

**PROCUREMENT PROCESS FOR THE  
CONTRACT RELATING TO OMB  
SINGLE AUDIT SERVICES FOR LOCAL  
HEALTH DEPARTMENTS**

**REQUEST FOR PROPOSALS  
TO AUDIT**

**LEXINGTON-FAYETTE COUNTY HEALTH DEPARTMENT**

**Date: May 7, 2025**

*Rev May 6, 2025*



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## **Section I**

### **GENERAL INFORMATION**

**A. Issuing Office**

This Request for Proposals, hereinafter referred to as RFP, is being issued by Lexington-Fayette County Health Department, Cara Kay, CFO, 650 Newtown Pike, Lexington, Kentucky 40508.

**B. Purpose of Document**

The purpose of this RFP is to solicit proposals to audit the Lexington-Fayette County Health Department, hereinafter referred to as this LHD, for the *fiscal year ended June 30, 2025* from independent certified public accounting firms, hereinafter referred to as FIRM(s), qualified to do business in the Commonwealth of Kentucky. Audits of local health departments are mandated by the Kentucky Department for Public Health and the United States Office of Management and Budget (OMB) 2 CFR, Part 200-Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, Subpart F, hereinafter referred to as OMB SINGLE AUDIT.

**C. Commitment of LHD**

This LHD reserves the right to withdraw this RFP at any time and for any reason. Receipt of proposal materials by LHD or submission of a proposal to LHD confers no rights upon FIRM nor obligates this LHD in any manner.

A personal service contract, based on this RFP, may or may not be awarded. Any contract resulting in an award from this RFP shall not become effective until properly approved by Lexington-Fayette County Health Department and executed by Lexington-Fayette County Health Department. Any agreement shall be construed and interpreted according to the laws of the Commonwealth of Kentucky. This RFP and FIRM's proposal, or portions thereof, shall become a part of the contract, if and when executed.

**D. Inquiries**

This LHD shall not respond to any inquiries concerning this RFP. Improper contacts concerning this solicitation may result in disqualification of FIRM from the procurement process or cancellation of the contract. Any verbal representations made or assumed to be made during any oral discussion held between representatives of FIRM and any representative of this LHD are not binding on this LHD.

**E. Cost of Preparing Proposal**

Costs of developing the proposal are solely the responsibility of FIRM. This LHD shall provide no reimbursement for such costs. Any costs associated with any oral presentations to this LHD shall be the responsibility of FIRM and shall in no way be billable to this LHD.

**F. Partial Performance**

In the event FIRM fails to comply with the provisions of the contract to the satisfaction of this LHD, payment of the contract shall be withheld until such time as the contract terms have been satisfied.

**G. Cancellation**

This LHD may, upon at least thirty (30) days written notice to FIRM, terminate this agreement in whole or in part, for just cause, which shall include failure of FIRM to fulfill in a timely and proper manner the obligations under the contract. In such event, all documents, data, studies, and reports prepared for this LHD shall become the property of this LHD.

**H. Time Requirements**

1. Submission Date for Proposals to be considered for contract award, one sealed copies of each technical proposal requested by this RFP must be marked “Technical Proposal—DO NOT OPEN” and must be at the office of Cara Kay, CFO, 650 Newtown Pike, Lexington, Kentucky **by 4:00PM on June 13, 2025.** Additionally, one sealed copies of each cost proposal requested by this RFP must be marked “Cost Proposal—DO NOT OPEN” and must be at the office of Cara Kay, CFO, 650 Newtown Pike, Lexington, Kentucky 40508 **by 4:00 PM on June 13, 2025.**
2. Period of Contract  
If a contract is issued, the contract period shall be from **July 1, 2025 through June 30, 2026.** However, the final audit report is due by **September 30, 2025.**
3. Period of Audit Coverage  
The period of audit coverage shall be from **July 1, 2025, through June 30, 2026.**
4. Submission Date for Draft Reports  
FIRM shall deliver to Lexington-Fayette County Health Department a copy of draft reports completed no later than September 30,2025. Lexington-Fayette County Health Department shall complete a report review, including any working papers deemed necessary, and notify FIRM of discrepancies, if any, to be corrected. FIRM shall correct reported discrepancies.

