



**Town of North Yarmouth  
Request for Proposal  
Auditing Services**

The Town of North Yarmouth (the "Town") is seeking proposals from qualified firms of certified public accountants to audit the Town's financial statements and review the Town's internal controls beginning with the fiscal year ending June 30, 2021.

There are no expressed or implied obligations for the Town of North Yarmouth to reimburse responding firms for any expenses incurred in preparing a response to this request.

Seven (7) copies of the proposal bids must be submitted in a sealed envelope clearly marked "**AUDITING SERVICES FOR TOWN OF NORTH YARMOUTH**" by **August 31, 2021**

Interviews with selected firm(s) by the Select Board will be scheduled following the bid opening and review of the proposals.

The Town reserves the right to accept or reject any or all proposals, to negotiate with any qualified firms, and to select one (1) of the qualified firms deemed to have submitted a proposal with the judgement of the Select Board and Budget Committee is in the best interest of the Town.

This competitive procurement is conducted under the laws and regulations of the State of Maine. Please follow all instructions or your proposal may be rejected as non-responsive.

All inquiries concerning the request for proposals should be addressed to Debbie Grover, Assistant Town Manager, (207) 829-3705 ext. 4, or via email at [townclerk@northyarmouth.org](mailto:townclerk@northyarmouth.org). All inquiries must be received no later than **August 15, 2021**.

Respectfully,

Debbie A. Grover  
Assistant Town Manager

**SECTION I**  
**PROCEDURAL REQUIREMENTS**

**1.1 GENERAL INFORMATION**

The Town of North Yarmouth (the “Town”) is a municipal corporation of the State of Maine with a population of approximately 3,800 and a tax commitment of \$578,151,000.00. The Town utilizes TRIO by Harris Local Government Software for Payroll, Accounts Payable, Budgetary Reporting, Cash Receipting, Tax Billing, and all other financial reporting that’s required during the fiscal year. The Town shares a school district, MSAD #51, with the Town of Cumberland. MSAD #51 maintains its own financial records and is not subject to this RFP. The most recent audit of the Town was completed for the fiscal year ending June 30, 2020.

*General Obligation Bonds*

The Town issued a General Obligation Bond (the “GO Bond”) in 2018 for a total sum of \$3,430,000.00 to finance the building of the Wescustogo Hall & North Yarmouth Community Center. The Continuing Disclosure Agreement of the GO Bond requires that the Treasurer submit the Town’s audit no more than 270 days after the end of each fiscal year to the Municipal Securities Board’s EMMA website. The Town requires the audit firm to present the Select Board with the annual audit in final form before December 31<sup>st</sup> of the calendar year that follows the close of the fiscal year (June 30<sup>th</sup>). A word searchable .pdf of the audit shall be provided to management.

**1.2 SCOPE OF SERVICES**

The Town is seeking an audit firm to express an opinion on the fair presentation of its general-purpose financial statements in conformity with general accounting principles and compliance with state and federal laws. This includes a thorough review through all accounts and funds maintained by Town management.

More specifically:

- A. Provide an opinion on the Town’s Financial Statements. This includes an opinion on the government-wide financial statements, fund financial statements and notes to the financial statements. The audit firm will also perform the single audit (A-133) of federal grant programs.
- B. Provide analysis and review of all Tax Increment Financing Districts for accuracy and appropriate management.
- C. Review the Management’s Discussion and Analysis document and other require supplementary information for accuracy and completeness.
- D. Assist the Town in other various areas as requested (a separate per-hour quote for additional services should be provided in your proposal)

**1.3 AUDIT DELIVERABLES**

1. A written report, containing an expression of opinion regarding the financial statements of the Town. The audit firm shall provide fifteen (15) copies to the Town.

2. The audit firm shall submit a management letter, which shall identify management and internal control weaknesses, if any, and proposed steps to correct them. The audit firm must provide fifteen (15) copies of the letter with the written report listed above.
3. The audit firm shall provide a list of adjusting entries and a beginning Trial Balance for those General Ledger accounts that need to be corrected with the final audit. The auditor shall be prepared to follow up and answer any questions from Town management for posting all adjusting entries.

#### **1.4 PROPOSAL SUBMISSIONS**

The proposal shall be presented in tabs as described in the paragraphs that follow. To be considered substantive, the proposal shall respond to all requirements of this part of the RFP. Any other information thought to be relevant, but not applicable to the enumerated categories, may be provided as a separately bound appendix to the proposal. The proposal should be concise and to the point. The proposal cannot exceed seventy-five (75) pages.

