

# **HOUSING AUTHORITY OF THE BOROUGH OF CLEMENTON**

## **REQUEST FOR PROPOSALS**

### **FOR**

## **INDEPENDENT PUBLIC AUDITOR**

### **ANNUAL FINANCIAL AUDIT - FYE 2019**

The Housing authority of the Borough of Clementon will accept proposals for its Annual Financial Audit for the fiscal year ending 6/30/2019. It is the Housing Authority's desire to retain and employ a duly qualified Independent Public Auditor (IPA.) in order to audit the books and accounts of the Authority. All services must be in accordance with the existing rules, orders, directives, regulations and handbooks promulgated by the United States Department of Housing and Urban Development.

The services that are requested will be as follows and will encompass all of the Housing Authority's programs including but not limited to Public Housing (70 units), Section 8 Vouchers (69 units) and Capital Fund Program:

- 1) Audit the accounts and records of the Authority for the 12-month period ending June 30, 2019 in accordance with generally accepted government auditing standards (as defined in Standards for Audit Government Organizations, Programs, Activities, and Functions) and the auditing and reporting provisions in the OMB circular A-133. Also, the Auditor must use the current Compliance Requirements published by OMB. Must comply with 24CFR44 and NJ administrative code 5:31.7. The audit performed should be sufficient in scope to enable the auditor to express an opinion on whether the financial statements fairly present the financial position of the Authority in accordance with generally accepted accounting principles (GAAP). The Audit Report must be in the format, which is approvable by the United States Department of Housing and Urban Development as detailed in the HUD Audit Guide (7476.1 REV-1), the Single Audit Act of 1984 and any relevant government regulations.
- 2) The report should be completed within four (4) months of the end of the Fiscal Year, as required by State law.
- 3) Upon completion of the report, must electronically submit to the Federal Bureau of Census. Submit the State Internal Control Questionnaire, the Audit certification and resolution. Sufficient copies should be made in order to provide each PHA Commissioner and Staff with a copy, two (2) copies for the HUD area office, and DCA (2 copies).
- 4) Must make work papers available to the Authority, if requested.

- 5) **Must prepare synopsis of the Audit Report for publication as required by State law.**
- 6) **Must attend an exit conference / meeting with the Authority's Finance & Administrative Committee and Management to review the draft audit and a meeting of the Board of Commissioners, prior to submission of the approved audit to State and Federal authorities.**
- 7) **The audit must include a sampling of both Section 8 and Public Housing Tenant Files. Out of the total sample, no more than 50% shall be from the same program. A minimum of 30 tenant files shall be sampled.**

**The proposal must include the following information:**

1. **an estimate of how many days that the Auditor will be on site and the number of staff which will be on site to complete the audit;**
2. **A detailed description or narrative of how the firm will approach and conduct the audit process;**
3. **At least one reference from other government entities in New Jersey. It would be preferred that the reference be a Housing Authority or local authority or government agency.**
4. **An estimated date of when the audit will start and when a draft will be completed.**
5. **A description or narrative outlining the experience of the auditor/auditing firm.**
6. **Names of all persons who primarily be assigned to oversee the audit process and qualifications.**
7. **The Firm's Equal Opportunity Policy.**
8. **Price for Single Audit Act Requirement and Price for Non Single Audit Act Requirement.**

## ***QUALIFICATIONS***

- 1) **Must be licensed in the State of New Jersey as a Certified Public Accountant (CPA).**
- 2) **The selected Auditor must meet the standards specified in the Standards for Audit of Government Organizations, Programs, Activities, and Functions.**
- 3) **Should have previous experience auditing Public Housing Authorities and government agencies in New Jersey (include experience with your proposal).**

## **PROPOSAL REVIEW**

**All proposals will be reviewed according to the attached competitive proposal evaluation system.**

## **PROPOSAL SUBMISSION**

**All persons interested in submitting a proposal for the Annual audit should complete the attached standard HUD Form “Agreement for Audit Services” and attach previous experience and qualifications.**

