



TOTAL COMMUNITY ACTION, INC.

INVITATION FOR BIDS NUMBER 2023

FOR

TOTAL COMMUNITY ACTION, INC.
1420 S. Norman C Francis Parkway
New Orleans, LA 70125

Sealed bids relative to the above will be received in the fiscal Unit of Total Community Action, 1420 S. Norman C. Francis Parkway, New Orleans, Louisiana 70125 until **4:00 P.M.** on **MONDAY, FEBRUARY 5, 2024.**

Request for Proposal (RFP) TO INTERESTED INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS (ICPAs):

Total Community Action, Inc. (TCA) reserves the right to refuse to consider proposals that are not submitted in a timely manner.

Proposals will be evaluated based on the experience of ICPA's experience in performing Governmental Engagements, Organization Size and Structure, Qualifications of Staff, Peer Review, Price, References and Approach for Planning and Conducting the Engagement.

Bids can be accessed at <https://www.tca-nola.org/current-bids/>

General Information

- Proposers must be approved by the legislative auditor to perform governmental engagements. Proposers must also have their most recent peer review report published on the legislative auditor's website.
- Total Community Action reserves the right to reject any and all submitted proposals and to request additional information from any and all proposers.
- Submitted proposals become part of Total Community Action's official files.

Scope of Engagement

The engagement will encompass all funds under the control of TCA. There will be no limitations on the scope of the engagement.

Nature of Services Required – Audits

The audit must be a financial audit performed in conformity with:

- A. Generally Accepted Auditing Standards, promulgated by the Auditing Standards Board of the American Institute of Certified Public Accountants.
- B. The standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.
- C. The Single Audit Act Amendments of 1996, and
- D. Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)
- E. Part 45 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards

The audit must comply with the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

In conjunction with the previously mentioned standards, the ICPA should:

1. Plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement caused by errors, fraud, or illegal acts or violations of laws or governmental regulations that are attributable to the organization or to acts by management or employees acting on behalf of the organization
2. Examine sufficient evidential matter to support the opinions and comments expressed within the auditor's reports.

3. Assess the appropriateness of the accounting policies used and the reasonableness of significant estimates made by management, as well as evaluate the overall financial statement presentation.
4. Include an assessment of the risk that errors and fraud may cause the financial statements to contain a material misstatement and consider illegal acts that could have a direct material effect on the financial statements, to the extent required by the previously mentioned standards, and based on the assessment, design tests to detect such matters.
5. To the extent required by the previously mentioned standards and state law, any errors, fraud, illegal acts, or abuse detected during the audit should be included in the audit report. In addition, the errors, fraud, illegal acts, or abuse should be brought to the attention of the audit committee, to the extent required by the previously mentioned standards.
6. Convey to TCA, as appropriate, those matters observed relating to opportunities for economies of operation or other matters that should be brought to the agency's attention.

Report Requirements – Audits

The audit report shall include:

1. An Independent Auditor's Report. The report shall include:
 - a. An opinion or disclaimer of opinion as to the fair presentation of the agency's financial statements.
 - b. An opinion or disclaimer of opinion as to the fair presentation, in all material respects in relation to the financial statements taken as a whole, of the schedule of expenditures of federal awards, when applicable.
 - c. An opinion or disclaimer of opinion as to the fair presentation, in all material respects in relation to the agency's financial statements taken as a whole, of the Division of Administration, Office of Statewide Reporting and Accounting Policy's Annual Fiscal Report packet.
2. A report on compliance and internal control over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
3. A report on compliance with requirements applicable to each major program and on internal control over compliance in accordance with (CFR) Part 200 Uniform Guidance, when applicable.
4. A Schedule of Expenses – Direct and Indirect Costs.
5. Combined Statement of Activities and Changes in Net Assets
6. A Schedule of Compensation, Benefits, and other payments to Agency Head or Chief Executive Officer
7. A summary schedule of findings and questioned costs which shall include:
 - a. A summary of the ICPA's results which shall include:

