

TOWN OF SIMSBURY

REQUEST FOR PROPOSAL

FOR

AUDITING SERVICES

The Town of Simsbury (“Town”) is requesting proposals from qualified certified public accountant firms (“Proposers”) to audit its financial statements for three (3) fiscal years beginning with the fiscal year ending June 30, 2019, in addition to performing other financial audits and reviews as specified in the request for proposal.

The Request for Proposals (RFP) is available online at:

<http://www.simsbury-ct.gov/finance/pages/public-bids-and-rfp>

The Town of Simsbury reserves the right to accept or reject, without prejudice, any or all proposals or to waive any irregularities therein, or to accept the proposal deemed to be in the best interest of Town of Simsbury. Award of this project will be based on the best value to the Town and will consider qualifications, design, cost and any other factors deemed relevant.

Questions regarding this RFP should be directed to Amy Meriwether – Finance Director via email to ameriwether@simsbury-ct.gov.

Interested and qualified consultants are to submit electronic submissions to Amy Meriwether, Finance Director, at tmintern@simsbury-ct.gov by 4:30 P.M. on September 26, 2018. No hard copies will be accepted.

TOWN OF SIMSBURY



DEPARTMENT OF FINANCE
933 HOPMEADOW STREET
SIMSBURY, CONNECTICUT 06070

REQUEST FOR PROPOSALS

AUDITING SERVICES

Submission Deadline:

Wednesday, September 26, 2018 at 4:30 P.M.

Submission Contact Information:

Amy Meriwether
Finance Director

[Email: tmintern@simsbury-ct.gov](mailto:tmintern@simsbury-ct.gov)

REQUESTS FOR PROPOSAL AUDITING SERVICES

I. INTRODUCTION

A. General Information

The Town of Simsbury is requesting proposals from qualified certified public accountant firms to audit its financial statements for three fiscal years beginning with the fiscal year ending June 30, 2019, with the option of auditing its financial statements for each of the two (2) subsequent fiscal years, in addition to performing other financial audits and reviews as specified below. These audits are to be performed in accordance with auditing standards generally accepted in the United States of America, the standards set forth for financial audits contained in *Government Auditing Standards (2011)* issued by the Comptroller General of the United States, and the U.S. Office of Management and Budget (OMB) Circular A-133 *Audits of State and Local Governments and Non-Profit Organizations*, and the provisions of section 4-230 through 4-236 of the Connecticut General Statutes concerning State Single Audit Act.

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

To be considered, electronic submissions must be received by Amy Meriwether, Finance Director, at tmintern@simsbury-ct.gov by **4:30 P.M. on September 26, 2018**. No hard copies will be accepted. The Town reserves the right to reject any or all proposals submitted.

During the evaluation process, the Town reserves the right, where it may serve the Town's best interest, to request additional information or clarification from proposers or to allow corrections of errors or omissions. At the discretion of the Town of Simsbury, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The Town reserves the right to retain all proposals submitted and to use any idea(s) in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in the request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the Town of Simsbury and the firm selected.

It is anticipated the selection of a firm will be completed by **late Fall 2018**. Following the notification of the selected firm, a contract will be prepared for review and approval by the Town Manager, on or before **December 31, 2018**. The Town reserves the right to reject any or all proposals, to waive any non-material irregularities or information in any proposal, and to accept or reject any items or combination of items.

B. Term of Engagement

It is the intent of the Town to contract for the services presented herein for a term of three (3) years with an option to extend the term of this contract for two (2) additional years.

The proposal package shall present all-inclusive audit fees for each year of the contract term, plus the two additional years.

II. NATURE OF SERVICES REQUIRED

A. Scope of the Work to be Performed

The Town of Simsbury desires a Comprehensive Annual Financial Report (CAFR) to be prepared by the independent auditor for the fiscal year ended June 30, 2019 and each of the subsequent years, June 30, 2020 and 2021 of the audit firm's contract with the Town. The Town will be planning to submit the CAFR to the Government Finance Officers Association (GFOA) for review in their Certificate of Achievement for Excellence in Financial Reporting program.

