

REQUEST FOR PROPOSALS
FOR
AUDIT FOR THE FISCAL YEARS ENDING 6/30
2022, 2023 and 2024

HOUSING AUTHORITY OF THE TOWN OF WINDSOR LOCKS, CONNECTICUT
120 / 124 SOUTHWEST AVENUE
WINDSOR LOCKS, CONNECTICUT 06096

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Issued Date **April 25, 2022**
Proposal Due Date **May 27, 2022**
Evaluation **Week of May 30, 2022**
Board Review **June 27, 2022**
Contract Effective Date **July 1, 2022**

An original and five (5) copies of the Proposal must be submitted in a sealed envelope to **(must be in the WLHA office by 12:00 p.m., May 27, 2022):**

REQUEST FOR PROPOSALS

WINDSOR LOCKS HOUSING AUTHORITY

The Windsor Locks Housing Authority is now requesting audit proposals from those firms qualified and licensed to audit housing authority financial statements. Your proposal should include a letter in which you indicate that if selected, you will sign the contract for audit services, a copy of which has been enclosed. Your proposal may indicate that the audit is for the purpose of expressing your opinion on the financial statements and not primarily or specifically designed to disclose defalcation and any other qualifications that you feel should be included. The fee for which you are willing to perform the audits should be stated, which amount should include all applicable expenses.

The audit is to be performed in accordance with generally accepted auditing standards and will additionally require compliance testing and a study of internal accounting controls. The Auditor will be required to state that these have been performed in accordance with OMB Circular A-133.

The Auditor shall also be responsible to audit according to the Uniform Financial Reporting Standards (UFRS) for Public Housing Authorities except that the Housing Authority will submit its own unaudited and audited data via the Financial Assessment Subsystem (FASS) of the Real Estate Assessment Center (REAC). The Auditor shall include the Financial Data Schedule (FDS) as supplemental information in their audit report and will be responsible for verifying the FDS data submitted by the Housing Authority. In this regard, the Auditor must be familiar with the REAC electronic submission process, have a REAC User ID and be able to provide the appropriate information on disk to the PHA on a timely basis.

The Windsor Locks Housing Authority was last audited at and for the year ended **6/30/21**. Programs that will be required to be audited at fiscal year-end **6/30/22** include:

Types of Programs to be Audited

FEDERAL LOW-INCOME PUBLIC HOUSING

- WLHA operates 76 units of Federal LIPH.
- WLHA has at least 1 Capital Fund programs in operation

STATE OF CONNECTICUT STATE ELDERLY HOUSING

- WLHA operates 40 State of Connecticut Public Housing units.

SECTION 8 HOUSING CHOICE VOUCHER PROGRAM (HCV)

- The Authority is allocated 127 HCV, presently has 112 units under the USDHUD Section 8 Housing Choice Voucher program.

The audit will be required to be performed as soon as possible (after completion of the unaudited financial statements) and must be completed by the end of 12/30/22. Twenty (20) copies of the audit will be required to the Public Housing Agency plus electronic filing a copy to the Single Audit Clearinghouse (1 copy with Data Collection Form) and one (1) copy submitted to Department of Housing (DOH).

At the conclusion of the engagement, the contractor shall provide the PHA with a draft of the audit report, along with the general fund cash analysis schedule(s) for all Federal Programs, electronic format which includes the financial statement footnotes, schedule of findings and Corrective Action Plan, and any adjusting entries, together with copies of supporting workpapers. In addition, any informal comments and suggestions regarding improvements in operation efficiency should be discussed.

You may visit the offices of the Housing Authority and review copies of the 6/30/21 audit report and copies of the current monthly general ledger and journals. You should make prior arrangements by contacting **Joseph D'Ascoli, Interim Executive Director**.

Your proposal must be received at the office of the Housing Authority on or before **May 27, 2022**, and selection will be made on **June 27, 2022**. All firms will be notified as to the selection, by mail or email on or before **June 30, 2022**. If a firm wishes to withdraw the proposal, they may do so prior to **May 25, 2022**.