- i) The type of report the ICPA issued on the financial statements of the agency.
 - ii) Where applicable, a statement that the audit of the financial statements disclosed significant deficiencies in internal control and whether any such deficiencies were material weaknesses.
 - iii) A statement as to whether the audit disclosed any noncompliance that is material to the financial statements of the agency.
 - iv) A statement as to whether a management letter was issued.
 - v) When subject to (CFR) Part 200 Uniform Guidance:
 - a) Where applicable, a statement that significant deficiencies in internal control over major programs were disclosed by the audit and whether any such deficiencies were material weaknesses.
 - b) The type of report the ICPA issued on compliance for major programs.
 - c) A statement as to whether the audit disclosed any findings required to be disclosed under (CFR) Part 200 Uniform Guidance.
 - d) An identification of major programs.
 - e) The dollar threshold used to distinguish between Type A and Type B Programs, under (CFR) Part 200 Uniform Guidance.
 - f) A statement as to whether the agency qualified as a low-risk auditee under (CFR) Part 200 Uniform Guidance.
- b. Findings and questioned costs which are required to be reported in accordance with Government Auditing Standards and/or (CFR) Part 200 Uniform Guidance, shall be identified by number, shall be presented in sufficient detail for the agency to develop and implement a corrective action plan, and shall include:
- i) Significant deficiencies in internal control relating to the presented financial statements and when applicable, over major programs. For federal purposes, the ICPA's determination of whether a control deficiency in internal control is a significant deficiency is in relation to a type of compliance requirement for a major program or an audit objective identified in the compliance supplement. The ICPA shall identify significant deficiencies that are individually or cumulatively material weaknesses. Repeated significant deficiencies and/or material weaknesses shall indicate the number of years the matter has been reported.
 - ii) Material noncompliance with the provisions of law, regulations, contracts, or grant agreements related to the presented financial statements and, where applicable, major programs. For federal purposes, the ICPA's determination of whether a noncompliance with the provisions of laws, regulations, contracts, or grant agreements is material is in relation to a type of compliance requirement for a major program or an audit objective identified in the compliance supplement. Repeated instances of noncompliance shall indicate the number of years the matter has been reported.
 - iii) When subject to (CFR) PART 200 UNIFORM GUIDANCE:

- a) Known questioned costs that are greater than \$10,000 for a type of compliance requirement for a major program. The ICPA shall also report known questioned costs when likely questioned costs are greater than \$10,000 for a type of compliance requirement for a major program.
 - b) Known questioned costs that are greater than \$10,000 for a federal program that is not audited as a major program. Except for audit follow-up, the ICPA is not required under (CFR) Part 200 Uniform Guidance to perform audit procedures for such a federal program.
 - c) The circumstances concerning why the ICPA's report on compliance for major programs is other than an unqualified opinion, unless such circumstances are otherwise reported as audit findings in the summary schedule of findings and questioned costs for federal awards.
 - iv) Known fraud.
 - v) Instances where the results of audit follow-up procedures disclosed that the summary schedule of prior findings materially misrepresents the status of any prior finding.
 - c. Or, a statement that there are no findings to report.
8. A management letter, if applicable, detailing matters not significant or material in relation to the required reports. Only nonmaterial instances of noncompliance and/or control deficiencies shall be included in a management letter.
9. A summary schedule of prior findings. The summary schedule shall either include:
 - a. The status of findings and comments included in the prior audit's summary schedule of findings and questioned costs and/or management letter; and the status of findings included in the prior audit's summary schedule of prior findings (except for findings that were noted as resolved). Since the summary schedule may include findings from multiple years, it shall include the fiscal year in which the finding initially occurred.
 - For findings that were fully corrected, the summary schedule shall briefly describe each finding and state that corrective action was taken.
 - For findings that were not corrected or only partially corrected, the summary schedule shall briefly describe each finding, shall describe the planned corrective action as well as any partial corrective action taken.
 - When corrective action taken is significantly different from previously reported in a corrective action plan, or in the federal agency or pass-through entity's management decision, or in a response to the Legislative Audit Advisory Council, the summary schedule shall provide an explanation for the difference.
 - When the agency believes the audit findings are no longer valid or does not warrant further action, the reasons for this position shall be described in the summary schedule.
 - b. Or, a statement that there were no findings to report.

10. Management's corrective action plan (prepared by the agency). The plan should address audit finding and/or management letter comment included in the ICPA's current year report. The plan shall provide the corrective action planned and the anticipated completion date. If the agency does not agree with the findings or believes corrective action is not required, then the corrective action plan shall include an explanation and specific reasons. If the agency fails to provide a corrective action plan, the report and/or management letter shall include a statement(s) that management failed to respond to the findings and/or comments.
11. Conduct the Independent Accountant's Report on Applying Statewide Agreed-Upon Procedures as mandated by the Louisiana Legislative Auditor, this report should be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards.

