

**NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY
REQUEST FOR QUALIFICATIONS (RFQ) FOR
INTERNAL CONTROL AUDIT SERVICES
RFQ No. 2024-01**

GENERAL INFORMATION

The North Harris County Regional Water Authority (“Authority”) is requesting qualified and experienced public accounting firms whose principals are independent certified public accountants to perform an audit of its internal controls.

The Authority is responsible for securing a long-term supply of quality surface water and to facilitate the transition to surface water in compliance with the Harris-Galveston Subsidence District’s (the “HGSD”) requirements. The Authority is the single entity empowered to negotiate for a supply of surface water for the municipal utility districts, small municipalities, and other permitted well owners within its boundaries. The most critical task is developing and constructing the infrastructure to bring surface water to the participants within the boundaries of the Authority.

Copies of the RFQ may be obtained online from www.civcastusa.com; search **NHCRWA RFQ For Internal Control Audit Services**. Qualified Firms must register on this website in order to view and/or download the RFQ document. There is NO charge to view or download documents.

A. Finance Operations

The Authority’s business and financial operations are managed by the General Manager. The total number of employees is ten (10). Many business and financial operation functions of the Authority are contracted out and performed by contractors/consultants managed by the staff. The Finance Director is responsible for financial and support services.

The Authority does not have taxing authority; but rather funds the conversion to surface water from pumpage fees charged to well owners and the sale of surface water.

B. Point of Contact

CONTACT WITH PERSONNEL OF NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY REGARDING THIS RFQ MAY BE GROUNDS FOR ELIMINATION FROM THE SELECTION PROCESS.

Qualified Firms may submit questions online through CivcastUSA at www.civcastusa.com. The deadline for questions and inquiries is October 11, 2024, at 02:00 PM local time. Qualified Firms must register on the CivcastUSA website in order to submit questions and/ or the Statement of Qualifications.

C. Instructions

No physical hardcopy Statements will be received at Owner’s offices. In addition, electronic signatures on statement documents are acceptable in lieu of original signatures.

Statement of Qualifications (SOQs), addressed to North Harris County Regional Water Authority, will only be received electronically using the “E-Bidding” function on the CivcastUSA website (www.civcastusa.com) until **2:00 p.m. local time, Wednesday, October 23, 2024**. Qualifications received after the closing time will be returned unopened.

Qualifications should be prepared simply and economically, providing a straight-forward, concise description of provider capabilities to satisfy the requirements of the request. Special bindings, colored displays, promotional materials, etc. are not required or desired. Emphasis should be on completeness and clarity of content.

D. Schedule

Listed below are the important dates for this Request for Qualifications (RFQ).

Milestone	Date
RFQ Date of Issue	September 25, 2024
Questions from Proposers Due	October 11, 2024
SOQ Due from Proposers	October 23, 2024
Potential Interview Block	October 30-31, 2024
Consideration by NHCRWA Board to award contract	November 4, 2024
Anticipated Contract Start Date	December 3, 2024

SCOPE OF WORK

A. Purpose

The objective of this Request for Qualifications is to select a firm to conduct an audit of the Authority’s internal processes and controls.

B. Basic Services

The Basic Services to be performed under any Engagement Letter (EL) shall be set forth in such EL. Such Basic Services may include, but not necessarily be limited to the following task:

1. The Auditor shall conduct the audit of the Authority’s financial internal processes and controls. This audit shall be performed in accordance with Statement on Standards for Consulting Services and applicable professional standards promulgated by the American Institute of Certified Public Accountants (“AICPA”) and any other prevailing law(s) applicable during the term of the contract resulting from this RFQ.
2. The Auditor shall identify and evaluate risks; evaluate the effectiveness and sustainability of existing controls; ensure additional controls are implemented if risks are too high; and prioritize further resources (audits) if needed.

3. The Auditor shall review critical functional areas that directly impact the processing and reporting of the financial results.
4. The Auditor shall perform a compliance audit of management controls on investments, adherence to the Authority's established investment policies and the quarterly reports prepared by the investment manager.
5. The report on the Auditor's understanding of the Authority's internal process and the control assessment of the control risk shall include: 1) the scope of our work in obtaining an understanding of the Authority's internal control and in assessing the control risk; (2) any deficiencies in internal control, including the identification of any significant deficiencies or material weaknesses identified as a result of the Auditor's work in understanding and assessing the control risk; and (3) any specific recommendations to improve the Authority's overall effectiveness and efficiency of the financial processes and controls.
6. The Auditor's reports on the Authority's internal control are intended solely for the use of the Authority's Board of Directors and the General Manager.

STATEMENT OF QUALIFICATIONS (SOQ) REQUIREMENTS

A. Requirements of SOQ:

1. General Requirements:
The purpose of the SOQ is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the Authority in conformity with the requirements of this RFQ. As such, the substance of SOQ will carry more weight than their form or manner of presentation. The SOQ 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 RFQ requirements.
2. Independence:
The firm should provide an affirmative statement that is independent of the Authority as defined by generally accepted auditing standards and the U.S. General Accounting Office's Government Auditing Standards. The firm should also list and describe the firm's professional relationships involving the Authority or any of its agencies, component units or oversight units 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 the State of Texas:
An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in the State of Texas.
4. Firm Qualifications and Experience:
The Proposer should state the size of the firm, the size of the firm's governmental 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 on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) 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 three (3) years with state regulatory bodies or professional organizations.

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 the State of Texas. The firm should also provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

The firm should also 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. Indicate how the quality of staff over the term of the agreement will be assured.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel 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 Authority. However, in either case, the Authority retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for qualifications can only be changed with the express prior written permission of the Authority, which retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the Proposer if replacements have substantially the same or better qualifications or experience.

6. Similar Engagements with Other Government Entities:

The Proposer shall list the most significant engagements performed in the last three (3) years that are similar to the engagement described in this RFQ. 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 SOQ should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in the Scope of Work section of this RFQ. In developing the work plan, reference should be made to such sources of information as the Authority's budget and related materials, organizational charts, and financial and other management information systems.

If it should become necessary for the Authority to request the Auditor to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the Authority and the firm.

B. Oral Presentations/Interviews

All submitted SOQs will be evaluated by the Authority's Selection Committee. During the evaluation process, the Selection Committee may, at its discretion, request any or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the Selection Committee may have on a firm's SOQ. Not all firms may be asked to make such oral presentations.

The Authority reserves the right to conduct personal interviews of any or all firms prior to selection.

The Authority will not be liable for any cost incurred by the Proposer in connection with oral presentations or interviews (i.e., travel accommodation, etc.).

C. Final Selection

The Selection Committee will select a firm and make the recommendation to the Authority's Board. Following notification of the firm selected, it is expected a contract will be executed between both parties immediately thereafter.

D. Right to Reject

Submission of an SOQ indicates acceptance by the firm of the conditions contained in this RFQ unless clearly and specifically noted in the SOQ submitted and confirmed in the contract between the Authority and the firm selected. The Authority reserves the right without prejudice to reject any or all SOQs. The Authority may also modify the RFP process or timeline at its sole discretion.