CENTRE COUNTY

HOUSING AUTHORITY

REQUEST FOR PROPOSAL

AND

STATEMENT OF QUALIFICATIONS FOR

AUDIT SERVICES

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STATEMENT OF QUALIFICATIONS FOR AUDIT SERVICES

PART 1 PROCUREMENT INFORMATION

The Centre County Housing Authority (CCHA) will accept proposals with Statements of Qualifications from Certified Public Accounting Firms for audit services for the Centre County Housing Authority’s annual audit for one (1) year with a two-year option. Year one would be for the fiscal year ending (FYE) December 31, 2019, and the two-year options would include through (FYE) ending December 31, 2021.

Interested firms shall submit two (2) copies of their proposal. The proposals must be submitted to the following address no later than 11:00 a.m., Thursday, October 10, 2019:

Centre County Housing Authority

602 E Howard St

Bellefonte, PA 16823

Firms should be prepared to present cost information in a flat yearly fee for each of the three one-year periods. Fee will include all REAC submissions and Attestation functions. This will be shown as a separate line item. This fee structure should be supported by an hourly rate based upon the type and mix of personnel to be assigned to the audit.

The contract period shall be for one year and will be subject to two renewal periods upon negotiation for continuation and approval by the Centre County Housing Authority.

The Centre County Housing Authority reserves the right to reject any or all proposals and to select the firm, which in its judgment, best meets the needs of the Centre County Housing Authority. The Centre County Housing Authority further reserves the right to terminate the contract with proper notice.

General Information

1. Only Certified Public Accountants, licensed in the Commonwealth of Pennsylvania, may respond to this RFP.
2. Proposals must be submitted and received at the Centre County Housing Authority, 602 East Howard Street, Bellefonte, PA 16823, no later than 11:00 a.m. on October 10, 2019.
3. It is important that the offeror’s proposal be submitted in a sealed envelope and addressed to CCHA, 602 E. Howard St., Bellefonte, PA 16823, and the envelope shall be clearly marked in the lower left corner with the following information:

PROPOSAL FOR AUDIT SERVICES (FYE 2019 – FYE 2021)

Part II AUDIT OBJECTIVES AND SCOPE OF SERVICES

1. The Centre County Housing Authority requires an audit in accordance with OMB Circular A-133 of the following programs:

Low Income Public Housing 20 units

Housing Choice Voucher 624 baseline vouchers

Brockerhoff House 33 units

Crestside Terrace 40 units

Lee Gardens 15 units

Capital Fund

OMB A-133 Audit:

The Authority requires a financial compliance audit of the basic financial statements prepared in accordance with Generally Accepted Accounting Principles (GAAP) for governmental entities, as prescribed by the Government Auditing Standards Board (GASB). The Audit will be performed in accordance with generally accepted auditing standards and the standards applicable to financial and compliance audits contained in “Government Auditing Standards”, issued by the Comptroller General of the United States; Single Audit Amendments of 1996; the provisions of Office of Management and Budget Circular A-133, “Audits of States, Local Governments, and Non-Profit Organizations”; OMB Circular A-133 Compliance Supplement, March 2000; and the provisions of the U.S. Department of Housing and Urban Development’s Handbooks 7476.1 and 2000.04 as applicable, and all other HUD directives issued. The reporting package and Data Collection Form must be filed with the Single Audit Clearinghouse.

**Small, Minority-Owned, and/or Women’s Business Enterprises**

Efforts will be made by Centre County Housing Authority to utilize small, minority-owned, and/or women’s business enterprises.

An offeror qualifies as a small business firm, if it meets the definition of “small business” as established by the Small Business Administration.