The selected independent auditor will be required to perform the following tasks:

1. The audit firm will perform an audit of all funds of the Town of Simsbury. The audit will be conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller of the United States. **The Town's Comprehensive Annual Financial Reports (CAFR) will be prepared, word processed and bound by the audit firm.** The audit firm will render their auditors' report on the basic financial statements which will include both Government-Wide Financial Statements and Fund Financial Statements. The audit firm will also apply limited audit procedures to Management's Discussion and Analysis (MD&A) and required supplementary information pertaining to the General Fund and each major fund of each entity.
2. The audit firm will perform a single audit on the expenditures of federal and state grants in accordance with OMB Circular A-133 and the State of Connecticut Single Audit Act. The audit firm will render the appropriate audit reports on internal control over financial reporting based upon the audit of each entity's financial statements in accordance with *Government Auditing Standards* and the appropriate reports on compliance with requirements applicable to each major program and internal control over compliance. The single audit report will include appropriate schedules of expenditures of federal and state awards, footnotes, findings and questioned costs, including reportable conditions, material weaknesses and follow up on prior audit findings where required.
3. The audit firm shall provide audit review of the End of Year School Report ED-001 in conformance with the State of Connecticut Department of Education. The audit firm will complete and submit to the SDE the Local School District Audit Review Package for the ED001 Data and the October PSIS Data.
4. The audit firm shall issue a separate "management letter" that includes recommendations for improvements in internal control, accounting procedures and other significant observations that are considered to be non-reportable conditions for each entity as appropriate. Management letters shall be addressed to the Town Manager.

B. Auditing Standards to be followed

To meet the requirements of this Request for Proposals, the audit shall be performed in accordance with:

1. Generally accepted auditing standards as set forth by the American Institute of Certified Public Accounts;
2. The standards applicable to financial audits contained in *Government Auditing Standards* (2011 Revision), issued by the Comptroller General of the United States;
3. The provisions of the Single Audit Act as amended in 1996;
4. The provisions of U. S. Office of Management and Budget (OMB) Circular A-133, *Audits of State and Local Governments and Non-Profit Organizations*, and
5. The Connecticut General Statutes concerning the State Single Audit Act. CGS Sections 4-230 through 4-236

C. Working Paper Retention

All working papers and reports must be retained at the auditor's expense for a minimum of five (5) years, unless the firm is notified in writing by the Town of Simsbury of the need to extend the retention period. The auditor will be required to make working papers available to the Town of Simsbury or any government agencies included in the audit of federal or state grants. In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

D. Irregularities and Illegal Acts

Auditors shall be required to make an immediate written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the following parties: Town Manager; Town Attorney and Finance Director.

III. DESCRIPTION OF THE GOVERNMENT

A. Town of Simsbury

The Town of Simsbury was incorporated as Connecticut's twenty-first Town in May 1670. It has a land area of approximately 34.5 square miles and a population of approximately 24,350. Centrally located in the heart of the New York - Boston corridor, Simsbury is an attractive and diverse suburban community. As a part of the beautiful Farmington Valley, Simsbury offers an unmatched quality of life with a traditional New England town atmosphere in a setting of rolling hills, the picturesque Farmington River and extensive trail system. Simsbury is conveniently

located 20 minutes northwest of Hartford and 20 minutes southwest of Bradley International Airport. Simsbury operates under a Town Manager-Board of Selectmen form of government with the Town Manager serving as the Chief Executive Officer responsible for overseeing the day-to-day operations of the Town.

The Town operates under the provisions of its Charter and the General Statutes of the State of Connecticut. Since 2017, when the Town established the Town Manager – Board of Selectmen form of government, the legislative power of the Town was vested in a six-member Board of Selectmen, with 5 members elected at large for terms of two years and the First Selectmen being the sixth member elected by vote of the people. The Town Manager, who is the Chief Executive Officer, manages the operations of the Town.

The Town of Simsbury provides a full range of services, including police; the construction and maintenance of highways, streets and other infrastructure; education from pre-kindergarten through high school; social services, a youth service bureau and a senior center; public health services through the Farmington Valley Health District; recreational services and adult education including the Simsbury Farms Recreation Complex and library services while also being served by a fire district and affordable housing through a Town housing authority.

B. Magnitude of Finance Operations

The Finance Department is headed by Amy Meriwether, Finance Director and consists of 6.5 employees. The principal functions performed and the number of employees assigned to each is as follows:

Function	Number of Employees
Assistant Finance Director	1
Accounts Payable and Payroll Administrator	1
Tax Collector	1.5
Assessor	3

C. Computer Systems

The Town's computer systems are run on a Local Area Network (LAN). The main accounting functions are computerized using Superions' FinancePlus software on a Windows server and application platform. The applications on this system include general ledger, accounts payable, purchasing, payroll, human resources, and budget. The system is support within production and HA environment for redundancy.

