

West Michigan Community Mental Health

REQUEST FOR PROPOSALS FOR AUDITING SERVICES

I. INTRODUCTION

A. Purpose for RFP

West Michigan Community Mental Health (WMCMH) is requesting proposals for professional auditing services for each of the fiscal years 2023 through 2026.

As a result of this RFP, WMCMH expects to contract with a qualified certified public accountant firm to audit its financial statements, perform a required compliance audit, and perform a single audit, if applicable.

B. Term of Engagement

WMCMH expects to award a 3 year contract to the selected qualified public accountant firm. WMCMH reserves the right to terminate at the end of each year if the vendor's performance has not been satisfactory.

WMCMH will expect the auditors to begin their preliminary fieldwork during the month of September or October.

II. DESCRIPTION OF ORGANIZATION

WMCMH is a coordinator and provider of high-quality care for children and adults experiencing mental illness, intellectual and developmental disorders, and substance use disorders. We serve Mason, Lake, and Oceana County communities with a person-first approach. Our integrated behavioral health care improves individual recovery outcomes and long-term overall wellness.

Under a contract with the State of Michigan's Department of Community Health (DCH), WMCMH provides services to residents in our service area who meet any of the following requirements:

- Have Medicaid
- Are underinsured or uninsured
- Have private insurance but are eligible for services as defined by the Michigan Mental Health Code

West Michigan Community Mental Health is a Community Mental Health Service Provider (CMHSP) affiliated with the Lakeshore Regional Entity, one of 10 Prepaid Inpatient Health Plans (PIHP) in Michigan and a Certified Community Behavioral Health Clinic Michigan Demonstration participant. Each year, WMCMH provides behavioral health services to more than 2,300 individuals and has more than 71,000 contacts with those on their recovery journeys.

WMCMH continues to be accredited by CARF (Commission on Accreditation of Rehabilitation Facilities). CARF is an independent, nonprofit accreditor of health and human services in 17 countries around the globe. This accreditation demonstrates our constant dedication to continually improve and enhance our service to the community.

WMCMH has a fiscal year that runs from October 1st through September 30th. A copy of the audited Financial Statements, Compliance Audit, Single Audit and Supplemental Materials for the year ended September 30, 2022 is available via e-mail at lesal@wmcmhs.org.

The Chief Financial Officer from WMCMH provides financial oversight for the affiliation and supervises all finance operations. The CMHSP is responsible for managing the audits for their organization.

III. SCOPE OF SERVICES

A. Scope of Work to be Performed

WMCMH is contracting with the audit firm to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles. This firm should also identify other reporting requirements of the organization, as applicable.

B. MDHHS CMH Compliance Guidelines

The Audit Firm shall use the MDHHS CMH Compliance Guidelines for the compliance audits.

C. Auditing Standards to be Followed

The audit should be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, and governmental auditing standards.

D. Reports to be Issued

Following the completion of the audit, the firm shall issue the following reports:

- A report on examination of the financial statements of CMHSP including all accounts in the operating fund and the internal service fund, if applicable.
- Independent auditor's report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with previously identified standards.
- Independent auditors' report on compliance with requirements applicable to each major program and on internal control over compliance with OMB Circular A-133, as required.
- Single audit report including an audit of both financial statements and compliance with Federal award requirements for those programs identified as "major programs" (based on application of the risk based approach and criteria outlined in 2 CFR § 200.518 and . 519) for the audit.
- Summary of auditors' results and schedule of findings and questioned costs.

E. Other Communication Requirements

- The auditor shall communicate in a separate letter to the Chief Executive Officer of CMHSP and their respective Board of Directors, any reportable conditions and/or material weaknesses found during the audit. A reportable condition/material weakness shall be defined as a significant deficiency in the design or operation of the internal control structure that could adversely affect the organization's ability to record, process, summarize, and/or report financial data consistent with the assertions of management in the financial statements.
- Management letter, or letter indicating that no management letter is needed.

F. Report Preparation and Printing

Report preparation, editing, and printing shall be the responsibility of the selected audit firm. The audit firm shall be responsible for preparing and proofing all financial statements. WCMCMH reserves the right to approve the final draft prior to printing.

