

# Request for Proposal Auditing Services



## Town of Dayton, Maine

**Proposals Due – Monday, April 1, 2019 – 5:45 PM**

Address Proposals to:

Board of Selectmen

Town of Dayton

Audit Services Proposal

33 Clarks Mills Rd

Dayton, ME 04005

The intent of this RFP is to enter into a contract with an auditor or auditing firm to conduct an annual audit of the Town's and School Department's financial records.

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**SECTION I**

**GENERAL SUBMISSION INFORMATION**

**1.1 REQUEST FOR PROPOSAL FOR AUDITING SERVICES**

The Town of Dayton, Maine is requesting proposals from qualified firms of certified public accountants to audit their financial statements and operations. The scope of the engagement will include the auditing of financial statements and internal controls for the Town and School Department.

The first year will be a trial year for the firm and municipality. If the outcome of the first year (Fiscal Year 2019) is satisfactory to both parties, the same firm can be used for up to four additional audits covering Fiscal Years 2020, 2021, 2022 and 2023 before an additional RFP is conducted.

Responses must address all of the items listed in this request for proposal and be submitted in a sealed envelope marked “**Auditing Services Proposal**” no later than **5:45 p.m.** on **April 1, 2019**. At 6:00 p.m. the bids will be publicly opened and read. Mail all responses to:

Board of Selectmen  
Town of Dayton  
33 Clarks Mills Rd  
Dayton, ME 04005

Please submit four (4) copies. Questions or requests for clarification may be directed to Angela Cushman, Treasurer, at (207) 499-7526 ext. 221, or email [treasurer@dayton-me.gov](mailto:treasurer@dayton-me.gov).

Any exceptions to the specifications of this request for proposal must be clearly stated in writing in the proposal. **The Town of Dayton reserves the right to reject any or all bids, or to accept the bid that in the opinion of the Board of Selectmen is in the best interest of the Town.**

**1.2 GENERAL INFORMATION**

The Town of Dayton (pop. 1,965) is a municipal corporation of the State of Maine with a Town Meeting/Board of Selectmen form of government. The principal departments, all of which will be subject to this audit include: General Government, Highway, Public Safety, Solid Waste, Welfare, Recreation and School. The Town currently has a contract with the Biddeford School Department for Superintendent Services.

Goodwins Mills Fire Rescue (GMFR) provides fire & rescue services to the Town of Dayton and the Town of Lyman. GMFR is governed by an Interlocal Agreement between the Town of Dayton and the Town of Lyman.

The Town currently utilizes the TRIO accounting software and the School Department utilizes ADS.

**1.3 SCOPE OF SERVICES**

The Auditor shall perform a financial and compliance audit of the general purpose financial statements, accounts, records, and procedures of all departments and funds of the Town.

A separate audit will be completed for the School Department. The Town audited financials shall include the financial information of the School Department. The School financial information data is transferred from ADS into TRIO.

GASB 68, GASB 75 as well as several defined benefit OPEB plans are applicable.

The books of account and financial records to be audited are maintained at the Dayton Town Office at 33 Clarks Mills Rd, Dayton and the Dayton School Department Office at Biddeford School Department 18 Maplewood Dr, Biddeford. These books and records will be made available to the auditor by the Treasurer of the Town of Dayton and by the Business Manager during normal business hours. In addition, the Town may from time to time engage the audit firm to conduct or assist in special projects. The auditors and town will agree on a negotiated fee for this additional work.

The Auditor shall examine the financial statements and supporting records of the Town for the prior fiscal year period in accordance with generally accepted auditing standards and procedures. The financial statements shall be evaluated for conformity with generally accepted accounting principles and for compliance with State and Federal laws.

**1.4 SCOPE OF AUDIT**

The scope of the audit shall include, but not be limited to the following:

- A. Pre-audit work is to be scheduled to begin in June and the audit to commence after financial records have been closed for the fiscal year.

