

CHILDREN'S BOARD OF HILLSBOROUGH COUNTY

AUDITOR SELECTION COMMITTEE



Children's Board
HILLSBOROUGH COUNTY

Dreams Worth Growing

REQUEST FOR PROPOSALS

FOR

PROFESSIONAL AUDITING SERVICES

JUNE 20, 2010

Please submit application to

Children's Board of Hillsborough County
1002 East Palm Avenue
Tampa, Florida 33605
(813) 229-2884

CHILDREN'S BOARD OF HILLSBOROUGH COUNTY

REQUEST FOR PROPOSALS

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CHILDREN'S BOARD OF HILLSBOROUGH COUNTY
REQUEST FOR PROPOSALS

I. INTRODUCTION

A. General Information

The CBHC(CBHC) is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending September 30, 2010, with a renewal option of auditing its financial statements for each of the four (4) subsequent fiscal years. These audits are to be performed in accordance with generally accepted auditing standards, the applicable standards set forth by the American Institute of Certified Public Accountants, the applicable standards for financial audits in the General Accounting Office's (GAO) *Government Auditing Standards*(2003), the provisions of the federal Single Audit Act of 1984 (as amended in 1996), U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Chapter 10.550 of the Rules of the Auditor General for the State of Florida, and other auditing requirements that may be applicable to the CHILDREN'S BOARD OF HILLSBOROUGH COUNTY.

There is no expressed or implied obligation for the CBHC to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

All questions about the engagement are to be submitted with the letter of intent by June 30, 2010. After this date, any inquiries concerning the request for proposals should be addressed to Tonia Williams. All interested audit firms will be provided with a copy of all questions asked by July 1, 2010.

To be considered, one signed original and five duplicate copies of the proposal are to be submitted to the CBHC in a sealed package. The package is to be clearly labeled "Request for Proposal - Auditing Services". Each copy of the proposal is to be signed by an official authorized to bind the organization to the level of services set forth in the proposal. The CBHC will receive proposals from qualified certified public accountants until 4:00 p.m., July 23, 2010. If a proposal is sent by U.S. Mail or other delivery medium, the proposer shall be responsible for its timely delivery. Proposals will not be accepted after 4:00 p.m. (CBHC clock) on July 23, 2010. Late responses will be returned to the Respondent unopened with the notation: "This response was received after the delivery time designated for the receipt and opening of responses."

The proposals are to be delivered to:
The Children's Board of Hillsborough County
1002 E. Palm Ave.
Tampa, FL 33605

All proposals will be publicly opened in the Board Room of the CBHC offices and recorded immediately following the submission deadline date and time set forth above.

The CBHC reserves the right to reject any or all proposals, to waive any non-material deficiency or irregularity and to award a contract in what it believes to be in the best interest of the CBHC.

Proposals submitted will be evaluated by a five member Auditor Selection Committee consisting of members of the Children's board, Children's Board Staff, and a member of the community.

During the evaluation process, the Auditor Selection Committee and the CBHC reserve the right, where it may serve the CHILDREN'S BOARD OF HILLSBOROUGH COUNTY's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. At the discretion of the CBHC or the Auditor Selection Committee, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The CBHC reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. All materials and supporting documentation submitted in response to this RFP become public documents and the property of CBHC. The CBHC operates under the Florida Statutes in accordance with the Sunshine Law.

Subject to the limitations described herein, approved objectives, methodologies and other approved information provided in the proposal of the successful proposer shall become a part of the CBHC Engagement Letter Agreement document which is also called a contract herein.

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in a proposal section entitled "Deviations" submitted and confirmed in the contract between the CBHC and the firm selected.

It is anticipated the selection of a firm will be completed by August 13, 2010. Following the notification of the selected firm it is expected a contract will be executed between both parties by September 15, 2010.

B. Term of Engagement

A five year contract is contemplated, subject to the annual review and recommendation of the Auditor Selection Committee, the satisfactory negotiation of terms (including a price acceptable to both the CBHC and the selected firm), the concurrence of the CBHC and the annual availability of an appropriation of the necessary funds by CBHC.

C. Engagement Letter

An engagement letter agreement shall be entered into by CBHC and the selected audit firm and will, at a minimum, include the following:

1. Scope of the Audit - Financial and Compliance as required herein.
2. Termination Clause: Identification of the basis for termination of the Agreement by either party.
3. Cost: A detailed budget to be included by the auditors.
4. Time schedule: Date the auditors will begin the examination and targeted examination completion date. The delivery date of all final reports will also be presented. The engagement letter will include the audit firm's declaration of ability and willingness to commit and maintain staffing to successfully conclude the audit examination.
5. Signatures: The Engagement Agreement shall be signed by proper officials representing CBHC and the public accounting firm. The engagement letter will set forth the audit partner and the manager assigned to the engagement.