**I. HIPAA**

Both parties agree to abide by the rules and regulations regarding the confidentiality of personal medical records as mandated by the Health Insurance Portability and Accountability Act (42 USC 1320d) and set forth in federal regulations at 45 CFR Parts 160 and 164. Any subcontract entered by the second party as the result of this agreement shall mandate that the subcontractor is required to abide by the same statutes and regulations regarding confidentiality of personal medical records as is the second party.

## Section II

# LEXINGTON-FAYETTE COUNTY HEALTH DEPARTMENT BACKGROUND AND RECORDS

**A. Background**

This LHD serves Fayette County and is governed by a Board of Health. It receives restricted and unrestricted state grant funds, federal grant funds which are passed through the state and also may be received directly from federal agencies, local funds from taxing districts and local governments, and service fees from Medicaid and other payors for services provided by this LHD.

**B. Records to Be Audited**

FIRM shall perform financial and compliance audits of the books and records of this LHD. These books and records include, but are not limited to, the following:

1. Receipts
2. Disbursements
3. General Ledger
4. Revenues and Expenses, Detail Report by Cost Center

*The Lexington-Fayette County Health Department uses a service center for processing.*

*The Lexington-Fayette County Health Department's financial records are extensively Computerized.*

### C. Cost Centers

This LHD's Cost Centers are as follows:

<b>F62000</b>	Food	<b>F66020</b>	Preparedness Coordinator
<b>F63010</b>	Public Facilities	<b>F66030</b>	Epidemiology & Surveillance
<b>F63010</b>	Gen. Sanitation	<b>L52010</b>	STD Monitoring
<b>F63020</b>	On-Site Sewage	<b>L84501</b>	KYASAP
<b>F57000</b>	COVID Vaccine Community Outreach & Equity	<b>L84502</b>	OHS Child Passenger Safety Grant
<b>C52000</b>	Needle Exchange Program	<b>L41110</b>	MSA Tobacco Prevention & Control
<b>C60000</b>	Substance Test Strips	<b>L41070</b>	Diabetes Coalition
<b>C60010</b>	Harm Reduction Expansion Project	<b>F52090</b>	HIV Counseling & Testing
<b>L41030</b>	CHAT (Community Health Action Team)	<b>L25000</b>	Child Care Health Consultation for a Health Start in Child Care
<b>C25010</b>	HANDS Special Project	<b>C25040</b>	HANDS Services
<b>L70010</b>	Biometric Screening	<b>C21040</b>	WIC Infrastructure
<b>L22020</b>	MCH Coordinator	<b>L22060</b>	School Health
<b>F52030</b>	ELC COVID-19	<b>F57040</b>	Immunization Grant Project
<b>F60000</b>	Public Health Infrastructure A-1	<b>700060</b>	Core Public Health Assessment & Policy Development
<b>F57030</b>	Immunizations	<b>L70070</b>	Medicaid Match
<b>C21000</b>	WIC Nutrition Services	<b>L70080</b>	Minor Restricted
<b>F22000</b>	Nutrition	<b>L70100</b>	Capital
<b>F52000</b>	Tuberculosis (TB) Visits & Other Activities	<b>790000</b>	Allocable Direct
<b>F52010</b>	Sexually Transmitted Disease (STD) Visits and Other Activities	<b>790010</b>	Space Cost
<b>L41060</b>	Diabetes	<b>790030</b>	Clinical Indirect



<b>L22050</b>	Adult Services	<b>790040</b>	Other Medical Indirect
<b>L22020</b>	Childhood Lead Poisoning Prevention	<b>790050</b>	Environmental Indirect
		<b>F66050</b>	PHEP Special Projects (NEW)
<b>100000</b>	Commissioner's Office	<b>160000</b>	Mail Room
<b>110000</b>	Accounting/Finance	<b>170000</b>	EEDC/Grievance
<b>120000</b>	Human Resources	<b>173000</b>	Safety Committee
<b>130000</b>	Employee Association	<b>175000</b>	Green Team
<b>135000</b>	Employee Wellness	<b>180000</b>	Compliance
<b>140000</b>	Information Technology	<b>185000</b>	Quality and Projects
<b>150000</b>	Public Relations/Marketing		

This LHD records revenues and expenditures on the cash basis of accounting or on prescribed basis in accordance with the requirements of various funding sources and the financial management policy established by the Kentucky Cabinet for Health Services, Department for Public Health.

