



Hon. Aníbal Acevedo Vilá
Gobernador

José Guillermo Dávila Matos
Director

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MEMORANDO GENERAL NUM. 360-07

SECRETARIOS, JEFES DE AGENCIAS, DIRECTORES DE OFICINA, CORPORACIONES PÚBLICAS Y DIRECTORES DE AUDITORIA INTERNA DE LA RAMA EJECUTIVA

José Guillermo Dávila Matos, CPA
Director

RESPONSABILIDAD DE CUMPLIR CON LOS REQUISITOS FEDERALES RESPECTO A LOS INFORMES DE AUDITORÍA SENCILLA (*SINGLE AUDITS*)

La Ley de Auditoría Sencilla, Ley Núm. 104-156 del 5 de julio de 1996, según enmendada y la Carta Circular OMB A-133 de la Oficina de Gerencia y Presupuesto de los Estados Unidos de América (Carta Circular Federal), imponen responsabilidades sobre los administradores de fondos federales. Específicamente, se requiere la realización de Auditorías Sencillas (*Single Audits*), sujeto a los criterios establecidos en la Carta Circular Federal.

El propósito de la Carta Circular Federal es establecer las normas que garanticen la consistencia y uniformidad entre las agencias federales para la auditoría de agencias que no pertenecen al ámbito federal que reciben fondos federales. Se establece en la misma que las entidades no federales que eroguen \$500,000 o más en un año fiscal¹ en fondos federales deben realizar una Auditoría Sencilla o auditoría a un programa específico para dicho año. Las auditorías deberán realizarse anualmente.

En la Parte I, Subparte A, Sección 225, Sanciones, de la Carta Circular Federal se establece que en casos de continua inhabilidad o interés de realizar una auditoría de conformidad con la norma, las agencias federales o las *pass-through entities*, tomarán las siguientes sanciones:

- (a) Retener un porcentaje de los fondos federales adjudicados (*Federal awards*) hasta que se complete la auditoría satisfactoriamente;
- (b) Retener o no autorizar los costos de *overhead*;
- (c) Suspender los fondos federales adjudicados hasta que se realice la auditoría; o
- (d) Terminar los fondos federales adjudicados (*Federal award*).

La auditoría debe ser completada y notificada dentro de los 30 días al recibo del informe del auditor o nueve meses después del cierre del periodo de auditoría, a menos que se haya acordado

¹ Esto aplica a partir del 31 de diciembre de 2003. Para periodos anteriores, la cantidad establecida o *threshold amount* era de \$300,000.

previamente un periodo mayor con la agencia Federal que provee los fondos o que se haya especificado un periodo diferente en la guía de auditoría de programas específicos.

El auditado tiene las siguientes responsabilidades respecto a los fondos federales:

- (a) Identificar todos los fondos federales adjudicados (*awards*) recibidos y erogados y los programas federales mediante los cuales se recibieron.
- (b) Mantener controles internos sobre los programas federales, de modo que provean certeza razonable de que el auditado administra los fondos federales en cumplimiento con las leyes, reglamentos y las provisiones contractuales o acuerdos sobre los fondos que podrían tener un efecto sustancial en cada uno de los programas federales.
- (c) Cumplir con las leyes, reglamentos y las provisiones contractuales o acuerdos sobre los fondos relacionados con cada uno de los programas federales.
- (d) Preparar estados financieros adecuados, incluyendo el *Schedule of Expenditures* de los fondos federales.
- (e) Asegurarse de que las auditorías requeridas se lleven a cabo y se sometan según impuesto por la norma federal.
- (f) Dar seguimiento y tomar acciones correctivas sobre los señalamientos de auditoría presentados, incluyendo la preparación de un informe de señalamientos previos y las acciones correctivas.

El Área de Auditoría Operacional realizó una evaluación sobre el cumplimiento con esta directriz federal en las agencias responsables por el cumplimiento de las mismas. El informe refleja la existencia de agencias en incumplimiento con el requisito federal, el cual puede conllevar a **suspender o terminar los fondos federales**. Este grado de incumplimiento es inaceptable para nuestra administración. Todas las agencias con la responsabilidad de cumplir con esta norma deberán estar al día en la radicación de sus informes de Auditoría Sencilla al 30 de junio de 2007, fecha en la cual se hará una segunda evaluación.

