

Town of Raynham, Massachusetts
Request for Proposals
Annual Independent Financial Audit Services
For the Fiscal Years Ending
June 30, 2021, 2022, and 2023 with the potential to renew
at three-year increments thereafter

RFQ Response is due: February 19, 2021 at 11:00 AM

This RFQ is exempt from the requirements of MGL Chapter 30B.

The Town of Raynham, Massachusetts (the Town) invites qualified independent certified public accounting firms, licensed to practice in the Commonwealth of Massachusetts to submit written fix fee proposals to conduct the annual independent financial audit of the year-end financial reports of the Town for Fiscal Years 2021, 2022, and 2023 with the potential to renew at three year increments thereafter, in accordance with the specifications summarized below. The quoted fee shall be all-inclusive for all required services.

I. Information Furnished to Proposers:

A. General Information

The Town of Raynham has a population of approximately 14,500 and has a current operating budget of \$42,000,000. The Town is governed by a three (3) member Board of Selectmen/Town Administrator, Open Town Meeting, and other separately elected boards overseeing quasi-independent departments.

The Senior Financial Management team of the Town consists of the Town Administrator, Assistant Town Assessor, Town Accountant, and the Treasurer-Collector.

Robert E. Brown II has performed the most recent annual audit for many years and most recently for Fiscal Year 2020. A copy of the audit reports for the past three years (FY 17, 18, 19) are available on-line at www.town.raynham.ma.us In all years the auditor has issued an unqualified opinion.

In addition, the Town operates the following enterprise funds: Sewer.

B. Description of Financial Records

The Town maintains its general financial records in accordance with the Revised Uniform Massachusetts Accounting System on a modified accrual basis.

The general ledger records of the Town are computerized, and the Town uses Zobrio/Abila for the maintenance of its financial record keeping system and vendor processing. The Town processes payroll with the Harper's Payroll Services System.

Cash and receivable reconciliations are made at least quarterly.

The Town financial accounts are closed on an annual basis. Complete budgetary basis financial reports are provided to the Board of Selectmen. Annual budgetary basis financial reports are prepared and issued within 75 days after the end of the fiscal year and federal budgetary basis financial reporting is current.

C. Scope of Services Required

1. An independent audit of the Town's financial records of all activities including assurance of compliance with relevant federal and state laws and Town financial policies.
2. The audit is to be performed in accordance with generally accepted auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.
3. The annual audits shall cover the fiscal years ending June 30, 2021, 2022, and 2023.
4. The audit shall be conducted for the purposes of forming an opinion of whether the financial statements of the Town present fairly the respective financial position of the governmental activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of Town as of each June 30th, and the respective changes in financial position for the years then ended, in conformity with US Generally Accepted Accounting Principles.
5. The successful proposer will also furnish the following independent Auditor Reports:
 - a. Independent Auditors Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program, Internal Control Over Compliance and on the Schedule of Expenditures of Federal Awards in Accordance with OMB Circular A-133.
 - b. Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
6. The successful proposer will furnish a management letter, which shall identify any management weaknesses observed, assess their effect on financial management and financial reporting, and propose steps to correct or eliminate the weaknesses. Prior to the completion of the management letter, the independent auditor shall meet with the department head of each department for which there is a management comment to review the findings and the recommendations in detail. The final copy of the management letter shall contain printed responses from the head of each department for which there is a management recommendation.
7. A senior representative of the of the auditing firm shall conduct an annual audit planning conference with the Town Accountant at least one month prior to the start of each audit; shall provide the Town Accountant with weekly status reports during the course of the audit field work.
8. The independent auditing and accounting firm shall be available during the normal business hours throughout the contract period to provide the Town with advice and guidance on financial accounting and reporting issues. The auditor will also be expected to keep the Town informed of the working

requirements of all new accounting and financial matters related to municipalities.

9. The auditor shall immediately notify the Board of Selectmen and Town Administrator of any serious financial discrepancies.

10. Prior to the submission of the final audit document the auditor shall meet with the Town Administrator, Town Treasurer-Collector and Town Accountant to review the auditor's findings and conclusions.

11. The proposer shall include in its pricing a detailed management audit of one department each year.

12. At the conclusion of each audit the principal of the audit shall meet with the Board of Selectmen and the Finance Committee at a joint meeting to conduct a visual presentation and discuss the findings resulting from the audit. Care should be taken to avoid industry lingo and simplify the presentation for a layman's understanding. The presentation and discussion will be broadcast by the Town for the residents of Raynham.

13. The Town retains the responsibility for the preparation of the financial statements.

14. All audit work papers are the property of the auditors and shall be retained for a period of seven years. Work papers shall be available for examination or duplication without charge to authorized Town personnel, representatives of Federal or State Agencies upon request of that Agency or the Town. Working papers will also be made available for examination, at no charge, or duplication, at a reasonable charge, to subsequent auditors engaged by the Town.

D. Report Requirements

1. Deliverables shall consist of:

- a. 10 printed and bound copies of the audited annual financial report;
- b. 10 printed and bound copies of the federal single audit report, including necessary audit opinion letters;
- c. 10 printed and bound copies of the annual management letter; and
- d. An Electronic version of each of the above.