For the fiscal year ending **June 30, 2025**, this LHD's total expenditures are estimated to be **\$ 3,719,839**.

Total expenditures by federal program are estimated to be:

<b>Program</b>	<b>Amount</b>
HPP and PHEP Cooperative	161,300
Tuberculosis Control Program	30,920
Pediatric & Adolescent Programs	476,911
Epidemiology & Laboratory Capacity	328,621
Cooperative Agreement for Emergency Response	23,626
Public Health & Healthcare Crisis Response	58,706
Disease Control & Prevention	2,321
Innovative State & Local Health Strategies	24,068
State Physical Activity and Nutrition	932
Opioid STR	15,250
Colon Cancer Screening	84,250
Maternal, Infant & Early Childhood Home Visiting	117,258
Ryan White Act	4,538
HIV Prevention	66,934
Strengthen Public Health	21,931
STD Prevention	3,014
Preventive Health -CHAT	8,341
MCH Block Grant	192,416
UK State & Community Based Programs	88,373
Local Government (LFUCG) First Responders & Community Partners	371,772
Kentucky Health Department Association (KHDA) Cooperative Agreement for Emergency Response	26, 827
<b>Total All Programs</b>	<b>\$ 2,108,309</b>

## Section III

### NATURE OF AUDIT SERVICES REQUIRED

**A. Objectives of the Audit**

The objectives of the audit are to determine whether (a) the LHD's financial statements are fairly presented in all material respects in accordance with the required basis of accounting, and, if applicable: (b) the Schedule of Expenditures of Federal Awards is presented fairly in all material respects in relation to the financial statements taken as a whole, (c) the LHD has internal controls over compliance with requirements that could have a direct and material effect on each major Federal program and on internal control over compliance in accordance with OMB Single Audit.

**B. General Nature of Audit Services**

FIRM shall audit the following:

- All federal, state, and local funds received and expended by this LHD;
- The books, accounts, and records of this LHD by Cost Center.

**C. Determination of Audits to be Performed**

FIRM shall audit the LHD according to --

- Single Audit Threshold, which is defined as: LHDs that expend \$750,000 or more of federal awards in the current fiscal year shall have an OMB Single Audit. LHDs that expend less than \$750,000 of federal awards are exempt from the OMB Single Audit, however, shall have a financial audit performed according to Generally Accepted Government Auditing Standards (GAGAS) and as prescribed by 902 KAR 8:165 Section 2.

**D. Audit Standards to Be Followed**

The audits shall be conducted in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards* (current revision); the provisions of the U.S. Office of Management and Budget (OMB) 2 CFR, Part 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements.

**E. Specific Reports to Be Issued**

FIRM shall provide the following reports to Lexington-Fayette County Health Department

1. Auditor's opinion on the financial statements and on the schedule of expenditures of federal awards.
2. Statement of assets, liabilities, and fund balance.
3. Statement of revenues and expenditures by Cost Center. (See Section II for a List of Cost Centers.)
4. Statement of changes in fund balance.
5. Comparative schedule of budgeted to actual revenues and expenditures by Cost Center.
6. Audit adjustments. If there are no audit adjustments, a statement to this effect

- must be included in the audit report.
7. If applicable, Schedule of Expenditures of Federal Awards, as required by OMB Single Audit.
  8. Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* (current revision).
  9. If applicable, Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Over Compliance in Accordance with OMB Single Audit.
  10. Schedule of Findings and Questioned Costs, including three sections:
    - a. Section I: Summary of Auditor's Results,
    - b. Section II: Financial Statement Findings. and
    - c. Section III: Federal Awards Findings and Questioned Costs.
  11. If applicable, Management's Response and Corrective Action Plan (CAP).
  12. Communications with Those Charged with Governance.  
Notice: Any internal control and compliance deficiencies that are not significant deficiencies or material weaknesses must be described in a written, Communication with Those Charged with Governance and which must be referenced in the auditor's report in accordance with *Government Auditing Standards* as a separate letter. This letter must be submitted to the Lexington-Fayette County Health Department with the other reports noted in this section.

**F. Reporting Criteria**

The reports described in Section III.E. above shall be presented in accordance with the guidance provided by the American Institute of Certified Public Accountants (AICPA) Audit Guide: *Government Auditing Standards and Single Audits* (current revision).