Las agencias deberán referirse a la Carta Circular Federal indicada al inicio de esta comunicación para mayor información y para referencia sobre el proceso de contratación de las firmas de servicios de auditoría. Con el propósito de facilitar el cumplimiento de esta norma, le anejamos un modelo propuesto de Invitación a Propuesta (*Request for Proposal*) para servicios de auditoría. El mismo representa una sugerencia para el proceso de solicitar propuestas, pero no es un documento totalmente incluyente, ni representa una obligación específica en cuanto a formato y contenido para la contratación de firmas. Se pretende ofrecer con esto una ayuda en el proceso de cumplimiento con la norma federal.

Próximamente estaremos coordinando reuniones con los jefes de aquellas agencias que se encuentran en incumplimiento. La Directora Asociada de Auditoría Operacional, Srta. Lynette Y. Molina-Cardé, estará a cargo de esta coordinación, así como estará a su disposición para aclarar cualquier duda al respecto o asesorar en el proceso de las auditorías sencillas. El teléfono de contacto es el 787-977-9200, extensiones 4100, 4106 ó 4123.

Esperamos el fiel cumplimiento de esta directriz, ya que la misma está directamente relacionada con la disponibilidad de fondos y los procesos presupuestarios.

Agradecemos su atención urgente a la misma.

LMC/amo
Anejo

[NOMBRE DE LA AGENCIA]
Request for Proposal
Single Audit for Fiscal Year
Ended June 30, 20XX

I. INTRODUCTION

A. Terms

1. [INDICAR LOS TÉRMINOS QUE SEAN NECESARIO ACLARAR]

B. Background

The [NOMBRE DE LA AGENCIA], is an [OFFICE/AGENCY] assigned under the responsibility of [NOMBRE DE LA AGENCIA SOMBRILLA SI APLICA. SINO, INDICAR QUE ESTÁ BAJO LA RESPONSABILIDAD DEL GOBERNADOR DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO]. It has an annual budget of approximately _____ millions (\$X,000,000). Its operations are governed and administered under the provisions of Law [LEY ORGÁNICA Y OTRAS QUE APLIQUEN]. The [NOMBRE DE LA AGENCIA] provides [TIPO DE SERVICIO QUE PROVEEN] To provide these services, the [NOMBRE DE LA AGENCIA] employs _____ people, _____ administrative personnel (divided in three divisions, [INDICAR LOS NOMBRES DE LAS DIVISIONES], _____ auditors, _____ accounting personnel. [INCLUIR CUALQUIER OTRO PERSONAL QUE SEA NECESARIO MENCIONAR]

The administration of the [NOMBRE DE LA AGENCIA] is managed by the [TÍTULO DEL JEFE DE LA AGENCIA; EJEMPLO: SECRETARY OF _____-, EXECUTIVE DIRECTOR OF _____, ENTRE OTROS], who delegates this responsibility on the [SI DELEGA LA ADMINISTRACIÓN DE LOS FONDOS FEDERALES EN ALGUNA DE LAS AREAS, INDICAR EL TITULO DEL DIRECTOR DEL AREA EN QUIEN SE DELEGA]. The financial accounting system is the same designed and implemented by the State Treasury Department. It is structured to disclose the extent of compliance with the enacted operating budget and the results of operations based on funds available, less funds expended and encumbered.

The financial information of the [NOMBRE DE LA AGENCIA] consists of a Schedule of Cash Receipts and Disbursements (the "Statement") and Supplementary Schedule of Expenditures of Federal Awards. For the year ended June 30, 20XX, the Single Audit was conducted by [INDICAR EL NOMBRE DE LA FIRMA DE CPA QUE REALIZÓ EL ÚLTIMO

SINGLE AUDIT O LA QUE AL MOMENTO ESTÁ REALIZANDO EL SINGLE AUDIT DEL AÑO ANTERIOR}.