Proposals shall include:

- A. Management Summary – A brief summary of qualifications of the audit firm to perform a municipal audit. Provide a current listing of municipal clients with contact information.
- B. Audit Approach – How the Auditor will plan, conduct, and report on the audit; explicit expected dollar levels of materiality by fund; expected levels of materiality for the A-133 audit; and coordination with management.
- C. Qualifications and Experience of Auditors – How audit managers and individuals' auditors, who will be assigned to the Town audit, are qualified by training and experience to perform the audit. Resumes shall be included (included with Tab F). How the quality of the staff over the term of the agreement will be assured.
- D. Qualifications and Experience of Auditors with Tax Increment Financing Districts – How the audit firm is qualified to perform a review of the Tax Increment Financing Districts of the Town.
- E. Accessibility – The degree of accessibility that the audit firm will provide the Town.
- F. Resumes – Resumes of individual audit partners, managers and staff auditors expected to be assigned to the audit. Specifics such as professional certifications, college degrees, type, levels, years of experience in auditing local governments, and relevant training courses shall be provided.
- G. Fee Proposal – The audit firm must provide a fixed fee proposal for the one (1) or three (3) - year contract.

The enclosed Fee Proposal (Addendum A) form must be completed and submitted as part of the audit firm's overall proposal

## **1.5 SUBMISSION**

The audit firm shall submit an original (so marked), signed by the audit firm's contractually binding authority, and seven (7) copies of the proposal.

A. All proposals shall be sealed with an outside label and containing a cover letter listing:

1. Proposal for the Town of North Yarmouth external audits.
2. Audit firm name and address; contact person and telephone number.

B. All proposals shall be addressed and delivered by 11:00 AM on August 31, 2021 to:

Debbie Grover  
Assistant Town Manager  
Town of North Yarmouth  
10 Village Square Road  
North Yarmouth, ME 04097

## **1.6 CLOSING DATE**

To be considered, proposals must arrive at the Town Office on or before 11 AM on August 31, 2021. The Town will not accept proposals that are late. Audit firms mailing proposals should allow sufficient mail delivery time to ensure receipt by the due date and time.

## **1.7 CONTRACTUAL OBLIGATIONS**

The proposal submitted by the selected audit firm shall become an attachment to the contract signed by the Town and the selected audit firm. The Town is not liable for any cost incurred by audit firm prior to the issuance of a contract.

## **1.8 SUBSTANTIVE NATURE OF PROPOSALS**

Proposals that are not substantive may be considered non-responsive. It is not sufficient for the audit to address the proposal in general terms or in terms other than those outlined in the proposal.

## **1.9 PROCESS**

A. Opening of Proposals – At 11 AM on August 31, 2021, the Select Board Chairperson and Assistant Town Manager shall open and list the proposals for the record. Proposals received will be available for public review at the time of opening. Responses received after the due date shall be returned unopened.

B. Evaluation – During the evaluation phase, proposals will be reviewed to determine which proposals address all the requirements of the RFP.

Proposals determined to be technically non-responsive or not as responsive as other proposals, will be eliminated. Once the qualified audit firms have been determined, they will be interviewed by the Select Board to clarify specific matters presented in the proposals and obtain additional pertinent information. The Town will use information gained from any interviews and information presented in the proposals, to rank the audit firms in accordance with criteria stated in this RFP and all information developed in the selection process.

Negotiations shall be conducted with the audit firm ranked first. If a contract cannot be negotiated with the audit firm ranked first, then negotiations may be conducted with the audit firm ranked second, and so on until a contract has been negotiated or all proposals are rejected. Final award of the Town contract shall be made by the Select Board after considering recommendations from Town Management.

## **1.10 EVALUATION CRITERIA**

The following criteria will be used when selecting a firm for further negotiations:

1. Audit Approach
2. Fee Proposal
3. Qualifications and Experience of the auditors assigned to the audit
4. Qualification and experience of the firm
5. Qualifications and experience relating to the Town's specific needs
6. Attestation of the completion time of the audit
7. Accessibility to Town administration and officials

## **SECTION II**

### **TERMS AND CONDITIONS**

#### **2.1 REJECTION OF PROPOSALS**

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

#### **2.2 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.

#### **2.3 POST-AWARD**

Following the selection and signing of a contract, the Town Manager will notify those audit firms whose proposals were not selected and the name of the selected audit firm. It may take up to one (1) month for the Select Board to choose an auditing firm.

#### **2.4 RETURN OF PROPOSAL**

The Town will not return any proposal submitted under this RFP.

#### **2.5 ADVERTISING CLAUSE**

It is understood and agreed that, in the event a contract is awarded for audit services included in this proposal, no indications of such audit services to the Town will be used in product literature or advertising unless with written approval from the Select Board.

