

Lehigh Valley Workforce Investment Board, Inc.

DBA

Workforce Board Lehigh Valley

# Request for Quote For Audit Services

**For Years**

July 1, 2022 to June 30, 2023

July 1, 2023 to June 30, 2024

July 1, 2024 to June 30, 2025

**QUOTES SHOULD BE ELECTRONICALLY DIRECTED TO:**

To: Fiscal Director

Email: [info@workforcelv.org](mailto:info@workforcelv.org)

# Guidelines

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1. **GENERAL INFORMATION**
2. **PURPOSE**

This Request for Quote (RFQ) is to contract for a financial and compliance audit for the next three (3) audit periods one year at a time renewable each year based upon the Workforce Board Lehigh Valley's approval (WBLV). The first audit period is July 01, 2022 through June 30, 2023. This RFQ is available on the WBLV website at [www.lvwib.org](http://www.lvwib.org) under the Workforce Development tab.

1. **WHO MAY RESPOND**

Only licensed Certified Public Accountants (CPA) in the Commonwealth of Pennsylvania which have been in business for at least two (2) years may respond to this RFQ.

1. **QUESTIONS**

Interested firms may submit questions until 12:00 p.m. Eastern Standard Time on February 8, 2023. Specific questions must be submitted in writing via email to Marie Jenkins-Beacher, Fiscal Director, at [info@workforcelv.org](mailto:info@workforcelv.org). All questions and responses will be posted on the WBLV's website at [www.lvwib.org](http://www.lvwib.org) under the Workforce Development tab by February 10, 2023.

1. **CLOSING SUBMISSION DATE**

Offerer’s Request for Quote must be submitted electronically no later than 3:00 p.m. Eastern Standard Time on February 17, 2023.

Request for Quotes must be submitted to [info@workforcelv.org](mailto:info@workforcelv.org). The subject line of your email submission must say “Request for Quote for Audit Services.”

It is the responsibility of the Offerer to ensure that the quote is received by WBLV by the deadline.

1. **CONDITIONS OF REQUEST FOR QUOTE**

All costs incurred in the preparation of a quote responding to this RFQ will be the responsibility of the Offerer and will not be reimbursed by WBLV.

##### Cure Process

WBLV has established the option to cure minor omissions in submitted quotes within forty-eight (48) hours of notification by WBLV via email to the contact named in the quote cover sheet. Failure to provide the requested information within the allotted time shall result in a "fatal flaw." This process is provided by WBLV as a courtesy, and as such, WBLV is not responsible for notification of any omissions or errors in any documentation submitted by the applicant agency in response to the RFQ.

All applying applicants are solely responsible for contact availability via e-mail during this cure period and failure to receive WBLV notification of cure Issues is not subject to appeal.

Minor inconsistencies or revisions may be addressed during the negotiation process, at the sole and complete discretion of WBLV.

##### Right to Reject

WBLV reserves the right to reject any and all quotes received in response to this RFQ based upon the best interests of the WBLV.

##### Notification of Award

It is expected that a decision selecting the successful audit firm will be made by March 31, 2023.

It is expected that the contract shall be a one (1) year fixed price contract with options for two (2) additional one (1) year periods.

##### DESCRIPTION OF ENTITY AND RECORDS TO BE AUDITED

WBLV is a private, nonprofit corporation and has been determined to be exempt from Federal income tax under Section 501(c) 3 of the Internal Revenue Code. The WBLV became the fiscal agent for the Lehigh Valley Workforce Investment Area effective October 1, 2011. It is governed by a thirty-three (33) member volunteer board of directors and serves Lehigh and Northampton Counties. It is one of twenty-two (22) workforce development areas operating Workforce Innovation & Opportunity Act (WIOA) programs through the Pennsylvania Department of Labor & Industry, the Employment Advancement and Retention Network (EARN) program through the Department of Human Services (DHS) and a number of special grant funded workforce programs.

Additional services are subcontracted to sub-recipients who directly operate WIOA and EARN programs in the PA CareerLink® Lehigh Valley center and two (2) satellite offices in the Lehigh Valley. In addition, WBLV serves as the fiscal agent and is the recipient of funds through other Commonwealth of Pennsylvania agencies as partner contributions to support the PA CareerLink® Lehigh Valley infrastructure.

Administrative offices and all records are located at 555 Union Boulevard, Allentown PA 18109.

WBLV employs eight (8) full time persons with a bi-weekly payroll.

The records to be audited include financial statements produced from an automated accounting system, subsidiary records, three (3) bank accounts, automated reporting records to the Commonwealth of Pennsylvania and the US Department of Labor.