- B. The Auditor shall perform a financial and compliance audit of all funds reported in the Town of Dayton's financial statements.
- C. The Auditor shall provide an opinion on the General Fund Financial Statements. This includes an opinion on the government-wide financial statements, fund financial statements and notes to the financial statements.
- D. The Auditor shall prepare the Management's Discussion and Analysis document and other required supplementary information.
- E. The Auditor shall meet with the Town Staff at the conclusion of the audit to review the auditor's findings.
- F. The Auditor shall assist the Town of Dayton in the preparation of the financial statements and supplementary schedules. The Town of Dayton Treasurer will provide assistance to the degree practicable and necessary. Response will be prompt for required information and all necessary books and records will be provided to the Auditor.
- G. The Town views its engagement of an Audit Firm/Auditor as an ongoing professional relationship in which the Firm/Auditor is expected to provide occasional advisory services, as needed, during the course of each year. As such, the firm is expected to consult as required on auditing, accounting, financial reporting and operating questions, which may arise during the course of the year. In addition, the Firm/Auditor is expected to provide the Town with information on current developments, which would affect the Town's financial operations.
- H. The Auditor shall be available to attend public meetings at which the audit report may be discussed. The Auditor or a member of his /her staff shall also be available to discuss the audit report or other reports required by this proposal with the Town's Treasurer.

### **1.5 REPORTS REQUIRED OF THE AUDITOR**

1. A management letter shall be provided at no additional cost to the Town. The purpose of the letter is to make known the recommendations of the auditor for those areas that, in their opinion would increase efficiency, improve internal controls and improve financial management policies. An initial draft of the letter will be presented at an exit interview at the conclusion of each audit.
2. The Auditor shall submit a written report containing an expression of opinion that the financial statements are fairly stated, or if a qualified or adverse opinion or disclaimer of opinion is necessary, the reasons thereof.
3. Four (4) ring-bound copies of the audit and an electronic copy of the audit shall be provided by September 30th of the calendar year that follows the close of the fiscal year (June 30).

4. The firm shall furnish audit adjusting entries and a beginning trial balance for general ledger accounts in electronic form by September 30<sup>th</sup> of the calendar year that follows the close of the fiscal year (June 30).
5. The Auditor shall prepare and file all required forms and reports to meet State required filing and deadlines.
6. The Auditor shall agree to grant the Town full access to its working papers upon request to meet any municipal financial needs, or Federal and State requirements, including cooperation with successor auditors.

### **1.6 FORMAT REQUIRED**

Four (4) copies of your proposal will be accepted in sealed envelopes marked "Audit Service Proposal" until 5:45 PM, on Monday, April 1, 2019. At 6:00 p.m. the bids will be publicly opened and read. Responses must address all of the items listed in this request for proposal

In order to obtain uniform evaluation, the proposal must be organized in the following manner:

- A. **Title Page** – The title page should reference the Request for Proposal, name of the municipality, the firm's name, address, telephone number, the date, and the name and title of the contact person.
- B. **Table of Contents** – The table of contents must clearly identify the organization of the proposal by sections and include page numbers for ease of reference.
- C. **Letter of Transmittal** – The letter should state the firm's understanding of the scope of the audit and contain a firm commitment to meet the audit specifications contained in the scope of services within the proper time period. In addition the letter should identify the name of the person who will be authorized to make representations for the firm and include that person's title, address and telephone number.
- D. **Audit Approach** – Statement of how the Auditor will plan, conduct, and report on the audit, and coordination with management.
- E. **Qualifications and Experience of Auditors** – Explain how the Auditor and members of his/her staff assigned to conduct the Town's audit, are qualified by training and experience to perform the audit. Further, explain how the quality of the staff over the term of the agreement will be assured.
- F. **Qualifications and Experience of Firm; References** - Explain how the Auditor and/or his/her firm is qualified to perform a governmental audit, including a minimum of five years' experience auditing other local governments. A list of references from municipalities within the State of Maine must be provided. This list should include contact names, addresses, telephone numbers and e-mail addresses, to whom you have provided audit services over the past five years and that are similar in size or operation to the Town of Dayton. The firm must have certified public accountants on staff supervising the work team and overseeing all reporting.

- G. **Accessibility** – The degree of accessibility that the Auditor and/or his/her staff will be able to provide the Town.
- H. **Conflict of Interest Disclosure Statement** – All responders, must disclose if the Town of Dayton, or its employee(s), are owners, corporate officers, employees, etc. of their business. A Conflict of Interest Disclosure statement is attached to this RFP and must be completed as part of the responders offer to the Town.
- I. **Equal Employment Opportunity Statement** - An Equal Opportunity Employer Statement must be enclosed with this proposal.
- J. **Official Bid Response Form** – Attached to this RFP, page 15.
- K. **Compensation** –The proposal must indicate the maximum total fee your firm will charge for the audit services outlined in this Request for Proposal. The total fee should be broken down for the five years:
- a. Town Audit
  - b. School Audit
  - c. Total Audit

The auditor shall not be reimbursed for any travel, per diem, photocopying, telephone bills or other related expenses of the audit unless incurred at the specific request of the Town. The final payment shall become due only after the submission of all reports required and their acceptance by the municipality.

