

Date _____

REQUEST FOR PROPOSALS (RFP)
RFP NUMBER _____

_____ will receive proposals for audit services relating to the audit for the ____ year(s) ending June 30, 20__. Attached is information relating to minimum specifications of services, data to be included in the proposal, evaluation criteria, and selected information relating to the entity to be audited.

Sealed proposals (_____ copies) will be accepted until 4:30 p.m., _____, 20__, at the office of the _____ in _____, Iowa. If mailed, the proposals should be mailed to:

Those submitting sealed proposals should indicate on the outside of the envelope in the lower left-hand corner that it is a sealed proposal for the RFP number indicated above and the name of the firm submitting the proposal.

The contract for services will be awarded by _____, 20__.

Further information may be obtained from _____ at (____)-____-_____

NOTE: This form is available on the Auditor of State website at <http://auditor.iowa.gov>. Once you have reached the home page, navigate to FAQs/Request for Proposals (RFP).

I. SPECIFIC REQUIREMENTS

1. _____ reserves the right to reject any and all proposals received.
2. Only proposals received at the location described and in the time frame given will be considered.
3. The original and one copy of the enclosed contract should be completed and manually signed by a partner of the firm submitting the proposal.
4. The audit shall be performed in accordance with the following:
 - U.S. generally accepted auditing standards.
 - The standards for financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.
 - The Single Audit Act Amendments of 1996 and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, when applicable.
5. The fees quoted in your proposal and included in the contract will be the maximum paid per hour and in total, unless an amendment to the contract is completed by both parties.
6. The audit report should conform to:
 - Reporting formats specified by the Auditor of State's office.
 - AICPA Audit Guides.
 - Governmental Accounting Standards Board reporting requirements.
 - The requirements of the Single Audit Act Amendments of 1996 and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, when applicable.
7. The audit report should include a management letter, if appropriate, which includes recommendations related to the financial statements, internal control, accounting systems, and compliance issues.
8. Bound copies of the report, including the management letter, in a quantity sufficient to meet the needs of the _____ are required to be provided by the firm awarded the contract. In addition, arrangements to make the report available in electronic format would be appreciated.
9. Three bound copies of the report, including the management letter, a detailed per diem audit bill, and a copy of the news release shall be provided to the Auditor of State upon release of the reports to the entity.

II. DATA TO BE INCLUDED IN PROPOSAL

In order to simplify the review process and to obtain the maximum degree of comparability, the proposal should include the following items and be organized in the manner specified below.

A. Letter of Transmittal

A letter of transmittal briefly outlining the proposer's understanding of the work and general information regarding the firm and individuals to be involved is permitted, but not required, if it is limited to not more than two pages. If a transmittal letter is presented, it should clearly set forth the local address of the office of the firm to be performing the work, the telephone number, and the name of the contact person.

B. Table of Contents

Include a table of contents which identifies the material by section, page number and a reference to the following information to be contained in the proposal. If a transmittal letter is not submitted, please include on the table of contents the local address of the office to be performing the work, the telephone number, and the name of the contact person.

C. Profile of Firm Proposing

1. State whether the firm is a local, national or international firm and a brief description of the size of the firm.
2. State whether the firm is in compliance with the registration requirements to engage in the practice of public accounting within Iowa.
3. State whether the firm is independent of the entity to be audited in accordance with Government Auditing Standards.
4. Describe the local office from which the work is to be performed.
 - a. Location of the office.
 - b. Current size of the office.
 - c. Size of professional staff by level, such as partner, manager and supervisor, senior, and other professional staff.
 - d. Number of CPA's in the office.
5. Submit any other information required to describe the office which will be performing the work.

D. Qualifications

1. Describe the recent local office auditing experience in similar types of audits to which the proposal relates. If appropriate, include regional experience in auditing similar types of entities. If desired, it is permissible to include your five largest clients that are not governmental clients.

II. DATA TO BE INCLUDED IN PROPOSAL

(Continued)

D. Qualifications (continued)

2. Include resumes of all key professional members who will be assigned to the audit. Resumes should be included for all members of the audit team from the audit partner through at least the on-site in-charge accountant. The resumes should include:
 - a. The amount of experience the individual has had in the auditing profession.
 - b. A summary of similar audits on which the individual has worked.
 - c. A summary of the continuing professional education the individual has had in governmental accounting and auditing during the last two years.
 - d. A statement as to whether the individual is independent, as defined by Government Auditing Standards.
3. Describe the firm's policy on notification of changes in key personnel.
4. Provide a listing of or the number of professionals in the office who are experienced in governmental auditing.
5. Describe the availability of individuals within the firm who are primarily involved in governmental auditing and reporting and with whom the audit team may consult.
6. Describe briefly the firm's system of quality control to ensure that the audit is adequately performed.

