



**Request for Proposals
For Audit Services**

Issued by: Inc. Village of Hempstead Community Development Agency

Mayor Waylyn Hobbs, Jr. Chairman

Ubah Mohammed, Vice Chairperson

Keria Blue, Member

Rosanne Small-Morgan, Member

Curtis Watts, Member

Danielle Oglesby, Commissioner

Dated:

January 20, 2023

REQUEST FOR PROPOSAL

AUDIT SERVICES

I. INTRODUCTION

Collectively, the Inc. Village of Hempstead Community Development Agency shall be referred to herein as the “Agency.”

A. General Information

The Agency is requesting proposals from licensed certified public accounting firms to audit the financial statements for the fiscal year ending May 31, 2023, with the option of auditing its financial statements for the subsequent two (2) fiscal years. These audits are to be performed in accordance with the provisions included in this request for proposal:

To be considered, your proposal must be received via email at:

info@villageofhempsteadcda.org

No later than 4:30 P.M. on Friday, February 17, 2023.

The Agency reserves the right to reject any or all proposals submitted and to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. At the discretion of the Agency, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

Submission of the proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the Agency and the firm selected.

It is anticipated the selection of a firm will be completed by **Friday, March 10, 2023**. Following the notification of the selected firm, it is expected a contract will be executed between both parties as soon as possible thereafter.

B. Term of Engagement

A one (1) year contract will be issued with the option to renew for two additional years, subject to satisfactory negotiation of terms and the concurrence of the Agency's Board Members.

C. Requests for Information

Any questions or requests for additional information regarding this proposal must be submitted **via email**, no later than **Monday, January 30, 2023, by 4:30 PM**, to: info@villageofhempsteadcda.org

The question and response will be distributed to all prospective bidders.

II. NATURE OF SERVICES REQUIRED

A. Scope of Work to be performed

The auditor will express an opinion on the fair presentation of the Agency's financial statements in conformity with generally accepted accounting principles.

The financial and compliance audit will involve all the Agency's funds and accounts. The auditor is required to analyze and apply audit procedures in compliance with Generally Accepted Auditing Standards.

The auditor will provide unlimited consultation during the year including, but not limited to meeting with the audit committee at least two (2) times per fiscal year.

B. Auditing Standards

To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the *Government Auditing Standards*, issued by the Comptroller General of the United States; *Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments and Non Profit Organizations*, and the *Public Authorities Reform Act of 2009*.

C. Reports

The auditor shall submit to the Agency the following reports, with copies of each for transmittal to various clearinghouses, and other agencies as required:

1. Audit report on basic financial statements of the Agency.
2. Single audit report relative to state and/or federal financial assistance programs.

3. Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with *OMB Circular A-13*, the *State Single Audit Guidelines*, and the *Public Authorities Reform Act of 2009*.
4. Current Year Findings and Questioned Costs; and
5. A management letter, with appropriate recommendations, commenting on material weaknesses in internal accounting control, reportable conditions, and identifying noncompliance with finance related legal provisions.

In the required report(s) on internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report the financial condition of the Agency. In addition, the following conditions shall be considered reportable:

- Reportable conditions that are also material weaknesses shall be identified as such in the report
- Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the report(s) on internal controls
- The report on compliance shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall be reported in a separate management letter, which shall be referred to in the report on compliance

D. Working Paper Retention and access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of five (5) years, unless the firm is notified in writing by the Agency of the need to extend the retention period.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

E. Timing, Location, and Conduct of Audit Work

1. The CDA fiscal year is June 1 to May 31.
2. Pre-closing, interim tests and procedures shall be conducted at a mutually agreeable time.

3. The final onsite audit will commence 45 days from the end of the fiscal year. The audit will be conducted on the Agency's premises. The Agency will provide space deemed adequate by the auditor to conduct an efficient audit.
4. Prior to completion of the onsite audit, the auditor will meet with the Bookkeeper and Commissioner to review proposed audit adjustments and review any internal control findings or any other matters that come to the auditor's attention.
5. Prior to submission of the completed report, the auditor will be required to submit a draft of the proposed report and management letter to the Commissioner.
6. The financial audit reports must be submitted to the Agency **no later than August 15 of each year** with audited financials required to be filed in PARIS by September 1st of each year.

III. DESCRIPTION OF THE AGENCIES

A. Principal Contact

The auditors will report to the Commissioner and will receive information from the Bookkeeper or a designated representative, who will coordinate the assistance to be provided by the Agency to the auditor.

B. Background Information

Federal and State Financial Assistance

As part of the Single Audit Act, all Federal and State Finance Assistance received by the Agency must also be audited. The CDA's CDBG grant is approximately **\$1,120,000.00** in annual funding.

IV. TIME REQUIREMENTS

A. Proposal Calendar

The following is a list of key dates up to and including the date proposals are required to be submitted:

Requests for proposals issued **Friday, January 20, 2023**

Request for information (RFI) **Monday, January 30, 2023 (4:30 P.M.)**

Due Date for proposals **Friday, February 17, 2023 (4:30 P.M.)**

B. Notification and Contract Dates

Selected firm notified **Friday, March 10, 2023 (on or about)**

Contract date *As soon as practical thereafter*

C. Date Audit May Commence:

The audit may commence as soon as possible from the date the contract is executed.

