



**REQUEST FOR PROPOSAL
FOR
AUDIT SERVICES**

FOR THE PERIOD:

April 1, 2009 to March 31, 2012

INQUIRIES SHOULD BE DIRECTED TO:

Name: Don Schoolcraft
Title: Director of Operations
Entity: Indiana Primary Health Care Association, Inc.
Address: 1006 E Washington Street, Suite 200
Indianapolis, IN 46202
Phone: (317)-630-0845

Notice of Proposal

The Indiana Primary Health Care Association, Inc. (IPHCA) is issuing this request for proposal (RFP) for the audit of the Indiana Primary Health Care Association, Inc. in accordance with state and federal requirements, Governmental Auditing Standards issued by the Comptroller General of the United States, OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and auditing standards generally accepted in the United States.

The contact person regarding this proposal is Don Schoolcraft, Director of Operations, and can be reached at 1006 E Washington St, Suite 200, Indianapolis, Indiana 46202. IPHCA's phone number is 317-630-0845. The response due date for this RFP is 4:00 P.M. October 16, 2009. Any proposals received after this date will not be considered.

IPHCA is requesting only one copy of your proposal in a sealed envelope. The envelope should clearly indicate it is a proposal for audit services.

The audit period under contract is for the years ended March 31, 2010, March 31, 2011 and March 31, 2012 and may be extended at the discretion of IPHCA, but the term of the engagement shall end:

1. When the audit contract has been violated.
2. When the quality of the audit is unacceptable.
3. At the end of March 31, 2012.

Description and Mission of Entity and Records to be Audited

Indiana Primary Health Care Association, Inc. (IPHCA) was organized in 1982 as a statewide not-for-profit advocacy organization whose mission is to promote the provision of primary health care services in areas of need in Indiana and to assure the growth and development of Community, Migrant and Homeless Health Centers in the State. IPHCA has been determined to be exempt from Federal income tax under Section 501(c) (3) of the Internal Revenue Code. A volunteer Board of Directors governs IPHCA. Administrative offices and all records are located at 1006 E Washington St, Suite 200, Indianapolis, IN 46202.

IPHCA's mission is to advocate for access to quality health care for all those residing in Indiana and to support the development of community oriented primary care initiatives, which are:

Affordable: based on income

Available: when it's needed

Accessible: where it's needed

Appropriate: emphasizing continuous, comprehensive, prevention oriented primary care and case management

Acceptable: to all those residing in the community regardless of cultural heritage, financial status or personal circumstances

As a general background to IPHCA, the following information is provided:

	<u>March 31, 2009</u>	<u>March 31, 2008</u>
Assets	\$ 926,927	\$ 985,605
Liabilities	\$ 83,255	\$ 108,098
Fund Balance	\$ 843,672	\$ 877,507
Revenue	\$2,434,432	\$2,889,227
Expenses	\$2,468,267	\$3,169,975
Increase in Net Assets	(\$ 33,835)	(\$ 280,748)

Description of Project

Should you be selected as our auditors, you will be required to report for the years ended March 31, 2010, March 31, 2011 and March 31, 2012 on the general-purpose financial statements and for state and federal programs under the Single Audit Act and OMB Circular A-133.

Objectives:

1. Report on Statements of Financial Position, Statements of Activities, Statements of Cash Flows and Statements of Functional Expenses for each fiscal year ended in this RFP.
2. Report on internal accounting control based solely on a study and evaluation made as part of the audit of the general-purpose financial statements and on compliance with laws and regulations that may have a material effect on the financial statements.
3. Provide a report on the supplementary schedule of our federal and state award programs showing total expenditures for each state and federal assistance program.
4. Report on internal controls and on compliance used in administering state and federal award programs, identifying all findings of noncompliance, internal controls, and questioned costs as required by OMB Circular A-133
5. If applicable, a report on fraud, abuse or an illegal act or indications of such acts.
6. Report to the IPHCA Board of Director's on audit results, suggestions, etc. (Management Letter).

Your examination under the Single Audit Act will be in accordance with the standards for financial and compliance audits contained in the Government Auditing Standards-the Single Audit Act and the provisions of the Office of Management and Budget's (OMB) Circular A-133, Audits of Non-Profit Organizations, and any other tests of the accounting records and such other auditing procedures you consider necessary in the circumstances.

starting and completing the audit must allow IPHCA to meet state and federal reporting requirements.

Right to Reject

IPHCA reserves the right to reject any and all proposals submitted and to request additional information from all proposers. Any contract awarded will be to the independent auditor who, based on evaluation of all responses, applying all criteria and oral interviews, if necessary, is determined to be the best qualified to do the audit.

Number of Copies of Auditor's Reports

The auditor shall furnish IPHCA 30 bound copies of the audit report and A-133 prescribed reports.

Contractual Arrangements and Remedies for Violations

Invoices for service will be paid when received. The total amount to be invoiced shall not exceed the amount of the bid for the first year. IPHCA reserves the right to terminate the contract for the audit at any time. Should a federal or state agency reject the audit as deficient, IPHCA may withhold payment for services until the audit deficiency is corrected. Should the audit firm fail to correct the audit deficiency; the audit firm will be barred from further engagements with IPHCA and possible reduction in fees.

