Request for Proposal
Financial and Compliance Audit
Greater Nashville Regional Council
May 3, 2016

Purpose
Greater Nashville Regional Council (GNRC) is a quasi-government agency formed by state statute. GNRC has issued this request for proposal to potential auditors, who are qualified under state law and regulations, for the performance of a financial and compliance audit in accordance with the requirements of the laws and/or requirements of the State of Tennessee. This audit shall be for the period beginning July 1, 2016 to June 30, 2017. A three (3) year contract will establish audit services for the respective year and the following years of Fiscal Year 2018 and Fiscal Year 2019.

GNRC’s Executive committee formed a 501 (c)(4) non-profit corporation in the 1980s called Mid-Cumberland Area Development Corporation (MADC). A separate audit shall be performed for Mid-Cumberland Area Development Corporation for the period beginning October 1, 2016 to September 30, 2017. A three (3) year contract will establish audit services for the respective year and the following years of Fiscal Year 2018 and Fiscal Year 2019.

Overview of Greater Nashville Regional Council
Greater Nashville Regional Council (GNRC) is a regional organization of the 13 counties and 52 cities of the Greater Nashville region of middle Tennessee offering a variety of services both on the municipal and regional level to our member governments. GNRC serves the counties of Dickson, Stewart, Montgomery, Robertson, Sumner, Houston, Cheatham, Davidson, Wilson, Trousdale, Humphreys, Rutherford, and Williamson counties, as well as the municipalities and metropolitan government within these counties. GNRC currently employs under 70 employees on a biweekly pay period and has an annual operating budget of more than 10 million dollars. Financial records are maintained on a cash basis during the year and converted to a full accrual at year end. Records are kept using the fully automated software, Abila MIP Fund Accounting.

The State of Tennessee is the official grant recipient for most of GNRC’s Federal grant funds. GNRC contracts with several state agencies for various grants and services, the largest being the Tennessee Commission on Aging and Disability (TCAD). GNRC also has several State grants. GNRC does contract with the Economic Development Administration (EDA) directly for the EDA planning grant. GNRC subcontracts with various organizations for the actual provision of services to the public, and acts as the oversight body to the subcontractor’s activities.
Overview of Mid-Cumberland Area Development Corporation

Mid-Cumberland Area Development Corporation (MADC) oversees small business loans including SBA 504, administers GNRC’s EDA Revolving Loan Fund (RLF), USDA-Rural Development Intermediary Relending Program (IRP), and an in house Capital Loan Program (CLP). MADC’s fiscal year is October 1 to September 30. Financial records are maintained on a cash basis during the year and converted to full accrual at year end. Records are kept using the fully automated software, Abila MIP Fund Accounting. Detailed loan information is kept in a software called Loan Management System (LMS). MADC contracts with GNRC to provide staffing, administrative services, and office space. MADC has Board of Directors, but has no employees.

Scope

The auditor shall perform a financial and compliance audit of the financial statements of all funds and grant contracts of Greater Nashville Regional Council and Mid-Cumberland Area Development Corporation. The auditor shall conduct the audit in accordance with Government Auditing Standards and requirements prescribed by the Comptroller of the Treasury, State of Tennessee. If applicable, the audit should be conducted in accordance with the provisions of the Single Audit Act and the U.S. Office of Management and Budget (OMB) Circular A-133 and any other applicable federal management circulars.

Qualifications of Auditor

For the audit to be accepted by state and federal governments, the auditor must be either a certified public accountant licensed to practice in Tennessee, or a member of the audit staff of the Tennessee State Comptroller’s Office. The auditor should have adequate training and experience in governmental accounting and be in good standing in the profession. The auditor in charge of the field work should have a practical working knowledge of applicable state and federal laws and regulations. The auditor should be independent under the requirements of the American Institute of Certified Public Accountants (AICPA) and Government Auditing Standards in relationship to the engagement. The audit firm should be currently registered with the State Board of Accountancy and should have participated in an external quality control review at least once every three years, conducted by an organization not affiliated with the firm. (A copy of both the most recent external quality control review report and letter of comment should be provided to GNRC.) All audit staff assigned to the audit should have necessary hours of continuing professional education required by Government Auditing Standards.

General Audit Requirements

1. The auditor shall, as a part of the written audit report, submit to GNRC’s Executive Committee a report containing an expression of an opinion that the financial statements are fairly presented, or an opinion qualified as to certain funds or items in the financial
statements, a disclaimer of opinion and the reasons therefore, or an adverse opinion, and shall explain in every detail any unusual items or circumstances under which the auditor was unable to reach a conclusion. This report shall state that generally accepted government auditing standards have been followed in the audit.

2. The auditor's opinion shall be expressed on the opinion units identified in the AICPA Audit and Accounting Guide: *Audits of State and Local Governmental*, as well as the additional requirements in the State of Tennessee Department of Audit *Audit Manual*.

3. The auditor shall furnish copies of the report to the governing body. The auditor shall file copies of said report with the Comptroller of the Treasury.

