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LA JOLLA BAND OF LUISEÑO INDIANS

22000 Hwy 76 * Pauma Valley, CA. 92061

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REQUEST FOR PROPOSAL FOR AUDIT SERVICES

PART I. PROCUREMENT INFORMATION

A. The La Jolla Band of Luiseño Indians (the Tribe) will accept proposals from Certified Public Accounting firms for the Tribe's annual audit services for a one (1) year contract term for the fiscal year ending December 31, 2018 audit, with an option to renew for two (2) additional years. Interested firms should submit their proposal via email to the following:

Attn: Norma Contreras, Tribal Treasurer: norma.contreras@lajolla-nsn.gov

CC: Darcy Neal, Comptroller: darcy.neal@lajolla-nsn.gov

CC: Candice Cushman, Consultant: candice@cushmancpa.com

The initial contract period shall be that of one (1) year, to perform an annual audit according to the terms and conditions within these specifications, contracts, and the Tribe's procurement policies. The proposals must be received by the Tribe no later than April 22, 2019.

B. The audit will cover the Tribes Federal Grants Fund and General Fund and will exclude all of the Tribe's other funds. The audit should meet minimum audit requirements of the OMB Uniform Guidance 2 CFR 200 Compliance Supplement while providing enough information to support the Tribe's indirect cost rate proposal.

C. The Auditor must be in good standing with the State of California. Any use of subcontractors would need to be in good standing with the State of California as well.

D. Technical information regarding the accounting system or requests of further information needed to prepare the proposal may be obtained from Darcy Neal via email at darcy.neal@lajolla-nsn.gov or by phone at 760-742-3771 ext. 306.

E. Confidentiality clause. The Recipient shall limit disclosure of Confidential Information within its own organization to its directors, officers, partners, members, employees. The Recipient and affiliates will not disclose the confidential information obtained from the discloser unless required to do so by law. A complete Confidentiality document will be required upon contract award.

F. The audit working papers shall be retained by the Auditor for a minimum of seven years after the Single Audit Report is issued. Non-proprietary portions of the working papers shall be made available to the Tribe should the need arise to support amounts or adjustments made during the audit process after the audit has been completed.

PART II. SCOPE OF SERVICES

A. The objective of the audit is to provide an opinion on the financial statements taken as a whole. The audit must meet accounting policies in accordance with:

1. Government Auditing Standards, issued by the Comptroller General of the United States.
2. The "State and Local Governments - AICPA Audit and Accounting Guide."
3. Generally accepted government auditing standards.
4. The "OMB Uniform Guidance (2 CFR 200) Compliance Supplement" for Single Audits of State and Local Governments.
5. The Single Audit Act of 1984, P.L. 98-502
6. Governmental Accounting Standards Board (GASB) Statements.

B. The audit will be a financial and program compliance audit, and shall include reports on the Tribe's internal control over financial reporting and on its compliance with certain provisions of laws, regulations, contracts, and grants, as well as any other reports required by any of the above standards.

C. The Auditor will be expected to assist the Tribe in drafting the following financial statements and schedules, as well as all required financial statement footnotes, based on the trial balances and other books and records of the Tribal Government. (The Tribe's Finance Director and others within the organization are sufficiently knowledgeable to review the statements and notes prepared by the Auditor, and to take responsibility for their fair presentation.)

1. Balance Sheet - Governmental Funds
2. Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

D. The Auditor will perform financial and compliance testing of Federal grants using sufficient sample sizes to permit rendering opinions as to whether the financial statements are free of material misstatement, and whether the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

E. Period of performance: Contingent upon the Tribe providing the Auditor with a final trial balance no later than May 17th following the end of the fiscal year being audited, the audit fieldwork should be completed by May 31st of the same year with desired completion before June 30, 2019 and mandatory completion before September 30, 2019.

G. Place of Performance: All work documents will be reviewed at Tribal Administrative Offices in Pauma Valley, CA. However, the audit write-up and the final audit report may be completed at the CPAs' work location. No original Tribal documentation will be allowed off the Tribe's Lands.

H. Upon completion of the audit, the Auditor will submit a management letter of comments and recommendations, if applicable, for improvement of internal accounting controls after examining the Tribe's internal control systems. This letter should include recommendations to improve deficiencies in internal controls that did not rise to the level of significant deficiencies or material weaknesses and were thus not included in the Tribe's report.

I. The Auditor shall submit an audit report which shall comply with the applicable reporting standards. Five bound copies and one unbound copy of each report shall be submitted to the Tribe. The Tribe shall also be provided with an electronic copy of the signed reports. Each audit report shall contain at least the following:

1. An index or Table of Contents.

2. The independent auditor's reports on:

a. The financial statements

b. 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.

c. Compliance for each major program and on internal control over compliance required by OMB Uniform Guidance 2 CFR Part 200

J. An exit conference with the Finance Officer, Comptroller, Tribal Administrator, and/or others designated by the Tribe will be conducted by the auditor prior to issuance of the audited financial statements but after audit work has completed. At the exit conference findings and recommendations regarding compliance and internal control shall be discussed. The Finance Director or a designee shall have the opportunity to respond, orally or in writing, to the findings. Any such written responses shall be included in the audit report.

K. The audit principal and/or audit manager responsible for the work shall attend and present the final audit report draft to the Tribal Council upon completion of the audit.

PART III. THE TRIBE'S ACCOUNTING SYSTEM

A. TYPE OF GOVERNMENT

The Tribe is a federally recognized Indian tribe located near Pauma Valley, California. Established in 1875, the La Jolla Indian Reservation comprises approximately 10,000 acres. The Tribe is home to approximately 700 members.