D. Subcontracting

Firms submitting proposals are encouraged to consider subcontracting portions of the engagement to small audit firms or audit firms owned and controlled by socially and economically disadvantaged individuals. If this is to be done, that fact, and the name of the proposed subcontracting firms, must be clearly identified in the proposal. Following the award of the audit contract, no additional subcontracting will be allowed without the express prior written consent of the CHILDREN'S BOARD OF HILLSBOROUGH COUNTY.

II. NATURE OF SERVICES REQUIRED

A. General

The CBHC is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal year ending September 30, 2010, with the renewal options to audit the CHILDREN'S BOARD OF HILLSBOROUGH COUNTY's financial statements for each of the four subsequent fiscal years. These audits are to be performed in accordance with the provisions contained in this request for proposals.

B. Scope of Work to be Performed

The CBHC desires the auditor to express an opinion on the fair presentation of its general purpose financial statements in conformity with generally accepted accounting principles. The scope of the annual financial audit will be in accordance with the rules of the Auditor General 10.556(2) and other standards and requirements stated herein. The scope of the audit should include the general fund. This will include a combined balance sheet; a statement of revenue and expenditures and changes in fund balances for the general fund (comparison to prior year and comparison to budget); However, the auditor is to provide an “in-relation-to” opinion on the supporting schedules based on the auditing procedures applied during the audit of the general purpose financial statements and the combining and individual fund financial statements and schedules. The auditor is not required to audit the statistical section of the report.

The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

The auditor is not required to audit the schedule of expenditures of federal awards. However, the auditor is to provide an “in-relation-to” report on that schedule based on the auditing procedures applied during the audit of the financial statements.

C. Auditing Standards To Be Followed

To meet the requirements of this request for proposals, the audit shall be performed according to the standards set forth in Section I. A. herein

D. Reports to be Issued

Following the completion of the audit of the fiscal year’s financial statements, the auditor shall issue:

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles, including an opinion on the fair presentation of the supplementary schedule of expenditures of federal awards “in relation to” the audited financial statements.
2. A report on compliance and internal control over financial reporting based on an audit of the financial statements
3. A report on compliance and internal control over compliance applicable to each major federal program
4. Any other disclosures or expressions of opinion required by previously referenced Federal guidelines, and additional activities, if any, required by the Auditor General Rule 10.550 to be included within the scope of the annual financial audit and to be included in the audit reports.

The audit shall lead to the expression of an unqualified opinion on the financial statements unless the auditor justifies to CBHC, in advance, in writing the reasons they cannot render an opinion that is less than unqualified.

The auditors shall prepare a formal management letter containing comments and recommendations as outlined in the Rules of the Auditor General 10.554(1). It is the direct requirement of CBHC that the audit findings and recommendations described in the management letter will include CBHC's responses to those findings as part of the final management report.

In the required reports on compliance and internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements

Reportable conditions that are also material weaknesses shall be identified as such in the report. Nonreportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the reports on compliance and internal controls.

The reports on compliance and internal controls shall include all instances of noncompliance.

Irregularities and illegal acts. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the following parties:

To those persons of the Board or Management as deemed by the auditors to be the most appropriate in the particular circumstance as governed by Statements on Auditing Standards.

Reporting to the Finance Committee. Auditors shall assure themselves that the CBHC's Finance Committee is informed of each of the following:

1. The auditor's responsibility under generally accepted auditing standards
2. Significant accounting policies
3. Management judgments and accounting estimates
4. Significant audit adjustments
5. Other information in documents containing audited financial statements
6. Disagreements with management
7. Management consultation with other accountants
8. Major issues discussed with management prior to retention
9. Difficulties encountered in performing the audit

E. Special Considerations

1. The Schedule of Expenditures of Federal Awards and related auditor's report, as well as the reports on compliance and internal controls are to be issued as part of the general purpose financial statements.
3. Reportable conditions from the most recent financial statement audit are attached to this document (Appendix A).

F. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of five (5) years, unless the firm is notified in writing by the CBHC of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:

CHILDREN'S BOARD OF HILLSBOROUGH COUNTY

U.S. General Accounting Office (GAO)

Parties designated by the federal or state governments or by the CBHC as part of an audit quality review process

Auditors of entities of which the CBHC is a subrecipient of grant funds

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

G. Preferences

Preferences will be given to proposals which:

1. Offer the most effective experience, efficient work plans, and personnel qualifications consistent with the governmental auditing needs of the CBHC.
2. Are submitted from Certified Public Accounting firms which are located in Hillsborough County, Florida.

III. DESCRIPTION OF THE GOVERNMENT

A. Name and Telephone Number of Contact Persons/Organizational Chart/Location of Offices

The auditor's principal contact with the CBHC will be Tonia Williams, Chief Financial Officer, or a designated representative, who will coordinate the assistance to be provided by the CBHC to the auditor. Telephone: 813-204-1748. Email address: twilliams@childrensboard.org

An organizational chart (Appendix B) and a list of key personnel with the location of their offices (Appendix C) are attached.

