



**Rhode Island PBS Foundation
REQUEST FOR PROPOSALS
AUDIT SPECIFICATIONS COVERING FISCAL
YEARS ENDING June 30, 2021, 2022 and 2023**

Entity to be audited:

- The Rhode Island PBS Foundation (the Foundation) is a not-for-profit corporation organized in accordance with Section 501(c)(3) of the Internal Revenue Code. The Foundation owns and operates WSBE-DT/HD channel 2 (WSBE), a non-commercial educational television station in Providence, RI. The Foundation receives funds from the Corporation for Public Broadcasting (CPB) and accordingly is required to adhere to the *Principles of Accounting and Financial Reporting for Telecommunications Entities* (Principles) published by the Corporation for Public Broadcasting.
(<http://www.cpb.org/stations/principles/principlesofaccounting050818.pdf>)

Reports to be submitted:

- The audit report will cover financial statements. See below for additional requirements.
- A Form 990 – *Return of Organization Exempt from Income Tax* must be prepared for the Rhode Island PBS Foundation prior to its November 15th filing deadline.
- An *Annual Financial Report* must be prepared and reconciled to the financial statements in accordance with the Principles and guidelines of the Corporation of Public Broadcasting. The filing deadline for this report is November 30th.

AUDIT SPECIFICATIONS

October 30th Deadline for Completion of Audit and Delivery of Reports

The audit shall be completed and final audit reports (inclusive of all audit communications) related to the financial statements shall be delivered to the Rhode Island PBS Foundation Board by October 30th of each year.

Qualifications of Auditor and Responding to this Request

- The firm selected for the audit shall be a firm of certified public accountants holding a valid certification in the State of Rhode Island or from another state having equal professional standards.
- Detail your firm's experience in providing auditing and tax services to entities in the not-for-profit sector.
- Provide information on whether you provide services to any related industry organizations or groups.
- Discuss the firm's independence with respect to Rhode Island PBS. Explain how you monitor and maintain your independence on an ongoing basis.
- Discuss commitments you will make to staff continuity, including your staff turnover experience in the last three years.
- Discuss instances when loss of a client was due to an unresolved auditing or accounting matter. Explain your strategies to resolve the issue(s).
- Identify the partner, manager, and in-charge accountant who will be assigned to our job if you are successful in your bid; provide biographies for these individuals. Indicate any complaints that have been leveled against them by the state board of accountancy or other regulatory authority, if any. Indicate any corrective actions that have been taken by the firm with respect to these individuals.
- Describe how your firm will approach the audit of the organization, including the use of any association or affiliate member firm personnel and the areas that will receive primary emphasis. Also, discuss the firm's use of technology in the audit. Finally, discuss the communication process used by the firm to discuss issues with management and the Committee.
- Furnish current standard billing rates for classes of professional personnel for each of the last three years, including an expense policy describing how incidental costs (for example, travel and mileage) are billed.
- Describe how you bill for questions on technical matters that may arise throughout the year.
- Provide the names and contact information of other similarly sized not-for-profit clients of the partner and manager that will be assigned to our organization.
- Describe how and why your firm is different from other firms being considered, and why our selection of your firm as our independent auditors is the best decision we could make.
- Describe how your firm will prioritize the work you do for Rhode Island PBS.

- Include a copy of your firm's most recent Peer Review report, the related letters of comments, and the firm's response to the letters of comments.
- Describe the firm's approach to the resolution of technical disagreements (a) among engagement personnel, and (b) between the firm and the not-for-profit client.
- Please submit information on the firm's liability insurance coverage.
- The audit organization shall have an appropriate internal quality control system in place and participate in the American Institute of Certified Public Accountants Peer Review Program.
- The audit organization shall provide a copy of their most recent peer review report to the Rhode Island PBS Foundation.

Audit Contract

- The audit contract will cover three years. Each year must be treated as a separate audit. The contract period will not exceed three years.
- Audit contracts covering more than one year shall specify an audit fee for each year. The audit fee for the financial statement audit shall be inclusive of all expense.

Audit Standards

- The audit will be conducted in accordance with *Generally Accepted Auditing Standards* as promulgated by the Auditing Standards Board, a division of the American Institute of Certified Public Accountants.

Audit Scope

- The engagement will cover three (3) fiscal years with an audit conducted each fiscal year end as follows; June 30, 2021; June 30, 2022 & June 30, 2023.
- The independent auditor shall report on and issue an opinion on the financial statements conformity with accounting principles generally accepted in the United States of America.
- Although comparative financial statements are encouraged but not required under Financial Accounting Standards Board's Generally Accepted Accounting Principles, the Corporation for Public Broadcasting requires them of public broadcasting entities unless prior permission has been obtained for their omission. The Rhode Island PBS Foundation has **not** obtained permission for their omission. The comparative financial statements to be presented, audited and reported upon by the private auditor shall be the Consolidated Statement of Net Assets,

Consolidated Statement of Revenue, Expense and Changes in Net Assets, Consolidated Statement of Cash Flows and any notes to these statements. These statements should be presented in format that compares the present year to prior year activities and should include such categories and descriptions in accordance with the Principles of the CPB.

