

AUDIT  
REQUEST FOR PROPOSAL

Audit services are sought by First Choice Community Healthcare, Inc. for the purpose of conducting a unified financial and compliance audit for the period January 1, 2015 through December 31, 2015. Small and minority audit firms are encouraged to apply. For information regarding this proposal you may contact the following individual.

Procurement Office  
First Choice Community Healthcare, Inc.  
2001 N Centro Familiar Blvd. S.W.  
Albuquerque, New Mexico 87105  
rfp@fcch.com

Response to this RFP shall be delivered to the above address by January 6, 2016. Bidders must supply four copies of their proposal, sealed and clearly labeled – FY 2015 Audit Proposal. These proposals will become part of official files without any obligation on the part of FCCH. It is understood that the proposal is valid for 90 days.

FCCH is a non-profit New Mexico Corporation which began operation in 1972. The Corporation provides primary health care (medical, dental and behavioral health) and human service programs to communities in Bernalillo, Santa Fe and Valencia Counties. The Corporation receives an annual grant from the U.S. Department of Health and Human Services, Public Health Services, for support of a substantial portion of its work activities. Other revenue is generated through patient fees, Medicare, Medicaid, other third party reimbursement as well as local and state grants and contracts for services.

Scope of Work

As a condition of its federal grant funding, the Corporation must engage a qualified individual or firm to perform an audit of its financial statements for supported activity in accordance with Generally Accepted Auditing Government Standards and the provisions of Title 2, Subtitle A, Chapter 11, Part 200 and Sub-Part F.

Based on this proposal process, the Corporation expects to enter into a binding agreement for the audit of its financial statements for the 12 month period ending December 31, 2015, for the review of its federal “Financial Status Report” and the reconciliation between the audit report and the “FSR”, as well as review of related schedules to be submitted to the Department of Health and Human Services by May 31, 2016.

The auditor must also provide a comprehensive audit of the FCCH, 403(b), and Medical Disability Trust for the year ending December 31, 2015. This must include review of all work papers to ensure the Corporation is in compliance with the requirements set forth by the Internal Revenue Service. The auditor shall also prepare the annual 990, 990-T & 5500 returns for FCCH, 403B, and the Medical Disability Trust that are to be submitted to FCCH no later than July 15, 2016.

As part of the scope of work, the auditor is expected to make three formal presentations: one to FCCH Management, one to the Board Finance Committee, and one to the whole Board of Directors following the completion of the audit.

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SCOPE OF AUDIT  
**§200.514**

- (a) *General.* The audit must be conducted in accordance with GAGAS. The audit must cover the entire operations of the auditee, or, at the option of the auditee, such audit must include a series of audits that cover departments, agencies, and other organizational units that expended or otherwise administered Federal awards during such audit period, provided that each such audit must encompass the financial statements and schedule of expenditures of Federal awards for each such department, agency, and other organizational unit, which must be considered to be a non-Federal entity. The financial statements and schedule of expenditures of Federal awards must be for the same audit period.
- (b) *Financial statements.* The auditor must determine whether the financial statements of the auditee are presented fairly in all material respects in accordance with generally accepted accounting principles. The auditor must also determine whether the schedule of expenditures of Federal awards is stated fairly in all material respects in relation to the auditee's financial statements as a whole.
- (c) *Internal control.*
- (1) The compliance supplement provides guidance on internal controls over Federal programs based upon the guidance in Standards for Internal Control in the Federal Government issued by the Comptroller General of the United States and the Internal Control—Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).
  - (2) In addition to the requirements of GAGAS, the auditor must perform procedures to obtain an understanding of internal control over Federal programs sufficient to plan the audit to support a low assessed level of control risk of noncompliance for major programs.
  - (3) Except as provided in paragraph (c)(4) of this section, the auditor must:
    - (i) Plan the testing of internal control over compliance for major programs to support a low assessed level of control risk for the assertions relevant to the compliance requirements for each major program; and
    - (ii) Perform testing of internal control as planned in paragraph (c)(3)(i) of this section.
  - (4) When internal control over some or all of the compliance requirements for a major program are likely to be ineffective in preventing or detecting noncompliance, the planning and performing of testing described in paragraph (c)(3) of this section are not required for those compliance requirements. However, the auditor must report a significant deficiency or material weakness in accordance with §200.516 Audit findings, assess the related control risk at the maximum, and consider whether additional compliance tests are required because of ineffective internal control.

