



**REQUEST FOR PROPOSALS: ANNUAL FINANCIAL AUDIT AND AGREED-UPON  
PROCEDURES FOR 2018 – 2020.**

**RESPONSE DEADLINE:**

Email one electronic copy to HCAAC no later than 12:00 p.m. (noon)  
of April 20th, 2018.

**SUBMIT RESPONSES TO:**

Anu Francis  
Director of Finance  
Housing Commission of Anne Arundel County  
7477 Baltimore Annapolis Blvd.  
Glen Burnie, Maryland 21061 via email only  
[afrancis@hcaac.org](mailto:afrancis@hcaac.org)

## **INTRODUCTION:**

The Housing Commission of Anne Arundel County (HCAAC) is seeking proposals from accounting firms to:

1. Perform its annual audit as required by the Single Audit Act, as described in Section A of this Request for Proposal.
2. Perform Agreed-Upon Procedures and prepare an Independent Accountants' Report as described in Section B of this Request for Proposal.

Your proposal should include a letter in which you indicate that, if selected, you will sign the contract for the audit services and the Agreed-Upon Procedures. The fee and estimate of hours for which you are willing to perform each year's audit and report should be stated. The amount should include all applicable expenses.

Terms: three years, beginning with the fiscal year ending June 30, 2018.

### **I. SCOPE OF SERVICES:**

#### **Section A – Annual Audit Report:**

The audit must be performed in accordance with generally accepted auditing standards, Government Auditing Standards, and will additionally require compliance testing and a study of internal accounting controls. The auditor will be required to state that these have been performed in accordance with OMB Uniform Guidance and state the Commission's compliance with generally accepted accounting principles (GAAP) as required by the Governmental Accounting Standards Board (GASB).

Due to Maryland state reporting requirements, the audit report must include separate financial statements to include Statements of Cash Flows for Oakleaf Villas and Pumphrey House. FDS column format is acceptable for these financial statements.

The Housing Commission is a standard-performing agency in both the Public Housing and Housing Choice Voucher programs. There have been no audit findings or material weaknesses on recent annual audits.

Housing Commission Programs:

- 1 Public Housing Program – 834 units in 4 amps in Anne Arundel County, less than 1% vacancy.
- 2 Section 8 Housing Choice Voucher Program – 1,991 baseline units; Mainstream Vouchers – 100 units.
- 3 Commercial Office Space - Administration Building (North Arundel Plaza) in Glen Burnie, MD. HCAAC administrative staff occupies part of the first floor and the entire third floor. There are 10 commercial leases for the building.

- 4 Pumphrey House and Oakleaf Villas, with 15 units and 24 units respectively. Rent is market rate, with Housing Choice Voucher assistance for all residents of Pumphrey House and approximately 20% of Oakleaf Villas' units. Developments were partnered with the State of Maryland, and are managed by the Housing Corporation for Anne Arundel County.
- 5 Capital Fund Program – CF 2014 is 100% obligated and 99.6% expended. CF 2015 is 100% obligated and 97.8% expended. CF 2016 is 58% obligated and 60.3% expended. CF 2017 is 32.5% obligated and 32.5% expended. This information is reflective of grant status at time of this proposal. The Housing Commission participated in a statewide bond issue in 2003 (money fully expended), leveraging future capital funds through 2023.
- 6 Housing Opportunities for Persons with Aids. (HOPWA) FY 2018 grant ends 06/30/2018; Grant amount is \$465,516.
- 7 FSS Program (both Public Housing and Voucher programs) – HCAAC is aggressively working to expand its program of about 171 participants. Grants include a ROSS grant for both Public Housing FSS coordinator and HCV Family Self-Sufficiency Coordinator that expires 12/31/2018.
- 8 HCV Homeownership program –12 participants.
- 9 HCV Veterans Administration Supportive Housing – 17 participants.
- 10 Permanent Housing for Homeless Persons with Disabilities – two grants for a total amount of over \$ 696,822 92. 8% expended. Expecting renewal for next fiscal year.
- 11 Housing Corporation – non-profit, no employees. Manages the 39 PHA-owned units at Pumphrey and Oakleaf.
- 12 The Housing Commission has entered into a Management Agreement with Pennrose to demolish and redevelop Burwood Gardens, a two hundred (200) unit Elderly-Disabled community. Tax credits have been awarded for the first of two phases, a demo-dispo application was approved by HUD and financing has closed. The Phase I re-development was completed December 2013 and Phase II re-development is currently under way. All 100 units under phase I, Heritage Crest, are occupied utilizing project based vouchers. The remaining 100 units under phase II, Heritage Overlook, are anticipated to be occupied by June 2018.

