

**Request for Proposal for Audit Services**

**I. Independent Public Accountants (IPA) are invited to submit a proposal to perform a Single Audit in accordance with OMB Uniform Guidance for the Fiscal or Calendar Year ending \_\_\_\_\_.**

A. Requesting Organization Information

1. Requesting organization:

(Name & Address)

CFDA NO. (s)	CONTRACT NO. (s)	EXENDITURE AMOUNT	CONTRACT PERIOD
1. _____	_____	\$ _____	_____
2. _____	_____	\$ _____	_____
3. _____	_____	\$ _____	_____

The above contracts are funded either in whole or in part by the Community Development Block Grant (CDBG), Federal Home Investment Partnership (HOME), Housing Opportunities for People with AIDS (HOPWA), or other federal programs of the US Department of Housing and Urban Development (HUD) through the City of Philadelphia Division of Housing and Community Development (DHCD) or Philadelphia Housing Development Corporation (PHDC) and/or the Philadelphia Redevelopment Authority (PRA).

B. Scope of Contract:

(Give a description of the scope of services provided under your contract with the City of Philadelphia)

C. Questions regarding books & records shall be directed

to: (your organization contact)

(Title)

(organization name)

(telephone number)

D. General audit questions should be directed to:

Patricia Williams

Audit Supervisor

Division of Housing and Community

Development 1234 Market Street, 17<sup>th</sup> Floor

Philadelphia, PA 19107

(215) 686-9734

E. Proposals (3 copies) are to be sent to:

(your organizations contact)

(title)

(address)

F. The proposals will become part of (your organization) and the Division of Housing and Community Development's files without any obligation of (your organization) or the Division of Housing and Community Development.

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## II. Audit Requirements.

- A. Basis of Audit - The Independent Public Accountant (IPA) shall perform a financial and compliance audit in accordance with the following (**as revised**):
1. Generally Accepted Auditing Standards (GAAS).
  2. GAO Government Auditing Standards (GAS).
  3. For State and Local Governments and Quasi-Governmental Agencies only:
    - a. AICPA - Audits of State and Local Governmental Units.
    - b. OMB Uniform Guidance: Cost Principles, Audit and Administrative Requirements for Federal Awards.
    - c. Common Rule 85.36, (formerly OMB Circular No. A-102) Grants and Cooperative Agreements with State and Local Governments.
    - d. Office of Management and Budget Compliance Supplement.
    - e. City of Philadelphia Subrecipient Audit Guide.
  4. For Non-Profit organizations and others.
    - a. AICPA - Audits of Certain Nonprofit Organizations.
    - b. Office of Management and Budget Compliance Supplement.
    - c. City of Philadelphia Subrecipient Audit Guide.
    - d. OMB Uniform Guidance: Cost Principles, Audit and Administrative Requirements for Federal Awards.
  5. All programs funded with City funds in which City fund expenditures are one hundred thousand (\$100,000) dollars or more in the agency's fiscal year shall, regardless of the amount of federal funds expended during the agency's fiscal year, be subject to a financial and compliance audit in accordance with Governmental Auditing Standards (GAS).
- B. Reporting Requirements - The Audit Report for organizations funded through DHCD must contain the following OMB Uniform Guidance requirements and the following supplemental schedules required by the City of Philadelphia Subrecipient Audit Guide.
1. Statement of Source and Status of Funds
    - a. If contract is multi-funded, the sources and amounts must be indicated.
  2. Statement of Program Costs
    - a. If contract is multi-funded, the sources and amounts must be indicated.
  3. Schedule of Program Income, if applicable
    - a. This schedule should only be prepared for subrecipients having any type of program income or revolving loan.
    - b. All sources should be briefly explained in the notes to the financial statements.
    - c. Interest earned on advances is not program income and cannot be used by the subrecipient. All interest earned on advances must be returned to DHCD and disclosed in the footnotes.

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- d. All program income must be applied before the subrecipient can request additional funding, unless the purpose of the funds is restricted. Any restriction must be approved by DHCD and explained in the footnotes. If the restriction is not approved, the funds must be applied to other program costs or returned to DHCD.
- e. If there is no program income, it should be noted in the audit report.

#### 4. Reconciliation Schedule

- a. Schedule reconciles differences between your agency's books and records and your agency's cumulative year-end subrecipient invoice.

Note: A separate Statement of Source and Status of Funds, Statement of Program Costs, Schedule of Program Income (where applicable) and Reconciliation Schedule is required for each contract.

#### 5. Schedule of Expenditures of Federal Awards must include all Federal, State (passed through the City), and City funding sources for the sub-recipients.

#### 6. Disclosure of Irregularities and Illegal Acts

- a. All fraud, abuse, or illegal acts whether material or not, should be covered in a separate written report.
- b. The DHCD Audit Supervisor must be immediately notified in all such cases.

### **III. Work Papers**

- IV.** The IPA's work papers are to be retained for at least three (3) years from the date of the Audit Report unless the IPA is notified in writing to extend the retention period.
- V.** The reconciliation of the audit report to the agency records, including the monthly financial statements, must be included in the IPA's work papers and given to the agency being audited.
- VI.** The workpapers shall be made available to the City Controller's Office and any authorized representatives of DHCD, or Department of Commerce.

