

## **Request for Proposal RFP 18-201**

The Housing Authority of Columbus, Georgia (HACG) is soliciting proposals for:

**DESCRIPTION:** Annual Contract for Independent Audit Services

**RFP NUMBER:** RFP 18-201

**ISSUE DATE:** January 29, 2018

**PROPOSAL DUE DATE:** February 23, 2018

**PROPOSAL DUE TIME:** 11:00 a.m. Eastern Standard Time

**DIRECT INQUIRIES TO:** Krista J. McDowell  
Chief Financial Officer  
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Columbus, GA 31902  
E-mail: [kmcdowell@columbushousing.org](mailto:kmcdowell@columbushousing.org)

All inquiries concerning this RFP must be made in writing to the Chief Financial Officer (CFO). Violation of the foregoing may result in disqualification of the Proposer to participate in this RFP. No oral conversations or agreements with any officer, agent, or employee of HACG regarding this RFP are authorized, and no other person other than the CFO shall affect or modify any terms of this RFP. Proposers may submit written questions concerning this RFP by mail or e-mail. Telephone inquiries will not be accepted.

**HACG reserves the right to, and may, amend, modify or cancel this RFP without prior notice, at any time, at its sole discretion. In the event that it becomes necessary to revise or supplement any part of this RFP, vendor will be notified by phone, fax, or certified mail. Additionally, HACG reserves the right to increase, reduce, add or delete any item to this solicitation as deemed necessary where it is consistent with HACG's policies to do so.**

**HACG reserves the right to reject any and all bids where it is determined to be in the best interest of HACG to do so.**

# THE HOUSING AUTHORITY OF COLUMBUS, GEORGIA

## REQUEST FOR PROPOSALS FOR INDEPENDENT AUDIT SERVICES

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### I. BACKGROUND

The mission of the Housing Authority of Columbus, Georgia (HACG) is to be the foremost provider of quality, affordable housing in the Columbus region by developing, revitalizing and managing contemporary housing communities. HACG was created in 1938. HACG is a public body, both corporate and politic, governed by a seven-member Board of Commissioners appointed to terms by the Mayor of the Columbus Consolidated Government. HACG is funded through the Department of Housing and Urban Development (HUD). HACG currently provides rental assistance to over 3,800 units of housing and owns 62 units of market rate housing in Columbus, Georgia. HACG also provides all maintenance, management, financial, and administrative services for four small housing authorities located within a 50-mile radius of Columbus, Georgia. These small authorities each have fewer than 225 dwelling units.

In December 2012, HACG was awarded the Moving to Work (MTW) designation. The MTW contract has been extended to 2028, so MTW program activities will be a part of all years covered by this RFP.

HACG requires a Certified Public Accounting firm to perform the audit of its own financial statements and the financial statements for each of the four small housing authorities it manages, for three fiscal years ending on the dates indicated, below:

Housing Authority of Columbus, Georgia.....	June 30, 2018 through 2020
Housing Authority of the County of Harris.....	June 30, 2018 through 2020
Housing Authority of West Point. ....	June 30, 2018 through 2020
Housing Authority of the City of Ellaville.....	September 30, 2018 through 2020
Housing Authority of the City of Buena Vista.....	December 31, 2018 through 2020

Further, the audit proposal must provide the option of extending the engagement period for each of these housing authorities for up to two additional fiscal years (years ending in 2021 and 2022). Separate audit contracts for each housing authority are required. HACG will be the point of contact and represent each of the four small authorities during the course of their audits.

These audits are to be performed in accordance with the auditing standards generally accepted in United States of America contained in the Government Auditing Standards issued by the Comptroller General of the United States. Additionally, the audit must meet all requirements set forth in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance,) or any successor issuance, or any HUD requirement, which are in effect as of the date of the audit on-site fieldwork. In addition, it is HACG's policy to require the accounting firm to have specific experience in auditing housing authorities of the approximate size and scope of the Housing Authority of Columbus, Georgia.

## **II. NATURE OF SERVICES REQUIRED**

### **1. General**

Each housing authority is required by the Federal Single Audit Act, and its Annual Contributions Contract with HUD, to have yearly independent audits. These audits are to be performed in accordance with the provisions contained in this request for proposal.

### **2. Scope of Work to be Performed**

The auditor must express an opinion on the fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.

The auditor must perform the final review of the audit report within HUD's Real Estate Assessment Center (REAC) staging database no later than the sixth month following fiscal year end for each housing authority.

