



REQUEST FOR PROPOSAL AUDIT SERVICES

Every Woman's Place, Inc. (the Organization) is requesting proposals from licensed certified public accountant firms to audit its financial statements for the fiscal year ending September 30, 2020, with the option of auditing its financial statements for the subsequent two (2) fiscal years. These audits are to be performed in accordance with the provisions included in this request for proposal.

The Organization is a not-for-profit organization whose purpose is to strengthen the lives in the community by providing shelter, counseling, and advocacy primarily for those affected by domestic violence, sexual assault, and human trafficking. The Organization's operating budget is approximately \$2,000,000.

To be considered, please email a proposal to tracyv@everywomansplace.org or mail the proposal to the organization at 1221 W. Laketon, Muskegon, MI 49441. Proposals must be received by Friday, August 21 end of business day. The 2018-2019 audit report is provided. The Organization reserves the right to reject any or all proposals submitted.

The Organization reserves the right, where it may serve the Organization's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. At the discretion of the Organization, firms submitting proposals may be requested to make virtual presentations as part of the evaluation process.

Submission of the proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the Organization and the firm selected.

It is anticipated the selection of a firm will be completed by August 25, 2020. Following the notification of the selected firm, it is expected a contract will be executed between both parties by August 31, 2020.

Scope of Work to be Performed

The auditor will express an opinion on the fair presentation of its financial statements in conformity with generally accepted accounting principles.

The financial and compliance audit will involve all the Organization's funds and accounts. The auditor is required to analyze and apply audit procedures to the supplementary information in order to comply with reporting requirements as prescribed by *Government Auditing Standards*.

An onsite audit of the Organization's is requested, although the Organization is understanding and flex in this in regards to COVID-19 for the fiscal year ending September 30, 2020.

While the proposal is specifically for the annual audit and preparation of the 990 tax return, the Organization requests a partnership between the auditor and Director of Finance. This may include questions during the year and guidance from the auditor to ensure audit efficiency and donor transparency.

To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the *Government Auditing Standards*, issued by the Comptroller General of the United States; Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for the Federal Awards*.

As part of the Single Audit Act, all Federal and State Finance Assistance received by the Organization must also be audited. The Organization receives approximately \$950,000 of Federal grants and assistance from the U.S. Department of Justice, U.S. Department of Agriculture, U.S. Department of Labor, U.S. Department of Health and Human Services, and other entities.

The auditor shall submit to the Board of Directors the following reports, with copies of each for transmittal to the Department of Public Instruction and other agencies as required:

1. Independent Auditors Report on the statements of financial position and the related statements of activities, functional expenses and cash flows for the years then ended. Comparative statements are required.
2. Single Audit Requirements:
 - a. Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
 - b. Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance
 - c. Schedule of Expenditures of Federal Awards, with any required notes.
 - d. Schedule of Findings and Questioned Costs
3. A management letter, with appropriate recommendations, commenting on material weaknesses in internal accounting control, reportable conditions, and identifying possible noncompliance with finance related legal provisions.

Auditors are required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the following parties: Executive Director, Director of Finance, Board President, and Board Treasurer.

In the required report(s) on internal controls, the auditor shall communicate any reportable conditions 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 the organization's ability to record, process, summarize, and report financial statement.

In addition, the following conditions shall be considered reportable:

- Reportable conditions that are also material weaknesses shall be identified as such in the report
- Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the report(s) on internal controls
- The report on compliance shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall be reported in a separate management letter, which shall be referred to in the report on compliance

A minimum of 5 copies of each audit report is required.

Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of five (5) years, unless the firm is notified in writing by the Organization of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:

U.S. General Accounting Office (GAO)
Parties designated by the federal or state governments

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.