**G. Findings and Communications with Those Charged with Governance.**

1. Significant deficiencies  
The reports shall contain all significant deficiencies, and material weaknesses. All other deficiencies and other matters conveyed to management shall be in writing in the Communications with Those Charged with Governance and shall be discussed during the exit conference.  
  
Significant deficiencies presented as part of the reports shall be well developed and shall consist of the following components to the extent practicable:
  - a. A statement of deficiency;
  - b. The criteria for the significant deficiency;
  - c. The cause of the deficiency;
  - d. The effect of the deficiency.
  - e. A recommendation for correction; and
  - f. Management's response and corrective action plan.
2. Uncorrected Prior Comments and Questioned Costs:  
If applicable, FIRM shall report on any uncorrected comments reported in the Preceding audit.

Also, if applicable, FIRM shall report on the status of prior year questioned costs, whether resolved with the federal grantor or unresolved. The questioned costs to be reported on shall include all questioned costs from the preceding audit plus any unresolved questioned cost from prior years.

3. FIRM shall immediately report, in writing, any fraud, noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, irregularity, or illegal act or indication thereof that comes to its attention during the term of the contract. The report shall be made to the Commissioner of the Kentucky Department for Public Health, Cabinet for health and Family Services.

## **Section IV**

## **GENERAL CONTRACTUAL INFORMATION**

### **A. This LHD's Responsibilities**

1. This LHD shall make all files and records accessible to FIRM, on site.
2. This LHD shall provide assistance to FIRM, namely, gathering supporting documentation from the files and preparing schedules.
3. This LHD shall make appropriate personnel available for interviews and information-gathering purposes.
4. Lexington-Fayette County Health Department shall designate a liaison to coordinate activities between this LHD and FIRM.
5. Lexington-Fayette County Health Department shall execute written management representations in a letter to the FIRM taking responsibility for the financial statements and for establishing and maintaining effective internal control over financial reporting.
6. The LHD will discuss the draft audit report with FIRM and shall provide FIRM a written response to the draft report within one week of receiving it.
7. The Lexington-Fayette County Health Department, the Department for Public Health review and comment on FIRM's audit working papers.
8. The Lexington-Fayette County Health Department and Department for Public Health shall review and provide written acceptance of the final audit report and Lexington-Fayette County Health Department shall provide payment to FIRM in accordance with Section IV.C.
9. Upon final approval by Lexington-Fayette County Health Department, FIRM shall be responsible for working with this LHD to distribute all approved final audit reports.

### **B. FIRM's Responsibilities**

1. FIRM shall designate a project manager who shall be the contact with the Lexington-Fayette County Health Department and/or Finance Committee
2. FIRM shall be responsible for familiarity with appropriate state and federal laws and regulations; the *Administrative Reference* issued by the Cabinet for Health and Family Services, Department for Public Health; and appropriate auditing standards and requirements, including Generally Accepted Auditing Standards and

requirements issued by the American Institute of Certified Public Accountants; *Government Auditing Standards and Single Audits* (current revision) issued by the Comptroller General of the United States; and the OMB Single Audit.

3. FIRM shall be responsible for personnel, supplies, and equipment including communications and transportation.
4. FIRM shall be responsible for all services offered in FIRM's proposal, regardless of whether FIRM provides such services.
5. FIRM shall have general professional liability insurance or specific professional liability insurance for this engagement and provide proof of said coverage in its technical proposal.
6. FIRM shall be responsible for correcting all material errors and omissions in the performance of the contract.
7. FIRM shall notify Chief Financial Officer
8. FIRM shall communicate by telephone no less than weekly with the liaison designated by Chief Financial Officer
9. FIRM shall communicate in writing any proposed personnel substitution (including their qualifications) to Chief Financial Officer
10. FIRM shall provide a draft copy of the audit report to LHD Management by ***September 30, 2025***, and discuss its contents with Management
11. Upon completion of field work and after providing a draft copy of the audit report to LHD Management, FIRM shall conduct an exit conference with Management.
12. Upon request, FIRM shall provide copies of working papers to this LHD, the Department for Public Health, and/or the Office of the Inspector General at no additional cost.
13. Upon written approval Lexington-Fayette County Health Department, FIRM shall deliver 15 copies of the final audit report to Cara Kay, CFO by **September 30, 2025**.
14. Upon final approval by Lexington-Fayette County Health Department, FIRM shall be responsible for working with this LHD to ensure proper, complete, and timely submission of the Data Collection Form and reporting package to the Federal Audit Clearinghouse in accordance with OMB Single Audit.
15. FIRM shall retain, at FIRM's expense, all working papers and reports for a minimum of three (3) years or until all audit-related disputes are resolved. FIRM shall be required to make working papers available, upon request, to designated

representatives of Lexington-Fayette County Health Department, the Kentucky Department for Public Health, and/or the Office of the Inspector General.

