

Housing Authority of the City of Carrollton, Georgia

Request for Proposal

External Auditing Services

Introduction

The Housing Authority of the City of Carrollton, Georgia (hereinafter referred to as “Authority”) hereby requests proposals from qualified firms of certified public accountants (hereinafter referred to as “Auditor”) to audit its annual financial statements for the four fiscal year periods ending June 30, 2017 through June 30, 2020. The contract will be renewable annually for an additional two years at the option of the Authority.

The Auditor will be selected by a review of the following basic factors:

1. The Firm’s qualifications to perform a Public Housing Authority audit (50 points),
2. The Firm’s planned approach to the audit (30 points), and
3. The Firm’s proposed price for the Audit (20 points).

All proposals must be submitted in accordance with the guidelines specified in this Request for Proposal (RFP). No requirement and/or specification should be construed as an attempt on the part of the Authority to limit competition. However, the nature of the Authority’s audit requirements may necessarily result in the elimination of a number of prospective vendors.

General Information

Founded in 1950, The Housing Authority of the City of Carrollton (CHA) is chartered by the laws of the State of Georgia to provide and administer quality and affordable housing to low-income persons. CHA receives policy guidance and operational approval from its five member governing Board of Commissioners that are appointed by the Mayor of the City of Carrollton. CHA recently completed a 100% portfolio conversion of 231 former public housing apartments under the HUD’s Project Based Vouchers (PBV) Rental Assistance Program (RAD). CHA also operates a traditional tenant based Section 8 program consisting of 109 tenant based vouchers, 42 Tenant Protection Vouchers, and 40 HUD VASH vouchers. All funding for these programs are provided by the Federal Government through the Department of Housing and Urban Development. The majority of Authority’s revenue is derived from dwelling unit rentals and federal subsidies.

CHA also offers numerous programs to our Project Based Voucher tenants, Section 8 and the community at large, including an Abstinence Education, Elderly and Disabled Services, Family Self Sufficiency Programs, ROSS Services, and a Youth Services Program. Specific information on the Authority’s funding types is included in Attachment 3. As is evident from that attachment, the Authority possesses a financial structure that is considered moderately complex for this type of governmental unit.

The rules and regulations governing the execution of the audit are contained in Attachment 1, Audit Contract. The narrative that follows is intended to provide information that will guide all firms in preparation of their proposals. This narrative, the audit contract, and all additional attachments are considered an integral part of this Request for Proposal. Attachment 1, Audit Contract, Attachment 2, Proposal Price Form, and all requested materials will be considered part of a completed proposal.

AUDIT OBJECTIVES AND SCOPE OF SERVICES

1. The objective of the audit is to provide an opinion on the financial statements taken as a whole. The audit must meet the requirements of the HUD Audit Guide, Single Audit Act of 1996, Guidelines on Reporting and Attestation Requirements of Uniform Financial Reporting Standards (UFRS), GASB statements #33 and #34 and Federal OMB Circular A-133, and literature which may amend or supersede these requirements.

2. The audit will be a financial and compliance audit. The audit of the Authority's financial records must be made in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. The audited financial statements must be prepared in conformity with Generally Accepted Accounting Principles (GAAP).
3. A planning conference will be held between the audit firm and the Authority's Director of Finance and staff as soon as practicable after the execution of the audit contract. The conference will include review of Authority policies and procedures, a discussion of audit issues, audit staffing, Authority staffing, scheduling, work papers, and other concerns of either party. At this conference, the audit firm shall provide check lists of materials and data required for the audit.
4. The audit fieldwork should be completed by November 30th of each year, and the statements must be ready for distribution by December 31st of the calendar year following the audit year. The audited FDS submission shall be completed by January 31st of the calendar year following the audit year.
5. Communication with the Authority on the status of the audit during and after the fieldwork is required. The audit manager shall provide weekly progress reports to the Director of Finance. These progress reports will include any issues such as proposed audit adjustments and compliance comments that arise during the course of the audit. The audit firm will immediately advise the Authority of proposed audit findings.
6. Proposed audit adjustments, compliance comments and recommendations for improvement will be provided to management in final form within five days of the notation and must be resolved with management prior to close of the fieldwork.
7. The audit staff assigned to this contract will be consistent throughout the audit so that information does not need to be provided repeatedly.
8. Accompanying the financial statements, the Auditor will submit a Management Letter of Comments and Recommendations, if applicable, for improvement of program and financial management per the Auditor's opinion after examining the Authority's systems.
9. The management letter, if any, will provide sufficient background, detail and documentation of fact to support each finding. The Authority expects the management letter will incorporate the response to any finding.
10. The Auditor shall submit an audit report, which shall comply with the applicable reporting standards as contained in the publications aforementioned.
11. The auditor in charge will conduct an exit conference with the Executive Director and the Director of Finance. At the exit conference, findings and recommendations regarding compliance and internal control shall be discussed. The Executive 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. Additionally, the auditor in charge shall present the Audit Report to the Board of Commissioners.

