

**HSCADV – Hawaii State Coalition Against Domestic Violence**

Request for Proposal

For audit services

For the period

**October 1, 2022 – September 30, 2023**

Inquiries and proposals should be directed to:

Name: Angelina Mercado

Title: Executive Director

Entity: HSCADV

Address: PO Box 214, Honolulu, HI 96814

Phone: 808-832-9316 x104

Email: [amercado@hscadv.org](mailto:amercado@hscadv.org)

# Table of Contents

## **General Information**

- A. Purpose
- B. Who May Respond
- C. Bidder's Conference
- D. Instructions on Proposal Submissions
  - 1. Closing Submission Date
  - 2. Inquiries
  - 3. Conditions of Proposal
  - 4. Instructions to Prospective Contractors
  - 5. Right to Reject
  - 6. Small and/or Minority-Owned Businesses
  - 7. Notification of Award
- E. Description of Entity and Records to be Audited
- F. Options

## **Specification Schedule**

- A. Scope of a Financial and Compliance Audit
- B. Description of Programs/Contracts/Grants
- C. Performance
- D. Delivery Schedule
- E. Price
- F. Payment
- G. Audit Review
- H. Exit Conference
- I. Workpapers
- J. Confidentiality
- K. AICPA Professional Standards

## **Offeror's Technical Qualifications**

- A. Prior Auditing Experience
- B. Organization, Size, and Structure
- C. Staff Qualification
- D. Understanding of Work to be Performed
- E. Certifications

## **Proposal Evaluation**

- A. Submission of Proposals
- B. Nonresponsive Proposals
- C. Proposal Evaluation
- D. Review Process

## **Certifications**

## General Information

### A. Purpose

This Request for Proposal (RFP) is to contract for a financial and compliance audit for the **fiscal year ending September, 2023**. The proposal includes options for two additional years.

### B. Who May Respond

Only licensed Certified Public Accountants may respond to this RFP.

### C. Bidder's Conference

Not applicable

### D. Instructions on Proposal Submission

1. Closing Submission Date: Proposals must be submitted no later than 4:30 p.m. on February 12, 2024.
2. Inquiries: Inquiries concerning this RFP should be directed to Angelina Mercado, Executive Director, HSCADV, PO Box 214, Honolulu, HI 96814  
  
808-832-9316 x104 or [amercado@hscadv.org](mailto:amercado@hscadv.org)
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 HSCADV.
4. Instructions to Prospective Contractors:

Your proposal should be addressed as follows:

Name: Angelina Mercado  
Title: Executive Director  
Entity: HSCADV  
Email Address: [amercado@hscadv.org](mailto:amercado@hscadv.org)

It is the responsibility of the Offeror to ensure that the proposal is received by HSCADV by the date and time specified above. Please submit an email with required documents to [amercado@hscadv.org](mailto:amercado@hscadv.org).

Late proposals will not be considered.

5. Right to Reject: HSCADV reserves the right to reject any and all proposals received 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: Efforts will be made by HSCADV to utilize small businesses and minority-owned businesses. An Offeror qualifies as a

small business firm, if it meets the definition of "small business" as established by the Small Business Administration (13 CFR 121.201).

7. Notification of Award:

- It is expected that a decision selecting the successful audit firm will be made within three (3) weeks of the closing date for the receipt of proposals.
- Upon conclusion of final negotiations with the successful audit firm, all Offerors submitting proposals in response to this Request for Proposal will be informed, in writing, of the name of the successful audit firm.
- It is expected that the contract shall be a one-year fixed-price contract with options for two additional one-year periods.

**E. Description of Entity and Records to be Audited**

HSCADV is a nonprofit organization, which serves all of the Hawaiian Islands. HSCADV 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. It is governed by a seven member volunteer Board of Directors. Administrative offices are located at 1050 Queen St., Honolulu, HI 96814. No other offices are located throughout the area. All records are cloud accessible.

HSCADV currently maintains one checking account. The records to be audited are all federal grants and the agency's books for the annual 990 Report. HSCADV contracts with HiAccounting, which handles allocations, and utilizes both Quickbooks Online and Bill.com. HSCADV also contracts with HR Symphony from ALTRES for payroll services.

HSCADV operates on an accrual basis of accounting and writes less than 1,000 checks per year. HSCADV has one primary checking account for administration of all activities.. HSCADV will provide prior copies of the agency's Annual Audit or 990 report upon request.

**F. Options**

At the discretion of HSCADV, this audit contract can be extended for two additional one-year periods. The cost for the option periods will be agreed upon by HSCADV and the Offeror. 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

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

The purpose of this RFP 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 a state or other political subdivision of the United States, hereinafter referred to as the "Offeror" to perform a financial and compliance audit of HSCADV.