16. FIRM shall respond to all inquiries of successor auditors, in accordance with AICPA AU Section 315.

**C. Payment for Services**

**1. Payment Procedures**

Payment is predicated upon completion of the described work and delivery of the required documentation.

Invoices must be signed, by an individual authorized to legally bind FIRM, and submitted to Cara Kay, CFO, 650 Newtown Pike, Lexington, Kentucky 40508 with adequate supporting documentation, including but not limited to the following:

- a. FIRM's invoice number
- b. This LHD's personal service contract number
- c. "Remit to" address
- d. Description of the services performed
- e. Period the services cover
- f. Total hours worked, broken down by charge rate and the following personnel categories: Partner, Manager, Supervisor, Senior, and Staff.
- g. Total hours worked, broken down by charge rate and FIRM individual
- h. Travel costs, identifying the date and purpose of trip, amount of lodging costs, number of miles driven, cost per mile, and total mileage costs

**2. Method of Payment**

After appropriate review and approval of FIRM's invoices, this LHD shall process such invoices for payment. Every reasonable effort shall be made to provide payment to FIRM within 30 days after receipt and approval of a properly supported invoice.

- a. FIRM may submit an invoice for 50% of the contracted amount prior to submission of final audit report to this LHD.
- b. FIRM may submit an invoice for the remaining 50% of the contracted amount upon submission of the final report to this LHD.

**3. Penalties for Non-delivery or Late Delivery of Services**

Penalties for non-delivery or late delivery of services shall be established during the contract negotiation process.

*This discussion of penalties can be expanded in the RFP, at the discretion of the LHD.*

**D. Modifications to Statement of Work**



Any modifications to the statement of work shall be thoroughly discussed with FIRM and agreed to in writing by FIRM and this LHD prior to implementation. If necessary, the contract amount shall be amended to reflect such modification.

**E. Verification of Information**

This LHD may request documentation from FIRM of any information provided in its proposal. In addition, this LHD may contact any prior clients of FIRM listed in Section V.

## Section V

### TECHNICAL PROPOSAL

**A. Responsiveness**

In order to be considered, the proposal submitted by FIRM must be completely responsive to this RFP. All conditions printed on the RFP are hereby made a part of the conditions under which the proposal is submitted and shall be incorporated, in whole or in part at this LHD's discretion, into any contract on this project. Further, the contents of a proposal, in whole or in part at this LHD's discretion, shall become part of any contract resulting from that proposal. Failure of FIRM to accept these obligations may result in disqualification from the procurement process.

**B. Preparation Standards**

Proposals shall be prepared simply and economically, providing a straightforward, concise description of FIRM's capabilities to satisfy the requirements of the RFP. Elaborate bindings, colored displays, and promotional materials are not desired. Emphasis shall be on completeness and clarity of content. Repetition of the terms and conditions of this RFP, without additional explanation, shall not be considered sufficiently responsive.

**C. Binding**

Each copy of the technical proposal shall be bound in a single volume, where practical. All documentation submitted with the technical proposal shall be bound in that single volume.

**D. Format of the Technical Proposal**

The technical proposal shall respond completely to the requirements stated in this section. In order to permit effective comparisons of competing proposals, the following format shall be adhered to:

1. Title Page  
Include name of FIRM, local address, telephone number, fax number, email address (if any), name of contact person, and date.
2. Table of Contents  
Clearly identify the material by section and page number.
3. Transmittal Letter  
The transmittal letter shall be in the form of a standard business letter and shall be signed by an individual authorized to legally bind FIRM. It shall include the following:
  - a. A statement indicating FIRM is a corporation or other legal entity.
  - b. A statement that no attempt has been made or shall be made by FIRM to induce any other person or FIRM to submit or not to submit a proposal.
  - c. A statement of affirmative action that FIRM does not discriminate in its employment practices because of race, color, religion, age (except as provided by law), sex, marital status, political affiliation, national origin, or persons with disabilities. In addition, FIRM shall provide a statement of

compliance with the requirements of Title VI of the Civil Rights Act of 1964.

