

**Quaker Valley Council of Governments  
Request for Proposals  
Auditing Services  
December 14, 2016**

**Introduction**

The Quaker Valley Council of Governments (QVCOG) is seeking proposals for an independent audit of the QVCOG for the years ended December 31, 2016, 2017 and 2018.

The 2015 Audited Financial Statements (the audit report) sufficiently describes the Council of Governments - the form of government, funds, accounting policies, and other appropriate information.

The report can be found on the COG website:

[http://www.qvcog.org/uploads/7/4/0/4/74046139/2015\\_financial\\_statements.pdf](http://www.qvcog.org/uploads/7/4/0/4/74046139/2015_financial_statements.pdf)

**Instructions and Schedule**

All proposals in response to this RFP must be received by the COG in writing; three (3) copies of the proposal must be submitted.

Proposals must be submitted by January 31, 2017, 4:00 PM to:

Susan G. Hockenberry  
Executive Director  
Quaker Valley Council of Governments  
8306 Ohio River Boulevard  
Pittsburgh, PA 15202  
direct: 412.766.7460  
412.766.7458  
shockenberry@qvcog.org

Proposals received prior to the submittal deadline will be treated as confidential up to the proposal submittal date.

Proposals received after the deadline will not be considered in the evaluation process.

The contract award is anticipated to be made at the February 15, 2017 Quaker Valley COG meeting.

General and/or technical questions related to this RFP or about the COG may be directed to the QVCOG contact person listed above.

If the Bidder takes exception to any statements or requests herein, it must be clearly stated in the proposal.

The QVCOG reserves the right to request additional information about any Bidder as reasonably required, or the right to request and conduct interviews.

The QVCOG will not be liable for any costs incurred by any Bidder in connection with this RFP or any proposal by any Bidder. The expenses incurred by Bidders in preparation, submission, or presentation are the sole responsibility of Bidder.

The QVCOG shall not be liable for any costs not included in the proposal nor contracted for subsequently.

Bidders are reminded that the specifications stated in this RFP are the minimum level required and that bids submitted must be for services that meet or exceed the minimum level of all features specifically listed. Proposals offering less than the minimums specified are not responsive.

It is the responsibility of all Bidders to examine the entire RFP and seek clarification of any requirement that may not be clear and to check all responses for accuracy before submitting a proposal. Negligence in preparing a bid confers no right of withdrawal after the submission deadline. Bidders are strongly encouraged to: (i) consider applicable laws and/or economic conditions that may affect cost, progress, and performance; (ii) correlate Bidder's knowledge and observations with the RFP document and other related data; (iii) promptly notify the QVCOG of all conflicts, errors, ambiguities, or discrepancies which a Bidder has discovered in or between this RFP and such other related documents.

The QVCOG reserves the right to i) waive any immaterial defect or informality; ii) reject any or all bids or portions thereof; or iii) reissue a solicitation.

### **Scope of Audit**

The audit will be performed in accordance with generally accepted auditing standards. If applicable, single audit work will be performed in accordance with generally accepted governmental auditing standards and must meet all federal audit requirements.

The audit report for the QVCOG will express an opinion on the financial position of the governmental activities and each fund. All such financial statements will be prepared in accordance with generally accepted accounting principles.

The QVCOG's accounting software, Quickbooks, handles the accounting records and auditors access will be provided to the cloud based application. Payroll records will be provided by the QVCOG as prepared by its payroll service.

Single Audit-Currently, the QVCOG does not believe it has a need for a single audit. However, the QVCOG administers Community Development Block Grants and the bidder should gain sufficient understanding during the bid process to determine if a Single Audit is included in their proposal.

### **Schedule**

The auditor will provide a completed report by June 15, 2017.

The earliest date field work may begin is the first week of March. Field work must be substantially complete by May 15, 2017.

Adjusting journal entries and audited account balances must be made available to the QVCOG by May 30 so the QVCOG may post them to the general ledger prior to final report. Auditor will reconcile audit report to general ledger.

### **Audit Assistance**

The QVCOG's Executive Director will prepare schedules and reconciliations for the final audit work. The QVCOG and firm will agree upon a list of schedules and reconciliations prior to the start of work.