We will continue to apply for additional funding from the federal, state, and local governments.

Bookkeeping:

HCAAC current software is Emphasys Elite 1.0.0.0. The Operations and HCV departments utilize Elite software for all wait list and HCV activities. Public Housing and Tenant Accounting are also operating on Emphasys Elite. The General Ledger, Payables, non-tenant Accounting A/R, Purchasing, Inventory, and Fixed Assets are all utilizing the same software. The Housing Commission generally has 33 active general ledger funds. All operating payments are made through one general checking account with interfund postings automatically handling interprogram receivables/payables. The Housing Commission has a separate checking accounts for Housing Choice Voucher HAP payments to ensure appropriate separation of funds. Payroll and employer tax deposits are done by ADP workforce now, a division of ADP, Inc. The Housing Commission has 54 employees, full and part time.

The Commission also has a 414H 'pick-up' pension plan, a 457 Voluntary Contribution Plan, and a Section 125 plan for health and dental plans.

Generally, all program budgets, monthly and annual financial statements (FDS) are prepared by the Housing Commission Finance Department. The Commission has fully transitioned to Asset Management and Project Based Accounting.

### **Section B: Agreed Upon Procedures**

At the request of the Housing Commission's Board of Commissioners, the following procedures are requested as part of this proposal:

1. Review the supporting documentation for the cash receipts of the Housing Corporation of Anne Arundel County for the fiscal year ending June 30<sup>th</sup> in order to determine if those receipts are accurately stated and to determine that supporting documentation exists for those receipts.
2. Examine the supporting documentation for the cash disbursements of the Housing Corporation of Anne Arundel County to determine that these disbursements were for allowable activities within the scope of the Housing Corporation of Anne Arundel County.
3. Prepare a brief report listing the above procedures and the resultant findings.
4. Prepare a supplemental comparison statement for Housing Corporation of Anne Arundel County.

Income for the Housing Corporation consists of management fee earned from rental receipts for 24 units at Oakleaf Villas, 15 units at Pumphrey House and 100 units at Heritage Crest. HAP checks are created for these Blended and discretely present component units like all other landlords in the Housing Choice Voucher program. Disbursements are minimal, consisting primarily of prepaid insurance, accounting fees, membership dues, and a few sundry expenses.

### **Section C: Performance Requirements**

The audit fieldwork is to be performed by the end of October each year and the final report must be completed by January 15th, with the final certification and submission of the FDS completed by January 31st. These dates may be altered *only* if HUD changes the required date for the FDS submission. One copy of each year's audit will be required for HUD submission. Thirty copies of the financial statements are required for distribution by the Housing Commission.

The Housing Commission and the successful bidder will jointly establish a payment schedule allowing for progress payments. The final payment will be issued after receipt of the audit report and after the audited Financial Data Schedule is submitted by the audit firm and approved by HUD.

Solicitation of the request for proposals does not commit this agency to pay any costs incurred in the preparation of submission of proposals.

## II. TIME FRAME:

All proposals must be submitted by noon of Friday, April 20, 2018. All firms will be notified for interviews via e-mail, on or before April 27, 2018. If a firm wish to withdraw their proposal(s) prior to selection, they may so before noon, April 20, 2018.