Required Proposal Format

Each submitted proposal should contain all information requested in the following paragraphs.

Section I: Firm Qualifications (50 points)

Each firm submitting a proposal should possess substantial experience in both governmental auditing **and** public housing authority (PHA) auditing. Such experience is an absolute prerequisite for acceptance of a proposal.

Each firm should include in Section I of its proposal the following items:

1. A summary of the firm's organization and general history.
2. A summary of the firm's experience in both governmental auditing and PHA auditing.

3. A listing of both governmental audits and PHA audits performed. The listing of PHA audits performed should include the PHA address, telephone number, and the name of the appropriate contact person.
4. A statement concerning the status of the firm's most recent peer review. If the firm's peer review has been completed, evidence of satisfactory completion should be provided.
5. A summary of the professional backgrounds of each staff member expected to be assigned to the audit. Include CPE Units in governmental related accounting.
6. Affirmation that your organization is properly licensed for public practice as a certified public accountant in the state of Georgia. Affirmation 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.
7. Indication as to whether the firm or individuals assigned to the audit have been the object of any disciplinary action during the past 3 years. Also, indicate whether the firm or individuals assigned to the audit have been suspended or debarred from performing governmental audits, or other government activity.

The Authority reserves the right to reject any proposal submitted by a firm not possessing the necessary governmental and PHA auditing experience.

Section II. Planned Approach to the Audit (30 points)

This section of the proposal should describe the auditor's plan for conducting the audit(s). Specifically, this section should include the following information:

1. An audit work program and schedule for the FY 2017 audit. The FY 17 audit should begin no later than the month of September 2017.
2. A summary of the firm's planned use of personnel. This summary should describe how many hours and what level of staff are to be devoted to the various portions of the work program.
3. A summary of the auditor's planned methods of transaction sampling for the various types of transactions (purchase orders, AP checks, PR checks, etc.).
4. A statement as to the amount of assistance that will be expected from the Authority staff, including schedules that will be requested prior to or during the audit.
5. A statement as to how the firm will accommodate the Authority's strong preference to produce client prepared work papers exclusively in PDF format.

Section III: Proposed Audit Price (20 points)

Each firm should provide its proposed price for each year of the audit contract on Attachment 2, Proposal Price Form. This form will become part of the final audit contract. The Proposal Price Form requires that audit price be shown in terms of 1) Audit Participants, 2) Hourly Costs for each type of participant, and 3) Travel Costs.

The total cost of each year's price calculation should be a fixed fee for each year of the audit that will be reflected in Paragraph 21 of the Audit Contract.

The information included on Attachment 3 is intended to aid firms in preparing proposed audit prices. Additional relevant information that should be considered by the proposing firm is listed below:

1. The Authority's financial records are computerized, using application software purchased from Scott Accounting & Computer Services, Inc. Modules in place are General Ledger, Tenants Accounts Receivable, Accounts Payable, Purchasing, Work Orders, etc.
2. Authority staff will assist the Auditor as much as possible in locating documents or transactions required for the audit. In addition, most of the materials needed for auditor inspection will be kept in an accessible, central location during the entire length of the audit so that auditors can have maximum access to them.

3. The Authority will independently produce the unaudited Financial Data Schedule, comprehensive work papers, consolidated financial statements, the Management Discussion and Analysis, and all notes to the financial statements upon commencement of fieldwork.
4. All clerical work involved in the preparation of the final audit report and any other schedules, verifications, etc. will be totally the responsibility of the auditor.

It is important for all firms submitting proposals to realize that proposed price, while important, is not the only, or even the primary, criterion for auditor selection. Each firm should submit a proposed price that will adequately cover the actual costs of performing the audit. .

Instructions for RFP Submission

Prior to actual submission of proposals, any firm who wishes to meet with representatives of the Housing Authority will be allowed to do so. All such meetings must be arranged in advance and any travel costs associated with such a meeting are the responsibility of the auditing firm.

