



**COUNTY COMMISSIONERS ASSOCIATION OF PENNSYLVANIA
REQUEST FOR PROPOSAL (RFP)
AUDIT SERVICES**

INTRODUCTION

The County Commissioners Association of Pennsylvania (CCAP, or the Association) is requesting proposals from qualified and interested certified public accounting firms to perform the annual audit, as applicable, of the financial statements of our Association. Our objective is to select the firm best qualified to provide:

1. An examination of the financial statements as required by Pennsylvania statutes and all applicable state and federal regulations, including, but not limited to, Government Auditing Standards and Generally Accepted Accounting Principles.
2. Assistance to staff regarding various accounting and reporting issues and questions.
3. Written recommendations to management.

The **Selection Process** is set forth on page 7. The award of the contract is contingent upon approval by the CCAP Board of Directors, on the recommendation of the CCAP Finance Committee. The term of the price guarantee for the contract will be for three years; the term of the contract will be for three years, with the possibility of extensions.

BACKGROUND

The County Commissioners Association of Pennsylvania is a 115(a) non-profit organization that provides management, administrative support services and educational programs to all 67 counties of the Commonwealth of Pennsylvania, various Pennsylvania based public service entities, as well as three public entity risk pools. In addition, the Association also operates certain ancillary programs that provide assistance to counties and county-related entities in protecting their employees, clients, financial assets and the general public, which use their facilities.

CCAP's fiscal year is January 1 to December 31.

SCOPE OF SERVICES

The selected auditing firm will be expected to:

1. Conduct an annual audit of CCAP's financial statements in accordance with auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, Generally Accepted Accounting Principles and those established by the Financial Accounting Standards Board. An independent auditor's report on the examination of the general-purpose financial statements is required. In addition, the audit firm shall conduct its examination of and issue its opinion on the financial statements, including auditor's comments, no later than April 30.
2. A management letter will be prepared by the audit firm in letter form, which will include any findings, observations, opinions, comments or recommendations relating to internal controls, accounting systems, data processing, compliance with laws, rules and regulations, or any other matters that come to the attention of the audit firm during the course of the examinations and, in the opinion of the audit firm, warrant the attention of management. The management letter and management's written responses shall be discussed with appropriate management personnel. The purpose of this meeting is to sustain effective auditor-client communication and provide a check against misunderstandings.
3. As part of the overall audit contract and included in the fee for these audit services, CCAP expects to receive from the audit firm a variety of technical assistance throughout the fiscal year. This assistance would include, but is not limited to, answers to accounting, reporting, Internal Revenue Service or internal control questions including the comments in the management letter.
4. CCAP will want the selected firm to present the audit in detail to the CCAP Finance Committee and to the CCAP Board of Directors. These meetings may be held virtually or in person as requested.
5. Materials and working papers developed during the engagement will be maintained, at the selected firm's expense, for a minimum of seven years after the release of each final audit, unless notified in writing by CCAP if the need to extend the retention period. Such time period shall begin from the date of the audit reports. Further, the working papers must be available for examination by authorized representatives of any federal or state audit agency and/or CCAP. In addition, the firm will respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

Response Format

Your complete response to this RFP must include the following:

1. Responses to the RFP questions, in order, preferably with the question restated in writing at the start of your response.
2. Please attach as an appendix copy of documents requested below.

RFP QUESTIONS and REQUESTS FOR INFORMATION

Please respond to the following questions in your response.

1. Please provide background information on your firm, including the firm's name, address, telephone number, email address and fax number, the firm's size, how long it has been in business, the types and sizes of accounts and services, a list of principal owners and officers, the site of main computer operations and a list of all offices in Pennsylvania. Include a copy of your firm's most recent Annual Report, if applicable.
2. Describe your firm's experience in providing financial auditing services. Experience with non-profit organizations, governmental clients or the insurance industry should be highlighted with emphasis on any experience with self-insurance pools in Pennsylvania or elsewhere.
3. Indicate whether your firm is appropriately registered and/or approved with regulatory authorities. When was your last peer review? Please provide a summary of the results.
4. Has either the firm or any principal, member or employee of the firm been the subject of any disciplinary action or pending action during the past five years with state regulatory bodies or professional organizations? If so, please provide information concerning the circumstances of the issue and the status of the matter.
5. How is your firm uniquely qualified to service CCAP?
6. Describe the process by which your company will collect data and information from CCAP? What, if any, technology services or solution will CCAP need to provide as part of your auditing process?
7. Describe your IT and cybersecurity capabilities and computer system design. Describe your secure and encrypted data collection, storage, and retention policies and practices.