**Proposals should be mailed or hand delivered to the Authority on or before 12:00 P.M. on January 26, 2017, and should be addressed as follows:**

**John P. Schmidt, Chairman  
Housing Authority of the Borough of Clementon  
22 Gibbsboro Road  
Clementon, New Jersey 08021**

**Office Hours: Monday thru Friday (excluding holidays) 9AM – 4PM  
Office Telephone: 856-784-1134.**

# COMPETITIVE PROPOSAL EVALUATION SYSTEM

## Professional Services

**TYPE OF SERVICE: AUDITOR**

**NAME & ADDRESS OF RESPONDENT:** \_\_\_\_\_

\_\_\_\_\_

- 1) **Demonstrate experience and competence in performing audits which are governed by State and Federal regulations.** (25 points) \_\_\_\_\_
- 2) **Narrative/Description of firm's approach to how they will conduct the audit.** (20 points)
- 3) **Capability and capacity to accomplish work within the required time period.** (20 points) \_\_\_\_\_
- 4) **Price** (20 points) \_\_\_\_\_
- 4) **References** (5 points) \_\_\_\_\_
- 5) **Assigned Staff Qualifications** (5 points) \_\_\_\_\_
- 6) **EOP policy and Point of Contact** (5 points) \_\_\_\_\_

**TOTAL POINT SCORE** \_\_\_\_\_

**Narrative Review of Proposal:**

\_\_\_\_\_  
\_\_\_\_\_  
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\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## **AGREEMENT FOR AUDIT SERVICES**

**THIS AGREEMENT**, entered into as of the \_\_\_\_\_ day of

\_\_\_\_\_  
20\_\_\_\_, by and between the **CLEMENTON HOUSING AUTHORITY** in the State of New Jersey, hereinafter referred to as the **Public Housing Agency**,  
and \_\_\_\_\_, **INDEPENDENT PUBLIC ACCOUNTANT** of \_\_\_\_\_, with offices at \_\_\_\_\_, (hereinafter referred to as the “Contractor”), **WITNESSETH:**

**WHEREAS** the Public Housing Agency has entered into a contract (contracts) 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; and

**WHEREAS**, pursuant to said contract(s), the Government and the Comptroller General of the United States or his duly authorized representatives and the New Jersey Department of Community Affairs, Division of Local Government Services (DCA) 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 and DCA has authorized the Public Housing Agency to procure such an audit by an Independent Public Accountant in lieu of audit by the Government and DCA; 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 12 month period ending June 30, 2018, (a) in accordance with generally accepted Government auditing standards, the auditing and reporting provisions of OMB Circular A-133, and HUD Notice PIH 97-30 and (b) in conformance with the State of New Jersey Statutes and Regulations, New Jersey Administrative Code 5:31.7. 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 PHA, prepared in accordance with Generally Accepted Accounting

**Principles (GAAP). The audit will also include a attestation of the GAAP conversion entries in accordance with HUD's GAAP Conversion Guide and an agreed upon attestation procedures applied to the Financial Data Schedule.**

- 2) The books of account and financial records to be audited are maintained and are located at the Public Housing Agency's office at 22 Gibbsboro Road, Clementon NJ. 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 a sufficiently satisfactory condition for performing the 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 IPA should notify HUD and DCA. Notification to HUD and DCA shall be written communication addressed to the District Inspector General for Audit, Regional Office, Department of Housing and Urban Development, 26 Federal Plaza, New York, N.Y. and New Jersey Department of Community Affairs, Division of Local Government Services, 101 South Broad Street, CN 803, Trenton, N.J. 08625-0803. The Contractor shall await further instructions from the District Inspector General for Audit and DCA before continuing the audit.**
- 4) Upon completion of the audit, an Audit Report consisting of those elements as required by HUD and DCA and the supplemental schedules required in the Request for Audit Proposal shall be simultaneously submitted to the Public Housing Agency (1 copy for each Commissioner and required copies for the Executive Director), the HUD area office (2 copies), the Federal Bureau of Census (must be electronically filed), and DCA (2 copies).**
- 5) The Audit Report shall be submitted within 120 days after the close of the Public Housing Agency's fiscal year.**
- 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 and shall be subject to the approval by HUD and DCA.**
- 7) The Public Housing Agency agrees to pay the Contractor as compensation for the services and report mentioned herein, including the agreed upon attestation, \$ \_\_\_\_\_ for Public Housing and \$ \_\_\_\_\_ for Section 8, totaling \$ \_\_\_\_\_, inclusive of all costs and expenses. The fee is based on the following:**