At the conclusion of the audit field work and the audit is completed the ICPA will be responsible for completion of Data Collection Form SF-SAC and submitting it to the required federal government, state government agencies and Louisiana legislative auditors. Also, the ICPA is required to prepare and complete IRS Form 990 Return of Organization Exempt from Income Tax for the year ended December 31, 2023.

Exit Conference

An exit conference with Total Community Action Inc.'s representatives and the ICPA representatives will be held at the conclusion of the fieldwork. Observations and recommendations must be summarized in writing and discussed with TCA before the report is finalized. This should include internal control and program compliance observations and recommendations.

Report Distribution

Unless otherwise specified in the agency specific information, at the conclusion of the engagement, the ICPA will immediately submit one copy to the Federal Audit Clearing House (FAC) with Data Collection form SF SAC. Then the ICPA will send:

- One unbound, single sided copy of the report to the legislative auditor and one copy of the data collection form, prescribed by the legislative auditor. (The OMB data collection form may be used in lieu of the legislative auditor's form).
- A bound copy of the report to each funding source providing monies to the agency.
- Twelve bound (12) copies of the Report to Management of the Agency.

The Data Collection Form and the reporting package must be submitted before or no later than 30 days after receipt of the auditor's report or nine months after the end of the audit period.

Engagement Documentation

All engagement documentation (working papers and all correspondence relating to the engagement) shall be retained for a period of five years from the date of the report, unless the ICPA is notified in writing by the legislative auditor or cognizant agency to extend the retention period. All of the documentation shall be available for inspection by the legislative auditor, any successor or principal auditor/accountant, the Louisiana State board of CPAs, or any other agency recognized within the State of Louisiana to provide a quality assurance function. The ICPA must contact and obtain the express permission of the legislative auditor prior to giving access to engagement documentation to any parties other than those previously named individuals and organizations. All of the documentation will be provided by the predecessor auditor/accountant to the successor auditor/accountant at a cost of no more than \$.20 per copy, with no further fees assessed.

Any ICPA that participates in the RFP process shall:

- As required under professional standards, answer specific inquiries of a potential proposer when those inquiries may affect the proposer's client acceptance decision.
- Upon award of a contract creating a predecessor/successor relationship, the predecessor auditor/accountant shall provide responses to the inquiries required by professional standards. The predecessor auditor/accountant shall make all of the documentation available for review and for copying. This access shall be granted at a mutually convenient time and location, but shall occur within 10 working days of the request. This access include trial balances, adjusting journal entries, analyses of balance sheet accounts (both current and noncurrent and those relating to contingencies), documentation of the predecessor's understanding of the internal control, documentation of a permanent nature, such as bond amortization schedules and operating and capital leases, and documentation that supports the summary of significant accounting policies.

Any predecessor auditor/accountant that fails to make the engagement documentation available for successor auditor/accountant inspection and copying under rules of the legislative auditor shall be prohibited from participating in the RFP process.

Special Conditions

The following special conditions are required to be a part of the proposal:

- The ICPA will notify TCA immediately, in writing, if there is any limitation on the scope of the engagement, to include denial of access to books and records or failure to provide the same in a timely manner.
- The ICPA will notify TCA immediately, in writing, if the ICPA firm decides to withdraw from the engagement. As a part of the notification, the ICPA will describe in detail the reason leading to the withdrawal.

- The ICPA will notify TCA immediately, in writing, if any illegal or fraudulent acts are detected.
- The ICPA will notify TCA immediately, in writing, if the ICPA will be unable to complete an engagement within the required time. As part of the notification, the ICPA will provide all substantive reasons for the delay and an estimate of the revised completion date. TCA reserves the right to modify the compensation amount for the audit work if it declares the reason(s) for the delay is not acceptable.
- The ICPA will notify TCA immediately, in writing, if the ICPA encounters circumstances that make it necessary for the ICPA to perform added work beyond the scope originally anticipated, before beginning such work. As part of the notification, the ICPA will provide an estimate of the number of additional hours and the resulting fee.
- Should the ICPA decide to reissue the report, TCA must be notified immediately and the reissued report should be distributed in the same manner as the original report.
- No additional services will be performed unless otherwise approved by TCA.
- TCA reserves the right to terminate the engagement contract at any time.

