

REQUEST FOR PROPOSALS  
(RFP 23-01)

Contract Requirements  
for the Audit of:

**STATE OF OHIO**  
**OFFICE OF THE AUDITOR OF STATE**  
88 East Broad Street  
Columbus, Ohio 43215

For the Fiscal Year Ending June 30, 2023

(With the Option to Renew  
for the Separate Audits of the Next Three Subsequent Fiscal Years)

Issued by the Ohio Office of Budget and Management  
Acting as Agent for

The committee created to recommend the appointment of an independent CPA  
pursuant to Ohio Revised Code Section 117.14

RFP Issue Date: January 24, 2023

**STATE OF OHIO  
REQUEST FOR PROPOSALS  
CONTRACT AUDIT REQUIREMENTS FOR THE ANNUAL AUDIT  
OF THE OFFICE OF THE AUDITOR OF STATE**

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**TABLE OF CONTENTS**

	PAGE
I. INTRODUCTION	
A. Legal Authority .....	1
B. General Information.....	1
C. Committee, Liaisons, and Inquiries .....	2
II. TERMS OF ENGAGEMENT	
A. Contract Term.....	3
B. Integrated Agreement.....	3
C. Independence/Conflict of Interest/Ohio’s Campaign Finance and Ethics Law.....	4
D. Confidentiality.....	4
E. Indemnification.....	5
F. Independent Contractor/Employment Taxes .....	5
G. Workers’ Compensation.....	6
H. Documentation to Support Audit.....	6
I. Cancellation, Termination, or Breach.....	6
J. Unresolved Findings for Recovery and Debarment.....	7
K. Contract Renewal Option.....	7
L. Subcontracting/Assignment.....	7
M. Nondiscrimination and Affirmative Action Program .....	8
N. Qualifications to do Business .....	8
O. Smoke and Drug-Free Workplace .....	8
P. Child Support .....	8
Q. Open Trade.....	8
R. Controlling Law.....	8
S. Severability.....	8
T. Compliance with Executive Orders .....	9
U. Compliance with Federal, State, and Local Laws and Regulations.....	9
III. NATURE OF SERVICES REQUIRED	
A. General .....	9
B. Scope of Work to be Performed .....	9
C. Auditing Standards .....	9
D. Ohio Compliance Supplement Audit/Ohio Revised Code/Legal Review.....	10
E. Federal Financial Assistance .....	10
F. Review of Audit Reports and Work Papers, Work Paper Retention, and Access to Work Papers .....	10
IV. DESCRIPTION OF OFFICE OF THE AUDITOR OF STATE	
A. Name of Contact Person for the Auditor of State’s Office .....	11
B. Background Information .....	11
C. Fund Structure .....	12
D. Budgetary Basis of Accounting.....	12
E. Pension Plans.....	14
F. Computer Operations.....	14
G. Magnitude of Finance Operations.....	14
H. Internal Audit Function.....	14
I. Availability of Prior Audit Reports.....	15
J. Service Organizations (SOC 1) .....	15

V.	TIME REQUIREMENTS	
A.	Proposal Calendar.....	15
B.	Audit Schedule.....	15
C.	Entrance Conference, Progress Reporting, and Exit Conference.....	16
D.	Timing.....	16
VI.	ASSISTANCE TO BE PROVIDED TO THE IPA AND REPORT PREPARATION	
A.	Finance Department and Clerical Support.....	16
B.	Information Technology Assistance.....	17
C.	Statements and Schedules to be Prepared by Auditor of State’s Staff.....	17
D.	Workspace, Telephones, Internet Access, and Photocopying.....	17
E.	Report Preparation.....	17
VII.	PROPOSAL REQUIREMENTS	
A.	Submission of Proposals.....	17
B.	Proposal Format.....	18
C.	Technical Proposal.....	18
1.	General Requirements.....	18
2.	License to Practice in Ohio/Independence (Exhibit H).....	19
3.	Proposed Engagement Timetable (Exhibit B).....	19
4.	Professional Staff Data Sheet (Exhibit D).....	19
5.	IPA Data Sheet (Exhibit E).....	20
6.	Résumés of Proposed Engagement Management, Supervisors, Seniors, and Technical Specialists (Exhibit F).....	20
7.	Scope of Work and Audit Approach (Appendix A).....	20
8.	Identification of Anticipated Potential Audit Problems.....	21
9.	Other.....	21
D.	Cost Proposal.....	21
1.	Total All-Inclusive Fixed Fee.....	21
2.	Rates by Audit Staffing Position/Hours Anticipated for Each (Exhibit C).....	21
3.	Out-of-Pocket Expenses Included in Total All-Inclusive Fixed Fee and Reimbursement Rates.....	21
4.	Contract Modifications.....	22
5.	Manner of Payment.....	22
VIII.	EVALUATION PROCEDURES	
A.	Review of Proposals.....	23
B.	Evaluation Criteria – Technical Proposal.....	23
C.	Evaluation Criteria – Cost Proposal.....	24
D.	Oral Presentations.....	25
E.	Final Selection.....	25
F.	Right to Reject Proposals or Single Proposal Received.....	26
	<b><u>APPENDIX A - REQUIREMENTS FOR ENGAGEMENT</u></b> .....	27
	<b>EXHIBITS</b>	
A.	Sample Memorandum of Agreement.....	29
B.	Proposed Engagement Timetable.....	30
C.	Schedule of Professional Fees and Expenses.....	31
D.	Professional Staff Data Sheet.....	32
E.	IPA Data Sheet.....	33
F.	Résumé Format.....	35
G.	Sample Invoice Format.....	36
H.	IPA Nonaudit Services/GAO Independence Notification/Evaluation.....	37
I.	Deliverable Deadlines for Optional Contract Renewal Years.....	38

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**STATE OF OHIO  
OFFICE OF THE AUDITOR OF STATE  
REQUEST FOR PROPOSALS (RFP 23-01)**

I. INTRODUCTION

A. Legal Authority

Section 117.14, Ohio Revised Code, requires that an Independent Certified Public Accountant (IPA) conduct an annual audit of the Office of the Auditor of State. The IPA is recommended by a committee (Audit Committee) comprised of the Governor or his designee, and the Chairpersons of the finance committees of the Senate and House of Representatives or their designees. Upon the Audit Committee's recommendation, the IPA is appointed by the Governor and the Chairpersons of the respective finance committees. The Office of Budget and Management provides staff services to the Audit Committee.

The purpose of this Request for Proposal (RFP) is to obtain proposals for the annual audit of the State of Ohio's Office of the Auditor of State to be conducted by an IPA pursuant to Section 117.14, Ohio Revised Code. The audit shall be conducted in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained issued by the Comptroller General of the United States' *Government Auditing Standards*.

Background

The Governor and Chairpersons prescribe the contract terms with an IPA to satisfy the obligation to perform the annual audit of the Office of the Auditor of State. Accordingly, the principal client under these contracts is the Audit Committee on behalf of the citizens of the State of Ohio. The professional responsibility of the IPA accepting such an engagement is to the Audit Committee.

There is, however, some involvement and collaboration by the Auditor of State throughout the structured competitive bidding process designed to obtain the highest quality service at the lowest possible cost. On behalf of the Governor and Chairpersons, the Audit Committee Liaison developed this RFP with assistance from the Auditor of State. All contract documents will be prepared by the Audit Committee to be executed by the IPA and the Governor and Chairpersons.

Organization of the IPA proposal is critical to receiving the highest possible score on the evaluation forms prepared by the Audit Committee. Evaluators are instructed to locate each of the various evaluation elements and to only award points where the element is clearly addressed.

Evaluators are also instructed to reward concisely presented and Auditor of State-specific information. Boiler plate proposals and data dumps regarding qualifications and experience will be scored lower than information directly related to the Auditor of State and the requirements of this particular RFP.

B. General Information

The Audit Committee is requesting proposals from IPAs to audit the Office of the Auditor of State's financial statements. The engagement is to be performed in accordance with terms outlined in Section II of the RFP. Procedures are to be performed in accordance with Appendix A of this RFP.

As required and defined by the U.S. Government Accountability Office's *Government Auditing Standards* relating to Auditor Independence, each IPA submitting proposals must be independent, and remain independent of the Auditor of State during the term of the contract.

Each IPA who wishes to be considered for selection to perform the audit shall submit to the Audit Committee a complete, concise, and comprehensive proposal in the form and manner specified in the RFP. The Audit Committee will use the information contained in the proposal submitted in recommending the IPA to perform the engagement.

IPAs responding to the RFP are expected to familiarize themselves with the requirements of the RFP and the background of the Office of the Auditor of State pursuant to its authority under Chapter 117 of the Revised Code.

All IPAs submitting proposals are required to separately state the terms and conditions under which they propose to perform audits for **each** fiscal period.

All IPA firms submitting proposals will be required to affirm that they are currently in compliance with Ohio Certified Public Accountant (CPA) Licensure Laws, Continuing Professional Education (CPE) requirements, Ohio Campaign Finance Laws, Ohio Ethics Laws, and GAO Rules relating to Auditor Independence, and will remain in compliance with these over the course of the engagement as addressed below.

The award, approval, and execution of an audit contract between the Audit Committee and an IPA can be made only by the Governor and Chairpersons, upon recommendation by the Audit Committee.

Any audit work performed by an IPA prior to the award and execution of an audit contract by the Governor and Chairpersons is unauthorized. The IPA is responsible and shall bear the cost for any audit fees or costs attributable to such work.

There is no expressed or implied obligation for the State of Ohio to reimburse responding IPAs for any expenses incurred in preparing proposals in response to this request.

#### Firm Contact

The IPA's proposal should clearly state the partner or other party of the firm responsible for the services to the Auditor of State. The name, title, address, phone number, and e-mail address of this responsible party should be included in the proposal.