D. The 2022/2023 audit reports are to be delivered to the Agency: On or before **August 15, 2023**

V. PROPOSAL REQUIREMENTS

A. Submission of Proposals

The following material is required to be received via e-mail by **4:30 P.M. on Friday, February 17, 2023**, for a proposing firm to be considered:

1. The Proposal shall include the following:

a) A Title Page showing the request for proposal's subject; the firm's name, address, email, telephone, and fax number of the contact person; and the date of the proposal.

b) Table of Contents listing all required attachments as per RFP

c) Transmittal Letter

A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement of why the firm believes itself to be the best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for sixty days.

d) Appendices A- D which can be found at: <https://www.villageofhempsteadcda.org/notices-requests> under Procurement Disclosure

2. Completed proposal should be sent to the email address above.

B. Technical Proposal

1. General Requirements

The technical proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposal requirements. As such, the substance of proposals will carry more weight than their form or manner of presentation.

While additional data may be presented, the following subjects, items No. 2 through 8, must be included. The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals. They represent the criteria against which the proposal will be evaluated.

2. Independence

The firm should provide an affirmative statement that it is independent of the Agency as defined by generally accepted auditing standards and the U.S. General Accounting Office's government Auditing Standards (2003). The firm should also list and describe the firm's professional relationships involving the Agencies, if any, for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

3. License to Practice in New York

An affirmative statement should be included indicating that the firm and all assigned key professional staff are properly licensed to practice in New York (copy of license must be included with submission).

4. Firm Qualifications and Experience

The proposal should state the size of the firm, the size of the firm's government audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement.

The firm shall provide information on the results of the most recent peer review and the results of any Federal or State reviews of its audits during the past five (5) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against

the firm during the past five (5) years with state regulatory bodies or professional organizations.

The firm will include three (3) professional references, inclusive with firm name, contact, address, phone, fax, and email for verification by the Agency.

5. Partner, Supervisory and Staff Qualifications and Experience

The firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors, and specialists, who would be assigned to the engagement and indicate whether each such person is licensed to practice as a certified public accountant in New York. The firm also should provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past five (5) years and membership in professional organizations relevant to the performance of the audit.

The firm should provide as much information as possible regarding the number, qualifications, experience, and training including relevant continuing professional education, of the specific staff to be assigned to this engagement. The firm also should indicate how the quality of staff over the term of the agreement would be assured.

Engagement partners, managers, other supervisory staff, and specialists may be changed if those persons leave the firm, are promoted, or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the Agencies. However, in either case, the Agency retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

Agency reserves the right to request replacement of staff.

6. Similar Engagements with Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum of five) performed in the last five years that are similar to the engagement described in this request for

proposals. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

7. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in this request for proposals.

Firms are required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement
- c. Sample sizes and the extent to which statistical sampling is to be used in the engagement
- d. Extent of use of EDP software in the engagement
- e. Type and extent of analytical procedures to be used in the engagement
- f. Approach to be taken to gain and document an understanding of the Agency's internal control structure
- g. Approach to be taken in determining laws and regulations that will be subject to audit test work

8. Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential Audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the Agency.

C. Proposal -Fee

1. Total Fee Not To Exceed Price

The proposal fee should contain all pricing information relative to performing the audit engagement as described in this request for proposals. The total price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses.

The Agency will not be responsible for expenses incurred in preparing and submitting the proposal. Such costs should not be included in the proposal.

The enclosed proposal bid sheets must be completed in its entirety to ensure that the following information is included:

- a. Firm contact information, tax ID#, DUNS # and principal place of business.
 - b. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with the Agency.
 - c. A maximum price consistent with auditing standards at that time for the 2023, 2024, and 2025 engagements. Out-of-Pocket expenses included in the total all-inclusive maximum price
2. Rates by partner, specialist, supervisory and staff level times hours anticipated for each. The proposal bid should include a schedule of professional fees and expenses.
 3. If, in the event additional audit work in a particular period is required for any untoward reason or complication with the original audit report, additional fee(s) schedule applicable, if necessary.
 4. Manner of Payment

VI. EVALUATION PROCEDURES

A. Administrative Review

The Audit Committee will evaluate each of the proposals submitted and make a selection recommendation to the Agency's Board Members.

B. Review of Proposals

The Audit Committee will review each of the proposals submitted and evaluate them based on their response to the Request for Proposal as it relates to the rating evaluation criteria included in the RFP.

C. Oral Presentations

During the evaluation process, the Commissioner has the discretion to request any one or all firms to make oral presentations to the Audit Committee. Such presentations may provide firms with an opportunity to answer any questions on a firm's proposal. Not all firms may be asked to make such oral presentations.

D. Final Selection

Based upon the recommendation of the Audit Committee, Agency approval will be taken to a vote by the Chairman along with a majority vote of each Board Member. It is anticipated that a firm will be selected on or about **March 10, 2023**.

E. Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the Agency and the firm selected.

The Agency reserves the right without prejudice to reject any and all proposals.

The Inc. Village of Hempstead Community Development Agency is committed to providing equal contracting opportunities. New York State certified Minority owned and/or Women-owned businesses and HUD Section 3 Businesses are encouraged to participate.

Please include the following forms with your proposal:

Appendix A through Appendix D can be found at:

https://www.villageofhempsteadcda.org/files/ugd/ef89e3_7926893ee3a34d2998fdb3078a234593.pdf or at: <https://www.villageofhempsteadcda.org/notices-requests> under Procurement Disclosure.