SELECTION CRITERIA FOR IPA AUDIT

	<u>Points</u>
1. Qualification of assigned staff which includes prior PHA auditing experience and knowledge of the auditing standards especially. Experience in preparing or reviewing FDS schedules and working with the HUD electronic submission process.	30
2. General knowledge of the housing industry.	20
3. Price and number of hours to complete the audit. A schedule should be provided showing method of determining fee. Indicate what schedules or copies will be required of the PHA.	15
4. A list of references of those PHA clients served in the last year. The contact person and telephone number for each reference would be helpful.	10
5. Quality Control procedures within the firm (include latest copy of Peer Review report) and continuing education of assigned staff.	10
6. Quality and content of proposal.	10
7. Location of office	5
Total	<u>100</u>

-
- Items which have no point value: (if these items cannot be met, the proposal will be considered unresponsive).
 - Evidence of REAC User ID.
 - Evidence of professional liability coverage of no less than \$500,000 must be included.
 - Evidence of State license or permit to practice as a CPA must be included.
 - A statement must be included which states that the audit will be completed, and the report issued no later than 180 days from the end of the PHA’s fiscal year.

Should two or more firms receive substantially equal evaluations the Housing Authority is required to provide small or minority firms with the opportunity to perform or otherwise participate in the audit.

Your proposal should include:

1. Information concerning your firm, the name of the contact partner and staff persons who will be assigned to perform the audit. You should indicate the prior audit experience of these persons and how much time each person will actually spend on site.
2. Reference should be provided pertaining to audit clients for which your firm has been the auditor of record or who have permitted the listing of their names as a reference. Please indicate the nature of the work performed for these clients.
3. A statement as to the amount of assistance your firm will expect from the Housing Authority accounting staff, including the nature of assistance and/or schedules which you will expect them to prepare prior to or during the audit.
4. Please indicate if HUD has ever reviewed your work papers.

In addition to the proposal for the **6/30/22** audit, you are also requested to provide a proposal for the annual **6/30/23 to 6/30/24** audit. The proposal should contain the rates and total estimated costs that you would intend to use should the Housing Authority desire to extend the contract to include the contract to cover these audits. A renewal of your contract would be based on programs and circumstances as may then exist.

You should note that the audit contract provides that you will be paid the amount of your audit fee 50% upon submission of the audit report draft (copies to E.D.) and 25% upon delivery of the required copies of the audit report (and submission of a copy to the Single Audit Clearinghouse with the Data Collection Form) and 25% upon completion of the HUD electronic submission process.

The contract also requires that you retain the audit working papers to which the government may have access up to four (4) years.

Financial Reporting

Although the Single Audit Act requires the submission of general purpose financial statements, the authority also wishes the audit report to contain the following financial statements:

Conventional Public Housing

- Balance Sheet
- Statement of Income and Expense
- Analysis of Surplus
- Computation of Residual Receipts & Accruing Annual Contributions
- Statement of Development Cost - uncompleted
- Statement of Actual Development Cost
- Statement of Modernization Cost - uncompleted
- Statement of Actual Modernization Cost
- Analysis of General Funds available for reduction of annual contributions -
- subsidiary schedules
- Schedule of Federal Financial Assistance Section 8
- Balance Sheet
- Statement of Income and Expense
- Analysis of Surplus
- Statement of Annual Contributions earned, Project Account and Operating Reserve changes -
- Section 8 programs
- Analysis of General Funds available for reduction of annual contributions

Schedule of federal financial assistance

Other Programs - at a minimum

- Balance Sheet
- Statement of Income and Expense (if applicable)
- Analysis of Surplus
- Program Cost Statements and cash flows (if applicable)
- Analysis of general funds available for reduction of annual contributions
- Schedule of Federal Financial Assistance

- GAAP – FDS Schedule

Additional information that we believe may assist you in the preparation of the audit proposal is as follows:

1. The Housing Authority has approximately 28 employees.
2. The computer accounting system with HAB, Inc.:
 - a. Generates checks for payment of all Section 8 HAP recipients.
 - b. Prepares checks to pay approximately 90% of the accounts that are accrued during the month.
 - c. Prepares cash receipts journals based on daily input and maintain accounts receivable due from tenants, including security deposits.
 - d. Journal entries are recorded directly to general ledger accounts.
 - e. Generates a general ledger for each of the programs. The system provides both a monthly general ledger and a cumulative year-to-date ledger.
 - f. Generates monthly financial statements showing both monthly and year-to-date expenses compared to budget.
 - g. Generates a trial balance run for each program.
3. Paid invoices are filed by vendor and program.

The Windsor Locks Housing Authority reserves the right to reject any or all proposals/bids, to waive any technical or legal deficiencies, and to accept any proposal that it deems to be in the best interest of the Housing Authority.

We hope the above information will provide you with useful information necessary to the preparation of the audit proposal. Please feel free to contact Joseph D'Ascoli should you have any questions at (860) 643--2163 ext. 101.

Sincerely,

Joseph D'Ascoli, PHM
Interim Executive Director

INSTRUCTIONS TO BIDDERS

- Fill in all amounts on Exhibit 1 (Programs to be Audited) by FY Ending 6/30/22, 6/30/23 and 6/30/24.
- Do not fill in the date on the contract; that will be done by the PHA when they execute.
- Insert name of firm on Page 1 of contract.
- Fill in all blanks of paragraph Section 7.
- Fill in Name of Contractor and execute.

EXHIBIT 1

PROGRAMS TO BE AUDITED

This exhibit is hereby attached to and is an integral part of that contract between WINDSOR LOCKS HOUSING AUTHORITY (Public Housing Agency) and

_____ (the Contractor) dated _____ . The audit which the Contractor is to perform is to include the following programs or funds and, unless otherwise indicated, will be for the twelve (12) months ending **6/30/22**.

Programs to be included:

<u>Program</u>	<u># Units</u>	<u>2022 Amount</u>	<u>2023 Amount</u>	<u>2024 Amount</u>
Public Housing	76	\$	\$	\$
State Public Housing	40	\$	\$	\$
Section 8 Vouchers	127	\$	\$	\$
Local Programs		\$	\$	\$
CAP Fund Grant		\$	\$	\$
Total		\$	\$	\$

CONTRACT BETWEEN PUBLIC HOUSING AGENCY
AND
INDEPENDENT PUBLIC ACCOUNTANTS FOR AUDIT SERVICES
ORGANIZATION-WIDE AUDIT

THIS AGREEMENT, entered into as of the _____ day of _____, 202__ by and between the WINDSOR LOCKS HOUSING AUTHORITY, STATE OF CONNECTICUT (hereinafter referred to as the Public Housing Agency) and

_____ with offices at _____ (hereinafter referred to as the Contractor).

WITNESSETH

WHEREAS, the Public Housing Agency has entered into a contract(s) with the United States of America acting through the Department of Housing & Urban Development (hereinafter referred to as the “Government”) for financial assistance for low-income public housing pursuant to the United States Housing Act of 1937, as amended, 42 United States Code Section 1437 et seq.; and

WHEREAS, pursuant to said contract(s), the Government and the Comptroller General of the United States or his duly authorized representatives have the right to audit the books and records of the Public Housing Agency pertinent to its operations with respect to such financial assistance; and

WHEREAS, the Government has authorized the Public Housing Agency to procure such an audit by an independent Public Accountant in lieu of audit by the Government; and

WHEREAS, the Public Housing Agency may have other programs which are required to be audited at this time; and

WHEREAS, all programs to be audited are as contained in Exhibit 1 which is attached to and is a part of this contract; and

WHEREAS, the Public Housing Agency desires the Contractor to conduct and perform such an audit.

