

# REQUEST FOR AUDIT SERVICES

Release date: October 21, 2011

Florida Developmental Disabilities Council, Inc. (FDDC) will receive proposals for audit services relating to the annual audit for the year ending September 30, 2011 with the option for FDDC to renew for subsequent years. Attached is information relating to minimum specifications of services, data to be included in the proposal, evaluation criteria, and selected information relating to the entity to be audited. All costs incurred in the preparation of a proposal responding to this RFP will be the responsibility of the firm and will not be reimbursed by Florida Developmental Disabilities Council, Inc.

Sealed Proposals will be accepted until **1:00 p.m. EST Tuesday, December 6, 2011** at the Florida Developmental Disabilities Council's office in Tallahassee, Florida. The proposals should be mailed to:

Lisa Taylor, CFO  
Florida Developmental Disabilities Council, Inc.  
124 Marriott Drive, Suite 203  
Tallahassee, Florida 32301-2981

Those submitting sealed proposals should indicate on the outside of the envelope in the lower left-hand corner that it is a sealed proposal for Audit Services and the name of the firm submitting the proposal. Failure to do so may result in premature disclosure of your proposal and therefore disqualify you for further consideration. It is the responsibility of the firm to insure that the proposal is received by Florida Developmental Disabilities Council, Inc. by the date and time specified above.

Questions regarding the requirements of the Request for Audit Services or necessary information for the proposals may be mailed to Lisa Taylor at the address above or faxed to 850-922-6702 and must be received by **2:00 p.m. EST on November 2, 2011**. Responses to all requirements and proposal questions will be emailed to all accounting firms that have submitted a letter notifying the Council of their intent to submit a proposal and will be posted at [www.fddc.org](http://www.fddc.org). Letters of intent to submit a proposal must be received at the Council by **2:00 p.m. EST on November 2, 2011**, in order for an accounting firm to receive the responses to the questions via email. Letters of Intent are not required in order for a proposal to be considered.

Copy of prior audit report may be obtained by contacting Carolyn Williams at (850) 488-4180 or Toll Free 800-580-7801.

## I. SPECIFIC REQUIREMENTS

1. Florida Developmental Disabilities Council, Inc. (FDDC) will receive proposals for preparation of the following for the year ending September 30, 2011 with the option for FDDC to renew subsequent years. (1) Audited financial statements, (2) Data collection form for reporting on Audits of States, Local Governments, and Non-Profit Organization, and (3) Return of Organization Exempt from Income Tax – Form 990.

2. Florida Developmental Disabilities Council, Inc. reserves the right to reject any and all proposals received. In order for an accounting firm to be considered, the firm submitting a proposal must have an office in Tallahassee. All professional staff assigned to this audit must work out of the Tallahassee office.

3. Only proposals received at the location described and in the time frame given will be considered.

4. An original and seven (7) copies of the proposal must be contained in the sealed proposal submitted to the Council. **One electronic version of the proposal must also be included on CD.**

5. Notification of Award

It is expected that a decision selecting the successful audit firm will be made within three (3) to four (4) weeks of the closing date from the receipt of proposals. Upon conclusion of final negotiations with the successful audit firm, all firms submitting proposals in response to the Request For Proposal will be informed, via email, of the name of the successful audit firm.

6. The audit shall be performed in accordance with the following:

- U.S. Generally Accepted Auditing Standards.
- The standards for financial audits set forth in the U.S. Government Accountability Office's *Government Auditing Standards*
- The provisions of the Single Audit Act of 1984
- OMB Circular A-133, Audits of States, Local Governments and Nonprofit Organizations.

7. The fees quoted in your proposal and included in the contract will be the maximum paid, unless both parties complete an amendment to the contract.

8. Florida Developmental Disabilities Council, Inc. will require the audit firm to meet with the Chief Financial Officer prior to January 13, 2012 to identify all work papers and schedules to be prepared by Florida Developmental Disabilities Council, Inc. Audit fieldwork must begin on or before January 23, 2012. The audit must be completed by March 12, 2012 with copies of the report for the Chief Financial Officer and members of

the Finance Committee delivered by that date. A presentation to the Finance Committee via conference call will be made by the auditor in charge.

9. The audit report should conform to any standard reporting formats issued by any existing AICPA Audit Guides and the requirements of the OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*.

