

Request for Proposal (RFP)
Audit Services FYE's 12/31/2023, 12/31/2024, & 12/31/2025

Standards & Responsibilities for Involved Parties

The Contractor shall audit the accounts and records of the Pike County Housing Authority (PCHA) for the twelve month periods ending December 31st, 2023, December 31st, 2024, and December 31st, 2025, in accordance with United States generally accepted auditing standards, the standards for financial audits contained in the Government Auditing Standards and OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations and any other applicable regulation(s). 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 PCHA.

The Contractor will provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with laws, regulation, and the provisions of the contracts or grant agreements, noncompliance with which could have a material effect on the financial statements as required by Government Auditing Standards. This report will include a statement that the report is intended solely for the information and use by PCHA and specific legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties.

The Contractor will provide the required attestation of the electronic submission of PCHA's audited submission to the Real Estate Assessment Center (REAC) within nine months of PCHA's fiscal year end.

PCHA is responsible for establishing and maintaining effective internal control and for compliance with laws, regulations, contracts and agreements. In fulfilling this responsibility, estimates and judgments by PCHA are required to assess the expected benefits and related costs of the controls. The objective of internal control are to provide PCHA with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use of disposition, that transactions are executed in accordance with PCHA's authorizations and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

PCHA is responsible for making all financial records maintained at PCHA's office at 838 Mason Street, Barry, Illinois 62312 and related information available. The Contractor understands that PCHA will provide such information required for the audit and that PCHA is responsible for the accuracy and completeness of that information. The

Contractor will advise about appropriate accounting principles and their application and will advise in the preparation of financial statements, but the responsibility for the financial statements remains with PCHA. As part of this engagement, the Contractor may propose standard, adjusting, or correcting journal entries to the financial statements. PCHA is responsible for reviewing the entries and understanding the nature of any proposed entries and the impact they have on the financial statements. That responsibility includes the establishment and maintenance of adequate records and effective internal control over financial reporting, the selection and application of accounting principles and the safeguarding of assets. PCHA is responsible for adjusting the financial statements to correct material misstatements and for confirming to the Contractor in the representation letter that the effects of any uncorrected misstatements aggregated by the Contractor during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

PCHA is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing the Contractor about all known or suspected fraud, or illegal acts affecting the government involving (1) PCHA, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. PCHA is also responsible for informing the Contractor of the knowledge of any allegations of fraud or suspected fraud, or illegal acts affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, PCHA is responsible for identifying and ensuring that the entity complies with applicable laws and regulations and for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

As part of the audit, the Contractor will prepare a draft of PCHA's financial statements and related notes. In accordance with Government Auditing Standards, PCHA will be required to review and approve those financial statements prior to their issuance and have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements. Further, PCHA is required to designate a qualified individual to be responsible and accountable for overseeing these services.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore the audit will involve judgment about the number of transactions to be examined and the areas to be tested. The Contractor will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations

of laws or governmental regulations that are attributable to the entity or to acts by PCHA or employees acting on behalf of the entity. Because the determination of abuse is subjective, Government Auditing Standards do not expect auditors to provide reasonable assurance of detecting abuse. Because an audit is designed to provide reasonable, but not absolute assurance and because the Contractor will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by the Contractor. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, the Contractor will inform PCHA of any material errors that come to their attention and the Contractor will inform of any fraudulent financial reporting or misappropriation of assets that come to their attention. The Contractor will also inform of any violations of laws or governmental regulations that come to their attention, unless clearly inconsequential. The Contractor's responsibility as auditors is limited to the period covered by the audit and does not extend to matters that might arise during any later periods for which they are engaged as auditors.

The Contractors will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. The Contractor will request written representations from PCHA's legal counsel as part of the engagement, and they may bill PCHA for responding to this inquiry. At the conclusion of the audit, the Contractor will also require written representations from PCHA about the financial statements and related matters.

Identifying and ensuring that the PCHA complies with laws, regulations, contracts and agreements is the responsibility of PCHA. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, the Contractor will perform tests of PCHA's compliance with applicable laws and regulations and the provisions of contracts and agreements. However, the objective of the audit will not be to provide an opinion on overall compliance, nor will such an opinion be expressed.

In planning and performing the audit, the Contractor will consider the internal control sufficient to plan the audit in order to determine the nature, timing and extent of their auditing procedures for the purpose of expressing their opinion on PCHA's financial statements.

The Contractor will obtain an understanding of the design of the relevant controls and whether they have been placed in operation, and will assess control risk. Tests of

controls may be performed to test the effectiveness of certain controls that are considered relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Tests of controls are required only if control risk is assessed below the maximum level. Tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in the report on internal control issued pursuant to Government Auditing Standards.

An audit is not designed to provide assurance on internal control or to identify reportable conditions. However, the Contractor will inform the governing body or audit committee of any matters involving internal control and its operation that they consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to their attention relating to significant deficiencies in the design or operation of the internal control that, in their judgment, could adversely affect the entity's ability to record, process, summarize and report financial data consistent with the assertions of PCHA in the financial statements. They will also inform of any non-reportable conditions or other matters involving internal control, if any, as required by Government Auditing Standards.