G. Final Audit Reports and Communication Requirements

Question	WMCMHS
Number of copies of completed audit and management letters	5
Presentation required at Finance Committee	No
Expected Date of Finance Committee Presentation	N/A
Presentation required at Board Meeting	Yes
Expected Date of Board Meeting Presentation	April 2024

PDF version of final audit reports for financial, compliance, and single audit to be supplied to WMCMH at conclusion of audits for electronic sharing and submission to required entities.

H. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditing firm's expense, for a minimum of 7 years unless the firm is notified in writing by WMCMH of the need to extend the retention period. Reports, documents, and working papers will only be released with specific written permission and direction from WMCMH.

The firm shall respond to reasonable inquiries of successor firms and allow successor audit firms to review the working papers related to matters of continuing accounting significance.

I. Assistance to be Provided by the CMHSP

Office space deemed adequate for the conduct of the examination of records if on-site work is required.

CMHSP to provide all necessary files.

Finance and management personnel, as appropriate, to provide information, documentation, and/or explanations.

Final trial balance of specified funds for which CMHSP maintains accounting records, in a form acceptable to the auditor.

Work papers in support of significant account balances for all funds for which CMHSP maintains records. CMHSP is prepared to provide work papers to auditors in an Excel or pdf file format.

IV. CONTENT OF PROPOSALS

The proposals must contain the following information in order to be considered:

A. Cover Letter

A cover letter on firm letterhead must provide the name and title of the person(s) who are authorized to answer questions about this RFP. Please include the following additional information:

Legal Name

Address

Telephone Number(s)

Fax Number(s)

E-mail/Web Page Address

Tax ID Number

Administrator (name/title)

Person Authorized to Sign Contracts (name/title)

Billing Entity Authorized to receive financial reimbursement

Billing Contact Person and Telephone Number

Billing Address if different than above

B. Statement of Requirements

State in detail your understanding of the requirements presented by this RFP.

C. Statement of Auditing Standards

State in detail the auditing standards that will be used.

D. Work Plan

Describe in narrative form an outline of the proposed audit program. Include a proposed timeline. Please identify both pre-audit fieldwork and fieldwork schedules in the proposed timeline.

E. Staffing

Identify the partner(s) that will be responsible for this audit. Identify the professional, supervisory, and management staff who will be assigned to this audit. Identify the individuals by name and title and include resumes for each one

that list qualifications and detailed references of relevant governmental and behavioral healthcare audit experience. Indicate which of these individuals will be on site for staff supervision and support, if applicable.

The partner(s) named in your response may be changed only with the express written approval of the CMHSP, which also retains the right to approve or reject replacements.

F. Firm Demographics

The proposal should include a brief history of the firm, its size, number of governmental and non-profit audit staff, location of office from which the work for this audit will be performed, the number of governmental and non-profit clients compared to entire client base.

The audit firm must disclose information on the circumstances and status of any disciplinary action taken or pending against the firm during the past 3 years with state regulatory bodies or professional organizations.

The audit firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past 3 years.

G. Relevant Experience

For the firm's office that will be responsible for the CMHSP audit, list at least 3 engagements performed in the last 3 years that are similar to the one described in this RFP. Indicate the total staff hours, the scope of work, dates, partners, and the name and telephone number and email address of the principal client contact.

This client list should include any other Mental Health Authority and/or comparable health care agencies.

H. Independence

The firm should provide an affirmative statement that it is independent of the CMHSP.

I. License to Practice in Michigan and Required Insurance

Your response must include an affirmative statement indicating the audit firm and all assigned key professional staff are licensed to practice in Michigan. The audit firm must confirm in writing that criminal background checks are performed for each professional staff person. The audit firm must include copies of required insurance coverage to practice this profession in Michigan.

J. Pricing

The proposals should be submitted on a fixed fee basis and shall show the fee for each of the fiscal years to be examined. The response must include an itemization of the hourly rate and estimated hours by each category identified below:

1. Financial Audit
2. Compliance Audit Draft
3. Single Audit

V. **PROPOSAL PREPARATION AND SUBMISSION PROCEDURES**

A. Response Date

Proposals must be received by the Finance Department, West Michigan Community Mental Health, 920 Diana St, Ludington, MI 49431, no later than 5:00 P.M. on Wednesday, August 9, 2023. Proposals must be clearly marked "RFP Auditing Services, Attn: "Lesa Lloyd" on the outside of the envelope. Envelope must include the firm name and address. A proposal email can also be sent to lesal@wmcmhs.org in pdf format.