The offerer must also review the WBLV's staff payroll records to ensure time charges that are allocated between administrative and programmatic cost categories are accurate and fully substantiated by personal activities reports or allocated through an approved cost allocation plan or indirect cost rate by either the grantees federal cognizant agency, United States Department of Labor and Industry (USDOL) – Employment & Training Administration), or PA Department of Labor and Industry's Bureau of Workforce Development Administration (BWDA).

WBLV utilizes a Windows server 2012 R2 with Microsoft SqL Server Software, running the Munis accounting software package. The system produces a consolidated balance sheet, income statement and general ledger. In addition, individual statements of revenue and expenses by fund type are maintained. Payroll is processed utilizing a payroll service.

##### OPTIONS

At the discretion of WBLV, this audit contract can be extended for two (2) additional one (1) year periods. WBLV and the Offerer will agree upon the cost for the option periods. It is anticipated that the cost for the optional years will be based upon the same approximate cost per thousand dollars of audited expenditures as the contract for the initial year.

### SPECIFICATION SCHEDULE

##### SCOPE OF FINANCIAL AND COMPLIANCE AUDIT

The purpose of the RFQ is to obtain the services of a public accounting firm, whose principal officers are independent certified public accountants, certified or licensed by a regulatory authority of the Commonwealth of Pennsylvania to perform a financial and compliance audit of WBLV in accordance with:

* + 1. Generally accepted auditing standards as set forth in Standards for Audit of Governmental Organizations, Programs, Activities and Functions Government issued by the Comptroller General of the United States (known as Government Auditing Standards).
    2. 2 CFR 200 Part F Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
    3. The Federal Single Audit Act of 1984 and the Federal Single Audit Act Amendments of 1996.

##### DESCRIPTION OF PROGRAMS/CONTRACTS/GRANTS

WBLV is formula funded as a sub-grant recipient through the Commonwealth of Pennsylvania for WIOA under Title I which are administered by the Department of Labor and Industry and receives Temporary Assistance for Needy Families (TANF) funds called the EARN program through the Department of Human Services.

Additionally, WBLV is the recipient of a number of discretionary grants through a variety of funders.

**Attachment 2** lists the current grants received for the period to be audited. Additional contracts and awards may be received during the fiscal year.

##### PERFORMANCE

The WBLV's records should be audited for the period July 1, 2022 through June 30, 2023, July 1, 2023 through June 30, 2024, and July 1, 2024 through June 30, 2025.

The Offerer is required to prepare audit reports in accordance with the Government Audit Standards, The Federal Single Audit Act and the Commonwealth of Pennsylvania's Bureau of Workforce Development Administration Financial Management Guide and EARN supplemental financial schedules with "Agreed-Upon Procedures" requirements.

The Offerer will also be required to prepare the required annual Internal Revenue Service Form 990 for WBLV each year they are under contract.

##### DELIVERY SCHEDULE

Offerer is to transmit a draft of the audit report to WBLV's Fiscal Director and shall schedule a meeting to review the draft report with the WBLV's Executive Director and Fiscal Director before issuing the final report. The draft audit report is due by November 17, 2023.

The Offerer shall deliver one electronic copy and ten (10) hardcopies of the final audit report to WBLV's Fiscal Director no later than December 1, 2023.

Reports may be submitted earlier than the above schedule. However, if the Offerer fails to make delivery of the audit reports within the time schedule specified herein, or if the Offerer delivers audit reports, which do not conform to all the provisions of the contract, WBLV may, by written notice of default to the Offerer, terminate the whole or any part of the negotiated contract. Under certain extenuating circumstances, the contracting agent may extend the schedule upon written request of the Offerer with sufficient justification.

##### PAYMENT

Payment will be made when WBLV has determined that the total work effort has been satisfactorily completed. Should WBLV, and/or the PA Department of Labor and Industry reject the report, WBLV's authorized representative will notify the Offerer in writing of such rejection giving the reason(s.) The right to reject a report shall extend throughout the term of this contract and for ninety (90) days after the Offerer submits the final invoice for payment.

Progress payments will be allowed to the extent that WBLV can determine that satisfactory progress is being made.

Upon delivery of the ten (10) copies of the final reports to WBLV, their acceptance and board approval, the Offerer may submit an invoice for the balance due on the contract for the audit.

##### AUDIT REVIEW

All audit reports prepared under this contract will be reviewed by WBLV and its funding sources to ensure compliance with General Accounting Office's (GAO) Government Audit Standards and other appropriate audit guides.

##### EXIT CONFERENCE

An exit conference with WBLV's representatives and the Offerer's representatives will be held at the conclusion of the fieldwork. Observations and recommendations must be summarized in writing and discussed with WBLV. It should include internal control and program compliance observations and recommendations.