The auditor must also consider the internal control structure as part of the planning and performing of each audit and report on the internal control structure. OMB Circular A-133 requires the auditor to test and report on internal control structure and compliance with applicable laws and regulations. The auditor's report on compliance should include an opinion on the authority's compliance with applicable laws and regulations of each of its major programs.

In accordance with HUD's Uniform Financial Reporting Standards (UFRS) published in the Federal Register on September 1, 1998, each audit requires attestation by auditors on hard copy and electronically submitted data as to its "fair presentation in relation to audited basic financial statements" in accordance with the audit provision of the American Institute of Certified Public Accountants (AICPA) Statement on Auditing Standards (SAS) No. 29, *Reporting on Information Accompanying the Basic Financial Statements in Auditor-Submitted Documents*, and agreed-upon procedures under AICPA Statement on Standards for Attestation Engagements (SSAE) No. 4, *Agreed-Upon Procedures Engagements*, whereby the auditor compares the electronically submitted data in HUDS' REAC staging database to the hard copy of the audit report and Financial Data Schedule (FDS).

As a part of each audit contract, the auditor must agree to perform other accounting, auditing, consulting, comfort letter, or bond/debt/equity financing-related functions, or for any additional requirements not anticipated at the present. Fees will be negotiated at the time such services are requested. Billable rates will be based on those provided in the initial fee proposals for each authority.

### **3. Auditing Standards to be Followed**

To meet the requirements of this contract, the audit shall be performed in accordance with: Generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants; the standards for financial audits set forth in the U.S. General Accounting Office's Government Auditing Standards; the provisions of the Single Audit Act and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments; and March 2000 OMB A-133 Audit Compliance Supplement. Guidelines for Public Housing Authorities and Independent Auditors under Uniform Financial Reporting Standards for Public Housing Authorities (February 2000).

#### **4. Reports to be Issued**

Following the completion of the audit of the fiscal year's financial statements, the Auditor shall issue:

- a. A report on the fair presentation of the financial statements, in conformity with generally accepted accounting principles.
- b. A report on the internal control structure based on the audit of the financial statements.
- c. A report on compliance with applicable laws and regulations.
- d. A report on supplementary schedule of federal financial assistance.
- e. A report on the internal control structure used in administering federal financial assistance programs.
- f. A report on compliance with laws and regulations related to major and non-major federal financial programs. This report shall include an opinion on compliance with specific requirements applicable to major federal financial assistance programs, a report on compliance with general requirements applicable to major federal financial assistance programs, and a report on compliance with laws and regulations applicable to non-major federal financial assistance program transactions tested.
- g. Attestation on Financial Data Schedule as to its "fair presentation in relation to audited basic financial statements" and auditor involvement in the electronic submission process under HUD's Uniform Financial Reporting Standards (UFRS) for Public Housing Authorities.
- h. HUD Section 8 Management Assessment Program (SEMAP) – HUD-52648 – SEMAP Certification in accordance with the SEMAP rules and related guidance, including the March 2000 OMB Circular A-133 compliance supplement.
- i. At the conclusion of the examination, the Auditor shall submit to HACG, within 60 days of the audit report date, a management letter for the housing authority being audited, including a statement of audit findings, recommendations affecting the financial statements, internal control, accounting, accounting systems, legality of actions, program and financial performance, financial policies, and any other material matters. Prior to final submission of the final management letter, the auditor shall review a draft of the proposed letter with HACG's Executive Director. Additionally, all adjustments shall be provided to HACG management within the same time frame as the management letter.

In the required reports on internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statement.

The reports on compliance shall include all instances of non-compliance, irregularities, and illegal acts. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the following parties:

- (1) Executive Director
- (2) Board of Commissioners
- (3) U.S. Department of Housing and Urban Development (HUD)

## **5. Special Considerations**

- a. HUD will function as the cognizant agency in accordance with the provisions of the Single Audit Act and U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments.
- b. The schedule of expenditures of federal awards and related auditor's report, as well as the reports on the internal control structure and compliance and HUD Financial Data Schedule, are to be issued as part of the comprehensive annual financial report of each authority.
- c. All working papers and reports must be retained at the auditor's expense, for a minimum of three (3) years, unless the firm is notified in writing by HACG of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:

The Housing Authority of Columbus, Georgia (HACG)

U.S. Department of Housing and Urban Development (HUD)

- d. In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing significance.

