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REQUEST FOR PROPOSALS AUDITING SERVICES

For the fiscal years 2020/2021, 2021/2022, & 2022/2023

1. INTRODUCTION
   1. SCOPE

# REQUEST FOR PROPOSALS AUDITING SRVICES

The Town of Stevensville, Montana, invites qualified certified public accounting firms licensed to practice in Montana to submit proposals for the provision of those services according to the requirements of this Request for Proposal (RFP).

The purpose of this process is to obtain competitive prices for auditing services for Stevensville, Montana. The audit shall be performed on all funds of the Town of Stevensville. A complete listing of the Town’s funds can be found on page 5 of this document.

The Town also desires the auditor to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles.

#### TERM

The selected firm shall be designated as the Town’s auditor for a three-year period commencing with the FY20/21, FY21/22 audit and continuing through the FY22/23 audit. If either party does not wish to continue with the agreement for the upcoming audit, the agreement may be terminated upon notice in writing by March 1st.

#### PROPOSAL PROCEDURES

* 1. ANTICIPATED PROPOSAL SCHEDULE

Issue RFP August 17, 2022

### Proposals DUE September 15, 2022 by 5:00 pm MST

Selection Made September 22, 2022 Town Council meeting

#### QUESTIONS REGARDING THIS REQUEST FOR PROPOSAL

Additional information concerning this RFP may be obtained by contacting:

Pam Sosa, Finance Officer (406)777-5271 ext. 103

[finance@townofstevensville.com](mailto:finance@townofstevensville.com)

Electronic copies of the most recent budgets and audits are available on the Town’s website [www.townofstevensville.com](http://www.townofstevensville.com/).

#### PROPOSAL SUBMISSION PACKAGE OVERVIEW

The proposal submission package shall include the following information:

* + - Contact Information
    - Transmittal Letter
    - Independence and License
    - Firm Profile
    - Qualifications of Staff who will be assigned to Town’s account
    - Prior audit experience of Staff who will be assigned to Town’s account
    - Audit approach page
    - Audit quality control
    - References
    - Fees for services

Refer to Section 5 for further explanation.

#### SUBMISSION OF PROPOSALS

Three (3) copies of the Proposal submission package should be delivered to: Town of Stevensville

Attn: Pam Sosa

PO Box 30

Stevensville, MT 59870-0030

### By 5 p.m. on Thursday, September 15, 2022. Proposals should be in a sealed package, clearly marked “Audit Proposal” on the exterior of the package. Proposals received after the specific date and time, or unsealed or unmarked proposals, WILL NOT BE CONSIDERED.

An individual who is authorized to bind the firm to all commitments made in the proposal must sign the proposal.

#### EFFECTIVE PERIOD OF PROPOSALS

All proposals must remain in effect for 90 days after the proposal due date.

* 1. EVALUATION AND AWARD CRITERIA

### General elements

* + The audit firm is independent and licensed to practice in Montana
  + The audit firm has no conflict of interest with regard to any other work performed.
  + The audit firm adheres to the instructions in this request for proposals on preparing and submitting the proposal.
  + The audit firm is included in the Montana Department of Administration – Local Government Services Bureau Roster of Independent Auditors Authorized to Conduct Audits of Montana Local Governments.

### Fees for services

* + Provide maximum fee for each annual audit and the fee rate for related services.
  + Fee rate will be stated for each component unit for each annual audit.

### Technical Qualifications

* + The firm’s past experience and performance on Montana municipal audit engagements, including public utilities.
  + 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.

### Staffing and Procedures

* + Adequacy of proposed staffing plan for various segments of the engagement.
  + Adequacy of audit, review and reporting procedures.

Although price for services will be an important factor in the evaluation of proposals, the Town is not required to choose the lowest bidder. Evaluation and acceptance of a proposal will be based on the total package of services offered.

The Finance Officer and the Mayor will review each proposal. After these reviews, a recommendation will be presented for consideration by the Town Council.

# RIGHT OF REJECTION BY TOWN OF STEVENSVILLE

The Town reserves the right to award this contract to the accounting firm that best meets the requirements of the RFP, and not necessarily to the lowest bidder. Further, the Town reserves the right to reject any or all proposals prior to the execution of the contract, with no penalty to the Town.

## GENERAL INFORMATION

#### BACKGROUND INFORMATION

The Town operates under a five member Mayor-Council form of government, with day-to-day operations under the supervision of the Mayor. Two Council seats are up for election every other odd year. Each term is four years and there are no term limits. The mayor’s position is a four- year term with the current term ending 12/31/2025.