- d. A statement that FIRM is a properly licensed certified public accountant in the Commonwealth of Kentucky. This information will be verified with the Kentucky State Board of Accountancy.
- e. A statement that FIRM is in compliance with the provisions of *Government Auditing Standards* (current revision), issued by the U.S. General Accounting Office, concerning continuing education requirements, independence, and external quality control review (peer review).
- f. A statement that FIRM has reviewed all relationships and has determined that it meets the objectivity and independence standards of ET sections 55 and 101 A statement that FIRM is in compliance with the provisions of Government of the Code of Professional Conduct of the American Institute of Certified Public Accountants.
- g. A list of FIRM's professional relationships involving this LHD or any of its component units for the past five years, together with a statement explaining why such relationships do not constitute a conflict of interest in providing assistance to this LHD. Prior to contract execution, FIRM may be asked to disclose additional information involving relationships with major vendors of this LHD or its components.
- h. A statement of whether FIRM's most recent peer review included a review of specific government engagements. A copy of FIRM's most recent peer review report must be submitted.
- i. A statement that FIRM has not been the subject of any disciplinary action.
- j. A statement that FIRM has liability insurance, together with proof of such coverage. A copy of such proof of insurance coverage must be submitted.
- k. A statement identifying all addenda to this RFP issued by this LHD and received by FIRM. If no addenda have been received, a statement to that effect shall be included.
- l. A statement that no cost or pricing information has been included in the technical proposal.
- m. A statement that FIRM certifies the following in connection with this procurement:
  - (1) The preliminary cost proposal has been arrived at independently, without consultation, communication, or agreement with any other FIRM or with any competitor, for the purpose of restricting competition as to any matter relating to such preliminary cost proposal.
  - (2) Unless otherwise required by law, the preliminary cost proposal has not knowingly been disclosed by FIRM prior to award, directly or indirectly, to any other firm or to any competitor.
- n. A statement that the person signing this proposal certifies that he or she is the person in FIRM's organization responsible for, or authorized to make, decisions as to the prices quoted and that he or she has not participated, and shall not participate, in any action contrary to m.(1) or m.(2) of the above paragraph.

- o. A statement that FIRM's proposal shall remain valid until three (3) months after the closing date of the receipt of the proposals.
  - p. A statement that, should FIRM be awarded the contract for audit services, all working papers and reports shall be retained, at FIRM's expense, for a minimum of three (3) years or until all audit-related disputes are resolved.
  - q. A statement that, should FIRM be awarded the contract for audit services, FIRM shall make working papers available, upon request, to Finance Committee, the Kentucky Department for Public Health, and/or the Office of the Inspector General.
4. Mandatory Qualifications of FIRM and Individual Auditors
- a. FIRM Background and Experience  
The details of FIRM background and experience shall cover the following:
    - (1) Date FIRM was established.
    - (2) Location of FIRM's clientele (local, regional, national, or international).
    - (3) Total number of professional staff.
    - (4) FIRM-wide experience during the last three consecutive calendar years in working on the following types of audits:
      - (a) OMB Circular A-133 audits of Kentucky local health departments.
      - (b) Other OMB Circular A-133 audits.
      - (c) Other audits involving health care facilities.
      - (d) Other governmental audits.

For each audit listed, provide the year, engagement partner, total hours, and name and telephone number of the principal client contact. Prior clients will be contacted by this LHD during the evaluation phase.
  - b. Individual Staff Qualifications  
Provide a brief biographical sketch describing the qualifications of each auditor, including Electronic Data Processing (EDP) personnel, who may be assigned to the engagement. Include the auditor's current office location. Also include a list of all continuing professional education (CPE) courses taken by each auditor and the corresponding hours awarded for each course completed for the last four consecutive calendar years.  
Describe each auditor's audit experience in the following categories:
    - (1) OMB Circular A-133 audits of Kentucky local health departments.
    - (2) Other OMB Circular A-133 audits.
    - (3) Other audits involving health care facilities.
    - (4) Other governmental audits.
  - c. Work Plan and Audit Approach  
FIRM shall present the work plan, including the audit approach, that would be used in providing the audit services required in Section III. The work plan shall include, but not be limited to, the following audit approach areas for a local health department:
    - (1) Setting audit objectives.
    - (2) Audit planning and analytical procedures.
    - (3) Establishing materiality levels.