8. Describe your processes and programs that you have in place to secure and encrypt data in transit and at rest, back-up procedures, access control, and monitoring for malicious activity. Do you have a disaster recovery plan? If so, please describe. Where, specifically, is your data housed? If your data is housed in "the cloud," what cloud provider do you use? Is any data stored outside of the continental US? Does your firm have a SOC II Type II report? If so, please provide a copy of the most recent SOC II Type II report, a summarized version is acceptable. If a SOC II Type II audit is not conducted, provide a copy of the most recent audit or assessment that was conducted. Do all employees undergo at least annual cybersecurity awareness and privacy training.
9. What is your company's technology and cybersecurity incident response policy and procedure? Has your company experienced a major cybersecurity or technology related incident or had any data breach in the last 3 years.
10. Provide the company name, contact person and phone number of at least two companies for whom you provide services, preferably non-profit organizations. Describe the services provided by each such entity or company. References provided will be checked.
11. Provide at least two other references, in the same format, consisting of clients for which you have provided similar services in the past, but for which you are no longer providing those services.
12. Attach a copy of the resumes of qualifications of all employees of your firm that you anticipate will be providing services to the Association. Indicate who the principal staff will be and the percentage of involvement of all other staff. Describe each employee's position in the firm, their professional designations and detail their experience with non-profit entities, insurance or governmental entities. Share the physical location where the employee is located and if they are US citizens.
13. Disclose whether your firm or any individuals assigned to provide services to the Association have any conflicts of interest with CCAP, or any Board members or employees of CCAP and, if so, the nature of the conflict.
14. Please provide representative samples of your audit reports, preferably those provided to other non-profit and pooling clients. Confidential data may be redacted
15. The timing of the audit work should be driven by the deadlines specified above. Indicate whether your firm can meet the deadlines.
16. Quote a fee for the audit/review work to be performed, as more fully set forth in the Scope of Services section above. As set forth in the Introduction, the Association is seeking a three-year price guarantee; the term of the contract shall also be for three years, but with the possibility of extensions, and the fee for extensions being negotiated.

17. Please provide any additional information that you think will help the Association evaluate your firm properly.

ADDITIONAL REQUIREMENTS

The successful respondent will be required to reach a written agreement with CCAP. As part of the contract with CCAP, some of the terms shall include, but will not be limited to, the following:

1. The successful Respondent will be required to maintain general liability, professional liability, crime, and cyber liability insurance coverage, as well as workers' compensation coverage.
2. With respect to the cyber liability coverage, the successful respondent will be required to maintain, at its own expense throughout the term of the engagement, cyber liability insurance coverage or a cyber liability insurance rider in the errors and omissions policy providing privacy response coverage and third party liability coverage for claims, losses, liabilities, judgments, settlements, lawsuits, regulatory actions, and other costs or damages arising out of its performance under the agreement, including any negligent or otherwise wrongful acts or omissions by the selected respondent or any employee or agent thereof in such amounts and on such terms as are reasonably acceptable to the Programs, but in no event less than the following: For third party liability claims, \$5,000,000 for each "event" subject to an annual aggregate limit of \$5,000,000. For first party privacy response costs incurred by CCAP, \$5,000,000 per event and in the aggregate. This includes but is not limited to: any breach of any law or regulation governing confidentiality of PHI (as defined under HIPAA) and Personal Information (as defined under the PA Act). This coverage shall not be canceled or reduced without the prior written consent of CCAP. CCAP must be notified within 48 hours of any breach or cybersecurity incident that involves CCAP data or information.
3. Additionally:
 - i. Engage with an outside auditing firm to perform a technology and cybersecurity audit, review, or assessment based on NIST or other industry standards and provide a summarized copy of the results to CCAP. The respondent will be required to obtain a repeat audit, review, or assessment at least annually. Furthermore, upon request by CCAP, the respondent will be required to make available qualified individuals and/or a member of senior management responsible for security and data protection, for the purposes of discussing relevant information technology controls, including those policies, procedures, and controls relevant to the provision of services and security obligations under the agreement and applicable laws. The respondent will be required to make every reasonable effort to be responsive to such inquiries but may reserve the right to limit disclosure of details, if it determines that such disclosure would put at risk the confidentiality, availability, or integrity of its own or its other clients' data.
 - ii. Complete a Security and Compliance Questionnaire and present it to CCAP for