C. Fiscal Management

Fiscal responsibility of the [NOMBRE DE LA AGENCIA] is shared with other central government fiscal organizations such as State Treasury Department, Office of Management and Budget of the Commonwealth of Puerto Rico and the [INDICAR SI LA RESPONSABILIDAD FISCAL SE COMPARTE CON ALGUNA OTRA AGENCIA ESTATAL]. In the federal arena, with the [INDICAR EL NOMBRE DE LA AGENCIA FEDERAL QUE ASIGNA LOS FONDOS].

At the [NOMBRE DE LA AGENCIA] itself, fiscal responsibilities are shared with Accounting and Administration Group, Finance Division , Budget Area and Legislation Area [INDICAR SOLAMENTE LAS DIVISIONES DENTRO DE LA AGENCIA EN LAS QUE SE COMPARTE LA RESPONSABILIDAD FISCAL].

The Accounting and Administration Group is responsible for the funds draw-down in the Smart Link system from [NOMBRE DE LA AGENCIA FEDERAL QUE OTORGA LOS FONDOS], and the accounting of those funds. These funds are either referred to [NOMBRE DE LA AGENCIA], BGF or Treasury Department. [SE INDICA ESTO SOLAMENTE SI ASÍ OCURRE EN SU AGENCIA].

The state [NOMBRE DE LA AGENCIA]'s Finance Division controls the budget assigned, post the transactions and reconciliates accounts.

The Budget Area identifies funds to match. The Legislation Area [O EL AREA LEGAL O DE FONDOS FEDERALES QUE APLIQUE] prepares legal opinions regarding the funds authorizations.

D. The Request for Proposal

This Request for Proposal (RFP) to perform the Single Audit of the [NOMBRE DE LA AGENCIA O PROGRAMA A REALIZARLE SINGLE AUDIT] for the fiscal year ended June 30, 20XX, represents a request for proposals from independent Puerto Rico licensed certified public accounting firms. The audit should be performed in accordance with:

1. Generally Accepted Government Auditing Standards ("GAGAS")

2. Standards for Financial Audits contained in the Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the Comptroller General of the United States
3. The Single Audit Act, amendments of 1996 (Public Law 104-156 of July 5, 1996)
4. The provisions of the Office of Management and Budget Circular A-133

The selected audit firm shall state that the audit was conducted in accordance with the aforementioned laws and regulations and include the following:

1. Audit the [NOMBRE DE LA AGENCIA O PROGRAMA A AUDITAR]'s Office combined Statement of Cash Receipts and Cash Disbursements for all fund types from [AGENCIA OTORGANTE DE FONDOS] for the year ending June, 30, 2006. This audit must include the [INDICAR TODOS LOS FONDOS (AWARDS) ASIGNADOS] awards.
2. An opinion as to whether the Statement is presented fairly in all material respects in conformity with generally accepted accounting principles and an opinion as to whether the schedule of expenditures of Federal awards is presented fairly in all material respects in relation to the Statement taken as a whole.
3. A report on internal control related to the Statement and major programs. This report shall describe the scope of testing of internal control and the results of the tests, and, where applicable, refer to the separate schedule of findings and questioned costs, described in part five (5) of this section.
4. A report on compliance with laws, regulations, and the provisions of contracts or grant agreements, as well as noncompliance, which could have material effect on the Statement. This report shall also include an opinion as to whether the [NOMBRE DE LA AGENCIA] complied with laws, regulations and the provisions of contracts or grant s which could have a direct and material effect on each major program, and, where applicable, refer to the separate schedule of findings and questioned costs described in part five (5) of this section.
5. A schedule of findings and questioned costs, which shall include the following three components:

- a. A summary of the auditor's results.
 - b. Findings relating to the Statement, which are required to be reported in accordance with GAGAS.
 - c. Findings and questioned costs for Federal awards.
6. A report on the additional information contained in the [INDICAR LAS DIVISIONES SUBRECIPIENTES DE FONDOS FEDERALES, SI APLICA] divisions for the year ended June 30, 2006.

The audit firm selected shall also include in their reports the summary schedule of prior audit findings and the corrective action plan for current year audit findings. The [NOMBRE DE LA AGENCIA O DIVISION ENCARGADA DE LOS FONDOS FEDERALES] is responsible for preparing and submitting to the audit firm this information.

