



QUESTIONS AND ANSWERS

Request for Proposals (“RFP”) for Independent Auditor Services For the Housing Trust Fund Corporation

Questions and Answers (Revised October 15, 2015)

1. The very first sentence on page 7 refers to financial information posted on the website, www.nyschr.org . Can you direct me to the location of the 2014 financial statements on your website? I can't find any financial statements issued on your website.

<http://www.nyschr.org/Agencies/HTFC/Publications/nswer>.

2. Why is the organization going out for bid??

HTFC is approaching the end of a multi-year contract for providing these services.

3. What is meant by Section 8E, “Proposer must have a national Audit and Assurance practice” and what are the minimum requirements to meet this standard?
4. In the RFP Section 8, Page 15, Letter D, you state that the Minimum Proposer Requirements for the audit include a national presence, which is different than the last time that RFP for these services was issued 5 years ago. Can you please clearly define what constitutes a national presence? Our firm has offices in Albany, NY, New York, NY and Clifton, NJ

HTFC has released Amendment 1 to the RFP replacing the word “national” with “New York State.” This means that a proposer’s firm must have an office and audit practice located within the State of New York.

5. What are the current fees that were paid for the most recent, completed audit?
6. What was the fee for the prior year services?

This information is not available at this time.

7. What is the estimated number of hours/days that the current auditor is on-site?
8. How many auditors were in the field last year and for approximately how many days?

We do not have any information regarding the number of auditors in the field or the number of man hours used. We believe that based on the information in the RFP, a proposer should be able to approximate the time and resources needed to prepare for and conduct the audit.

9. Who is responsible for the preparation of the financial statements and notes?

The selected auditor is required to do this as part of the RFP Section 7, Scope of Work, page 12.

10. We are requesting some clarification related to the PARIS report referred to on page 12 section 7.1. Will the staff of the Housing Trust Fund Corporation pre preparing the report or will that be the responsibility of the auditor?

HTFC Finance will submit all required information to PARIS. However, the Audit and Financial Statement must be submitted in time for us to be able to meet the PARIS reporting deadlines.

11. Will the draft financial statement be prepared by the Housing Trust Fund Corporation staff or will the auditor be responsible for drafting the financial statements?

The Auditor will prepare the financial statements.

12. How soon after the March 31st year end will the records be available to the auditor?

We anticipate late April to early May.

13. Section 6.4 of the RFP discusses contracts involving federal funds. Please confirm that this contract will not involve federal funds.

There is a possibility that Federal funds will be used to pay a portion of the contract.

14. The RFP provides a Vendor Responsibility Questionnaire which is consistent with the Office of State Comptroller Vendor Responsibility Questionnaire (VRQ). Can we provide a printed copy of the VRQ already on file and approved by the State?

The VRQ on file will need to be completed again if VRQ is older than three months.

15. Section 7.1.1, in the second paragraph please change “examine” to “audit”. Examinations of financial statements are different services under AICPA and Generally Accepted Auditing Standards.

It is an audit. This will be included in an amendment to the RFP.

16. Section 7.1.2.F states that “Contractor will annually review and certify the HCV program FASS submission” Please clarify what this means. Generally public accounting firms do not “certify” program submissions.

Per HCV requirements, the selected independent auditor must review and certify the agency’s FASS submission before it can be submitted to HUD. The auditors must be able to access the FASS submission to review the document submitted by HTFC and they must complete approvals in the system.

17. Section 7.1.2.G of the RFP contains a statement that the “contractor will also issue such other reports, if any required by current federal or New York State law or regulation, or by any relevant industry governing body, to be included in a non-Circular A-133 annual independent audit.” Our proposal will provide a scope of work/approach for services included in section 10.3 tab 3 including a fixed price fee for those services. Please confirm that any additional services would be subject to separate negotiations and fee.

This statement references any potential changes or additions that may be required by Federal or State agencies. It is expected that at the beginning of each year of the contract, the selected auditor will fully understand the

requirements and will submit all required items for compliance with State and Federal rules. No separate negotiations or fees are expected.

18. Section 10.2.3 (ix) requires us to attach subcontractor agreements to the proposal. These would then become subject to the applicable Freedom of Information Law. Please confirm that such agreements will be kept confidential and not disclosed if our proposal is requested under FOIL.

We cannot offer this confirmation. While we can delete the submission of subcontract agreements with proposal requirement, HTFC must pre-approve all subcontract agreements with the selected Auditor prior to execution of contract.