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(d) *Compliance*

(1) In addition to the requirements of GAGAS, the auditor must determine whether the auditee has complied with Federal statutes, regulations, and the terms and conditions of Federal awards that may have a direct and material effect on each of its major programs.

(2) The principal compliance requirements applicable to most Federal programs and the compliance requirements of the largest Federal programs are included in the compliance supplement.

(3) For the compliance requirements related to Federal programs contained in the compliance supplement, an audit of these compliance requirements will meet the requirements of this part. Where there have been changes to the compliance requirements and the changes are not reflected in the compliance supplement, the auditor must determine the current compliance requirements and modify the audit procedures accordingly. For those Federal programs not covered in the compliance supplement, the auditor must follow the compliance supplement's guidance for programs not included in the supplement.

(4) The compliance testing must include tests of transactions and such other auditing procedures necessary to provide the auditor sufficient appropriate audit evidence to support an opinion on compliance.

(e) *Audit follow-up.* The auditor must follow-up on prior audit findings, perform procedures to assess the reasonableness of the summary schedule of prior audit findings prepared by the auditee in accordance with §200.511 Audit findings follow-up paragraph (b), and report, as a current year audit finding, when the auditor concludes that the summary schedule of prior audit findings materially misrepresents the status of any prior audit finding. The auditor must perform audit follow-up procedures regardless of whether a prior audit finding relates to a major program in the current year.

(f) *Data Collection Form.* As required in §200.512 Report submission paragraph (b)(3), the auditor must complete and sign specified sections of the data collection form.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75887, Dec. 19, 2014]

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Enclosures for Review by the Prospective Auditors

In order to assist prospective auditors assess risk, please find enclosed a copy of our 2014 audited financial statements as well as the most recent current financial statements. **This material is being provided for information purposed only, is confidential and not to be used for any purposes other than the response to the Request for Proposal.**

AUDIT SERVICES:

I. Outline for Audit Proposal

Proposals are to be submitted in the following format:

1. Title Page:           Name of Firm  
                              Headquarters Address  
                              Local Address  
                              Contact Person  
                              Telephone Number

2. Table of Contents: Include a clear identification of the material by section and by page.

3. Letter of Transmittal: This letter should be limited to no more than two pages and include the following:

- a. Briefly state the proposer's understanding of the work to be done and make a positive commitment to perform the work within the time period.
- b. State the all-inclusive fee for which the work will be done. This fee should delineate hours and tasks performed by staff members and at what hourly rate. Gross Receipts Tax should be included in the quoted fee. In addition, applicants shall submit an all-inclusive fee schedule for a possible three-year engagement period.
- c. State the names of the persons who will be authorized to make presentations for the proposer, their titles, addresses, and telephone numbers.

4. Profile of Proposer:

- a. State whether the firm is local, regional, national, or international.
- b. State the location of the office from which the work is to be done and the number of partners, managers, supervisors, seniors, and other professional staff employed at that office.
- c. Describe the range of activities performed by the local office such as auditing, accounting, tax service, management information system capabilities, and/or management services.

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5. Mandatory Criteria: Proposer must acknowledge the following:

- a. A copy of the audit Organization's peer review report
- b. Proposer is a properly licensed certified public accountant.
- c. The audits are to be conducted in accordance with Generally Accepted Auditing Standards, the standards set forth for financial audits in the U.S. General Accounting Office's (GAO) Government Auditing Standards GASB 34, the Single Audit Act Amendments of 1996, and the Office of Management and Budget (OMB) Circular A-133.
- d. Proposer shall include documentation verifying the most recent results of the external quality review of the firm including 1) a copy of the corresponding management letter comments, 2) the date of the most recent review and 3) the name of the reviewer.

