

**REQUEST FOR PROPOSAL
AUDIT SERVICES
TOWN OF WEARE, NH**

INTRODUCTION

The Town of Weare, NH, a political subdivision of the State of New Hampshire, with an operating annual budget of nearly \$7,000,000 in FY 2017, requests qualified independent Certified Public Accountants to present proposals to perform financial audits in accordance with generally accepted auditing standards as set forth for financial audits in the General Accounting Office's (GAO) Government Auditing Standards, the provisions of the federal Single Audit Act, US Office of Management and Budget (OMB) Circular A-133 Audits of State and Local Governments, and the specifications listed below. During the evaluation process, the Town reserves the right, where it may serve the Town's best interest, to request additional information for clarification from proposers, or to allow corrections of errors or omissions.

GENERAL INFORMATION

1. Name and Address of Town:

Town of Weare
15 Flanders Memorial Road
Weare, NH 03281

2. Individual to whom questions concerning this request should be directed:

Naomi Bolton, Town Administrator
Town of Weare
15 Flanders Memorial Road
Weare, NH 03281

Phone - 603-529-7535

E-mail – nbolton@weare.nh.gov

3. Sealed responses to this invitation shall be mailed or delivered to the Office of the Selectmen on or before Friday, September 29, 2017 at 9:00am. Proposals will be opened publicly at the October 2nd Board of Selectmen meeting. The Board of Selectmen have the right to thoroughly review all proposals and postpone a decision until a later scheduled meeting. Faxed or email proposals will not be accepted.
4. An original and six (6) copies of the proposal shall be submitted in a sealed envelope, addressed to the Town of Weare at the above address, bearing on the outside the name of the proposer and clearly captioned "**Proposal for Audit Services.**" Proposals will become part of the Town's files without obligation on the Town's part.
5. The Town reserves the right to accept or reject any or all proposals without further discussion of the proposals submitted.

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6. To assist you in the preparation of your proposal, a copy of the Town of Weare's Annual Report for 2016 and/or a copy of the Town of Weare's most recent Audit for Fiscal Year 2015 is available upon request.

PERIOD TO BE AUDITED

The Town operates on a calendar fiscal year basis. The base year to be audited will be the fiscal year ending December 31, 2017. The Town is also interested in a multi-year proposal, which would include the fiscal years ending December 31, 2018 and 2019. Audit services for future years are subject to annual review and will be dependent on satisfactory completion of the prior year's audit.

REPORTS TO BE ISSUED

1. A report on the fair presentation of the financial statements in conformity with the most recently adopted generally accepted accounting principles (GAAP) as interpreted by the Government Accounting Standards Board (GASB), NH Department of Revenue Administration rules Rev 1700 and Rev 1900, and any other appropriate governmental measure. The selected auditor will be responsible for insuring acceptance of the final audit report by state and/or federal agencies.
2. A Single Audit report on the schedule of federal financial assistance, if necessary.
3. A report on the internal control structure based on the auditor's understanding of the control structure and assessment of control risk.
4. A report on compliance with applicable laws, regulations and internal practices and areas for strengthening internal controls and operating efficiencies.
5. The audit shall result in the preparation of financial statements from the audited records of the Town with the Auditor's opinion thereon. The Auditor's opinion shall be expressed in the report and include reasons for qualifying the opinion, disclaiming the opinion, or rendering an adverse opinion.
6. Completion of the "Annual City/Town Financial Report" (MS-5) for submission to the NH Department of Revenue Administration.
7. The Auditor shall be required to make an immediate written report of irregularities and illegal acts, or indications of illegal acts of which they become aware to the Town Administrator, and/or Board of Selectmen.

COMPUTER SYSTEMS

The following applications are "computerized" using customized software:

Town Clerk
Tax Collector
Payroll
Accounts Payable
General Ledger
Asset Tracking

FUNDS

The Town uses the following fund types:

- 1) General Fund
- 2) Special Revenue Fund:
 - Ambulance (EMS Fund)
- 3) Revolving Funds:
 - Transfer Station
 - Police Special Detail
- 4) Capital Projects
- 5) Trust and Agency Funds

DETERMINATION OF AWARD AND RIGHT TO REJECT

Awards shall be made on the basis of the proposal that, in the opinion of the Town, is in the best interest of the Town and any award made will be made to the firm, which, in the opinion of the Town, is best qualified. The Town reserves the right to reject any and all proposals submitted and to request additional information from all proposers.

SCOPE OF AUDIT

The audit will include the balance sheets of the Town's various fund types and account groups and the related statements of revenues, expenditures, and changes in fund balance for the year ended. The audit will be made in accordance with generally accepted auditing standards; and will include tests of the accounting records of the Town. The combining individual fund and account group financial statements and schedules will be subject to the auditing procedures applied to the combined

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financial statements.

Procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected customers, creditors, and banks.

As guided by AICPA Auditing Standards Board Statement on Auditing Standard No. 74, the Auditor should exercise due professional care in understanding the type of engagement and also requiring that if during the audit the Auditor becomes aware that the Town is subject to audit requirements which may not be encompassed in the terms of the engagement he or she should communicate to management or others with equivalent authority and responsibility that the audit may not satisfy the requirements.

Auditor will be expected to retain for a minimum of Five (5) years all working papers and other materials created, used, or obtained during the performance of their audit services. Such retention will be at the auditor's expense and with the expectation of responding to the reasonable inquiries of successor auditors. The selected auditor will be required to make retained materials available upon request of the Town of Weare. 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.