The Authority must receive completed proposals no later than 11:00 a.m., April 27th, 2017. All proposals should be identified as such on the envelope. All proposals should be mailed or delivered (no faxes or emailed proposals) to the following address:

Attn: Charles Griffin
Carrollton Housing Authority
1 Roop Street / P.O. Box 627
Carrollton, Georgia 30112

When the Authority has tentatively selected a firm's proposal, it may request a conference to be held in Carrollton in order to provide that firm an opportunity to clarify any unclear areas or discuss any prominent points concerning the proposal. Each firm choosing to submit a proposal should be willing to attend such a conference, if necessary, at its own expense. As a result of the conference, the Authority may choose to modify its choice of a selected firm.

Based upon the Authority's proposal review and conference, the audit contract will be forwarded along with a recommendation for contract approval to the Board of Commissioners. Upon that approval, a contract will then be executed.

The Authority reserves the right to reject any and all proposals, and to waive the informalities in the proposal received whenever the Authority determines that such rejection or waiver is in its best interest. The Authority also reserves the right to reject proposals from any firm who has previously failed to perform properly and/or complete work or contracts in a timely manner.

AUDIT CONTRACT

THIS AGREEMENT, entered into as of the ____ day of _____, 20__, by and between the Housing Authority of the City of Carrollton, State of Georgia, (hereinafter referred to as the “Authority”) and _____ with offices at _____, (hereinafter referred to as the “Auditor”), WITNESSETH:

WHEREAS, the Authority has entered into a contract(s) with the United States of America acting through the Department of Housing and 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 Authority pertinent to its operations with respect to such financial assistance; and

WHEREAS, the Government has authorized the Authority to procure such an audit by an Independent Public Accountant in lieu of audit by the Government; and

WHEREAS, the Authority desires the Auditor to conduct and perform such an audit;

Now THEREFORE, the Authority and the Auditor do mutually agree as follows:

1. The Auditor shall audit the accounts and records of the Authority for the three year periods ending June 30, 2017 through 2020, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. The audit performed shall be sufficient in scope to enable the Auditor to express an opinion in the audit report on the financial statements of the Authority. The Authority may, from year to year, expand the scope of work beyond that required by HUD.
1. At the end of the three year period, the contract will be renewable annually for an additional two years at the option of the Authority. If the Authority elects not to renew the contract, notice will be given to the Auditor by March 31 of that year.
2. Each audit shall be conducted separately and a complete audit report shall be prepared and submitted for each period.
3. Except for noncompliance with the terms and conditions of this contract, neither the Auditor nor the Authority may cancel this agreement during the actual execution period of any audit. Following successful completion of each audit (i.e. submission of all required reports and acceptance of the audit report by HUD), either party may cancel the remainder of the contract by notifying the opposite party in writing of that intention prior to March 31 of that year.
4. The audit shall meet the requirements of the HUD Audit Guide, Single Audit Act of 1997, Guidelines on Reporting and Attestation Requirements of Uniform Financial Reporting Standards (UFRS), GASB statements #33 and #34 and Federal OMB Circular A-133, literature, which may amend or supersede these requirements.
5. The books of account and financial records to be audited are maintained and are located at the Authority’s Central Office, 1 Roop Street, Carrollton, Georgia. These books and records will be made available to the Auditor by the Executive Director of the Authority at the Auditor’s request for the Auditor’s use at the Authority’s office during normal business hours.

6. The audit fieldwork should begin no later than September 30 and be completed by November 30th of each year, and the statements must be ready for distribution by December 31st of the calendar year following the audit year. The audited FDS submission shall be completed by January 31st of the calendar year following the audit year.
7. If the Auditor ascertains that the Authority's books and records are not in a sufficiently satisfactory condition for performing an audit, the Auditor shall disclose this deficiency to the Authority. If the Authority cannot prepare its books for audit within 15 days of said notification, the Auditor should notify the Government. Notification to the Government shall be by written communication addressed to the Regional Inspector General for Audit, Regional Office, U.S. Department of Housing and Urban Development, Richard B. Russell Federal Building, 75 Spring Street SW, Atlanta, Georgia, 30303. The Auditor shall await further instructions from the Regional Inspector General for Audit before continuing the audit.
8. Upon completion of each audit, an Audit Report consisting of those elements described in the Audit Guide shall be submitted to the Authority (7 copies).
9. The Authority may, before or during the conduct of the audit, request changes in the scope of the services of the Auditor to be performed under this contract. Such changes, including any increase or decrease in the amount of the Auditor's compensation and any change in the time limitation for submission of the Auditor's report, which are mutually agreed upon by and between the Authority and the Auditor, shall be incorporated into written amendments to this contract.
10. The Authority agrees to pay the Auditor as compensation for the services and report mentioned herein, a lump sum fee per audit as contained in Attachment 2 of this contract. Each lump sum payment shall be made after all of the following conditions are met: a) Submission of the completed audit report to the Authority, and b) Submission of the audited Financial Data Schedule.
11. The Auditor must meet one of the following definitions of independent auditor: a) A state or local government auditor who meets the independence standards specified in the Standard for Audit of Government Organizations, Programs, Activities, and Functions developed by the Comptroller General, dated 2-27-81, or b) A public accountant (i.e., an individual who meets the qualification standards in Standards for Audit of Government Organizations, Programs, Activities and Functions for personnel performing government audits) who meets such independence standards.
12. The Auditor 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 Authority or any of its members or officials including the following: a) Family relationship with any Authority employee or official; b) Employment by or service as an employee or official of the Authority during the period covered by the audit.
13. The Auditor certifies that it has not provided accounting or bookkeeping services for the Authority during the period covered by the audit.
14. No member, officer, or employee of the Authority, no member of the governing body of the locality in which any of the Authority's projects are situated, no member of the governing body of the locality in which the Authority was activated, and no other public official of such locality or localities who exercises any responsibilities or functions with respect to the Authority'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.
15. 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 there from.
16. The Auditor 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 Authority the right to terminate this contract, or, in its discretion, to deduct from the Auditor's fee the amount of such commission, percentage, brokerage, or contingent fee.

