

TOWN OF RAYMOND
401 Webbs Mills Road
Raymond, Maine 04071

REQUEST FOR PROPOSALS (RFP)
AUDITING SERVICES

1. INTRODUCTION

The Town of Raymond is requesting proposals from qualified firms of certified public accountants for auditing and related services for a three year period, beginning with the fiscal year ending June 30, 2014. The Town of Raymond reserves the right to extend the contract as it expires a year at a time, if mutually agreeable and the successful bidder agrees to the same terms and prices. Financial statements to be issued will include Town of Raymond general purpose financial statements and the audit firm is also required to perform the audit so as to satisfy the audit requirements imposed by the Single Audit Act OMB A-133, when applicable.

These audits are to be performed in accordance with auditing standards generally accepted in The United States of America, Government Auditing Standards issued by the Comptroller General of the United States, the laws of the State of Maine, provisions of the Single Audit Act of 1984 (as amended in 1996) and U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and Maine Uniform Accounting and Auditing Practices for Community Agencies.

There is no expressed or implied obligation for the Town of Raymond to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

All inquiries concerning the request for proposals should be addressed to Nancy Yates, Finance Director for the Town of Raymond, at (207) 655-4742 x132, or via e-mail at nancy.yates@raymondmaine.org, no later than 4:00 pm on Tuesday, March 11, 2014. Responses will be posted to the Town's website (www.raymondmaine.org) and emailed to all known interested parties by 4:00 pm on Friday, March 14, 2014.

To be considered, five (5) copies of a proposal must be received by the Town of Raymond, Attn: Finance Director, at 401 Webbs Mills Road, Raymond, ME 04071 by 3:00 pm, Friday, March 21, 2014. Proposals received after that date and time will not be accepted. The Town of Raymond reserves the right to reject any or all proposals submitted.

2. NATURE OF SERVICES REQUIRED

A. General Information

The Town of Raymond is a municipal corporation of the State of Maine with a population of 4436 as of the 2010 census and a general fund gross appropriation for fiscal year 2013-14 of \$13,355,000, which includes the school assessment of \$8,202,640 from RSU#14, of which the Town of Raymond is a member. The most recent audit of the Town was performed in 2013 for fiscal year ended June 30, 2013.

B. Federal Assistance and Single Audit

During the fiscal year ended June 30, 2013, the Town of Raymond was not subject to the requirements of the Single Audit Act. The Town will, however, expect the auditing agency to identify and report, in the audit, applicable funding sources in conformance with the requirements of the Single Audit Act, whenever applicable.

C. Scope of Work

1. The Town of Raymond desires an examination of its basic financial statements, conducted in accordance with generally accepted auditing standards, for the purpose of providing an opinion on those statements. The Town of Raymond also desires an examination of its expenditures of Federal Awards, as required by *Government Auditing Standards* and OMB Circular A-133.
 - a. Reports required by applicable standards, laws, common practice, and rules and regulations are expected.
 - b. Final reports are to be prepared, completed, and delivered no later than November 30th following the end of the fiscal year, unless otherwise mutually agreed upon.
2. The Finance Director and other staff will provide all necessary trial balances, budget reports, bank statements, accounts receivable schedules, accounts payable schedules and other supporting documentation as necessary to properly support the financial statements. Requests for information will be made in a manner that will provide sufficient time to compile while the staff continues their daily activities. If the auditor feels a no previous notice procedure should be performed, the Town requests the activity be coordinated through its Town Manager when possible.

D. Auditing Standards to Be Followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Single Audit Act of 1984, as amended in 1996, and Maine Uniform Accounting and Auditing Practices for Community Agencies.

E. Reports and Communication

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles, including an opinion on the fair presentation of the supplementary schedule of expenditures of federal awards.
2. A report on compliance and internal control over financial reporting based on the audit of the financial statements performed in accordance with *Government Auditing Standards*.