D. Availability of Prior Reports and Work Papers

BlumShapiro conducted the Town's most recent audit. The work papers of the previous audits are the property of the previous auditor and can be reviewed by the successful proposer. The following financial statements or reports were prepared by and/or audited by BlumShapiro for the fiscal year ended June 30, 2018:

1. Town of Simsbury Comprehensive Annual Financial Report
2. Simsbury Board of Education ED-001 Report
3. Town of Simsbury State & Federal Single Audit

IV. TIME REQUIREMENTS

A. Proposal Calendar

The following is a list of key dates up to, and including, the date proposals are to be submitted:

<u>Date</u>	<u>Activity</u>
August 24, 2018	Request for Proposal issued
September 26, 2018	Due date for proposals (due by 4:30 pm)
Late Fall 2018	Oral Interviews (conducted at Town's discretion)
Before December 31, 2018	Contract awarded by Town Manager

B. Date Audit May Commence

Audit planning and documentation of systems of internal control and compliance and transaction testing should be completed during the interim stage, which should be anticipated to occur during June or July. It is expected the Town will close its books and be ready for the final audit by the middle of September.

C. Date Reports Are Due

The auditor shall provide all drafts and recommendations for improvements to the Finance Director within a reasonable time period after the last day of fieldwork. The auditor should be available for any meetings that may be necessary to discuss the draft audit reports. Once all issues of discussion are resolved, the completed CAFR(s), financial statements, single audit reports and other reports shall be delivered to the Finance Director. It is anticipated that this process will be completed and the final products to be delivered by December 10, 2019.

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

A. Statements and Schedules and other pertinent information to be prepared by the Town of Simsbury

The staff of the Town will prepare or provide the following statements and schedules for the auditor:

1. Adjusted trial balance for all funds.
2. Detailed schedules of revenues and expenditures, expenses, accounts payable and receivable, and encumbrances.
3. Detail of balance sheet and subsidiary account activity.
4. Check registers for all funds.
5. Bank reconciliations for all accounts.
6. Detail of capital projects revenues and expenditures on a project to life basis.
7. Analysis of accounts as requested.
8. Investment activity schedules.
9. Debt schedule.
10. Fixed assets schedule.
11. Payroll records.
12. Tax collection schedules.
13. Schedule of Compensated Absences.
14. Latest Actuarial Reports.
15. Completed ED-001 and supporting documents.

B. Work Area, Telephone, and Office Equipment

Office space will be provided in close proximity to the financial records. Telephones, facsimile machines and a copier will be made available to the auditor during the engagement. The auditor will be required to provide his/her own equipment and other office materials.

C. Finance Department and Clerical Assistance

The Finance Department staff will be available during the audit to assist the firm by providing information, documentation, and explanations. Amy Meriwether, Finance Director, will be the liaison between the audit firm and the accounting personnel.

D. Report Preparation

Report preparation, editing, printing and binding shall be the responsibility of the auditor as listed below:

1. *Comprehensive Annual Financial Report Town of Simsbury*
2. *Federal and/or State Single Audit Report Town of Simsbury*

VI. PROPOSAL REQUIREMENTS

A. General Requirements

Inquiries concerning the Request for Proposals and the subject of the Request for Proposals must be made to Amy Meriwether, Finance Director at ameriwether@simsbury-ct.gov

CONTACT WITH PERSONNEL OF THE TOWN OTHER THAN THE ABOVE REGARDING THIS REQUEST FOR PROPOSALS MAY BE GROUNDS FOR ELIMINATION FROM THE SELECTION PROCESS.

Submission of Proposal: Electronic copies of the proposal shall be received by the Town's Finance Director via email **by 4:30 p.m. on September 26, 2018** for a proposal to be considered. The Proposal should address the items listed in the following sections B, C and D.

The proposal should be sent to tmintern@simsbury-ct.gov.

B. Format for Technical Proposal

1. Title Page showing the request for proposals subject; the firm's name; the name, address and telephone number of the contact person and the date of the proposal.
2. Table of Contents identifying the materials submitted by section and page number. Cross-referencing to section and page number in the RFP would be helpful.
3. Signed Transmittal Letter briefly stating the Proposer's understanding of the work to be done; the commitment to perform the work within the time period and the name(s) of the person(s) authorized to represent the Proposer, including title, address and telephone number.
4. Name the principal and other key personnel who will be fully responsible for the account. Provide a resume or brief statement of professional qualifications, related educational background and professional certifications of the personnel assigned to this account.
5. Detailed proposal following the order set forth in Section C below.

C. Contents of Technical Proposal

The purpose of the Technical Proposal is to demonstrate the qualifications, competence and capacity of the firm seeking to undertake an independent audit of the Town in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than the form or manner of presentation. The Technical Proposal 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 request for proposals requirements.

The Technical Proposal should address all points outlined in the request for proposals. The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of this request for proposals. While additional data may be presented, the following subjects must be included as they represent the criteria against which the proposal will be evaluated.

1. License to Practice in Connecticut

An affirmative statement should be included verifying the firm and all assigned key professional staff are properly licensed to practice in Connecticut.

2. Independence

The firm should provide an affirmative statement that it is independent of the Town of Simsbury as defined by auditing standards generally accepted in the United States of America and the General Accounting Office's *Government Auditing Standards*.