#### C. Committee, Liaisons, and Inquiries

Audit Committee:

Governor of Ohio or Designee

Chairperson of the House Finance Committee or Designee

Chairperson of the Senate Finance Committee or Designee

Liaisons for the Auditor of State and the Audit Committee:

<i>Auditor of State Liaison:</i>	Kim Eckert Finance Director Auditor of State's Office 88 East Broad Street, 4 <sup>th</sup> Floor Columbus, Ohio 43215
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*Audit Committee Liaison:* Kelly Salomone  
Chief Audit Executive  
Office of Budget and Management  
30 East Broad Street, 35<sup>th</sup> Floor  
Columbus, Ohio 43215

The Audit Committee will accept written questions from all potential bidders who have received the RFP until **4:00 p.m. EST on Monday, January 30, 2023**. All questions should reference the RFP page number to which the question relates and should be directed by way of e-mail to:

*Audit Committee Liaison:*  
Ohio Office of Budget and Management (OBM)  
Attention: Kelly Salomone  
E-Mail Address: [kelly.salomone@obm.ohio.gov](mailto:kelly.salomone@obm.ohio.gov)

All questions that are received by e-mail from bidders and the respective responses will be posted at the following website: [obm.ohio.gov/home/news-and-events](http://obm.ohio.gov/home/news-and-events). It is the Audit Committee Liaison's goal to respond to all questions within 48 hours of their receipt, excluding weekends. Final answers will be provided to bidders by **Wednesday, February 1, 2023, at 12:00 p.m.**

Questions concerning the request for proposals and the subject of the request for proposals must be made to the Audit Committee Liaison, as detailed above.

**EXCEPT AS AUTHORIZED BY THE AUDIT COMMITTEE IN THIS RFP, CONTACT WITH PERSONNEL OF THE AUDITOR OF STATE'S OFFICE, THE GOVERNOR'S OFFICE, THE OHIO HOUSE OF REPRESENTATIVES, THE OHIO SENATE, OR THE OFFICE OF BUDGET AND MANAGEMENT REGARDING ANY ASPECT OF THIS REQUEST FOR PROPOSAL OR A RESPONSE TO THIS REQUEST FOR PROPOSAL MAY BE GROUNDS FOR ELIMINATION FROM THE SELECTION PROCESS.**

## II. TERMS OF ENGAGEMENT

### A. Contract Term

A contract covering professional services applicable to the audit of the Auditor of State's financial statements for the fiscal year ending June 30, 2023 (with an option to renew for the next three subsequent fiscal year audits) will be effective beginning on July 1, 2023 and ending no later than June 30, 2024, subject to appropriation by the General Assembly and Controlling Board approval, if required. The contract shall not be valid and enforceable unless the Director of the Ohio Office of Budget and Management first certifies, under Section 126.07, Ohio Revised Code, that there is a balance in the Office of Budget and Management's appropriation not already obligated to pay existing obligations.

### B. Integrated Agreement

The contract, as defined herein, represents the entire and integrated agreement between the Audit Committee and the IPA, and supersedes all prior negotiations, representations, or agreements, whether written or oral. The RFP, the selected proposal submitted, and memorandum of agreement (Exhibit A) and any amendments executed by the parties constitute the contract agreement. The contract may be amended only by written agreement of the IPA and the Governor and Chairpersons.

Further, the terms of this contract are non-negotiable. Any attempt to add, subtract, or modify the terms as set forth in this Request for Proposals may result in automatic **disqualification** from the bidding process and in all events the terms of the RFP prevail.

C. Independence / Conflict of Interest / Ohio's Campaign Finance and Ethics Law

1. Independence – As required and defined by the U.S. Government Accountability Office's *Government Auditing Standards* relating to Auditor Independence, each IPA firm submitting proposals must be independent and remain independent of the Auditor of State's Office during the contract term.

IPA firms must list and describe any and all nonaudit services that have been provided to the Auditor of State's Office over the previous five (5) years. The IPA firm must state affirmatively that in providing such nonaudit services, the IPA firm neither performed management functions nor made management decisions for the Auditor of State's Office. Additionally, the IPA must affirmatively state that having provided such nonaudit services, the IPA would not, if selected, be auditing its own work.

If no such services were provided, IPA firms must affirmatively state that they have not provided nonaudit services affecting the audit periods that involved performing management functions or making management decisions for the Auditor of State's Office and, if selected, will not provide nonaudit services to the Auditor of State's Office during the term of the contract that would require the firm to perform management functions or make management decisions for the Auditor of State's Office, or would lead reasonable third parties with knowledge of the relevant facts and circumstances to conclude that the IPA would be auditing its own work.

Prior to entering into any new agreement to provide a nonaudit service to the Auditor of State's Office during the term of the contract, the IPA must notify the Audit Committee, through the Audit Committee Liaison.

2. Conflict of Interest – No officer, member, or employee of the Auditor of State's Office; no member of its governing body; and no other public official of the governing body of the Auditor of State's Office shall participate in any decision relating to the agreement which affects his/her personal interest or have any personal or pecuniary interest, direct or indirect, in this contract, or in the proceeds thereof.
3. Campaign Finance and Ethics Laws – The IPA must currently be in compliance with, and will continue to adhere to, the requirements of Ohio's Campaign Finance laws found at Ohio Revised Code § 3517.13 and Ohio's Ethics Law, as applicable, and found at § 2921.43 and in Chapter 102 of the Ohio Revised Code.

D. Confidentiality

Matters relating to the engagement shall remain confidential as required by the American Institute of Certified Public Accountants' (AICPA) ET Section 1.700.001, *Confidential Client Information Rule*. Matters relating to the audit shall not be discussed with anyone other than officials of the Office of the Auditor of State, the Audit Committee or its designees, the Audit Committee Liaison, or the IPA without the expressed written consent of the Audit Committee. No opinions, reports, summaries, letters, or other documents prepared with respect to the audit shall be released to the public prior to the Audit Committee's acceptance of the IPA's final reports, except as required by state or federal law.



E. Indemnification

The IPA shall indemnify and hold harmless the State of Ohio and its officers, agents, and employees from and against all claims or suits asserted or prosecuted by third parties to the extent arising directly out of error, omission, or negligent act of the IPA; and at its own expense, pay all attorney fees, damages, court costs, and other expenses arising out of such litigation; and at its own expense, shall satisfy and cause to be discharged judgments as may be obtained against the State of Ohio or any of its officers, agents, or employees pursuant to such litigation.

The IPA shall be given written notice of the assertion of such claims or suits promptly after such matters are brought to the attention of the Audit Committee, and subject to the assent of the Attorney General, the State of Ohio shall be permitted to participate in the defense and settlement of any such suits or claims that impact the interest of the state. Nothing contained herein, however, is intended to confer on any third party any rights or benefits hereunder; nor is the foregoing indemnification obligation intended to alter or extend the IPA firm's liability for failure to comply with the terms of the contract or for professional negligence or misconduct.

F. Independent Contractor / Employment Taxes

The IPA further shall obey or satisfy all applicable lawful rules, regulations, and requirements issued or promulgated under said respective laws by any duly authorized state or federal officials.

The IPA shall be and remain an independent contractor with respect to all services performed hereunder and no individuals providing personal services under this contract shall be considered an employee or agent of the State of Ohio. The IPA shall accept full exclusive liability for the payments of, including but not limited to, any and all contributions or taxes for Social Security, unemployment benefits, pensions, and annuities now or hereafter imposed under any state or federal laws which are measured by the wages, salaries, insurance of every type and description, any business or personal taxes, or other remuneration paid to persons employed by the IPA for work performed under the terms of this agreement. The IPA shall indemnify and hold harmless the State of Ohio and the Auditor of State from any contributions, taxes, or liability referred to in this article.

If any employee of the IPA planned to work on this engagement is a PERS retirant as such term is defined by Ohio Revised Code § 145.38, the IPA shall notify the Audit Committee, through the Audit Committee Liaison, of such status in writing prior to the commencement of the work. The Audit Committee and the State of Ohio shall not be responsible for any changes to the respective employee's retirement benefits that may result from entering into this agreement.

The Audit Committee or the Audit Committee Liaison may from time to time, as appropriate, communicate specific instructions and requests to the IPA concerning the performance of the work described in this contract. Upon such notice and within a reasonable time, the IPA shall comply with such instructions and fulfill such requests to the satisfaction of the Audit Committee. It is expressly understood by the parties that these instructions and requests are for the sole purpose of performing the specific tasks requested to ensure satisfactory completion of said tasks by the IPA and are not intended to expand the responsibilities of the IPA. The IPA shall retain responsibility for the management of the work, including the exclusive right to control or direct the manner or means by which the work described herein is performed. The Audit Committee retains the right to ensure that the work of the IPA is in conformity with the terms and conditions of the contract as specified herein.

The IPA affirms that it is not delinquent in the payment of any applicable federal, state, and local taxes.

G. Workers' Compensation

The IPA shall be required at all times during the term of this agreement to subscribe to and comply with the Workers' Compensation laws of the State of Ohio and pay such premiums as may be required thereunder and to hold harmless the State of Ohio and Auditor of State from any and all liability from or under Ohio Workers' Compensation laws. It shall also furnish, upon request, a copy of the official certificate or receipt showing the payments made as required by law.

H. Documentation to Support Audit

The IPA will maintain all engagement documentation in segregated files. The IPA must agree to **provide the Audit Committee and the Audit Committee Liaison unconditional access** to examine and review documents, records, or other papers created or obtained by the IPA involving its performance under the contract. The IPA agrees to provide copies of any engagement documentation determined necessary by the Audit Committee. The IPA will also maintain and provide access to timesheets and expense reports that support the IPA's invoices under the contract. All such engagement documentation, timesheets, and expense reports shall be retained by the IPA for a period of five (5) years from the date of completion of this contract.

I. Cancellation, Termination, or Breach

The Audit Committee may reject the bid of any IPA firm when such firm, or any of its partners, principals, or members have been convicted of any felony, or crime of moral turpitude; are subject to an unresolved finding for recovery; have violated Ohio Campaign Finance or Ethics Law; have been reprimanded by the Ohio Ethics Commission; or have been sanctioned for any act discreditable, or for failure to comply with other professional ethics standards and rules promulgated by the Accountancy Board of Ohio within the last ten years. Listing of potential reasons for rejection of bids is neither all-inclusive nor exhaustive. The Audit Committee expressly does not waive the right to reject bids for any other appropriate and sustainable basis.

At the Audit Committee's own initiative or upon request of the Auditor of State's Office, all rights and duties of the parties with respect to the engagement for any year may be terminated by the Audit Committee on or before the first day of the month two months prior to the scheduled start of field work for the period to be terminated.

The Audit Committee may immediately terminate this contract for convenience on an immediate basis with written notice.

The Audit Committee may immediately terminate this contract when they have cause to believe that the IPA has engaged in behavior that would constitute a felony, crime of moral turpitude, or is subject to an unresolved finding for recovery, is in violation of Ohio Campaign Finance Laws, Ohio Ethics Law, or would be subject to a reprimand by the Ohio Ethics Commission or sanctionable as an act discreditable or failure to comply with other professional ethics standards and rules promulgated by the Accountancy Board of Ohio. Listing of potential reasons for termination is neither all-inclusive nor exhaustive. The Audit Committee expressly does not waive the right to terminate the contract for any other appropriate and sustainable basis.