*Government Audit Standards*, states on page 14 GAO-12-331G Government Auditing Standards Chapter 2 Standards for Use and Application: of GAGAS

Financial Audits 2.07      Financial audits provide an independent assessment of whether an entity's reported financial information (e.g., financial condition, results, and use of resources) are presented fairly in accordance with recognized criteria. Financial audits performed in accordance with GAGAS include financial statement audits and other related financial audits:

### B. Description of Programs/Contracts/Grants

HSCADV is currently funded by two primary federal agencies:

1. Department of Justice – Office of Violence Against Women (DOJ/SASP) 10/1 – 9/30 annual award period.
  - Includes 1 OVW Coalition Grant;
  - and 1 multi-year Justice For Families Grant (discretionary) with two sub awardees.
  - Total 2 Grants
  
2. Department of Health and Human Services – Administration of Children and Family Services – OFVPSA (HHS), 10/1 – 9/30 annual award period.
  - Includes the OFVPSA Coalition Grant;
  - Two multi- year supplemental American Rescue Plan Grants;
    - ARP Supplemental COVID-19 Funds (ARP1)
    - ARP COVID-19 Testing, Vaccines, and Mobile Health Units (ARP2).
  - Total 3 grants

HSCADV also receives funding from (each less than \$50,000)

1. State of Hawaii Department of Human Services Social Services Division
2. State of Hawaii Department of Health
3. McInerney Foundation
4. Everytown for Gun Safety Support Grant
5. Women's Fund of Hawaii
6. Hawaii Women Lawyers
7. Hawaii Community Foundation
8. Allstate Foundation
9. Starbucks Foundation
10. Lyft Foundation

## 11. Friends of Hawaii Charities

HSCADV has an annual operating budget of \$800,000-1,000,000 dollars but does not typically exceed the \$750,000 threshold for a Single Audit. The prior year's expenditures were under the \$750,000 threshold. The contract periods for the federal funds received vary by award. HSCADV receives small supplemental contracts through various state entities, but they are not guaranteed funding on an annual basis. In the past, HSCADV has applied for and received foundation grants, some of which are currently active, but again these are not guaranteed funding on an annual basis.

### **C. Performance**

The HSCADV's records should be audited through September 30, 2023

The Offeror is required to prepare audit reports in accordance with the *Government Audit Standards*.

### **D. Delivery Schedule**

Offeror is to transmit one copy of the draft audit report to HSCADV's Executive Director. The draft audit report is due no later than June 30, 2024.

The Offeror shall deliver final audit report electronically to HSCADV no later than June 30, 2024.

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

### **E. Price**

The Offeror's proposed price should be submitted separately. Include information indicating how the price was determined. For example, the Offeror should indicate the estimated number of hours by staff level, hourly rates, and total cost by staff level. Any out-of-pocket expenses should also be indicated. If a discount for services is being provided as an in-kind, please be sure to note that in the Pricing. Also include pricing for additional years if different than the first year.

### **F. Payment**

Payment will be made when HSCADV has determined that the total work effort has been satisfactorily completed. Should HSCADV reject a report, HSCADV's authorized representative will notify the Offeror 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 Offeror submits the final invoice for payment.

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

Upon delivery of the final report to HSCADV and its acceptance and approval, the Offeror may submit a bill for the balance due on the contract for the audit.

### **G. Audit Review**

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

### **H. Exit Conference**

An exit conference with HSCADV's representatives and the Offeror's representatives will be held after the scope of work is completed. Observations and recommendations must be summarized in writing and discussed with HSCADV. It should include internal control and program compliance observations and recommendations.

### **I. Workpapers**

- Upon request, the Offeror will provide a copy of the workpapers pertaining to any questioned costs determined in the audit. The workpapers must be concise and provide the basis for the questioned costs as well as an analysis of the problem.
- The workpapers will be retained for at least three years from the end of the audit period.
- The workpapers will be available for examination by authorized representatives of the cognizant federal or state audit agency, the General Accounting Office, and HSCADV.

### **J. Confidentiality**

The Offeror agrees to keep the information related to all contracts in strict confidence. Other than the reports submitted to HSCADV, the Offeror 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, taking such reasonable measures as are necessary to restrict access to the information, while in the Offeror's possession, to these employees on the Offeror's staff who must have the information on a "need-to-know" basis.

The Offeror agrees to immediately notify, in writing, HSCADV's authorized representative in the event the Offeror determines or has reason to suspect a breach of this requirement.