This RFP provides the basic background and guidelines for the preparation and submission of a proposal to accomplish the audit requirements.

E. Auditor Selection Timetable

The audit contract will be awarded in accordance with the following timetable:

<u>Description</u>	<u>Date</u>
Invitation to Propose	[INDICAR FECHA]
Proposers' conference	[INDICAR FECHA]
Proposers' fact finding period	[INDICAR FECHA]
Proposal due date	[INDICAR FECHA]
Proposal opening	[INDICAR FECHA]
Award of contract	[INDICAR FECHA]

[SE DEBE TENER PRESENTE QUE LA LEY NÚM. 273 DE 10 DE SEPTIEMBRE DE 2003, PARA ESTABLECER LA LEY DE NORMAS CONTRACTUALES SOBRE INDEPENDENCIA EN LAS AUDITORÍAS EXTERNAS DE ENTIDADES GUBERNAMENTALES Y DISPONER PROCEDIMIENTOS EN RELACION CON LA CONTRATACIÓN DE AUDITORES EXTERNOS, ESTABLECE EN SU ARTÍCULO 7 LO SIGUIENTE:

“Artículo 7. – En todos aquellos casos en que a cualquier entidad de gobierno se le requiera por ley, reglamento, acuerdo de financiamiento, o cuando se determine necesario, la contratación de auditores externos para realizar auditorías financieras, el contrato se

otorgará noventa (90) días antes del cierre del año fiscal a ser auditado.”]

II. AUDIT SCOPE AND REQUIREMENTS

A. General

Independent certified public accounting firms are invited to submit proposals to perform the Single Audit of the [NOMBRE DE LA AGENCIA] for the fiscal year ended June 30, 20XX. The examination is to be conducted in accordance with the GAGAS, and the standards for financial audits set forth in the standards for financial audits set forth in the Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, issued by the Comptroller General of the United States, the Single Audit Act – Amendments of 1996, and the provisions of OMB Circular A-133.

The selected audit firm’s audit approach, as detailed in a formal work plan, is to be submitted no later than 15 days after the commencement of the audit, which will be reviewed and approved by the Associate Director for Administration [O EL FUNCIONARIO DE ADMINISTRACIÓN QUE EL JEFE DE AGENCIA DETERMINE]. The work plan should include, at a minimum, the selected audit firm’s overall work plan, personnel levels to be assigned, target completion dates, information required to be provided, etc.

An exit conference shall be held at the completion of the audit between the selected audit firm and the [INDICAR QUÉ PERSONAS DE LA AGENCIA PARTICIPARÁN DE LA REUNIÓN DE CIERRE DE LA AUDITORÍA] or his/her designated official, [INDICAR QUÉ PERSONAS DE LA AGENCIA PARTICIPARÁN DE LA REUNIÓN DE CIERRE DE LA AUDITORÍA], _____, and the Finance Manager to discuss findings noted, recommendations and other significant items.

B. Financial Statements to be Audited

The selected audit firm shall perform an independent audit under the professional standards and requirements described above. The audit shall cover the entire operations of the [NOMBRE DE LA AGENCIA O PROGRAMAS A AUDITAR], provided that such audit shall encompass the Statement and Schedule of Expenditures of Federal awards. The Statement and Schedule of Expenditures of Federal awards shall be for the same fiscal year.

The audit report should be addressed to the [JEFE DE AGENCIA] and should comply with professional and regulatory requirements, as indicated in Section I-D. A management letter is required and should be prepared by the selected audit firm including a statement of audit findings affecting the financial statements, weaknesses in internal control operations and recommendations for financial and program management improvements.

The drafts of the required audit reports and management letter, including all Single Audit required reports, should be discussed with the [INDICAR LA PERSONA CON LA CUAL LA FIRMA DISCUTIRÁ LOS BORRADORES DE INFORME Y LAS CARTAS A LA GERENCIA] or her authorized representative and with the Associate Director for Administration [O LA PERSONA DEL ÁREA DE ADMINISTRACIÓN CON QUIEN SE DISCUTIRÁ ESTO] prior to issuing in final form. The final audit reports and management letter should be delivered within 30 days after the approval in writing from the Associate Director for Administration [O LA PERSONA QUE SE DETERMINE].