B. Incurring Costs

Proposals should be prepared simply and economically to provide a concise description of the firm's capabilities to perform the services required.

The CMHSP will not be responsible for any costs incurred in the preparation of proposals in response to this RFP. Nor will the CMHSP be responsible for any costs incurred if your firm is invited to make an oral presentation to the evaluation team.

C. Signature

An official authorized to bind the firm to its provisions must sign all proposals.

D. Effective Period

All proposals submitted to this RFP must be valid for at least 90 days.

E. Number of Copies

Firms must submit 2 copies of the proposal if mailing.

F. Withdrawal

The proposal may be withdrawn in person or by written request.

G. Proposal Submission

WMCMH will accept proposals via mail, fax, or email in pdf format. **No late proposals will be accepted.**

H. Questions

All questions relating to the preparation and/or submission of a response to this RFP should be directed to Lesa Lloyd, WMCMH, via email: lesal@wmcms.org or fax: 231-845-7095.

VI. EVALUATION CRITERIA

A financial staff committee from CMHSP will evaluate the proposals submitted. Evaluation criteria include, but are not limited to, the understanding of the proposed engagement as evidenced by the quality of the proposal response, relevant experience (CMHSP audit experience preferred), qualifications of staff to be assigned, approach/methodology, timelines, and total proposed cost.

VII. SELECTION PROCESS

The CMHSP reserves the right to request additional information or clarification from vendors, to allow correction of errors or omissions, and to waive irregularities and/or formalities when so doing may serve the best long-term interests of the organizations involved.

The CMHSP reserves the right to reject any or all proposals and to proceed in any other manner selected by the CMHSP.

The CMHSP reserves the right to award to the firm that it believes, in its sole discretion, best meets the needs of the organization.

All proposals submitted are subject to the terms of the Freedom of Information Act, and will be retained by WMCMH.

VIII. GENERAL INFORMATION

A. Oral Presentation

Upon request by the CMHSP, some firms may be selected to make an oral presentation to the evaluation committee. The decision will be made by the evaluation committee in its sole discretion.

B. Proposal Retention

WMCMH will retain all proposals submitted.

C. Acceptance of Proposal Content

The contents of the proposal of the selected firm may become contractual obligations. Failure to accept these obligations may result in cancellation of the selection.

D. Type of Contract

It is expected that a contract entered into as a result of this RFP will be a “fixed fee” agreement with an annual compensation price.

E. Payment Schedule

Payment terms for any contract resulting from this RFP will be net 30 days. Firm may invoice the CMHSP monthly for services performed during that month on the organization’s behalf.

F. Dispute Resolution

If any dispute, controversy, or claim arises in connections with the performance or breach of this agreement, either party may, upon written notice to the other party, request either facilitated negotiation or arbitration. The negotiator and/or arbitrator shall be a neutral party acceptable to the CMHSP and the audit firm.

G. Contract Termination

Either party may terminate the contract resulting from this RFP by providing 60 days written notice on or before June 1 of the fiscal year for which the next annual audit is to be performed. In the event of termination, payment will be made only for the time charges and expenses incurred through the date of termination.

H. Non-Discrimination

The CMHSP contractors shall not discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight or marital status, or disability that is unrelated to the individual’s ability to perform the duties of a particular job or position. The vendor shall observe and comply with all applicable federal, state and local laws, ordinances, rules and regulations which shall be deemed to include, but not be limited to, the Elliott-Larsen Civil Rights Act and the Persons with Disabilities Civil Rights Act.

I. Non-Collusion

The vendor certifies that this proposal has not been made or prepared in collusion with any other vendor and the prices, terms or conditions thereof have not been communicated by or on behalf of the vendor to any other firm and will not be so communicated prior to the official receipt of this proposal. This certification may be treated for all purposes as if it were a sworn statement made under oath, subject to the penalties for perjury. Moreover, it is made subject to the provisions of 18 U.S. C. Section 1001, relating to the making of false statements.

J. Freedom of Information Act

Information submitted in response to this proposal is subject to the Michigan Freedom of Information Act and may not be held in confidence after the proposal is opened. The proposal will be available for review after staff have evaluated it, or 22 business days after the receipt date.