### **1.7 ADDITIONAL INFORMATION OR INQUIRIES**

- A. Questions should be directed to Angela Cushman, Treasurer at (207)499-7526 ext. 221, whose e-mail address is [treasurer@dayton-me.gov](mailto:treasurer@dayton-me.gov).
- B. A copy of the Town's 2018 Annual Financial Report can be located on the Town's website under RFP at [www.dayton-me.gov](http://www.dayton-me.gov).

Any contact with any Town representative other than stipulated in this RFP is prohibited. Such unauthorized contact may disqualify a submission from consideration.

### **1.8 CONTRACTUAL OBLIGATIONS**

The proposal submitted by the selected Auditor or Firm shall be considered as the contract between the Town and the Auditor. The Town is not liable for any cost incurred by the bidder in connection with the preparation or submission of a proposal.

**1.9 EVALUATION AND SELECTION OF PROPOSALS**

It is the intent of the Town of Dayton to select the bidder most qualified to provide the best value to the Town. Best value is based not only on cost, but also includes the ability to provide quality desired services and support.

The Town will evaluate the proposals on the basis of the qualifications, experience, references, and responsiveness of the audit firms as well as the estimated cost of the engagement. The municipality must be satisfied that the auditors and their firm have a solid understanding of the government programs generally and the operations of the Town in particular.

The Town may wish to conduct interviews with the firms considered most qualified in order to assist the municipality in the selection process. The Select Board will make final selection no later than April 15, 2019. The successful proposer will be notified in writing thereafter.

**SECTION II  
TOWN'S TERMS AND CONDITIONS****2.1 REJECTION OF PROPOSALS**

The Town reserves the right to reject any and all proposals. The Town reserves the right to negotiate with the selected Auditor in order to best serve the Town's needs in respect to both evaluation and cost effectiveness.

**2.2 EQUAL EMPLOYMENT OPPORTUNITY STATEMENT**

The Auditor shall agree that: (1) the Auditor will not discriminate against any employee or applicant because of race, color, religion, sex (including pregnancy), national origin, age (40 or older), disability or genetic information; and (2) the Auditor, in all solicitations or advertisements for employees placed by or on behalf of the Auditor, will state that such Auditor is an equal opportunity employer. An Equal Opportunity Employer Statement **must be enclosed with this proposal.**

**2.3 PERSONNEL**

The personnel designated in the management summary for key positions shall not be changed except with the permission or request of the Select Board. The Town will only approve such change when, in their opinion, the substitute personnel have equal or greater qualifications and experience than those they replace.

**2.4 SUBMITTAL**

All proposals must be in the format required in this Request for Proposal. Failure to comply may be reason to declare the proposals non-responsive.

**2.5 POST-AWARD**

Following the selection of an Auditor or Auditing Firm, the Treasurer will notify all proposers that submitted a proposal of the selected Auditing firm.

**2.6 RETURN OF PROPOSAL**

The Town advises that all accepted proposals submitted under this RFP shall become the property of the Town of Dayton and will not be returned.

**2.7 ASSIGNMENT & SUBCONTRACTING**

Work under this proposed contract is not to be subcontracted without the prior written consent of the Select Board.

**2.8 AUDIT**

The Town reserves the right to review all of the Auditor's files associated with a subsequent contract where payments are based on Auditor's record of time, salaries, materials or actual expenses, on demand and without notice. The same right to review will be imposed on any subcontracted Auditor as well.

**2.9 SCHEDULE OF PROJECT**

To be considered responsive, the proposal shall include a timeline of the work to be performed in order to accomplish the required audit deadline of September 30th.

**2.10 INSURANCE**

The successful Auditor must furnish to the Treasurer evidence of its professional liability insurance with limits of \$1,000,000 for each occurrence.

