

**THE NOBLESVILLE HOUSING AUTHORITY**

**REQUEST FOR PROPOSALS (RFP)**

**FOR**

**IPA Annual Audit Services**

**ALL PROPOSALS MUST BE ADDRESSED AND SUBMITTED TO:**

**AIMEE JACOBSEN, EXECUTIVE DIRECTOR**

**PROPOSALS MUST BE RECEIVED ON OR PRIOR TO 3:00 P.M.**

**April 10, 2024**

## **Request for Proposals FOR Annual Audit Services**

The Noblesville Housing Authority is accepting proposals for Annual Audit Services for a two (2) year period beginning with the audit for the fiscal year ended December 31, 2023, through the audit for the fiscal year ending December 31, 2025, with a one-year option to renew for the audit associated with the fiscal year ending December 31, 2026.

All proposals submitted in response to this solicitation must conform to all the requirements and specifications outlined within this document and any designated attachments in their entirety.

One Original and one copy of the proposal should be delivered to the Noblesville Housing Authority, 320 Kings Lane, Noblesville, IN 46060 Attn: Aimee Jacobsen, Executive Director and clearly marked "Proposal for Annual Audit Services."

## RFP FOR IPA ANNUAL AUDIT SERVICES

The Noblesville Housing Authority (NHA) requests proposals from qualified applicants to provide IPA Annual Audit Services for its portfolio of assisted housing and related programs including but not limited to, approximately 225 Housing Choice Vouchers.

### Scope of Work

NHA is seeking proposals from qualified and licensed entities to provide the detailed annual audit services and other attestation services described below.

#### General Requirements

Any audit that is performed by award of this RFP shall be performed in accordance with Generally Accepted Governmental Auditing Standards (GAGAS). The NHA audit requires compliance and internal accounting controls testing under 2 CFR Part 200. The successful proposer will be required to certify that each and every NHA financial statement NHA has been prepared and that NHA has complied with all applicable federal and state laws and regulations and in accordance with Generally Accepted Accounting Principles (GAAP).

NHA was last audited for the fiscal year ending December 31, 2022. The program for which the NHA administers will require the successful proposer to perform Single Audits for the fiscal years ending December 31, 2023, and December 31, 2024, with a one-year renewal at the NHA's option.

The IPA Annual Audit Services must be in accordance with Generally Accepted Accounting Principles (GAAP) and reporting provisions of applicable HUD and REAC guidelines and the Single Audit Act.

Onsite field work must be no later than August 15<sup>th</sup> and the draft issued by September 15<sup>th</sup> for inclusion in the NHA September Board meeting.

The draft report must be submitted to the NHA by September 15<sup>th</sup>, 2024.

Final report and submission to NHA, HUD REAC and the Federal Audit Clearinghouse must be completed by October 31st.

Once completed, the successful proposer will be required to submit to the NHA a total of 2 bound copies and one original unbound copy of the audited financial statements inclusive of the Single Audit Report.

**The Auditor's Responsibilities:** As defined in PART 200—UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS ([2 CFR 200.303](#).)

General Responsibility: The audit shall be conducted in accordance with GAGAS. The general audit shall cover the entire operations of the NHA; the audit covers only the operations pertinent to the NHA.

Financial Statements, the auditor shall determine whether the NHA's financial statements are fairly presented in all material respects in conformity with GAAP. The auditor shall also determine whether the schedule of expenditure of Federal awards is presented fairly in all material respects in relation to the NHA's financial statements taken as a whole.

Internal Control, in addition to the requirements of GAGAS, the auditor shall perform procedures to obtain an understanding of the NHA's internal control systems.

Compliance, in addition to the requirements of GAGAS, the auditor shall determine whether the NHA complied with laws, regulations, and the provisions of contracts or grant agreements that may have a direct and material impact on each of its major programs.

Audit Follow-up, the auditor shall follow up on any prior audit findings and perform procedures to assess the reasonableness of the summary of schedule of prior audit findings prepared by the NHA.

Data Collection Form, the auditor shall complete, and sign specified sections of the Data Collection Form (Form SF-SAC).

Audit Reporting: The auditor's report shall include:

- An opinion on financial statements and schedule of expenditure of Federal awards;
- A report on Internal Control;
- A report on Compliance;
- A schedule of findings and questioned costs.