10. Exit Conference

An exit conference with the Chief Financial Officer, Executive Director, and Treasurer or designee and the firm's representatives will be held at the conclusion of the fieldwork. Observations and recommendations must be summarized in writing and discussed with Florida Developmental Disabilities Council, Inc. It should include internal control and program compliance, observations and recommendations.

11. Workpapers

Upon request, the firm will provide a copy of the workpapers pertaining to any questioned costs identified in the audit. The workpapers must be concise and provide the basis for the questioned costs as well as an analysis of the problem.

12. The audit should include a management letter, if appropriate, which includes recommendations affecting the financial statements, internal control, accounting systems, and legality of actions.

13. Bound copies of the report, including the management letter, should be typed and reproduced by the firm accepting the contract in a quantity sufficient to meet the needs of Florida Developmental Disabilities Council, Inc. and its Finance Committee.

## II. DATA TO BE INCLUDED IN PROPOSAL

In order to simplify the review process and to obtain the maximum degree of comparability, the proposals should include the following items and be organized in the manner specified below.

**A. Letter of Transmittal**

A letter of transmittal briefly outlining the firm's understanding of the work and general information regarding the firm and individuals to be involved is limited to a maximum of two pages. The letter should clearly identify the local address of the office of the firm to be performing the work, the telephone number, and the name of the contact person.

**B. Table of Contents**

Include a table of contents, which identifies the material by section, page number, and a reference to the information to be contained in the proposal.

**C. Profile of Firm Proposing**

1. State whether the firm is a local, regional, or national firm and include a brief description of the size of the firm.

2. State whether the firm is in compliance with the registration and permit requirements to engage in the practice of public accounting in Florida.
3. Describe the local office from which the work is to be performed.
  - a. Location of office.
  - b. Current size of the office.
  - c. The size of professional staff by level, such as partner, manager and supervisor, senior and other professional staff.
  - d. The number of CPAs in the office.
4. Any other information required to describe the office that will be performing the work.

**D. Qualifications**

1. Describe the recent local office auditing experience with similar audits to which the proposal relates, if appropriate, include regional experience in auditing similar entities.
2. Include resumes of all key professional members who will be assigned to the audit. Resumes should be included for all members of the audit team from the audit partner through at least the on-site in-charge accountant. The resumes should include:
  - a. The amount of experience the individual has in the auditing profession.
  - b. A summary of similar audits the individual has worked on. The summary must include the number of nonprofit and governmental audits the individual has worked on in the last 5 years and the level of work performed on these audits. Specifically identify whether the individual was assigned to the auditee listed as a reference in item number 8 below. If so, identify the level of work performed (i.e. on-site staff to audit partner) by the individual. The summary may include additional relevant information.
  - c. A summary of the continuing professional education the individual has in nonprofit and governmental accounting and auditing during the last two years.
  - d. A statement of whether the individual is independent, as defined by applicable auditing standards.
3. Describe the firm's policy on notification of changes in key personnel.
4. Provide a listing of the number of professionals in the office who are experienced in nonprofit and governmental auditing.
5. Describe the availability of individuals within the firm who are heavily involved in nonprofit and governmental auditing and reporting and with whom the audit team may consult.

6. Briefly describe the firm's system of quality control to ensure the audit is adequately performed.
7. Include a copy of the firm's latest peer review report.
8. Include five current audit client references. Identify the audit period(s) conducted for each of the references. Each of the five references must contain members from the key staff identified in 2b. Identify each key staff's level of involvement in the audit of the referenced auditee.

**E. Scope of Services and Proposed Project Schedule**

Briefly describe the firm's understanding of the scope of services to be provided. Indicate a proposed time schedule for completing the work, assuming the contract will be issued no later than 3 weeks after proposals are due, including the approximate dates the firm would perform field work, office review, and report preparation and the latest delivery date of the final report.

**F. Fees and Compensation**

Provide the following information:

1. Estimated total hours to complete the audit, Data Collection Form and Form 990.
2. Estimated out-of-pocket expenses.
3. The hourly rate by staff classification
4. The all-inclusive maximum fee and out-of-pocket expenses, which will not be exceeded.
5. The frequency and timing of the firm's billing process.
6. Include fees for preparation of the following for the year ending September 30, 2011, 2012 and 2013: (1) Audited financial statements (2) Data collection form for reporting on Audits of States, Local Governments, and Non-Profit Organization, and (3) Return of Organization Exempt from Income Tax-Form 990. FDDC may renew for additional years.