1. The following financial statements shall be prepared for each of these funds:

Low Income Public Housing

Housing Choice Voucher

Brockerhoff House

Crestside Terrace

Lee Gardens

Capital Fund

1. Balance Sheet
2. Income Statement
3. Statement of Cash Flows
4. The audit will be a financial and compliance audit as required by the U.S. General Accounting Office’s (GAO) Government Auditing Standards.
5. Accompanying the financial statements, the Auditor will submit a Management Letter of Comments and Recommendations, if applicable.
6. The Auditor will comply with all HUD guidelines and requirements existing and those that will or may affect future years of this contract.
7. The Audit shall comply with all HUD rules, regulations, and guidelines. Each audit report shall contain at least the following:
8. The annual financial statement and any supplementary data required within the scope of the audit.
9. The auditor’s study and evaluation of the entity’s system of internal accounting control. The auditor’s report shall identify any deficiencies uncovered and make appropriate suggestions to correct any deficiencies found and identified.
10. Compliance matters which may have a material effect on the financial statements shall be reported. Methods of correction shall be suggested.
11. A statement that the audit was made in accordance with generally accepted government auditing standards as well as all applicable laws and provisions.
12. The auditor in charge will conduct an exit conference with the Executive Director and other staff. At the exit conference, findings and recommendations regarding compliance and internal controls shall be discussed.
13. Data from prior years will be available upon request if there are not open audit findings from previous years.
14. No audit shall be published until the draft submitted to the Executive Director is approved.
15. The Auditor shall also submit to the Federal Clearinghouse the data collection form, SF-SAC, Data Collection Form for Reporting on Single Audits, and one copy of the reporting package (as defined in OMB Circular A-133, Section 320). A copy of the reporting package submitted to the Federal Clearinghouse for the Single Audit shall also be submitted to the local HUD office.
16. The unaudited financial data schedule must be completed and submitted to REAC no later than February 28th of each year.

**Part III Centre County Housing Authority’s Accounting System**

1. The Centre County Housing Authority was created pursuant to state and federal regulatory housing laws.
2. CCHA receives approximately $4,500,000 in federal funds and $750,000 in rent collections.
3. There are 14 employees who are employed with the Centre County Housing Authority.
4. The Housing Authority’s records are fully computerized; the Authority uses Horizon Software.
5. The Authority’s fee accountant will prepare the general ledger and subsidiary ledgers and trial balances for each fund open during the audit period. Additional supporting schedules, where appropriate, will be prepared to assist the audit process. Staff will be available to answer questions and to locate documents needed. Housing Authority staff will be available to make copies as requested.
6. The Books of Record will be ready for examination after March 15th of each year.

Appendix A – Provisions and Procedures pertaining to employment opportunities for businesses and lower income persons in connection with federally assisted projects in compliance with Section 3 of the Housing and Urban Development Act of 1968.

Appendix B – Points values for evaluation criteria

Appendix C – Tentative Schedule for Selection and Award

Appendix D – Contract for Audit Services

**Part IV Information to be Included in Proposal**

1. Describe the experience in auditing programs, activities and functions funded by the Department of Housing and Urban Development (HUD). Indicate the number of years each person who will be assigned to the audit has worked in this area.
2. State whether your audit organization is national, regional, or local. State the full address of your firm.
3. Affirm that your audit organization is properly licensed for public practice as a certified public accountant.
4. Affirm that your organization meets the independence requirement of Standards for Audit of Government Organizations, Programs, Activities, and Functions.
5. Affirm that you, and/or members of your organization, have not been suspended or debarred from performing audits or other government activity.
6. Provide a list of your current and prior government audit clients and the year(s) of engagement.
7. Indicate the number of people by level who will handle the audit.
8. Copy of the firm’s most recent peer review letter.

**Audit Approach**

Describe your technical approach to the audit. Describe your understanding of the work to be performed and your firm’s ability to meet the time deadlines as written.

**Reference List Requirement**

Client references: List the names, addresses, and phone numbers of Housing Authority audit clients.

**Other Information**

Include any other information which may be helpful to the Authority in evaluating your firm’s qualifications, including peer reviews within the past three years. Also, describe any regulatory action taken by an oversight body against the proposing audit organization.

The selection of a firm to conduct the audit will be made based on qualifications, experience with Single Audits, and price. Interested parties may contact Lori Haines, Executive Director, regarding questions about this proposal at (814) 355-6965.

**Appendix A** **SECTION 3 CLAUSE**

All Section 3 covered contracts shall include the following clause (referred to as the

“Section 3 Clause”):

A. The work to be performed under this contract is subject to the requirements of Section

3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u

(section 3). The purpose of section 3 is to ensure that employment and other economic

opportunities generated by HUD assistance or HUD-assisted projects covered by section

3, shall, to the greatest extent feasible, be directed to low- and very low-income persons,

particularly persons who are recipients of HUD assistance for housing.

