



Town of Strafford Request for Audit Services

I. INTRODUCTION

The Town of Strafford, Vermont, is requesting proposals from qualified firms of Certified Public Accountants to audit its financial statements for the calendar year ending December 31, 2023, with the option of auditing its financial statements for each of the two subsequent calendar years.

Proposals are to be submitted as an email attachment by 4:30 pm on Tuesday, May 7th, 2024, as a single PDF titled **Strafford Audit Proposal** to:

Lisa Bragg
Town Clerk and Town Treasurer
townclerk@straffordvt.org

The Town of Strafford reserves the right to reject any or all proposals submitted. Proposals will be evaluated by the Town based on firm experience and reputation, understanding of Town requirements, and price. During the evaluation process, the Town reserves the right, where it may serve in the Town's best interest, to request additional information or clarification from proposers. At the discretion of the Town, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

Please direct all questions regarding this request for proposals to:

Lisa Bragg
802-765-4411
townclerk@straffordvt.org

II. SCOPE OF WORK

The Town of Strafford, Vermont, desires the auditor to express 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 combined and individual fund financial statements and schedules in conformity with generally accepted accounting principles.

The Town requires the following services:

1. Annual financial statement audit
2. Federal Single Audit
3. Preparation of IRS Form 990
4. Management letter
5. Meet with selected board and staff members to discuss draft financial statements

All services listed above must be completed within 120 days of the completion of a signed engagement letter or, in subsequent years, within 120 days of the end of the calendar year, for our board of directors to review each document prior to its submission to the appropriate recipients. The auditor will assist with filing all applicable extension requests if necessary.

The audit shall be performed in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

The Town does anticipate spending more than \$750,000 in federal awards and will require a Single Audit in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

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.

The auditor will print, bind, and submit (10) copies of the audit report to the Town, as well as electronic copies of all reports. Additional copies of the report shall be submitted to the federal cognizant audit agency and any agencies of the State of Vermont, as required.

At the conclusion of the audit, the auditor will meet with the Town Treasurer, Accountant and Selectboard to discuss the results of the audit and explain any findings that are included in the auditor's management letter.

All working papers and reports shall be retained for a minimum of three years, unless the firm is notified in writing by the Town of the need to extend the retention period.

III. DESCRIPTION OF THE GOVERNMENT

The Town of Strafford has a population of 1092. The Town provides the following services for its citizens:

Fire department, local constable, highways, public works, culture and recreation, library, public improvements, planning and zoning, and general administrative services (manager, clerk, finance, and valuation).

The Town has a total budgeted payroll of \$201,527 for general staff and \$325,815 for highway staff. Approved budgets for the most recent fiscal year are \$2,629. The Town uses the following fund types in its financial reporting:

- General Fund
- Highway Fund
- Bond Funds
- Special Revenue Funds

The Town prepares its financial statements using the modified accrual basis of accounting for governmental funds and the accrual basis of accounting for proprietary funds. The Town's financial statements are prepared in accordance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

PROPOSAL REQUIREMENTS

Interested firms shall submit their proposal separated into two sections: the **technical proposal** and the **cost proposal**.

The purpose of the technical proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake the audit of the Town of Strafford. The technical proposal should demonstrate the qualifications of the firm and of the staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposals. The technical proposal shall provide the necessary information in the following sequence:

- Background of the firm. The proposer should state the size of the firm, the size of the firm's governmental auditing staff, and the number and nature of the professional staff to be employed in this engagement. The firm is also required to submit a copy of the report on its most recent quality control review, along with a statement of whether that quality control review included a review of specific government engagements.
- Partner, supervisory and staff qualifications and experience. The proposer should identify the principal supervisory staff who would be assigned to the engagement and describe their government auditing experience.
- Similar engagements with other government entities. The proposal shall describe at a minimum three of the most significant engagements performed in the last five years that are similar to the engagements described in this request for proposals. Indicate the scope of the work and the name and telephone number of the client contact.
- Specific audit approach. The proposal should set forth a plan of implementation, including an explanation of the audit methodology to be followed. The work plan should include a description of tasks, estimates of work effort, and time budgets.

The cost proposal should be structured as follows:

- The total all-inclusive maximum price for the engagement for the year ending December 31, 2023, and for each of the two subsequent engagement years for which the Town has the option of continuing in this contract.
- Breakdown of costs by year including a breakdown of the cost for an audit and a single audit separately.

- Out-of-pocket expenses are included in the total all-inclusive maximum price and reimbursement rates.
- Progress payments will be made in two installments at the midpoint and after the final product is completed and delivered.

EVALUATION CRITERIA

The audit firm will be selected based on two criteria: technical qualifications and price. The technical qualifications will compare each proposer’s expertise and experience in providing quality audit services to government entities and the quality of the firm’s principal supervisory staff who would be responsible for conducting the audit. The approach of the audit and the plan for implementation will also be scrutinized. Cost will not be the primary factor in the selection of the audit firm.

SUBMISSION REQUIREMENTS

- Proposals will be accepted by email as a single PDF with the subject line: AUDIT SERVICES.
- Proposals will be addressed to Lisa Bragg, Town Clerk, at townclerk@straffordvt.org
- **DEADLINE: Tuesday, May 7th, 2024, by 4:30 PM.**
- Proposals should be clear and concise with a 3-page limit on the Technical Proposal.
- The page limit does not include the Cost Proposal, Client References, or Resumes/CVs. These should be included as attachments.

TIMELINE

- Proposals Due: May 7th, 2024 by 4:30 pm
- Proposal Review: May 8-May 15th, 2024
 - Review may include an interview with an appointed committee
- Selectboard Review and Approval: May 15th, 2024
- Engagement Letter: May 22nd, 2024

Title

AUDIT SERVICES

Application Deadline

05/07/2024

Location

Strafford, VT

Website

<https://straffordvt.gov>

Contact Information

Name

Lisa Bragg

Phone Number

(802) 765-4411

Email

townclerk@straffordvt.org