3. A report on compliance with requirements applicable to federal programs and internal control over compliance in accordance with OMB Circular A-133 (including a report on the schedule of expenditures of federal awards).
4. The auditor shall communicate in a letter to management any material weaknesses and/or reportable conditions found during the audit, with detailed recommendations for possible corrective actions. Definitions of these conditions shall be consistent with professional practice.
5. Other conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the report(s) on compliance and internal controls.
6. The reports on compliance and internal controls shall include all instances of noncompliance.
7. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts.
8. Any reports required by the Maine Uniform Accounting and Auditing Practices for Community Agencies and the Maine Department of Education in any given year.

F. Additional Services

1. The firm is expected to provide the municipality with information on current developments and professional pronouncements, which could affect its financial operations and management.
2. The Town may also require consultation on a variety of auditing, financial reporting, accounting and payroll-related issues, which could arise during the year.
3. The firm shall agree to provide copies of its working papers to the Town upon request.
4. One (1) unbound hard copy of each report and an electronic version (searchable PDF) of same is to be provided to the Town, as well as five (5) bound copies of each.
5. The firm shall file the Municipal Audit Procedural Form and a copy of the auditor's report with the State Department of Audit and Department of Education within thirty (30) days after completion of the audit. The firm shall also file such other reports as requested by the Town.
6. The firm will complete all necessary sections of the Federal clearinghouse Form SFSAC and submit such reports.

3. GENERAL INFORMATION

The Town of Raymond had a gross payroll of \$1,160,657 for 2013, and issued 94 W2s for the year-ending 12/31/2013. Sixteen employees are full-time. Others are part-time, per diem, or seasonal.

The Town of Raymond currently uses Northern Data Systems software for General Ledger, Payroll, Accounts Payable, General Billing, Misc. Cash Receipting, and Tax Billing.

Interested proposers who wish to review prior years' audit reports and management letters should contact Nancy Yates, Finance Director, at 401 Webbs Mills Road, Raymond, Maine 04071 or at (207) 655-4742, x132. The Town of Raymond will be able to make a number of previous audit reports available electronically to proposers to aid in their response to this request for proposals. They are also available in the Town's annual reports found on the website, www.raymondmaine.org.

4. MISCELLANEOUS

A. The Firm will make a general presentation exit conference at the request of the Town's Board of Selectmen.

B. All firms acknowledge and understand that the Town will not pay for any cost incurred by firms in connection with the preparation or submission of a proposal.

C. The Town of Raymond reserves the right without prejudice to reject any and all proposals, should it be deemed in the best interest of the Town to do so, and to make the award which, in its judgment, will best meet the needs of the Town, as expressed in this RFP. The final award decision rests with the Raymond Board of Selectmen.

D. Submission of a proposal indicates acceptance by the firm of the conditions contained in the RFP unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the Town of Raymond and the firm selected.

E. Pursuant to the state freedom of access act (FOAA), all firms understand that proposals, once submitted to the Town, are public documents and are available for inspection by any interested parties.

5. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

A. Finance Department and Clerical Assistance

The Finance Department staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. Staff will also assist in the preparation of confirmations if desired by the firm.

B. Work Area, Telephones, Photocopying and FAX Machines

The Town of Raymond will provide the auditor with reasonable workspace, tables, and chairs. The auditor will also be provided with access to internet service, telephone lines, photocopying facilities and FAX machines for any purpose related to the Town's audit.

C. Report Preparation

Report preparation, editing and printing shall be the responsibility of the auditor. Town staff will, however, review reports prior to final printing.

6. EVALUATION PROCESS

A. Audit Firm Selection Committee

Proposals submitted will be evaluated by an Audit Firm Selection Committee (AFSC) consisting of the Town Manager, the Finance Director, a member of the Board of Selectmen, and the Budget/Finance Committee Chair.