B. The parties to this contract agree to comply with HUD's regulations in 24 CFR Part

135, which implement section 3. As evidenced by their execution of this contract, the

parties to this contract certify that they are under no contractual or other impediment that

would prevent them from complying with the part 135 regulations.

C. The contractor agrees to send to each labor organization or representative of workers

with which the contractor has a collective bargaining agreement or other understanding,

if any, a notice advising the labor organization or workers' representative of the

contractor's commitments under this section 3 clause, and will post copies of the notice in

conspicuous places at the work site where both employees and applicants for training and

employment positions can see the notice. The notice shall describe the section 3

preference, shall set forth minimum number and job titles subject to hire, availability of

apprenticeship and training positions, the qualifications for each; and the name and

location of the person(s) taking applications for each of the positions; and the anticipated

date the work shall begin.

D. The contractor agrees to include this section 3 clause in every subcontract subject to

compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as

provided in an applicable provision of the subcontract or in this section 3 clause, upon a

finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The

contractor will not subcontract with any subcontractor where the contractor has notice or

knowledge that the subcontractor has been found in violation of the regulations in 24

CFR Part 135.

E. The contractor will certify that any vacant employment positions, including training

positions, that are filled (1) after the contractor is selected by before the contract is

executed, and (2) with persons other than those to whom the regulations of 24 CFR part

135 require employment opportunities to be directed, were not filled to circumvent the

contractor's obligations under 24 CFR part 135.

F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions,

termination of this contract for default, and debarment or suspension from future HUD

assisted contracts.

G. With respect to work performed in connection with section 3 covered Indian housing

assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act

(25 U.S.C. 450e) also applies to the work to be performed under this contract. Section

7(b) requires that to the greatest extent feasible (i) preference in the award of contracts

and subcontracts shall be given to Indian organizations and Indian-owned Economic

Enterprises. Parties to this contract that are subject to the provisions of section 3 and

section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in

derogation of compliance with section 7(b).

**Appendix B**

**Point Values for Evaluation Criteria**

**Audit RFP**

**Criterion** **Maximum Points**

Experience in auditing similar entities 30

Organization size and structure; firm’s participation in AICPA-

Sponsored or comparable Quality control programs 5

Firm’s understanding of the work to be performed 10

Firm’s ability to complete work on time as described 10

Government auditing experience of persons assigned

to the audit 20

Specialized skills, training, or background in public

financing of assigned individuals 10

Fee Proposed 20

**Total 100**

**Appendix C**

**Tentative Schedule**

**For Selection and Award**

1. Approval of Request for Proposal and Statement of Qualifications for Audit
2. Public Solicitation: Centre Daily Times, CCHA Website, and PAHRA website
3. Release of RFP as requested
4. Responses due – 11:00 a.m., October 10, 2019
5. Proposals and Statements of Qualifications Reviewed
6. Centre County Housing Authority makes selection for board approval

**Appendix D**

**Contract for Audit Services**

**THIS AGREEMENT,** entered into as of the \_\_\_\_\_\_\_\_\_\_\_\_\_day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2019,

by and between the Centre county Housing Authority, hereinafter referred to as the Public Housing Agency (PHA), and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (hereinafter referred to as the “Consultant”).