- a) Partner (Principal) \$\_\_\_\_\_ per hour;  
estimated man-days \_\_\_\_\_  
\$\_\_\_\_\_
  - b) Senior(Manager): \$\_\_\_\_\_ per hour;  
estimated man-days \_\_\_\_\_  
\$\_\_\_\_\_
  - c) Semi-Junior \$\_\_\_\_\_ per hour;  
estimated man-days \_\_\_\_\_  
\$\_\_\_\_\_
  - d) Junior \$\_\_\_\_\_ per hour;  
estimated man-days \_\_\_\_\_  
\$\_\_\_\_\_
  - e) Other (describe) \_\_\_\_\_ \$\_\_\_\_\_
- TOTAL** \$\_\_\_\_\_

8) The Contractor must be either a Certified Public Accountant, or a licensed or registered public accountant licensed on or before December 31, 1970, by a regulatory authority of a state or other political subdivision of the United States and meet any legal requirements concerning registration in which the Public Housing Agency is located. In addition, those public accountants licensed after December 31, 1970, but prior to December 31, 1975, who performed a PHA audit prior to December 31, 1975, will be eligible to continue to perform PHA audits. A statement by the state identifying such registration or license shall be attached to this Contract.

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 any interest, direct or indirect, in PHA or any of its members or officials including the following:

a) Family relationships with any PHA member or official;

b) Employment by or services as a member or official of a PHA during the period covered by the audit.

10) The Contractor certifies that it has not provided accounting or bookkeeping services for the PHA during the period covered by the audit except as follows:

\_\_\_\_\_.

- 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 in which the Public Housing Agency was activated, and no other public official of such locality or localities who exercise any responsibilities or functions 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 because of race, color, religion, 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, color, religion, sex, age or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection from training, including apprenticeship.**
- 16) **For a period of four years from the date of the Audit Report, the Contractor shall make its work-papers, records and other evidence of audit available to the Authority, Government and the Comptroller General of the United States or his duly authorized representatives and DCA during normal working hours upon written request of the Government, the Comptroller General or his representatives or DCA. The period will be reduced to three years for those Public Housing Agencies for which all projects have had Actual Development Cost Certificates issued. The Government, the Comptroller General and DCA shall be entitled to reproduce any or all such documents at their expense for which provisions 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 under this contract and shall not be made available or otherwise disclosed to any person without the prior written approval of the Government and DCA.
- 18) The Contractor shall fully comply with (a) OMB Circular A-133 and all amendments and supplements thereto; (b) 24 CFR 44 and all amendments thereto; (c) all applicable Federal Law, Statues and Regulations; (d) all applicable provisions of HUD Handbooks; (e) New Jersey State Law including preparation of a synopsis of the audit for publications; and (f) New Jersey Administrative Code 5:31.7.
- 19) Additional Services – The Contractor will provide to the Public Housing Agency guidance and advice on accounting and financial matters if requested by the Public Housing Agency, provided however, that the Contractor shall first receive from the Public Housing Agency written approval prior to commencement of the services.

The Contractor shall be paid, in addition to the compensation, as set forth in Paragraph 7 of this agreement, at the rate of \$\_\_\_\_\_per hour for the additional services to be performed by the lead Auditor (Partner or Principal).

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

Housing Authority of the Borough of Clementon

Independent Public Auditor

By \_\_\_\_\_  
Name

By \_\_\_\_\_  
Name

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

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