B. Review and Evaluation of Proposals

The AFSC shall review and evaluate proposals according to the following criteria:

- Qualifications of the firm
- Experience and expertise of proposed staff
- Ability to meet deadlines
- Knowledge of local governmental accounting practices in Maine
- Cost of services

Price will not be the sole determinant in the selection process. The Town of Raymond wishes to select an auditing firm that can best demonstrate its ability to provide quality and value added services, both at a competitive price.

As part of the review and evaluation process, the AFSC may, at its discretion, request any, or all, audit firms to make oral presentations. Such presentations will provide the audit firm with an opportunity to answer questions that the AFSC may have regarding the proposal. Not all firms may be requested to make oral presentations.

The AFSC will make a final recommendation to the Raymond Board of Selectmen, who will make the final decision. Following selection, the successful bidder will be notified and will enter into a contract with the Town. The contract will be based on the provisions of this RFP and will describe the terms and conditions under which the audit firm will be appointed, assigned tasks and compensated.

7. RESPONSE FORMAT

In order to facilitate the evaluation and comparison of all proposals, please organize and label your response in the same order as presented in the Statement of Qualifications below.

A letter of transmittal should state the firm's understanding of the scope of the audit and contain a firm commitment to meet the audit specifications within the stated time period(s). The letter should also identify the name and position of the person who is authorized to bind the firm to a contract.

Five (5) copies of your proposal must be submitted in a sealed envelope marked "INDEPENDENT AUDIT PROPOSAL" and submitted to:

Town of Raymond
Attn: Finance Director
401 Webbs Mills Road
Raymond, ME 04071

Proposals must be received at the above address not later than 3:00 pm on March 21, 2014, at which time proposals will be publicly opened and recorded. It is the bidder's sole responsibility to ensure that the proposal is physically submitted to the Town prior to the time and date specified.

8. STATEMENT OF QUALIFICATIONS

A. Accounting Firm Qualifications

The Town considers it essential that the selected accounting firm be recognized as having extensive experience and expertise in the area of municipal accounting and auditing. In order to assist in evaluating expertise, the firm's municipal background and qualifications should be presented.

1. Please provide a general profile of the firm, including information regarding:
 - a. The location of the office from which the audit is to be conducted;
 - b. The number and positions of the various professional staff located at that office;
 - c. The range of services performed by that office, such as audit, accounting, tax and management services.
2. Please list the municipal and school clients your firm currently serves, indicating the services provided.
3. For municipalities and schools for which auditing services are provided, indicate the client name, client contact, total adopted budget (most recently audited), engagement partner, and senior/in charge assigned. These references may be asked to comment on the quality and timeliness of the services received by them.
4. Briefly describe your firm's municipal practice, including anticipated major accounting and financial issues facing municipalities over the next three (3) years. Indicate how your firm is prepared to assist the Town with these issues.
5. Briefly describe the municipal-related training programs offered to your staff.

B. Audit Services

1. Very briefly describe your firm's audit approach used to ensure a comprehensive and cost effective municipal audit.
2. Please identify, by name, staff who will be assigned to the Town of Raymond audit, i.e., the engagement partner, secondary partner, manager, supervisor, and senior and staff auditors. Identify how the firm will notify the Town of any change in staff assigned to the Town's audit.
3. For each individual, at senior level or above, indicate the number of years of governmental auditing experience, experience with compliance audits, and include their resumes.

.C. Timing of Audit Work

Assuming your firm's appointment, provide a timetable of the major events for completion of the June 30, 2014 audit through delivery of your final reports. Please identify any concerns or obstacles.

D. Proposed Fee

Indicate the maximum total fee your firm will charge over the term of the contract for the audit services outlined. The Town expects the fee to be a not to exceed figure.

Payment shall become due only after the submission of all reports required or requested by the Town. Should the firm encounter circumstances requiring a change in the scope of the audit, written notice to that effect must be given to the Town. The engagement can then be modified by mutual agreement of both parties as to additional work and compensation.

E. General

Briefly describe any other information that might be helpful in evaluating your firm with regard to this request for proposal.