B. Background Information

The Juvenile Welfare Services Law passed by the Florida Legislature in 1986 enabled creation of an independent special district for children in every Florida county (Florida Statute Section 125.901).

Hillsborough County Ordinance No. 88-28 was approved by a majority at the October 4, 1988, referendum, creating the CBHC (hereinafter referred to as the CBHC) effective January 1, 1989. The Board was created to provide juvenile welfare services throughout Hillsborough County. Pursuant to section 31 of Chapter 90-288, Laws of Florida, the CBHC continues to operate under the provisions of section 125.901, Florida Statutes, as they existed prior to October 1, 1990. The Board has the authority to levy and impose ad valorem taxes to provide funds for the District, not to exceed .50 mill (1/2 mill) annually. As an "independent" special district, the CBHC is an independent governmental entity which operates autonomously from Hillsborough County government.

The Board is composed of ten members: the superintendent of schools, a local school board member, the district administrator from the appropriate district of the Florida Department of Children and Families, or his or her designee, one member of the board of county commissioners, and the judge assigned to juvenile cases and five members appointed by the Governor. The members appointed by the Governor are experienced in the business, civic, and/or religious life of the community.

The current Board Members of the CBHC are:

Officers

Chair: Valerie Hubbard-Goddard
Vice Chair: Hon. Katherine G. Essrig
Secretary-Treasurer: John G. Evon, III

Board Members

Christopher E. Brown
Nicholas B. Cox
Doretha W. Edgecomb
Robert Edwards
MaryEllen Elia
Susan P. Schneider
Commissioner Kevin Beckner

The CHILDREN’S BOARD OF HILLSBOROUGH COUNTY’s fiscal year begins on October 1 and ends on September 30.

The majority (88%) of Children’s Board revenue is generated from Hillsborough County property tax dollars. Other revenue sources include interest income, employee lease revenue, federal and state dollars (8%) and other miscellaneous local and foundation funding.

Accounting records are maintained on a computerized financial accounting system.

The CBHC has a total budgeted payroll for FY 2010 of \$6,330,775 covering 60.50 employees.

The CBHC is organized into departments. The accounting and financial reporting functions of the CBHC are centralized.

More CBHC and its finances can be obtained by contacting Tonia Williams, Chief Financial Officer. The telephone number is 813-204-1748. The email address is twilliams@childrensboard.org.

C. Fund Structure

The CBHC uses the following fund types and account groups in its financial reporting:

<u>Fund Type/Account Group</u>	<u>Number of Individual Funds</u>	<u>Number With Legally Adopted Annual Budgets</u>
General fund	<u>1</u>	<u>1</u>
Special revenue funds	<u>NA</u>	<u>NA</u>
Pension trust funds	<u>NA</u>	<u>NA</u>
General fixed assets account group	<u>NA</u>	<u>NA</u>
General long-term debt account group	<u>NA</u>	<u>NA</u>

D. Budgetary Basis of Accounting

The CBHC prepares its budgets on a basis consistent with generally accepted accounting principles.

E. Federal and State Awards

During the fiscal year to be audited, the CBHC received the following:

- Federal revenue from approximately 12 different CFDA #s and state revenue from 4 different CFSA #s for an estimated total amount of \$3.2 million.

F. Pension Plans

The CBHC participates in the following pension plans:

- Florida Retirement System (FRS) – A defined benefit retirement plan, qualified under section 401(a) of the Internal Revenue code and established in 1970 by Chapter 121, Florida Statutes. The FRS is noncontributory for members with contributions made exclusively by participating employers. Effective on 10/1/97 by referendum and is compulsory thereafter for new employees.
- ICMA Retirement Corporation (ICMA) – A code 457 deferred compensation plan that is administered by the ICMA Retirement Trust. There are fifty-one participants in this plan and two plans of contribution (A or B). Adoption or effective date – March 15, 1990

G. Component Units

The CBHC is defined, for financial reporting purposes, in conformity with the Governmental Accounting Standards Board's *Codification of Governmental Accounting and Financial Reporting Standards*, Section 2100. Using these criteria, component units are not included in the CBHC's financial statements. During fiscal year ending September 30, 2009, CBHC entered into a memorandum of understanding with the Children's Board Foundation. Although the foundation meets the criteria as a component unit, due to the immaterial nature of the foundation, it was not included in the financial statements of CBHC for fiscal year ending September 30, 2009.

H. Joint Ventures

The CBHC does not participate in joint ventures with other governments.