Audit Working Papers,

- Retention of Working Papers: The auditor shall retain working papers for a minimum of 5 years after the date of issuance of the auditor's report to the NHA.
- Access to Working Papers: Audit working papers shall be made available upon request to the cognizant or oversight agency for audit or its designee. Access to working papers includes the right of Federal agencies to obtain copies of working papers as is reasonable and necessary.

Determine the NHA's major programs,

Adherence to standards set forth by Generally Accepted Auditing Standards (GAAS) and GAGAS.

Prepare the Audit Engagement Letter in accordance with the American Institute of Certified Public Accountants (AICPA) standards. This letter will be executed by the NHA. It confirms the auditor's acceptance of the appointment and documents the agreed-upon scope and terms of the engagement

and shall become a part of the ensuing contract between the NHA and the selected auditor. The basic elements of the Audit Engagement Letter shall be:

- Names of the parties to the contract.
- Audit schedule.
- Reporting package and its format.

Auditor/NHA relationship regarding changes in the kind or amount of work required and access to and ownership of audit products, including:

At any time, the NHA may, by written notice, make changes in or additions to work or services within the general scope of the agreement. If such changes are made, an equitable adjustment will be made to the cost of the audit using the rates specified in the agreement.

If the auditor believes that a change in or addition to work is beyond the general scope of the agreement, it must notify the NHA in writing within 10 days of being notified to begin such work. The final administrative authority in settling such disputes shall rest with the NHA.

**Audit Work Papers:** The work papers prepared by the auditor during the audit are its own property. These documents shall be retained for a period of at least 3 years after issuance of the Report. Copies of these work papers, if requested by the NHA, the U.S. Department of Housing and Urban Development (HUD) or any other governmental agency having jurisdiction to request such (i.e. Office of Inspector General), are to be made available to the requesting party within 10 days of receipt of such request. All reports rendered to the NHA by the auditor are the exclusive property of the NHA and subject to its use and control, according to applicable laws and regulations.

The objective of the audit is the expression of an opinion on the financial statements.

The Management of the NHA is responsible for the NHA's financial statements. The auditor will be provided a draft copy of the upper level Statement of Net Assets, Schedule of Revenues, Expenses and Changes in Net Assets, the Schedule of Federal Financial Awards, and the Financial Data Schedule. In addition, a draft copy of the Notes to the Financial Statements will also be provided to facilitate completion of the audit report. The auditor shall be responsible for producing the final audited financial statements (including cash flow).

NHA Management is responsible for establishing and maintaining effective internal control systems.

NHA Management is responsible for identifying and ensuring that the NHA complies with applicable laws and regulations.

NHA Management is responsible for making all financial records and related information available to the auditor.

At the conclusion of the audit, NHA Management will provide the auditor with a letter that confirms certain representations made during the audit (Management Representation Letter).

The auditor is responsible for conducting the audit in accordance with GAAS and/or GAGAS. The audit includes obtaining an understanding of the NHA's internal controls sufficient to plan the audit and to determine the nature, timing, and extent of audit procedures to be performed. An audit is not designed to provide assurance on internal control or to identify reportable conditions. However, the auditor is responsible for ensuring that the audit committee or its equivalent is aware of any reportable conditions that come to its attention.

At the conclusion of the engagement, the auditor will provide NHA with any adjusting entries. Additionally, any informal comments and suggestions regarding improvements in operational efficiency should be discussed during the exit interview.

NHA Management is responsible for adjusting the financial statements to correct material misstatements and for affirming to the auditor in the representation letter that the effects of any uncorrected misstatements aggregated by the auditor are immaterial, both individually and in the aggregate.

Arrangements regarding the conduct of the engagement (i.e., timing, client assistance, availability of documents, and use of specialists or internal auditors, etc.).

- Arrangements involving a predecessor auditor, fees, expense reimbursement, and payment schedule.
- Any limitation of or other arrangements regarding the liability of the auditor or the NHA.
- Any other conditions under which third parties may be granted access to the auditor work papers.
- Provision of services relating to regulatory requirements or other non-audit services.
- All proposed work shall include any required assistance and verification that the auditor must provide to assist and ensure the appropriate on-time submission of the audited FDS to HUD.

**The NHA's Responsibilities:**

Provide Federal program-related information: Federal awards received and expended including the Catalog of Federal Domestic Assistance (CFDA) title and number, award number and year, name of the Federal agency, and the name of the pass-through entity,

Maintain internal control over Federal program that provides reasonable assurance that the NHA is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its federal programs,

Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its federal programs,

Ensure that the required audits are properly performed and submitted in a timely manner.