- (4) Documenting internal control and assessing control risk.
- (5) Testing EDP general and application controls.
- (6) Testing compliance with laws and regulations.
- (7) Sampling techniques.
- (8) Developing the audit plan and the audit program.
- (9) Collecting and documenting evidence.
- (10) Developing audit reports.

Include any EDP applications that have been developed and existing software that would be available.

Address activities unique to a local health department, their significance to the financial statements, and the audit approach FIRM would use to examine them.

d. Audit Hours

Provide a breakdown of hours by personnel classification to be used in providing the audit services required in Section III. The classifications and hours shall agree with those presented in the separate cost proposal (Section VI of this RFP) and shall be evaluated for reasonableness in relation to the cost proposal. However, do not present cost information in this technical proposal. The hours should be shown as follows:

<u>Classification</u>	<u>Audit Hours</u>
Partner	_____
Manager	_____
Supervisor	_____
Senior	_____
Staff	_____
Total Hours	=====

5. Representation Letter

The technical proposal shall include a representation letter stating that FIRM is in compliance with Generally Accepted Auditing Standards and the provisions of *Government Auditing Standards* (current revision), issued by the Comptroller General of the United States, U.S. General Accounting Office, concerning continuing education requirements, independence, and external quality control review (peer review).

The representation letter shall include the following language relating to independence:

As auditors of this LHD, for the year ended June 30, 20XX, we are independent in accordance with the objectivity and independence standards of AU Sections 220 and 543 of the AICPA Professional Standards and Professional Ethics Committee Interpretation 101.10 (*except, if applicable, for the impairment described below.*) (*FIRM shall include with the required language relating to independence any impairment FIRM may have.*)

The representation letter shall be signed by the same person who signs the cost proposal and the transmittal letter in the technical proposal.

**E. Deviation from Specifications**

If the technical proposal deviates from the detailed specifications and requirements of this RFP, the transmittal letter shall identify and explain these deviations. This LHD reserves the right to reject any proposal containing such deviations or to require modifications before acceptance.

**F. Submission Date for Technical Proposal**

To be considered for contract award, one sealed copies of each technical proposal requested by this RFP must be marked “Technical Proposal—DO NOT OPEN” and must be at the office of Cara Kay, CFO, 650 Newtown Pike, Lexington, Kentucky 40508 by **4:00PM on June 10, 2025.**

## Section VI

### COST PROPOSAL

**A. “Not to Exceed” Proposal**

The cost proposal shall be for the services requested in Section III and shall provide name of FIRM and personnel classification, audit hours, and rate information as shown in the following schedule format:

<u>Classification</u>	<u>Audit Hours</u>	<u>Hourly Rate</u>	<u>Total Cost*</u>
Partner	_____	_____	_____
Manager	_____	_____	_____
Supervisor	_____	_____	_____
Senior	_____	_____	_____
Staff	_____	_____	_____
Total Personnel Costs			_____
Travel Costs			_____
TOTAL AUDIT COST			=====

\* Total cost is to be presented on a “not to exceed” basis.

The “not to exceed” cost proposal shall be confidential and shall be binding on FIRM upon execution of a contract with this LHD.

The cost proposal shall be signed by the same person who signs the transmittal and representation letters in the technical proposal.

**B. Deviation from Specifications**

If the cost proposal deviates from the specifications and requirements of this RFP, the transmittal letter shall identify and explain these deviations. This LHD reserves the right to reject any proposal containing such deviations or to require modifications before acceptance.

Proposals of FIRMs that are disqualified in the evaluation of technical proposals will not be eligible for an evaluation of cost proposals.

**C. Submission Date for Cost Proposal**

One sealed copies of each cost proposal requested by this RFP must be marked “Cost Proposal—DO NOT OPEN” and must be at the office of Cara Kay, CFO, 650 Newtown Pike, Lexington, Kentucky 40508 by **4:00PM on June 10, 2025** The cost proposal shall be submitted separately from the technical proposal.

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