

REQUEST for PROPOSALS
Annual Financial Audit

You are invited to submit a sealed competitive proposal for providing annual financial auditing services for the Town of Hardwick.

Bidding instructions and proposal specifications are enclosed for your review. Copies of the prior year audits are available at the Town of Hardwick website:
<https://hardwickvt.org/government/town-manager/audits/>

This Request for Proposals (RFP) is for the following departments within the Town of Hardwick:

- General Fund
- Water Enterprise Fund
- Sewer Enterprise Fund
- Revolving Loan Fund
- Capital Funds

Please submit your proposal as follows:

- Three Year Contract for all Town Departments combined, *excluding Hardwick Electric Department.*

Bid Date:

Proposals are due by Wednesday, February 23, 2022, at 10 a.m. at the Town Manager's Office, Town of Hardwick, 20 Church Street, P.O. Box 523, Hardwick, VT 05843. RFP opening will be a public opening.

Direct Questions To:

David Upson, Town Manager and
Casey Rowell, Business Manager
Town of Hardwick
20 Church Street, P.O. Box 523
Hardwick, VT 05843
david.upson@hardwickvt.org
casey.rowell@hardwickvt.org

RFP Envelope:

Label envelope as follows:
**RFP Enclosed – Town of Hardwick
Audit Proposal**

Direct RFP and Correspondence

To:
Town of Hardwick
Town Manager's Office
20 Church St, P.O. Box 523
Hardwick, VT 05843
casey.rowell@hardwickvt.org
(802) 472-6120

Town of Hardwick

Request for Proposal for Auditing Services

The Town of Hardwick invites qualified, independent Certified Public Accountants, licensed to practice in the State of Vermont, to submit proposals to conduct annual audits of its financial accounts for three years ending June 30, 2022, 2023, and 2024. All proposals must conform to the specifications outlined below:

Information Provided to Proposer:

1.0 General Information

- 1.1 The Town of Hardwick is comprised of the following:
 - o General Fund Budget: \$3,200,000
 - o Water Enterprise Fund Budget: \$300,000
 - o Sewer Enterprise Fund Budget: \$450,000
 - o Revolving Loan Fund Balance: \$375,000
 - o Capital General Funds Balance: \$750,000
 - o Water & Sewer Capital Funds Balance: \$875,000

The budget figures represent actual expenditures (rounded) for fiscal year 2021.

2.0 Description of Records

2.1 The Town's books are maintained on a modified accrual basis of accounting for governmental funds and the accrual basis of accounting for the proprietary funds.

2.2 The Town currently utilizes New England Municipal Resource Center (NEMRC) software for maintaining all Town payroll and accounting records.

3.0 Nature of Service Required

3.1 Required services consist of expressing an opinion on the fair presentation of its general-purpose financial statements in conformity with generally accepted accounting principles. The Town also desires the auditor to express an opinion on the fair presentation of the combining and individual fund financial statements and schedules in conformity with generally accepted accounting principles.

3.2 Preparation of related schedules and work papers required by GASB Statement No. 34, Basic Financial Statements – and Management Discussion and Analysis for State and Local Governments

3.3 In addition to the financial audit, a compliance audit must be conducted in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants; the standards for financial audits set forth in the U.S. General Accounting Office's *Government Auditing Standards*; the provisions of the Single Audit Act of 1984 and the Single Audit Act Amendments of 1996 (when applicable); and the provisions of the U.S. Office of Management and Budget (OMB) Circular , A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

3.4 In addition to conducting the audits, the following services are required:

3.4.1 For each fund, the auditors must provide copies of all final trial balances, including adjusting entries to the Business Manager.

3.5 It is expected that in determining the extent of test procedures, full consideration will be given to the apparent effectiveness of the system on internal accounting controls. The feasibility of recommendations for improvements in the accounting system and internal controls will be discussed during the engagement. In the required report on internal control, the auditor shall communicate any reportable conditions found during the audit. Reportable conditions that are also material weaknesses shall be identified as such in the report. Non-reportable conditions discovered by the auditors shall also be reported in a separate management letter, which shall include all instances of noncompliance.

3.6 At the conclusion of the audit, a representative of the accounting firm will be expected to appear before the Town of Hardwick Select Board, or a representative committee of the board to discuss the findings resulting from the audit.

4.0 Report Requirements

4.1 The following auditor reports are required at the completion of the audit.

4.1.0 All statements, exhibits, and notes are required by GASB No. 34, Basic Financial Statements and Management Discussion and Analysis for State and Local Governments.

4.1.1 Combined balance sheet – all fund types.

4.1.2 Combined statement of revenues, expenditures, and changes in fund balance/retained earnings for all governmental and proprietary/enterprise fund types.

4.1.3 Statement of revenues, expenditures, and changes in fund balance compared to budget. Combined general and special revenue funds.

Balance sheet, statement of revenues, expenses and changes in net assets, and statement of cash flows for Enterprise Funds.

