

# NRVCS

**New River Valley Community Services**

## **REQUEST FOR PROPOSAL: AUDIT SERVICES**

**March 10, 2015**

**RFP Website:** [www.nrvcs.org](http://www.nrvcs.org)

**Contact Person for RFP:**

Deborah Whitten-Williams

Finance Director

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# **REQUEST FOR PROPOSALS**

## **New River Valley Community Services**

### **ANNUAL INDEPENDENT AUDIT**

March 10, 2015

New River Valley Community Services (hereinafter called "NRVCS") invites qualified independent auditors having sufficient governmental/public entity experience in performing an audit in accordance with the specifications outlined in this Request for Proposal (RFP) to submit a proposal. There is no expressed or implied obligation for NRVCS to reimburse auditor for any expense incurred in preparing proposals in response to this request.

#### **BACKGROUND**

NRVCS provides mental health, intellectual disability, crisis and substance use treatment services for adults and children living in the City of Radford and the counties of Floyd, Giles, Montgomery and Pulaski. NRVCS has 22 locations with over 750 employees. We have employees in traditional offices, schools, community sites and other mobile locations. We receive funding from the state and federal governments as well as the City of Radford, the counties of Floyd, Giles, Montgomery and Pulaski. NRVCS is required by state code to charge for its services, a sliding fee scale is utilized as well as billing Medicaid, Medicare and private insurance.

NRVCS was established over forty five years ago by state statute to provide comprehensive community based behavioral health services. A total of forty community services agencies exist around the state of Virginia. As an agent of local government, we are a multi-jurisdictional agency serving the 4 counties and 1 city mentioned above.

NRVCS's accounting records are located in the Financial Department at 700 University City Boulevard, Blacksburg, Virginia. The computerized accounting records are processed using Great Plains Accounting software. The modules used by NRVCS include GL, Payroll, Accounts Payable, and Fixed Assets. System development and improvements are provided by Odyssey Software. NRVCS's in-house information systems personnel are responsible for security, backups and installing vendor upgrades. NRVCS has only used Great Plains software since July 2012. We continue to experience issues with functionality that are being addressed.

In addition to the primary accounting system, the Billing department uses Accumedic Software which provides the AR module.

Budgets are adopted annually. NRVCS's budget of approximately \$42 million for the year ended June 30, 2014, includes 750 full-time equivalents (FTE's).

The accounting policies of NRVCS conform to generally accepted accounting principles (GAAP) as applicable to governmental agencies. The internal reports are prepared on a budgetary cash basis and are adjusted to GAAP for the annual report.

#### **AUDIT ASSISTANCE AVAILABLE TO AUDITOR**

The Financial Services Department staff, consisting of the Financial Services Coordinator, an Internal Auditor, Accounting Manager, Payroll Specialist and five Accounting Technicians (Accounts Payable, Payee Specialists and Purchasing) will provide assistance during the audit. Auditors will have access to all printed reports and the computer system to view records and print reports. Much of the financial information can be exported into electronic formats.

The accounting staff of the financial services department is highly qualified in their fields. The Financial Services Coordinator is a Certified Public Accountant with over 20 years of accounting and auditing experience.

#### **AUDIT SERVICE PERIOD**

NRVCS intends to continue the relationship with the selected auditor for a three (3) year term, with two (2) optional one-year renewals.

#### **AUDIT SERVICE REQUIREMENTS**

The audit will be conducted in accordance with generally accepted auditing standards and financial statements will include management's Discussion and Analysis required by generally accepted accounting principles. In addition, the auditor is also expected to provide informal advice and consultation throughout the year on matters relating to tax, accounting and financial reporting. This would not necessarily include any task that entail significant research or a formal report.

Should circumstances arise during the audit that require significant additional work to be performed in excess of the amounts set forth in the contract, additional costs shall be negotiated prior to commencement of the work and an amended contract executed.

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

- a. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles for NRVCS. The audit will include an expression of an opinion as to whether the financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles in the United States of America.
- b. The audit will also include reporting on Internal Controls related to the financial statements and compliance with laws, regulations and provisions of contracts or grant agreements. In addition, the report will include a report on

Internal Control related to major programs and an opinion on compliance with laws, regulations and provisions of contracts or grant agreements.

- c. A schedule of findings and questioned costs (Single Audit).

The audit and all reports must be completed no later than four and one half months following the fiscal year ending June 30.

Each annual audit will include written recommendations made to management, which address any findings, observations, opinions, or comments relating to internal controls, financial systems, compliance or other matters that come to the attention of the auditors during the examination process. This management letter shall be provided in draft form prior to publication of the final report and discussed with NRVCS officials.

The working papers shall be retained, at the auditor's expense, and made available upon request by NRVCS or any appropriate agency for no less than five years from the date of the audit report.

#### **OTHER SERVICES**

The planning phase of the audit engagement may commence upon notification to the auditor of acceptance of their proposal. The auditor shall meet with the Finance Director, Internal Auditor and Financial Services Coordinator prior to the commencement of each audit to discuss the auditor's planned approach to the audit and to provide a list of schedules to be prepared by NRVCS personnel prior to the beginning of fieldwork. It is expected that interim fieldwork would be performed in July or August with the final phase of fieldwork commencing in mid to late October.