The number of copies required of each report will be specified at a later date; however, a tentative estimate is as follows:

Report	Number of copies
Single Audit Report	[INDICAR CANTIDAD QUE NECESITAN]
Management Letter	[INDICAR CANTIDAD QUE NECESITEN]

C. Fund Structure and Basis of Accounting

The accounts of the [NOMBRE DE LA AGENCIA] are organized on the basis of funds, appropriations, and transactions type (expenses). [DETERMINAR SI EN SU AGENCIA ESTO ES ASÍ]

The [NOMBRE DE LA AGENCIA]'s accounts for its general fund and the different awards and programs are prepared using the cash basis method of accounting. Grants received from the Federal government are recorded in accordance with the legal and contractual requirements applicable to each program. [DETERMINAR SI EN SU AGENCIA ESTO ES ASÍ]

D. Progress Reports

Communication between the [PUESTO DE LA PERSONA ENLACE] and the selected audit firm is of the utmost importance to resolve promptly

any issues that may significantly affect the Statement and audit reports. Accordingly, the auditor is required to meet biweekly with the audit liaison person to discuss audit related problems, time estimates, work plan, findings, questioned costs, etc. Please refer to Section III for further details.

E. Audit Work Papers

The selected audit firm shall retain its working papers for at least six (6) years after the completion of the audit. If requested, the selected audit firm shall make available its working papers and provide copies to authorized representatives of the [NOMBRE DE LA AGENCIA], the Office of the Comptroller of Puerto Rico, the General Accounting Office, the Office of the Inspector General and the Federal Cognizant Agency.

III. ADMINISTRATIVE MATTERS

A. Submission of Proposal

Five (5) sealed copies [O LA CANTIDAD QUE LA AGENCIA DETERMINE, DEPENDIENDO DE LA CANTIDAD DE MIEMBROS DEL COMITÉ DE EVALUACIÓN DE PROPUESTAS] of the proposal must be received no later than 4:00 p.m. of ____ [DETERMINAR FECHA] _____. **[SE DEBE TENER PRESENTE QUE LA LEY NÚM. 273 DE 10 DE SEPTIEMBRE DE 2003, PARA ESTABLECER LA LEY DE NORMAS CONTRACTUALES SOBRE INDEPENDENCIA EN LAS AUDITORÍAS EXTERNAS DE ENTIDADES GUBERNAMENTALES Y DISPONER PROCEDIMIENTOS EN RELACION CON LA CONTRATACIÓN DE AUDITORES EXTERNOS, ESTABLECE EN SU ARTÍCULO 7 LO SIGUIENTE:**

“Artículo 7. – En todos aquellos casos en que a cualquier entidad de gobierno se le requiera por ley, reglamento, acuerdo de financiamiento, o cuando se determine necesario, la contratación de auditores externos para realizar auditorías financieras, el contrato se otorgará noventa (90) días antes del cierre del año fiscal a ser auditado.”]

Proposals or unsolicited amendments to proposals after this date and hour will not be considered and will be returned unopened to the proposer. Proposals should be hand delivered to:

Evaluation Committee Single Audit Proposal
c/o [INDICAR NOMBRE DE LA PERSONA ENLACE, SE RECOMIENDA QUE SEA EL JEFE DE ADMINISTRACIÓN]
[INDICAR EL PUESTO DE LA PERSONA ENLACE]

[INDICAR LA DIRECCIÓN FÍSICA DE LA AGENCIA PARA QUE LOS PROPONENTES LO PUEDAN ENTREGAR A LA MANO]

B. Proposals' Opening

All proposals received on time will be opened on [DETERMINAR FECHA DE APERTURA-FAVOR DE TENER EN CUENTA LO ESTABLECIDO EN LA LEY 273, SUPRA] at [DETERMINAR HORAR] 10:00 a.m./pm at the [DETERMINAR DÓNDE SE HARÁ LA APERTURA – EN QUÉ OFICINA O SALÓN DE LA AGENCIA]. Representatives of the firms submitting proposals are invited to the opening. Instructions will be given that day on how this process is going to be performed.

