

NEW YORK STATE HOUSING FINANCE AGENCY

Forensic Audit Services issued 02/27/2025

Questions and Answers as of 03/14/2025

Number	Questions	Answers
1	The RFP is called a forensic audit and the qualifications require experience “in conducting forensic audits...” This is often misunderstood in RFPs, but there is no such term defined by any regulatory body in the US. Forensic work provides no assurance as defined by the AICPA, while audits do. Is it acceptable instead to use the AICPA’s definition for “Forensic Services” instead? I’d be concerned about any firm that offers that service.	It is acceptable to use the AICPA’s definition for “Forensic Services”.
2	There are 269 Mitchell-Lama developments. The purpose mentions forensic work on “one or more”. Does HFA know how many developments will be subject to forensic work, and the cadence (e.g. one at a time, multiple at a time)? Or is that up to the selected firm?	At the current time, the Agency seeks forensic services for one specific Mitchell Lama housing company. There may be the need for forensic services for additional Mitchell Lama housing companies in the future.
3	Are private owners of Mitchell-Lama developments bound by auditing requirements, and does HFA anticipate any pushback on providing access to financial records, supporting documentation and personnel from these developments?	The Audit is to be conducted in accordance with US GAAS. Access to requested files / Supporting documentation and personnel should be provided. Pushback is not currently anticipated. Any lack of response to requested items should be outlined in the audit opinion.
4	Is one report per development acceptable, or does HFA want deliverables that tie findings together across developments (e.g. if there are common owners)?	At the current time, the Agency seeks forensic services for one specific Mitchell Lama housing company. There may be the need for forensic services for additional Mitchell Lama housing companies in the future, but deliverables would likely be limited to report(s) on individual companies.
5	Why is HFA seeking a request for proposal for forensic work? Is there a specific concern, or just part of normal health check?	At the current time, the Agency seeks forensic services for one specific Mitchell Lama housing company due to specific concerns.
6	Section 9.1 - Can other relevant certifications such as a Certified Fraud Examiner (CFE) be substituted for the Certified Financial Forensics (CFF)?	Yes.
7	Section 14.2.1.d and 14.2.1.f – Are the references to: 1) Proposers participation in training and continuing professional education in auditing governmental programs; and 2) Discuss the results of Proposer’s internal and independent quality control reviews, including information on peer review; indications that respondents must conform to the Generally Accepted Government Auditing Standards (GAGAS) requirements to provide these forensic, financial, and investigative services?	Yes.
8	General – Can you please share the name(s) of the incumbent(s) for this contract?	No incumbent.
9	Has there been any prior forensic services provided? If yes, can you provide a summary and/or additional information related to the services provided?	No. There have not been prior forensic services provided within the Mitchell Lama program that have resulted in a final report.
10	If selection for this project will be at some point in June 2025, how long after award does the New York State Housing Finance Agency expect to have this forensic audit completed?	The Agency would prefer for the forensic audit report to be completed and submitted to the agency within 12 months of the commencement of the engagement.
11	Is there an estimate of how much transactional activity will be audited as a part of this project?	The amount of transactional activity may be negotiated during contract negotiations in order to control costs.
12	Are there any current forensic concerns that the New York State Housing Finance Agency has already identified?	Yes.
13	How many companies that are part of the Mitchell Lama Housing program are expected to be investigated as a part of this project?	At the current time, the Agency seeks forensic services for one specific Mitchell Lama housing company. There may be the need for forensic services for additional Mitchell Lama housing companies in the future.
14	What is the period of review that is expected to be covered?	The time period of review may be negotiated during contract negotiations in order to control costs.
15	Are there any forensic concerns surrounding capital improvements compared to operational activity?	There are forensic concerns with both capital improvements and operational activity.
16	Can you provide an explanation of the monthly activity that is generated to help assess the necessary scope of work to be investigated?	The Agency is unable to answer this question. At the current time, the Agency seeks forensic services for one specific Mitchell Lama housing company, whose management team, inclusive of board members and managing agent staff, numbers fewer than 10.
17	Are any documents expected to be provided in a non-electronic format?	There may be documents provided in non-electronic format.
18	Is the project work expected to be completed onsite or is remote or hybrid acceptable?	Remote or hybrid is acceptable; it is anticipated that some onsite work will be necessary.
19	Are there specific programs or software used for recording the documentation associated with this project?	No. Mitchell Lama housing companies can choose their own software for financial and accounting record keeping purposes.
20	Does the selection of Minority, Women or Veteran subcontractors need to be identified prior to submitting the RFP?	The selection of Minority, Women or Veteran subcontractor need to be identified in the Proposer’s proposal submission.
21	Please identify any additional parties, including affiliated entities, principals, consultants, third party vendors or contractors, that will be included in the scope of the review.	The Agency does not currently anticipate that any additional parties will be included in the scope of the review.
22	Is the contractor’s focus purely forward-looking or will it include a broad or targeted retrospective review?	The Agency seeks firm(s) to provide a targeted retrospective review.