##### WORK PAPERS

Upon request, the Offerer will provide a copy of the work papers to WBLV. In the event of any finding, observation or management recommendation the selected audit firm shall provide WBLV with the associated work papers. The work papers must be concise and provide the basis for the questioned costs as well as an analysis of the problem. These shall be provided at no cost to the WBLV.

The Offerer shall retain the work papers for at least six (6) years from the end of the audit period, or after all findings, claims, etc. have been closed, whichever is later.

The work papers will be available for examination by authorized representatives of the cognizant federal or state audit agency, the GAO and WBLV.

##### CONFIDENTIALITY

The Offerer agrees to keep the information related to all contracts in strict confidence. Other than the reports submitted to WBLV, the Offerer agrees not to publish, reproduce or otherwise divulge such information in whole or in part, in any manner or form or authorize or permit others to do so. The Offerer will take such reasonable measures as are necessary to restrict access to the information, while in the Offerer's possession, to these employees on the Offerer's staff who must have the information on a "need-to­ know" basis. The Offerer agrees to immediately notify, in writing, WBLV's authorized representative in the event the Offerer determines or has reason to suspect a breach of this requirement.

All participant names in the audit report must be suppressed. Therefore, the auditor will, when necessary to refer to particular participants, refer to them as Participant A, Participant B, etc. The Offerer must then provide the WBLV with a key which will identify the participant by name and contract number.

##### J. AMERICAN INSTITUE OF CERTIFIED PUBLIC ACCOUNTANTS (AICPA) PROFESSIONAL STANDARDS

The AICPA Professional Standards state:

Ethics Interpretation 501-3 - Failure to follow standards and/or procedures or other requirements in governmental audits. Engagements for audits of government grants, government units or other recipients of government monies typically require that such audits be in compliance with government audit standards, guides procedures, statutes, rules and regulations, in addition to generally accepted auditing standards. If a member has accepted such an engagement, and undertakes an obligation to follow specified government audit standards, guides, procedures, statutes, rules and regulations, in addition to generally accepted auditing standards, he is obligated to follow such requirements. Failure to do so is an act discreditable to the profession in violation of Rule 501, unless the member discloses in his report the fact that such requirements were not followed and the reasons therefore.

1. **OFFERER'S TECHNICAL QUALIFICATION**

The Offerer, in its quote, shall, at a minimum, include the following:

##### PRIOR AUDITING EXPERIENCE

The Offerer should describe its prior auditing experience including the names, addresses, contact persons and telephone numbers of prior organizations audited over the past twelve (12) months. Prior audit experience should include the following categories:

* 1. Entities designated as WIOA and Welfare Transition grant recipients.
  2. Similar programs funded by the Commonwealth of Pennsylvania.
  3. Programs financed by the Federal Government.
  4. Similar county or local government activities.
  5. Nonprofit organizations.

##### ORGANIZATION, SIZE AND STRUCTURE

The Offerer should describe its organization, size (in relation to audits to be performed) and structure. Indicate, if appropriate, if the firm is a small or minority-owned business. Offerer should include a copy of the most recent peer review.

##### STAFF QUALIFICATIONS

The Offerer should describe the qualifications of staff to be assigned to the audits. Description should include:

* 1. Audit team makeup.
  2. Overall supervision to be exercised.
  3. Prior experience of the individual audit team members.

Only include resumes of staff to be assigned to the audits. Education, position in firm, years and types of experience, continuing professional education, state(s) in which licensed as a CPA, etc. will be considered.

##### UNDERSTANDING OF WORK TO BE PERFORMED

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

##### PRICE

The Offerer's proposed price should include information indicating how the price was determined. For example, the Offerer should indicate the estimated hours by staff level, hourly rates, and total cost by staff level. The Offerer should describe the billing rates and procedures for technical questions that may arise during any given year, or whether these occasional services are covered in the proposed fee structure.

In consideration for performing all the requirements contained herein, the total price for the Single Audit, compliance section, financial statements, management letter and the Form 990. The Offerer shall state their total price which includes all expenses for labor, communication, travel and miscellaneous expenses during year one (1) of the contract. Year one (1) audit period is July 1, 2022 through June 30, 2023.

The quote shall contain the following schedule. The price for years two (2) through three (3)

(3). Audit period is July 1 through June 30:

Year Two (2) Estimate:\_\_\_\_\_

Year Three (3) Estimate:\_\_\_\_\_

In the event the WBLV needs additional auditing/consulting services, such work may be negotiated on an hourly basis. The hourly rate for additional services will be $\_\_\_\_\_\_\_ in year one (1) and may be renegotiated during subsequent years.

