

February 7, 2017

Request for Proposal (RFP)
Auditing Services



915 SW 3rd Ave
Ontario, OR 97914
(541) 889-9555
FAX: (541) 889-0768

www.communityinaction.info

Dear Sir or Madam:

Our organization is accepting proposals from CPA firms to provide audit and tax services for our organization in the year ending 2017. We invite your firm to submit a proposal to us by 2-27-2017 for consideration. Note that the audit committee of the organization's board of directors (audit committee) is the decision-maker in the hiring of the organization's auditor. The organization is acting at the direction of the audit committee in offering this request for proposal (RFP). A description of the organization, the services needed, and other pertinent information follow.

Background of Community in Action

Community in Action (CinA) is a private non-profit agency incorporated in 2009 under the Internal Revenue Service Code Section 501(c)(3) to mobilize human and financial resources at local, state, and federal levels to benefit disadvantaged persons residing in Harney and Malheur counties. The Board of Directors is required to consist of membership evenly distributed among these areas: elected public officials; representatives of the economically disadvantaged; and members of business, industry, labor, religion, welfare and education. Annual revenues are approximately \$3 million year, and the organization employs 18 people in 2 locations.

The organization has a June 30 fiscal year-end, with a requirement to file an audited financial statement with the board and federal/state funders by September 30 of each year.

Services to Be Performed

Your proposal is expected to cover the following services:

1. Annual audit and financial statements to be completed in accordance with aforementioned filing requirement(s) and meetings with audit committee and board of directors as necessary.
2. Tax filings for the organization.
3. Auditor evaluation of and reporting on the internal control over financial reporting including compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards, Independent Auditor's Report on Compliance for each major program and on internal control over compliance in accordance with requirements by the Uniform Guidance,

Schedules of Expenditures of Federal Awards, notices to schedule of expenditures of Federal Awards, Schedule of findings and questioned costs, schedule for prior audit findings.

4. Attendance at and reporting to the audit committee twice each year.

Key Personnel

Following is a list of key persons you may wish to contact with respect to this engagement.

Barb Higinbotham Executive Director 1-541-889-1060, Ext. 101

Farideh Alvijah Fiscal Administrator 1-963-7942 Ext. 46

For control purposes, we ask that you coordinate requests for additional information with the Key persons listed above.

Relationship with Prior CPA Service Provider

These services have been provided by Lewis, Poe, Moeller, Gunderson & Roberts, LLC, Certified Public Accountants. That firm is currently providing the services to our organization. In preparing your proposal, be advised that management will give you permission to contact the current auditors.

CinA is required to periodically submit an RFP for auditing services. CinA is fulfilling this requirement by utilizing this RFP process and has no dissatisfaction with the current audit firm. If respondents choose to request additional information from the current audit firm, a nondisclosure agreement may be created with the CPA firm.

Other Information

The audit contract will be awarded by CinA on or about March 15, 2017. The audit shall be scheduled to commence no later than September 1, 2017. The audit report must be completed and submitted to CinA in draft form ten (10) business days prior to an exit conference with the audit committee, which shall be conducted no later than September 30, 2017. The draft report shall not be transmitted to any other entity, agency or person without express authorization from CinA.

Your Response to This Request for Proposal

In responding to this request, please provide the following information:

Background on the Firm

1. Detail your firm's experience in providing auditing and tax services to entities in the not-for-profit sector, as well as associations of a comparable size to Community in Action's organization, including those with international memberships.
2. Provide information on whether you provide services to any related industry associations or groups.
3. Discuss the firm's independence with respect to Community in Action's Organization.
4. Discuss commitments you will make to staff continuity, including your staff turnover experience in the last three years.

5. Identify the five largest not-for-profit clients your firm (or office) has lost in the past three years and the reasons. Also, discuss instances when loss of the client was due to an unresolved auditing or accounting matter. Explain your strategies to resolve the issue(s).
6. Identify the partner, manager, and in-charge accountant who will be assigned to our job if you are successful in your bid; provide biographies for these individuals. Indicate any complaints that have been leveled against them by the state board of accountancy or other regulatory authority, if any. Indicate any corrective actions that have been taken by the firm with respect to these individuals.
7. Describe how your firm will approach the audit of the organization, including the use of any association or affiliate member firm personnel and the areas that will receive primary emphasis. Also, discuss the firm's use of technology in the audit. Finally, discuss the communication process used by the firm to discuss issues with the management and audit committees of the board.
8. Furnish current standard billing rates for classes of professional personnel for each of the last three years, including an expense policy describing how incidental costs (for example, travel and mileage) are billed.
9. Describe how you bill for questions on technical matters that may arise throughout the year.
10. Provide the names and contact information of other similarly sized not-for-profit clients of the partner and manager that will be assigned to our organization.
11. Describe how and why your firm is different from other firms being considered, and why our selection of your firm as our independent auditors is the best decision we could make.
12. Describe how your firm will prioritize the work you do for CinA.
13. Include a copy of your firm's most recent Peer Review report, the related letters of comments, and the firm's response to the letters of comments.
14. Describe the firm's approach to the resolution of technical disagreements (*a*) among engagement personnel, and (*b*) between the firm and the not-for-profit client.
15. Explain how you monitor and maintain your independence on an ongoing basis.
16. Finally, please submit information on the firm's liability insurance coverage.

Experience in Our Industry

1. Please list other Community Action Agencies that you have performed audit services for in the past 24 months. Identify which agencies, the contact person, and contact information.
2. Identify how you have become familiar with the regulations and general government regulations including Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, cost Principles, and Audit Requirements for Federal Awards.
3. Please identify experience you have with non-profits or Community Action Agencies that utilize the de minimis cost methodology.

Expected Approach to This Audit

1. Identify the partner, manager, and in-charge accountant who will be assigned to this audit if you are successful in your bid, and provide biographical material for each. Indicate

any complaints against them that have been leveled by the state board of accountancy or other regulatory authority, if any. Indicate any corrective actions that have been taken by the firm with respect to these people.

2. Describe how your firm will approach the audit of the organization, including the use of any association or affiliate member firm personnel.

3. Set forth your fee proposal for the 2017 audit with whatever guarantees you offer regarding fee increases in future years. Provide your proposed fee for the review and corporate tax preparation. Ensure that the fee as proposed is sufficient to cover the work that you expect to perform if you are awarded this audit.

Evaluation of Proposals

The Audit Committee of the Board of Directors of Community in Action will evaluate proposals on a qualitative basis. This includes a review of the firm's peer review and related materials, interviews with senior engagement personnel to be assigned to our organization, results of discussions with other clients, and the firm's completeness and timeliness in its response to us. Finally, please submit information on the firm's liability insurance coverage.

If you choose to respond to this request, please ensure it reaches the office by February 27, 2017. Provide one original, signed version and three copies of your response in a sealed envelope marked "CinA Audit Response 2017". A copy of the RFP will be made available at the office located at 915 SW 3rd Avenue in Ontario, OR 97914, if you need to review it. Responses received after February 27, 2017 at 4:00 p.m. MST will be returned unopened.

Sincerely,

Barb Higinbotham
Executive Director
Community in Action