Follow up and take corrective action on audit findings, including preparation of a summary schedule of prior audit findings and a corrective action plan.

Submit the reporting package to OMB-designated Federal Clearinghouse and to its Cognizant Agency.

Per 24 CFR Part 85.20:

- Financial Reporting: Disclose accurate, current, and complete financial results of HUD-assisted Programs.
- Accounting Records: Identify the source and application of funds provided for HUD-assisted activities.
- Internal Controls: Maintain effective controls and accountability for all assets, including accounting controls and management activities.
- Budget Controls: Prepare separate budget for each HUD- assisted program, based on HUD-prescribed categories, and ensure that expenditures do not exceed the approved budget.
- Allowable Cost: Ensure that funds are expended in accordance with program requirements.
- Source Documentation: Maintain source documents and files that support the financial transactions recorded in the books, providing an adequate audit trail.

Per Statement on Auditing Standards No. 85:

- Prepare Management Representation Letter. This is the NHA's written representation on financial statements under examination by the auditor. In accordance with GAAS, the auditor requests this document from the NHA prior to the conclusion of the audit.

Per 24 CFR 902.33:

Electronically submit the audited financial data to HUD's Real Estate Assessment Center (REAC) within 9 months after its fiscal year-end date. The NHA shall review and concur prior to submission. The NHA will

draft all financial statements for all years including the Financial Data Schedule (FDS), leaving the auditor to edit and provide their opinions thereto.

#### **INDIANA STATE BOARD OF ACCOUNTS REQUIREMENTS**

- 1) We acknowledge the audit oversight responsibilities of the State Board of Accounts (SBOA). We agree to adhere to the *Uniform Compliance Guidelines for Audit of Hospitals and State and Local Governments by Authorized Independent Public Accounts* and the requirements of State Examiner Directive 2015-2.
- 2) The State Examiner will be notified immediately if there is a misappropriation of funds that is suspected to be the result of malfeasance, misfeasance, or nonfeasance discovered during the course of the private examiner's work.
- 3) The State Examiner will be notified immediately if the books and records are not in a sufficiently satisfactory condition for performing the audit or if a modified opinion is being contemplated.
- 4) The SBOA will receive a draft copy of the audit report for review at least 5 days prior to finalization of the audit report, as well as any separate communication to the entity's management, such as a management letter or governance communication letter.
- 5) The SBOA will return any report review comments to the private examiner by email. An updated draft incorporating any edits made as a result of the review comments received will be provided to the SBOA prior to SBOA granting approval of the reports for exit and report finalization.
- 6) The SBOA will be provided the names, email addresses, and postal addresses of the governing board president, chief financial officer, and chief executive officer of the entity and the entity's private examiner contact.
- 7) Upon approval of the draft report and finalization of the audit report, a copy of the audit report will be provided to the SBOA in an unlocked .pdf file within 10 business days of the report being issued by the private examiner.
- 8) The SBOA will be notified of the date, time, and location the results of the audit will be discussed with entity officials (exit conference) at least 5 business days prior to the meeting by email.
- 9) All documentation used to support the audit report as well as any separate communication to the entity's management will be available for review by the SBOA at the State Examiner's discretion.
- 10) All correspondence will be via the following email address: [housingauthorities@sboa.in.gov](mailto:housingauthorities@sboa.in.gov)



## Scoring Criteria

**Minimum Mandatory Criteria:** The following criteria must be met for a proposer to be considered for further evaluation. Failure to meet any one of these criteria is automatic ineligibility. Please provide documentation regarding each in your proposal.

- Must be a Certified Public Accountant properly licensed to practice in the State of Indiana.
- Must meet independence standards established by GAO.

