

Auditing Services Pool Request for Qualifications

Questions and Answers

Date Posted: July 27, 2021

Please note that:

- The final date to submit questions and requests for additional information is **July 23, 2021**
- To respond to this RFQ, please complete and submit your proposal and all required documents to First 5 LA **no later than 5:00 PM PT on July 30, 2021**

Scope of Work/Audit/ Audit Logistics

1. Will the audits be performed under performance audit standards?

F5LA Response: This request for qualifications is to establish a pool of certified public accountant firms to perform contract compliance audits in accordance with the terms of the agreement. It is possible that the contract compliance audit(s) may fall under the performance audit standards, as the audit needs to determine if expenditures are backed-up with supporting documentation as required by the grant terms. Please refer to the [Scope of Work section of the RFQ](#) (item 3, page 7). The specific grant terms (agreement) and expenditures submitted to First 5 LA will be shared with the selected firm to determine the parameters of the engagement.

2. Will you want to review a copy of the draft reports prior to issuing the draft reports to the auditees?

F5LA Response: This will be discussed with the selected firm and negotiated through the Task Order.

3. Can the audit be [completed] remotely or onsite?

F5LA Response: The audit can be completed remotely, provided your firm and the grantee have the necessary resources to complete the audit remotely.

4. [If] there is Single Audit involved to be performed by the CPA firm.

F5LA Response: In the United States, the Single Audit, Subpart F of the OMB Uniform Guidance, is a rigorous, organization-wide audit or examination of an entity that expends \$750,000 or more of federal assistance (commonly known as federal funds, federal grants, or federal awards) received for its operations.¹ Over the last 10 years, First 5 LA has not expended \$750,000 or more in federal funds, as such we have not been required by OMB guidelines to meet the single audit requirement.

¹ Source: https://en.wikipedia.org/wiki/Single_Audit#cite_note-OFFM-1

This request for qualifications is to establish a pool of certified public accountant firms to perform contract compliance audits in accordance with the terms of the agreement with our grantee partners. As such, a Single Audit is outside the scope of this request for qualifications.

5. Will you be audited yearly or on rotation basis?

F5LA Response: The frequency of the audit will be dependent on the audit results and our internal Fiscal Compliance Review process described under the [Project Overview section of the RFQ](#) (page 6).

6. Will the auditor be required to present the findings and reports to the Commission?

F5LA Response: Please refer to the [Scope of Work section of the RFQ](#) (item 5, page 7). Which stipulates: “the partner or manager in charge of audit shall be available to attend at least two meetings at which the audit report will be discussed.”

7. What is the expected turn-around time to provide the findings and reports?

F5LA Response: Please refer to the [Scope of Work section of the RFQ](#) (item 1, page 6). There are clear expectations regarding the expected turn-around time to accept and communicate expectations with the grantee organization (see below), any additional due dates/turn-around times for deliverables will be negotiated with the selected firm at the time of the engagement.

“Year-round availability to accept an audit engagement and communicate with the audited grantee organization within three (3) weeks of engagement from First 5 LA.

- a. This includes communicating the audit start date to the audited grantee organization and setting expectations on the provision of supporting documents.”

Requests for Additional Information/Examples

1. Would First 5 LA be willing to release one report issued in the prior year as a sample of the work product expected to be submitted and adhered to? This would be a very useful resource. Thank you.

F5LA Response: We issued a pilot through select grantees to begin limited-scope contract compliance audits. However, we are contractually bound to keep confidential any proprietary info made available during the audit. Reports have a restricted use and are limited solely for the information of our grantee partners and First 5 LA. As such we are unable to provide examples currently. Please note that each engagement for the limited-scope contract compliance audit will be negotiated with the selected firm, including expectations on the work product to be submitted and budget.

2. What were prior years auditee fees for the previous contractor per each fiscal year, and how many hours? / Please let me know the fees paid for [these] services for each fiscal year so I can price our response accordingly. / What were your prior contract fees and hours?

F5LA Response: Prior year auditee fees are noted below including average costs per year, please see below for fee notes*:

*Please note the following:

- In the pilot year, select grantees were given a stipend to conduct limited scope audits and negotiated hours and terms with a firm of their choosing. As such we are unable to provide time estimates, sample scopes of work, etc.
- Limited-scope audits will be performed as based on our internal review process. Please refer to the [Project Overview section of the RFQ](#) for a description of our internal process (page 6) for details.
- Budgeted amounts are noted on a per-audit engagement basis.

Organization	FY 19-20 Budgeted Amount	FY 20-21 Budgeted Amount
Grantee 1	\$5,000	\$5,000
Grantee 2	\$5,000	\$5,000
Grantee 3	\$5,000	\$2,500
Grantee 4	\$5,000	\$6,100
Grantee 5	\$5,000	\$5,000
Average Cost	\$5,000	\$4,720

3. Can you please [provide] prior years audited financial statements?

First 5 LA's audited financial statements can be accessed through our website. They are available to the public via the following link: <https://www.first5la.org/our-board/financials/>

4. How many are the grantee organizations?

The population of grantee organizations that are subject to review is available via [Appendix E – List of Grantee Organizations](#) and is subject to change. Please note that grantees listed may have one or more agreements with F5LA that are subject to review.

5. What is the range of contract amount awarded to the grantee organization?

The range of contract amounts awarded to the grantee organizations varies greatly, a sample range is noted below:

Range: \$32,452 - \$21,278,582

The Median and Average ranges are noted below:

Median: \$1,313,582

Average: \$2,392,803

6. Who is your current auditor?

F5LA Response: Our current auditing firm is Eide Bailly.

7. Please provide a list of firms that have been sent an RFP.

The RFP was shared as a funding alert to F5LA staff to share with their networks and was shared to the current list of grantee/contractors/vendors who have elected to receive funding notifications. Additionally, the following firms have received an invitation to apply:

Teaman, Ramirez & Smith Inc.
Brown Armstrong Paulden McCown
Starbuck & Keeter Accountancy Corp.
Lance Soll & Lunghard, LLP, CPAs
Moss, Levy & Hartzheim
Ramirez International Financial &
Accounting Services, Inc.
Simpson & Simpson, CPAs
BDO Seidman
The Lopez Group, LLP
Nuñez & Associates, Inc.
Vasquez & Company LLP
Conrad LLP
Singer Lewak
Marcum LLP
Turner, Warren, Hwang & Conrad AC
Farber, Hass, Hurley LLP
Holthouse, Carlin, Van Trigt LLP
Hutchinson and Bloodgood LLP