#### **2.6 CANCELLATION**

Any resulting contract shall be subject to cancellation with cause by either party upon thirty (30) days written notice.

## **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 the vendor's files associated with a subsequent contract where payments are based on the contractor's record of time, salaries, materials or actual expenses, on demand and without notice. The same right to review will be imposed on any subcontractor 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 December 31<sup>st</sup>.

## **2.10 INSURANCE**

The successful audit firm must furnish to the Select Board evidence of its professional liability insurance with limits of at least \$1,000,000 for each occurrence.

## **2.11 AVAILABILITY OF FUNDS**

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 to pay for services covered by this agreement unless and until they are ordered, delivered, and preformed for the Town.

## **2.12 INVOICING**

The selected audit firm shall submit an annual invoice after completion of the audit due in no less than 30 days to the Town Manager with detail consistent with the final fixed cost audit contract price.

## **2.13 TERM OF CONTRACT AND OPTION TO RENEW**

The term of the contract shall be either a three (3) or one (1) fiscal year contract starting with the year ending of June 30, 2021. Upon written agreement of all parties, this contract may be extended by the Select Board for a period of one year for each renewal. The renewal shall be under the terms of the current contract and executed within ninety (90) days prior to the expiration date.

### **SECTION III**

#### **TECHNICAL CONTRACT REQUIREMENTS**

## **3.1 TOWN FURNISHED ITEMS**

- A. The audit firm will have access to all Town records as required to perform the audit.
- B. There will be reasonable working space for the auditor. Internet access, fax machine, and photocopier will be made available. Any additional reasonable accommodations may be requested from the Town Manager.
- C. Preliminary audit work can start immediately after the contract award.
- D. The Town Manager will be the primary contact and coordinator of the audit and will coordinate issues related to the preparation of the Annual Audited Financial Report.

### 3.2 AUDIT

- A. The audit firm shall conduct their examination and render their report in accordance with:
1. Generally accepted governmental auditing standards as defined by Government Auditing Standards issued by the Comptroller General of the United States and any revisions effective during the audit period.
  2. The Single Audit Act of 1984, amended in 1996, and the Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-profit Organizations and any revisions effective during the audit period. The audit firm shall make all coordinating arrangements with the cognizant agency.
- B. The Select Board anticipates receiving unqualified opinions on the financial statements. Should the audit firm determine during the course of the audit that they cannot issue an unqualified opinion, the audit firm shall formally notify the Town Manager as soon as possible.
- C. Throughout the audit, communications 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 Town Manager from time-to-time. Adequate and timely review by the Audit Partner and Town Manager shall occur in order to ensure the communications herein. Adequate documentation shall be maintained in the audit work papers and furnished to the Town Manager to support all such items.
- D. The audit firm's management letters shall be addressed to the 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 audit firm that are not reportable conditions but the audit firm chooses to report to management.
- E. The audit firm shall immediately report all irregularities and illegal acts or indications of illegal acts to the Town Manager.
- If, in the audit firm's opinion, the irregularities or illegal acts are of sufficient significance, they shall be reported to the Select Board.
- F. During the audit, the audit firm shall report to the Town Manager on the progress of the audit. The audit firm shall meet with the Town Manager and any other necessary staff at the completion of the audit.
- G. The audit firm shall be available to provide minor or insignificant assistance to 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-incidental or significant assistance shall be provided for under Paragraph 3.5.
- H. The audit firm agrees that the firm and all auditors working on the audit are independent of the Town and component units included in the Town's Annual Audited Financial Report in accordance with Government Auditing Standards and shall comply with the Federal, State, and local laws and regulations in performance of this engagement. The audit firm agrees to disclose to the Town the presence of litigation against the Town or any other local government, which could impair the audit firm's independence or ability to perform the audit.

- I. The audit firm shall file the Annual Audited Financial Report and all materials required by State law to the Office of the State Auditor within thirty (30) days after completion of the audit.
- J. The audit firm will supply the Town with one (1) unbound original and fifteen (15) bound copies of both the Annual Audited Financial Report and Management Letter.

### **3.3 PAYMENT**

The Town shall make payment (within 30 days of the invoice date) to the audit firm upon completion of the services and acceptance of the report each year.

### **3.4 ACCESS TO AUDITOR'S WORKPAPERS**

The audit firm's working papers will be available for routine review by the Town, 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 audit firm is unable to retain records for this time period, they are to be turned over to the Town.

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

### **3.5 ADDITIONAL WORK UNDER CONTRACT**

Additional work under this contract shall be only for audit or audit related services or assistance to Town Management such as financial reporting, accounting, and payroll related issues. Any services provided by the audit firm beyond the scope of this Request for Proposal shall be specifically determined and approved in advance by the Select Board.