Proposers should demonstrate qualifications for work to be performed. In evaluating the proposals, the Noblesville Housing Authority will use the following criteria and points system:

- a. Professional qualifications of the firm/company and evidence of the ability to perform the work, as indicated by staff profiles, client lists and references (30 points)
- b. Availability to perform the work accordingly to NHA's time requirements. (20 points)
- c. Experience with Public Housing Authorities audits, and REAC submission requirements (30 points)
- d. Fixed Fee Price (20 points)
- e. Minority, Women or Veteran Owned Business Enterprise (MWVBE) - Optional (5 points)

In the proposal, the firm should supply the following information:

- Demonstrated Understanding of the Services to be provided and Technical Approach
- Qualifications/Experience of the firm and individual(s) performing the services
- Demonstrated Experience/Professional References (minimum 5 PHA audit references)
- Fee Schedule
- HUD Form – 5369-C Minority, Women or Veteran Owned Business Enterprise (MWVBE) (optional)

**Client List:** The proposer must submit a list of at least three (3) former or current clients for whom the proposer has performed similar or like services to those being proposed herein, within the preceding twelve (12) months. The list must include:

- The client's name
- The client's contact name
- The client's telephone number
- A description of the service(s) provided

Upon award the successful proposer will be required to provide:

- Evidence of professional liability insurance carried by the firm
- Evidence of Workman Compensation Insurance

## **NHA’S Reservation of Rights**

The NHA reserves the right to reject any or all proposals, to waive any informality in the RFP process, or to terminate the RFP process at any time, if deemed by the NHA to be in its best interests.

The NHA reserves the right not to award a contract pursuant to this RFP.

The NHA reserves the right to terminate a contract awarded pursuant to this RFP, at any time for its convenience upon 30 days written notice to the successful proposer(s).

The NHA reserves the right to determine the days, hours and locations that the successful proposer(s) shall provide the services called for in this RFP.

The NHA reserves the right to retain all proposals submitted and not permit withdrawal for a period of 60 days subsequent to the deadline for receiving proposals without the written consent of the NHA Contracting Officer (CO).

The NHA reserves the right to negotiate the fees proposed by the proposer entity.

The NHA reserves the right to reject and not consider any proposal that does not meet the requirements of this RFP, including but not necessarily limited to incomplete proposals and/or proposals offering alternate or non-requested services.

The NHA shall have no obligation to compensate any proposer for any costs incurred in responding to this RFP.

The NHA shall reserve the right to at any time during the RFP or contract process to prohibit any further participation by a proposer or reject any proposal submitted that does not conform to any of the requirements detailed herein.

The NHA reserves the right to reject the Proposal of any firm who is debarred by the U.S. Department of Housing and Urban Development (HUD) from providing services to PHAs and reserves the right to reject the proposal of any firm who PHAs previously failed to perform contracts properly.

## **Procurement Schedule** (Note: There will not be a pre-proposal conference)

Release/Advertisement of RFP – Monday March 11, 2024 (Hamilton County Reporter) and Wednesday March 13, 2024 (The Times of Noblesville)

## Responses due by – Wednesday April 10, 2024

Proposals review completed by April 24<sup>th</sup>, 2024

If required, an oral presentation will be held either in-person or by conference call April 23, 2024, and final negotiations completed no later than April 23<sup>rd</sup>, 2024.

Vote to award contract to recommended proposer - Board Meeting April 30<sup>th</sup>, 2024

Contract start date – May 1, 2024

## Proposer’s Responsibilities—Contact With the NHA

It is the responsibility of the proposer to address all communication and correspondence pertaining to this RFP process to Aimee Jacobsen, Executive Director [ajacobsen@gonha.org](mailto:ajacobsen@gonha.org). Failure to abide by this requirement may be cause for the NHA to not consider a proposal submittal received from any proposer who may not abide by this directive.

## Addendums

All questions and requests for information must be addressed via email. The Executive Director (ED) will respond to all such inquiries via email by addendum to all prospective proposers (i.e. firms or individuals that have obtained the RFP Documents). During the RFP solicitation process, the ED will NOT conduct any *ex parte* (a substantive conversation—“substantive” meaning, when decisions pertaining to the RFP are made—between the NHA and a prospective proposer when other prospective proposers are not present) conversations that may give one prospective proposer an advantage over other prospective proposers.

## Minority, Women or Veteran Owned Business Enterprise (MWVBE)

**MWVBE** participation is highly encouraged. **MWVBE** for the purpose of this policy are companies with a certification designation from an authorized certification agency as a woman, small, Veteran or minority group certification NHA accepts all verifiable certificates from any bona fide certification agency. Certification means a designation such as MBE, VBE or WBE awarded by any authorized agency that a company is a for-profit independent operating business that is at least 51% owned operated and controlled by minority person(s) and/or a woman. The ownership by minorities and women must be real and substantial.