



## REQUEST FOR PROPOSALS FOR FINANCIAL AUDIT SERVICES WORKFORCE SOUTHWEST WASHINGTON (WSW)

**GENERAL INFORMATION:** Workforce Southwest Washington (WSW), a nonprofit corporation located in Vancouver, Washington, is soliciting proposals from qualified firms of certified public accountants, licensed or otherwise approved by the State of Washington, to audit its financial statements: balance sheet and related statements of revenues, expenses, and changes in fund balances and cash flows for the fiscal year ending June 30, 2019, and two subsequent years. Proposals must be submitted to WSW no later than at 11:59 p.m. on Monday, June 10, 2019.

WSW was incorporated in July 2002 and designated as the local Workforce Investment Board under the federal Workforce Investment Act (WIA) as amended in 2014 and currently known as the Workforce Innovation and Opportunity Act (WIOA). All accounting functions and reports are performed and compiled by internal fiscal staff.

WSW receives and administers U.S. Department of Labor WIOA funding through the State of Washington Employment Security Department and Workforce Training and Education Coordinating Board, along with other federal and non-federal funding totaling approximately \$9.0 million for fiscal year ending June 30, 2018. WSW is bound by federal and state laws governing the use of such funds. It does not provide direct services to the general public but rather disseminates the bulk of its funding through multiple project agreements with various local employment and training contractors in Clark, Cowlitz, and Wahkiakum Counties.

WSW has been audited annually and received an unmodified report regarding both the financial statements and compliance for the fiscal year ending June 30, 2018. WSW qualified as a low-risk auditee.

**PURPOSE:** The purpose of the required financial and compliance audit is to determine: a) whether the financial statements of WSW fairly present the financial position and the results of financial operations in accordance with generally accepted accounting principles; b) whether any material weaknesses were identified as a result of the study and evaluation of the internal control systems; and c) whether the WSW has complied with applicable laws and regulations that may have a material effect upon the WSW's financial statements and/or funding requirements.

**PROCEDURES:** Audit procedures will include tests of documentary evidence supporting the transactions recorded in the accounts; tests of the physical evidence supporting the transactions recorded in the accounts; tests of the physical existence of inventories; and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected funding sources, creditors, and financial institutions.



The auditor shall exercise its professional judgment in determining the number of transactions to be examined and the areas to be tested and will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

WSW's Fiscal Staff will provide the basic information required for the audit, as well as reasonable clerical support and assistance, including preparing cash, accounts receivable, accounts payable, and other confirmations requested.

**COST:** WSW will pay the selected bidder a flat fee, inclusive of all of the bidders' expenses.

**LOCATION:** On-site audit activities will be conducted at WSW's office, 805 Broadway, Suite 412, Vancouver, WA 98660.

**TIMEFRAME:** The audit is scheduled to begin with an entrance conference no later than November 30, 2019, with WSW management personnel, WSW Executive or Financial Board members, and/or other interested individuals. Progress conferences will be held, as needed, throughout the engagement. An exit conference will be held and a final report issued to WSW no later than January 15, 2020. WSW reserves the right to extend any contract issued in the form of one-year renewals based on the audit firm's prior performance. Price and terms of each year's subsequent audit may be renegotiated with WSW.

**FINAL REPORT:** No less than one copy of the final reports, and an electronic file copy, shall be provided to WSW. The auditor shall issue: 1) a report on the fair presentation of the general purpose financial statements, as a whole, in conformity with generally-accepted accounting principles; 2) a report on the internal control structure based solely on the auditor's understanding of the control structure made as part of the audit of the general purpose financial statements; and 3) a report on compliance with applicable laws and regulations that may have a material effect on financial statements. The audit document will include the following additional information that will be subjected to the auditing procedures applied in the audit of the financial statements: 1) a Schedule of Expenditures of Federal Awards; and 2) a Schedule of Current Year Findings and Questioned Costs.

In the required report on internal controls, the auditor shall communicate any reportable condition 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 WSW's ability to record, process, summarize, and report financial data consistent with 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 auditor shall be reported in a separate letter to management, which shall be referred to in the report on internal controls. The reports on compliance shall include all instances of non-compliance.

The auditor shall inform WSW's Finance Committee and Executive Board 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; and 9) difficulties in performing the audit.