I. Magnitude of Finance Operations

The finance department is headed by Tonia Williams, Chief Financial Officer and consists of six employees. The principal functions performed and the number of employees assigned to each is as follows:

<u>Function</u>	<u>Number of Employees</u>
Accounting Manager	1
Accounts Payable	1

Accountant II	1
Accountant III	1
General Manager III	1

J. Computer Systems

The finance department uses Dell Workstations that are networked on a Microsoft Windows 2000 file server. The accounting software used is Non-Profit/Government Series version 10.2 by Micro Information Product. The operating system is Microsoft WINXP Pro. The other major software used is Microsoft Office Professional Edition 2007.

K. Internal Audit Function

CBHC does not have an internal audit function .

L. Availability of Prior Audit Reports and Working Papers

Interested proposers who wish to review prior years' audit reports and management letters should contact Tonia Williams, at 1002 E Palm Ave., Tampa, FL. The telephone number is (813) 204-1748. The email address is twilliams@childrensboard.org. CBHC will use its best efforts to make prior audit reports and supporting working papers available to proposers to aid their response to this request for proposals.

IV. TIME REQUIREMENTS

A. Proposal Calendar

The following is a list of key dates up to and including the date proposals are due to be submitted:

Request for proposal issued	June 20, 2010
Deadline for notification of interest with questions re: engagement	July 1, 2010
Deadline for submission of proposals	July 23, 2010
Presentation to auditor selection committee	August 11, 2010
Auditor selection	August 11, 2010
Auditor selection presentation to the Board	August 26, 2010

B. Notification and Contract Dates

Selected firm notified August 27, 2010

Contract date September 1, 2010

C. Date Audit May Commence

CBHC will have all records ready for audit and all management personnel available to meet with the firm's personnel as of January 15, 2011.

D. Schedule for the 2010 Fiscal Year Audit (This time schedule will be adjusted accordingly for subsequent audits, if CBHC exercises its option for additional audits).

Each of the following should be completed by the auditor no later than the dates indicated.

1. Interim Work

The auditor shall complete interim work by September 30, 2010

2. Audit Plan

The auditor shall provide, by November 30, 2010, both an audit plan and a list of all schedules to be prepared by CBHC.

3. Fieldwork

Commencement of Fieldwork by Auditor at CBHC on January 15, 2011

4. Draft Reports

The auditor shall have drafts of the audit report[s] and recommendations to management available for review by the Chief Financial Officer by February 28, 2011.

E. Entrance Conferences, Progress Reporting and Exit Conferences

The auditor shall provide CBHC by November 30, 2010 both a list of dates for conferences and a list of dates the auditor will provide written progress reports. (A similar time schedule will be developed for audits of future fiscal years if the CBHC exercises its option for additional audits). The auditors shall conduct such preliminary and progress conferences as may be appropriate. In addition, an exit conference shall be conducted with the Chief Financial Officer and Accounting Manager, to discuss the audit, management letter, along with any adjusting or reclassifying journal entries. The auditors shall also provide appropriate consultation as needed during the term of the agreement.

F. Date Final Report is Due

The Chief Financial Officer shall prepare draft financial statements and all required supplementary schedules by January 15, 2011. The auditor shall provide all recommendations, revisions and suggestions for improvement to the Chief Financial Officer by February 28, 2011. A revised report, including a draft of the auditor's report(s), shall be delivered to the Finance Committee by March 15, 2011.

The Chief Financial Officer and the Finance Committee will complete their review of the draft report as expeditiously as possible. It is not expected that this process should exceed one week. During that period, the auditor should be available for any meetings that may be necessary to discuss the audit reports. Once all issues for discussion are resolved, the final signed report shall be delivered to the Chief Financial Officer within five working days. It is anticipated that this process will be completed and the final report delivered by the March board meeting.

The audit firm must indicate their ability to adhere to the above time table for the fiscal year ended September 30, 2010, and their ability to provide technical assistance as required by the Board's staff.

The final report and 20 signed copies should be delivered to Tonia Williams, Chief Financial Officer at 1002 E. Palm Avenue, Tampa, FL.

V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

A. Finance Department and Clerical Assistance

The finance department staff and responsible management personnel will be available during the audit to assist the firm by identifying locations of supporting information, documentation, explanations, and such other tasks that will serve to expedite the audit examination, subject to the day-to-day operational duties of support personnel. The preparation of confirmations will be the responsibility of the auditor.

B. Electronic Data Processing (EDP) Assistance

EDP personnel will also be available to provide systems documentation and explanations. The auditor will not be provided computer time and the use of the CBHC's computer hardware and software.

C. Statements and Schedules to be prepared by the Staff of CBHC

The staff of CBHC will prepare the following statements and schedules for the auditor by December 31, 2010.