1. The Consultant shall audit the accounts and records of the PHA for one year beginning with the 12-month period ending December 31, 2019, in accordance with generally accepted auditing standards and the Single Audit Act of 1984 (Pub. Law No. 98-502, and the Single Audit Act Amendments of 1996, (Pub. Law 104-156) as prescribed by OMB Circular A-133. The audits performed shall be sufficient in scope to allow the Consultant to express an opinion in the audit report on the financial statements of the PHA.
2. The books of account and financial records to be audited are maintained and are located at the PHA’s office. These books and records will be made available to the Consultant by the Executive Director of the PHA at the Consultant’s request and for the Consultant’s use at the PHA’s office during normal office hours.
3. If the Consultant ascertains that the Public Housing Agency’s books and records are not in sufficiently satisfactory condition for performing an audit, the Consultant shall disclose this deficiency to the (PHA). The PHA shall be granted 15 days to get its books ready for an audit.
4. Upon completion of the audit a draft report will be submitted to the PHA for comment prior to issuance of the final Audit report. Fifteen copies of completed audit report and any other written communication from the Consultant, such as a Management Letter, shall be provided the (PHA). The Consultant shall also submit to the Federal Clearinghouse the date collection form, SF-SAC, Data Collection Form for Reporting Single Audits, and one copy of the reporting package (as defined in OMB Circular A-133, Section .320). A copy of the reporting package submitted to the Federal Clearinghouse for the Single Audit shall also be submitted to the local HUD office.
5. The final Audit Report shall be submitted no later than June 30th of the year following the end of the audited period. A penalty of 10% of the contract cost shall be imposed by the Housing Authority against the Consultant for each two weeks that the audit is delayed beyond this date, unless written acknowledgement and acceptance of a new delivery date has been accepted by the (PHA).
6. The Audit Reports will be presented either in compliance with GAAP requirements or in compliance with HUD financial requirements as outlined in the AICPA audit and accounting Guide “Audits of States, Local Governments, and Non-Profit Organizations.”
7. The PHA may, before or during the conduct of the audit, request changes in the scope of services of the Consultant to be performed under this contract. Such changes, including any increase or decrease in the amount of the Consultant’s compensation, and any change in the time limitation for submission of the Agency and Consultant’s report, which are mutually agreed upon by and between the PHA and the Consultant, shall be incorporated into written amendments to this contract.
8. The obligation to continue services under this contract may be terminated for cause by either party upon seven days written notice of substantial failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party.

The PHA shall have the right to terminate this contract without cause for the PHA’s convenience upon written notice to the Consultant. In the event of termination for PHA’s convenience, the PHA shall pay the Consultant for all services performed through the date of notice of termination.

1. The PHA agrees to pay the Consultant as compensation for the services and report mentioned herein for the audit of fiscal year end December 31, 2019, a fee $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, inclusive of all costs. The fee shall be payable upon submission of the final audit report to the PHA and HUD as prescribed in Item 4. If the submission to REAC is completed at a later date, it shall be billed separately and payable after completion of the electronic transmission.
2. The Consultant certifies that its principal officer(s) or member(s) do not now have and have not had during any period covered by this audit any interest, direct or indirect, in the PHA which would constitute a conflict of interest.
3. No member or Delegate of Congress of the United States or Resident Commissioner shall be admitted to any share or part of this contract or to benefit that may arise therefrom.
4. The Consultant warrants that he/she has not employed any person to solicit or secure this contract upon any agreement for a commission, percentage, brokerage, or contingent fee.
5. The Consultant shall not assign or transfer any interest in this contract except that claims for monies due or to become due from the PHA under the contract may be assigned to a ban, trust company, or other financial institution.
6. The Consultant shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, or national origin. The Consultant shall take affirmative action to ensure that applicants are employed, and employees are treated, during employment without regard to race, color, religion, sex, age, or national origin. Such action shall include, but not be limited to the following: employment, advertising, layoff or termination, rates of pay or other form of compensation, and selection for training including apprenticeship.
7. For a period of seven years from the date of the Audit Report, the Consultant shall make its work papers, records and other evidence of the audit available to the Housing Authority, the Government, and to the Comptroller General or his representatives. The Government and the Comptroller General shall be entitled to reproduce any or all of such documents at their expense for which provision shall be made at the time the need for reproduction arises.
8. Except for disclosures to the Government, the Comptroller General, and the PHA, the Audit Report and the work papers, records and other evidence of the audit, including information and data prepared or assembled by the Consultant under this contract shall be held confidential by the Consultant and shall not be made available or otherwise disclosed to any person without the prior written approval of the PHA.
9. This contract may be renewed for an additional two years at the mutual consent of both parties at an agreed upon fee.

**IN WITNESS WHEREOF,** the Public Housing Agency and Consultant have executed this contract as of the day and year first above written.

Centre County Housing Authority

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Executive Director

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Audit Consultant

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_