Town of Stevensville offers the following services to its citizens:

* + - Law Enforcement ⚫ Parks Maintenance
    - Fire Protection ⚫ Building Inspection
    - Municipal Court ⚫ Code Enforcement
    - Water Utility ⚫ Planning & Zoning
    - Wastewater Utility ⚫ Maplewood Cemetery
    - Street Maintenance ⚫ Riverview Cemetery

#### FUND STRUCTURE

The Town uses the following funds in its financial reporting: General Fund Capital Project Funds:

* Capital Improvements
* Sidewalk Improvements
* Fire Engine Capital Improvement

Special Revenue Funds: Proprietary Funds:

* Planning - Water Utility
* Tax Increment Finance District - Wastewater Utility
* Drug Fines-Forfeitures - Airport
* Building Code Enforcement
* Lighting Districts (5)
* Police Training & Pension
* DOT Grant
* Gas Apportionment Tax
* COPS Grant
* Economic Development

#### BASIS OF ACCOUNTING

The Town follows the modified accrual basis of accounting for all funds other than Proprietary Funds. Revenues are recorded when they are both measurable and available. Available is defined as collectable within the current period or soon enough thereafter to be used to pay liability of the current period. The City uses the accrual basis of accounting for proprietary funds.

The Town complies with the provisions of GASB Statements No. 34.

## OTHER INFORMATION

#### STANDARDS

These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the General Accounting Office’s (GAO) *Government Auditing Standards (1994),* the provisions of the Federal Single Audit Act of 1984, as amended in 1996, and U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-profit Organizations*.

#### WORKING PAPERS

Audit work papers shall remain in the custody of the auditor. However, any succeeding auditors shall be given access to audit work papers and shall have the right to copy such work papers pertaining to the audit for a period of three (3) years after the expiration of the audit contract. Upon request, the auditor will provide copies of work papers pertaining to any questionable costs or findings determined in the audit and must be made available upon request for examination by authorities of Federal or state agencies or other governmental oversight agencies.

#### REPORTING

In completing the audit(s), the following dates will be adhered to, with subsequent years following corresponding dates:

1. The audit draft, copy of the audit detailed adjusted trial balance and audit adjusting journal entries shall be available for review no later than December 1, 2022. The auditor will review the audit draft with Town management for each respective audit report before the final report is prepared.
2. The final audit report and management letters must be completed and delivered to the Town no later than December 15 each year. Five bound copies, one unbound copy and a PDF format copy will be required.
3. The auditor will have a representative at a December Town Council meeting to discuss the audit and management letter.
4. A copy of the audit shall be filed by the Auditor with the following agencies:
   * Montana Department of Administration - Local Government Center
   * Federal Clearing House and State Grantor Agencies

## PROPOSAL REQUIREMENTS

#### STANDARDS

In order to achieve a uniform review process and to obtain the maximum degree of comparability, it is required that proposals be organized in the manner specified below:

1. **Contact Information** – The name of the proposing firm, firm address and telephone number, name of contact person, email address, and a signature and date.
2. **Letter of Transmittal** – A signed transmittal letter briefly stating the proposer understands the work to be done, why the firm believes itself to be best qualified to perform the engagement, and any other information they consider essential to their proposal.
3. **Independence and License –** The firm should provide an affirmative statement that it is independent of the Town in accordance with the professional standards and ethics promulgated by the AICPA. The firm should also provide an affirmative statement indicating that the firm and all assigned key professional staff are properly licensed to practice in Montana.
4. **Firm Profile** – At a minimum, the proposal should state the size of the firm, the size of the firm’s governmental audit staff, and the location of the office from which the work on this engagement will be performed.
5. **Staff Qualification** – The proposal should describe the qualifications of staff to be assigned to the audit. The description should include the composition of the audit team and prior experience of the individual audit team members. The proposal should include resumes of the individual audit team members.
6. **Prior Audit Experience** – The proposal should describe prior auditing experience of the proposing office. The experience listing should be limited to the last five years and should include prior experience auditing Montana municipalities, including water and wastewater utilities, and single audits.
7. **Audit Approach** – The proposal should set forth a general audit plan, including an explanation of the audit methodology to be followed to perform the services required in the request for proposals. Each proposal should detail the approach to be taken to gain and document an understanding of the City’s internal control structures.
8. **Audit Quality Control** – Briefly describe your firm’s quality control and procedures. State whether these policy and procedures have been subjected to a professional “peer review” program to provide for an independent review of their effectiveness. Include a copy of your firms’ most recent peer review report and related letter of comments, if applicable.
9. **References** – The proposal should include at least 3 client references, including contact persons and telephone numbers.
10. **Fees for Services** – Provide the firm’s all-inclusive maximum fee for the requested work in this proposal. The audit firm shall be reimbursed for additional audit related expenses only when agreed upon in advance by the Town and firm.

Name of Accounting Firm: Proposal Submitted by:

Address:

Contact Person:

Phone:

Email:

### Fees for Services:

All-inclusive Maximum Fee

FY20/21

FY21/22

FY22/23

### Fee Rates:

Partner

Manager

Staff