C. Review of Proposals

All proposals should be submitted to the Evaluation Committee for review. The Evaluation Committee will evaluate all proposals received and a recommendation will be submitted to the [JEFE DE AGENCIA] for his/her consideration and final approval.

The [JEFE DE AGENCIA] reserves the right to reject any and all proposals submitted and to request information from all proponents. Firms whose proposals are not accepted will be notified in writing. Notification of the award will be made on [DETERMINAR FECHA].

D. Proponent's Conference

A conference for the firms interested in submitting proposals will be held on [DETERMINAR FECHA] starting at [DETERMINAR HORA] at the [DETERMINAR LUGAR]. Questions and inquiries will be attended during the conference.

E. Inquiries and Inspections During Proposal Drafting

Inquiries concerning the RFP should be directed to the Associate Director for Administration [O LA PERSONA ENLACE] at [INDICAR TELÉFONO] or to the [INDICAR PERSONA ENLACE ALTERNA] at [INDICAR TELÉFONO], extension XXX. Accounting records and other related documents to be audited will be made available for inspection by previous arrangement with the [INDICAR TÍTULO DE LA PERSONA QUE ADMINISTRA LOS FONDOS FEDERALES] and [INDICAR PERSONA ENLACE].

F. Information Available

During the proponent's fact-finding period, the following information will be available for review:

1. Last Single Audit report issued.
2. Copy of the 2005-2006 fiscal year approved budget.
3. Organization chart of the [NOMBRE DE LA AGENCIA].

G. Addendum to Request

If it becomes necessary to revise any part of the RFP or if additional data is necessary to enable to interpret provisions of this request, the revised or additional data will be sent to all firms to whom the original RFP was provided.

H. Oral Presentations

Firms submitting proposals may be requested to make oral presentations to the Evaluation Committee. Such presentations will provide proponents with an opportunity to clarify any aspects of their written proposals about which the Evaluation Committee may have questions. Oral presentations shall be requested solely at the discretion of the Evaluation Committee.

I. Evaluation Criteria

The Evaluation Committee will review all proposals received and will submit its recommendation to the [JEFE DE LA AGENCIA], who will make a final determination based on the Evaluation Committee's recommendation. The audit firm finally selected will be subject to the procedural approvals for professional services contracts required by Law and by agency's internal regulations.

Proposals will be evaluated against the following criteria: mandatory elements, technical quality, and price.

1. Mandatory Elements

Adherence to instructions for preparation and submission of proposal. A proponent must meet all of the requirements listed in Section IV in order to be considered minimally acceptable.

2. Technical Quality

Firm experience, staff qualifications, understanding of the engagement, technical approach and preliminary work plan and

project team capability. In evaluating the technical quality of the proposals, the Evaluation Committee will consider the following four elements:

- a. Qualifications of the proponent firm
- b. Qualification of the proponent's audit staff to be assigned to the audit
- c. Adequacy of audit approach
- d. Most recent Peer Review Report
 - i. Firms not complying with the Peer Review requirement will not be considered

J. Evaluation Committee and Audit Liaison Person

The Evaluation Committee will be composed of the following [NOMBRE DE LA AGENCIA]'s officials:

1. [INDICAR MIEMBRO – SE SUGIERE DIRECTOR DE ADMINISTRACIÓN]
2. [INDICAR PUESTO – SE SUGIERE GERENTE DE FINANZAS]
3. [INDICAR MIEMBRO – SE SUGIERE ADMINSTRADOR DE LOS FONDOS FEDERALES]
4. INDICAR MIEMBRO – SE SUGIERE DIRECTOR DE AUDITORÍA INTERNA]
5. [INDICAR MIEMBRO – SE SUGIERE AYUDANTE DEL JEFE DE AGENCIA CON CONOCIMIENTO EN CONTRATOS, CONTABILIDAD O ADMINISTRACIÓN, INCLUYENDO A ALGÚN ASESOR LEGAL]
6. Any other official designated by the [JEFE DE ADMINISTRACIÓN]

The audit liaison person is [INDICAR NOMBRE Y PUESTO DEL OFICIAL DE ENLACE – PUEDE SER EL JEFE DE ADMINISTRACIÓN, EL DIRECTOR DE AUDITORÍA O ALGÚN AYUDANTE ESPECIAL U OTRA PERSONA QUE EL JEFE DE AGENCIA RECOMIENDE PARA ESTA RESPONSABILIDAD], who will be responsible for providing and coordinating with the selected audit firm administrative matters, such as, job timing, progress reports, follow-up of audit plan, technical problems follow-up, etc.