If the IPA fails to fulfill in a timely and proper manner obligations under the contract, the Audit Committee shall have the right to terminate the contract upon written notice to the IPA specifying the effective date of termination.

In the event of termination for whatever reason, all property, finished or unfinished documents, data, studies, and reports prepared by the IPA shall be made available to the Audit Committee unconditionally. Nothing contained herein shall prevent the IPA from preparing and maintaining a complete set of documents relating to the engagement. The IPA shall maintain a copy of all documents and work papers relating to the engagement, at the IPA firm's expense, for a minimum of five (5) years from the date of cancellation or termination of the contract, unless the firm is notified in writing by the Audit Committee of the need to extend the retention period.

In the event of termination by mutual agreement, the IPA shall be compensated for all productive hours worked, in the Audit Committee's sole judgment, at the specified contractual rate. The IPA shall not be relieved of liability to the State of Ohio for damages sustained by virtue of any breach of the contract by the IPA. OBM may withhold or require withholding any payment to the IPA for the purpose of set-off until such time as the exact amount of damages due the State of Ohio is agreed upon or is otherwise determined.

In addition, the IPA shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review work papers relating to matters of continuing accounting significance as appropriate in accordance with AICPA's Clarified Statements on Auditing Standards AU-C 210 and AU-C 510. Any costs associated with this requirement will be the responsibility of the IPA.

A waiver by any party of any breach or default by the other party under this contract shall not constitute a continuing waiver by such party of any subsequent act in breach of or in the default hereunder.

J. Unresolved Findings for Recovery and Debarment

The IPA must affirmatively state, and warrants and represents, that it is not subject to any unresolved finding for recovery issued by the Auditor of State under Ohio Revised Code § 9.24, or that it has taken appropriate remedial steps required under Ohio Revised Code § 9.24, or that otherwise qualifies under that section. The IPA agrees that if this representation and warranty are deemed to be false, the contract shall be declared "void ab initio" between the parties, and OBM on behalf of the Audit Committee will not be obligated to pay for goods or services rendered under the contract. Any funds paid under the contract shall be remitted by the IPA to OBM or an action for recovery of such payments may result.

Additionally, the IPA must affirmatively state, and warrants and represents, that this is not debarred from consideration for contract awards by any state agency under Ohio law.

K. Contract Renewal Option

Through mutual agreement between the IPA and the Audit Committee, the contract may be renewed to include the respective audits of the Office of the Auditor of State's financial statements for each of the three fiscal years ending June 30, 2024 through June 30, 2026, subject to the availability of appropriated funds, as determined by the Director of the Office of Budget and Management, in accordance with Ohio Revised Code § 126.07, any necessary Controlling Board approval, and the Audit Committee's approval of the IPA's proposed audit work plan and rates for the audits.

L. Subcontracting / Assignment

No assignment of the contract, or any portion thereof, including subcontracting, shall be made under any circumstances for the performance of any of the work under this contract.

M. Nondiscrimination and Affirmative Action Program

The IPA shall not discriminate against any employee or applicant for employment because of race, color, religion, gender, national origin (ancestry), military status (past, present, or future), disability, age (40 years of age or older), genetic information or sexual orientation. The IPA must affirmatively represent that it complies with the affirmative action program requirements of Ohio Revised Code § 125.111.

N. Qualifications to do Business

The IPA shall maintain a significant economic presence in Ohio and shall be registered with the Ohio Secretary of State's Office. The IPA affirms that it has all of the approvals, licenses, or other qualifications needed to conduct business in Ohio and that all are current. If at any time during the term of this contract the IPA, for any reason, becomes disqualified from conducting business in the State of Ohio, the IPA will immediately notify the Audit Committee in writing, through the Audit Committee Liaison, and will immediately cease performance of the work.

O. Smoke and Drug-Free Workplace

The IPA agrees to comply with all applicable state, local, and federal laws regarding a smoke-free and drug-free workplace, and shall make a good faith effort to ensure that any IPA employees, while working on public property, will not purchase, transfer, use, or possess illegal drugs or alcohol, or abuse prescription drugs in any manner.

P. Child Support

The IPA agrees to cooperate with the Ohio Department of Job and Family Services and any Ohio Child Support Enforcement Agency in ensuring the IPA and its employees meet child support obligations established under state law. Further, by executing this agreement, the IPA certifies present and future compliance with any court order for the withholding of support, which is issued pursuant to state law.

Q. Open Trade

Pursuant to Ohio Revised Code § 9.76, the IPA represents and warrants that it is not boycotting any jurisdiction with whom the State of Ohio can enjoy open trade, including Israel, and will not do so during the contract period.

R. Controlling Law

The contract shall be construed, interpreted, and the rights of the parties determined, in accordance with the laws of the State of Ohio. If any provision of this contract or the application of any provision is held by an Ohio court of competent jurisdiction to be contrary to law, the remaining provisions of the contract shall remain in full force and effect. The parties agree to submit to jurisdiction in a court of proper jurisdiction in Franklin County, Ohio.

S. Severability

The provisions of this contract are severable and independent, and if any such provision shall be determined to be unenforceable in whole or in part, the remaining provisions, and any partially enforceable provision shall, to the extent enforceable in any jurisdiction, nevertheless be binding and enforceable.

T. Compliance with Executive Orders

The IPA understands and agrees to abide by the requirements of Governor Mike DeWine's Executive Orders 2019-12D and 2022-02D in connection with its audit of the Auditor of State.

U. Compliance with Federal, State, and Local Laws and Regulations

The IPA acknowledges and agrees that during the engagement period covering the fiscal year ending June 30, 2023, and including, if applicable, any renewal period for any of the three fiscal years ending June 30, 2024, June 30, 2025, or June 30, 2026, it will remain in compliance with all federal, state, and local laws and regulations. The IPA further acknowledges that it is not currently in violation of or under any investigation or review for a violation of any federal, state, or local law or regulation that might have an adverse impact on the IPA's ability to serve under this engagement.

III. NATURE OF SERVICES REQUIRED

A. General

The Audit Committee is soliciting the services of an IPA to audit the Office of the Auditor of State's financial statements for the fiscal year ending June 30, 2023, with renewal options as described above. The audit is to be performed in accordance with the provisions contained in this RFP.

B. Scope of Work to be Performed

The scope of work and other requirements related to the engagement shall be governed by Appendix A of this RFP.

The Audit Committee desires the IPA to express an opinion on the fair presentation of the Auditor of State's basic financial statements, for the fiscal year ending June 30, 2023, with renewal options as previously described in conformity with generally accepted accounting principles.

The IPA is not required to audit the combining and individual fund financial statements and supporting schedules. However, the IPA is to provide an "in-relation-to" report on the combining and individual fund financial statements and supporting schedules based on the auditing procedures applied during the audit of the basic financial statements. The IPA is not required to audit the statistical section of the annual comprehensive financial report for the Auditor of State's Office.

If the IPA becomes aware that the Auditor of State's Office is subject to audit requirements that may not be encompassed in the terms of the contract, they shall communicate this situation immediately to the Audit Committee Liaison, that in accordance with the established contract, certain relevant legal, regulatory, or contractual requirements may not be met.

C. Auditing Standards

To meet the requirements of this RFP, the audit shall be performed in accordance with auditing standards generally accepted in the United States of America as set forth by the AIPCA and the

standards for financial audits set forth in the U.S. Government Accountability Office's *Government Auditing Standards* and applicable amendments thereto.

D. Ohio Compliance Supplement Audit/Ohio Revised Code/Legal Review

The IPA shall perform tests of compliance utilizing the current version of the Ohio Compliance Supplement (OCS) to determine the audit steps to be performed. The IPA is required to schedule the compliance testing to cover all applicable areas listed in the Supplement for the fiscal year ending June 30, 2023. Sections shall be documented in a logical manner in order to facilitate a review to verify that all applicable areas have been completed. The OCS is available online at <https://ohioauditor.gov/references/compliancemanuals.html>.

The IPA shall obtain a review, by an attorney who is in good standing and licensed to practice law in the State of Ohio, of all suspected illegal acts and non-compliance findings discovered by the IPA during the course of the engagement, which are incorporated in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards* that have a direct and material effect on the determination of financial statement amounts. In this review, the attorney must determine whether there is sufficient evidence to support a written determination that the suspected illegal act or non-compliance occurred. This legal review shall be documented in the IPA's working papers.

The legal review may be performed by the IPA's in-house attorney(s) or by sub-contract with an attorney not employed by the IPA.

In addition to the reports to the Audit Committee which applicable audit standards may require, the IPA shall be required to immediately report all illegal acts or indication of illegal acts of which it becomes aware to the Audit Committee Liaison.

E. Federal Financial Assistance

The Auditor of State's Office received no federal funds in state fiscal year 2022 and has not applied for any federal funds in state fiscal year 2023. The Auditor of State's Office will not be subject to a separate single audit. If federal funds were received, the amounts would be considered a part of the State of Ohio reporting entity and be reported in the State of Ohio Single Audit. Therefore, the IPA is not expected to subject any federal funds received by the Auditor of State's Office to the auditing requirements of Office of Management and Budget (OMB) Circular A-133 Compliance Supplement.

F. Review of Audit Reports and Work Papers, Work Paper Retention, and Access to Work Papers

Upon completion of the engagement, the IPA will issue the reports thereon and provide an electronic portable document format (pdf) file to the Auditor of State Liaison, who will in turn provide the reports to the Audit Committee Liaison.

In the event the final reports submitted by the IPA are not acceptable, the IPA shall, at no further cost to the State of Ohio, take the necessary steps to prepare and submit acceptable reports.

The Audit Committee will authorize the final audit report submitted with the response of the Auditor of State, and prepare the report for final filing with the State Library in accordance with Ohio Revised Code § 117.14. The Audit Committee reserves the right to delay the release of fees and require corrective action if the engagement is not performed in accordance with the required professional standards.

**No reports shall be released without the written approval of the Audit Committee.**

In addition, the IPA shall respond to reasonable inquiries of successor auditors and allow successor auditors to review work papers relating to matters of continuing accounting significance as appropriate, in accordance with AU-C 210 and AU-C 510.