- 17. The Auditor shall not assign or transfer any interest in this contract except that claims for monies due or to become due from the Authority under the contract may be assigned to a bank, trust company, or other financial institution. If the Auditor is a partnership, this contract shall inure to the benefit of the surviving or remaining members of such partnership.
- 18. Work papers and reports shall be retained for a minimum of three years from the date of the audit report, unless the auditor is notified in writing by the cognizant agency to extend the retention period. Audit work papers shall be made available upon request to the cognizant agency, its designee, or the General Accounting Office at the completion of the audit.
- 19. Except for disclosure to the Government, the Comptroller General, and the Authority, the Audit Report and work papers, records, and other evidence of audit, including information and data prepared or assembled by the Contractor under this contract, shall be held confidential by the Auditor and shall not be made available or otherwise disclosed to any person without the prior written approval of the Government or the Authority.
- 20. The Authority agrees to pay the Auditor as compensation for the services and report mentioned herein, a lump-sum fee of \$ _____, inclusive of all costs and expenses.

FYE June 30, 2017	_____
FYE June 30, 2018	_____
FYE June 30, 2019	_____
FYE June 30, 2020	_____

- 21. The Auditor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other compensation, and selection for training or apprenticeship.
- 22. The Auditor shall provide, pay for, and maintain in force at all times during the services to be performed such insurance, including Workers' Compensation insurance, Employer's Liability insurance, and Business Auto Liability insurance in the amounts normally carried by major public accounting firms.

IN WITNESS WHEREOF, the Authority and the Auditor have executed this agreement the day and year first above written.

Housing Authority of the City of Carrollton

By: _____
Charles Griffin,
Executive Director

By: _____
CPA

Date: _____

Date: _____

ATTEST: _____

ATTEST: _____

ATTACHMENT 2

**Carrollton Housing Authority Audit Proposal Price Form
July 1, 2017 through June 30, 2020**

Fiscal Year 17

A. Partner/Principal	\$ _____ per hour Estimated Hours _____	\$ _____
B. Senior/Manager	\$ _____ per hour Estimated Hours _____	\$ _____
C. Semi-Senior	\$ _____ per hour Estimated Hours _____	\$ _____
D. Junior	\$ _____ per hour Estimated Hours _____	\$ _____
E. Other	\$ _____ per hour Estimated Hours _____	\$ _____
F. Travel Expense	\$ _____ per hour Estimated Hours _____	\$ _____

Total Hours _____ \$ _____

Fiscal Year 18

A. Partner/Principal	\$ _____ per hour Estimated Hours _____	\$ _____
B. Senior/Manager	\$ _____ per hour Estimated Hours _____	\$ _____
C. Semi-Senior	\$ _____ per hour Estimated Hours _____	\$ _____
D. Junior	\$ _____ per hour Estimated Hours _____	\$ _____
E. Other	\$ _____ per hour Estimated Hours _____	\$ _____
F. Travel Expense	\$ _____ per hour Estimated Hours _____	\$ _____

Total Hours _____ \$ _____

Fiscal Year 19

A. Partner/Principal	\$ _____ per hour Estimated Hours _____	\$ _____
B. Senior/Manager	\$ _____ per hour Estimated Hours _____	\$ _____
C. Semi-Senior	\$ _____ per hour Estimated Hours _____	\$ _____
D. Junior	\$ _____ per hour Estimated Hours _____	\$ _____
E. Other	\$ _____ per hour Estimated Hours _____	\$ _____
F. Travel Expense	\$ _____ per hour Estimated Hours _____	\$ _____