## **6. Manner of Payment**

The audit fees will be paid within 30 days of invoice, after completion of all audit requirements.

## **III. DESCRIPTION OF EACH HOUSING AUTHORITY PROGRAM**

### **1. HOUSING AUTHORITY OF COLUMBUS, GEORGIA (HACG)**

- a. Background Information

HACG provides a variety of housing opportunities for low to moderate-income families within the City of Columbus, Georgia.

The Authority operates and manages several different programs and presents financial statements from an enterprise fund perspective. Each fund is a separate accounting entity with a self-balancing set of accounts.

HACG has a yearly payroll of approximately \$5.3 million covering 120 employees. The four small housing authorities managed by HACG have no staff of their own and, thus, have no payroll or employee benefit contributions expense.

HACG uses Yardi Voyager 7S as its financial and operational software. Payroll is processed by ADP.

HACG's Central Office is located at 1000 Wynnton Road, Columbus, Georgia 31906. A list of site management offices can be provided upon request. HACG's mailing address is P.O. Box 630, Columbus, Georgia 31902.

More detailed information on HACG's finances can be found in the last year's audit report. A copy of this document may be viewed on the HACG website at [www.columbushousing.org](http://www.columbushousing.org) or by contacting the Finance Department at (706) 571-2800 x881.

b. Fund Structure

The Authority's funds or programs are as follows:

- Low Income Public Housing (4 AMPS) (2 AMPS are Mixed Finance)
- Capital Fund Program
- Housing Choice Voucher Program
- Section 8 Moderate Rehabilitation Program
- Section 8 Multi-Family Housing Assistance
- Family Self Sufficiency (PH and S8)
- Component Units (2 – Willow Glen and Gentian Oaks)
- Business Activities Program (3 separate funds)
- Title III Nutrition Program
- Central Office Cost Center

c. Pension Plan

HACG contributes to a defined contribution employee retirement plan covering all full-time permanent employees. The plan is administered by the Variable Annuity Life Insurance Company (VALIC). The plan is excluded from the reporting entity.

**2. HOUSING AUTHORITY OF THE COUNTY OF HARRIS (HACH)**

a. Background Information

HACH provides a variety of housing opportunities for low to moderate-income families in Harris County, Georgia. HACH has 43 public housing units.

HACH has no employees, no payroll, and no employee benefit contributions.

HACH's Central Office is co-located with HACG's Central office at 1000 Wynnton Road, Columbus, Georgia 31906. A list of site management offices can be provided upon request. HACH's mailing address is P.O. Box 630, Columbus, Georgia 31902.

More detailed information on HACH's finances can be found in the last year's audit report. A copy of this document may be reviewed by contacting the Finance Department at (706) 571-2800 x881.

b. Fund Structure

The Authority operates and manages two programs and presents financial statements from an enterprise fund perspective. Each fund is a separate accounting entity with a self-balancing set of accounts.

The Authority's funds or programs are as follows:

- Low Income Public Housing
- Capital Fund Program

c. Pension Plan (Not applicable)

**3. HOUSING AUTHORITY OF THE CITY OF WEST POINT (HAWP)**

a. Background Information

HAWP provides a variety of housing opportunities for low to moderate-income families in West Point, Georgia. HAWP has 223 public housing units.

HAWP has no employees, no payroll, and no employee benefit contributions.

HAWP's Central Office is co-located with HACG's Central office at 1000 Wynnton Road, Columbus, Georgia 31906. A list of site management offices can be provided upon request. HACE's mailing address is P.O. Box 630, Columbus, Georgia 31902.

More detailed information on HAWP's finances can be found in the last year's audit report. A copy of this document may be reviewed by contacting the Finance Department at (706) 571-2800 x881.

b. Fund Structure

The Authority operates and manages three different programs and presents financial statements from an enterprise fund perspective. Each fund is a separate accounting entity with a self-balancing set of accounts.

The Authority's funds or programs are as follows:

- Low Income Public Housing
- Capital Fund Program
- Resident Opportunities and Self Sufficiency Program

c. Pension Plan (Not applicable)

**4. HOUSING AUTHORITY OF THE CITY OF ELLAVILLE (HACE)**

a. Background Information

HACE provides a variety of housing opportunities for low to moderate-income families in Ellaville, Georgia. HACE has 40 public housing units

HACE has no employees, no payroll, and no employee benefit contributions.

HACE's Central Office is co-located with HACG's Central office at 1000 Wynnton Road, Columbus, Georgia 31906. A list of site management offices can be provided upon request. HACE's mailing address is P.O. Box 630, Columbus, Georgia 31902.