The Auditor also agrees to defend, save harmless and indemnify the Town from and against any and all claims for damages against the Town allegedly caused by the Auditor's omissions or negligent act in the performance of services under this contract.

The Auditor further agrees to defend, save harmless and indemnify the Town from and against all claims from damages against the Town allegedly caused, or contributed to, his/her intentional failure to perform to the terms and conditions of this contract.

The Auditor shall furnish an original Certificate of Insurance naming the Town as additional insured. This shall be required upon awarding the contract.

**2.11 AVAILABILITY OF FUNDS**

It is understood and agreed by all parties resulting from this proposal that the Town shall be bound hereunder only to the extent of funds available or which may become available for the purposes of this agreement.

It is further understood and agreed between the parties to any agreement resulting from this proposal that the Town shall not be obligated to purchase or pay for services covered by this agreement unless and until they are ordered, delivered and performed for the Town.

**2.12 INVOICING**

The successful Firm shall submit separate itemized invoices to the Treasurer for the Town audit and to the Business Manager for the School audit with details consistent with the final fixed cost audit contract price. Payments shall be made as defined in Section 3.4 Payment.

**2.13 CONTRACT PERIODS**

The contract shall be for a period of one (1) year, with the option to extend the contract four (4) years. The Auditor's proposal will be considered "The Contract". Completion of the "Official Bid Response Form" is required, as attached to this RFP (page 15). The contract starting date shall be July 1, 2019, unless another date is determined by the Town to be more practical.

**2.14 CANCELLATION OF CONTRACT**

By notification: Either party may terminate the contract upon giving written notice of at least three months.

For cause: In the event of breach of the contract by the Auditor or unsatisfactory performance as assessed by the Select Board, or if the Auditor performs in a manner that precludes the Town from administering its functions in an effective manner and if, after thirty (30) days following written notice thereof, the Auditor has been unable to remedy such breach, or provide satisfactory performance, then the Select Board shall upon written notice to the Auditor, be authorized to cancel this contract by providing a maximum of thirty (30) days as the final termination date of the contract.

**2.15 PROPERTY OF WORK**

Any work resulting from the award of this contract will become the sole property of the Town of Dayton. The successful bidder shall not copyright any material and/or reports. Upon request, the Auditor shall turn over all work papers and related documents to the Town.

**2.16 CONFLICT OF INTEREST DISCLOSURE**

For purposes of determining any possible conflict of interest, all responders, must disclose if the Town of Dayton, or its employee(s), are owners, corporate officers, employees, etc. of their business. A Conflict of Interest Disclosure statement is attached to this RFP and must be completed as part of the responders offer to the Town.

### SECTION III TECHNICAL CONTRACT REQUIREMENTS

#### 3.1 TOWN FURNISHED ITEMS

- A. The Auditor will have access to all of the Town records as required to perform the audit.
- B. There will be reasonable working space for the Auditor at the Town Office and School Department Office. Preliminary audit work can start immediately after the contract award.
- C. The Treasurer will be the primary contact and coordinator of the contract and will coordinate issues related to the preparation of the Town's Comprehensive Annual Financial Report (CAFR) and debt issues.

#### 3.2 AUDITOR FURNISHED ITEMS

- A. The Auditor or Auditing Firm will prepare the Town's CAFR.
- B. The Auditor or Auditing Firm shall provide the Town annually with 4 ring-bound copies of the audit and an electronic copy of the audit.

#### 3.3 AUDIT STANDARDS AND ASSURANCES

- A. The Auditor shall conduct his/her examination and render their report in accordance with generally accepted governmental auditing standards.
- B. Throughout the audit, communication of potential audit adjustments, potential management comments, potential findings and questioned costs and matters relating to audit progress shall be of a frequency and nature as specified by the Treasurer from time to time. Adequate and timely review by the Audit Partner and Manager shall occur in order to ensure the communications provided for herein. Adequate documentation shall be maintained in the audit work papers and furnished to the Treasurer to support all such items.
- C. The Auditor's management letters shall be addressed to the Town Select Board and shall include all known reportable conditions, including known reportable conditions from a prior audit which have not been corrected; separately identify any reportable conditions which are also material weaknesses; and include conditions discovered by the Auditor that are not reportable conditions but the Auditor chooses to report to management.
- D. The Auditor shall immediately report all irregularities and illegal acts or indications of illegal acts to the Treasurer. If, in the Auditor's opinion the irregularities or illegal acts are of sufficient significance, they shall be reported to the Town Select Board.
- E. During the audit, the Auditor shall report to the Treasurer on the progress of the audit.
- F. The Auditor shall be available to provide incidental or insignificant assistance to audit or accounting inquiries of other natures throughout the contract. Fees for incidental

or insignificant assistance in these regards shall be included as part of the contract cost. Non-incident or significant assistance shall be provided as may be requested and negotiated.