**III. EVALUATION CRITERIA**

A pool of final candidates will be identified based upon the evaluation of the proposals in the below listed areas. Therefore, it is important that the proposal be responsive to information requested.

**FACTORS**

1. Qualifications
  - a. Organizational structure and size of the firm.
  - b. Organizational structure and size of the office performing the work.
  - c. Recent experience in similar audits.
  - d. Qualifications of the audit team and number of individuals experienced in nonprofit and governmental auditing.

e. Understanding of the work and timetable to complete the engagement.

2. Cost

Overall cost, including out-of-pocket expenses for performance of the audit and additional services as identified in I (1).

3. Submission of proposals

All Submissions shall include an original and seven (7) copies of the firm's proposals. These documents will become part of the agreement between the firm and Florida Developmental Disabilities Council, Inc.

4. Evaluation

Evaluation of each proposal will be based on a point system for each section of the proposal. Price will be limited to 30% of total available points.

5. Review Process

Florida Developmental Disabilities Council, Inc. may, at its discretion, request presentations by or a meeting with any or all firms, to clarify or negotiate modifications to the firm's proposal.

However, Florida Developmental Disabilities Council, Inc. reserves the right to make an award without further discussions of the proposals submitted. Therefore, proposals should be submitted initially on the most favorable terms, from both technical and price standpoints, that the firm can propose. Members of the FDDC board will evaluate and score the proposals.

Florida Developmental Disabilities Council, Inc. contemplates award of the contract to the responsible firm with the highest total points. However, a pool of final candidates identified will be reviewed by the Executive Director, Chief Financial Officer, and the Finance Committee from which the Council's selection of the successful accounting firm will be determined.

#### **IV. INFORMATION RELATING TO THE FLORIDA DEVELOPMENTAL DISABILITIES COUNCIL, INC.**

##### ***Nature of the Organization***

In 1996, Florida Developmental Disabilities Council, Inc. (the "Council") was established, by law, as a non-profit 501(c)(3) organization to act as the agent of the State of Florida to receive federal funds in conjunction with the Federal Developmental Disabilities Act of 1994.

The Council was established to help plan individual and family-centered supports for people with disabilities in Florida. The Council also guides the development and administration of services for people with developmental disabilities by planning and funding research, innovations, and programs designed to improve the quality of their lives.

To address system-wide issues affecting people with developmental disabilities, the Council engages in state and national advocacy activities in support of legislation, policies, and programs responsive to the needs of people with developmental disabilities.

### ***Basis of Accounting and Financial Statement Presentation***

The Council's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the Council has the option to apply FASB pronouncements issued after that date to its business-type activities, the Council has chosen not to do so.

The Council operates as a special purpose government engaged in business-type activities. The proprietary fund type is applicable to the Council, under the governmental reporting model, and its activities are accounted for as an enterprise fund.

The focus of proprietary fund measurement is on the flow of economic resources including the determination of operating income, changes in net assets, financial position and cash flows, similar to business enterprises. The Council's books are maintained on the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred.

### ***Reporting Entity***

No component units have been identified for the years ended September 30, 2010 and 2009.

### ***Summary of Auditor's Results from FDDC's Schedule of Findings and Questioned Costs for the year ending September 30, 2010 and September 30, 2009***

#### **A. Summary of Auditor's Results**

1. The auditor's report expresses an unqualified opinion on the financial statements of Florida Developmental Disabilities Council, Inc.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Florida Developmental Disabilities Council, Inc. were disclosed during the audit.

4. No significant deficiencies relating to the audit of the major federal award program are reported in the Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award program for Florida Developmental Disabilities Council, Inc. expresses an unqualified opinion.
6. Audit findings relative to the major federal award program for Florida Developmental Disabilities Council, Inc. are reported in Part C of this schedule.
7. The program tested as a major program included the following:

PROGRAM	CFDA No.
U. S. Department of Health and Human Services – Administration for Children and Families, State Developmental Disabilities Councils Grant Program	93.630

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Florida Developmental Disabilities Council, Inc. qualified as a low-risk auditee.

**B. Findings – Financial Statements**

None.

**C. Findings and Questioned Costs – Major Federal Award Programs**

None.

**D. Other Issues**

1. No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings related to Federal programs.
2. No Corrective Action Plan is required because there were no findings required to be reported under the Federal Single Audit Act.