	Selection Criteria (1 to 5 points for each area)	Weighting %	Weighting Multiplier	Maximum Weighted Points
1	Familiarity with requested services, as demonstrated through an interview with Housing Commission personnel and Board of Commissioners.	20%	4	20
2	Demonstration of understanding of requested services and scope of work. Technical approach as described in proposal.	20%	4	20
3	Evidence of ability to provide services and follow-up assistance, including present workload, prior public housing and Housing Choice Voucher program experience, and technical expertise.	20%	4	20
4	References, including for HUD-related work.	10%	2	10
5	Cost of Services.	15%	3	15
6	Profiles of Principals, resumes of key personnel assigned to the audit (include recent CPE), and pertinent data on associated consultants.	10%	2	10
7	In addition to including information to satisfy the selection criteria, please specify man-hours and hourly rate for each person who will be assigned to audit, and include latest copy of peer review report.	5%	1	5
		100%		100

Bidders are to review the Selection Criteria prior to providing a response. Points will be deducted from each Selection Criteria if any requested selection items are not included in the bid response.

Questions should be directed to Anu Francis, Director of Finance, via e-mail only at [afancis@hcaac.org](mailto:afancis@hcaac.org). **Women and/or MBEs are encouraged to submit proposals.**

**CONTRACT BETWEEN PUBLIC HOUSING AGENCY AND  
INDEPENDENT PUBLIC ACCOUNTANT FOR AUDIT SERVICES**

**ORGANIZATION-WIDE AUDIT**

THIS AGREEMENT, entered as of the \_\_\_ day of \_\_\_\_\_, 2018, by and between the Housing Commission of Anne Arundel County (hereinafter referred to as the Public Housing Agency), and \_\_\_\_\_ (name and address) \_\_\_\_\_ (hereinafter referred to as the "Contractor").

WITNESSETH

WHEREAS, the Public Housing Agency 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 Public Housing Agency pertinent to its operations with respect to such financial assistance: and

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

WHEREAS, the Public Housing Agency may have other programs which are required to be audited at this time; and

WHEREAS, all programs to be audited are as contained in Exhibit A which is attached to and is a part of this contract; and

WHEREAS, the Public Housing Agency desires the Contractor to conduct and perform such an audit;

NOW, THEREFORE, the Public Housing Agency and contractor do mutually agree as follow:

1. The contractor shall audit the accounts and records of the Public Housing Agency for the twelve month period ending June 30, 2018, the twelve-month period ending June 30, 2019 and the twelve-month period ending June 30, 2020 in accordance with generally accepted auditing standards and OMB Uniform Guidance and State of Maryland. 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 Public Housing Agency prepared according to generally accepted accounting principles (GAAP), and include reports on internal controls, compliance, and HUD uniform financial reporting standards (UFRS).

2. The books of account and financial records to be audited are maintained, and are located at the Public Housing Agency's office at 7477 Baltimore-Annapolis Boulevard, Glen Burnie, MD 21061. The books and records will be made available to the Contractor by the Chief Executive Officer of the Public Housing Agency at the Contractor's request for 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 an audit, the Contractor shall disclose this deficiency to the Chief Executive Officer of the Public Housing Agency. If the Public Housing Agency cannot get its books ready for an audit within 15 days, then the Contractor should notify the Government. Notification to the Government shall be by written communication addressed to the Regional Inspector General for Audit, Regional Office, Department of Housing and Urban Development.  
The Contractor shall await further instructions from the Regional Inspector General for Audit before continuing the audit.
4. Upon completion of the audit, an Audit Report consisting of those elements as required by OMB Circular A-133 shall be simultaneously submitted to the Regional Inspector General for Audit and Public Housing Agency as joint addressees.
- 5.
6. The audit Report shall be submitted within 180 days after the close of the Public Housing Agency's fiscal year. The Public Housing Authority understands that generally accepted auditing standards require that the auditor obtain a representation letter from the Public Housing Authority prior to completion of the audit and submission of the Audit Report. This representation letter requires that the Chief Executive Officer and/or Chief Financial Officer provide the auditor with assurance based on the knowledge and belief as to matters contained within the Audit Report. Delay in providing this assurance will extend the date of completion of the audit.
7. 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, must be mutually agreed upon by and between the Public Housing Agency and the Contractor, and shall be incorporated into written amendments to this contract.
8. For the *annual audit and submission of the audited FDS* to HUD, the Public Housing Agency agrees to pay the contractor as compensation for the services and report mentioned herein a lump-sum fee of \$ \_\_\_\_\_ inclusive of all costs and expenses. The fee is based on the following:

<u>Level of Service</u>	<u>Rate</u>	<u>Estimated Hours</u>	<u>Amount</u>
a. Partner	\$_____	_____	_____
b. Senior Staff	_____	_____	_____
c. Intermediate Staff	_____	_____	_____
d. Staff Assistant	_____	_____	_____
e. Support Staff	_____	_____	_____
f. Other Cost	_____	_____	_____
Totals		_____	_____
Less Government Adjustment			(_____)
Adjusted Total			\$_____

It is estimated that \_\_\_\_\_ workdays will be required to perform the audit.

Such lump-sum shall be payable as follows:

\_\_\_\_\_

\_\_\_\_\_



9. **For the *Agreed Upon Procedures and report* for the Housing Corporation of Anne Arundel County, the Housing Corporation agrees to pay the contractor as compensation for the services and report mentioned herein a lump-sum fee of \$\_\_\_\_\_ inclusive of all costs and expenses. Such lump-sum shall be payable as follows:**

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10. The contractor must be a Certified Public Accountant and licensed in the State of Maryland by a regulatory authority of the State of Maryland and must meet any legal requirements concerning registration in the state of Maryland.
11. The Contractor certifies that neither the audit firm nor any of its partners or employees individually, is debarred or proposed for debarment by any agency of the Federal or State government.
12. The Contractor certifies that all personnel performing field work during the audit have completed the HUD EIV Security Training and those personnel will be required to sign the Form HUD-52676 to attest to their training.
13. 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 engaged in transactions involving sale, lease or purchase of property with and does not have any interest, direct or indirect, in the Public Housing Agency or any of its members or officials including the following:
- a. Family relationship with any Public Housing Agency member or official:
  - b. Employment by or service as a member or official of the Public Housing Agency during the period covered by the audit.
14. The Contractor certifies that it has not provided accounting or bookkeeping services for the Public Housing Agency during the period covered by the audit except as follows: None.
15. No member, officer or employee of the Public Housing Agency, no member of the governing body of the locality in which the Public Housing Agency was activated, and no other public official of such locality or localities who exercised 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.

16. 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.
17. 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.
18. 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 insure to the benefit of the surviving or remaining members of such partnerships.
19. 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 for training, including apprenticeship.
20. 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 Government and to the Comptroller General of the United States or his duly authorized representatives during normal working hours upon written request of the Government or of the Comptroller General or his representatives. The period will be reduced to three years for the Public Housing Agencies for which all projects have had Actual Development Cost Certificates issued. The Government and the Comptroller General shall be entitled to reproduce any or all of such documents at their expense for which provision shall be made at the time the needs for reproduction arise.
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 shall not be made available or otherwise disclosed to any person without the prior written approval of the Public Housing Agency.

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

\_\_\_\_\_  
(Name of Contractor)

By \_\_\_\_\_  
(Name) (Date)

Contractor Information:

Name of Contact Partner: \_\_\_\_\_

Address of Contractor: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Telephone Number: \_\_\_\_\_

**Housing Commission of Anne Arundel County** \_\_\_\_\_  
(Name of Public Housing Agency)

By \_\_\_\_\_  
(Name) (Date)

**EXHIBIT A**

**PROGRAMS TO BE AUDITED**

This exhibit is hereby attached to and is an integral part of the contract between the Housing Commission of Anne Arundel County (The Public Housing Agency) and \_\_\_\_\_ (The Contractor) dated \_\_\_\_\_. The audit which the Contractor is to perform is to include the following programs or funds and, unless otherwise indicated will be for the twelve (12) months ended June 30, 2018, the twelve (12) months ended June 30, 2019 and the twelve (12) months ended June 30, 2020.

Programs to be included:

See items listed in RFP.

Programs that are not to be included:

None