Statement or Schedule

Trial Balance	Accruals
Bank Reconciliations	Payroll
Receivables	Insurance
Investments	Compensated Absences
Ad Valorem Tax Revenue	Community Redevelopment Agency Tax
Prepays	Fixed Assets
Accrued Salary Expense	Contracts Payable
Pensions	Accounts Payable
Delinquent Ad Valorem Tax Revenue	

D. Work Area, Telephones, Photocopying and FAX Machines

The CBHC will provide the auditor with reasonable work space, desks and chairs. The auditor will also be provided with access to one telephone line, internet, photocopying facilities and FAX machines subject to the following restrictions: Telephone calls are restricted to local calls.

E. Report Preparation

Report preparation, editing and printing shall be the responsibility of the auditor.

VI. PROPOSAL REQUIREMENTS

A. General Requirements

1. Submission of Notification of Interest
Firms interested in submitting a proposal must submit by July 1, 2010 their "Notification of Interest" in the format attached to the letter transmitting this Request for Proposal. All questions regarding the engagement must be submitted **with** the notification of interest. On-site inspections for interested proposers will be held upon request of an appointment during July 6-9, 2010
3. Inquiries
Inquiries concerning the request for proposals and the subject of the request for proposals must be made by July 1, 2010 to:

Tonia Williams, Chief Financial Officer
1002 E Palm Avenue
Tampa, FL 33605
(813) 204-1748
twilliams@childrensboard.org

CONTACT WITH PERSONNEL OF CBHC OTHER THAN TONIA WILLIAMS, CHIEF FINANCIAL OFFICER, REGARDING THIS REQUEST FOR PROPOSALS MAY BE GROUNDS FOR ELIMINATION FROM THE SELECTION PROCESS.

4. Submission of Proposals

The following material is required to be received by July 23, 2010 for a proposing firm to be considered:

a. A master copy (so marked) of a Technical Proposal and five copies to include the following:

i. Title Page

Title page showing the request for proposals subject; the firm's name; the name, address and telephone number of the contact person; and the date of the proposal.

ii. Table of Contents

iii. Transmittal Letter

A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for October 1, 2009 through September 30, 2015. The transmittal letter should be signed in the Firm's name on one original and five copies.

iv. Detailed Proposal

The detailed proposal should follow the order set forth in Section VI B of this request for proposals. The Children's Board will follow the guidance set forth in Section 11.45, Florida Statutes, in order to select qualified certified public accountants. Accordingly, Respondents should **not** include a fee quote or other basis for fees in their response to this request for Audit Services.

v. Executed copies of Proposer Guarantees and Proposer Warranties, attached to this request for proposal (Appendix D and Appendix E)

vi. Single copies of all of the above shall also be submitted on removable storage (cd, thumb drive, etc..) in pdf format.

- b. The proposer shall submit an original and five copies of a dollar cost bid in a separate sealed envelope marked as follows:

SEALED DOLLAR COST BID
PROPOSAL
FOR
CHILDREN'S BOARD OF HILLSBOROUGH COUNTY
FOR
PROFESSIONAL AUDITING SERVICES
[DATE]

- c. Proposers should send the completed proposal consisting of the two separate envelopes to the following address:

CHILDREN'S BOARD OF HILLSBOROUGH COUNTY
1002 E Palm Avenue
Tampa, FL 33605

5. Nondiscrimination.

During the performance of the contract, the firm will assure the CBHC, that the firm is in compliance with Title VII of the 1964 Civil Rights Act, as amended, and the Florida Human Rights Act of 1977 in that the firm does not on the grounds of race, color national origin, religion, sex, age, handicap or marital status, discriminate in any form or manner against said firm's employees or applicants for employment. The selected firm understands and agrees that the contract is conditioned upon the veracity of this Statement of Assurance. Furthermore, the selected firm assures the CBHC that said firm will comply with Title VI of the Civil Rights Act of 1964 when federal grant(s) is/are involved. This Statement of Assurance shall be interpreted to include Vietnam-Era Veterans and Disabled Veterans within its protective range of applicability.

B. Technical Proposal

1. General Requirements

The purpose of the Technical Proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the CBHC in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The Technical Proposal should

demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposals requirements.

The CBHC will follow guidance set forth in Section 218.391, Florida Statutes, in order to select qualified certified public accountants. Accordingly, Respondents should **not** include a fee quote or other basis for fees in their response to this request for Audit Services.

THERE SHOULD BE NO DOLLAR UNITS OR TOTAL COSTS INCLUDED IN THE TECHNICAL PROPOSAL DOCUMENT.

The Technical Proposal should address all the points outlined in the request for proposals (excluding any cost information which should only be included in the sealed dollar cost bid). The Proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals. While additional data may be presented, the following subjects, items Nos. 2 through 12, must be included. They represent the criteria against which the proposal will be evaluated.

2. **Independence**

The firm should provide an affirmative statement that is independent of the CBHC as defined by generally accepted auditing standards/the U.S. General Accounting Office's *Government Auditing Standards*(2003).

