



REQUEST FOR PROPOSALS FOR AUDIT SERVICES AMERIND RISK MANAGEMENT CORPORATION

PURPOSE

The purpose of this Request for Proposals (“RFP”) is for AMERIND Risk Management Corporation (“AMERIND Risk”) to obtain the professional audit services of an independent certified public accounting firm to audit its combined financial statements for the fiscal years ending December 31, 2023, 2024, and 2025. In addition, an audit will be performed on the standalone financial statements of Native American Housing Assistance and Self-Determination Act, a cell of AMERIND Risk. These audits are to be conducted in accordance with auditing standards generally accepted in the United States of America and applicable pronouncements promulgated by the Governmental Accounting Standards Board (“GASB”).

Proposals are to include, but as a separate part of the proposal, the performance of an agreed-upon procedures (“AUP”) engagement. This engagement is to be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

TIMELINE

October 24-30, 2023 RFP issued via USPS & e-mail.

November 6, 2023 Clarification questions due. Questions may be submitted only via e-mail to Allie Myga , Director of Finance, at amyga@amerind.com. The subject line of the e-mail should state: **ATTENTION – Questions, Audit Services RFP**. AMERIND Risk will not provide oral explanations or interpretations.

November 13-14, 2023 AMERIND will respond to questions.

November 30, 2023 Proposals due. Proposals must be received in writing by **5:00 p.m. MDT**. Any proposals submitted after this deadline will be immediately disqualified from consideration and will not be evaluated. AMERIND Risk will not accept fax or e-mail submissions.

December 31, 2023 AMERIND will notify selected firm, no later than.

BACKGROUND

AMERIND Risk presents its financial statement information primarily for its members and affiliates. AMERIND Risk prepares its financial statements in accordance with governmental accounting standards and provides supplementary schedules that are similar to that of a governmental entity risk pool.

AMERIND Risk is a tribally owned corporation under federal law chartered by three federally recognized Tribal Nations. These Charter Tribes are the Red Lake Band of Chippewa Indians, the Confederated Salish and Kootenai Tribes of the Flathead Indian Reservation, and the Pueblo of Santa Ana. AMERIND Risk is located on the Pueblo of Santa Ana. AMERIND Risk is organized, incorporated, and chartered by the U.S. Department of Interior as a tribal corporation under Section 17 of the Indian Reorganization Act, 25 U.S.C. § 5124, as amended, and has the powers, privileges, and immunities granted by that statute. AMERIND Risk is a legal entity owned by the Charter Tribes, but pursuant to its Section 17 Charter, is separate and distinct from the Charter Tribes. AMERIND Risk is exempt from state and federal taxes, and is vested with sovereign immunity.

AMERIND Risk operates a number of cells and business lines, which will be more fully described below:

- Indian Housing Risk Retention Pool (“Risk Pool”), also known as the Native American Housing Assistance and Self-Determination Act (“NAHASDA”) program
- Native American Homeowners and Renters (“NAHR”)
- Tribal Workers’ Comp (“TWC”)
- Tribal Governments and Businesses (“TGB”)
- AMERIND Benefits LLC
- AMERIND Re
- AMERIND Critical Infrastructure (“ACI”)
- Corporate

AMERIND Risk provides property and casualty insurance coverage for losses through the pooling of funds to its members in the Indian Housing Risk Retention Pool (“Risk Pool”), also referred to as the Native American Housing Assistance and Self-Determinations Act (“NAHASDA”) or Indian Housing Block Grant (“IHBG”) program. This pool is limited to federally recognized Indian Tribes and non-federally recognized Indian Tribes eligible for funding through the federal NAHASDA Program.

AMERIND Risk also provides individual insurance coverage to Native American homeowners and renters through its Native American Homeowners and Renters (“NAHR”) programs. AMERIND Risk also provides workers compensation coverage for American Indian Tribes and tribal business entities and employers through its Tribal Workers Comp (“TWC”) program. The Tribal Governments and Businesses (“TGB”) program provides protection for Tax Credit limited partnerships, tribal operations, tribally owned housing, and tribal enterprises.