Method of Evaluating Proposals

Proposals will be evaluated with a strict emphasis on quality. The federal government has the authority to review the audit report and audit work papers to ascertain the quality of the audit. In response to a deficient audit, the cognizant agent or its designees of the federal government can disallow the cost of the audit as an allowable cost of the federal grants. Furthermore, the citizens are expecting quality stewardship of all available resources. As such, the primary emphasis of procuring an audit will be the quality of the technical factors of the audit firm. Attributes that will be analyzed include:

1. Number of non-profit organizations audited by proposing firm.
2. Involvement in non-profit related organizations.
3. Training of personnel in non-profit and federal grant auditing.
4. Quality of staff included in assignment.
5. Reference responses
6. Maintenance of a partner on the engagement of audit.
7. Internal quality control procedures and external quality control reviews.
8. Ability to communicate audit results in an effective manner.
9. Ability to respond to IPHCA's current and future professional service needs.

4. A statement of the respondent's staff capability to audit federal programs, including the number and classification of personnel skilled in federal program auditing who will work on the audit.
5. The status, if any, of the audit firm as it pertains to Minority and Women-Owned Business Enterprise. The Minority and Women-Owned Business Enterprise Program was established to provide purchasing opportunities to certified Minority and Women-Owned businesses with the City of Indianapolis or state of Indiana.
6. A positive statement that the following mandatory criteria are satisfied:
 - a. An affirmation that the proposer is properly licensed for practice as a certified public accountant.
 - b. An affirmation that the proposer meets the independence requirements of the Governmental Auditing Standards-Standards for Audit of Non-Profit Organizations, Programs, Activities and Function.
 - c. An affirmation that the respondent does not have a record of substandard audit work.
 - d. An affirmation from the respondent that they will follow the American Institute of Certified Public Accounts' Interpretation 501-3, Failure to Follow Standards and/or Procedures or Other Requirements in Governmental Audits. Basically, if a member (of AICPA) accepts such an engagement and undertakes an obligation to follow specified government audit standards, guides, procedures, statutes, rules and regulations, in addition to generally accepted auditing standards, the auditor is obligated to follow such requirements. Otherwise, the auditor must disclose in the audit report the fact that such requirements were not followed and the reasons.
 - e. An affirmation from the respondent that they have received an unqualified Peer Review Report.
 - f. An affirmation from the respondent as to the extent of involvement in serving non-profit organizations.
 - g. An affirmation that the respondent provides well trained, qualified staff and partners and how this is accomplished.

Summary of the Proposer's Qualifications

1. Identify the audit managers and field supervisors and other staff who will work on the audit, including staff from other than the local office, if applicable. Resumes including relevant experience and continuing education for auditor in-charge up to the individual with the final responsibility for the engagement should be included. (The resumes may be included as an appendix).
2. Describe the recent local office auditing experience similar to the type of audit requested and give the names and telephone numbers of client officials responsible.
3. If other auditors are to participate in the audit, those auditors are required to provide similar information.

Proposer's Approach to the Examination

Submit a work plan to accomplish the scope of the audit. The work plan should include time estimates for each significant segment of the work and the staff level to be assigned. Where possible, individual staff members should be named and their titles provided. The planned use of specialists should be specified.

The audit work plan should completely cover what audit work will be accomplished to allow the auditor to render an opinion on the financial statements, and if required:

1. A report on the study and evaluation and report on internal control system.
2. Reporting on the organization's control system to assure compliance and whether the organization had complied with laws and regulations that may have an effect on each major federal assistance program.
3. Assistance provided in implementing new standards or requirement.

The audit work plan should demonstrate the auditor's understanding of the audit requirements of a single audit as specified in OMB Circular A-133 and the audit tests and procedures to be applied in completing the audit plan.

Evaluation

Evaluation of each proposal will be based on the following criteria:

<u>Factors</u>	<u>Point Range</u>
1. Prior experience auditing and cash / fund accounting	
a. Prior experience auditing agencies of like size	0-5
b. Prior experience auditing similar programs funded by the state of Indiana	0-5
c. Prior experience auditing programs funded by the Federal Government	0-5
d. Prior experience auditing similar county or local government activities	0-5
e. Prior experience auditing non-profit organizations	0-5
f. Prior experience with Fund Accounting systems	0-5

IPHCA will contact prior audited organizations to verify the experience provided by the Offeror.

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| 2. | Organization, size, and structure of Offer's firm. | |
| a. | Adequate size of the firm | 0-5 |
| b. | Minority/Small Business | 0-5 |
| 3. | Qualifications of staff to be assigned to the audits to be performed. This will be determined from resume submitted. Education, position in firm, years and types of experience, continuing professional education, and states(s) in which licensed as a CPA, etc. will be considered. | |

a.	Audit Team Makeup	0-10
b.	Overall supervision to be exercised	0-5
c.	Prior experience of the individual audit team members	0-10
4.	Offeror's understanding of work to be performed.	
a.	Adequate coverage	0-10
b.	Realistic time estimates of each audit step	0-5
5.	Price	<u>0-20</u>
	Maximum Points	100

Review Process

IPHCA may, at its discretion, request presentations by or meetings with any or all Offeror's, to clarify or negotiate modifications to the Offeror's proposal.

However, IPHCA reserves the right to make an award without further discussion of the proposals submitted. Therefore, proposals should be submitted initially on the most favorable terms, from both technical and price standpoints, which the Offeror can propose.

IPHCA contemplates award of the contract to the responsible Offeror with the highest total points.

Time Requirements

The auditing firm will be expected to provide sufficient staff skilled in governmental audits to complete the audit within and allocated time. In past practice two Certified Public Accountants were present to perform the field work. Completion of the field works was five days. It is understandable that when a new auditing firm is engaged to perform the audit, additional time is need to complete the field work. IPHCA wishes to adhere to past practice, but we are hopeful the fieldwork could be completed in five days.

Compensation

Provide an estimate of the cost of services being offered for all three years of the engagement and the cost per year of the audit services.

Additional Data

Provide any additional data the respondent feels may be helpful in the selection process.