The QVCOG's Quickbooks system will be available to generate trial balances, revenue/expenditure reports.

The Notes to Financial Statements will be written by the firm and reviewed in draft by the Executive Director and, if appropriate, edited in coloration with firm for clarity and readability.

### **Other Audit Considerations**

The proposal should describe the audit goals and objectives, audit approach and basic provisions of the audit work plan. The rationale for and strengths of the auditor's audit approach should be detailed.

The proposal should detail, for the first year at a minimum, the number of hours estimated for each member of the audit team. This estimate should include all review and support functions.

The QVCOG reserves the right to review the audit program prior to the performance of the audit.

The auditor will be required to lead and assist in the annual conversion of the standard and appropriate financial statement presentation pursuant to GASB 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.

The auditor shall assist as necessary in the implementation of new GASB standards applicable during the term of the audit services.

The QVCOG expects that, should matters come to the attention of the auditor, a management letter will be issued. Any significant management letter comments must be reviewed with the Executive Director before the issuance of the letter.

### **Additional Services**

It is expected that the auditor retained be available throughout the year for consultation on financial matters as appropriate.

Working papers must be maintained for a minimum of three (3) years after the completion of the services, and must be made available for examination at the request of the QVCOG.

Any specialized grant requirements beyond the scope of this RFP will be negotiated separately, as will any special consultation projects.

### **Professional Qualifications**

The proposal must describe the professional qualifications of the auditor. At a minimum, the following points must be addressed:

Affirmation that the Bidder is a CPA or firm of CPAs and meets the independence standards of the GAO Standards for Audit.

Affirmation that the individual(s) who may be assigned to provide the auditing services meet the continuing education requirements stipulated by the AICPA, Commonwealth of Pennsylvania and the GAO yellow book.

Affirmation that an independent quality review (or peer review) under the auspices of the AICPA or PICPA has been completed within the past two years and received an unqualified report without a letter of comments. A copy of this report may be requested by the QVCOG.

Description of any record of any adversely resolved regulatory enforcement actions, or evidence of recent substandard audit work, including, but not limited to, any incidence of restatement of financial statements by successor auditors for corrections of errors on financial statements on which the proposer has previously opined.

Description of local auditor, including size, organization, activities performed, and appropriate contact information.

The proposal should also describe recent auditing experience of the local office similar to the type requested in this RFP, and should include references for such local work.

The proposal should identify the audit staff to be assigned to this engagement and should briefly describe the relevant experience of each staff member. If resumes are to be included in the proposal, they should be attached as an appendix.

The auditor must possess all valid certifications and/or licenses required by applicable law related to the operation of the business or performing auditing services at the time of submission deadline.

The proposal should include a list of government clients, and should indicate current clients.

Each Bidder is required to state if it has ever been debarred, fined, or had a contract terminated by any federal, state, or local government, or private entity. If any of the previous has occurred, please provide details of each such matter with the proposal.

### **Compensation and Terms of Payment**

Fees for audit services are to be proposed for each of the three (3) years individually.

In addition, an estimate of any expected out-of-pocket costs should be made if additional costs will be incurred by the QVCOG for these costs.

The fees proposed for the audits are firm for the entire three (3) year term.

Progress billings may be made monthly and payment will be within 30 days of receipt of billing.

### **Evaluation of Proposals**

The QVCOG will consider the following criteria in evaluating proposals:

1. Professional qualifications
2. Experience record with an emphasis on governmental knowledge and comprehension
3. Technical expertise with an emphasis on governmental knowledge and comprehension
4. Resources and capabilities
5. Summary of costs
6. Organization and management plan
7. Responsiveness to the RFP
8. Any other criteria deemed appropriate by the QVCOG in its sole discretion

Proposals will first be evaluated for professional qualifications, including but not limited to the understanding of the work to be performed, governmental experience, responsiveness to the RFP, and technical experience and staff qualifications with an emphasis on governmental audit credentials.

Following the evaluation of professional qualifications, the auditor's past experience with government engagements and the proposed costs will be evaluated.

If necessary, oral interviews will only be required after the evaluation is completed.

The QVCOG is not required to accept the lowest cost proposal.

The QVCOG contact for the submission of proposals is:

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