The firm should also list and describe the firm's (or proposed subcontractors') professional relationships involving the CBHC for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

The proposer must disclose the name of any partner, director, officer, shareholder, employee or agent of the proposer who is also an employee or Board member of the Children's Board of Hillsborough County.

If there are no such partners, directors, officers, shareholders, employees, agents, or owners of the proposer who are employees or Board members of the Children's Board, the proposer must directly state this fact in the proposal.

In addition, the firm shall give the CBHC written notice of any professional relationships entered into during the period of this agreement.

3. **Public Entity Crimes Statement:** A person or affiliate who has been placed on the convicted vendor list following a conviction for a public

entity crime may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids, proposals, or replies on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity in excess of the threshold amount provided in section 287.017 for CATEGORY TWO for a period of 36 months following the date of being placed on the convicted vendor list. A sworn statement under Section 287.133(3)(a), Florida Statutes on Public Entity Crimes, is required as a mandatory part of this response. The Sworn Statement is included as Attachment #2 attached to the Request for Audit Services documents being incorporated as part of the Agreement by reference, and must be properly completed and submitted with the response.

4. License to Practice in Florida

An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in Florida.

5. Firm Qualifications and Experience

The proposer should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal auditor should be noted, if applicable.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

6. Partner, Supervisory and Staff Qualifications and Experience

Include a declaration of the Respondent's ability and willingness to commit and maintain staffing as to both number of staff and level of staff in order to successfully conclude the audit examination, including a description of recent, current, and projected work loads involving other governmental unit clients. Also, specifically address the work load of staff that the Respondent would anticipate assigning to the CBHC audit, if selected.

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether each such person is registered or licensed to practice as a certified public accountant in Florida. Provide information on the government auditing experience of each person, including information on relevant technical training and continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit. Resumes should be included of the Partner, Manager, and senior staff member (in-charge member) of the staff team.

Describe the experience of the local office in conducting governmental audits. Submit a list of governmental units audited by the local office. The type of governmental entity should be disclosed next to the unit's name (i.e. state government, city, special district, etc.). The proposer may supplement this list with governmental units audited by other offices of the firm (if applicable) so long as this supplemental list is clearly labeled as such.

Briefly describe the experience of the local office in conducting audits of non-profit entities.

Indicate the degree of decision making ability of the local office partner in accounting matters(issues) that may arise which affect CBHC.

The Firm may describe any other audit experience possessed by the local office or list any other engagements conducted by the local office if it believes this information will be useful to CBHC in evaluating the proposer.

Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. Indicate how the quality of staff over the term of the agreement will be assured.

The proposer should identify the extent to which staff to be assigned to the audit reflect the CHILDREN'S BOARD OF HILLSBOROUGH COUNTY's commitment to Affirmative Action.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of CBHC. However, in either case, the CBHC retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for proposal can only be changed with the express prior written permission of the CBHC, which retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

7. Prior Engagements with the CBHC

List separately all engagements within the last five years, ranked on the basis of total staff hours, for the CBHC by type of engagement (i.e., audit, management advisory services, other). Indicate the scope of work, date, engagement partners, total hours, the location of the firm's office from which the engagement was performed, and the name and telephone number of the principal client contact.

8. Similar Engagements With Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum - 5) performed in the last five years that are similar to the engagement described in this request for proposal. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

9. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this request for proposal. In developing the work plan, reference should be made to such sources of information as CBHC's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.

Proposers will be required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement

NO DOLLARS SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL

- c. Sample size and the extent to which statistical sampling is to be used in the engagement
- d. Supervision to be exercised
- e. Type and extent of analytical procedures to be used in the engagement
- f. Approach to be taken to gain and document an understanding of the CBHC's internal control structure
- g. Approach to be taken in determining laws and regulations that will be subject to audit test work
- h. Approach to be taken in drawing audit samples for purposes of tests of compliance
- i. Preparation of financial and management reports

10. Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from CBHC.

11. Report Format

The proposal should include sample formats for required reports.

12. Affirmative Action

The proposer shall certify that all decisions regarding recruitment, hiring, promotions, and other terms and conditions of employment are made without regard to consideration of race, color, religion, sex, national origin, age, disability, or marital status.

13. Submit any additional information not specifically requested above that the proposer deems pertinent to this proposal.

NO DOLLARS SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL

14. Deviations. Submit a clearly stated description of any deviations in the proposal from the strict requirements of this request for proposals. Any deviations contained in the proposal not described in the Deviations section are waived. Deviations may result in a lower ranking or rejection of a proposal.

C. Sealed Dollar Cost Bid

1. Total All-Inclusive Maximum Price

The sealed dollar cost bid should contain all pricing information relative to performing the audit engagement as described in this request for proposal. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses.