**PROPOSAL FORMAT:** All responses must include the following items:

1. **Cover Letter.** Signed by an authorized representative of the firm and containing statements: 1) committing to providing the services described in the proposal with the staff specified; 2) disclosing or denying any interest, financial or otherwise, that any employee or member of WSW may have in the proposing firm or proposed project; 3) certifying that the firm has no conflict of interest with regard to any other work performed by the firm for WSW or its contractors; and 4) certifying that the firm is not debarred or suspended or otherwise excluded from or are ineligible for participation in Federal Assistance programs under Executive Order 12549, "Debarment and Suspension."
2. **Evidence of Licensing or Other Approval to Conduct Audits in the State of Washington.**
3. **A copy of the Auditor's peer review report.**
4. **Work Plan.** A summary of the proposer's understanding of the audit requirements and a detailed description of the work to be performed, including time estimates and proposed staffing for each major audit segment.
5. **Qualifications of the Firm.** A description of previous experience on projects of similar type and scope, including specific experience conducting audits under 2 CFR Part 200: Uniform Guidance and/or WIOA audits and up to three (3) references.
6. **Qualifications of the Proposed Staff.** Include resumes for personnel committed to this project, describing previous audit experience.
7. **Flat Fee Cost Proposed.**

Electronic proposals should be submitted in PDF format via email to [bhorner@workforcesw.org](mailto:bhorner@workforcesw.org) and copied to [info@workforcesw.org](mailto:info@workforcesw.org), hardcopies should be submitted on standard 8 1/2 x 11 letter size paper, single-sided. Expensive papers and bindings are discouraged. Proposers are reminded that proposals will be considered as submitted, with points of clarification solicited from proposers at the discretion of WSW. The information and proposed cost submitted by the firm selected for the contract award will form the basis for negotiation of a contract.

**PROPOSAL SUBMISSION: One electronic pdf file must be received via email no later than 5:00 p.m. on Monday, June 10, 2019. Additionally, a signed original and five (5) copies must be received at the following location no later than 5:00 p.m. on Wednesday, June 12, 2019:**

**Workforce Southwest Washington  
805 Broadway, Suite 412  
Vancouver, Washington 98660  
ATTN: Financial Audit Services RFP**

**Pre-proposal questions may be submitted in writing only to [bhorner@workforcesw.org](mailto:bhorner@workforcesw.org) and copied to [info@workforcesw.org](mailto:info@workforcesw.org). Questions and answers will be publicly posted on the WSW website as soon as practicable after the question is received.**



**PROPOSAL EVALUATION AND SELECTION:** Each proposal received in response to this RFP will be initially evaluated by internal staff to determine if it meets all mandatory requirements:

- The audit firm is licensed to practice in the State of Washington;
- The firm has no conflict of interest with regard to any other work performed by the firm for WSW or its Contractors;
- The firm adheres to the instructions in this RFP for preparing and submitting proposals; and
- The firm is able to comply with the requirements of this RFP.

Members of the WSW Board of Directors including members of the WSW Finance Committee will review and rank the responsive proposals using the following criteria:

- Responsiveness of the proposal in clearly stating the work to be performed as evidenced by comprehensiveness of audit work plan; realistic time estimates of each major segment of the work plan; and the estimated number of hours for each staff assigned;
- Relevant experience of the firm: Uniform Guidance Compliance Audit experience; and auditing of similar entities;
- Results of peer and external quality control reviews,
- Qualifications of staff, including supervisors, to be assigned to the audit; and
- Proposed cost of the audit.

Auditor selection and notification of results of this procurement by direct communication with proposers will occur no later than August 1, 2019.

## **OTHER CONDITIONS**

**Auditing Standards:** The audit shall be performed in accordance with generally-accepted auditing standards as set forth by the American Institute of Certified Public Accountants; the standards for financial audits contained in the U.S. General Accounting Office's Generally Accepted Government Auditing Standards, issued by the Comptroller General of the United States; the provisions set forth in Office of Management and Budget 2 CFR Part 200: Uniform Administrative Requirements, Cost Principles and Audit requirements for Federal Awards (Uniform Guidance); Final Rule, and any other applicable guidelines, standards or procedures, including policies and procedures of the State of Washington Workforce Investment Act Administration and will include tests of the accounting records of WSW and other necessary procedures to express an opinion about whether the financial statements are fairly presented and in conformity with generally accepted accounting principles and to report on WSW's compliance with laws, regulations, and internal controls relevant to its federal financial assistance programs.

**Working Paper Retention and Access to Working Papers:** All working papers and reports must be retained, at the auditor's office where the work will be performed and at the auditor's expense, for a minimum of three (3) years. The auditor will be required to make the working papers available upon request of WSW and/or its Fiscal Agent. 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.



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**Subcontracting:** No activities or services included as a part of this proposal may be subcontracted to another organization, firm, or individual without the approval of WSW. Such intent to subcontract should be clearly identified in the proposal. It is understood that the contractor is held responsible for the satisfactory accomplishment of the service or activities included in a subcontract.

**Equal Opportunity:** The prospective contractor must agree to provide equal opportunity in the administration of the project.

WSW is an equal opportunity employer and program.  
Auxiliary aids and services are available upon request to individuals with disabilities.