E. **Scope of Services and Proposed Project Schedule**

Briefly describe your understanding of the scope of services to be provided. Indicate a proposed time schedule for completing the work, assuming the contract will be issued on the date given in the cover letter. Include the approximate dates you would perform fieldwork, office review, and report preparation and the latest delivery date of the final report.

F. **Fees and Compensation**

Provide the following information:

1. Estimated total hours.
2. Estimated out-of-pocket expenses.
3. Hourly rate by staff classification.
4. All-inclusive maximum fee and out-of-pocket expenses, which will not be exceeded.
5. Frequency and timing of your billing process.

III. EVALUATION CRITERIA

The proposal will be evaluated based upon the following two areas. Therefore, it is important that your proposal be responsive to the data requested.

1. Cost

Overall cost, including out-of-pocket expenses for performance of the audit.

2. Qualifications

- a. Organizational structure and size of the firm.
- b. Organizational structure and size of the office performing the audit.
- c. Recent experience in similar audits.
- d. Qualifications of the audit team.
- e. Individuals with whom the audit team can consult.
- f. Understanding of work and timetable to complete the audit.

IV. ENTITY PROFILE

Suggested information to include:

(1) Administrative Information:

- Background information on the entity;
- Period to be audited;
- Term of contract engagement;
- Schedule of government funds by project or grant to be audited;
- Description and magnitude of the entity's accounting records;
- Description of the entity's computer system(s), if applicable;
- Name and telephone number of a contact person at the federal cognizant or oversight agency; and
- Availability of prior audit reports and working papers.

(2) Work and Reporting Requirements:

- Auditing standards to be followed;
- Extent to which the entity would assist the firm;
- Specific scope of audit work to be performed;
- Number and types of reports required;
- List of restrictions, such as copy services or work space;
- Exit conference requirements;
- Specific audit guides or programs to be followed; and
- Minimum audit requirements under applicable laws such as the Single Audit Act, including the amendments thereto.

(3) Time Requirements:

- Date of contract award;
- Date records would be ready for audit;
- Dates for completing interim phases, such as fieldwork completion and draft report preparation;
- Date final report is due;
- Working paper retention requirements; and
- Working paper availability requirements for cognizant or oversight agency when applicable.

AGREEMENT BETWEEN

AND

THIS AGREEMENT made and entered into this ____ day of _____, 20__, by and between _____, hereinafter called _____ and _____, hereinafter called "CPA."

WHEREAS, the _____ wishes to obtain the services of the CPA to perform an audit in accordance with Section 11.6, Code of Iowa, for the ____ year(s) ending _____; and

WHEREAS, the CPA is equipped and staffed to perform the above audit; and

WHEREAS, this agreement is in the public interest in fulfilling the requirements of Chapter 11 of the Code of Iowa.

NOW, THEREFORE, BE IT UNDERSTOOD AND AGREED:

1. That the CPA will:
 - A. Provide auditors of various classifications and for the estimated hours as detailed in 2.A of this agreement.
 - B. Begin work on the audit as specifically agreed upon with the _____.
 - C. Perform all work in accordance with U.S. generally accepted auditing standards, Government Auditing Standards, and applicable federal requirements.
 - D. Immediately inform the _____, the Auditor of State, and County Attorney if the audit discloses any irregularity in the collection or disbursement of public funds.
 - E. Provide access to the working papers to any appropriate federal agencies for the period of time specified in relevant agreements entered into by the _____.
 - F. Provide access to the working papers to the Auditor of State in accordance with Chapter 11 of the Code of Iowa.

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2. Conditions of Payment:

A. It is understood that the fees for the services set forth above shall be reimbursed at the following hourly rates:

<u>Classification</u>	<u>Estimated Hours</u>	<u>Hourly Rate</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

B. The CPA shall present an invoice for services in the following manner: _____

C. Payment shall be made within ___ days of receipt of invoice.

D. The total reimbursement shall not be for more than \$_____, except as specifically agreed by the _____ and the CPA.

3. Termination of Agreement:

A. _____ may terminate this contract without notice if the CPA fails to perform the covenants or agreements contained herein.

B. The CPA shall be paid for all work satisfactorily performed to the date of termination.

IT WITNESS THEREOF, _____ and CPA have executed this AGREEMENT as of the date indicated below:

CPA _____

By _____

By _____

Title _____

Title _____

Date _____

Date _____