The CBHC will not be responsible for expenses incurred in preparing and submitting the technical proposal or the sealed dollar cost bid. Such costs should not be included in the proposal.

The first page of the sealed dollar cost bid should include the following information:

- a. Name of Firm
- b. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with the CBHC.
- c. A Total All-Inclusive Maximum Price for the Fiscal Year 2010 engagement.

2. Rates by Partner, Specialist, Supervisory and Staff Level Times Hours Anticipated for Each

The second page of the sealed dollar cost bid should include a schedule of professional fees and expenses, presented in the format provided in the attachment (Appendix F), that supports the total all-inclusive maximum price. The cost of special services described in section 3, below, of this request for proposal should be disclosed as separate components of the total all-inclusive maximum price.

3. Rates for Additional Professional Services

If it should become necessary for CBHC to request the auditor to render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum

to the contract between CBHC and the firm. Any such additional work agreed to between CBHC and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the sealed dollar cost bid.

4. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost bid proposal. Interim billing shall cover a period of not less than a calendar month. Ten percent (10%) will be withheld from each billing pending delivery of the firm's final reports.

VII. EVALUATION PROCEDURES

A. Auditor Selection Committee

Proposals submitted will be evaluated by a five member Auditor Selection Committee consisting of members of the Board of Directors, Children's Board Staff, and a member of the community.

B. Review of Proposals

The Auditor Selection Committee will use a point formula during the review process to score proposals. Each member of the Auditor Selection Committee will first score each technical proposal by each of the criteria described in Section VII C below. The full Auditor Selection Committee will then convene to review and discuss these evaluations and to combine the individual scores to arrive at a composite technical score for each firm. At this point, firms with an unacceptably low technical score will be eliminated from further consideration.

After the composite technical score for each firm has been established, the sealed dollar cost bid will be opened and additional points will be added to the technical score based on the price bid. The maximum score for price will be assigned to the firm offering the lowest total all-inclusive maximum price. Appropriate fractional scores will be assigned to other proposers.

The CBHC reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

C. Evaluation Criteria

Proposals will be evaluated using three sets of criteria. The following criteria will be used as guidelines to ascertain the qualifications of the Firm submitting a proposal, and they will serve as a basis for making recommendations by the Auditor Selection Committee to the Board. Firms meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications

and price. The following represent the principal selection criteria which will be considered during the evaluation process.

1. Mandatory Elements

- a. The audit firm is independent and licensed to practice in Florida
- b. The firm has no conflict of interest with regard to any other work performed by the firm for the CBHC
- c. The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal
- d. The firm submits a copy of its last external quality control review report and the firm has a record of quality audit work.
- e. The selected proposer must be able to submit proof of bond/professional liability insurance.
- f. Proposers must agree that after selection, the proposer will be able to negotiate, if deemed necessary by CBHC, the reasonable refinement of services, objectives, procedures, fees, and costs.
- g. At the conclusion of the examination, the successful firm must provide a letter to CBHC for inclusion with the bound financial report designating the auditor in charge of the CBHC engagement and confirming that educational requirements have been met in accordance with the Government Auditing Standards Chapter 3(3.1 – 3.10).

2. Technical Quality: Maximum Points - [75]

a. Expertise and Experience

- (1) The firm's past experience and performance on comparable government engagements [25]
 - a. Experience in auditing the following types of organizations: governmental organizations--State, County, Municipal, and Special Districts; non-profit organizations; other entities.
 - b. Experience in auditing Federal and State Grants
- (2) The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation [15]
 - a. The specific relevant experience of the Audit Engagement Manager and their key personnel

specifically identified to participate in the engagement.
b. Technical training and continuing education provided to professional staff members.

(3) The proposer's ability to meet CBHC's schedule. Recent, current, and projected work loads for other governmental clients [10]

b. Audit Approach [25]

(1) Adequacy of proposed staffing plan for various segments of the engagement to adequately staff the audit engagement in the various specialties considered necessary to successfully conclude the engagement. Evidence that the firm also has adequate technical resources available to serve the needs of CBHC.

(2) Adequacy of sampling techniques

(3) Adequacy of analytical procedures

3. Price: Maximum Points - [25]

COST WILL NOT BE THE PRIMARY FACTOR IN THE SELECTION OF AN AUDIT FIRM

D. Oral Presentations

During the evaluation process, the Auditor Selection Committee may, at its discretion, request any one or all firms to make oral presentations. Formal oral presentations by the Firms submitting proposals are not expected to be necessary. However, if there is an indicated need to seek clarification of any information contained in a proposal, or if the Auditor Selection Committee requires additional information on any matter, one or more of the Firms may be requested to submit clarifying information in writing or to make an oral presentation on the proposal. Such presentations will provide firms with an opportunity to answer any questions the Auditor Selection Committee may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

E. Final Selection

The Children's Board will select a firm based upon the recommendation of the Auditor Selection Committee.