The firm will also prepare the Town's NHDRA Form MS-5 for submission to the State of New Hampshire by June 30, 2018, 2019, 2020 unless otherwise stipulated.

NATURE OF TOWN'S ASSISTANCE TO AUDITOR DURING AUDIT

1. Have the year closed, balanced and ready for audit per state law by January 31st annually and as agreed to by both parties;
2. Provide reasonable cooperation and information to conduct the audit;
3. Provide a location for auditors to work while performing the audit;
4. Authorize the firm to report immediately all findings of suspected fraud and/or embezzlement to the Town;
5. Provide copies of the prior year's financial statements and budgets;
6. Provide detail listings of all assets, liability, fund balances, and expense accounts as requested; and
7. Provide access to a photocopying machine.

FIRM'S PROPOSAL SHALL INCLUDE THE FOLLOWING:

The prospective firm shall file with the proposal the following information:

1. The location of office out of which the audit will be served;
2. Identify its experience with municipal government agencies in matters pertaining to financial audits by naming a minimum of three (3) references of municipalities previously served;
3. File with the proposal a program and schedule of audit activities to be conducted, estimated number of hours, resume and time schedule of personnel expected to service the account;
4. State the fee for which the audit services will be performed for each of the three (3) fiscal years starting with FY 2017. The fee shall include all costs for which the firm expects to be compensated. This statement shall include the payment terms and discount features, if any. Any fee proposal selected shall be on a not-to-exceed basis;
5. Should circumstances arise during the audit that require significant additional work to be performed in excess of the amounts set forth in the proposal, additional costs shall be negotiated prior to commencement of the work and an amended agreement will be submitted for approval to the Town;
6. An official authorized to bind the firm shall sign the proposal;
7. Specifically note any exceptions to the Request for Proposal (RFP) of the service to be provided by the firm, and/or any service to be provided by the firm not mentioned in the RFP;
8. Be available for consultation phone inquiries during course of year. Please specify any limitations and additional charges, if any, for such services and the basis on which they accrue;
9. The Town of Weare shall not be liable for any costs incurred in responding to this invitation or preparing the firm's proposal; and
10. Time Requirements: A tentative schedule based on the following requirements shall be included with the proposal.
 - a) Detailed Audit Plan – the auditor shall provide the Town a detailed audit plan.

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- b) Field Work – the auditor shall provide an estimate of the required number of hours needed to complete their fieldwork.
- c) Draft Reports – the auditor shall have drafts of the audit reports and recommendations to management available for review at least 30 days prior to delivery of the Final Report. The Town will complete the review of the draft report as expeditiously as possible. During that period, the auditor should be available for any meetings that may be necessary to discuss the audit reports.
- d) Final Report – the auditor shall deliver to the Town a signed final report five (5) business days after any and all issues are resolved, which will be on or before June 30th following the close of the previous fiscal year being audited.

The successful firm shall:

1. Be properly licensed and certified public accountants in New Hampshire and meet independence standards;
2. Issue final, unqualified auditor's reports, or if qualified, specify why, and General Purposes Financial Statements with supporting schedules (12 copies, 8 ½ X 11") plus one electronic copy in a PDF format;
3. Provide reports of Management Letters (12 copies, 8 ½ X 11") plus one electronic copy in a PDF format;
4. Draft copies of the reports mentioned in the REPORTS TO BE ISSUED section of this RFP must be presented to the Town for its review and comment 30 days prior to publication. At the conclusion of the audit, an exit conference will be held with the Town Administrator and the Finance Administrator to review any adjusting entries to be made and any findings and/or recommendations arising from that year's audit;
5. Advise and inform through the term of the agreement on questions, practices and procedures for handling various accounting activities;
6. Advise the Town of any significant changes in governmental accounting procedures, as they become aware of them as they may materially affect the financial statements and accounting procedures;
7. Progress reports are to be submitted with billings. These reports are to measure results against the Auditor's work plan. The Auditor shall promptly report to the Town Administrator any conditions which impede the proper conduct or planned timetable of the

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audit; and

8. Insurance Requirements: The firm awarded the bid shall maintain, at their own expense, during the life of the award of bid, insurance against professional liability in the amount of \$1,000,000, the statutory Workers Compensation coverage for NH, and Employer's Liability Insurance for all its employees engaged in work under the award of this bid.

Any deviations from the above stated qualifications must be so noted and any prices must be reflective of these changes.

The company understands the award of this proposal will not be based on price alone, and other factors, possibly including an interview process, will determine the proposal most advantageous to the Town.

MANDATORY CRITERIA

Firms will not be considered unless they meet these minimum criteria:

1. Must be Certified Public Accountants in New Hampshire and properly licensed;
2. Must meet independence standards;
3. Must not have a record of substandard work.

TECHNICAL CRITERIA

1. Responsiveness of the proposal in clearly stating an understanding of the work to be performed in a comprehensive manner. Examples of such include but are not limited to the following:
 - Samples of work and reports furnished.
 - Appropriateness and adequacy of proposed procedures.
 - Orderliness of presentation for ease of comprehension.
 - Necessity of procedures.
 - Reasonableness of time estimates.
 - Appropriateness of assigned staff levels.
 - Timeliness of expected completion.
2. Technical experience of the firm.
3. Qualifications of the staff.

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4. Size and structure of the firm.