



## Request for Proposals

### Monitoring Audit System of Quality Control

Proposals Due by January 6, 2014, 5 pm EDT

The Corporation for Public Broadcasting (CPB), Office of Inspector General (OIG) is seeking a contractor to monitor the OIG's system of quality control for audits performed under the *Government Auditing Standards (GAS)* issued by the Comptroller General of the United States.

The term of the agreement is expected to be for a two year period, beginning January 1, 2014 and ending December 31, 2015. The contract can be renewable for an additional one year period, at CPB's sole discretion. This will be a fixed price agreement, offeror must provide separate pricing for each of the first two year terms and the renewal year.

#### I. BACKGROUND

CPB is a private, non-profit corporation authorized by Congress in 1967 to receive federal government appropriations and to use those funds to promote the growth and development of public broadcasting and public telecommunications services. CPB is not a government agency. The CPB OIG is a nine person office which conducted five audits and two evaluations during FY 2013.

The CPB OIG conducts independent audits, evaluations, and investigations; promotes economy, efficiency, and effectiveness; and prevents and detects fraud, waste, and mismanagement in CPB programs and operations. The Inspector General Act, as amended requires that audits be conducted in accordance with *GAS*. *GAS* requires audit organizations to establish and maintain a system of quality control that is designed to provide the audit organization with reasonable assurance that the organization and its personnel comply with professional standards (*GAS*, *AICPA Codification of Statements on Auditing Standards* for financial audits, and *AICPA Statements on Standards for Attestation Engagements*).

The nature, extent, and formality of an audit organization's quality control system will vary based on the audit organization's circumstances, such as the audit organization's size, number of offices and geographical dispersion, knowledge and experience of its personnel, nature and complexity of its audit work, and cost-benefit considerations. [GAS 3.83] Each audit organization should document its quality control policies and procedures and communicate those policies and procedures to its personnel. The audit organization should document compliance with its quality control policies and procedures and maintain such documentation for a period of time sufficient to enable those performing monitoring procedures and peer reviews to evaluate the extent of the audit organization's compliance with its quality control policies and procedures. The form and content of such documentation are a matter of professional judgment and will vary based on the audit organization's circumstances. [GAS 3.84]

Audit organizations should establish policies and procedures for monitoring quality in the audit organization. The monitoring of quality is an ongoing periodic assessment of audits to provide management with reasonable assurance that the policies and procedures related to the system of quality control are suitably designed and operating effectively in practice. Specifically, the monitoring of quality is to evaluate whether:

- professional standards and legal and regulatory requirements have been followed;
- quality control system has been appropriately designed; and
- quality control policies and procedures are operating effectively and complied with in practice. [GAS 3.93]

Monitoring procedures will vary based on the audit organization's facts and circumstances. The audit organization should analyze and summarize the results of its monitoring process at least annually, with identification of any systemic or repetitive issues needing improvement, along with recommendations for corrective action. [GAS 3.95]

## **II. SCOPE OF WORK**

To satisfy GAS requirements, the scope of work for monitoring CPB OIG's audit system of quality controls will include:

- Conducting quality assurance reviews of a sample of GAS audits (financial, attestation, or performance) using the Council of Inspectors General on Integrity and Efficiency (CIGIE) peer review checklists following CIGIE *Guide for Conducting External Peer Reviews of the Audit Organizations of Federal Offices of Inspector General*;
- Comparing OIG Manual (policies and procedures) to CIGIE Appendix A, *Policies and Procedures – 2011 Revision to GAS* to identify information needed to update OIG Manual to reflect revised GAS standards; and/or
- Analyzing and summarizing results of the OIG's monitoring process at least annually, with identification of any systemic or repetitive issues needing improvement, along with recommendations for corrective action.

Building on the recently completed external peer review, issued in September 2013, conduct the following tasks for Year One and prepare specified documents.

### ***Year One Deliverables by March 31, 2014***

- Analyze and summarize supervisor coaching notes and independent reviews comments for five GAS audits performed in FY 2013 to identify systemic or repetitive issues needing improvement;
- Prepare written memorandum summarizing results and any recommendations for corrective actions;
- Analyze peer review assessment of policies and procedures (Appendix A, *Policies and Procedures – 2011 Revision to GAS*); and
- Prepare rough draft revisions to OIG Manual (Audit & Assistance, Chapters One through Six and Administrative Guide, Chapters One and Three) e.g., identifying GAS references that need to be updated in the existing manual and new concepts introduced in the 2011 revisions to GAS that need to be incorporated into the OIG Manual.