More detailed information on HACE's finances can be found in the last year's audit report. A copy of this document may be reviewed by contacting the Finance Department at (706) 571-2800 x881.

b. Fund Structure

The Authority operates and manages two programs and presents financial statements from an enterprise fund perspective. Each fund is a separate accounting entity with a self-balancing set of accounts.

The Authority's funds or programs are as follows:

Low Income Public Housing  
Capital Fund Program

**5. HOUSING AUTHORITY OF THE CITY OF BUENA VISTA (HABV)**

a. Background Information

HABV provides a variety of housing opportunities for low to moderate-income families in Buena Vista, Georgia. HABV has 79 public housing units.

HABV has no employees, no payroll, and no employee benefit contributions.

HABV's Central Office is co-located with HACG's Central office at 1000 Wynnton Road, Columbus, Georgia 31906. A list of site management offices can be provided upon request. HABV's mailing address is P.O. Box 630, Columbus, Georgia 31902.

More detailed information on HACH's finances can be found in the last year's audit report. A copy of this document may be reviewed by contacting the Finance Department at (706) 571-2800 x881.

b. Fund Structure

The Authority operates and manages two programs and presents financial statements from an enterprise fund perspective. Each fund is a separate accounting entity with a self-balancing set of accounts.

The Authority's funds or programs are as follows:

Low Income Public Housing  
Capital Fund Program

c. Pension Plan (Not applicable)

**IV. AUDIT FIRM’S TIME REQUIREMENTS (FOR ALL HOUSING AUTHORITIES)**

Initiation of Services.....	Later of 60 days from contract start date or fiscal year end + 60 days
Draft Financial Statements.....	FYE + 120 days
Final Audit Report and Management Letters (15 copies).....	FYE + 150 days
Audit Report Entered into HUD’s REAC Staging Database:.....	FYE + 160 days
HUD REAC FDS Attestation Complete...	FYE + 180 days

**V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION**

**1. Finance Department**

The HACG Finance Department staff and responsible management personnel will be available during the audit to assist the Auditor by providing information, documentation, and explanations. HACG will also provide this assistance for each of the four small authorities.

**2. Statement and Schedule Preparation**

Staff of HACG will prepare the following statements and schedules for the Auditor:

- Final trial balances of all funds with appropriate reconciliations of control accounts to detail records
- Preliminary Financial Data Schedule (FDS)
- Financial Statement drafts including footnotes and supplemental schedules
- Management Discussion and Analysis

HACG staff will prepare or assist in the preparation of any other requested schedules as may be reasonably requested by the audit staff, so as to facilitate and expedite timely completion of field work.

**3. Report Preparation**

Auditor's reports preparation and typing shall be the responsibility of the Auditor. Printing of the Auditor's reports shall be the responsibility of the Auditor. Fifteen (15) copies of the bound report and one PDF version are required.

**VI. PROPOSAL REQUIREMENTS**

## 1. Technical Proposal

One combined proposal for auditing all five housing authorities shall be submitted in an original and three (3) copies. Separate proposals for each authority will **not** be accepted. The selection of the best proposal will thus award the audit for all five authorities. Once the award has been made, a separate audit contract will be executed for each authority.

The purpose of the technical proposal is to demonstrate the qualifications, competence, and capacity of the firms seeking to undertake an independent audit of these five housing authorities in conformity with the requirements of this request for proposal. As such, the substance of proposals will carry more weight than their form or manner of presentation. The technical proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposal requirements.

The technical proposal should address all the points outlined in the request for proposal (excluding any cost information which should only be included in the sealed dollar cost quote). The proposal shall be prepared simply and economically, providing a straight forward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals. While additional data may be presented, the following subjects, items a through d must be included. They represent the criteria against which the proposal will be evaluated.

### a. Firm Qualifications and Experience

The proposal should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed, the number and nature of the professional staff to be employed in this engagement on a full-time basis, and the number and nature of the staff to be so employed on a part-time basis.

If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal auditor should be noted, if applicable.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific housing authority engagements.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organization.

### b. Partner, Supervisory, and Staff Qualifications and Experience

The firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors, and specialists, who would be assigned to the engagement and indicate whether each such person is licensed to practice as a certified public accountant in Georgia. The firm also should provide information on the government auditing experience of each person, including information on relevant continuing professional education, and membership in organizations relevant to the performance of this audit.

