

**KENTUCKIANA REGIONAL PLANNING AND DEVELOPMENT AGENCY**

**REQUEST FOR PROPOSALS  
FOR FINANCIAL AND COMPLIANCE AUDITS  
FOR THE YEARS ENDING JUNE 30, 2018  
WITH TWO POSSIBLE ONE YEAR EXTENSIONS**

**Proposals shall be directed to:**

**Thomas W. Pope  
Director of Finance  
KIPDA  
11520 Commonwealth Drive  
Louisville, KY 40299**

## I. **GENERAL INFORMATION**

### A. **Purpose**

The Kentuckiana Regional Planning and Development Agency (hereinafter referred to as KIPDA) is accepting proposals to obtain the services of a public accounting firm, whose principal officers are independent certified public accountants, certified or licensed by the Commonwealth of Kentucky, hereinafter referred to as the "Offeror" to perform a financial and compliance audit for the fiscal year ending June 30, 2018.

At the discretion of KIPDA, and subject to the Kentucky Auditor of Public Accounts' (APA) right of first refusal to perform the audit, the audit contract may be extended for two additional one-year periods. The cost of the optional periods shall be included with the proposal.

The APA office has indicated that it will not be performing KIPDA's audit for the year ending June 30, 2018.

### B. **Who May Respond**

Only licensed Certified Public Accountants, qualified to do business in the Commonwealth of Kentucky, which also have an active license to practice with the Kentucky State Board of Accountancy and are a member of the American Institute of Certified Public Accountants (AICPA) may respond to this RFP.

### C. **Instructions on Proposal Submission**

#### 1. **Closing Submission Date**

Proposals must be received at the KIPDA receptionist's desk no later than 2 PM (EDT) on May 14, 2018. See Section III of this RFP for requirements of proposal.

#### 2. **Inquiries/Questions**

Inquiries or questions concerning this RFP should be directed to Tom Pope by email at [tom.pope@kipda.org](mailto:tom.pope@kipda.org). All inquiries should be made by 4PM May 7, 2018.

#### 3. **Conditions of Proposal**

All costs incurred in the preparation of a proposal responding to this RFP will be the responsibility of the Offeror and will not be reimbursed by KIPDA.

4. Your proposal shall be addressed as follows:  
Thomas W. Pope  
Director of Finance  
KIPDA  
11520 Commonwealth Drive  
Louisville, KY 40299

It is required that the Offeror submit three copies of the proposal submitted in a sealed envelope clearly marked in the lower left-hand corner with the following information:

**Request for Qualifications**  
**2 PM EDT May 14, 2018**  
**SEALED PROCUREMENT for Audit Services**

Failure to do so may result in premature disclosure of your proposal.

It is the responsibility of the Offeror to insure that the proposal is received at the KIPDA receptionist's desk by the date and time specified above.

Late proposals will not be considered.

5. Right to Reject

KIPDA reserves the right to reject any and all proposals in response to this RFP. A contract for the accepted proposal will be based upon the factors described in this RFP.

6. Small and/or Minority-Owned Businesses, and Women's Business Enterprises

KIPDA will utilize small and/or minority-owned businesses, and women's business enterprises when possible, considering all criteria.

If you are responding to this RFP as a small and/or minority owned business, or women's business enterprise, please complete the Small and/or Minority Owned Business, or Women's Business Enterprise Affidavit in Schedule B.

7. Notification of Award

A decision selecting the successful audit firm will not be final until

approved by the KIPDA Board of Directors. After Board approval and upon conclusion of final negotiations with the successful audit firm, all Offerors submitting proposals in response to this RFP will be informed, in writing.

D. **Description of Entity**

KIPDA is one of 15 Area Development Districts in the State of Kentucky providing regional planning and development. KIPDA was formed by interstate compact under the laws of Kentucky and Indiana for the purpose of civic improvement and economic development within the nine county region in Kentucky and Southern Indiana. KIPDA is a voluntary association of local governments funded by contributions from member cities and counties, federal and state grant awards, and contracts for services.