### ***Year Two Deliverables by June 30, 2015***

- Conduct quality assurance reviews of a sample of two GAS audits (financial, attestation, or performance) using appropriate CIGIE peer review checklists referenced in the CIGIE *Guide for*

*Conducting External Peer Reviews of the Audit Organizations of Federal Offices of Inspector General; and*

- Prepare written memorandum summarizing results of testing a sample of audits, identifying systemic or repetitive issues needing improvement from FY 2014 work, and recommending corrective actions if warranted.

**Year Three (Renewal) Deliverables by June 30, 2016**

- Conduct quality assurance reviews of a sample of two *GAS* audits (financial, attestation, or performance) using appropriate CIGIE peer review checklists referenced in the *CIGIE Guide for Conducting External Peer Reviews of the Audit Organizations of Federal Offices of Inspector General; and*
- Prepare written memorandum summarizing results of testing a sample of audits, identifying systemic or repetitive issues needing improvement from FY 2015 work, and recommending corrective actions if warranted.

**III. REQUIRED PROPOSAL CONTENTS**

1. Technical proposals

Technical proposals should include the following in the order presented:

- a. Provide resume discussing offeror's experience and skills in conducting *GAS* audits, including roles as auditor, auditor-in-charge, supervisor, and/or audit manager. Experience should also highlight experience in conducting independent reviews, internal quality assurance reviews, and/or external peer reviews in federal agencies evaluating compliance with *GAS* particularly using the PCIE or *CIGIE Guide for Conducting External Peer Reviews of the Audit Organizations of Federal Offices of Inspector General*. Describe role and responsibilities on quality assurance or peer review teams.
- b. Estimate of number of hours to complete each task identified in Section II – Scope of Work for Year One and Year Two, as well as the renewal Year Three work.

2. Cost proposals

Provide cost estimate to conduct requested tasks and provide deliverables for each of the first two years and the renewal year three period.

**IV. PROPOSAL SUBMISSION**

**Separate** technical and cost proposals are due January 6, 2014, 5:00 pm EDT. Please include the words "Monitoring Quality Control" in the subject line of the emails submitting both technical and fee proposals. CPB will acknowledge by email the receipt of each proposal that it receives.

Submit technical proposals by email (as attachments in PDF format) to: William Richardson, Deputy Inspector General, [brichardson@cpb.org](mailto:brichardson@cpb.org).

Submit cost proposals by email (as attachments in PDF format) to Jackie Livesay, Vice President, Compliance, [jlivesay@cpb.org](mailto:jlivesay@cpb.org).

All questions must be submitted in writing and submitted to William Richardson at the email address above. The questions and CPB's responses will be posted on CPB's website without attribution.

CPB may request offerors with the top scores to meet with and present their proposal to senior OIG management at CPB's offices in Washington, D.C. If so, CPB will notify applicants of the time and date.

## **V. EVALUATION CRITERIA**

Proposals will be evaluated based on the following factors (with the weight of each factor expressed as a percentage):

- Experience and skill: as demonstrated by experience and role in conducting *GAS* audits, as well as independent reviews, internal quality assurance reviews, and external peer reviews (60 percent);
- Estimate of hours needed to complete tasks and deliverables: reasonableness of the proposed hours to complete tasks and prepare deliverables for each of the three years (20 percent); and
- Cost: reasonableness of costs in view of the expected level of effort for each of the three years (20 percent).

## **VI. TIMETABLE**

Below is the anticipated timetable.

<b>ACTIVITY</b>	<b>DATE</b>
Proposal Submissions Due 5 pm EDT	January 6, 2014
Proposal Review & Selection	January 21, 2014
Contract Drafting & Execution	February 7, 2014

## **VII. PROPOSALS**

Proposals submitted in response to this RFP by an offeror shall be valid for at least 90 days following the closing date of the RFP.

Proposals shall be prepared simply and economically, providing a straightforward, concise description of the offeror's proposals to meet the requirements of this RFP.

Neither multiple nor alternate proposals will be accepted. An offeror should give specific attention to the clear identification of those portions of its proposal that it considers confidential, proprietary commercial information, or trade secrets.