IV. DESCRIPTION OF THE OFFICE OF THE AUDITOR OF STATE

A. Name of Contact Person for the Auditor of State's Office

The IPA's principal contact with the Office of the Auditor of State will be Kim Eckert, Finance Director, or a designated representative, who will coordinate the assistance to be provided by the Auditor of State's Office to the IPA.

B. Background Information

The following information is not intended to be all-inclusive. It is, however, intended to give bidders information on the Auditor of State's structure and types of transactions, which may have occurred during the audit period. More information on the Auditor of State's Office can be found on the Internet at the website address: <http://www.ohioauditor.gov/>. The State of Ohio is not responsible for any decisions made by the IPA due to information provided in this section of the RFP.

The Auditor of State's Office is established under Chapter 117, Ohio Revised Code, for the purpose of exercising the rights and privileges conveyed to it by the Ohio Constitution and laws of the State of Ohio.

The Auditor of State's Office, which consists of approximately 780 employees, is organized into the following divisions:

- Administration
- Audit
- Special Investigations Unit
- Local Government Services
- Uniform Accounting Network
- Ohio Performance Team

The Auditor of State's Office offers the following major services:

- Conducts financial and compliance audits of state and local governments in Ohio through its Audit Division's regional offices;
- Conducts performance audits of state and local governments in Ohio;
- Provides consulting services, technical assistance, and training to local government officials; and
- Operates the Uniform Accounting Network, a computerized, integrated financial management and information system made available to participating local governments in Ohio.

The Department of Finance, within the Administration Division, is responsible for the fiscal control of the resources of the Auditor of State. The Auditor of State's fiscal office performs the following major functions:

- Prepares the biennial budget request of the Office and monitors the implementation of the authorized budget for the Office of the Auditor of State;
- Processes billings for audit and other services performed by the Auditor of State's Office;
- Processes vouchers and other state purchasing documents for supplier payments; and
- Compiles the Annual Comprehensive Financial Report for the Auditor of State's Office.

#### C. Fund Structure

The Auditor of State's Office operates as an enterprise fund. Enterprise funds are used to account for the costs of providing goods or services to the general public on a continuing basis, which are financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

For fiscal year 2022, the Auditor of State's Enterprise Fund reported approximately \$47.4 million in operating revenues from charges for services and approximately \$65.5 million in operating expenses, of which \$61.2 million was for personal services. The Enterprise Fund also reported approximately \$42.8 million in non-operating revenues derived from its State General Revenue Fund appropriations. The reported change in net position for fiscal year 2022, in the amount of approximately \$24.7 million, resulted in a total net position negative balance of approximately \$34.8 million, as of June 30, 2022.

As required by the Ohio Revised Code, the Treasurer of State is the custodian for the Office's cash and cash equivalents. The Treasurer's cash and investment pool holds the Office's assets, valued at the Treasurer's reported carrying amount. The deposit and investment policies of the Treasurer are governed by the Uniform Depository Act, Chapter 135, Ohio Revised Code.

Additional information regarding the classification of the State's deposits and investments is contained in the State's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022.

#### D. Budgetary Basis of Accounting

The Auditor of State's Office operates on a basis other than GAAP during the year. Accounting transactions are conducted on a modified accrual basis through the State of Ohio's accounting system – the Ohio Administrative Knowledge System (OAKS). The Office has several accounts which are segregated for the purposes of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Each account is designated by a specific number and an Appropriation Line Item (ALI) description. The account and ALI numbers detail the spending control by which the Office manages spending.

The General Assembly appropriates funds to the Office within the State of Ohio's General Revenue Fund (GRF). The GRF's appropriations are distributed to the Office's separate ALIs. An ALI limits the use of funds as approved by legislation. The Office's ALIs are further divided into six accounts for budgetary control.

The General Revenue Fund Appropriation Line Items include the following:

GRF-401 (Audit Management and Services) – This ALI is used pursuant to Section 117.13 of the Revised Code to support costs of the Auditor of State that were not recovered through charges to local governments and state entities, including costs that cannot be recovered from audit clients under federal indirect cost allocation guidelines.



GRF-402 (Performance Audits) – The Performance Audits ALI is used pursuant to Section 117.13 of the Revised Code to support costs of the Auditor of State related to the provision of performance audits for local governments, school districts, state agencies, and colleges and universities that are not recovered through charges to those entities, including costs that cannot be recovered from audit clients under federal indirect cost allocation guidelines.

GRF-403 (Fiscal Watch/Emergency Technical Assistance) – This ALI was established to fund the provision of technical assistance to entities in fiscal watch or fiscal emergency status.

GRF-404 (Fraud/Corruption Audits and Investigations) – The Fraud/Corruption Audits and Investigations ALI is used pursuant to Section 117.13 of the Revised Code to support costs of the Auditor of State related to investigations and special audits conducted by the Special Investigations Unit (SIU), for which costs are not recovered through charges to local governments or state entities. SIU primarily investigates allegations of fraud, theft, and misappropriation of public funds in conjunction with law enforcement.

GRF-412 (Local Government Audit Support) – The Local Government Audit Support ALI is used pursuant to Section 117.13 of the Revised Code to support costs of the Auditor of State that are not recovered through charges to local governments, including costs that cannot be recovered from audit clients under federal indirect cost allocation guidelines.

Other State of Ohio Accounts for which the Auditor has responsibility are:

Account 1090 Public Audit Expense – Intrastate – Ohio Revised Code (ORC), Section 117.13, establishes the account and allows the Auditor to charge state agencies for services provided.

Account 4220 Public Audit Expense – Local Government – ORC Section 117.13 establishes the account and sets the costs that may be recovered by the Auditor in the audit and provision of accounting services to local governments.

Account 5840 Auditors' Training Expense – To enhance local government officials' knowledge of governmental accounting procedures, ORC Section 117.44 establishes an account for the Auditor to conduct training programs, allows the Auditor to determine the manner and content of the training, and allows the Auditor to charge the political subdivision attending the training for the actual and necessary expenses of the training.

Account 5JZ0 Leverage, Efficiency, Accountability and Performance Fund (LEAP) Revolving Loans – ORC Section 117.47 establishes this account for the Auditor to lend political subdivisions money for the cost of a performance audit. The advances must be repaid within one year of completion. This account is also used for feasibility studies of local governments and schools at the request from the local entity.

Account 6750 Uniform Accounting Network – ORC Section 117.101 establishes this account for the Auditor to create and maintain a uniform and compatible computerized financial management and accounting system and allows the Auditor to charge participating political subdivisions for goods, materials, supplies, and services necessary to maintain the network.

Account 5VP0 Local Government Audit Support Fund – This account was authorized by the Ohio General Assembly effective fiscal year 2020 and is to be used to provide supplementary funding for the Auditor of State to conduct financial and performance audits of political subdivisions in conjunction with Account 4220. This GRF money will be used to pay a portion of the costs of annual, biennial, and special audits performed on political subdivisions

that would otherwise be covered by payments from those entities that are deposited into Account 4220.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures/expenses are recorded as a reserve of the applicable appropriations, is employed as an extension of formal budgetary integration in the State's accounting system. Operating encumbrances are generally canceled five months after the fiscal year-end. Unencumbered appropriations lapse at the end of the State's biennium budget period.

E. Pension Plans

The Auditor of State participates in the Ohio Public Employees Retirement System, a cost-sharing, multiple-employer retirement system which administers two separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan and the member-directed plan is a defined contribution plan.

F. Computer Operations

Significant computer operations associated with financial data that will impact the engagement are as follows:

1. The Office uses Microsoft SQL Servers. Processing is performed at a data center located at the Auditor of State's Office.
2. The Office maintains a local area network (Microsoft Windows) and a wide area network.
3. The Office has a programming section, which develops and maintains programs in-house.
4. Major software applications include: OAKS, maintained by the Ohio Department of Administrative Services and specifically OAKS Financials, of which the Office of Budget and Management is the state business owner for accounts payable transactions; and Teammate, for an audit tracking application. Microsoft's Active Directory is utilized as an access control software program. The audit billing and payroll processes utilize Microsoft's Dynamics GP ERP solution.
5. The Finance Department uses Microsoft's Dynamics GP ERP solution for accounts receivable.

G. Magnitude of Finance Operations

The Finance Department consists of six employees. The principal functions performed and the number of employees assigned to each function follow.

<u>Function</u>	<u># Employees</u>
Finance Director / Assistant Director	2
Accounts Payable	2
Accounts Receivable/Billing	2
	<u>6</u>

H. Internal Audit Function

The Auditor of State does not currently have an internal audit function.



I. Availability of Prior Audit Reports

The fiscal year 2022 Annual Comprehensive Financial Report for the Auditor of State’s Office can be found at the Auditor of State website at: <http://www.ohioauditor.gov/publications.html>.

There were no management letters issued. The Audit Committee will use its best efforts to make prior audit reports available to bidders. Interested bidders who wish to review prior audit reports should contact the Audit Committee Liaison, Kelly Salomone, at [kelly.salomone@obm.ohio.gov](mailto:kelly.salomone@obm.ohio.gov).

J. Service Organizations (SOC 1)

A service organization is an entity (or segment of an entity) that provides services to a user organization that are part of the user organization’s information system. SOC 1 reports are generally accepted as a method of communicating information and assurance about the controls that are of interest to the user organizations and their auditors as they relate to audits of the financial statements.

The Office of the Auditor of State uses the following organizations to process certain transactions that are part of the Auditor of State’s information system:

<u>Name of Service Organization</u>	<u>Service Provided</u>	<u>Is a SOC 1 report available?</u>
• State of Ohio’s OAKS	Accounting System	Yes

The Auditor of State’s Data and Information Technology Audit (DITA) team is responsible for the SOC-1 audit over the State’s OAKS FIN and HCM applications. If the SOC-1 report is not yet finalized when the IPA needs to review it for this engagement, the IPA is encouraged to collaborate with DITA on the status of the engagement.

V. TIME REQUIREMENTS

A. Proposal Calendar

The following is a list of key dates up to and including when proposals are to be submitted:

Request for proposals issued	<b><u>January 24, 2023</u></b>
Any RFP Questions Due from interested firms	<b><u>January 30, 2023</u></b>
Due date for proposals	<b><u>February 7, 2023</u></b>

The Audit Committee’s goal is to notify bidders of its recommendation for the IPA engagement by **Friday, March 31, 2023** and to execute the Memorandum of Agreement, subject to the State Controlling Board’s approval, as necessary, as soon as practicable.

B. Audit Schedule

An audit schedule in the form set forth in Exhibit B shall be submitted with the proposal. All audit work under the contract shall be performed in accordance with the audit schedule established in the proposed engagement timetable (Exhibit B).