The KIPDA region consists of the Kentucky counties of Bullitt, Jefferson, Shelby, Spencer, Oldham, Trimble, and Henry and the Indiana counties of Clark and Floyd. KIPDA coordinates planning and development activities for this region and provides assistance with implementation of local, state and federal programs that address community development, planning and quality of life projects. KIPDA's projected annual revenue for FY 2018 is \$26 million and the agency employs approximately 100 individuals, who administer and perform services for a variety of state and federal programs. Through its partnership with the Kentucky Department for Local Government (DLG), KIPDA is an effective conduit of information and communication between DLG, its state cognizant agency, and the local units of government within the KIPDA region.

KIPDA is governed by its Board of Directors, which is comprised of local elected officials and appointees. The Executive Director is responsible for the daily operations of the organization.

KIPDA operates on a fiscal year beginning July 1 and ending June 30. The accounting systems are maintained on an accrual basis throughout the year.

KIPDA receives funding from various local, state, and federal government agencies for the administration and completion of specific scopes of work. KIPDA prepares an annual cost allocation plan to assign direct and shared costs to each grant, project and program. The allocation plan is submitted to our funders annually. KIPDA utilizes over 60 projects/programs and one cost pool that allocates common, operational and indirect administrative costs to each program. Additionally there are three pools to distribute shared divisional costs.

KIPDA utilizes GMS Fund Accounting software.

KIPDA has been audited annually for more than four decades.

This RFP document is available on the home page of our website at [www.KIPDA.org](http://www.KIPDA.org). You may also find on our web page the following documents:

- a. Cost Allocation Plan - FY 2018
- b. Most Recent Audit Report - FY 2017

## II. **SPECIFICATION SCHEDULE**

### A. **Scope of a Financial and Compliance Audit**

KIPDA intends to contract for a financial and compliance audit in accordance with applicable state and federal administrative regulations, including 2 CFR 200 - *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Subpart F – *Audit Requirements* and Generally Accepted Government Auditing Standards (GAGAS).

Special Provisions:

1. The Kentucky Department of Aging and Independent Living (DAIL) requires on opinion on the supplemental schedules that present by program the revenues (including local cash, in-kind and program income), expenditures and excess (deficit) of revenue over (under) expenditures.
2. The auditor shall review the Cost Allocation Plan for compliance with 2 CFR 200 and other applicable regulations.

### B. **Audit Review by Kentucky Auditor of Public Accounts**

KRS 147A.117 specifies the following requirements in any contract with a certified public accountant or firm resulting from this RFP:

- a) That the certified public accountant or firm shall forward a copy of the audit report and management letter to the Auditor of Public Accounts for review;
- b) That the Auditor of Public Accounts shall have the right to review the certified public accountant's or firm's work papers before and after the release of the audit, and
- c) That after review of the certified public accountant's or firm's work papers, should discrepancies be found, the Auditor of Public Accounts shall notify the audited entity of the discrepancies. If the certified public accountant or firm does not correct these discrepancies prior to the release of the audit, the Auditor of Public Accounts may conduct its own audit to verify the findings of the certified public accountant's or firm's report.
- d) The Offeror's representative must have extensive communication with the Kentucky Auditor of Public Accounts' (APA) office. The APA must approve the audit for release prior to the Offeror's presentation to KIPDA's governing body. The APA's approval will be determined by a

review of the Offeror's audit documentation and draft, after which the APA will communicate to the Offeror any changes necessary to obtain the APA's approval for release. The Offeror shall contact the APA at the beginning of the audit to coordinate the planned audit timeframe to facilitate a timely review and approval process. Subsequently, the Offeror must contact the APA's office to schedule the review of the audit documentation and draft report at least 14 days prior to presenting the draft report to KIPDA's governing body. The APA may grant tentative approval pending review of the management representation letter and other closing documentation finalized after the date of the APA's initial review.

C. **Delivery Schedule**

Offeror is to transmit a draft audit report to KIPDA's Executive Director and Director of Finance by October 22, 2018.