4. If a management letter or any other reports or correspondence relating to findings or recommendations are issued in connection with the audit, a copy shall be filed with the Comptroller of the Treasury. Such management letters, reports, or correspondence shall be consistent with the findings published in the audit report (i.e., they shall disclose no material matters not also disclosed in the findings found in the published audit report).

5. In no case shall the audit be filed later than six (6) months after the fiscal year-end. GNRC’s year-end concludes June 30, reports should be completed and filed no later than December 31. MADC’s year-end concludes September 30, reports should be completed and filed no later than March 31. Hard copies of the audit (approximately twenty copies) shall be submitted for GNRC’s audit. An electronic copy in PDF format is also required. MADC also requires hard copies of their audit (approximately fifteen copies) shall be submitted to MADC. An electronic copy in PDF format for MADC in required as well.

6. Pertinent data from the working papers shall be available for three years for reference if requested by GNRC or MADC.

7. Any reasonable suspicion of fraud, (regardless of materiality) or other unlawful acts, including, but not limited to, theft, forgery, credit/debit card fraud, or any other act of unlawful taking, waster, or abuse of, or official misconduct, as defined in Tennessee Code Annotated, 39-16-402, involving public money, property, or services shall, upon discovery, be promptly reported in writing by the auditor to the Comptroller of the Treasury, State of Tennessee, who shall under all circumstances have the authority, at the discretion of the Comptroller, to directly investigate such matters. Notwithstanding anything herein to the contrary, the Comptroller of the Treasury, State of Tennessee, acknowledges that the auditor’s responsibility hereunder is to design its audit to obtain reasonable, but not absolute, assurance of detecting fraud that would have a material effect on the financial statements, as well as other illegal acts or violations of provisions of contracts or grant agreements having a direct and material effect on financial statement amounts. If the circumstances disclosed by the audit call for a more detailed investigation by the auditor than necessary under ordinary circumstances, the auditor shall inform the organization’s management and those in charge of governance in writing of the need for such additional investigation and the additional compensation
required therefor. Upon approval by the Comptroller of the Treasury, an amendment to the contract may be made by the organization’s management and those charged with governance and the auditor for such additional investigation. Notification of any fraud in regards to GNRC should also be prepared in a written report and provided to President of GNRC’s Executive Committee and GNRC’s Executive Director. Notification of any fraud in regards to MADC should also be prepared in a written report and provided to individuals listed above in addition to MADC’s Board President and MADC’s Executive Director.

8. An audit exit conference with those charged with governance will be conducted by the auditor in charge. At this time, the findings and recommendations regarding compliance and internal control shall be discussed. Those charged with governance shall have the opportunity to respond in writing, to the findings. Responses shall be included in the audit report.

9. The audit shall take place at GNRC’s office or remotely as agreed upon by both parties. Records of GNRC and MADC shall not be removed from the premise without being agreed upon first.

10. The audit firm shall state its willingness to enter into a contract for three (3) years, renewable annually for each of the next two (2) years.

11. All adjusting entries will be submitted to Greater Nashville Regional Council and Mid-Cumberland Area Development in writing with sufficient explanation so that they can be easily understood and properly posted the financial records.

Proposal Format

The proposal shall be styled at the discretion of the submitter; however, at a minimum it must address these areas:

1. Name of firm, mailing address, contact phone and fax number, name of contact person, phone number and email address of contact person
2. Completed w-9 form
4. A copy of the audit firm’s most recent external quality control review report and letter of comment.
5. Organization size, structure, and location.
6. Qualifications of staff to be assigned to the work: Education, position in firm, years of experience, and types of experience.
7. Availability of the auditor for specialized consultation and support assistance on sensitive or highly specialized issues.
8. Type and level of training provided to the firm’s staff. Please provide assurance that all audit staff assigned by the audit have obtained the necessary hours of continuing professional education required by Government Auditing Standards.
9. The audit fee must be quoted either as a fixed amount or rate per hour, with total estimated hours. If the latter method is used, a maximum amount must be stated for budgetary purposes. Also, estimated incidental expenses, such as travel and supplies should be quoted. *Note Separate quotes should be provided-One for the audit services of Greater Nashville Regional Council and one for the audit services of Mid-Cumberland Area Development Corporation. In addition to the quote for Mid-Cumberland Area Development Corporation, a separate quote should be provided for the preparation of their tax report (Form 990).

Submittal Information

The proposal must be received by 4:00 pm on Friday, May 27, 2016. Mail or hand deliver to:

Greater Nashville Regional Council
Attn: Jovia King, Deputy Chief Fiscal Officer
501 Union Street, 6th Floor
Nashville, TN  37219-1705

Questions should be directed to Jovia King via fax 615-880-3901 or via email at jking@gnrc.org. Bidders will be notified on the final selection no later than June 17, 2016, with the award of the auditor contract to take effect by July 1, 2016. GNRC reserves the right to reject any and all proposals, or portions of proposals.