- review by CCAP's Chief Operations and Information Officer.
- iii. Perform and implement standard cybersecurity measures based on NIST, or other industry standard best practices:
 - iv. Ensure the secure and encrypted backup of CCAP data on a daily and weekly basis.
 - v. Not release any CCAP data except as authorized by the agreement or an applicable treaty, law, or regulation or required by an order issued by a court or agency of competent jurisdiction.

Anticipated Schedule

The activities and dates listed below represent the anticipated deliberation schedule. CCAP reserves the right to change the schedule.

Request for Proposals Release

Date: August 7, 2024

Questions/Clarifications Deadline

Date: Tuesday, August 20

Time: No later than noon EST

Proposal Due Date and Time

Date: Friday, August 30

Time: No later than noon EST

The core responses to this RFP should be emailed to Pamela Szajnuik at finance@pacounties.org. If the responses include large files, they should also be mailed to Pamela A. Szajnuik at CCAP, 2789 Old Post Road, Harrisburg, PA 17110. . There will be no exceptions to this deadline.

First Round Interview with the CCAP Finance Committee

Date: September 9-13, 2024

Time: TBD

If needed Second Round of Interview with the CCAP Finance Committee

Date: September 23-27, 2024

Time: TBD

Selection Process

CCAP requests that no member of the Board of Directors or Finance Committee be contacted during this process. The Chief Financial Officer may be contacted at finance@pacounties.org only to clarify questions concerning the RFP.

The CCAP Finance Committee, the CCAP Executive Director and the CCAP Chief Financial Officer will review all responses to the RFP and may select a firm or firms to interview based solely on the written responses. The CCAP Finance Committee will make a recommendation to the CCAP Board of Directors.

CCAP reserves the right to select the firm whose proposal is judged to offer the most advantages to CCAP, with CCAP being the sole judge thereof; to request clarification of information submitted and to request additional information on one or more firms responding to this RFP; to reject any or all proposals, in whole or in part, and to resolicit requests for proposals if such is determined by CCAP to be in the best interests of the Association; and to waive any minor technicalities or informalities, in accordance with the Association's determination of their own best interests. By submitting a response to this RFP, the respondent acknowledges and accepts the forgoing.

Your proposal should be your best offer to provide these services. Failure to supply information required by the RFP could result in your elimination from consideration.

While CCAP has every intention to award a contract resulting from this RFP, issuance of the RFP in no way constitutes a commitment by CCAP to award and execute a contract. Upon a determination that such actions would be in their best interests, CCAP, in its sole discretion, reserves the right to:

- Cancel or terminate this RFP.
- Reject any or all proposals received in response to this RFP.
- Waive any undesirable, inconsequential, or inconsistent provisions of this RFP that would not have significant impact on any proposal.

Finally, while the decision on which respondent to select will be made no later than October 1, 2024, the actual engagement is contingent upon the selected respondent and CCAP reaching a written agreement. The failure of the selected respondent and CCAP to reach a written agreement in a timely manner may result in the rejection of that respondent's proposal, and CCAP reserves the right to select another respondent, or to reject all proposals, with such determination being made in CCAP's sole discretion and in its best interests.