The Offeror shall provide 45 bound copies, one unbound copy and one electronic (pdf) KIPDA audit report, printed on standard 8 ½ X 11 letter size paper. The 45 bound reports, one unbound report and pdf file shall be delivered to KIPDA no later than November 20, 2018. A representative of the audit firm shall present the audit report at a specified meeting of the KIPDA Board of Directors.

Reports may be submitted earlier than the above schedule.

D. **Payment**

Payment will be made after receipt by KIPDA of invoices reflecting satisfactory performance.

E. **Exit Conference**

An exit conference with KIPDA's representative and the Offeror's representatives will be held at the conclusion of the fieldwork. Observations and Recommendations must be summarized in writing and discussed with KIPDA. It shall include internal control and program compliance observations and recommendations.

F. **Work Papers**

1. Upon request, the Offeror will provide a copy of the work papers pertaining to any questioned costs determined in the audits. The work

papers must be concise and provide the basis for the questioned costs as well as an analysis of the problem.

2. The work papers will be retained for at least three years from the final settlement by KIPDA's funders.
3. The work papers will be available for examination by authorized representatives of the federal or state funding and audit agencies, the General Accountability Office and KIPDA.

### III. **MINIMUM REQUIREMENTS OF PROPOSAL**

The Offeror, in its proposal, shall, at a minimum, include the following:

#### A. **Prior Auditing Experience**

The Offeror shall describe its prior auditing experience including the agency name, addresses, contact person, and telephone number of prior organizations audited. Experience shall include the following categories:

1. Prior experience auditing Area Development Districts.
2. Prior experience auditing similar programs funded by the Commonwealth of Kentucky or State of Indiana.
3. Prior experience auditing programs financed by the Federal Government.
4. Prior experience auditing similar county or local government activities.
5. Prior experience auditing nonprofit organizations.
6. Prior experience auditing entities with shared/indirect costs.

#### B. **Organization, Size, and Structure**

The Offeror shall describe its organization, size (in relation to audits to be performed) and structure. Indicate, if applicable, that the firm is a small and/or minority-owned business, or women's business enterprise by completing the Affidavit of Small and/or Minority Owned Business, or Women's Business Enterprise in Schedule B.

#### C. **Peer Review**

Offeror must include a copy of the most recent Peer Review and comment letter; as well as, a copy of the AICPA Acceptance letter.

D. **Staff Qualifications**

The Offeror shall describe the qualifications of staff to be assigned to the audits. Information shall include:

1. Audit team makeup.
2. Overall supervision to be exercised.
3. Prior experience of the individual audit team members.
4. Statement of staff continuum, professional education in government accounting and auditing during last two years.
5. Statement on whether firm has been the object of any disciplinary action during the past three years.
6. Statement as to whether they are independent, as defined by applicable auditing standards. The Offeror may also submit an explanatory letter describing circumstances and corrective actions performed since the last peer review.

Only include resumes of staff to be assigned to the audits. Education, position in firm, years and types of experience and continuing professional education will be considered.

E. **Understanding of Work to be Performed**

The Offeror shall describe its understanding of work to be performed, including audit procedures, estimated hours and other pertinent information.

F. **Price**

The Offeror's proposed price shall include information indicating how the price was determined. For example, the Offeror shall indicate the estimated number of hours by staff level, hourly rates and total cost by staff level. Any out-of-pocket expenses shall also be indicated. The cost of two possible one-year extensions shall be included.

G. **Certifications**

The Offeror shall sign and include the attached Certifications Schedule A.

IV. **PROPOSAL EVALUATION AND REVIEW**

A. **Non-responsive Proposals**

Proposals may be judged non-responsive and removed from further consideration if any of the following occur:

1. The proposal is not received in accordance with the terms of this RFP.
2. The proposal does not include the all required information.
3. The proposal is not adequate to form a judgment by the reviewers that the proposed undertaking would comply with the **Generally Accepted Government Audit Standards**.