- Supplementary financial statements, schedules and information to be presented and reported upon by the private auditor shall include a Consolidated Schedule of Functional Expense.
- The independent auditor shall report on compliance and on internal control over financial reporting based on an audit of financial statements in accordance with *Generally Accepted Auditing Standards* as promulgated by the Auditing Standards Board, a division of the American Institute of Certified Public Accountants.

Audit Reports

- All draft copies of the audit report(s) and management letter shall be submitted to the President, the Chairman of the Board of Directors, the Chairman of the Audit Subcommittee, and members of the Audit Subcommittee of the Rhode Island PBS Foundation Board of Directors prior to the exit conference so that there will be adequate time for review.
- Reports to be submitted, depending on the scope of the engagement, may include:
 - a) Reports on:
 - 1) Basic financial statements, and/or combining financial statements and/or financial statements of separate funds based on an audit performed in accordance with *Generally Accepted Auditing Standards*;
 - 2) Supplementary financial statements, schedules and information;
 - 3) Compliance with laws, regulations, contracts and grants based on an audit of the financial statements performed in accordance with the *Generally Accepted Auditing Standards*.
 - b) Reports required under trust agreements, loan agreements, etc.
 - c) Other reports requested by the Rhode Island PBS Foundation or the Corporation for Public Broadcasting.

Management Letter

- The auditor shall submit a management letter upon completion of the audit to the President, the Audit Subcommittee, and the Board of Directors of the Rhode Island PBS Foundation.

- The management letter should include comments, and/or recommendations beyond those included in the reports described above, on such matter as:
 - a) Policies, procedures and practices employed by the Rhode Island PBS Foundation;
 - b) Immaterial weaknesses in the internal controls that are not “significant deficiency;”
 - c) Use of resources to provide services in a reasonable, judicious, economical, and efficient manner;
 - d) Compliance with *Principles of Accounting and Financial Reporting for Telecommunications Entities* published by the Corporation for Public Broadcasting.

OTHER SPECIFICATIONS

Ancillary Services

Private auditors are encouraged to provide information regarding supplementary services and fees offered by their firms. This information should detail specialized services and hourly rates.

References

Bidders are requested to submit a listing of current and past clients to be contacted at the discretion of the Rhode Island PBS Foundation to obtain information regarding auditor’s performance. Included on this listing should be the following: client name, client contact, contact phone number, term of engagement and type of engagement.

Number of Reports

The number of copies of the reports to be completed and submitted (electronic reports also being provided) will vary depended upon the year of the audit and should conform to the following schedule:

2021 & 2022

Audited Consolidated Financial Statements – 18 copies

Form 990 – 4 Copies (1 copy to be filed w/the Internal Revenue Service; 1 copy for Public Inspection File, bound; 1 copy paper clipped; 1 client copy)

Corporation for Public Broadcasting Annual Financial Report – 3 Copies (1 copy to be filed w/the Corporation for Public Broadcasting; 1 copy paper clipped; 1 client copy)

2023

Audited Consolidated Financial Statements – 30 copies

Form 990 – 4 Copies (1 copy to be filed w/the Internal Revenue Service; 1 copy for Public Inspection File, bound; 1 copy paper clipped; 1 client copy)

Corporation for Public Broadcasting Annual Financial Report – 3 Copies (1 copy to be filed w/the Corporation for Public Broadcasting; 1 copy paper clipped; 1 client copy)

Proposal Questions

Questions regarding the Rhode Island PBS Foundation, WSBE-TV or the proposal process should be directed to David W. Piccerelli, President, WSBE Rhode Island PBS, 50 Park Lane, Providence, RI 02907-3145 (401) 222-3636 x213 or via email at dpiccer@ripbs.org.

Proposal Reviews

Your proposal should be submitted to David W. Piccerelli, President, WSBE Rhode Island PBS, 50 Park Lane, Providence, RI 02907-3145 no later than 5:00 PM July 23, 2021. All proposals must be submitted in a sealed envelope under cover letter. The Committee will evaluate proposals on a qualitative basis. This includes a review of the firm's peer review and related materials, interviews with senior engagement personnel to be assigned to our organization, results of discussions with other clients, and the firm's completeness and timeliness in its response to us.

Disclaimer

The Rhode Island PBS Foundation reserves the right to reject the lowest bidder if it deems that it does not possess the personnel, experience and other resources to complete the audit in accordance with the audit specifications. It may also reject all bids. In either case, the reason for its action will be documented.