completing the audit within the total time allowed.

Firm Organization (Section IV) - Provide a statement of your firm's background and experience in providing auditing services to governmental and non-profit organizations. Describe the technical capabilities of the firm, and, in particular, the firm's exposure to working with workforce development regulations, if any. Provide references of other similar completed audits including contact name, title, and telephone number for the references listed.

Project Organization (Section V) - Describe the proposed management structure, program monitoring procedures, and organization of the engagement team. Provide a statement detailing your approach to the audit and performance reviews. Specifically address the firm's ability and willingness to commit and maintain staffing to successfully conclude the audit and performance reviews on the proposed schedule.

Assigned Personnel (Section VI) - Provide the following information on the staff to be assigned to the audit:

1. List all key personnel assigned by level and name. Provide a description of their background, along with a summary of their experience in auditing non-profit and governmental agencies, auditing in general and any specialized expertise they may have.
2. Provide a statement of the availability of staff in a local office with requisite qualifications and experience to conduct the requested financial and compliance audits and performance reviews.
3. Provide a statement of the education and training program provided to, or required of, the staff identified for participation in the engagement, particularly with reference to governmental accounting and auditing, governmental practices and procedures, and workforce development regulations.

Retention of Working Papers (Section VII) -- All working papers are the property of PHWB. Include a statement acknowledging that if your firm is awarded a contract, you will retain the audit work papers and related audit reports for a minimum period of five years. Working papers must be provided to PHWB in electronic format at the completion of the audit. The Department of Economic Opportunity (DEO) requires these working papers to be maintained by PHWB and available for their review.

Subcontractors (Section VIII) -- List any subcontractors that will be used, the work to be performed by them, and total number of hours or percentage of time they will spend on the project.

Conflict of Interest (Section IX) -- Address possible conflicts of interest with other clients affected by actions performed by the firm on behalf of PHWB. The Audit Committee recognizes that prospective proposers may have contracts to perform financial statement and compliance audits for local governments and other recipients of PHWB's revenues. Include a complete list of such clients for the past three years with the type of audit performed and the total number of years performing such audits for each client. The Audit/Finance Committee reserves the right to consider the nature and extent of such work in evaluating the proposal.

Additional Data (Section X) -- Provide a copy of the firm's most recent peer review report. Provide a statement and/or explanation of disciplinary actions taken by the Florida State Board of Accountancy within the last three years, if any. Provide other essential data that may assist in the evaluation of the proposal.

## **2. Cost Proposal**

Name and Address - The Cost Proposal must list the name and complete address of the bidder in the upper, left-hand corner.

The Cost Proposal must use the following format:

	<u>Task Price</u>
Financial and Compliance Audits Fiscal Year Ended:	
June 30, 2014	\$ xx,xxx
June 30, 2015	xx,xxx
June 30, 2016	<u>xx,xxx</u>
Total Cost of Audit Services	<u>\$ xx,xxx</u>

Preparation of Form 990 - List price for each year

In addition, a list of the fully burdened hourly rates and the total number of hours estimated for each level of professional staff to be used to perform the audits and external monitoring reviews must be provided in the proposal.

### **B. PROPOSAL SUBMISSION**

All proposals must be submitted according to specifications set forth in Section V(A) - Content of Proposal and this section. Failure to adhere to these specifications may be cause for the rejection of the proposal.

Signature - An authorized representative of the bidder should sign all proposals.

Due Date - All proposals are due no later than 1:00 p.m., March 5, 2014 and should be directed to:

**Dianne S. Weiss, Sr. VP Finance & Admin**  
**Pasco-Hernando Workforce Board, Inc.**  
**3185 Premier Drive**  
**Brooksville, FL 34604**

Submit one (1) signed original and three (3) duplicate complete copies of the proposal, along with a compact disc or flash drive, in a sealed envelope, plainly marked in the upper, left hand corner with the name and address of the bidder and the words “**PHWB Audit Proposal.**”

Late proposals will not be accepted. Any correction or re-submission of proposals will not extend the submittal due date.

Addenda – PHWB may modify this Request for Proposals (RFP) and/or issue supplementary information or guidelines relating to the RFP during the proposal preparation period.

Grounds for Rejection - A proposal may be immediately rejected if it is received at any time after the deadline; it is not in the prescribed format; or it is not signed by an individual authorized to represent the firm.

Disposition of Proposals - All responses to this RFP become the property of PHWB.

Modification - Once submitted, proposals, including the composition of the contracting team, cannot be altered without prior written consent of PHWB. All proposals shall constitute firm offers valid for 90 days from March 5, 2014.

## **SECTION VI - PROPOSAL EVALUATION**

The Selection Committee will evaluate all proposals and recommend the selection of the contractor to PHWB's Board. PHWB's Board must approve the contract to carry out the work described in this RFP.

Proposals will be evaluated on the following criteria:

<b><u>Evaluation Factor</u></b>	<b><u>Point Range</u></b>
<b>1. Recent Audit Experience.</b>	<b>0-25</b>
(a) Recent experience auditing Work Force Development programs operated by Employment and Training and/or Workforce Development agencies.	
(b) Prior experience auditing programs financed by the Federal Government.	
(c) Prior experience auditing nonprofit organizations.	
(d) Providing references of other similar completed audits including contact name, title, and telephone number and email address for the references listed.	
<b>2. Organization, size, and structure of firm.</b>	<b>0-5</b>
(a) Adequate size of the firm (Considering size in relation to audits to be performed)	
(b) Small, Minority and/or Women-owned business utilization.	
<b>3. Qualifications of staff</b>	<b>0-25</b>
(a) Audit team makeup, education, position in firm, years and types of experience, continuing professional education, and Governmental audit qualifications will be considered.	

- (b) Quality control procedures, results of peer review and overall supervision to be exercise.
- (c) Prior experience of the individual audit team members, their experience in auditing non-profit and governmental agencies, auditing in general and any specialized expertise they may have.

**4. Understanding of work to be performed. 0-10**

- (a) Adequate audit coverage, projected milestones or benchmarks for completing the audit within the total time allowed.
- (b) Realistic time estimates of each audit phase and task.

**5. Cost. 0-35**

**Total Maximum Points 100**

The Selection Committee reserves the right to reject any and all proposals submitted and/or request additional information.

During the selection process, the Selection Committee may wish to interview proposers. The interviews will be for clarification only. The submittal of new material will not be permitted at that time.

If two or more proposals receive the same number of points, the Selection Committee will accept the lower cost offer.