2. The auditor shall be responsible for the distribution of copies of all reports to state and federal regulatory and oversight agencies.

E. Time Considerations

The Town expects the preliminary audit work to begin on or about September 1 of each year and the final audit documents to be completed and delivered **no later than December 31** of each year.

F. Town Responsibilities

The Town of Raynham shall provide the auditor with the following assistance during the completion of the annual audit:

- a. Preparation of the financial statements at the fund level and supporting schedules.

- b. Preparation of the schedule of expenditures of federal awards (if any).
- c. Preparation of all written documents for mailing by the accounting firm.
- d. Photocopying/scanning of all necessary records and documents for audit papers.
- e. Office space with necessary accoutrements for the audit staff to conduct field work.

II. Information to be supplied by the Proposers

A. Letter of Introduction

A two-page (maximum) letter describing the firm and the proposal. The letter should include the following:

1. A brief description of the firm and its principals;
2. The firm's experience providing auditing services to Massachusetts municipalities;
3. The names and qualifications of the individuals who would comprise the auditing team;
4. A statement that the proposal meets all the requirements of the RFP.
5. A brief statement that will demonstrate the firm's understanding of the Town of Raynham and the requirements of the audit.
6. A statement describing the ability of the firm to undertake the Raynham audit given their existing work schedule.
7. Identification of the firm's contact person for the proposal including; name, title, address, telephone numbers, and email.
8. The letter must be signed by an individual authorized to contractually bind the firm.

B. Professional Experience

1. List each of the firm's Massachusetts municipal auditing engagements during the past ten (10) year period. Identify the name of the Town, years engaged, and current engagements.
2. Provide five (5) municipal audit client references from the past three (3) year period, including name of key financial person and contact information.

C. Key Staff

Provide detailed information for each staff person to be assigned to work on the audit. This will include their education, formal certifications, length of service with the firm, professional experience particularly auditing Massachusetts municipalities. Provide a description of the work and role each of the staff will perform on the audit for Raynham.

D. Proposer's Approach to the Audit

1. State the proposer's understanding of the services to be performed and the work products to be delivered.
2. Submit a detailed work plan, including a chart identifying each of the major tasks to be completed and the amount of time scheduled for completion.
3. Provide a description of any additional services that your firm may be willing to provide to the Town in connection with the audit. For example, a firm may offer to do a more detailed management audit of one department each year.
4. State the estimated number of hours which the firm expects to commit, by staff person, for each component of the engagement.

E. Price Proposal

The Price Proposal shall be submitted in a separate envelope from the Technical Proposal. The Town is seeking an all-inclusive fixed price for each engagement year of the audit. The price shall include all staff, overhead, and in-direct costs. The Town is seeking a three-year engagement.

Include in the cost proposal a table showing the hourly rates for each staff professional.

III. Selection Process

The Town intends to consider responses in the technical proposals before considering the price proposal.

A. Minimum Criteria

The Town will evaluate each of the submitted proposals for compliance with the following minimum criteria.

1. The proposal is complete including all signed required certifications.
2. The proposers, at a minimum, must have ten (10) years of consecutive experience providing auditing services to Massachusetts municipalities with FY 2020 being the most recent year.
3. The proposers must have successful experience providing audit services to no less than five (5) Massachusetts municipalities within the past three (3) fiscal years with FY 2020 being the most recent year.

A firm failing to meet any of the minimum criteria will be excluded from further consideration.

B. Comparative Evaluation Criteria

Each proposal meeting the Minimum Evaluation Criteria shall be rated according to the following Comparative Evaluation Criteria:

Highly Advantageous

1. Successful completion of 20 Massachusetts municipal audits in the past five years.
2. Five outstanding references from Massachusetts municipalities in the past three years and Zero references that they would not hire the firm again.
3. Zero Massachusetts municipalities that expressed concern about the lateness of the completion of the audit.
4. An outstanding technical proposal demonstrating a complete understanding of the town's requests and requirements as shown in the Proposer's Approach to the Audit.

Advantageous

1. Successful completion of 10-19 Massachusetts municipal audits in the past five years.
2. Three outstanding references from Massachusetts municipalities in the past three years and Zero references that they would not hire the firm again.

3. One Massachusetts municipalities that expressed concern about the lateness of the completion of the audit.
4. A well-written and good technical proposal demonstrating an understanding of the town's requests and requirements as shown in the Proposer's Approach to the Audit.

Not Advantageous

1. Successful completion of less than 10 Massachusetts municipal audits in the past five years.
2. Two or fewer outstanding references from Massachusetts municipalities in the past three years and Zero references that they would not hire the firm again.
3. Two or more Massachusetts municipalities that expressed concern about the lateness of the completion of the audit.
4. The technical proposal lacked the comprehensiveness that satisfactorily demonstrates an understanding of the town's requests and requirements as shown in the Proposer's Approach to the Audit.

C. Interviews

After review and grading of the technical proposals, the Town may, at its discretion, schedule interviews with any or all of the proposers for the purpose of further evaluation of the proposer's qualifications and ability to provide the required service. Interviewees will be ranked based on their presentation and answers to questions.

D. Final Contract Award

The Town of Raynham, through its Board of Selectmen, shall select the auditing firm that best meets the needs of the community and in the best interest of the Town of Raynham.