

TOWN OF WILLINGTON



REQUEST FOR PROPOSALS

FOR

AUDITING SERVICES

Date of Issuance: March 21, 2010  
Bid Deadline: April 6, 2010

LEGAL NOTICE

REQUEST FOR PROPOSALS FOR AUDITING SERVICES

TOWN OF WILLINGTON, CT

The Town of Willington, CT is requesting proposals from qualified independent public accounting firms or accountants, in accordance with the provisions of the Connecticut General Statutes, to conduct an examination and to render an opinion on the comprehensive annual financial statement of the Town of Willington. Proposals will be received at the Finance Office until noon on Tuesday, April 6, 2010 at which time no further proposals will be considered. Information concerning this Request For Proposal may be obtained by contacting Donna Latinsics, Business Manager at telephone (860) 487-3139. The Town of Willington is an Equal Opportunity Employer.

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## **I. INTRODUCTION**

### A. General Information

The Town of Willington is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending June 30, 2010, with the option of auditing its financial statements for each of the two (2) subsequent fiscal years. 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 Amendments of 1996 and U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments and the provisions of Sections 4-230 through 4-236 of the Connecticut General Statutes concerning the State Single Audit Act.

The auditor(s) shall state that the primary purpose of the audit is to express an opinion on the general purpose financial statements taken as a whole and that the audit is subject to the inherent risk that errors or irregularities may occur and not be detected.

There is no expressed or implied obligation for the Town of Willington to reimburse firms for any expenses incurred in preparing proposals in response to this request.

To be considered, 1 copy of a Technical Proposal must be received by the Town of Willington, Department of Financial Services, at 40 Old Farms Road, Willington, CT, by noon on Tuesday, April 6, 2010. Included should be an executed copy of the Proposer's Guarantees and Warranties, as well as a sealed Dollar Cost Bid in a separate envelope. The Town of Willington reserves the right to reject any or all proposals submitted. Proposals submitted will be evaluated by the six (6) member Board of Finance.

During the evaluation process, the Willington Board of Finance and the Town of Willington reserve the right, where it may serve the Town of Willington's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. At the discretion of the Town of Willington or the Board of Finance, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The Town of Willington reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the Town of Willington and the firm selected.

It is anticipated the selection of a firm will be completed by April 6, 2010. Following the notification of the selected firm it is expected an engagement letter will be executed between both parties within 30 days of approval.

The auditor's contacts with the Town of Willington will be Donna Latincics, Business Manager and Tish Ignatowicz, Treasurer, who will coordinate the assistance to be provided by the Town

of Willington to the auditors. They may also be contacted regarding inquires concerning the request for proposal.

Detailed information on the government and its finances can be found in the Comprehensive Annual Financial Report provided on the Town's website at [www.willingtonct.org](http://www.willingtonct.org).

### B. Terms of Engagement

A three (3) year contract is contemplated, subject to the annual review and recommendation of the Finance Department staff, the satisfactory negotiation of terms (including a price acceptable to both the Town of Willington and the selected firm), the concurrence of the Board of Finance, and the annual availability of an appropriation.

## **II. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION**

### A. Statements and Schedules and other pertinent information to be Prepared by the Town of Willington

The staff of the Town of Willington will prepare or provide the following statements and schedules for the auditor as follows:

1. Adjusted trial balance for all funds
2. Detailed schedules of revenues and expenditures, expenses, accounts payable and receivable, and encumbrances
3. Detail of balance sheet and subsidiary account activity
4. Check registers for all funds
5. Bank reconciliations for all accounts
6. Detail of capital projects expenditures
7. Analysis of accounts as requested
8. Investment activity schedules
9. Debt schedules
10. Fixed assets schedules
11. Payroll records
12. Tax collection schedules
13. Schedule of Compensated Absences
14. Latest Actuarial Reports
15. Completed ED-001 and Supporting Documents
16. Combined, combining, and individual fund statements for all funds and account groups
17. Notes to the combined financial statements
18. CAFR statistical tables
19. Schedule of federal and state assistance

## **III. TIME REQUIREMENTS**

### A. Proposal Calendar

The following is a list of key dates up to and including the date proposals are due to be submitted:

Request for proposal issued	03/21/2010
Due date for proposals	04/06/2010
Board of Finance Review meeting	04/06/2010
Appointment by Town of Willington	04/06/2010
Contract date	Within 30 days of appointment

### B. Schedule for the Annual Audit

Entrance conference with Finance Officer to commence year-end audit work	To be determined
Preliminary field work begins	To be determined
Final audit work begins	To be determined
Exit conference to review draft and significant findings	To be determined
Draft comments returned to Auditors by	To be determined

### C. Report Submissions

Copies of all reports shall be addressed to the Board of Finance. The successful proposer will also submit copies of reports as required by state and federal audit requirements.

The submission dates for the various reports to the municipality and the appropriate cognizant agencies as follows:

Comprehensive Annual Financial Report	December 15, 2010
Federal Audit Report	December 15, 2010
Single Audit Report	December 15, 2010
ED001 Certification	December 15, 2010

Where an extension of time may be required, it will be the responsibility of the Auditor to promptly notify the Town, in writing. It is the Town's responsibility to secure all necessary approvals in a timely manner. The Auditor shall promptly notify the Town's First Selectman of

any suspicion of fraud, defalcation or misapplication of funds. Such notice shall be in addition to any notice to grantors required by single audit legislation.

