



Georgia Head Start Association

REQUEST FOR PROPOSAL for AUDIT SERVICES

The Georgia Head Start Association, Inc. (GHS A) is a statewide non-profit organization whose mission is to enhance the capability of local Head Start programs to deliver quality comprehensive services to children and their families. GHS A has affiliations with 27 Head Start and Early Head Start agencies in the State of Georgia that provide these services to over 20,000 low-income preschool children from birth through five years old and their families.

The GHS A Board has initiated procedures to explore a change in outside auditors approximately every three years to maintain integrity in the audit process.

This Request for Proposal (RFP) is to establish the criteria for soliciting bids to perform audit services for the Georgia Head Start Association, Inc. and to ascertain the availability and interest of prospective auditors.

The successful contractor will be required to perform the following functions for the Georgia Head Start Association, Inc. beginning with the fiscal year end audit September 30, 2024.

1. Audit the balance sheet and the related statements of activities, functional expenses, and cash flows for the year then ended.
2. Provide a report that will include schedules of federal awards that will be subjected to the auditing procedures applied in our audit of the basic financial statements.

GHS A has the option of extending the contract for fiscal years 2025-2026 and 2026-2027.

AUDIT OBJECTIVES

The objective of the audit is the expression of any opinion as to whether the financial statements are fairly presented, in all material aspects, in conformity with US generally accepted accounting principles and to report on the fairness of the supplementary information referred to above when considered in relation to the financial statements taken as a whole. The objective also includes reporting on:

- Internal control related to financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, compliance with which could have a material effect on the financial statements in accordance with Government Accounting Standards.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on whether the organization complied with laws, regulations, and the provisions of contracts



or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and, “Audits of States, Local Governments and Non-Profit Organizations”.

The reports on internal control and compliance with each include a statement that the report is intended for the information of the Board of Directors, Management and applicable governmental agencies.

The audit will be a single audit conducted in accordance with US generally accepted auditing standards; the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States: the single Audit Act Amendments of 1996, Audits of States, Local Governments, and Non-Profit Organizations; and will include tests of the accounting records and others procedures the vendor considers necessary to express such an opinion. If the vendor’s opinion on the financial statements or the Single Audit compliance is other than unqualified, the vendor is required to fully discuss the reasons with the Association in advance.

MANAGEMENT RESPONSIBILITIES

Management is responsible for establishing and maintaining effective internal control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of the control. The objectives of internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with generally accepted accounting principles, and that federal awards programs are managed in compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for making all financial records and related information available to the vendor. The vendor understands that managements will provide them with such information required for the audit and that they are responsible for the accuracy and completeness of that information. The vendor will advise management about appropriate accounting principles and their application and will assist in the preparation of the financial statements, but the responsibility for the financial statements remains with management. That responsibility includes the establishment and maintenance of adequate records and effective internal control over financial reporting and compliance, the selection and application of accounting principles and the safeguarding of assets. Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to the vendor in the management representation letter that the effects of any uncorrected misstatements aggregated by the vendor during the current engagement and pertaining the latest period presented are immaterial both individually and, in the aggregate, to the financial statements taken as a whole. Additionally, it is management’s responsibility to follow up and take corrective action on reported audit findings and to prepare a summary of prior audit findings and a corrective action plan.



AUDIT PROCEDURES-GENERAL

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, the vendor's audit will involve judgment about the number of transactions to be examined and the areas to be tested. Also, the vendor will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. As required by the Single Audit Act Amendments of 1996 and

the audit will include tests of transactions related to federal awards programs for compliance with applicable laws and regulations. Because of the concept of reasonable assurance and because the vendor will not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or other illegal acts may exist and not be detected by the vendor. In addition, an audit is not designed to detect errors, fraud, or other illegal acts that are immaterial to the financial statements or to major programs. The vendor will inform the Association, however, of any material errors and any fraud that comes to the vendor's attention. The vendor will also inform the Association of any other illegal acts that come to its attention, unless clearly inconsequential. The vendor will include such matters in the reports required for a Single Audit. The vendor's responsibility as auditors is limited to the period covered by the audit and does not extend to matters that might arise during any later periods for which the vendor is not engaged as auditors.

The vendor's procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and direct confirmation of cash, loan balances, and certain other assets and liabilities by correspondence with creditors and financial institutions. The vendor will request written representations from the Association's attorneys as part of the engagement. At the conclusion of the audit, the vendor may require certain written representations from the Association about the financial statements and related matters.

AUDIT PROCEDURES-INTERNAL CONTROL

In planning and performing the audit, the vendor will consider the internal control sufficient to plan the audit in order to determine the nature, timing and extent of the Association's auditing procedures for the purpose of expressing the vendor's opinions on the financial statements, and on compliance with requirements applicable to major programs.

The vendor will obtain an understanding of the design of the relevant controls and whether they have been placed in operation, and the Association will assess control risk. Tests of control may be performed to test the effectiveness of certain controls that the vendor considers relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Tests of controls are required only if control risk is assessed below the maximum level. The vendor's tests, if performed, will be less in scope than would be necessary to render an opinion on the internal control and accordingly, will not express an opinion in the report on internal control issued pursuant to Government Auditing Standards.



The vendor will perform test of controls, to evaluate the effectiveness of the design and operation of controls that the vendor considers relevant to preventing or detecting materials noncompliance with compliance requirements applicable to each major federal awards program. The tests will be less in scope than would be necessary to render an opinion on these controls and accordingly, no opinion will be expressed in the report on internal control issued.

An audit is not designed to provide assurance on internal control or identify reportable conditions. The vendor will inform the Board of Directors, however, of any matters, involving internal control and its operation that the vendor considers to be reportable conditions under standards

established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to the vendor's attention relating to significant deficiencies in the design or operation of the internal control that could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with management's assertions in the financial statements. The vendor will also inform the Association of any non-reportable conditions or other matters involving the internal control, if any.

AUDIT PROCEDURES-COMPLIANCE

Compliance with laws, regulations, contracts and grant agreements is the responsibility of management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatements, the vendor will perform tests on compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of the audit will not be to provide an opinion on overall compliance with such provisions, and the vendor will not express such an opinion in the report on compliance issued pursuant to Government Auditing Standards.

Government Auditing Standards (Yellow Book) – receive some government funds, as long as you did not spend more than \$500k of 'federal' funds during the audit period requires that the vendor plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with certain provisions of laws, regulations, contracts, and grants applicable to major program. The vendor's procedures will consist of the applicable procedures described in the OMB's compliance supplement. The purpose of these procedures will be to express an opinion on compliance with requirements applicable to major programs in the report on compliance issued pursuant to Government Auditing Standards.

AUDIT ADMINISTRATION, FEES, AND OTHER

The Association will assist in locating any documents or invoices selected by the vendor for testing, preparing certain analyses and schedules and typing confirmations that may be requested.

At the end of the audit, the vendor will prepare the federal and state information returns for the year ended September 30, 2024 and subsequent contracted years. The audit will be conducted within 60-90 calendar days.



The estimate of fee for the service is \$8,000.00 and will take approximately 40 hours to complete the engagement. The Association will also be billed for out-of-pocket expenses such as report production, typing, postage, etc. The fee is estimated based on complete cooperation of Association personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is required, the vendor must discuss it with the Association and agree to a new estimate prior to incurring the additional costs. Invoice for services rendered will be submitted for payment upon completion of the audit and the Association will submit complete payment within 30 days following completion.

Please submit your proposal, proof of insurance, and any licensing or certifications your company has not later than October 18, 2024. Proposals and supporting documents should be sent to:

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