### **VII. Time Consideration and Requirements**

- VIII.** Date and time for proposal submission - on or before **August 10, 2018**.
  - B. Date for submission of audit arrangements to DHCD is **August 27, 2018**.
  - C. Date work can commence is upon approval and acceptance of proposal by (your organization).
  - D. Date for preliminary draft report submission and exit conference is **thirty (30) days** prior to final report due date.
  - E. Date for final report submission to (your organization) is **fifteen (15) days** prior to final report due date to DHCD.
  - F. Date for final report submission to DHCD, two (2) bound copies and one (1) sent electronically, pursuant to City deadline, is **one hundred twenty (120) days** of agency's fiscal or calendar year end.
  - G. A written request for an extension to submit your agency's audit report shall be submitted to DHCD at least two (2) weeks prior to expiration of the aforementioned one hundred and twenty (120) days, should your agency know or anticipate that the audit report would not be submitted to DHCD within such time period.

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- H. The absolute federal deadline date for submission of audit report is nine (9) Months after the agency's fiscal or calendar year ending date.

## **I. Criteria for Selection**

- A. IPA cannot appear on any federal, state or city debarment or suspension listings.
- B. The IPA must be in good standing with DHCD (All prior audit reports were satisfactorily submitted and accepted by DHCD).
- C. The evaluation criterion for proposals is as follows:
1. Audit Proposal Responsiveness
    - Qualifications of firm and personnel; including quality control report (peer review), as applicable
    - Understanding of work to be performed
    - Approach to performing the audit
    - Experience
    - Estimated Time
  2. Cost Analysis
    - It is expected that the qualified firm with the lowest bid will be selected unless documented justification exists, which would necessitate prior approval by the DHCD Audit Unit before entering into an audit agreement with the audit firm should the agency use any federal funds to pay for the audit. The analysis of which audit firms are deemed to be qualified firms will be based on the evaluation of the criteria under Audit Proposal Responsiveness.

## **II. Right to Reject**

(Your organization) reserves the right to reject any and all proposals submitted, and to request additional information from all of the proposers.

## **III. Information to be Submitted from the Proposer**

In order to help simplify the review process and obtain the maximum degree of comparison, (your organization) requests that the proposals be organized in the following manner:

A. Title Page

Show the RFP subject, the name of the proposer's firm, local address, telephone number, name of the contact person and the date.

B. Table of Contents

Include a clear identification of the material by section and by page number.

C. Letter of Transmittal

Limit to one or two pages.

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1. Briefly state the proposer's understanding of work to be done and make positive commitment to perform work within the time period.
2. State the all-inclusive maximum fee for which the work will be done.
3. State the names of the persons who will be authorized to make representations for the proposer, their titles, addresses, and telephone numbers.
4. State that the persons signing the letter will be authorized to bind the proposer.

### D. Profile of the Proposer

1. State whether the firm is local, regional, national or international.
2. State the location of the office from which the work is to be done and the number of partners, managers, supervisors, seniors and other professional staff employed at the office.
3. Describe the range of activities performed by the local office such as government auditing (Financial and Compliance), accounting, tax service, or management services.
4. List recent financial/compliance audits of federally funded programs.

### E. Peer Review

1. If your firm has had a quality control review, please submit a copy of the report with your proposal. If not, please state how you are in compliance with this GAS requirement and when your review is anticipated.

### F. Mandatory Criteria

1. Affirm that the proposer meets the independence standards of the GAO Government Auditing Standards.
2. Affirm that the proposer is in good standing with DHCD.
3. Affirm that the proposer does not have record of substandard audit work.

### G. Summary of the Proposer's Qualifications

1. Identify the supervisors who will work on the audit, including staff from other than the local office. Resumes including relevant experience and continuing education for such supervisory person to be assigned to the audit should be included.
2. Describe the recent local and regional office auditing experience similar to the type of audit requested, and give the names and telephone numbers of client officials responsible for three of the audits listed.

### H. Proposer's Approach to the Examination

1. Submit a work plan to accomplish scope defined in Section II (Audit Requirements) of these guidelines. This should include the basis for the audit. The work plan should also include time estimates for each significant segment of the work and the staff level to be assigned. Where possible, individual staff members should be named. The planned use of specialists should be specified. The audit work plan should completely cover what audit work will be accomplished to allow the proposer to render:
  - a. An opinion report on the financial statements.
  - b. A report on compliance and internal control over financial reporting in accordance with GAS.
  - c. A report on compliance for major program and internal control

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over compliance in accordance with OMB Uniform Guidance.

2. The work plan should demonstrate the auditors understanding of the audit requirements of OMB Guidance: Cost Principles, Audit and Administrative Requirements for Federal Awards.

### I. Compensation

1. State the total hours and hourly rate required by staff classification and the resulting all-inclusive maximum fee for which the requested work will be done. State whether data processing will be used in the examination, and if so, estimate the data processing resources the requester will need to supply in terms of computer time, operator time and programmer time.
2. A retainage of 25% of the audit fee will be held until the audit reports are reviewed and accepted by the City. DHCD will send a written acceptance letter.
3. If the report was submitted on time and notification of results is not received within 90 days, the 25% balance may be released.

### J. Additional

Since the preceding sections are to contain only data that is specifically requested, any additional information considered essential to the proposal should be included in this section. The proposer's general information publications, such as directories or client lists, should not be included unless specifically requested. If there is no additional information to present, state "there is no additional information we wish to present."