

## REQUEST FOR PROPOSAL OF AUDIT

Community Action Kentucky, Inc. is requesting proposals for the completion of a single agency audit and income tax preparation. The scope of the audit is from July 1, 2020, to June 30, 2021. Proposals should be received by 5:00 PM EST, November 15, 2021.

Proposals should be sent to:

Attn: Audit2020  
Community Action Kentucky, Inc.  
101 Burch Court  
Frankfort, KY 40601

Emailed submissions will be accepted at: [audit2020@capky.org](mailto:audit2020@capky.org)

Only licensed Certified Public Accountants (CPA's) or licensed firms may submit proposals. Any costs incurred by the firm in preparing the RFP are the responsibility of the applicant.

Questions regarding the proposal or to request a copy of the last audit should be directed to Roger McCann at [audit2020@capky.org](mailto:audit2020@capky.org).

Upon delivery, all materials submitted in response to this RFP become the property of CAK and may be appended to any formal documentation establishing a contractual relationship between CAK and the audit firm. The audit firm shall not submit any information that is of a proprietary nature or mark its proposal as proprietary or confidential.

The audit firm agrees in submitting a proposal that the proposal may not be modified, withdrawn, or canceled by the firm for one hundred eighty (180) calendar days following the submittal date. The firm's proposal will be valid for a period of one hundred eight (180) calendar days following the submittal date.

Each proposal will be reviewed and ranked. Community Action Kentucky expects to select an audit firm by November 30, 2021. CAK reserves the right to reject any or all responses received or any part thereof or to accept any response or any part thereof when it is deemed to be in CAK's best interest. A contract will be negotiated with the selected firm. It will be for an audit of the fiscal year noted above.

Following contract negotiations with the selected firm, all entities that submitted a proposal will be notified in writing of the firm selected.

Community Action Kentucky, Inc., is a private, nonprofit corporation. It is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. A Board comprised of executive directors of the 23 Kentucky community action agencies governs the organization.

The mission of Community Action Kentucky is to build and strengthen the network of Kentucky's community action agencies resulting in the improvement in the lives of the people we serve.

The following is a list of financial records: 3 bank accounts, general ledger, property and equipment schedule, depreciation schedule, investments, 1 revolving loan program, 1 pass-through loan program, and payroll journals. Financial records are maintained on a computerized system. The Grants Management System (GMS) is utilized.

Annual revenues are estimated to be \$101 million, the large majority of which is subcontracted to member agencies. The net operating budget of the association is estimated to be \$1.75 million. Attachment A provides a listing of individual grants, contracts, and other sources of revenues.

The organization is an Equal Opportunity employer. As such, it attempts to empower all employees regardless of race, creed, color, age, sex, national origin, or disability. The firm must work in accordance with this philosophy.

The firm should conduct their audit between November 2021 and February 2022. Prior to submission to the Federal Clearinghouse on March 31, 2022, a draft audit will be provided to the CAK Finance Director, and a final audit presented to the CAK Board of Directors.

An exit conference shall be scheduled with Community Action Kentucky at the end of the audit. However, payment for the audit will not be made until after the final audit is received and income tax preparation is completed. During the exit conference, the firm should discuss the audit, any findings, and make recommendations.

Copies of any work papers may be requested by Community Action Kentucky. Workpapers must be made available for review to any of the organization's funding sources with written consent from the organization. The work papers must be retained for at least three years following the end of the audit period.

The RFP should be submitted using the following format:

1. A cover letter should include the following: Complete legal name of the firm, address, telephone number, name and title of contact person and federal tax identification number. It should state the firm's ability and willingness to submit the RFP. Assurance must provide that adequate general comprehensive, liability, and the firm maintains bonding insurance. The firm should indicate if it is a small or minority business.
2. Provide a description of the firm's prior auditing experience with nonprofits, similar types of programs and funds. Names, addresses, telephone number, and number of years audited should be included in the description.
3. The structure and size of the firm should be described.
4. The qualification of staff that will be assigned to the audit should be described. Resumes of staff that will be assigned should be provided. Levels of supervision should be indicated.

5. An estimated number of hours by each member of the audit team should be indicated.
6. Specific tasks/work to be performed should be described. (Audit work plan)
7. Provide a list of all information required of the organization prior to, during, and after fieldwork.
8. Assurances that the firm is competent to perform the audit and is familiar with any rules and regulations that govern federal and state grants.
9. The proposed price of the audit and tax preparation should be indicated. A description of how the price was determined should also be included. This includes estimated number of hours by staff and hourly rates for staff. Prices for future audits should be stated.
10. Describe any technical assistance the firm would provide to the organization during and after the audit. Any limitations on or additional fees for technical assistance should be explained.
11. Signed "Certification". (Attachment B)

	Approximate Funding	
RCAP	\$	717,600.00
OCS	\$	400,000.00
Weatherization DOE	\$	63,419.00
Weatherization LIHEAP	\$	65,128.00
PPC-TKF	\$	1,961,206.00
LIHEAP	\$	92,904,000.00
CSBG	\$	300,000.00
KYNECT	\$	4,310,000.00
HEA Programs	\$	600,000.00
Interest Income	\$	33,039.00
Dues	\$	18,116.00
Rental	\$	22,800.00
Other	\$	340,000.00
Total	\$	101,735,308.00

CERTIFICATIONS

On behalf of the Offeror:

- 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, for the purpose of restricting competition.
- C. The individual signing certifies that the prices in this proposal have been arrived independently, without consultation, communication, or agreement, for the purpose of restricting competition.
- D. The individual signing certifies that the prices quoted in 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 Auditing Standards (1994 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 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 the 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 Auditing Standards
  - 2. 2 CFR Part 200 Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards

- 3. Audits of Voluntary Health and Welfare Organizations (AICPA Audit Guide)
  - 4. Audits of Certain Nonprofit Organizations (AICPA Audit Guide)
- K. The individual signing certifies that he/she has read and understands all of the information in this Request for Proposal, 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 Offeror agrees that all information concerning this RFP and any information it may have access to or become acquainted with during the bid and proposal process, including, but not limited to, CAK’s financial information, business and processes, methods, member agencies, contracts, accounts and procedures, is “Confidential Information.” Other than the RFP bid submitted to CAK, the Offeror agrees not to publish, reproduce, or otherwise divulge such Confidential Information in whole or in part, in any manner or form, or authorize or permit others to do so, and will take such reasonable measures as are necessary to restrict access to the Confidential Information, while in the Offeror firm’s possession, to those employees on the Offeror firm’s staff who must have the information on a "need to know" basis. The Offeror agrees to immediately notify, in writing, CAK’s authorized representative in the event the Offeror determines or has reason to suspect a breach of this requirement. Upon request by CAK, the Offeror shall immediately deliver to CAK, all such Confidential Information in its possession or under its control. Submission of a RFP constitutes acceptance of these terms.

Dated this \_\_\_\_\_ of \_\_\_\_\_, 2021.

\_\_\_\_\_  
 (Offeror’s Firm Name)

\_\_\_\_\_  
 (Signature of Offeror’s Representative)

\_\_\_\_\_  
 (Printed Name and Title of Individual Signing)