B. COMPONENT ORGANIZATIONS AND FUNDS

A. The Tribe's enterprises include a campground that contributes around \$800,000 of annual revenues and provides for approximately 40 employees, as well a general store and zipline. A few other smaller enterprises such as the tribal trash, water and recycling service centers exist.

B. The Tribe is currently in the process of establishing a casino but have not yet commenced gaming activities. All financial transactions included in the Tribes ongoing efforts to establish a casino

and the related activities of the gaming commission are to be excluded from the audit.

C. The Tribe expends approximately \$2,000,000 of Federal grants/contracts funds each year and has around 30 different grants/contracts with various federal and state agencies.

D. The Tribe employs approximately 70 individuals in its Governmental and Business-Type activities.

E. The Tribe maintains approximately 20 checking accounts, and an accounts payable department that writes approximately 100 checks each month. Separate checking accounts are maintained for each of the enterprises. The Tribe also maintains investment and money market accounts.

F. Accounting records consist of an automated general ledger system, Abila MIP Fund Accounting, and source documents (purchase orders, deposits, journal entries, canceled checks) located in the Tribe's Finance Department.

G. All of the Tribe's activities are maintained using one trial balance and one accounting system.

PART IV. ASSISTANCE AVAILABLE TO THE AUDITOR

A. The Finance Department staff will prepare the following for the Tribal Government and, where applicable, for each of the included Enterprises: Trial Balance, Capital Asset and Depreciation Schedule, Accounts Payable listing, Bank Reconciliations, Schedule of Expenditures of Federal Awards, Management's Discussion and Analysis, a detailed General Ledger in electronic format, and various other schedules and subsidiary ledgers. Additional supporting schedules, where appropriate, will be prepared to assist the audit process. Staff will be available to answer questions and to locate documents as needed.

B. Copy machines will be made available at no charge.

C. A work area will be available for the Auditors.

D. Prior audit reports and management letters are available for the Auditor to examine.

E. The Finance Officer or other individuals designated by the Tribe will act as the liaison for auditors in arranging for the delivery of files and records and in providing supporting documentation as needed.

PART V. INFORMATION TO BE INCLUDED IN THE PROPOSAL

In order to facilitate the evaluation of the proposals, it is requested that the required information be arranged in the following format:

SECTION I. INDIVIDUAL AUDIT STAFF TECHNICAL QALIFICATIONS

- A. The firm shall identify the partners/principals, managers and seniors who would be responsible for the audit and provide resumes for each of them. The firm shall provide details of the Tribal auditing experience for the personnel that would be assigned to the audit, including the number of years of experience.
- B. Indicate training and familiarity of staff in auditing Tribal governments. Describe the relevant educational background of each individual to be assigned to the audit. This should include attendance at Continuing Professional Education courses required to meet Government Auditing Standards within the past three years.
- C. The firm shall include a statement that the partner/principal and manager assigned to this audit are licensed by the State Board of Accountancy, and that none of these individuals have been disciplined by the State's licensing board for performing substandard work within the past three years. The license of all CPAs mentioned in the proposal will be checked online to ensure that all CPAs have current valid licenses.

SECTION II. AUDIT ORGANIZATION/LOCAL OFFICE TECHNICAL QUALIFICATIONS

- A. Provide a description of your firm. State whether your audit organization is national, regional, or local. Describe the organization, size, and structure of your firm. State the address of the local office which will be conducting the audit.
- B. Indicate what you believe are the strengths of your firm concerning the requested services.
- C. Affirm that your audit organization is properly licensed for public practice as a certified public accountant or a public accountant. Affirm that your organization meets the independence requirements of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, published by the U.S. GAO or any subsequent amendments or superseding revisions.
- D. Indicate the total number of people by level within the local office that will handle the audit. Indicate the overall supervision to be exercised over the audit team by the firm's management.
- E. Provide a list of the local office's current and prior tribal government audit clients indicating the type(s) of services performed and the number of years served for each. Indicate your experience in auditing entities, which are similar in size and complexity to the Tribe.
- F. Describe the firm's knowledge and recent experience in auditing Federal, State, Local, and Tribal Government grants, including OMB Uniform Guidance 2 CFR Part 200.
- G. Provide proof that your firm participates in an external quality control review (peer review) program by submitting a copy of your latest peer review report.

SECTION III. AUDIT APPROACH

Describe your technical approach to the audit. Describe your understanding of the work to be performed and indicate time estimates for the audit.

SECTION IV. CLIENT REFERENCE

List the names, addresses, and phone numbers of tribal government audit client references.

SECTION V. OTHER INFORMATION

A. Include any other information, which may be helpful to the Selection Committee in evaluating your firm's qualifications, including peer reviews within the past three years and any disciplinary action received within the past three years. Also, describe any regulatory action taken by any oversight body against the proposing audit organization or local office.

SECTION VI. AUDIT FEE

A. Indicate your fee for this engagement as described above.

SECTION VII. EVALUATION CRITERIA

The bid proposals will be evaluated on the basis of the following criteria:

A. Mandatory Criteria - Bid proposals will not be considered for further evaluation unless they meet all of the following:

1. Must be an independent auditor, properly licensed for public practice.
2. Must meet any specific qualification requirements imposed by Tribal, State or Local laws, rules and/or regulations.

B. Technical Criteria - Those Bidders who have met each of the mandatory criteria stated above will be further evaluated by the following:

1. Relevant audit experience of firm and staff (40%)
2. Reputation of proposing firm (30%)
3. Quality of proposal content (10%)

C. Cost Criteria - The total cost included in the bid proposal will be weighted in the selection of an auditor or firm. Each bid proposal received will be rated in comparison to all others based from low to high costs. (20%)