NOW, THEREFORE, the Public Housing Agency and the Contractor do mutually agree as follows:

1. The Contractor shall audit the accounts and records of the Public Housing Agency for the twelve (12) month period ending 6/30/22 and (12) month period ending 6/30/23 and 6/30/24 in accordance with generally accepted auditing standards, the provisions of OMB Circular A-133, the AICPA, “Audits of State and Local Governmental Units”, and the Uniform Financial Reporting Standards (UFRS). The audit performed shall be sufficient in scope to enable the Contractor to express an opinion in the audit

report on the financial statements of the Public Housing Agency, and include reports on internal controls and compliance, along with the financial data schedule (as supplementary information) and the Data Collection Form.

2. The books of account and financial records to be audited are maintained and are located at the Public Housing Agency's office at 120 Southwest Avenue, Windsor Locks, CT. These books and records will be made available to the Contractor by the Executive Director of the Public Housing Agency at the Contractor's request for the Contractor's use at the Public Housing Agency's office during normal business hours.
3. If the Contractor ascertains that the Public Housing Agency's books and records are not in sufficiently satisfactory condition for performing an audit, the Contractor shall disclose this deficiency to the Public Housing Agency. If the Public Housing Agency cannot get its books ready for an audit within 15 days, then the Contractor should notify the Government. Notification to the Government shall be written communication addressed to the Regional Inspector General for Audit, Regional Office, Department of Housing and Urban Development, One Corporate Center, 10th Floor, Hartford, CT with a copy to Hub Director, Department of Housing & Urban Development, New England Office of Public Housing, Boston Hub, Thomas P. O'Neill, Jr. Federal Building, 10 Causeway Street, Boston, MA 02222-1092. The Contractor shall await further instructions from the Regional Inspector General for Audit before continuing the audit.
4. Upon completion of the audit, an Audit Report consisting of those elements as required by OMB Circular A-133 shall be simultaneously submitted to the Public Housing Agency (20 copies) and to the Single Audit Clearinghouse (1 copy with Data Collection Form) and to Department of Housing (DOH). In addition, the Contractor will supply the Public Housing Agency with an electronic format containing financial statement footnotes, schedule of findings and Corrective Action Plan. In addition, the Contractor will review and verify the electronic submission of audited information.
5. The Audit Report shall be submitted within 180 days after the close of the Public Housing Agency's fiscal year. The Contractor shall review and verify the electronic submission within ten (10) working days of the PHA's notification to the contractor that the information is ready for IPA review. The Public Housing Agency understands that generally accepted auditing standards require that the auditor obtain a representation letter from the Public Housing Agency prior to completion of the audit and submission of the Audit report.
6. The Public Housing Agency may, before or during the conduct of the audit, request changes in the scope of the services of the Contractor to be performed under this contract. Such changes, including any increase or decrease in the amount of the Contractor's compensation and any change in the time limitation for submission of the Contractor's report. Which are mutually agreed upon by and between the Public Housing Agency and the Contractor, shall be incorporated into written amendments to this contract.
7. The Public Housing Agency agrees to pay the Contractor as compensation for the services mentioned herein, a lump-sum of \$_____ inclusive of all costs and expenses. The fee is based on the following:

Level of Service	Rate	Estimated Hours	Amount
a. Partner	\$		\$
b. Senior Staff	\$		\$
c. Intermediate Staff	\$		\$
d. Staff Assis.	\$		\$
e. Support Staff	\$		\$
f. Other Costs			\$
		Total	\$ _____

It is estimated that _____ workdays will be required to perform the audit.

Such lump-sum fee shall be payable after submission of the Audit Report to the Public Housing Agency and after submission of copies of the report to the Government as provided in paragraph 4 above. The Public Housing Agency will pay 50% upon completion of the audit report draft and 25% after delivery and submission of the required copies of the Audit Report, as per paragraph 4 and 25% after completion of the audit submission to HUD.