- G. The Auditor agrees that the firm and all auditors working on the audit are independent of the Town, included in the Town's CAFR in accordance with Government Auditing Standards and shall comply with all Federal, State and local laws and regulations in the performance of this engagement. The Auditor agrees to disclose to the Town the presence of litigation against the Town or any other local government, which could impair the Auditor's independence or ability to perform the audit.

**3.4 PAYMENT**

The Town shall make payment to the Auditor upon completion of the services and acceptance of the report each year for the Town.

**3.5 ACCESS TO AUDITORS WORK PAPERS**

The Auditor's working papers will be available for routine review by the Town and appropriate auditors of the Federal or State Governments and retained for a period of six (6) years after final issuance of the audit reports. If the auditor is unable to retain the records for this time period, they are to be turned over to the Town.

Should the Town change auditors, the Auditor will make the working papers available to the successor auditor and provide usual and customary professional courtesy and responses to successor auditor inquiries without additional charge to the Town or successor auditor.

**3.6 ADDITIONAL WORK UNDER CONTRACT**

Additional work under this contract shall only be for audit or audit related services or assistance to the Treasurer as specifically determined and approved in advance by the Town.

**SECTION IV  
ATTACHMENTS**

**SCHEDULE FOR SELECTION AND AWARD OF CONTRACT**

**The schedule for selection and award of contract is as follows:**  
(Schedule is subject to change at the town's discretion.)

RFP sent to audit firms	March 7, 2019
Proposals due at Town Office	April 1, 2019
Evaluate proposals & Interview finalists (if necessary)	April 1, 2019 – April 15, 2019
Select Board's decision	No later than April 15, 2019

**OFFICIAL BID RESPONSE FORM**

In accordance with the Request for Proposals, Instructions, and General Conditions to Bidders, Specifications, and Official Bid Form, all of which we recognize as part of the AUDITING SERVICES PROPOSAL, we hereby submit the following:

Annual Audit	Bid Price Town of Dayton	Bid Price School Department
FYE June 30, 2019		
FYE June 30, 2020		
FYE June 30, 2021		
FYE June 30, 2022		
FYE June 30, 2023		
<b>Total Five-Year Bid Price</b>		

**Auditing Firm Name** \_\_\_\_\_

Authorized Signature \_\_\_\_\_

Printed Name \_\_\_\_\_

Position \_\_\_\_\_

E-mail Address \_\_\_\_\_

Date \_\_\_\_\_

UPON ACCEPTANCE BY THE  
**TOWN OF DAYTON** AND  
 SIGNED BY THE SELECT  
 BOARD, THIS **OFFICIAL  
 BID RESPONSE FORM**  
 AND SUCH OTHER  
 DOCUMENTS AS STATED IN  
 THE INSTRUCTIONS AND  
 GENERAL CONDITION TO  
 BIDDERS, SHALL SERVE AS  
**THE CONTRACT.**

\_\_\_\_\_  
 Scott Littlefield, Chair

\_\_\_\_\_  
 Daniel E. Gay

\_\_\_\_\_  
 Jarod Harriman

\_\_\_\_\_  
 Date

<b>CONFLICT OF INTEREST DISCLOSURE FORM</b>
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**For purposes of determining any possible conflict of interest, all responders, must disclose if the Town of Dayton, or its employee(s), are owners, corporate officers, employees, etc. of their business.**

Indicate either “Yes” (if a Town employee is also associated with your business), or “No”. If “Yes”, give person(s) name(s) and position(s) with your business.

YES                       NO

NAME(S)	POSITION(S)

FIRM NAME: \_\_\_\_\_

BY (Printed Name): \_\_\_\_\_

BY (Signature): \_\_\_\_\_

TITLE: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

\_\_\_\_\_

PHONE NUMBER: \_\_\_\_\_

E-MAIL ADDRESS \_\_\_\_\_