The ICPA must agree to defend and hold harmless TCA, its Board Members, agents, and employees, from any and all claims which may result from a determination by any authorized federal official that the audit performed and/or any reports produced pursuant to this contract do not comply with (CFR) Part 200 Uniform Guidance or any applicable standards; provided that such determination arises as a consequences of a deliberate or negligent act or omission on the part of the ICPA. In addition, in the event such determination, the ICPA will agree, at no additional cost, to take whatever follow-up steps are necessary to make the audit comply with (CFR) Part 200 Uniform Guidance or any other standards applicable to the audit, and to reimburse TCA for any and all costs attributed to the determination not to exceed the audit fee.

Contract Compliance

The completion date for an engagement is a specific contract provision that the legislative auditor will closely monitor compliance. The reports must be completed by and transmitted to the legislative auditor within the time frames included in the agency specific information. Should the ICPA be unable to complete an engagement within the required time, he/she shall notify TCA and the legislative auditor immediately in writing, providing all substantive reasons for the delay and an estimate of the revised completion date. Should the legislative auditor determine that such a revised completion date is unacceptable; TCA shall immediately cancel the contract and engage another ICPA to complete the work within an acceptable completion date. The cost of any incomplete work for which the ICPA named in the original contract was responsible shall be deducted from the contract fee. To the extent that the amount charged by the ICPA under the new engagement causes the total costs to exceed the original contract price, TCA reserves the right to proceed against the ICPA named in the original contract.

Evaluation

Proposals will be evaluated on all the requirements outlined in the bid specifications. Using a two-step process, the first step involves performing technical evaluations and, based solely on those evaluations, selecting a top group of proposers. The second step involves the awarding of the engagement contract by the evaluation committee. Once the committee is satisfied with the top group of proposers, the committee will award the contract to the ICPA submitting the most advantageous and responsive proposal for the engagement services, subject to the following:

- If there is reason to believe that an unreasonable low proposal has been submitted, TCA may reject the proposal.
- Disadvantaged and minority firms will be given consideration to the maximum extent practicable.
- The committee may not award the contract to the ICPA submitting the lowest price if it determines that there are compelling reasons to do so.

TCA will accept the most advantageous and responsive proposal, not necessarily the lowest bid. A bid may be considered incomplete if the bid does not meet all requirements outlined in this request. The successful ICPA firm will be notified within 30 working days of the award of the contract. The name of the successful proposer and pricing information will be sent to TCA's Board for approval then sent to the legislative auditor for approval.

Indemnification

The ICPA agrees to indemnify and hold TCA, its employees, directors and its agents harmless for, from and against any and all claims, suits, expenses, judgments, demands, damages or other liabilities, including reasonable attorney fees and court costs arising out of damage or injury to persons, entities, or property causes or sustained by any person or persons as a result of the negligent performance or non-performance of the work or failure of the ICPA to provide services pursuant to the terms of this agreement. The successful ICPA upon notification of award and prior to performance shall furnish a current copy of the ICPA's Certificate of Insurance showing the Types and Coverage's of insurance and the Minimum Limits of Liability issued by the ICPA insurance company.

Term of Engagement

A three to five year contract is contemplated, subject to the recommendation of the evaluation committee and the satisfactory negotiation of a price acceptable to both TCA and the selected ICPA for the three to five year period. TCA reserves the right to evaluate the selected ICPA each

year based on updated information any quality of work. If evaluation and or quality of work is not satisfactory, TCA reserves the right to terminate the agreement at any time.

Compensation and Payment

Monthly billings will be allowed; however, no more than 2 billings per month will be allowed, not to exceed ninety percent of the contract fee for the audit period, the balance will be paid when TCA has received and accepted the report.

Billings (interim and final) should be submitted to Total Community Action, Inc. TCA will issue a check made payable to the ICPA once the President/CEO and Chief Financial Officer for TCA have approved the billing for payment.

If extraordinary or unusual circumstances are encountered which makes it necessary for the ICPA to perform added work beyond the scope originally anticipated, before beginning such work, the ICPA shall immediately report such condition, in writing, to the legislative auditor and TCA. The ICPA must provide an estimate of the number of additional hours and the resulting fee. Then TCA will consider the nature of the additional work and the related cost and will determine whether to amend the engagement contract.