It is anticipated that a firm will be selected by August 11, 2010. Following notification of the firm selected, it is expected a contract will be executed between both parties by September 1, 2010.

F. Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the CBHC and the firm selected.

The CBHC reserves the right to waive any minor irregularity in any proposal.

APPENDICES

- A. Reportable Conditions from Recent External Audit
- B. List of Key Officials, Office Locations and Telephone Numbers
- C. Proposer Certification
- D. Proposer Warranties
- E. Format for Schedule of Professional Fees and Expenses to Support the Total All-inclusive Maximum Price

ATTACHMENTS

- A. Audit RFP Calendar
- B. Notification of Interest Template
- C. Proposer Information
- D. Sworn Statement on Public Entity Crimes
- E. Organizational Chart

APPENDIX A

REPORTABLE CONDITIONS FROM RECENT EXTERNAL AUDITS

External Audits:

Please see our FY 2009 audited financial statements for Reportable conditions.

APPENDIX B

LIST OF KEY PERSONNEL AND TELEPHONE NUMBER

<u>Name and Title</u>	<u>Telephone</u>
Luanne Panacek, Chief Executive Officer	Ext. 223
Donald L. Dixon, Chief Operating Officer	Ext. 276
Jennifer Fisch, IT Manager	Ext. 240
Tonia Williams, Chief Financial Officer	Ext. 248

APPENDIX C

PROPOSER CERTIFICATION

- I. The proposer certifies it can and will provide and make available, as a minimum, all services set forth in Section II, Nature of Services Required.

Signature of Official: _____

Name (typed) : _____

Title: _____

Firm: _____

Date: _____

APPENDIX D

PROPOSER WARRANTIES

- A. Proposer warrants that it shall comply with State of Florida laws with respect to foreign (non-state of Florida) corporations, if applicable.
- B. Proposer warrants that it shall obtain and maintain throughout the term of the contract with the CBHC an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof. A certificate of insurance describing such insurance shall be provided to the CBHC at the time the contract is signed.
- C. Proposer warrants that it shall submit proof of bond/professional liability insurance.
- D. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the CHILDREN'S BOARD OF HILLSBOROUGH COUNTY.
- E. Proposer warrants that after selection, the proposer will be able to negotiate, if deemed necessary by CBHC, the reasonable refinement of services, objectives, procedures, fees, and costs.
- F. Proposer warrants that all information provided by it in connection with this proposal is complete, true, and accurate.

Signature of Official:

Name (typed):

Title:

Firm:

Date:

APPENDIX E

Page 1

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

FOR THE AUDIT OF THE FISCAL YEAR 2005 FINANCIAL STATEMENTS

	<u>Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partners	_____	_____	_____	_____
Managers	_____	_____	_____	_____
Supervisory Staff	_____	_____	_____	_____
Staff	_____	_____	_____	_____
Other (specify): _____	_____	_____	_____	_____
Subtotal	_____	_____	_____	_____
Total for services Described in Section VI.C. of the RFP (Detail on subsequent pages)				_____
Out-of-pocket expenses:				_____
Meals and lodging per section 112.061, Florida Statutes.				_____
Transportation per section 112.061, Florida Statutes				_____
Other (specify): _____				_____
Total all-inclusive maximum price for Fiscal Year 2005 audit				_____

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.

APPENDIX E

Page 2

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

FOR THE AUDIT OF THE FISCAL YEAR 2005 FINANCIAL STATEMENTS:

COMBINING SCHEDULE - ALL SERVICES

DESCRIBED IN RFP SECTION VI.C.3

<u>Nature of Service To Be Provided</u>	<u>Schedule</u>	<u>Total Price</u>
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EACH SERVICE DESCRIBED IN RFP SECTION VI.C.3 SHOULD BE SUPPORTED BY AN INDIVIDUAL SCHEDULE IN THE FORMAT PROVIDED ON PAGE 3 OF THIS APPENDIX.

APPENDIX E

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

FOR THE AUDIT OF THE FISCAL YEAR 2010 FINANCIAL STATEMENTS

	<u>Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partners	_____	_____	_____	_____
Managers	_____	_____	_____	_____
Supervisory Staff	_____	_____	_____	_____
Staff	_____	_____	_____	_____
Other (specify): _____	_____	_____	_____	_____
Subtotal	_____	_____	_____	_____
Total for services Described in Section VI.C. of the RFP (Detail on subsequent pages)				_____
Out-of-pocket expenses:				_____
Meals and lodging per section 112.061, Florida Statutes.				_____
Transportation per section 112.061, Florida Statutes				_____
Other (specify): _____				_____
Total all-inclusive maximum price for Fiscal Year 2005 audit				_____

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.