8. The Contractor certifies that it is a Certified Public Accountant and/or Licensed or Registered Public Accountant, certified, licensed or registered by a regulatory authority of a State or other political subdivision of the United States. A statement identifying such certification or license shall be attached to this Contract along with evidence of current registration in the State of Connecticut.

9. The Contractor certifies that its principal officer(s) or member(s) do not now have and have not had during any period covered by this audit engaged in transactions involving sale, lease or purchase of property with and does not have any interest, direct or indirect, in the Public Housing Agency or any of its members or officials including the following:
 - a. Family relationship with any Public Housing Agency member or official.
 - b. Employment by or service as a member or official of the Public Housing Agency during the period covered by the audit.

10. The Contractor certifies that it has not provided bookkeeping services for the Public Housing Agency during the period covered by the audit.

11. No member, officer or employee of the Public Housing Agency, no member of the governing body of the locality in which any of the Public Housing Agency’s projects are situated, no member of the governing body of the locality in which the Public Housing Agency was activated, and no other public official of such locality or localities who exercises any responsibilities or function with respect to the Public Housing Agency’s projects, during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in this contract or the proceeds thereof.

12. No member of/or delegate to Congress of the United States or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom.
13. The Contractor 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. Breach of this warranty shall give the Public Housing Agency the right to terminate this contract, or, in its discretion, to deduct from the Contractor's fee the amount of such commission, percentage, brokerage or contingent fee.
14. The Contractor shall not assign or transfer any interest in this contract except that claims for monies due or to become due from the Public Housing Agency under the contract may be assigned to a bank, trust company, or other financial institution. If the Contractor is a partnership, this contract shall inure to the benefit of the surviving or remaining members of such partnership.
15. The Contractor shall not discriminate against any employee or applicant for employment on the basis of race, creed, color, religion, marital status, gender, sexual preference, developmental disability, sex, age, or national origin. The Contractor shall take affirmative action to ensure that applicants are employed and employees are treated during employment, without regard to race, creed, color, religion, marital status, gender, sexual preference, developmental disability, sex, age or national origin, upgrading, demotion, or transfer, recruitment advertising; layoff or termination, rates of pay or other forms of compensation; and selection for training, including apprenticeship.
16. For a period of four (4) years from the date of the Audit Report, the Contractor shall make its work papers, records, and other evidence of audit available to the Government and to the Comptroller General of the United States or his duly authorized representatives during normal working hours upon written request of the Government or of the Comptroller General or his representatives. The period will be reduced to the three (3) years for those Public Housing Agencies for which all projects have had Actual Development Cost Certificates issued. 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.
17. Except for disclosure to the Government, the Comptroller General and the Public Housing Agency, the Audit Report and the work papers, records and other evidence of audit, including information and data prepared or assembled by the Contractor shall not be made available or otherwise disclosed to any person without the prior written approval of the Public Housing Agency.
18. Cash analysis schedules (if not prepared by the Public Housing Agency) for all Federal Programs, any management comments, and any adjusting entries, together with copies of supporting work papers. The Contractor shall also provide a draft of the Audit Report to the Executive Director and Fee Accountant for review prior to the finalization of the Audit Report.
19. If, through any cause, the Contractor shall fail to fulfill in a timely and proper manner his obligations under this Agreement, or if the Contractor shall violate any of the covenants, agreements or stipulations of this Agreement, the Authority shall thereupon have the right to terminate this Agreement by giving written notice to the Contractor of such termination and specifying the effective date thereof, at least five (5) days before the effective date of such termination. In such event, all finished documents, data and reports prepared by the Contractor under this Agreement shall, at the option of the authority, be

made available to the Public Housing Agency or its authorized representative and the Contractor shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents.

IN WITNESS WHEREOF, the Public Housing Agency and the Contractor have executed this agreement the day and year first above written.

Name of Contractor

Name of Public Housing Agency

By: _____

By: _____

Contractor Information:

Name of Contact Partner _____

Address of Contractor _____

Telephone Number _____

E-Mail Address _____