The selected offeror shall be responsible for all products and services required by this RFP.

By submitting an offer in response to this RFP, an offeror, if selected for award, shall be deemed to have accepted the terms of this RFP. Any exceptions to this RFP must be clearly identified in the proposal.

A proposal that takes exception to these terms may be rejected.

As part of the RFP review process, CPB may share materials, data, other information and analyses (collectively, "Information") with offerors.

As a condition of receiving such Information, offerors responding to this RFP shall be deemed to agree to protect, preserve, and maintain all such Information on a strictly confidential basis and to promptly return to CPB upon its request all tangible copies of such Information in their possession.

CPB is not responsible for loss or damage to material submitted with or in support of this RFP.

Any submission to CPB shall become the property of CPB (not including any proprietary commercial rights contained in such submission), and CPB is not required to return any submitted materials to any offeror. CPB is not responsible for any violation of copyright, trademark, patent, trade secret, or other rights that may result from disclosure made by response to this RFP.

Solicitation by CPB of proposals does not constitute an agreement by CPB to extend funding to any party for the project under consideration.

CPB may, in its sole discretion, elect not to pursue this project in any manner.

By submitting a proposal, each offeror grants to CPB the right to duplicate, use, disclose, and distribute all of the materials submitted for purposes of evaluation, review, and research.

In addition, each offeror guarantees that the offeror has final and complete rights to all of the information and materials included in the proposal. Each offeror also guarantees that all such materials are not defamatory and do not infringe upon or violate the privacy rights, copyrights, or other proprietary rights of any third party.

## **VIII. CONDITIONS OF AGREEMENT**

If a proposal in response to this RFP is selected for funding, the successful offeror will be required to sign a binding agreement.

This work may not be subcontracted.

Until both parties have signed an agreement, no express or implied commitment has been made to provide financial support. Offeror is not authorized to commence work until the agreement is fully executed.

If offeror opts to commence work, they do so at their own risk. No oral or written statement other than the signed, written agreement will govern or modify the relationship.

As a condition of agreement, the successful offeror(s) must guarantee that, among other things, any work they undertake on behalf of CPB is not defamatory and will not violate or infringe upon the privacy rights, copyrights, or other proprietary rights of any third party. Offerors must also agree to indemnify CPB against any loss resulting from breach of any of the guarantees contained in the agreement.

CPB will not be responsible for any costs incurred by an offeror in preparing and submitting a proposal or in performing any other activities relative to this solicitation.

Those receiving funds from CPB must be able to comply with a number of requirements that will be included in the operative agreement. These requirements include but are not limited to:

- (1) A demonstration of adequate financial support to complete the work for which they have been contracted and to deliver reports and/or other intellectual property created pursuant to the Agreement;
- (2) Maintenance, for three (3) years following receipt of relevant funds, of all financial records to the project, which records shall be accessible to CPB, and to the U.S. Comptroller General or other representatives for examination and audit purposes;
- (3) Offeror will: (i) document all work performed and conclusions reached in manual or electronic working papers, (ii) provide original working paper documents to CPB upon completion of each year's tasks, and (iii) retain a copy of work performed for its own records;

- (4) Compliance with equal employment opportunity and nondiscrimination laws and policies;
- (5) Offerors will be required to provide documentation as to actual costs, and provide supporting detail demonstrating that all costs are reasonable, necessary and allocable to the requirements and objectives of the work undertaken;
- (6) The agreement will be governed by and construed in accordance with the laws of the District of Columbia without regard to its conflict of law provisions;
- (7) No funds provided by CPB will be used (i) for any activity designed to influence legislation or appropriations pending before the United States Congress or any state legislature or (ii) to conduct any reception or provide any other entertainment for any officer or employee of the Federal Government or any state or local government; and
- (8) Offerors will be required to indemnify and hold CPB harmless from and against all claims, damages, liabilities, costs and expenses (including legal fees) arising out of or related to (i) any alleged or actual breach of any representation or warranty in the operative agreement; (ii) any other default by such offeror of any term or provision of the operative agreement; or (iii) offeror's performance under the project.

Other material terms and provisions will be set forth in the documents provided to the offeror that successfully completes the selection process.

CPB will have complete rights to the reports created as deliverables for this project.

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