

NORTH COAST HOUSING CONNECTIONS
REQUEST FOR PROPOSAL
AUDIT SERVICES



**North Coast
Housing
Connections**

REQUEST FOR PROPOSALS FOR
AUDITING SERVICES

September 2023

NORTH COAST HOUSING CONNECTIONS
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I. NOTICE OF THE REQUEST FOR PROPOSALS

North Coast Housing Connections (NCHC) formerly known as Parma Public Housing Agency (PPHA) requests proposals from qualified Independent Public Accounting (IPA) firms to audit NCHC's financial statements for the periods January 1, 2023 through December 31, 2027. The audit shall be performed in accordance with the American Institute of Certified Public Accountants' auditing standards generally accepted in the United States of America and the most recent applicable U.S. Government Accountability Office's *Government Auditing Standards*, and the provisions of the Single Audit Act Amendments of 1996 and the provisions of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, as applicable for the period under audit.

The IPA shall test compliance utilizing the most current version of the *Ohio Compliance Supplement (OCS)*, to determine the audit steps to be performed. The IPA must cover all applicable areas listed in the *Ohio Compliance Supplement* over each period. These sections shall be documented in a logical manner to facilitate a review to verify that all applicable areas have been completed. OCS is available online on the Auditor of State's website.

The IPA shall also ensure all other federal, state, or local compliance requirements that are material to the Public Office be tested as required by Generally Accepted Government Auditing Standards.

North Coast Housing Connections, City of Parma, Ohio, was created by the Codified Ordinances of the City of Parma, Chapter 2101, Ordinance 66-85 that was passed on March 20, 1985. North Coast Housing Connections, City of Parma, Ohio, contracts with the United States Department of Housing and Urban Development (HUD) to provide low and moderate-income persons with safe and sanitary housing through subsidies provided by HUD. North Coast Housing Connections, City of Parma, Ohio, depends on subsidies from HUD to operate.

The auditor will submit to NCHC one (1) original unbound, one (1) electronic and three (3) bound copies of the audited financial statements including the Single Audit report.

The Agency maintains the following programs:

- Section 8 Housing Choice Voucher (HCV) Program. The Agency manages 802 HCV vouchers.
- Family Self-Sufficiency Program (annual grant awarded for 2023).
- The PHA's federal awards expended based on last year's audit (rounded to thousands) were as follows:
 - CFDA 14.871 Housing Choice Voucher: \$6,665,948
 - CFDA 14.896 PIH Family Self-Sufficiency Program: \$55,034
- Summary of auditor's results based on last year's audit were as follows:
 - Unmodified opinion on financial statements

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- Unmodified opinion on the Major Compliance Program

The Agency's financial records are maintained on Sage 50 and tenant records are maintained on MRI HAPPY software system along with electronic participant files. Further, NCHC has a third-party fee accountant who performs all the financial functions for the agency.

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All responses to the RFP must be enclosed in a sealed envelope and labeled as follows with the specific information: RFP: NCHC, Request for Audit Services.

This Request for Proposal (RFP) must be emailed to awaxman@ncoasthousing.org and arrive no later than **4:00 pm Eastern Time on Tuesday, October 31, 2023**.

In selecting the successful firm to perform these services, consideration will be given to criteria as referenced in the RFP document. All qualified firms including minority-owned and small businesses, and women's business enterprises are invited and encouraged to submit proposals.

The Authority reserves the right to waive irregularities and reject any and all proposals or request additional information from any respondent.

Questions regarding the RFP should be directed to Ms. Amy Waxman, Executive Director, at (216) 661-2015 Ext. 15 or by email at awaxman@ncoasthousing.org. **Deadline for questions is Friday, October 20, 2023, 4:00 p.m.** Any questions received will be answered and emailed to all responders.

II. INSTRUCTIONS FOR SUBMITTING A PROPOSAL IN RESPONSE TO THIS RFP

- A. NCHC will be awarding a five-year contract with the option to extend the agreement for additional two one-year options. The first audit period in the five-year contract is January 1, 2023 through December 31, 2027, the second audit period is January 1, 2028 through December 31, 2028, and the third audit period is January 1, 2029 through December 31, 2029. Proposers should provide a total price covering each year of the five-year contract and a separate price for the second and third audit periods.
- B. NCHC reserves the right to terminate the agreement by giving written notice to the successful proposer under the following circumstances:
 - 1. If the successful proposer fails to materially comply with any of the terms of the contract.
 - 2. In the event of default, inability, or failure to perform on the part of the successful proposer.
 - 3. When the successful proposer and NCHC agree to terminate or suspend the contract in whole or in part, for convenience.
- C. Proposers must include the following information in their proposals:
 - 1. Certification that the firm is not suspended or otherwise prohibited from practice by federal, state, or local governments.
 - 2. Evidence that their firm is licensed to conduct business in the State of Ohio.