AMERIND Re exists to share exposure to loss through internal reinsurance treaties across AMERIND Risk’s various cells, which allows AMERIND Risk to take higher retentions on the open reinsurance market and save

substantial costs of ceding premium to other entities. In addition, AMERIND Re provides a quota share treaty for an exclusive Tribal Auto program with W.R. Berkley. AMERIND Benefits LLC offers customized packages for employee benefits, as well as implementation and streamlined benefits enrollment. AMERIND Critical Infrastructure helps tribal nations develop and deploy the most critical 21st century infrastructure – high-speed Internet, or broadband.

AMERIND's Board of Directors approved the creation of the Cell Commission for the purpose of providing feedback, monitoring, and compliance review concerning the creation and operation of Cells. The Cell Commission must include at least three (3) appointed representatives from the chartering tribes, two (2) external insurance professionals, and the past chairman of the Board of Directors. Section 3 of the Cell Regulations articulates the composition of the Cell Commission, its responsibilities, and other details associated with the Commission.

PROPOSAL PREPARATION

Instructions

and information required in your proposal

Your proposal must include the following information in the order presented below to be considered eligible for selection.

Section I – PROPOSAL

Title Page

Show RFP subject; name of proposer's firm; address; telephone and fax numbers; name and e-mail address of contact person; and date of submission.

Transmittal Letter

Provide a one- or two-page summary of the proposer's understanding of the work to be done and a commitment to perform the work within the time period required.

Table of Contents

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

Profile of the Proposer

Include background information on the firm, including location of office(s) and the number of partners, managers, supervisors, seniors, and other professional staff for both the firm as a whole and in the office location performing the audit work. Describe the range of services provided by your firm, including the extent of audit, tax, management consulting, IT, and other services. State whether the firm has been disciplined by the AICPA or any regulatory or licensing agency in the past five (5) years, and detail the circumstances leading to the discipline and the sanctions imposed on the firm.

Qualifications and Experience of Firm

Describe the company's experience that is relevant to the proposed services, such as recent experience with other Tribal entities and/or insurance entities.

Technical Approach

Provide a clear description of the approach and methodology for implementing the scope of work.

Project Organization and Management

Show the project team proposed for the work identified (including identification of persons assigned to individual tasks). Include a description of how the audit would be conducted. That is, describe the phases of the audit and the use of technology to increase efficiency and reduce costs.

Scope of Work

AMERIND Risk requires two (2) audits and an agreed upon procedures engagement to be performed for each year articulated in this RFP: a financial statements audit of AMERIND Risk, a standalone financial statements audit of NAHASDA and an agreed upon procedures engagement.

Financial statements audit: AMERIND Risk requires the auditor to express an opinion of the fair presentation of its combined financial statements in conformity with generally accepted accounting principles. The combined financial statements include: (1) statements of net position; (2) statements of revenues, expenses, and changes in net position; and (3) statements of cash flows. This audit must encompass AMERIND Risk's corporate operating expenses as well as all of AMERIND Risk's cells and business lines:

- NAHASDA program
- NAHR
- TWC
- TGB
- AMERIND Benefits LLC
- AMERIND Re
- ACI
- Corporate

Financial statements audit of NAHASDA: NAHASDA (A cell of AMERIND Risk Management Corporation) requires the auditor to express an opinion of the fair presentation of its combined financial statements in conformity with generally accepted accounting principles. The combined financial statements include: (1) statements of net position; (2) statements of revenues, expenses, and changes in net position; and (3) statements of cash flows.

AUP : AMERIND Risk requires the auditor to apply the agreed-upon procedures which AMERIND Risk and the Cell Commission (the specified parties) have specified, as listed in the attached Schedule A, to the cell regulation of AMERIND Risk as of and for the year ended December 31, 2023 . The engagement is solely to assist the specified parties in determining compliance with the AMERIND Risk Cell Regulations.

Schedule

This subsection should include the period of performance, proposed duration of the project in months, and a milestone chart. Time for preparation and submission of the two separate audit reports and an agreed-upon procedures report should be included in the schedule.

The AMERIND Risk audit report and financial statements for the years ending December 31, 2023, 2024, and 2025 must be provided to AMERIND Risk in draft form no later than April 30, of each year and the final report must be completed and submitted no later than **May 31** of each year.