The following shall be completed by the IPA, no later than the dates indicated for the fiscal year 2023 audit. Please see Exhibit I that includes the timeline for fiscal years 2024-2026.

1. <u>Detailed Audit Plan/Schedule Request</u> The IPA shall provide a detailed audit plan and a list of all schedules to be prepared by the Auditor of State's Office.	July 14, 2023
2. <u>Finalization of Accounting Records and Preparation of Draft Financial Statements</u> Staff of the Auditor of State's Office will complete this step.	September 15, 2023
3. <u>Completion of Field Work</u>	September 29, 2023
4. <u>Completion of Draft Reports</u> The IPA will make draft versions of the audit report and recommendations available to the Audit Committee and to the Finance Director for review no later than the date shown.	October 6, 2023
5. <u>Delivery of Final Audit Reports</u>	October 9, 2023

C. Entrance Conference, Progress Reporting, and Exit Conference

The IPA shall conduct consultative sessions with the Audit Committee or its designees and officials of the Auditor of State's Office, as required by the Audit Committee, and shall participate in an entrance conference (Item 2. of the proposed engagement timetable (Exhibit B)) at which time any corrections or amendments to the audit timetable may be discussed.

The IPA shall also participate in an exit conference (Item 9. of the proposed engagement timetable (Exhibit B)) at which the audit results will be explained to the officials of the Auditor of State's Office and the Audit Committee or its designees.

No exit conference shall be held, however, if the Audit Committee or its designee determines that the prior conduct of the officials of the Auditor of State's Office endanger the confidentiality of the exit conference or that, due to alleged irregularities discovered in the course of the audit, an exit conference might adversely affect possible criminal prosecution. The Audit Committee Liaison will inform the IPA of this determination.

D. Timing

Time is of the essence with respect to all matters set forth in the contract or in any audit schedule prepared pursuant to the contract. The engagement timetable must meet the requirements stated in this RFP and allow for completion of all required reports by the stated deadlines. The Audit Committee Liaison must receive written notification should the timetable submitted require modification for any engagement period of the overall contract period. Notifications should be sent via e-mail to Kelly Salomone, Audit Committee Liaison, at [kelly.salomone@obm.ohio.gov](mailto:kelly.salomone@obm.ohio.gov). Changes in the timetable may be made only with the written consent of the Audit Committee or its designee.

VI. ASSISTANCE TO BE PROVIDED TO THE IPA AND REPORT PREPARATION

A. Finance Department and Clerical Support

The Auditor of State's Finance Department staff and responsible management personnel will be available during the audit to assist the IPA by providing information, documentation, and explanations. The preparation of confirmations will be the Finance Department's responsibility.

B. Information Technology Assistance

For the Auditor of State’s Office, the Chief Information Officer and Local Area Network Administrator will be available, as needed, to provide systems documentation and explanations. The IPA will not be provided computer time or the use of the Auditor of State’s computer hardware and software.

C. Statements and Schedules to be Prepared by Auditor of State’s Staff

The Auditor of State’s staff will prepare the following statements and schedules for the IPA by the dates indicated.

Statement/Schedule	FY 2023 Audit
Budget Basis Schedule	September 8, 2023
Trial Balance	September 29, 2023
Basic Financial Statements	September 29, 2023

D. Workspace, Telephones, Internet Access, and Photocopying

The Auditor of State’s Office will provide the IPA with reasonable workspace, desks, and chairs. The IPA will also be provided access to a telephone line, internet access, and photocopying equipment.

E. Report Preparation

The Auditor of State’s Office has the responsibility for report preparation, editing, and printing.

VII. PROPOSAL REQUIREMENTS

A. Submission of Proposals

For an IPA’s proposal to be considered, proposals must be received via email by the Audit Committee Liaison **no later than 1:00 p.m. EST on Tuesday, February 7, 2023.**

Kelly Salomone, Audit Committee Liaison  
Ohio Office of Budget and Management  
[kelly.salomone@obm.ohio.gov](mailto:kelly.salomone@obm.ohio.gov)

**It is the responsibility of the IPA to ensure their bid is properly received by the stated deadline.**

With the exception of the submission of written questions, there should be **NO FURTHER COMMUNICATION BETWEEN THE IPA AND ANY EMPLOYEE OF THE AUDITOR OF STATE’S OFFICE, THE GOVERNOR’S OFFICE, THE SENATE, THE HOUSE OF REPRESENTATIVES, OR THE OFFICE OF BUDGET AND MANAGEMENT**, relating to any aspect of this RFP until the award and full execution of a Memorandum of Agreement, except that, during the evaluation process, the Audit Committee reserves the right, where it may serve the best interest of the State of Ohio, to request additional information or clarifications from proposing firms or to allow corrections of errors or omissions. At the discretion of the Audit Committee, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

All proposals submitted in response to this RFP become public records in their entirety. By submitting a proposal in response to this RFP, the proposing IPA expressly waives any confidentiality protection that would otherwise be applicable to the contents of their proposal. The Audit Committee reserves the right to retain all proposals submitted in response to this RFP and to use any ideas in a proposal regardless of whether the Audit Committee recommends said proposal. Submission of a proposal indicates the IPA's full acceptance of the conditions contained in this RFP.

**B. Proposal Format**

The following material must be received by **1:00 p.m., EST, on February 7, 2023** to be considered.

1. In a separate file named “[FIRM’s NAME] – Technical Proposal for Auditor of State”, to include the following:
  - a. Title page, listing the RFP’s subject; IPA’s name; the name, address, telephone number, and email address of the IPA’s designated contact person; and the date of the proposal.
  - b. Table of contents.
  - c. Transmittal letter, signed, briefly stating the IPA’s understanding of the work to be done; the commitment to perform the work within the time period; a statement why the IPA believes itself to be the best qualified to perform the engagement; and a statement that the proposal is a firm and irrevocable offer for 90 days.
  - d. Detailed technical proposal that follows the order set forth in Section VII. C. of this RFP.
2. In a separate file named “[FIRM’s NAME] – Cost Proposal for Auditor of State”, the cost proposal shall follow the format set forth in Exhibit C of this RFP.
3. The completed submission consisting of the two above mentioned files (i.e., technical and cost proposals) must be emailed to the Audit Committee Liaison, as listed in Section VII.A. The Audit Committee Liaison will confirm receipt of submitted proposals as they are received.

**C. Technical Proposal**

**1. General Requirements**

The purpose of the technical proposal is to demonstrate the qualifications, competence, and capacity of the IPAs seeking to undertake an independent audit of the Office of the Auditor of State in conformity with the requirements of this RFP. As such, the substance of proposals will carry more weight than their form or manner of presentation. The technical proposal should demonstrate the qualifications of the IPA and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the RFP requirements.

The technical proposal should address all the points outlined in the RFP (excluding any cost information, which should only be included in the cost proposal). The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer’s capabilities to satisfy the requirements of the RFP. While additional data may be presented, the following subjects, Items 2. through 9., must be included. They represent the

criteria against which the proposal will be evaluated. **[Technical proposals should be limited to no more than 30 pages.]**

2. License to Practice in Ohio/Independence (Exhibit H)

The IPA should provide an affirmative statement that it and all assigned key professional staff are properly licensed to practice in Ohio, have complied with the governmental qualification standards, including governmental continuing education requirements, have undergone or have scheduled to undergo an external quality peer review, and are independent of the Office of the Auditor of State as defined by the U.S. Government Accountability Office's *Governmental Auditing Standards* and applicable amendments thereto.

The IPA also should provide an affirmative statement that it is independent of the State of Ohio and any other component units of the State's reporting entity, as defined by those same standards.

The IPA should also list and describe the IPA's professional relationships, and list and describe any and all nonaudit services provided to or involving the Office of the Auditor of State or any State of Ohio agency for the past five years, as such nonaudit services are defined by *Government Auditing Standards* relating to auditor independence. The IPA should provide an affirmative statement that in providing such nonaudit services, the IPA neither performed management functions nor made management decisions for the client. Additionally, the IPA should provide an affirmative statement that having provided such nonaudit services, the IPA would not, if selected, be auditing their own work.

The IPA should also provide an affirmative statement that they will not provide nonaudit services to the Office of the Auditor of State during the term of the contract that would require the IPA to perform management functions or make management decisions for the client, or would lead reasonable third parties with knowledge of the relevant facts and circumstances to conclude that the IPA would be auditing their own work.

The IPA should apply the GAO Independence Standards relating to Personal and External Impairments to Independence in all relationships with Government Clients, and should provide a list and describe the IPA's professional relationships that could affect its impartiality or the appearance of impartiality involving the Office of the Auditor of State or any State of Ohio agency for the past five years, together with a statement explaining why such relationships do not constitute an independence impairment relative to performing the proposed audit.

In addition, the IPA shall give the Audit Committee written notice of any professional relationships entered into during the period of this agreement, relative to parties connected to this engagement that could affect the IPA's impartiality or appearance of impartiality.

3. Proposed Engagement Timetable (Exhibit B)

The proposal should include a proposed timetable for the fiscal year 2023 engagement. The timetable should be prepared in the format set forth in Exhibit B.

4. Professional Staff Data Sheet (Exhibit D)

Using the format shown in Exhibit D, the IPA should identify key personnel of the proposed audit engagement team, including engagement partners, managers, supervisors, seniors, assistants, and specialists, who would be assigned to the engagement on a full-time basis or



on a part-time basis. The IPA should also indicate whether each such person is licensed to practice as a certified public accountant in Ohio.

Engagement partners, managers, supervisors, seniors, and specialists may be changed if those personnel leave the IPA, are promoted, or are assigned to another office. Engagement partners, managers, supervisors, seniors, and specialists named in the proposal may only be changed with the expressed prior written permission of the Audit Committee, which retains the right to approve or reject replacements.

Other audit personnel (e.g., assistants) may be changed at the discretion of the IPA provided replacements have substantially the same or better qualifications or experience.

The IPA shall, in providing audit services, utilize the key personnel included in the proposal for the hours specified in the “Schedule of Professional Audit Fees and Expenses” (Exhibit C).

5. IPA Data Sheet (Exhibit E)

The IPA should provide the information requested in Exhibit E. If proposer is a joint venture or consortium, Exhibit E should be completed for each firm comprising the joint venture or consortium, and the firm to serve as the principal IPA should be noted, if applicable.

