



Attachment A

RFP NO: 2021-1010

Statement of Work: Annual Audit Services

SCOPE OF SERVICES

The Housing Authority of Covington (HAC) is seeking proposals from Independent Public Accounting (IPA) firms to examine the financial statements of the Housing Authority of Covington’s General Fund, Capital Funds and various other grants and programs and to individually examine the financial statements of each Academy Flats and Eastside Revitalization I Partnerships. Funds either have a fiscal year ending June 30 or December 31 and were last audited for the period ending June 30, 2020 or December 31, 2020, respectively.

HAC is seeking proposals from qualified, licensed Contractor(s) with demonstrated professional competence and experience to provide an annual audit, at a fixed annual fee, for a three years (3) term with the option of renewal at the end of year three for an additional two (2) years. The five (5) year period includes FYE June 30, 2021, June 30, 2022, June 30, 2023, June 30, 2024 and June 30, 2025. The following pages provide a very brief outline of these programs to assist you in preparing your proposal.

Annual Audit Services for years 2021, 2022, 2023, 2024 and 2025

General Fund (FYE 06/30/21):

Presently, composed of 775 conventional, low-rent public housing units; the conventional units are divided into several projects.

<u>PROJECT NUMBER</u>	<u>NUMBER OF UNITS</u>
KY002-001	235
KY002-03	366
KY002-05	155
New Site Properties (NSP)	19
GRAND TOTAL for subsidized units	775

Total expenditures for the one (1) year period ending June 30, 2020 were **\$8,804,860**.

The Housing Authority provides certain management services for locations that have a fiscal year ending December 31 including Academy Flats and Eastside Revitalization I partnerships which are included in the scope of this audit request.

PROJECT NUMBER**NUMBER OF UNITS**

Academy Flats	6
Emery Drive	12
Eastside Revitalization I	6
Eastside Revitalization II	8
Eastside Revitalization III	6
River's Edge at Eastside Point	12

GRAND TOTAL for public housing units 50

Within the conventional housing programs, the Authority has one (1) Ross Family Grant, one (1) FSS Grant annually, (1) Jobs Plus Grant:

<u>GRANT</u>	<u>CLOSE-OUT</u>	<u>BUDGETED</u>	<u>CUMULATIVE COST INCURRED</u>
ROSS181158	07/31/2021	\$231,000	\$231,000
ROSS2411491	08/29/2024	\$230,175	\$0
FSS20KY2834	03/31/2021	\$65,000	\$65,000
FSS21KY4026	03/31/2022	\$60,320	\$21,619
KY002FJP000117	10/29/2022	\$2,203,270	\$1,102,048

HAC is annually awarded capital funds. The IPA will verify the cost certifications for Capital Fund Programs:

<u>DESCRIPTION</u>	<u>GRANT</u>	<u>CLOSE-OUT</u>	<u>AMOUNT</u>
50118	KY36P00250118	11/28/2023	\$1,862,688
50119	KY36P00250119	10/15/2024	\$1,785,747
50120	KY36P00250120	09/25/2025	\$2,083,305

Hawkins, Ash CPAs, LLP, conducted the previous audit for FYE June 30, 2020. A copy of this FYE June 30, 2020 report is available for your review upon request.

RFP RESPONSE REQUIREMENTS:

Potential Contractors must submit a detailed scope of work outlining the project plan, tasks, scheduling, and milestone events. In general, HAC anticipates a full-service process. To that end, services are expected to include, at a minimum, the following:

1. The IPA selected may perform an on-site review of HAC's records to determine the condition of the records, as well as to confirm the scope of the audit.
2. The audit must comply with provisions of OMB Circular A-133, General Accepted Government Auditing Standards issued by GAO, GASB 68, and the standards for financial and compliance audits contained in the Standards for Audit of Government Organizations, Program, Activities, and Functions, issued by the U. S. General Accounting Office. The HAC audit shall be performed in accordance with current Generally Accepted Auditing Standards at the end of each fiscal year.
3. The fee for audits must be a "not to exceed" figure. A fixed fee must be set for each audit period (year).
4. Failure to comply with above, or failure to submit a complete audit within the time set by the contract will result in termination of the agreement to perform audits for subsequent years.
5. HAC reserves the right to reject any and all of the proposals submitted.

6. The auditor will be responsible for the data entry of both unaudited and audited electronic submissions and attestation of the audited Financial Data Schedule (FDS) in compliance with all HUD requirements for FYE 6-30-21, FYE 06-30-22, FYE 06-30-23, FYE 6-30-24, and FYE 6-30-25.
7. The auditor will annually prepare individually for each the Housing Authority of Covington, Academy Flats and Eastside Revitalization I partnerships any applicable Federal, Kentucky, local and any other income tax returns for which the PHA notifies as such in writing, from the information provided by the PHA.
8. Previous experience is preferred in the auditor successfully submitting unaudited and audited FDS in accordance with date's set by the Housing and Urban Development office.
9. The auditor will submit the unaudited FDS no later than sixty (60) days after the fiscal year end.
10. The auditor will submit the audited FDS no later than 9 months of the fiscal year end.

GENERAL REQUIREMENTS:

The contract will be awarded only to a responsible Contractor. To qualify, a prospective Contractor must meet the following standards, as they pertain to this Request for Proposal under Tab 7 as instructed.

- **FIRM INFORMATION.** Include the firm name, size, address of office responding, telephone number, contact person with title, and historic information on establishment including parent company, if applicable. State local presence in the region, if any, and indicate the office location(s) where the majority of the work will be performed.
- **QUALIFICATIONS.** Provide all of the following information: the types of services offered, the firm's in-house capabilities and those services which are typically subcontracted to outside firms; the number of professional CPAs on staff who have worked on audits of a similar nature.
- **EXPERIENCE.** Provide a summary table listing representative audits completed by the firm within the last three years. List the experience with implementing GAAP and GAAS changes.
- **STAFFING.** Provide the names of the key people who would be available and proposed for assignment to the audit. Include a resume in a standard format, providing title, length of time with the firm, previous employment and total years of experience, professional registrations, awards, and a brief summary of related experience.
- **QUALITY ASSURANCE AND QUALITY CONTROL PROCEDURES.** Provide a description of the techniques used by the firm to provide quality control and assurance. Please include most recent peer review report.
- **LIST OF REFERENCES.** Provide a list of at least three references, including contact person and telephone number, for public housing and/or HUD grant related audits performed.

CONTRACT TERMS

The successful Proposer shall be expected to execute HAC's standard professional service contract. The term of the contract shall be effective when executed by HAC for a period of time negotiated between the two parties but at no time shall the contract exceed five (5) years. Contract negotiations will be discussed upon the interview, if applicable, with selected candidate(s).

Please note: HAC reserves the right to engage multiple service providers, as needed, based on area of expertise.