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3. Evidence of worker's compensation, comprehensive general liability and automobile insurance.
4. Basic information about their company, including the following:
 - a. Full legal name of the company;
 - b. Name of Parent Company, if any;
 - c. Office address(es), telephone and fax number(s) and e-mail addresses of personnel who will be involved in the audit;
 - d. Legal structure of the company (e.g. sole proprietorship, partnership, corporation, etc.);
 - e. Number of years the company has been in business under its present name;
 - f. Number of employees; and
 - g. Names and titles of principals and key personnel. Key personnel are defined as those licensed accountants who will have primary responsibility for furnishing services to NCHC.
5. Qualifications and experience of key personnel. Please provide by name and title, the following information:
 - a. Professional licenses (permits); certifications and training, to include GAGAS CPE requirements met for persons planning, directing, performing field work, or reporting on these audits, and evidence of Ohio licensure (permit) for one or more persons involved in the audit;
 - b. Experience in the accounting profession as an accountant (please include number of years in practice);
 - c. Number of Housing Choice Voucher Program audits completed by the firm during the past five years; and,
 - d. References: Provide a contact name and phone number or email address for at least three governmental audit references for this period, housing authorities preferred.
6. Experience of firm's principals (if not key personnel) in providing accounting services to federally subsidized public housing agencies;
7. If the firm has been terminated for cause from a project within the last five years, explain the reasons and circumstances surrounding the termination;
8. Rate schedule including names, titles and hourly rates for all personnel who will be furnishing services under the contract. If one or more rates is anticipated

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to change during the term of this engagement, please provide additional schedules indicating changes and when they will become effective, and;

9. Completed "Certifications and Representations of Offerors" form (HUD-5369-C).

- D. Submit the proposal to the NCHC by the specified deadline **4:00 pm Eastern Time on Tuesday, October 31, 2023**. All proposers will be notified by email approximately 30 days after the submittal deadline.

- E. Requests for any information concerning this solicitation should be referred to Amy Waxman, Executive Director, at 216-661-2015 Ext. 15 or awaxman@ncoasthousing.org.

- F. Protests concerning the Request for Proposals will be made in writing and delivered to NCHC's Executive Director at least ten working days prior to the submittal deadline. Protests concerning the outcome of the selection process must be made in writing to the Executive Director within ten working days of the selection of the successful firm. Although NCHC will endeavor to notify each proposer regarding the outcome of the selection process, it will be the responsibility of each proposer to determine if it was successful.

- G. Interpretations and Addenda: Requests for interpretations concerning any aspect of the RFP will be directed to the Housing Agency's Executive Director. Any inquiry made at least ten days before the deadline fixed for submittal of proposals will be given consideration for a written interpretation. Written interpretations, along with any modifications to the RFP, will be e-mailed to each respondent, but it will be the respondent's responsibility to make inquiry as to what addenda, if any, were issued. All respondents will be bound by such addenda, whether or not received.

III. SCOPE OF SERVICES

General Requirements

The Auditor will adhere to the general requirements provided below.

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- A. Express an opinion on the fair presentation of its financial statements in conformity with the financial reporting framework the Public Office uses.

An audit of the NCHC's federal financial assistance is required, in compliance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. The IPA is to express an opinion on the fair presentation of the required supplementary information, based on auditing procedures applied during the audit of the financial statements in relation to the financial statements taken as a whole. The IPA should follow the reporting guidance from AU-C 725 regarding supplementary information. The required supplementary information will consist of the following:

- Schedule of the Agency Proportionate Share of Net Pension Liability
- Schedule of the Agency Proportionate Share of Net OPEB Liability/Assets
- Notes to the Required Supplementary Information

In addition to the above required supplementary information, the audit report will include the following additional information:

- Schedule of Expenditure of Federal Awards
- Financial Data Schedule

- B. The IPA will be required to perform and issue an Agreed Upon Procedures on the Financial Data Schedule. The Financial Data Schedule will be certified electronically on the Real Estate Assessment Center (REAC) website. The audited REAC submission is due 9-months (September 30) from the end of the agency year.

It is expected that the successful bidder is familiar with the REAC requirements and has properly obtained the user ID and login credentials with REAC.