The NAHASDA audit report and financial statements for the years ending December 31, 2023, 2024, and 2025 must be provided to AMERIND Risk in draft form no later than February 28, of each year and the final report must be completed and submitted no later than **March 31** of each year.

The AUP report for the years ending December 31, 2023, 2024, and 2025 must be provided to AMERIND Risk in draft form no later than April 30, of each year and the final report must be completed and submitted no later than **May 31** of each year.

Qualifications and Experience of Staff

Include a list of personnel to be assigned to this project and their qualifications. Brief resumes or CVs including education, experience, type of clients served, and any other pertinent information must be included for each of the key personnel to be assigned for direct work on the project.

References

Include references for three (3) audit clients served by the firm in the last three (3) years. The information should include the name of each client, contact information (e-mail and phone) for the key points of contact, the services performed by your firm, and the period of time the reference was/has been a client of the firm.

SECTION II – COST PROPOSAL

Include two (2) separate cost statements showing proposed fees to perform each audit – the financial statements audit combined with the NAHASDA Audit and the AUP. This information should include two (2) tables identifying each level of staff hours planned for each audit at the proposed rates and itemized listings of all other expenses or fees proposed, including travel.

List the assumptions upon which the fees may be based, if any. That is, identify any conditions that would cause the firm to request a change in the proposed fees.

SUBMISSION OF PROPOSALS

Proposals are due by 5:00 p.m. MDT on November 30. Late submissions will be immediately disqualified from consideration and will not be evaluated.

Please submit proposal via e-mail to amyga@amerind.com and a hard copy to:

AMERIND Risk Management Corporation

Attention: Allie Myga, Director of Finance – Response to RFP

502 Cedar Drive, Santa Ana Pueblo, NM 87004

EVALUATION PROCEDURES

Evaluation Criteria

The proposals will be evaluated based on the following criteria and point ranges:

Responsiveness of the proposal in clearly stating an understanding of the work to be performed:
0-25

- Audit coverage and approach
- Reasonableness of overall time estimates as well as the time estimates for each major section of the work to be performed

Qualifications and experience of the firm:
0-25

- Size and structure of the firm and ability to maintain continuity of project
- Recent experience of the firm that is relevant to the scope of work, such as work with Tribal entities
- Reputation of the firm and satisfaction with the firm's services as expressed by current clients and references

Qualifications and experience of staff to be assigned. Education, position in the firm, and years and types of experience will be considered:
0-25

- Qualifications of audit team
- Supervision to be exercised over the audit team by the firm's management, including how much time will be spent by partners and managers on site during the audit work

Cost factor – cost of audit
0-25

TOTAL POINTS
0-100

CONTRACT AWARD

AMERIND Risk may award a contract on the basis of initial proposals received, without negotiations. Therefore, each initial proposal received should contain the proposer's best terms. In the event that AMERIND Risk does not award a contract on the basis of initial proposals received, AMERIND Risk will conduct negotiations with all responsible, responsive proposers in the competitive range.