**B. Evaluation**

Evaluation of the proposal will be based on responses to the above listed Section III criteria:

1. Prior auditing experience.  
  
KIPDA may contact prior audited organizations to verify the experience provided by the Offeror.
2. Organization, size and structure of Offeror's firm.  
(Considering size in relation to audits to be performed.)
3. Qualifications of staff to be assigned to the audits to be performed. This will be determined from resumes submitted. Education, position in firm, years and types of experience, continuing professional education, and state(s) in which licensed as a CPA, etc. will be considered.
4. Offeror's understanding of work to be performed.
5. Price

**C. Review Process**

The KIPDA may, at its discretion, request presentations by or meetings with any or all Offerors, to clarify or negotiate modifications to the Offeror's proposals. However, KIPDA reserves the right to make an award without further discussion of the proposals submitted. Therefore, proposals shall be submitted initially on the most favorable terms, from both technical and price standpoints, which the Offeror can propose.

CERTIFICATIONS  
SCHEDULE A

A. The individual signing certifies that he/she is authorized to submit this RFP and to contract on behalf of the Offeror.

B. The individual signing certifies that the Offeror is not involved in any agreement to pay money or other consideration for the execution of this agreement, other than to an employee of the Offeror.

C. The individual signing certifies that the prices quoted in this proposal have been arrived at independently, without consultation, communication or agreement, for the purpose of restricting competition.

D. The individual signing certifies that the prices quoted on this proposal have not been knowingly disclosed by the Offeror prior to an award to any other Offeror or potential Offeror.

E. The individual signing certifies that there has been no attempt by the Offeror to discourage any potential Offeror from submitting a proposal.

F. The individual signing certifies that the Offeror is a properly licensed certified public accountant.

G. The individual signing certifies that the Offeror meets the independence standards of the **Generally Accepted Government Audit Standards**.

H. The individual signing certifies that he/she is aware of - and, all individuals to be assigned to the audit have met - the GAO Continuing Education Requirement of 80 hours of continuing education every two years; and that 24 hours of this education have been in subjects directly related to government auditing, the government environment, or the specific or unique environment in which the audited entity operates.

I. The individual signing certifies that he/she has read and understands the GAO requirement of an external quality control (peer) review. (Proposals must include a copy of a peer review report and comment letter, if any.)

J. The individual signing certifies that he/she has read and understands the following publications relative to the proposed audits:

1. **Generally Accepted Government Audit Standards - (2011 Revision)**  
(Yellow Book.)
2. **Principles of Federal Appropriations Law** (Red Book)

3. **2 CFR 200** *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Part F Audit Requirements*
4. **"Standards for Internal Control in the Federal Government"** (2014)
5. **"State and Local Governments – Audit and Accounting Guide"** (AICPA Audit Guide).

- K. The individual signing certifies that he/she has read and understands all the information in this Request for Proposal, including the information on the programs/grants/contracts to be audited.
- L. The individual signing certifies that the Offeror, and any individuals to be assigned to the audits, does not have a record of substandard audit work and has not been debarred or suspended from doing work with any Federal, state or local government. (If the Offeror or any individual to be assigned to the audits has been found in violation of any state or AICPA professional standards, this information must be disclosed.)
- M. The individual signing certifies that the Offeror does carry professional malpractice insurance.

The Offeror must sign and include, as an attachment to its proposal the Certifications enclosed with this RFP. The publications listed in the Certifications will not be provided to potential Offerors by KIPDA, because KIPDA desires to contract only with an Offeror who is already familiar with these publications.

\_\_\_\_\_  
Signature of Offeror's Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name & Title

\_\_\_\_\_  
Audit Firm

**SCHEDULE B**

**SMALL AND /OR MINORITY OWNED, OR WOMEN’S BUSINESS ENTERPRISE  
AFFIDAVIT**

I, \_\_\_\_\_, being a duly sworn authorized representative of the applicant firm \_\_\_\_\_ confirm that my business is a small and/or minority owned business, or women’s business enterprise. By signing below I am attesting that I am providing this as part of the proposal for audit services for the Kentuckian Regional Planning and Development Agency, and acknowledge any false statement made by the applicant may result in denial of consideration.

\_\_\_\_\_  
NAME

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
TITLE

\_\_\_\_\_  
DATE