6. Résumés of Proposed Engagement Management, Supervisors, Seniors, and Technical Specialists (Exhibit F)

Using the suggested format in Exhibit F, provide information on the IPA’s proposed engagement management, supervisors, seniors, and technical specialists listed in Exhibit D, including government auditing experience, educational qualifications, professional certifications and designations, relevant continuing professional education for the past **three years**, and memberships in professional organizations relevant to performing this audit.

7. Scope of Work and Audit Approach (Appendix A)

In the proposal, the IPA should indicate the scope of work, audit timetable, total budgeted hours, and reports to be issued.

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed to perform the services required in this RFP. In developing the work plan, reference should be made to such sources of information as the Auditor of State’s budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.

Bidders will be required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement;
- b. Level of staff and number of hours to be assigned to proposed segment of engagement;
- c. Sample sizes and extent of statistical sampling to be used in engagement, including approach to be taken in drawing audit samples for purposes of compliance tests;
- d. Extent of use of automated software in the engagement;
- e. Type and extent of analytical procedures to be used in the engagement;

- f. Approach to be taken to gain and document an understanding of the Office of the Auditor of State's internal controls, including impact of Auditor of State's software installation/applications; and
- g. Approach to be taken in determining laws and regulations that will be subject to audit test work in addition to the Ohio Compliance Supplement, such as contracts, etc.

8. Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the IPA's approach to resolving these problems and any special assistance that will be requested from the Auditor of State's Office.

9. Other

Technical proposal should include other matters important to understanding the IPA's proposal.

**NO INCLUSION OF DOLLAR QUOTATIONS IN TECHNICAL PROPOSAL**

D. Cost Proposal

1. Total All-Inclusive Fixed Fee

The cost proposal should contain all pricing information relative to performing the audit engagement as described in this RFP. The total all-inclusive fixed fee to be bid subject to renewal is to contain all direct and indirect costs, including all out-of-pocket expenses, and shall be the maximum dollar amount paid for such services.

The first page of the cost proposal should include the following information:

- a. Name of the IPA.
- b. Certification that the person signing the proposal is entitled to represent the IPA, empowered to submit the bid, and authorized to sign a contract with the State of Ohio.
- c. Total all-inclusive fixed fees for the fiscal year 2023, and subject to renewal, fiscal years 2024, 2025, and 2026 engagements, respectively.

2. Rates by Audit Staffing Position/Hours Anticipated for Each (Exhibit C)

The second page of the cost proposal should include a schedule of professional fees and expenses, presented in the format provided in the attachment (Exhibit C – Schedule of Professional Fees and Expenses) that supports the total all-inclusive fixed fee for the fiscal year 2023 financial statement audit. The cost of special services of this RFP should be included in the total all-inclusive fixed fee presented in Exhibit C.

Information on proposed hours, average hourly rates, out-of-pocket expenses, and the total fixed fee amounts for each of the respective financial statement audits for fiscal years 2024, 2025, and 2026 should also be included on the second page of the dollar cost bid.

3. Out-of-Pocket Expenses Included in Total All-Inclusive Fixed Fee and Reimbursement Rates

Out-of-pocket expenses for the IPA's personnel (e.g., travel, lodging, and meals) should be included within the fixed fee submitted by the IPA and should not exceed the allowable rates

provided as reimbursement for state employees, as specified in Rule 126-1-02 of the Ohio Administrative Code. All estimated out-of-pocket expenses to be reimbursed should be included in the dollar cost bid in the format provided in Exhibit C. The state will not reimburse the IPA for any expenses that are not included in the total fixed-fee proposal.

4. Contract Modifications

Modifications should only be requested for issues which were not known at the time of the original proposal, including but not limited to, changes in accounting or professional standards, changes in reporting entity, significant changes in funding, etc. IPA firms must complete a contract modification request, after any necessary discussions with the Audit Committee Liaison, and obtain Audit Committee approval. The Audit Committee will review, and if determined appropriate, approve the signed contract modification document, which will set forth the terms of the contract between the Audit Committee and the IPA firm. **Such agreement must be executed by the Governor and Chairpersons of the finance committees of the Senate and House of Representatives prior to the performance of any additional work. No remuneration will be granted in relation to work performed prior to execution of such agreement.** Any additions or reductions to the work agreed to between the Audit Committee and the firm shall be at an hourly rate that will not exceed the average hourly rate for the corresponding fiscal period set forth in the schedule of fees and expenses included in the dollar cost bid. If the modification involves an extension of the contract period, such extension is at the discretion of the Audit Committee, and the additional period(s) shall be at a reasonable rate in comparison to the rates for other periods of the contract.

5. Manner of Payment

The IPA may submit interim billings for actual hours worked for up to 80 percent of the contract amount. Progress billings shall be made on the basis of **actual hours of work completed during the billing period** and out-of-pocket expenses incurred in accordance with the IPA's cost proposal. Interim billings shall cover a period of not less than a calendar month. Payment to the IPA shall be made in accordance with the prompt payment provisions of Ohio Revised Code § 126.30.

The IPA shall submit a digital electronic .PDF attachment of each itemized invoice to:

[invoices@ohio.gov](mailto:invoices@ohio.gov)

The purchase order number should be referenced on the invoice.

The **SUBJECT LINE** should contain the following:

**Office of Budget and Management  
30 East Broad St., 35<sup>th</sup> Floor  
Columbus, OH 43215**

Electronic invoices submitted will clearly designate the:

- a. Audit of the Auditor of State
- b. IPA's name;
- c. IPA's office location;
- d. IPA's federal employer identification number;
- e. the nature of the work performed (interim billings shall include a brief narrative disclosing engagement progress and steps taken to meet established IPA due dates);

- f. number of interim hours worked and billed on the invoice, itemized by staff members involved and their positions (e.g., partner, manager, supervisor, senior, or assistant) and the amount due for payment;
- g. cumulative hours billed for each employee;
- h. hourly rates billed on the invoice;
- i. dollar amount billed for payment; and
- j. cumulative dollar amount billed under the contract.

Exhibit G displays the suggested format for invoices submitted by the IPA. While Exhibit G is not a required format for billing, all of the information contained in Exhibit G is required to be presented on an invoice submitted for payment under the contract.

All invoices must certify that all amounts set forth therein are properly due and payable for work performed by the IPA.

Under no circumstances shall the total amount paid prior to the Audit Committee's final acceptance of the audit work for fiscal year 2023 exceed 80 percent of the total fee for the engagement, as specified in the contract. Upon approval of the final reports by the Audit Committee, the IPA may submit a final invoice for the remainder due for actual hours worked. No payment shall be construed as the Audit Committee's acceptance of the audit work or of any audit reports.

Fees billable by the IPA must be based on actual hours worked at the approved rate in the contract and are not to exceed the total contract amount, as proposed on the IPA's submitted schedule of professional fees and expenses (Exhibit C).

Any additional hours used by the IPA that exceed the proposed hours, as submitted on the schedule of professional fees and expenses (Exhibit C), shall be borne by the IPA.

The Audit Committee may inspect the records and working papers of the IPA to determine the validity of billings before the invoices are approved for payment. Adequate records shall be maintained by the IPA to support all billings. Such records must be retained, as specified in this RFP.

## VIII. EVALUATION PROCEDURES

### A. Review of Proposals

The Audit Committee will individually score each technical proposal using a point formula during the review process.

After the technical score for each IPA has been established, the Audit Committee or its designee will calculate the cost proposal, with additional points added to the technical score based on the proposed cost. The maximum score for price will be assigned to the IPA proposal offering the lowest total all-inclusive fixed fee. Appropriate fractional scores will be assigned to other bidders.

### B. Evaluation Criteria – Technical Proposal

Proposals will be evaluated using three sets of criteria. Bidders meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications and price. As a prerequisite for evaluation, bidders must satisfy the following **mandatory** elements:

- The IPA must be independent and licensed to practice in Ohio, with participating personnel receiving adequate continuing professional education within the preceding two years as defined by *Government Auditing Standards*.
- The IPA must have no conflict of interest with regard to any other work performed by the IPA for the Office of the Auditor of State and must submit a copy of the IPA Data Sheet (Exhibit E) with required attachments.
- Finally, the IPA must adhere to the instructions in this RFP for preparing and submitting the proposal.

Upon satisfaction of the mandatory criteria, the following items represent the principal selection criteria, which will be considered during the evaluation process.

Expertise and Experience Considerations: Maximum Points = 40

- Relevant Recent Experience, Expertise and Training:  
Although experience for the overall firm is important, the qualifications of the specific assigned individuals will be the primary focus for rating this category. Therefore, firms should provide **detailed information** (e.g., name, title, hours, dates, topics) regarding the relevant recent experience, education, and training/continuing education **of assigned staff relevant to the performance of this audit**. Information regarding the anticipated number of hours each individual will contribute to the engagement should also be provided.
- Record of issuing timely, quality audit reports.

Audit Approach: Maximum Points = 40

Understanding of scope
Key testing areas appropriate for Auditor of State’s Office
Appropriate hours assigned to key testing areas
Appropriate staff assigned to key testing areas
Appropriate testing approach for key areas. Consider:
- Internal control testing where appropriate/required
- Sampling where appropriate
- Analytics where appropriate
- Testing of IT/automated controls where appropriate
- Innovation regarding way to better serve the Auditor of State’s Office
Propriety of audit timetable

Price: Maximum points = 20 (Refer to cost proposal calculation below)

C. Evaluation Criteria – Cost Proposal

The maximum score for cost will be assigned to the firm offering the lowest total all-inclusive fixed fee. Appropriate fractional scores will be assigned to other proposals as follows:

SAMPLE CALCULATION:

- Lowest Cost of All Bids = \$35,000, receives 20 POINTS
- Next lowest bid = \$40,000:  $\$35,000 / \$40,000 = .875$   
.875 X 20 points = 17.5 POINTS
- Next lowest bid = \$45,000:  $\$35,000 / \$45,000 = .777$   
.777 X 20 points = 15.55 POINTS

1. <u>Technical Qualifications</u> (Maximum Points = <b>80</b> )	<u>Maximum Points</u>
a. <u>Expertise and Experience</u> (Maximum Points = <b>40</b> )	
1. Past experience on government engagements from résumés of proposed engagement management, supervisory staff, and technical specialists assigned.....	15
2. The quality and timeliness of relevant continuing professional education courses taken by professional personnel to be assigned to the engagement.....	10
3. IPA’s record of quality, timely audit work.....	10
4. The quality of the IPA’s management support personnel to be available for technical consultation.....	5
Total Maximum Points for Expertise and Experience.....	<u>40</u>
b. <u>Audit Approach</u> (Maximum Points = <b>40</b> )	
1. Adequacy of proposed audit scope/identification and approach to potential audit problems.....	10
2. Propriety of audit timetable.....	2
3. Propriety of budgeted audit/segment hours.....	6
4. Understanding of reports to be issued.....	2
5. Propriety of segmentation of staffing/hours assigned.....	6
6. Adequacy of sampling techniques and analytical procedures.....	4
7. Extent of automated software to be utilized in engagement.....	4
8. Internal control approach.....	<u>6</u>
Total Maximum Points For Audit Approach.....	<u>40</u>
Total Maximum Points for Technical Qualifications	<u><u>80</u></u>
2. <u>Price</u> (Maximum Points = <b>20</b> )	
Bidder submitting the lowest bid will receive 20 points. Remaining bidders will receive a proportionate score based on the ratio of their proposed cost to the lowest bid.	
Total Price Maximum Points.....	<u>20</u>
Combined Total Maximum Score.....	<u><u>100</u></u>

COST WILL NOT BE THE PRIMARY FACTOR IN THE SELECTION OF AN IPA.