The auditor shall communicate in a letter to the chief legislative body any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

The final report and 25 signed copies should be delivered to the Finance Department of the Town of Willington.

#### D. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years, unless the firm is notified in writing by the Town of Willington of the need to extend the retention period. The auditor will be required to make working papers available, upon request by the Town of Willington.

In addition, the firm shall respond to the reasonable inquiries of successor Auditors and allow successor Auditors to review working papers relating to matters of continuing accounting significance.

### **IV. PROPOSAL REQUIREMENTS**

#### A. Technical Proposal

##### 1. General Requirements

The purpose of the technical proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the Town of Willington in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The technical proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposals requirements.

The proposal should provide a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals including the following information.

##### 2. Independence

The firm should provide an affirmative statement that it is independent of the Town of Willington as defined by generally accepted accounting standards and the U.S. Comptroller General's Government Auditing Standards.

The firm should also list and describe the firm's professional relationships involving the Town of Willington or any of its agencies for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

In addition, the firm shall give the Town of Willington written notice of any professional relationships entered into during the period of this agreement.

### 3. License to Practice in Connecticut

An affirmative statement should be included indicating that the firm and its municipal partner are qualified to practice in Connecticut.

### 4. Firm Qualifications and Experience

Firms submitting proposals must be qualified to perform independent audits of municipalities of the State of Connecticut. The firm must have been engaged during the fiscal year ending June 30, 2010, as independent Auditors for the purpose of rendering an opinion on the annual financial statements of a Connecticut municipality.

The proposal should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the staff to be so employed on a part-time basis.

The firm shall also provide information on the results of the firm's latest federal or state desk reviews or field reviews of its audits. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

## 5. Partner, Supervisory and Staff Qualifications and Experience

Supervisory members of the audit team, including the "in charge" field auditor, should be Certified Public Accountants and have a minimum of two (2) years of municipal audit experience in the State of Connecticut. The Selection Committee intends to strongly consider municipal audit experience and certification in evaluating the proposer's audit team.

The firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement and indicate whether each such person is licensed to practice as a certified public accountant in Connecticut. The firm also should indicate how the quality of staff over the term of the agreement will be assured.

The proposer should identify the extent to which its staff reflects the Town of Willington's commitment of Affirmative Action.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the Willington Board of Finance. However, in either case, the Town of Willington retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for proposals can only be changed with the express prior written permission of the Willington Board of Finance, which retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

## 6. Similar Engagements with Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum of 5) performed in the last five years that are similar to the engagement described in this request for proposals. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

## 7. Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in this request for proposal. In developing the work plan, reference should be made to such sources of information as the Town's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.

## 8. Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the Town of Willington.

### B. Dollar Cost Bid

#### 1. Total All-Inclusive Maximum Price

The dollar cost bid should contain all pricing information relative to performing the audit engagement as described in this request for proposals. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses.

The Town of Willington will not be responsible for expenses incurred in preparing and submitting the technical proposal or the dollar cost bid. Such costs should not be included in the proposal.

#### 2. Fixed Fees by Category.

The dollar cost bid should include a schedule of professional fees and expenses, presented in the format provided in the attachment (Appendix B), which supports the total all-inclusive price.

#### 3. Rates for Additional Professional Services

If it should become necessary for the Town of Willington to request the auditor to render any additional services requested in this request for proposals or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the Town of Willington and the firm. Any such additional work agreed to between the Town of Willington and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the dollar cost bid in Appendix B.

#### 4. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement in accordance with the firm's dollar cost bid proposal. Interim billings shall cover a Period of not less than a calendar month. Ten percent (10%) will be withheld from each billing pending delivery of the firm's final reports.

APPENDIX A

PROPOSER GUARANTEES  
AND  
PROPOSER WARRANTIES

Proposer Guarantees

I. The proposer certifies it can and will provide and make available, at a minimum, all services set forth in this proposal.

Proposer Warranties

1. Proposer warrants that it is willing and able to comply with State of Connecticut laws with respect to foreign (non-state of Connecticut) corporations.
2. Proposer warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof.
3. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the express prior written permission of the Town of Willington.
4. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official: \_\_\_\_\_

Name (typed): \_\_\_\_\_

Title: \_\_\_\_\_

Firm: \_\_\_\_\_

Date: \_\_\_\_\_

**APPENDIX B**

To be submitted on your firm's letterhead in a separate envelope.

**FIXED FEES**

<b>Town of Willington:</b>	Year 1	Year 2	Year 3
- Financial Audit	\$ _____	\$ _____	\$ _____
- State Single Audit	_____	_____	_____
- Federal Single Audit	_____	_____	_____
- ED 001 procedures	_____	_____	_____

Total hours included in Combined Total Fees:

Partner	_____
Manager	_____
Staff	_____

Rate for hours in excess of those above or for services outside the specified scope,  
\$ \_\_\_\_\_ per hour.

Submitted by \_\_\_\_\_ Date \_\_\_\_\_

Signature \_\_\_\_\_ Title \_\_\_\_\_

Telephone \_\_\_\_\_ Fax \_\_\_\_\_