

Housing Authority of the City of Frederick

Request for Proposal Financial Auditing Services

Purpose

The Housing Authority of the City of Frederick hereby requests proposals from qualified firms of certified public accountants to audit its annual financial statements for the five (5) fiscal year periods ending March 31, 2025 through March 31, 2029.

General Information

The Authority was established in 1938 under the United States Housing Act of 1937. The Authority is a public non-profit corporation that was organized under the laws of the State of Maryland to provide low rent housing for qualified individuals in accordance with the rules and regulations prescribed by the Department of Housing and Urban Development and other agencies. The majority of revenue is derived from dwelling unit rentals and federal subsidies.

Housing Authority of the City of Frederick Program/Funding Information

The Authority currently has 192 units of conventional public housing, 23 mixed finance units which are owned by the Authority's subsidiary, Catoctin Manor, LLC, and managed by the Authority, and provides public housing subsidies for 63 mixed finance (tax credit) units which are privately managed.

The Authority operates a Housing Choice Voucher program with 800-900 units.

Other programs included in the business activities include the following:

1. **Family Self-Sufficiency** – Family Self-Sufficiency programs are operated for both the public housing and Housing Choice Voucher programs. Public housing FSS program has 25 slots and Housing Choice Voucher FSS program has 25 slots.
2. **HOPWA (Housing Opportunities for Persons With AIDS)** – HOPWA funding is received through the state Department of Health and Mental Hygiene, currently providing tenant-based rental assistance for 23 families.
3. **Local Grants** – Approximately a dozen local grants totaling around \$500,000 annually are received for resident supportive services from organizations.

Additional relevant information that should be considered by the proposing firm is listed below:

1. The FDS filing will be broken down by AMP for Public Housing and Capital Funds.
2. The Authority's financial records are computerized, using application software purchased from Management Computer Services (PHA-Web). Modules in place are General Ledger, Tenants Accounts Receivable, Accounts Payable, Work Orders, HAP Accounting, Waiting Lists and 50058 Certification, modernization, public housing and miscellaneous programs.
3. The Housing Authority currently has 33 full-time, 4 part-time, and 23 temporary employees. The Housing Authority has a 401k type (Money Purchase Plan) pension plan and a Section 125 plan for dental and health insurance. Payroll is processed by Paylocity and uploaded into the General Ledger.
4. 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.

5. 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.
6. 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.

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), Government Auditing Standards, issued by the Comptroller General of the United States, the audit requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (“Uniform Guidance”), 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. The audit fieldwork should be completed by September 30th of each year, and the statements must be ready for distribution by November 30th of that year. The audited FDS submission shall be completed by December 31st in compliance with federal reporting deadlines.
4. The Auditor shall submit an audit report, which shall comply with the applicable reporting standards as contained in the publications aforementioned.
5. The auditor in charge will conduct an exit conference with the Executive Director, Deputy Director, the Director of Finance, and other support staff and/or consultants/outsourcing agencies as determined by the Executive Director. 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.

Required Proposal Format

Each submitted proposal will be evaluated and scored based on the responses to the following criteria.

Section I: Firm Qualifications and Ability to Provide Requested Services (0 - 50 points)

Information to include in the proposal so that the Authority can rate the firm’s qualifications and ability to perform the audit include:

1. Description of the firm’s organization and general history.

2. Firm's experience in auditing of public housing authorities, including a listing of PHA audits performed and the name and telephone number of the appropriate contact person at each PHA.
3. A summary of the professional backgrounds of firm's principals and key personnel expected to be assigned to the audit. Include CPE Units in governmental related accounting.
4. References, including for HUD-related work.

Section II. Planned Approach to the Audit (0 - 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 2025 audit. The FY 25 audit should begin no later than the month of June 2025.
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.

Section III: Proposed Audit Price (0 - 15 points)

Each firm should provide its proposed price for each year of the audit contract. Audit cost shall be shown in terms of man hours and hourly rate for each person who will be assigned to the audit.

Separate price and breakdown shall be shown for the audit of Catocin Manor, LLC, our blended component unit.

Section IV: Peer Review Report (0 - 5 points)

Each firm should include a copy of their most recent peer review report.

Instructions for RFP Submission

QUESTIONS: Questions can be submitted via email through **11:00am, Friday, January 3, 2025**. All questions and answers will be posted with the RFP no later than **11:00am, Tuesday, January 7, 2025**.

CONTACT INFORMATION: Please provide a contact name, position, email, and direct phone number for questions and/or follow up regarding the proposal.

PROPOSALS: The Authority must receive completed proposals no later than **11:00 a.m., Friday, January 10, 2025**. All proposals should be identified as such in the subject line of the email or on the envelope. Late submissions will not be considered. All proposals should be emailed to alollar@hacfrederick.org or mailed or delivered to the following address:

Angie Lollar
Deputy Director & Interim Director of Finance
Housing Authority of the City of Frederick
209 Madison Street
Frederick, MD 21701

When the Authority has tentatively selected a firm's proposal, it may request a conference to be held in Frederick, Maryland 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 process.