D. Oral Presentations

During the evaluation process, the Audit Committee may, at their discretion, request any one or all bidders to make oral presentations. Such presentations will provide bidders with an opportunity to answer any questions the Audit Committee may have on proposals submitted. Not all bidders may be asked to make such oral presentations.

E. Final Selection

In the final selection process, the various bidders that remain under consideration will be compared on the basis of the following:

1. Technical merits of the proposal;

2. Proposed contract price; and
3. Any concerns that may have been raised about a bidder during the selection process.

The IPA ultimately selected for the engagement will be the bidder, which, in the Audit Committee's judgment, provides the best combination of qualifications and price.

The Audit Committee plans to recommend an IPA for the engagement by Friday, **March 31, 2023**. The recommendation of any contract by the Audit Committee may be subject to the State Controlling Board's approval and appropriation of funds by the General Assembly. Consequently, work under the contract shall commence after the Office of Budget and Management's request to the State Controlling Board has been approved, if required.

The IPA to whom the contract is awarded will be notified of its selection by the e-mail address specified in the proposal. The formal Memorandum of Agreement will be prepared by the Audit Committee and delivered with the notice of award. Failure to complete the Memorandum of Agreement within 10 days of its receipt shall, at the election of the Audit Committee, be considered rejection of the award, at which point the Audit Committee may recommend the contract to the next most qualified bidder, as determined in the evaluation process.

F. Right to Reject Proposals or Single Proposal Received

Submission of a proposal indicates full acceptance by the IPA of the conditions contained in this RFP. The Audit Committee reserves the right without prejudice to reject any or all proposals. In the event that all proposals are determined by the Audit Committee to be unacceptable, it may adopt any of the following:

1. Recommence the competitive bidding procedures, including, insofar as the Audit Committee considers necessary, the inclusion of additional bidders;
2. Without further formal proceedings, award the audit contract to an IPA whom the Audit Committee considers most desirable; or
3. Amend the RFP.

If only one proposal is received, it will be separately evaluated by the Audit Committee to determine whether it is responsive to the RFP, is reasonable in cost, and is in the best interest of the State of Ohio. The determination of the Audit Committee is final.

## APPENDIX A

### REQUIREMENTS FOR ENGAGEMENT

#### A. Scope of Work to be Performed

The Audit Committee desires the IPA to express an opinion on the fair presentation of the Auditor of State's financial statements in conformity with accounting principles generally accepted in the United States of America. The IPA will follow applicable standards and guidance in forming this opinion.

The IPA is to provide an "in-relation-to" report on supplementary information based on the auditing procedures applied during the audit of the basic financial statements. The IPA should follow the reporting guidance from AU-C 725 (AICPA's Clarified Statement on Auditing Standard 725) regarding supplementary information. The IPA is not required to express an opinion on the fair presentation of the statistical section or transmittal letter of the report.

If the IPA becomes aware the Auditor of State is subject to audit requirements that may not be encompassed in the terms of the contract, he or she shall communicate this situation immediately to the Audit Committee Liaison, that in accordance with the established contract, certain relevant legal, regulatory, or contractual requirements may not be met.

#### B. Applicable Auditing Standards

To meet the requirements of this request for proposals, the audit shall be performed in accordance with the AICPA's auditing standards generally accepted in the United States of America and the most recently applicable U.S. Government Accountability Office's *Government Auditing Standards*.

#### C. Ohio Compliance Supplement

The IPA shall test compliance utilizing the most current version of the *Ohio Compliance Supplement* (OCS), to determine the audit steps to be performed. The IPA must cover all applicable areas listed in the *Ohio Compliance Supplement* over each period. These sections shall be documented in a logical manner in order to facilitate a review to verify that all applicable areas have been completed. The OCS is available online on the Auditor of State's website.

#### D. Reports to be Issued

Following the completion of the audit of the financial statements of the fiscal period, the IPA shall issue:

1. A report on the fair presentation of the basic financial statements in conformity with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in the U.S. Government Accountability Office's *Government Auditing Standards*.
2. A combined report on internal control over financial reporting and on compliance and other matters required by *Government Auditing Standards*.
3. A management letter, if applicable, separate from bound reports.

In addition to the report(s) to management, which applicable audit standards may require, the IPA shall be required to make an immediate, written report of all illegal acts or indication of illegal acts, which may result in findings for recovery, of which it becomes aware to the Audit Committee Liaison. All reportable conditions, as defined in professional standards, all irregularities, and any material errors identified in the course of the audit shall be immediately directed to the attention of the Audit Committee Liaison. Any notice of possible irregularities directed to the Auditor of State shall be directed at least one level of management above the person alleged or believed to be involved.



E. Special Considerations

1. The Auditor of State prepares an Annual Comprehensive Financial Report (ACFR); it must be submitted with the appropriate audit reports as defined in this RFP.
2. The financial statements of the Auditor of State's Office are included in the State of Ohio's basic financial statements. The Auditor of State's Office is a department of the State of Ohio's primary government. The IPA will not be required to provide special assistance to the State of Ohio's auditors.
3. The Auditor of State's Office will submit its annual comprehensive financial report to the Government Finance Officers Association of the United States and Canada for review in its Certificate of Achievement for Excellence in Financial Reporting Program. The IPA will not be required to provide special assistance to meet the requirements of that program.
4. There were no findings and other weaknesses noted in the Auditor of State's most recent financial statement audit.

**EXHIBIT A**  
**SAMPLE MEMORANDUM OF AGREEMENT**  
**(LANGUAGE SUBJECT TO CHANGE)**

This agreement by and between the State of Ohio Audit Committee (Audit Committee) established by Ohio Revised Code § 117.14 and /NAME of CONTRACTOR FIRM , FEDERAL TAX I.D.# , & ADDRESS/, an independent certified public accountant (IPA), is effective beginning on the 1st day of July, 2023 and ending on the 30<sup>th</sup> day of June, 2024, WITNESSETH:

Whereas, the Ohio Office of Budget and Management, acting as agent for the Audit Committee that is designated under Section 117. 14, Ohio Revised Code, on **January 24, 2023** issued a request for proposals (RFP) for the annual audit of the State of Ohio Auditor of State for the fiscal year ending June 30, 2023; and

Whereas, the IPA responded to the RFP with a formal proposal wherein there was indicated a willingness to perform the audit of Auditor of State, in accordance with the items and conditions set forth in the RFP; and

Whereas, the annual audit of the Auditor of State is required under Section 117.14, Ohio Revised Code, to be performed by an IPA; and

Whereas, the Audit Committee has determined the IPA has submitted the proposal most advantageous to the State of Ohio;

NOW, THEREFORE, the Audit Committee and the IPA do mutually agree as follows:

1. This memorandum of agreement, the RFP, and the proposal of the IPA constitute the integrated written agreement of the parties, to be known as the “Contract”;
2. The IPA shall, in consideration of the payments specified in the proposal and subject to the requirements of the contract, perform the audit of the State of Ohio Auditor of State for the fiscal year ending June 30, 2023.
3. The State of Ohio will provide the IPA with such services and support, as specified in the RFP.

IN WITNESS WHEREOF, the Audit Committee and the IPA have executed this agreement.

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

AUDIT COMMITTEE MEMBERS:

By: \_\_\_\_\_

\_\_\_\_\_  
THE GOVERNOR OF THE STATE OF OHIO

Title: \_\_\_\_\_

\_\_\_\_\_  
THE CHAIRMAN OF THE  
OHIO SENATE FINANCE COMMITTEE

\_\_\_\_\_  
THE CHAIRMAN OF THE OHIO HOUSE OF  
REPRESENTATIVES FINANCE COMMITTEE

**EXHIBIT B**

**PROPOSED ENGAGEMENT TIMETABLE**

Audit of Office of the Auditor of State  
Audit Period: July 1, 2022 through June 30, 2023

Provide your best and realistic estimates. Some variances will be possible upon finalization during the entrance conference. At no time, however, should the timetable for the delivery of the final reports for the preceding fiscal year go beyond the October 15 statutory limitation set forth under Section 117.14, Ohio Revised Code.

**NOTE:** The State of Ohio requests a final audit report by October 8th of each year in support of the State of Ohio’s financial statements.

Target Completion Date	Engagement Task
_____	1. The IPA provides detailed audit plan and list of schedules to be prepared by the Auditor of State’s Office.
_____	2. The IPA, Audit Committee’s designated representative(s), and representatives from the Auditor of State’s Office hold fieldwork entrance conference.
_____	3. The Auditor of State’s Office finalizes accounting records.
_____	4. The IPA begins fieldwork at the Auditor of State’s Office.
_____	5. The Auditor of State’s staff completes draft of financial statements (to the extent needed by the IPA).
_____	6. The IPA completes fieldwork.
_____	7. The IPA provides drafts of audit reports and recommendations to management.
_____	8. The Auditor of State’s Office submits in writing final responses to IPA draft documents.
_____	9. The IPA, Audit Committee’s designated representative(s), and representatives from the Auditor of State’s Office hold exit conference.
_____	10. The IPA delivers final report to the Auditor of State’s designee. This date shall be no later than October 9, 2023 (since October 8, 2023 is on a Sunday).

**Special Note:** Both the IPA and the Auditor of State must notify the Audit Committee Liaison if the agreed upon timetable requires significant modification. Significant changes in the timetable may be made only with the written approval of the Audit Committee Liaison.