3. Firm Qualifications and Experience

To qualify, the firm must have extensive experience in audits of local governments as well as experience with preparation of Comprehensive Annual Financial Reports. 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. Staff consistency is an important consideration.

The Proposer should provide the range of activities performed by the local office, e.g., audit, accounting, tax service and/or management consulting services.

The Proposer must provide a list of all current municipal clients.

The Proposer is also required to submit a copy of a report on its most recent external quality control review (peer review), with a statement whether that quality control review included a review of specific government engagements.

The Proposer 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.

4. Partner, Supervisory and Staff Qualifications and Experience

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists who would be assigned to this engagement. Indicate

whether each such person is registered or licensed to practice as a certified public account in Connecticut. Provide information on the government auditing experience of each person.

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.

Audit personnel may be changed at the discretion of the Proposer provided that replacements have substantially the same or better qualifications or experience.

5. Similar Engagements with Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum - 5) performed in the last three (3) years that are similar to the engagement described in this request for proposals. Also, please indicate whether the audit was part of a Comprehensive Annual Financial Report prepared in conformance with the GASB requirements. Information should be provided regarding clients that the firm serves that have received the GFOA awards.

Please provide a list of not less than five client references for which services similar to those outlined in the RFP are currently being provided. For each reference listed, provide the name of the organization, dates for which the service(s) are being provided, type of service(s) being provided and the name, address and telephone number of the responsible person within the reference's organization. The Town reserves the right to contact any or all of the listed references regarding the audit services performed by the Proposer.

6. Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required of this request for proposal. In developing the work plan, reference should be made to such sources of information as the Town's budget and related materials, organizational charts, manuals and programs and financial and other management information systems. Submitting firms will be required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement.
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement. **(No dollar amount should be included in the technical proposal)**
- c. Sample size and the extent to which statistical sampling is to be used in the engagement.
- d. Type and extent of analytical procedures to be used in the engagement.

- e. Approach to be taken to gain and document an understanding of the Town's internal control structure.
- f. Approach to be taken in determining laws and regulations that will be subject to audit test work.
- g. Approach to be taken in drawing audit samples for purposes of tests of compliance.

7. Identification of Potential Audit Problems

The proposal should identify and describe any potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the Town.

D. Contents of Cost Proposal

1. Total All-Inclusive Maximum Price

The cost proposal should contain all pricing information relative to performing the audit engagement as described in this request for proposals. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses.

The Town will not be responsible for expenses incurred in preparing and submitting the technical proposal or the sealed dollar cost bid. Such costs should not be included in the proposal.

The cost proposal should be submitted in the format provided in Attachment A, "AUDIT WORK COST PROPOSAL FORM" and Attachment B, "ESTIMATE OF COST."

2. Manner of Payment

Progress payment will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's proposal. Interim billings shall cover a period of not less than a calendar month.

VII. EVALUATION PROCEDURES

A. Review of Proposals

Town and Board of Education, consisting at a minimum of the following, will evaluate submitted proposals:

Maria Capriola, Town Manager
Amy Meriwether, Finance Director
Burke LaClair, School Business Manager
One Board of Finance Member

B. Evaluation Criteria

Proposals will be evaluated using the following criteria:

1. Mandatory Elements

- a. The audit firm is independent and licensed to practice in Connecticut.
- b. The firm has no conflict of interest with regard to any of the work performed by the firm for the Town.
- c. The firm adheres to the instructions in this request for proposals on preparing and submitting the proposal.
- d. The firm submits a copy of its last external quality control review report and the firm has a record of quality audit work.
- e. The firm's past experience and performance on comparable government engagements.
- f. The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.
- g. Adequacy of proposed staffing plan for various segments of the engagement.
- h. Commitment to timeliness in the conduct of the audit.
- i. Maximum fees to conduct the audit.

Attachment A

AUDIT WORK COST PROPOSAL FORM

Service	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Town CAFR and Related Reports	\$	\$	\$	\$	\$
ED001	\$	\$	\$	\$	\$
Total for Fiscal Year (not-to-exceed)	\$	\$	\$	\$	\$

Attachment B

ESTIMATE OF COST

Name of Firm: _____

Address: _____

Contact Name: _____

Contact Phone #: _____ Fax #: _____

Contact Email: _____

1. Auditor's Standard Billing Rates

Auditors Standard Hourly Billing Rates						
POSITION		2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Partner		\$	\$	\$	\$	\$
Manager		\$	\$	\$	\$	\$
Senior Accountant		\$	\$	\$	\$	\$
Staff Accountant		\$	\$	\$	\$	\$
Clerical		\$	\$	\$	\$	\$