K. Method of payment

Progress payments will be made based on hours of work completed during the course of the audit at the scheduled hour rates presented in the proposal and certified by the audit firm as incurred and unpaid as of the

date of each interim billing. Interim billing shall cover a work period of not less than thirty days. Ten percent of each billing will be withheld pending delivery of the audit reports required as indicated in Section II-C of this RFP and management letter for the year audited.

L. Commencement of Audit

The selected audit firm may begin work on [DETERMINAR FECHA DE INICIO].

M. Supervision of the Contract

The engagement will be under the overall management and control of [INDICAR NOMBRE Y PUESTO].

IV. ORGANIZATION AND CONTENT OF PROPOSALS

To facilitate the review process and maximize understanding of the proposal, the proposal should be organized in the following manner and include as a minimum, the following material:

A. General Format

Proposals are to be submitted in sealed envelopes addressed to the Evaluation Committee at the address indicated in section III-A. The following material should be included at the beginning of the proposal:

1. Title Page
 - a. Title page showing the RFP subjects
 - b. the firm's name
 - c. the name, address and telephone number of the contact person
 - d. the date of the proposal

2. Table of contents

3. Transmittal Letter

Letter of transmittal briefly stating the proponent's understanding of the work to be done and the commitment to perform the work in accordance with the requirements set forth in this RFP, including a positive statement that the fees quoted for the duration of the contract are the maximum amount billable for the work to be performed. State the name, title, address and telephone number for the person authorized to make representations for the firm and bind the firm if other than the contact person identified on the title page.

4. Proposal

5. A copy of the most recent Peer Review Report

B. Proposals Requirements and Evaluation Criteria

The purpose of the proposal is to demonstrate the qualifications, competence and capability of the proponent to undertake an independent audit of the [NOMBRE DE LA AGENCIA O PROGRAMA] in accordance with generally accepted government auditing standards and the requirements of this RFP. As such, the substance of the proposal will carry far more weight than its form or manner of presentation. The proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this audit approach meeting the RFP requirements.

The proposal should address all the points outlined in the RFP. It should be prepared simply and economically, providing a straightforward, concise delineation of the proponent's capabilities to satisfy the requirements of the RFP. While additional data may be presented, the following items represent the significant criteria against which the proposal will be evaluated:

1. Location of Responsible Office and Qualification of Firm

- a. State the size of the firm's governmental audit staff
- b. The location of the office from which the work on this engagement is to be performed
- c. The number and nature of the professional staff to be employed in this engagement on a fulltime basis
- d. The number and nature of the staff to be employed on a part-time basis, if any
- e. A resume of the key personnel to be assigned to the engagement is required.

2. General Qualifications

- a. A statement supporting the qualitative reasons to consider the firm:
 - i. Local and national experience in governmental auditing. Recent governmental financial and compliance audit assignments should be listed including the name and phone number of a contact person for each assignment.
 - ii. Available professional resources with experience relevant to the RFP scope.

- iii. Other general, but pertinent, qualitative information about the firms, including a description of its training activities and its quality control systems relevant to governmental auditing.

3. Staff and Supervisory Qualifications and Experience

- a. Identify the principal supervisory and management staff, including engagement partners, managers and other supervisors, who would be assigned to the engagement. Indicate the Puerto Rico Board of Accountancy CPA license status and include resumes.