An exit conference is required of the auditor upon completion of fieldwork to present the draft report and discuss any management recommendations or required communications with the Finance Director and Executive Director. The meeting should occur prior to the November 15 deadline.

#### **SUBMISSION OF PROPOSALS AND TIME SCHEDULE FOR AWARDING THE CONTRACT**

Proposals must be submitted in a sealed envelope marked "RFP – Audit Services" to:

Deborah Whitten-Williams, Director of Finance and Administration  
New River Valley Community Services  
700 University City Blvd.  
Blacksburg, Virginia 24060

Proposals must be physically received by 4:00 p.m. Eastern Standard Time, April 1st, 2015. (Under no circumstances will late delivery be accepted.) Four copies of the proposal should be submitted.

It is anticipated staff will review and rank the proposals, invite firms for interviews, make a recommendation to the Executive Leadership Team by April 15th and award a contract by April 16, 2015.

NRVCS reserves the right to modify the dates for preliminary selection and final contract approval based on unanticipated delays in the process. Every effort will be made to be respectful of the time constraints put upon public accounting firms in the spring.

Any questions should be directed to Deborah Whitten-Williams, Finance Director, in writing at the above address. Written responses will be available to all interested parties.

### **PROPOSAL AND AWARD SCHEDULE**

March 10, 2015	Distribute Requests for Proposal
April 1, 2015	Proposals Due to Finance Director's Office (Due by 4:00 p.m.)
April 2 – 15, 2015	Interviews
April 16, 2015	Contract Award
Nov 15, 2015	Final draft of the Audit report presented to Finance Director

### **DESCRIPTION OF PROPOSAL ELEMENTS AND SELECTION PROCESS**

Four copies of the proposal should be submitted at the time and place indicated in SUBMISSION OF PROPOSALS AND TIME SCHEDULE FOR AWARDED CONTRACT.

In order to standardize the review process, the auditor's proposal must be presented in the following format and include the designated information which mirror the elements to be evaluated in the selection process.

1. Title Page (attachment A)
2. Identify the material by section and page number
3. Letter of Transmittal
  - a. Limit of two pages
  - b. Briefly state your understanding of the work to be accomplished and whether or not you can perform the work within the time period.

- c. Provide the names of the persons who will be authorized to make representations for your firm, their titles, addresses, and telephone numbers.
4. Profile of the Firm (provide/state how the firm meets the following)
  - a. Provide information on whether the firm is local, state-wide, or national.
  - b. The firm is independent and licensed to practice in Virginia.
  - c. Give the location of the office from which the work is to be performed and the number/types of staff employed at that office.
  - d. Describe the range of activities performed by the local office, such as audit, accounting, tax services, or management services.
  - e. Describe the local office's computer and word processing capability.
5. Summary of Proposer's Qualifications (in addition to minimum qualifications)
  - a. Identify the partners, managers, and supervisors who will work on the audit. Include resumes for those to be assigned to the audit.
6. Describe recent local and state-wide public agency auditing experiences similar to what is being requested and for an entity that approximates the size and complexity of NRVCS.
7. Scope Section
  - a. Clearly describe the scope of the required services to be provided.
  - b. Comment specifically on the timeline and how NRVCS can assist in expediting the audit. Describe assistance expected from NRVCS staff, other than outlined in the RFP.
8. Compensation
  - a. Estimate the total hours and maximum fee for the audit of the fiscal year ended June 30, 2015. Include the hourly rates to be charged for each staff classification. Include the expected level of fees for future engagements. Please also provide a total amount charged for drafting the audit report, as part of the total fee.
  - b. For each additional proposal year, including extensions, please provide the total hours and maximum fee.

9. References

- a. Please provide a minimum of three (3) references that NRVCS may contact regarding audit services provided by your firm. Please include entity name, contact person's name and position, address, phone number and email address.

**ADDITIONAL INFORMATION**

1. NRVCS reserves the right to reject any and all proposals or accept the proposal it considers most favorable to NRVCS's needs. NRVCS further reserves the right to reject all proposals and seek new proposals when such procedure is in the best interest of NRVCS.
2. Responses to this RFP will become an attachment to the contract.

**EVALUATION OF PROPOSALS**

Proposals will be evaluated using a predetermined method to ascertain which best meets the needs of NRVCS. The evaluation will consider:

1. How thoroughly the proposal depicts an understanding of the work to be performed.
2. The firm's technical experience.
3. The audit team's experience and professional development, including experience in large public agency/governmental auditing.
4. Experience working with "single audit concept" under OMB Circular A-133
5. Experience working with other Community Services Boards/Agencies in the state of Virginia.
6. Cost, although a significant factor, may not be the dominant factor. Cost is particularly important when all of the other evaluation criteria are equal.

After the top three to five candidates have been selected through the above process, oral interviews will be arranged to assist in making the final selection.