**EXHIBIT C**

**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES**  
 (To Support the Total All-Inclusive Maximum Fixed Fee  
 for the Audit of the Financial Statements of the Auditor of State)

**Quote for FY 2023 Audit of the Financial Statements of the Auditor of State:**

	Hours	Hourly Rates	Total
Partners .....		\$	\$
Managers .....		\$	\$
Supervisors .....		\$	\$
Staff .....		\$	\$
Other (Specify): .....		\$	\$
Out-of-Pocket Expenses .....			\$
Total Maximum Fixed Fee Bid for Fiscal Year 2023 Audit.....			\$

**Quotes for Future Audits of the Financial Statements of the Auditor of State (required):**

	Hours	Average Hourly Rates	Out-of- Pocket Expenses	Total Fixed-Fee
Fiscal Year 2024		\$	\$	\$
Fiscal Year 2025		\$	\$	\$
Fiscal Year 2026		\$	\$	\$

**EXHIBIT D**

**PROFESSIONAL STAFF DATA SHEET**

Below, list the names of all full-time and part-time staff members (by level) to be assigned to the audit engagement team for the audit of the period July 1, 2022 through June 30, 2023. For each member of the audit team listed below, specify whether each such person is licensed to practice as a certified public accountant in Ohio.

**Full-Time Basis:**

---

Partners: \_\_\_\_\_

Managers: \_\_\_\_\_

Supervisors: \_\_\_\_\_

Seniors: \_\_\_\_\_

Assistants: \_\_\_\_\_

Technical specialists  
and specialties of each: \_\_\_\_\_

Other (Specify): \_\_\_\_\_

Total Number of Staff Assigned: \_\_\_\_\_

**Part-Time Basis:**

---

Partners: \_\_\_\_\_

Managers: \_\_\_\_\_

Supervisors: \_\_\_\_\_

Seniors: \_\_\_\_\_

Assistants: \_\_\_\_\_

Technical specialists  
and specialties of each: \_\_\_\_\_

Other (Specify): \_\_\_\_\_

Total Number of Staff Assigned: \_\_\_\_\_

**EXHIBIT E**

**IPA DATA SHEET**

For IPAs with multiple offices in Ohio, a separate form for each office expected to participate in this engagement should be completed.

Name of Firm \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

FEIN #: \_\_\_\_\_ State Registration #: \_\_\_\_\_

Contact Person/Title: \_\_\_\_\_

Phone: \_\_\_\_\_

**Employee Profile — This Office:**

	<u>Total</u>
Partners .....	_____
Managers.....	_____
Supervisors.....	_____
Seniors .....	_____
Assistants .....	_____
Total Professionals .....	_____
Other Employees (includes administrative and clerical staffs) .....	_____
Total Employees (this office only) .....	_____

	<u>Ohio Offices</u>	<u>Nationwide</u>
Total Employees (includes professional, administrative, & clerical staffs)	_____	_____
Percentage of Women	%	%
Percentage of Minorities	%	%

Does your firm undergo formal peer reviews?    \_\_\_ Yes    \_\_\_ No

If yes, provide date of the most recent review.    \_\_\_\_\_

Does your firm have a formal internal quality control system?    \_\_\_ Yes    \_\_\_ No

Number of governmental audit staff members:    \_\_\_\_\_

**Other Required Information from Your Firm:**

- Please attach any written details on the results of any federal or state desk reviews or field reviews of your firm’s audits during the past three years. If no such reviews of have been conducted, please indicate this fact.
- Please attach a description of the circumstances and status of any disciplinary action taken or pending during the past three years with state regulatory bodies or professional organizations. If no such action has been taken or is pending, please indicate this fact.
- Attach a list of all governmental clients in Ohio served within the past five years. Provide the name and county location of the governmental client, name and telephone number of the principal client contact, date, engagement partners assigned, total staff hours, location of the IPA’s office from which the engagement was performed, and type of service provided (e.g., audit, management advisory, etc.).
- Attach a list of all state contracts (including those with the Ohio Office of Budget and Management, other state agencies, and state-assisted institutions of higher education) that your firm has had since July 1, 2021 through the date of the response to the RFP. For each state contract, your response should be displayed in the following manner and should include the names of the contracting state agency, a brief description of the type of services provided, contract period, the percentage of completion, and the rates and total amount of each contract award.

State Agency: \_\_\_\_\_

Contracted Services: \_\_\_\_\_

Contract Period: \_\_\_\_\_

Contract Amount: \_\_\_\_\_

**EXHIBIT F**

**RÉSUMÉ FORMAT**

INDIVIDUAL'S NAME

**BACKGROUND:**

---

Position and Past and Current Responsibilities

School/Degree(s), Professional Certification(s) and Designation(s)

Title  
[Senior, Partner]

Audit Role and Involvement  
[include information regarding what the staff member is responsible for and the amount of time he/she plans to spend on the audit]

**PREVIOUS GOVERNMENT  
AUDITING EXPERIENCE:**

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Client's Name

Staff Member's Responsibilities  
Number of Hours Spent on Audit

Client's Name

Staff Member's Responsibilities  
Number of Hours Spent on Audit

Client's Name

Staff Member's Responsibilities  
Number of Hours Spent on Audit

**RELEVANT CONTINUING PROFESSIONAL EDUCATION (for the past three years):**

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**RELEVANT MEMBERSHIPS IN PROFESSIONAL ORGANIZATIONS:**

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**EXHIBIT G**

**SAMPLE INVOICE FORMAT**

Date

Ohio Office of Budget and Management  
30 East Broad Street, 35th Floor  
Columbus, Ohio, 43215-3457

Invoice Number:  
Purchase Order Number:  
Business Unit – OBM01  
Origin Code C41

This represents our first (second, third, etc.) invoice for auditing services rendered in connection with the examination of the financial statements of the Auditor of State’s Office for the period, July 1, 2022 through June 30, 2023.

1. Firm FEIN: \_\_\_\_\_
2. Audit Services for the Month(s) of: \_\_\_\_\_
3. Billing Detail:

Staff Assigned (By Individual)	Position	Hourly Rate	Current		Cumulative to Date	
			Hours Billed	Amount Billed	Hours Billed	Amount Billed
				\$		\$
Total				\$		\$

4. Hourly Rate per Contract \_\_\_\_\_
5. Billed this Invoice \_\_\_\_\_
6. Cumulative Billing \_\_\_\_\_
7. Maximum Contract Amount \_\_\_\_\_

Progress of Engagement:

**(Provide a brief narrative disclosing progress on the engagement and steps to be taken to meet the established IPA Due Date.)**

[INSERT NAME OF IPA] hereby certifies that all amounts set forth in this invoice are properly due and payable for work performed by the IPA.

Submitted by:

\_\_\_\_\_  
Signature of IPA’s Representative

\_\_\_\_\_  
Date

**EXHIBIT H**

**IPA NONAUDIT SERVICES  
GAO INDEPENDENCE NOTIFICATION / EVALUATION  
FOR SERVICES CONTEMPLATED SUBSEQUENT TO THE RFP PROCESS**

**INSTRUCTIONS** – Each Independent Public Accounting Firm (IPA) must provide prior notification to the Audit Committee Liaison when the IPA performs the engagement on behalf of the Audit Committee and also intends to provide any nonaudit service, as defined by the most recent applicable *Government Auditing Standards* relating to Auditor Independence, not disclosed in the firm’s proposal. By completing and submitting this form to the Audit Committee Liaison, the firm asserts that the firm and all assigned key professional staff are independent of the Auditor of State’s Office as defined by the U.S. Government Accountability Office’s *Government Auditing Standards*, the firm and all assigned key professional staff are, and will remain, in compliance with GAO rules relating to auditor independence, and that in providing such nonaudit services, the IPA firm neither performed management functions nor made management decisions for the Auditor of State’s Office that would lead reasonable third parties with knowledge of the relevant facts and circumstances to conclude the IPA firm would be auditing its own work. **COMPLETE ONE FORM PER NONAUDIT SERVICE.**

**GENERAL INFORMATION**

Public Office: _____	IPA: _____
Contact: _____	Contact: _____
Phone: _____	Phone: _____
County _____	Date _____

**NONAUDIT SERVICE**

Nonaudit Service Period \_\_\_\_\_

Anticipated Completion Date: \_\_\_\_\_

Provide a brief description of the Nonaudit Service (detailed information may be attached).

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**EXHIBIT I**

**DELIVERABLE DEADLINES FOR OPTIONAL CONTRACT RENEWAL YEARS**

**FY 2024** [Audit Period: July 1, 2023 through June 30, 2024]

1. <u>Detailed Audit Plan/Schedule Request</u> The IPA shall provide a detailed audit plan and list of all schedules to be prepared by the Auditor of State's Office.	July 15, 2024
2. <u>Budget Basis Schedule</u> Staff of the Auditor of State's Office will complete this step.	September 9, 2024
3. <u>Finalization of Accounting Records and Preparation of Draft Financial Statements</u> Staff of the Auditor of State's Office will complete this step.	September 16, 2024
4. <u>Trial Balance and Basic Financial Statements</u> Staff of the Auditor of State's Office will complete this step.	September 30, 2024
5. Completion of Field Work	September 30, 2024
6. <u>Completion of Draft Reports</u> The IPA will make draft versions of the audit report and recommendations available to the Audit Committee and to the Finance Director for review no later than the date shown.	October 7, 2024
7. Delivery of Final Audit Reports	October 8, 2024

**FY 2025** [Audit Period: July 1, 2024 through June 30, 2025]

1. Detailed Audit Plan/Schedule Request	July 14, 2025
2. Budget Basis Schedule	September 8, 2025
3. Finalization of Accounting Records and Preparation of Draft Financial Statements	September 15, 2025
4. Trial Balance and Basic Financial Statements	September 29, 2025
5. Completion of Field Work	September 29, 2025
6. Completion of Draft Report	October 6, 2025
7. Delivery of Final Audit Reports	October 8, 2025

**FY 2026** [Audit Period: July 1, 2025 through June 30, 2026]

1. Detailed Audit Plan/Schedule Request	July 14, 2026
2. Budget Basis Schedule	September 8, 2026
3. Finalization of Accounting Records and Preparation of Draft Financial Statements	September 15, 2026
4. Trial Balance and Basic Financial Statements	September 29, 2026
5. Completion of Field Work	September 29, 2026
6. Completion of Draft Reports	October 6, 2026
7. Delivery of Final Audit Reports	October 8, 2026