4. Preliminary Work Plan

- a. Submit a preliminary work plan for performance of the scope services described in the RFP. Where applicable, indicate:
 - i. Use of statistical sampling
 - ii. Proposed audit segmentation
 - iii. Computer auditing techniques
 - iv. Allocation of staff and other resources by major segment of function
 - i. Provide as much information as possible regarding the staff (nature, number, qualifications) to be assigned to each major segment or function and staff hours for each major segment.
 - v. Timing considerations
 - i. Identify critical dates and time estimates, i.e., commencement of audit phase and year-end work

5. Independence

List and describe the audit firm's most recent professional relationship with [NOMBRE DE LA AGENCIA], the Commonwealth or any of its agencies or public corporations or instrumentalities together with a statement explaining why such relationship does not constitute a conflict of interest relative to performing the proposed examinations. Any possible conflict of interest should be informed in writing to the [INDICAR PERSONA ENLACE].

C. Cost Information

The proposal should contain all pricing and staffing information relative to accomplishing the audit scope described in this RFP. The proponent

should support the dollar cost with a schedule of hours and rates for each personnel classification level (partner, manager, senior, etc.) assigned and any-out-of-pocket expenses (Refer to Appendix A). The [NOMBRE DE LA AGENCIA] will not be responsible for expenses incurred in preparing and submitting the proposal.

Maximum all inclusive fees and expenses for the _____ fiscal year, not to exceed amount proposed.

V. ASSISTANCE AVAILABLE

A. Staff Assistance

The [NOMBRE DE LA AGENCIA] staff and other responsible personnel directly subject to the scope of the RFP will be available during the audit to assist the auditor by providing information, related documentation and explanations. It is required that the selected audit firm establishes a work plan as part of the coordination of information to be requested.

B. Computer Time

The [NOMBRE DE LA AGENCIA] will make computer time available to the selected audit firm. Data processing staff will be available to provide systems documentation and explanation.

C. Work Areas, Business Hour and Days

Work areas, telephone, desks, chairs and reproduction capabilities will be provided for the selected audit firm at the [INDICAR ÁREA DE LA AGENCIA DONDE SE PROVEERÁN ESTOS SERVICIOS, PREFERIBLEMENTE EN EL ÁREA DONDE SE AUDITARÁ] in _____[CIUDAD]_____, Puerto Rico, as well as in other locations where accounting records or other fiscal documents are maintained, subject to prior request. Supplies, binders, calculators, etc., are to be provided by the audit firm.

The usual business hours and days must be observed at all times. Normal working hours are ____[INDICAR HORARIO DE LA AGENCIA]____ a.m. to 4:30 p.m., although [NOMBRE DE LA AGENCIA] OMB has flexi-time, starting at 7:30 a.m., Monday through Friday, excluding holidays [SOLO AGENCIAS CON HORARIO FLEXIBLE]. Special arrangements can be made to work additional hours, if needed.

D. Representation Letters

The audit firm must coordinate representation letters with the [INDICAR PERSONA ENLACE]. The auditor should include in the work plan developed, after the award of the contract, the specific areas for which representation letters would be desirable.

E. Assistance Available

The audit firm previously engaged for the audit of fiscal year ended June 30, 20XX was [INDICAR EL NOMBRE DE LA FIRMA QUE HIZO EL ÚLTIMO SINGLE AUDIT]. If a firm other than [INDICAR EL NOMBRE DE LA FIRMA QUE HIZO EL ÚLTIMO SINGLE AUDIT] is selected to perform the audit requested in this RFP, the [NOMBRE DE LA AGENCIA] will authorize [NOMBRE DE LA FIRMA QUE HIZO EL ULTIMO SINGLE AUDIT] to respond fully to all inquiries from such audit firm for information obtained during the course of its engagement and to allow a review by such audit firm working papers related to the prior engagement.

Appendix A

[NOMBRE DE LA AGENCIA]
Schedule of Fees and Expenditures
Single Audit for Fiscal Year 20XX-20XX

Classification	Estimated Hours	Standard Fee	Discount	Total
Partners				
Managers				
Supervisors				
Seniors				
Semi-seniors				
Staff Assistants				

Out-of-pocket expenses, if any (Please, specify)

- 1.
- 2.
- 3.

Maximum all inclusive fees and expenses

\$ _____

Note:

Any discount offer must be presented as a discount on hourly billing rate. Do not present the discount as a general percentage or as a gross deduction from the maximum dollar amount.