Timing, Location, and Conduct of Audit Work

The Organization anticipates the following in regards to the timing, location, and completion of audit fieldwork:

1. The Organization expects to receive prior to October 15th of each year a list of schedules to be prepared and other items required for the audit.
2. Internal controls, audit fieldwork, and any other audit testing shall be conducted at a mutually agreeable time. Ideal timing of audit fieldwork would be end of November or December onsite at the Organization if possible, with the final audit report to be submitted no later than the end of February. The Organization will provide space deemed adequate by the auditor to efficiently conduct the audit.
3. Prior to completion of the audit, the auditor will meet with the Director of Finance to review adjusting journal entries.
4. Prior to submission of the completed report, the auditor will be required to review a draft of the proposed report and management letter with the Audit and Executive Committees (via phone, virtual conference call, or in person). The management letter will be sent to the Audit Committee.
5. The auditor will present (in person if possible) the audited financial statement and management letter at the following board meeting after reviewing with the Executive Committee as requested.

6. After the audit report is presented and approved by the Board of Directors for the Organization, the audit firm is asked to prepare the 990 tax return. A draft of the return will be presented to the Executive Committee and can be filed once approved. It is the responsibility of the audit firm to extend the 990 tax return if it cannot be completed by the original deadline.

PROPOSAL REQUIREMENTS

Inquiries concerning the request for proposals and the subject of the request for proposals must be made to:

Tracy VanderHeide, CPA
Director of Finance
1221 W. Laketon Ave.
Muskegon, MI 49441
231 759-7909 ext. 226
tracyv@everywomansplace.org

The proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposal requirements. While additional data may be presented, the following items must be included. The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals. They represent the criteria against which the proposal will be evaluated.

1. Independence

The firm should provide an affirmative statement that it is independent of the Organization as defined by generally accepted auditing standards/the U.S. General Accounting Office's government Auditing Standards (2003). The firm should also list and describe the firm's professional relationships involving the Organization or any of its agencies for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

2. License to Practice in Michigan.

An affirmative statement should be included indicating that the firm and all assigned key professional staff are properly licensed to practice in Michigan.

3. Firm Qualifications and Experience

The proposal should state the size of the firm, the size of the firm's non-profit audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed on this engagement.

The firm shall provide information on the results of the most recent peer review. In addition, the firm shall provide information on the circumstances and status of

any disciplinary action taken or pending against the firm during the past five (5) years with state regulatory bodies or professional organizations.

4. Partner, Supervisory and Staff Qualifications and Experience

The firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement.

The firm should provide as much information as possible regarding the number, qualifications, experience and training including relevant continuing professional education, of the specific staff to be assigned to this engagement. The firm also should indicate how the quality of staff over the term of the agreement will be assured.

Audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

5. Similar Engagements with Other Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum of five) performed in the last five years that are similar to the engagement described in this request for proposals.

6. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this request for proposals.

Firms are required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement
- c. Sample sizes and the extent to which statistical sampling is to be used in the engagement
- d. Extent of use of EDP software in the engagement
- e. Type and extent of analytical procedures to be used in the engagement
- f. Approach to be taken to gain and document an understanding of the Organization's internal control structure
- g. Approach to be taken in determining laws and regulations that will be subject to audit test work

7. Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential Audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the Organization.

8. Total All-Inclusive Maximum Price

The proposal should end with a total cost outlining all pricing information relative to performing the audit engagement as described in this request for proposals. A fixed price consistent with auditing standards at that time for 2020, 2021, and 2022 engagements should be included (listed by year).

The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses. The Organization will not be responsible for expenses incurred in preparing and submitting the proposal.

Progress payments will be made on the basis of hours of work completed during the course of the agreement and out-of-pocket expenses incurred in accordance with the firm's dollar cost bid proposal. Interim billings shall cover a period of not less than a calendar month.

Proposals will be reviewed and ranked in consideration to the guidelines outlined in the proposal and total cost. The Organization will not automatically select the firm with the lowest bid as cost is merely one factor of the proposal. The Organization reserves the right without prejudice to reject any and all proposals.

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the Organization and the firm selected.

Thank you for your consideration of proposing on our annual audit.

Sincerely,

Tracy VanderHeide, CPA
Director of Finance

Donna Bylenga
EWP Board Treasurer