### **K. 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 comply 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 therefor.

## Technical Qualifications

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

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

The Offeror should describe its prior auditing experience including the names, addresses, contact persons, and telephone numbers of prior organizations audited. Experience should include the following categories:

1. Prior experience auditing multiple grant-funded 501(c)(3) agencies.
2. Prior experience auditing similar programs funded by the State of Hawaii.
3. Prior experience auditing programs funded by the Federal Government.
4. Prior experience auditing similar county or local government activities.
5. Prior experience auditing nonprofit organizations.

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

The Offeror 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. Offeror should include a copy of the most recent Peer Review, if the Offeror has had a Peer Review.

### **C. Staff Qualifications**

The Offeror should describe the qualifications of staff to be assigned to the audits. Descriptions 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 the firm, years and types of experience, continuing professional education, state(s) in which licensed as a CPA, etc. will be considered.

### **D. Understanding of Work to be Performed**

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

### **E. Certifications**

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 HSCADV, because HSCADV desires to contract only with an Offeror who is already familiar with these publications.

# Proposal Evaluation

## A. Submission of Proposals

All proposals shall include the Offeror's technical qualifications, the pricing information, and a copy of the signed Certifications. These documents will become part of the contract.

## B. Nonresponsive Proposals

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

1. The proposal is not received timely in accordance with the terms of this RFP.
2. The proposal does not follow the specified format.
3. The proposal does not include the Certifications.
4. The proposal is not adequate to form a judgment by the reviewers that the proposed undertaking would comply with the *Government Audit Standards* of the U.S. Comptroller General.

## C. Evaluation

Evaluation of each proposal will be scored on the following five factors:

	Point Range
1. Prior experience auditing and/or designing and installing accounting systems.	
a. Prior experience auditing multiple grant-funded 501(c)(3) agencies	0 – 5
b. Prior experience auditing similar programs funded by the State of Hawaii	0 – 5
c. Prior experience auditing similar programs funded by the Federal Government	0 – 5
d. Prior experience auditing similar county or local government activities	0 – 5
e. Prior experience auditing nonprofit organizations	0 – 5

HSCADV will 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.)

a. Adequate size of the firm	0 – 5
b. Minority/small business	0 – 5
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.	
a. Audit team makeup	0 – 10
b. Overall supervision to be exercised	0 – 5
c. Prior experience of the individual audit team members	0 – 10
4. Offeror's understanding of work to be performed.	
a. Adequate coverage	0 – 10
b. Realistic time estimates of each audit step	0 – 5
5. Price	0 – 20
Maximum Points	100

**D. Review Process**

The HSCADV may, at its discretion, request presentations by or meetings with any or all Offerors, to clarify or negotiate modifications to the Offerors' proposals.

However, HSCADV reserves the right to make an award without further discussion of the proposals submitted. Therefore, proposals should be submitted initially on the most favorable terms, from both technical and price standpoints, which the Offeror can propose.

HSCADV contemplates award of the contract to the responsible Offeror with the highest total points.

## Certifications

On behalf of the Offeror:

1. The individual signing certifies that they are authorized to contract on behalf of the Offeror.
2. The individual signing certifies that the Offeror is a properly licensed certified public accountant, or a public accountant licensed on or before (*date of licensing*).
3. The individual signing certifies that the Offeror meets the independence standards of the *Government Auditing Standards*.
4. The individual signing certifies that they are aware of and will comply with the GAO Continuing Education Requirement of 80 hours of continuing education every two years; and that 24 hours of the 80 hours of education will be in subjects directly related to the government environment and to government auditing for individuals.
5. The individual signing certifies that they are aware of and will comply with the GAO requirement of an external quality control (peer) review at least once every three years.
6. The individual signing certifies that they have read and understands the following publications relative to the proposed audits:
  - *Government Auditing Standards* (Yellow Book)
  - *2 CFR Chapter I, Chapter II, Part 200, et al.*
  - *2 CFR Section B: Subpart E and Appendices III–VIII: Cost Principles. Reforms to Cost Principles (Circulars A–21, A–87, and A–122)*
  - *OMB (Office of Management & Budget) Uniform Guidance effective 12/26/14*
  - *A Guide for Nonprofit Organizations: Cost Principles and Procedures for Establishing Indirect Cost and Other Rates for Grants and Contract with the Department of Health and Human Services*
7. The individual signing certifies that they have read and understands all of the information in this Request for Proposal, including the information on the programs/grants/contracts to be audited.
8. 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.)

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
(Offeror's Firm Name)

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

\_\_\_\_\_  
(Printed Name and Title of Individual Signing)