4.1.4 An auditor's opinion whether the general-purpose financial statements fairly present the financial position of the Town of Hardwick and the results of its financial operation in accordance with generally accepted accounting principles. In addition, the audit must contain an auditor's opinion whether the supplemental statements of Federal assistance present fairly the actual grant data in relation to the general-purpose financial statements. The supplemental statement of Federal assistance must show the total expenditures for each Federal assistance program.

4.1.5 An auditor's statement whether an internal control system exists to provide reasonable assurance that Federal funds are managed in compliance with applicable laws and regulations. Further, the auditor's report must identify the Town's significant internal accounting controls designed to provide for compliance. The auditor shall report the controls that were evaluated, the controls that were not evaluated and the material weaknesses identified because of the evaluation.

4.1.6 An auditor's statements on compliance with grant requirements. The statement shall include:

4.1.6.1 A statement of positive assurance with respect to those items tested for compliance, including compliance with law and regulations pertaining to financial reports and claims for advances and reimbursements.

4.1.6.2 Negative assurance on those items not tested.

4.1.6.3 A summary of all instances of non-compliance.

4.1.6.4 An identification of total amounts questioned, if any, for each Federal Assistance Award, because of noncompliance.

4.1.7 The accounting firm will provide electronic copies of all town audits of the reports to the Town Manager's Office, Town of Hardwick. Additional copies shall be submitted to Federal cognizant agencies and the State of Vermont as required.

4.1.8 The accounting firm will hold a planning/entrance conference with the Town Manager, Business Manager and Town Clerk prior to commencing the audit.

5.0 Timing consideration

5.1 Seven copies of the proposals, in sealed envelopes will be accepted until 10 a.m. on Wednesday, February 23, 2022. Envelopes should be clearly marked AUDIT PROPOSAL in the lower left-hand corner. Submissions may be made by mail, email, or in person (no facsimiles will be accepted) to:

Town of Hardwick, Town Manager's Office
20 Church Street, P.O. Box 523
Hardwick, VT 05843

5.2 The proposals will be publicly opened on Wednesday, February 23, 2022, at 10 a.m., at which time the name, total audit hours, and composite hourly rate will be recorded and announced.

5.3 The Town of Hardwick anticipates awarding the contract by March 17, 2022.

5.4 Preliminary audit field work will be conducted during a mutually agreeable date each September.

5.5 Audit fieldwork is to be scheduled and completed in one mutually agreeable contiguous block of time each October. All Town records will remain on premises except by express permission of the custodial official.

5.6 The draft reports will be forwarded for review by the Town Manager and Business Manager by the last Friday in November 2022, 2023, and 2024. Upon completion of the review, an audit review meeting will be scheduled by the auditor with the Town Manager and Business Manager by November 30 each year.

5.7 Updated draft audit reports will be issued by January 15. After the review of the audit by the full board, audit reports in final form will be published by February 15 of each following year.

6.0 Town Assistance Available to the Auditors during Audit

6.1 Preparation of unadjusted trial balance.

6.2 Pulling and filing appropriate records.

6.3 Copies of trial balances and supporting documentation. Photocopier will be available for additional copies that are needed.

6.4 Completion of confirmations.

6.5 Meetings and conferences (by appointment if necessary).

6.6 Such other reasonable and necessary assistance and information as is reasonable and required. Please note: the assistance of town staff in preparing schedules or reports in a format preferred by the auditor is discouraged.

7.0 Invoicing

7.1 The accounting firm will submit an invoice for the Town equal to 80% of the annual fee after the issuance of the draft audit report. The final 20% will be invoiced to the Town after the final published audit report is issued.

8.0 Other Proposal Information

8.1 If it becomes necessary to revise any part of this RFP, or otherwise provide additional information, an addendum will be issued by the Town of Hardwick and furnished to all firms that have received copies of the original RFP.

8.2 All proposals become the property of the Town of Hardwick.

8.3 The Town of Hardwick is not liable for any costs incurred by the prospective auditors in replying to the RFP.

8.4 Audit fees of prior years are available on request by contacting Casey Rowell via email at casey.rowell@hardwickvt.org.

8.5 The Town of Hardwick requires an engagement letter to be delivered within ten (10) business days of acceptance of a proposal. The engagement letter shall include:

8.5.1 Time for commencing the audit.

8.5.2 A provision for financial penalties for failure to adhere to the time commitments without reasonable justification.

8.5.3 A provision stating there will be no assignment or subletting of the work to be performed without the written consent of the Town of Hardwick.

8.5.4 Specific schedules and working papers to be prepared by Town of Hardwick staff and the dates needed.

8.5.5 All specifications and services as provided for in the proposal and as agreed to in any negotiations between the parties and accepted by the Town of Hardwick.

8.5.6 Any letters of confirmation to be signed by the Town of Hardwick are to be included in the engagement letter.

Information to be Required from Proposer:

9.0 Work Plan

Submit a work plan to accomplish the scope of services, within the required time frame. State the inclusive maximum fee for each year of the contract. This fee shall include staff travel, clerical, and any other indirect costs.

10.0 Other

Please submit with your proposal three references of Municipalities that you have recently audited that are in similar in size of the Town of Hardwick. Give any additional information, not specifically requested previously, considered necessary for fair evaluation of the proposal.