If the Contractor ascertains that PCHA's books and records are not in a sufficiently satisfactory condition for performing an audit, the Contractor shall disclose this deficiency to PCHA. If PCHA cannot be prepared for an audit within 30 days, then the IPA 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 HUD, Chicago, Illinois. The Contractor shall await further instructions from the Regional Inspector General for Audit before continuing the audit.

Upon completion of the audit, an Audit Report consisting of those elements described in the OMB Circular A-133 shall be simultaneously submitted to the Regional Inspector General for Audit (1 copy) and PCHA (1 copy for each Commissioner and (3) copies for the Executive Director.

The Audit Report shall be submitted within 270 days after the close of PCHA's fiscal year unless a shorter period is required by State law.

PCHA 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 PCHA and the Contractor, shall be incorporated into written amendments to this contract and shall be subject to approval.

The Contractor must be either a Certified Public Accountant, or a licensed or registered public accountant licensed by a regulatory authority of a state or other political subdivision of the United States and meet any legal requirements concerning registration in where PCHA is located. Any documentation identifying such registration or licensing shall be attached to Contractor's proposal.

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 the PHA or any of its members or officials including the following:

- Family relationship with any PHA member or official;
- Employment by or service as a member or official of PHA during the period covered by the audit.

The Contractor certifies that it has not provided accounting or bookkeeping services for the PHA during the period covered by the audit.

No member, officer or employee of PCHA, no member of the governing body of the locality in which any of PCHA's projects are situated, no member of the governing body of the locality in which PCHA was activated, and no other public official of such locality or localities who exercises any responsibilities or functions with respect to PCHA'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.

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.

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 PCHA 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.

The Contractor shall not assign or transfer any interest in this contract except that claims for monies due from PCHA 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.

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.

The audit documentation for this engagement is the property of the Contractor and constitutes confidential information. However, pursuant to authority given by law and regulation, the Contractor may be requested to make certain audit documentation available to the Department of Housing and Urban Development, the Real Estate Assessment Center and the Auditor General of the United States or its designee, a federal agency provided direct or indirect funding, or the U. S. Government Accountability Office for the purposes of a quality review of the audits, to resolve audit findings, or to carry out oversight responsibilities. The Contractor will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of the Contractor's personnel. Furthermore, upon request, the Contractor may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies. 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 of 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 those 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 need for reproduction arises.

Except for disclosure to the Government, the Comptroller General and PCHA, 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, shall be held confidential by the Contractor and shall not be made available or otherwise disclosed to any person without the prior written approval of the Government.

Ranking Criteria, Proposal Evaluation, & Due Date

Minimum Mandatory Criteria

The following criteria must be met for a proposer to be considered for further evaluation. Failure to meet any one of these criteria results in automatic ineligibility. Please provide documentation regarding each in Contractor's proposal.

- Must be currently licensed as a Certified Public Accountant to practice in the State of Illinois.
- Must meet independence standards established by the GAO.

Proposers should demonstrate qualifications for the work to be performed. In evaluating the proposals, the Authority will use the follow criteria using a 100 point scoring system:

- Professional qualifications of the firm and evidence of the ability to perform the work, as indicated by staff profiles, client list and references. (20 points)
- Experience with Public Housing Authority Audits and REAC submission requirements as evidenced by at least five (5) PHA references. (20 points)
- Capability to perform all aspects of the project and meet all deadlines as demonstrated in the methodology to be used in completing the required work. (30 points)
- Fixed Fee Price (20 points)
- The overall quality and professional appearance of the submittal based upon the opinion of the evaluators. (5 points)
- Section 3 Preference. (5 points)

Proposal Evaluation

The final determination for awarding the contract for audit services will be made by PCHA Board upon recommendation by the Executive Director. The Executive Director will carefully review the time schedule and proposed fees. If, in the opinion of the Executive Director, the hours and/or fees appear disproportionately low, the proposal will be removed from further consideration. The overall fee is a significant factor in the

selection process; it is not however, the most important factor. The desire is to award the contract to the firm deemed best qualified. The evaluation of the professional qualification of the proposals will be based on the qualifications of the auditor, technical criteria and proposal evaluation.

Due Date of Proposals

If delivering physical proposals, please provide one (1) original, and two (2) copies of Contractor's proposal in a sealed envelope. If delivering electronic proposals, please send Contractor's proposal to cbruns@pikehousing.com and tkirk@pikehousing.com. Regardless of method, all submittals must be received by 1/29/2024, no later than 10:00a.m.

Delivery Address

Physical proposals should be delivered to:

Pike County Housing Authority
Re: AUDIT SERVICE PROPOSAL
Attention: Chris Bruns, Executive Director
838 Mason St, PO Box 123
Barry, IL 62312



Pike County
Housing Authority