Total Hours _____ \$ _____

Fiscal Year 20

A. Partner/Principal	\$ _____ per hour Estimated Hours _____	\$ _____
B. Senior/Manager	\$ _____ per hour Estimated Hours _____	\$ _____
C. Semi-Senior	\$ _____ per hour Estimated Hours _____	\$ _____
D. Junior	\$ _____ per hour Estimated Hours _____	\$ _____
E. Other	\$ _____ per hour Estimated Hours _____	\$ _____
F. Travel Expense	\$ _____ per hour Estimated Hours _____	\$ _____

Total Hours _____ \$ _____

Total Cost \$ _____

**Housing Authority of the City of Carrollton
Funding Information**

The Authority currently has 231 units under the Project Based Voucher Program and approximately 190 tenant based voucher, to include Housing Choice and protection Vouchers, as well as, HUD VASH vouchers. The Authority also maintains approximately 50 Private Dwellings through its nonprofit, Little River Property Management, Inc. The Authority's annual Capital Fund averages \$400,000.

The CHA has uploaded our most recent audit to: <http://carrolltonhousingauthority.com/bid-proposal-opportunities> for the purpose of providing interested accounting firms specific information about the financial and programmatic activities of the CHA.

Other Business Activities - Other programs included in the business activities include the following:

- 1. Carrollton Housing Authority Elderly Services Programs** – The Elderly/Disabled Services Program (ESP) is part of the daily operations of project based voucher neighborhoods and has been providing services for many years. The program is designed to provide senior and disabled residents with a variety of services and programs. Targeted residents are encouraged to attend and participate in weekly activities in order to promote good health.
- 2. Little River Property Management, Inc. (LRPM, Inc.)** – The Carrollton Housing Authority not only provides traditional public (PBV) housing and tenant based vouchers, we also offer two and three bedroom houses and duplexes at an affordable rate and with little to no wait time. The Authority is able to provide this affordable housing tool through the management of a nonprofit, Little River Property Management, Inc. The assets that make up LRPM, Inc. consists of approximately 50 single family or duplex homes.
- 3. Abstinence Education Program** – The AEP is an abstinence until marriage education program, providing abstinence education, academic enhancement services, personal enrichment activities and youth development opportunities for students, ages 10 to 19 residing in public housing and the surrounding neighborhoods. Funding is provided by the Governor's Office for Children and Families.
- 4. Youth Services Program** – The Youth Services Program (YSP) is funded by the West Central Georgia Workforce Development Corporation and has been in operation since June 2007. The program is designed to provide at-risk youth, ages 15-21 years old, with employment services and training. The program is open to all eligible Carroll County residents. The program currently manages approximately 100 youth, which are categorized into two categories: younger youth (ages 15-18) and older youth (ages 19-21).
- 5. ROSS Services Coordinator** – The Ross Family Program is funded by the U.S. Department of Housing and Urban Development. The program is designed to provide both youth and adults with access to computers, the internet, computer training and job placement assistance which improve educational success for both youth and adults. The overall goal is to provide opportunities for self sufficiency and to break the cycle of poverty and dependence on public assistance.
- 6. Family Self Sufficiency Program- Public Housing/Housing Choice Voucher** – The Carrollton Housing Authority Family Self-Sufficiency (FSS) program is designed to prepare residents for economic self-sufficiency. Over 2-5 years participants will take the necessary steps for economic independence. Participants work closely with a case manager to map out goals that will aid them in becoming more independent. The FSS case managers will also connect the

participants with the necessary community resources to help them complete their goals, as well as help provide supportive services. Funding from the Family Self-Sufficiency Program is provided through the Department of Housing and Urban Development.

7. **Neighborhood Stabilization Program** – The Neighborhood Stabilization Program (NSP) will provide emergency assistance to state and local governments to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within their communities. Carrollton-Carroll County has received \$4.6 million from HUD and the Georgia Department of Community Affairs to acquire foreclosed residential real estate. After purchase and improvement, the properties will be sold to buyers who are eligible to participate in the Neighborhood Stabilization Program
8. **Shelter Plus Care Program** –The Shelter Plus Care program provides rental assistance to individuals are both certified homeless and have been certified with a mental health disability. Funding is provided by the Georgia Department of Community Affairs. The Program currently provides rental and utility assistance to approximately 30 clients.