- C. To meet the requirements of this request for proposals, the audit shall be performed in accordance with the American Institute of Certified Public Accountants' auditing standards generally accepted in the United States of America and the most recent applicable U.S. Government Accountability Office's *Government Auditing Standards*, and the provisions of the Single Audit Act Amendments of 1996 and the provisions of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, as applicable for the period under audit.
- D. The audit performed shall be sufficient in scope to enable the Independent Certified Public Accountant to express an opinion in the audit report on the financial statements of NCHC.
- E. Audit Report. The auditor will provide one original unbound, one electronic and three bound copies of the audited financial statements including the Single Audit report to NCHC.

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- F. The Independent Certified Public Accountant shall issue a hard copy report on the Financial Data Schedule in accordance with Statement on Auditing Standards No. 29.
- G. All audits will begin on or after March 1 of each year and be completed by September 30 (see Exhibit A for the responder to complete a timetable to be included in the response to this RFP). Compliance testing may begin earlier by mutual agreement between the Independent Certified Public Accountant and NCHC. Final reports will be issued by September 30 of each year.

H. Ohio Compliance Supplement

The IPA shall test compliance utilizing the most current version of the *Ohio Compliance Supplement (OCS)*, to determine the audit steps to be performed. The IPA must cover all applicable areas listed in the *Ohio Compliance Supplement* over each period. These sections will be documented in a logical manner in order to facilitate a review to verify that all applicable areas have been completed. The IPA shall also ensure all other federal, state or local compliance requirements that are material to the Public Office be tested as required by Generally Accepted Government Auditing Standards.

I. Reports to be Issued

Following the completion of the audit of the financial statements of the fiscal period, the IPA will issue:

1. A report on the fair presentation of the financial statements in conformity with the applicable financial reporting framework, including required and other supplementary information.
2. A combined report on compliance and internal control required by *Government Auditing Standards*.
3. A management letter, separate from other electronically submitted reports.
4. A combined report on compliance with requirements applicable to each major federal program and internal control over compliance in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (including, as applicable, a report on the supplementary schedule of federal awards expenditures).
5. A schedule of findings and questioned costs.
6. The IPA, in conjunction with NCHC, will complete and file OMB form SF-SAC, the Data Collection Form will be submitted to the Federal Audit Clearinghouse (FAC) at the completion of the audit.

- J. The Independent Certified Public Accountant shall complete the electronic submission of the auditor's report to the U.S. Department of Housing and Urban Development (HUD) and will include the transmission of the Management Discussion and Analysis. The electronic submission will be successfully completed by September 30 of each year. The Independent Certified Public Accountant will provide the NCHC with electronic files of the required auditor's reports.

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IV. METHOD FOR EVALUATING PROPOSALS:

A. Evaluation of proposals will be made using the following factors:

1. Price for Services Provided	-	30 points
2. Previous Experience in Conducting PHA Audits of Comparable Size to NCHC	-	35 points
3. Qualifications of Assigned Staff	-	15 points
4. Understanding of Scope of Services to be performed	-	20 points
Total Possible Points for Consideration		100 points

B. At the discretion of NCHC, the selected firms submitting the highest-rated proposals may be interviewed and may be asked to submit final proposals. Based on the above criteria, responding audit firms are encouraged to provide detailed information in their RFP response materials. The award will be made to the responsible firm whose proposal is most advantageous to the agency, with price and other factors considered. Please be sure that your proposal includes separate costs for audit services for each of the seven years that are being requested.

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EXHIBIT A
PROPOSED ENGAGEMENT
TIMETABLE

FOR THE CONTRACT PERIOD OF January 1, 2023 TO December 31, 2023

Provide your best and realistic estimates. Some variances will be possible upon finalization during entrance conference.

Public Office: North Coast Housing Connections Engagement Period: _____

Note: Multi-period contracts will follow similar dates, to be assumed to fall within seven (7) days of the schedule submitted hereunder.

	Date
1. IPA and representatives of NCHC hold interim entrance conference	_____
2. IPA completes interim fieldwork	_____
3. IPA and representatives of NCHC hold progress conference	_____
4. IPA provides detailed engagement plan and list of schedules to be prepared by NCHC	_____
5. IPA and representatives of NCHC hold fieldwork entrance conference	_____
6. NCHC finalizes accounting records.	_____
7. IPA begins fieldwork at Public Office	_____
8. NCHC completes draft of financial statements (To extent needed by IPA)	_____
9. IPA completes fieldwork	_____
10. IPA provides drafts of reports and recommendations to management	_____
11. NCHC submits in writing final responses to IPA draft documents	_____
12. IPA, and representatives of NCHC hold exit conference	_____
13. IPA delivers final report to Auditor of State.	_____

The Executive Director for NCHC must receive written notification should the timetable submitted require modification. Changes in the timetable may be made only with written consent of the Executive Director for NCHC.