19. Section 10.4.2 of the RFP requests that the last two years of your Firm's most recent tax returns or, if available, audit financial statements. If the Firm is a private partnership that is not required to obtain audited financial statements would a copy of their condensed unaudited balance sheet meet this request.

Because we understand that not all firms may have audited financial statements we have asked for either the tax returns or the audited financial statements.

20. Section 6 of the RFP requires that "Proposers should note that all clarifications and exceptions are to be resolved prior to submission of the proposal." Therefore, we have requested the following changes to terms and conditions.

- Attachment B – please consider making the following changes:
 - a. Order of Precedence – in (1) after "Federal" add "and Other" to there are other "non-federal" provisions in Part I.
 - b. Section 1 – after "contract" insert "that is directly applicable to performance of this contract."
 - c. Section 2 – please delete as not applicable.
 - d. Section 4 – at the end of the first sentence insert "that are defined as deliverables in this contract."
 - e. Section 5 - please delete as not applicable.
 - f. Section 10 delete "any and all" and after "judgments" insert "for death, bodily injury, or damage to tangible property".
 - g. Section 11 –
 - i. In the first sentence, replace "and specifying the effective date thereof, at least five (5) days before the effective date of such termination" with "and a reasonable opportunity to cure any deficiency that forms the basis for termination for cause pursuant to this section"

ii. In the second sentence, after “reports” insert “which are identified herein as a Deliverable and”, after “any” insert “conforming” and delete “satisfactorily”

iii. Add a new third sentence “Contractor’s audit workpapers are the exclusive property of the Contractor.”

- h. Section 12 – insert the following new sentence: Upon termination or expiration of this Contract for any reason, Contractor may retain a copy of information received, developed, or otherwise relating to this Contract in order to comply with its contractual obligations and applicable professional standards. Contractor’s audit workpapers are the exclusive property of the Contractor.”
- i. Section 14 - please delete as not applicable.
- j. Section 15 – revise as follows: “HTFC, HUD, or the Comptroller General of the United States shall have, upon reasonable notice and from time to time during normal business hours, access to timekeeping and expense records (“Records”) of the Contractor which are related to this contract, for the purpose of inspection, audits, examinations, and making excerpts, copies and transcriptions. HTFC shall in no event have access to Contractor’s workpapers, work product, books, documents, papers, or other records. Notwithstanding any other provision hereof, the Contractor is under no obligation to provide access to any information to the extent such access could, in Contractor’s opinion, violate applicable professional standards or undermine the integrity of the audit.”
- k. Section 16 – replace “records connected with this contract” with “timekeeping and expense records (“Records”) directly relating to the Contract”.
- l. Part II:
 - i. Item A.c. – replace “occurrence” with “claim”.
 - ii. Item C - delete the entire clause. We do not disclose our deductibles as this would give unfair advantage to any parties that may be adverse to our firm in a lawsuit.
 - iii. Item D – delete “and shall provide full and complete copies of the actual policies and all endorsements upon request”. We do not provide copies of our insurance policies as they are confidential and if released would give unfair advantage to any parties that may be adverse to our firm in a lawsuit.

See answer below.

21. Appendix I: - please consider making the following changes:

- a. Section 1 – delete “consistent with generally accepted bookkeeping practices” and add the following at the end “Notwithstanding the contrary, the Contractor is under no obligation to

provide access to Records to the extent such access could, in Contractor's opinion, violate applicable professional standards or undermine the integrity of the audit."

- b. Section 2 – after “not” insert “knowingly”.
- c. Section 5 – after “expense” insert “for death, bodily injury, or damage to tangible property”, replace “because of” with “to the extent caused by”, and replace “malfeasances” with “willful misconduct”.
- d. Section 8 – in the first sentence, after “all” insert “final”, and after “Contract” insert “which are identified in the Contract as a deliverable”. In the second sentence, after “original” insert “final”. Insert an additional sentence at the end: “Contractor may disclose such information as necessary to comply with law, legal process, and all applicable professional standards, including AICPA Code of Professional Conduct Section 1.700. Contractor may also disclose such information to its partners, principals, employees, vendors and subcontractors as necessary to perform this Contract.”
- e. Section 11 – after “Contract” insert “all attachments, appendices, and exhibits, and Contractor’s proposal and Annual Engagement Letter,” and replace “terms of this Appendix I “ with “Required Federal and Other Provisions in Part I of the RFP terms of this Appendix I,”

Answer to Question 20 and 21: The requested changes to the boilerplate portion of the RFP will not be accommodated at this time. However, we will consider insertion of modification language during the resulting contract negotiations with the apparent awardee to the extent that our Treasurer is satisfied it is necessary in order to comply with industry or professional standards.