## CERTIFICATIONS/ATTACHMENTS

The Offerer must sign and include as an attachment to its quote the certifications enclosed with this RFQ. The publications listed in the certifications will not be provided to potential Offerer’s by WBLV, because WBLV desires to contract only with an Offerer who is already familiar with these publications. It is the sole responsibility of the Offerer to procure such publications. Complete assurances, provisions, and certification as required in federally funded contract will be included in the negotiated contract.

On behalf of the Offerer, the individual signing certifies that:

* 1. He/She is authorized to contract on behalf of the Offerer.
  2. The Offerer 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 Offerer.
  3. The prices in this quote have been arrived at independently, without consultation communication, or agreement, for the purpose of restricting competition.
  4. The prices proposed in this quote have not been knowingly disclosed by the Offerer prior to an award to any other Offerer or potential Offerer.
  5. There has been no attempt by the Offerer to discourage any potential Offerer from submitting a quote.
  6. The Offerer is a properly licensed CPA, or a Public Accountant (PA) licensed on or before July 1, 2000.
  7. The Offerer meets the independence standards of the Government Auditing Standards.
  8. He/She is aware of and will comply with GAO continuing education requirements of 80 hours of continuing education every two (2) years; and that 24 hours of the 80 hours to education will be in subjects directly related to the government environment and government auditing for individuals.
  9. He/She is aware of and will comply with GAO requirement of an external quality control (peer) review at least once every three (3) years.
  10. He/She has read and understands the following publications relative to the proposed audits:

Government Auditing Standards (Yellow Book)

* + 1. Part 200-Uniform Administrative Requirements, Cost Principles, and Audit   
       Requirements for Federal Awards
    2. June 2023 Compliance Supplement
    3. Audits for State and Local Governments (AICPA Audit Guide)
  1. He/She has read and understands all of the information in the RFQ, including the information on the programs/grants/contracts to be audited and will comply with all the terms and conditions set forth in this RFQ.
  2. The Offerer, 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 Offerer 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.)
  3. The Offerer must sign the Respondent Certification Signatures page (Attachment 1) on the next page.

The following attachments are also required with the quote:

1. Audit Services Quote Cover Sheet (Attachment 3)
2. Debarment & Suspension Certification (Attachment 4)
3. **ATTACHMENT 1**

### RESPONDENT CERTIFICATION SIGNATURES

Offerer’s Firm Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

I \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ certify that I am the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of the (corporation) (committee) (commission) (partnership) (association) (proprietorship) named as respondent herein that\_\_\_\_\_\_\_\_ who signed this quote on behalf of the respondent is the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_for the said (corporation) (committee) (commission) (partnership) (association) (proprietorship); that said quote was duly submitted for and in behalf of said organization by authority of its governing body and is within the scope of its (corporation) (committee) (commission) (partnership) (association) (proprietorship) powers.

Signature of Respondent

Signature of Offerer's Representative

Dated this \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2023

When the respondent is an individual owner, the signature shall be witnessed by two (2) other persons.

(Witness)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Witness)

1. **ATTACHMENT 2**



**AUDIT SCHEDULE A**

**FISCAL YEAR 07/01/2022-06/30/2023**



Audit Report 02/19/20

1. **ATTACHMENT 3**

### AUDIT SERVICES QUOTE COVER SHEET

Organization Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Address:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Telephone:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

E-Mail: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ DUNS Number \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Contact Person:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Proposed Cost:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Federal ID#:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Minority Business Owner:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Certifying Agency:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

#### Check applicable category:

|  |  |  |  |
| --- | --- | --- | --- |
|  | Corporation |  | Sole Proprietorship |
|  | Partnership |  | For Profit |
|  | State Agency |  | Other Public Agency (Specify) |
|  | Labor Organization |  | Community Based Organization |
|  | Not for profit |  | Business Organization |
|  | Other |  |  |

1. **ATTACHMENT 4**

**DEBARMENT & SUSPENSION CERTIFICATION**

The prospective Offerer certifies to the best of its knowledge and belief, that it and its principals:

Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by a Federal department or agency;

Have not within a three (3) year period preceding this quote been convicted or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attending to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

Are not presently indicted or otherwise criminally or civilly charged by a government entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b)s certification, and,

Have not within a three (3) year period preceding this quote had one (1) or more public transactions (Federal, State, or local) terminated for cause of default.

Where the prospective Offered is unable to certify to any of the statements in this certification, such prospective Offerer shall attach and explanation to this quote.

I have read, understand, and will comply with the above Certification:

Authorized Representative Date