SCHEDULE A

AMERIND RISK AND CELL REGULATION COMMITTEE AGREED-UPON PROCEDURES

SCHEDULE OF

Period Covered: Year ended December 31, 2023

1. Procedures relating to the formation of a new Cell, pursuant to Section 4, paragraph C of the Cell Regulations. Verify the following by viewing approved Board meeting minutes:
 - a. Strategic business plan has been approved by the Board.
 - b. A five-year pro forma was provided to the Board.
 - c. Draft membership and affiliate agreements and draft coverage documents for the Cell were provided to the Board.
2. Procedures relating to inter-Cell transactions – transfers between cells and AMERIND Risk, pursuant to Section 4, paragraph J of the Cell Regulations and other than as provided for by Section 4 (K)(1) – Accounting for Common Expenses:
 - a. For each Cell and AMERIND Risk, obtain a detailed listing of inter-Cell payables and receivables.
 - b. Verify that the inter-Cell accounts appropriately offset one another (net to zero).
 - c. Obtain a schedule of all inter-Cell transactions that occurred during the past year and identify which transactions, if any, were supported by Board approval.
 - d. Obtain Board approved documentation of any inter-Cell loan provisions and:
 - i. Verify interest is being accrued in accordance with loan provisions.
 - ii. Verify principle is being repaid in accordance with loan provisions.
 - e. Determine that transfers out of a Cell are not from monies set aside as capital or reserves as prohibited by Section 6 of the Cell Regulations by tracing a sample of transfers to funding source.
3. Procedures relating to the segregation of Cells and general assets, pursuant to Section 4, paragraph K and other than as provided for by Section 4(K)(1):
 - a. Scan the trial balance as of December 31, 2023 to ensure that the accounting for the assets and liabilities of each Cell is segregated from the assets of the general account of AMERIND Risk and from each Cell.
 - b. Judgmentally select two (2) asset general ledger accounts and two (2) liability general ledger accounts for each Cell and AMERIND Risk. For each of the general ledger accounts selected, select three (3) transactions and inspect underlying detail to ensure that it properly relates to that respective cell or AMERIND Risk.
 1. One allocated labor expense.
4. Procedures related to treasury procedures pursuant to Section 4, Paragraph K, section 1:

- a. Randomly select one month from each of the four quarters and, for each month selected, identify:
 - i. One direct Cell expenditure.
 - ii. One allocated common expense.
 - iii. One allocated labor expense.
 - b. For each of the direct expenses items selected in step 3(c)(2) above:
 - i. Agree the amount charged to the Cell to the underlying documentation (invoice, allocation calculation, or other proof of expense) supporting the dollar amount of the expenditure.
 - ii. Inspect for evidence of an approval function over the expenditure activity.
5. For each of the allocated labor expense items selected in step 4(a) above:
- a. Agree the Cell allocation percentage to the respective labor allocation percentage that, as approved by the CEO, was in effect at the time the labor burden was incurred.
 - b. Recalculate the labor expense allocated to the respective Cell based on the gross wage against the approved labor allocation percentage.
 - c. Obtain the aggregate wages allocated to the respective Cells and compare to the payroll register and the respective general ledger accounts. Determine that no more than 100% was allocated and that, in the event less than 100% was allocated to the Cells, the unallocated wages were properly posted to the general fund of AMERIND Risk.
6. For each of the allocated common expenses selected in step 4(a) above:
- a. Agree the Cell allocation percentage to the approved Cell distribution percentages as documented by the annual operating budget.
 - b. Recalculate the common expense allocated to the respective Cell.
 - c. Agree the gross expenditures to documentation supporting the gross dollar amount.
 - d. Inspect for evidence of an approval function over the expenditure activity.
7. Procedures relating to capital and reserved pursuant to Section 6, paragraphs A, B, and G:
- a. Obtain the trial balance for AMERIND Risk and each Cell as of December 31, 2023 and verify that AMERIND Risk is maintaining not less than \$2,500,000 in general assets. (Calculate by taking net assets as December 31, 2023, less each Cell requirement outlined below.)
 - b. Determine at December 31, 2023 that each Cell is maintaining liquid reserves in an amount that is the greater of \$250,000 or the following contribution of reserve ratios per Cell:
 - i. NAHASDA Cell: \$2 in annual contribution for each \$1 of reserve (ratio 2:1).
 - ii. NAHR Cell: \$3 in annual contribution for each \$1 of reserve (ratio 3:1).
 - iii. TWC Cell: \$4 in annual contribution for each \$1 of reserve (ratio 4:1)
 - iv. Any new Cell created shall be capitalized with initial reserves of not less than \$250,000 and annual contribution to reserve ratio shall be not less than \$2 in annual contribution to each \$1 of reserve (ratio 2:1) during the first twelve (12) months. Thereafter, the Board shall identify and implement the appropriate ratios not to exceed \$4 in annual contribution for each \$1 of reserve (not to exceed a ratio of 4:1).

8. Obtain a schedule of any distributions to participating members or affiliates and:
 - a. Select three (3) such distributions randomly and inspect to ensure that each distribution's transaction is supported by written approval of the Board.
 - b. For the three (3) items selected in 7(d)(1) above, test – through a calculation – to ensure that the distributions came from general assets in excess of the required \$2,500,000 reserve (i.e., did not require the use of “required reserves” from the general assets or any Cell).