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23	What were the organization's reported revenues for the past year (or 2 years if known)?	At the current time, the Agency seeks forensic services for one specific Mitchell Lama housing company, whose gross revenue was roughly \$25 million in 2023.
24	Please provide a list of known subcontractors utilized.	The Agency is unable to answer this question.
25	Does Mitchell-Lama Housing Projects maintain any other offices for organizational and administrative functions?	The Agency is unable to answer this question.
26	How many people are in Mitchell-Lama Housing Program's management structure?	At the current time, the Agency seeks forensic services for one specific Mitchell Lama housing company, whose management team, inclusive of board members and managing agent staff, numbers fewer than 10.
27	Will a copy of the Mitchell-Lama Housing Program's organization chart be provided?	At the current time, the Agency seeks forensic services for one specific Mitchell Lama housing company. An organizational chart can be provided after award of the contract.
28	If available, please provide any indicators of the size of Mitchell-Lama Housing Program's business, such as gross revenue, number of employees, etc.	At the current time, the Agency seeks forensic services for one specific Mitchell Lama housing company, whose gross revenue was roughly \$25 million in 2023 and whose management team, inclusive of board members and managing agent staff, numbers fewer than 10.
29	Who is Mitchell-Lama Housing Program's current auditor? May we obtain copies of its three most recent annual audit reports?	There is no current forensic auditor.
30	May we obtain copies of its certified financial statements for the past three years, including those that didn't comply with GAAP?	Upon award of contract.
31	May we obtain copies of Mitchell-Lama Housing Program's current control policies, including but not limited to, conflict of interest, expense reimbursement, vendor management, code of ethics, and whistleblower? This will help us evaluate deficiencies and determine the scope of remedial work required.	This would need to be provided by the Mitchell Lama housing company subject to audit after award of contract.
32	Will any whistleblower, internal audit, or potential fraud/financial abuse claims be made available?	The Office of the New York State Comptroller has conducted two audits of the Mitchell Lama program in recent years that are available on their website (https://www.osc.ny.gov/state-agencies/audits/by-agency?agency=951). Any additional files will be made available upon award of contract.
33	Does Mitchell-Lama Housing Program use an Enterprise Resource Planning software system (ERP)? Are Mitchell-Lama Housing Program's financial and accounting records kept in an ERP system?	The Agency is unable to answer this question. Mitchell Lama housing companies can choose their own software for financial and accounting record keeping purposes.
34	Is the underlying supporting documentation available within the ERP or similar system? If not, is it available electronically?	The Agency is unable to answer this question. Mitchell Lama housing companies can choose their own software for financial and accounting record keeping purposes.
35	Has Mitchell-Lama Housing Program identified whether its business records are in electronic or hard copy form? If so, what percentage of the records that are necessary for the contractor to fulfill its responsibilities are available in electronic vs. hard copy form?	The Agency is unable to answer this question. Mitchell Lama housing companies are responsible for record keeping, but it is anticipated that records will be in both electronic and hard copy form.
36	In addition to the delivery of a final report, are there additional, recurring reporting touchpoints required by the Integrity Monitor? If so, with what frequency and in what form would these reports occur?	This will be determined during contract negotiation.
37	Will the report provided by the contractor be purely for internal use or is there an expectation that it will be released publicly or be publicly available?	The report will be for internal use.
38	If the proposer is an MBE and WBE, will this fulfill the 30% MWBE goal?	The Agency may consider a proposer that is an MBE and WBE as fulfilling the 30% overall MWBE participation goal.
39	What is the scope of the audit in dollar value? a. Will all 269 developments be subject to review or a sample? b. How many owners and managing agents are subject to this audit? c. Are the agency's records subject to the audit as well?	At the current time, the Agency seeks forensic services for one specific Mitchell Lama housing company. There may be the need for forensic services for additional Mitchell Lama housing companies in the future. The dollar value of the scope will be negotiated during contract negotiations.
40	Whose internal controls are subject to evaluation (the agency, owners, and/or managing agents)?	Internal controls of the managing agent, owner and/or cooperative board are subject to evaluation.
41	Who will determine the sample of transactions under audit?	The amount and sample of transactional activity may be negotiated during contract negotiations in order to control costs.
42	Can this work be performed primarily remotely?	Performance of work remotely is acceptable; it is anticipated that some onsite work will be necessary.
43	If work is required to be performed in-person: a. For what purposes are in-person interactions required and at what location(s)? b. How often are in-person interactions expected and/or required?	The requirement of onsite work will be based on necessity. At the current time, the Agency seeks forensic services for the managing agent of one specific Mitchell Lama housing company, which is located in Bronx County. There may be the need for forensic services for additional Mitchell Lama housing companies in the future.
44	How will the firm access the documents being audited? a. Will the documents be kept on a remote server electronically, or will there be hard-copy records that need to be accessed on location?	It is anticipated that at least some hard-copy records will need to be accessed on location.
45	Will the proposer be leveraging audit procedures, workpapers and report templates already utilized by the agency or will they be required to develop their own?	The proposer should expect to use or develop their own audit procedures, workpapers, and report templates. The audit should conform with US GAAS.
46	Is an incumbent audit firm being replaced, or is this the first time that these audit services are being requested by the agency?	This is the first time that these audit services are being requested.

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47	If a firm provides Certified Public Accountants (CPA), and Certified Fraud Examiners (CFE), who do not possess the Certified Financial Forensics (CFF) credential, will that firm be considered?	Yes.