6. Summary of the proposer's qualifications:

- a. Identify the supervisors and staff members who will work on the audit, including staff from other than the local office.

Resumes including relevant experience and continuing education for each supervisory person to be assigned to the audit should be included. (The resumes may be included as an appendix.)

- b. If the proposal is from a joint venture or from more than one firm, clearly identify from which firm each audit team member is obtained. In the experience section comment as to whether these firms have performed joint ventures in the past, listing the project and the client's name.
- c. Describe the recent local and regional office auditing experience similar to the type of audit requested, and give the names and telephone numbers of client officials responsible for the audits listed.

7. Proposer's Approach to the Examination:

Submit a work plan to accomplish the scope defined in the RFP. The work plan should include start and completion dates, time estimate for each significant segment of the work and the estimated hours of each staff level to be assigned. Where possible, individual staff members should be named. The planned use of outside specialists should be specified. In addition, the proposer should make it clear what work is required in advance from staff members at FCCH.

8. Additional Data:

Since the preceding sections are to contain only data that is specifically requested, any additional information considered essential to the proposal should be included in this section. The proposer's general information publications, such as directories or client lists, should not be included unless specifically requested. If there is no additional information to present, please state, "There is no additional information we wish to present."

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II. Evaluation Criteria: Technical

Those proposers who have met each of the minimum criteria will be evaluated on the following criteria:

1. Responsiveness to the proposal.

**Range (0-25)**

a. Audit coverage 0-10

Realistic time estimates for each major segment of the work plan and the estimated number of hours for each staff level including consultants assigned. 0-15

2. Technical experience of the firm. **Range (0-20)**

a. Auditing of the type under consideration. 0-10

b. Auditing similar entities or grants. 0-10

3. Qualifications of staff, including consultants, to be assigned to the audit. Education including continuing education courses taken during the past three years, position in the firm, and years and types of experience will be considered.

This will be determined from the resumes submitted. Expertise of the firm in areas other than audit will be evaluated for the purposes of year round consulting.

**Range (0-30)**

a. Qualifications of the audit team. 0-10

b. Supervision to be exercised over the audit team by the firm's management. 0-5

c. Qualifications of staff members in non-audit areas of expertise. 0-10

d. Size and structure of the firm. 0-5

4. Satisfactory Peer Review. **Range (0-05)**

5. Cost of the audit. **Range (0-20)**

**Maximum Points..... 100**

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**IV. Other**

First Choice Community Healthcare reserves the right to reject any and all proposals. All working papers related to this audit shall be maintained for at least three years by the audit firm. Said papers shall be available for examination by authorized representatives of applicable grantors or contractors.

A representative of the audit firm shall be available during the audit process for meetings or discussions to resolve issues and problems related to the audit. Either the audit firm or FCCH may, with reasonable notice, request a meeting at any time during the course of work.

The audit firm should be aware that the contract awarded shall be for the calendar year 2016 and based on rating of RFP's. The contract awarded may be extended to calendar years 2017 and 2018 without further competition if both parties agree. This statement does not imply that FCCH is obligated to extend the contract.

The audit firm agrees to keep the information related to all contracts and subgrants in strict confidence. Other than the report submitted, the audit firm 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 its possession, to those employees on staff and the contractors staff who must have the information on a "need-to-know" basis, and the firm agrees to immediately notify, in writing FCCH's authorized representative in the event the firm determines or has reason to suspect a breach of this requirement.

**Codes of conduct.** No FCCH employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. The FCCH officers, employees, and agents of the recipient shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to sub agreements. However, FCCH may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. FCCH standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by FCCH officers, employees, or agents.

**Business Associate Agreement/HIPAA & HITECH Compliance.** Vendor must be HIPPA/HITECH compliant, and must maintain all actions necessary to be complaint with business associate requirements.