The firm also should indicate how the quality of staff over the term of the agreement will be assured.

Engagement partners, managers, other supervisory staff, and specialists may be changed if those personnel leave the firm, are promoted, or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of HACG. However, in either case, HACG retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for proposals can only be changed with the express prior written permission of HACG, which retains the right to approve or reject replacements.

c. Engagements with Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum of 5) performed in the last five years that are similar to the engagement described in this request for proposal. These engagements should be ranked based on total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

d. Schedule for Performance

Include in the response the estimated amount of time your firm would need to complete the performance of this engagement if different from the schedule outlined above. Indicate whether the Time Requirements schedule in Section IV will be met for the audit of each of the five housing authorities. If the Time Requirements cannot be met, indicate (for each authority) when they can be met.

**THERE SHALL BE NO DOLLAR UNITS OR TOTAL COST INCLUDED IN THE TECHNICAL PROPOSAL DOCUMENT**

**2. Sealed Dollar Cost Quote.**

**The sealed dollar cost quote shall include the information specified in Items a. through c. below, for each of the five housing authorities.**

a. Total All-Inclusive Maximum Price

The sealed dollar cost quote should contain all pricing information relative to performing the audit engagement as described in this request for proposal. The total all-inclusive maximum price must be presented for each housing authority's audit. This price shall reflect all direct and indirect costs including all out-of-pocket expenses. Presentation of a combined, lump-sum price for all authorities cannot be accepted. Separate dollar cost prices for each housing authority's audit may be itemized on a single document and sealed in one envelope.

HACG will not be responsible for expenses incurred in preparing and submitting the technical proposal or the sealed dollar cost quote. Such costs should not be included in the proposal.

The sealed dollar cost quote must include the following information for each of the five housing authorities:

- (1) Name of the lead audit firm.
- (2) Name of each housing authority.
- (3) Total all-inclusive maximum price for each of the three basic years and the two option years for the named housing authority.

b. The sealed dollar cost quote must include the hourly rates by Partner, Specialist, Supervisory, and Staff-level employees who will participate in the audit work, multiplied by the number of such employees, multiplied by the hours of work anticipated for each. Include a schedule of professional fees and expenses that supports the total all-inclusive maximum price for each of the basic and option years of the audit of each housing authority.

c. The sealed dollar cost quote must include rates for additional professional services if it should become necessary for HACG to request the audit firm to render any additional services to supplement the services requested in this request for proposal, the additional work shall be performed only if set forth in a modification to the contract between HACG and the firm. Any such additional work agreed to between HACG and the firm shall be performed at an hourly rate set forth in the schedule of fees and expenses specified in Item b., above.

### **3. Additional Information**

- a. The firm should provide an affirmative statement that it is independent of HACG and the four small authorities as defined by generally accepted auditing standards and the U.S. General Accounting Office's Government Auditing Standards.
- b. A copy of the firm's license, showing that the firm is licensed to practice in the State of Georgia, must be included with the proposal documents.

### **4. Deadline for Submitting the Proposal**

- a. Your complete proposal package must be received at the Central Office of the Housing Authority of Columbus, Georgia, no later than 11:00 a.m. on Friday, February 23, 2018. After this deadline, no other proposals or modifications to previously submitted proposals will be accepted.
- b. A complete proposal package consists of a technical proposal and a sealed dollar cost quote and the additional information required in number 3 above. Please ensure that these items are clearly identified with the name of your firm and with the contents of the envelopes.

## **VII. EVALUATION PROCEDURES**

### **1. Audit Selection Committee**

Proposals submitted will be evaluated by an Audit Selection Committee created by HACG.

### **2. Review of Proposals**

The Audit Selection Committee will use a point formula during the review process to score proposals.

HACG reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

### **3. Evaluation Criteria**

Proposals will be evaluated using all information requested in this request for proposal. The evaluation criteria are listed below in descending order of importance:

- a. Schedule of performance (25 points)
- b. Firm's qualification and experience (20 points)
- c. Partner, Supervisory and Staff qualifications and experience (20 points)
- d. Similar engagements with other government entities (20 points)
- e. Cost (15 points)

### **4. Oral Presentations**

During the evaluation process, the Audit Selection Committee may, at its discretion, request any one or more firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the Audit Selection Committee may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

### **5. Final Selection**

The firm selected by the Audit Selection Committee will be recommended to the Board of Commissioners for final approval.

END OF REQUEST FOR PROPOSAL