TOWN OF GOFFSTOWN
NEW HAMPSHIRE

REQUEST FOR PROPOSAL
FINANCIAL AUDIT

I. INTRODUCTION

A. General Information

The Town of Goffstown is requesting proposals from qualified firms of certified accountants to audit its financial statements for the calendar year ending December 31, 2009 and for each of the two subsequent calendar years, with the option of two, one-year extensions. These audits are to be performed in accordance with generally acceptable auditing standards, the standards set forth for financial audits in Government Auditing Standards, issued by the Comptroller General of the United States, the provisions of the Federal Single Audit Act of 1984 and Americans (Single Audit Act) and US Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments, as well as applicable state statutes.

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

Any firm interested in reviewing the Town's financial records should contact Janice O'Connell, Finance Director, at 603-497-8990 x105 or via email to joconnell@GoffstownNH.gov to arrange for an appointment.

To be considered, the proposal must be received in the Office of the Selectmen, 16 Main Street, Goffstown, NH 03045 **no later than 1PM, September 28, 2009**. The Town of Goffstown will reserve the right to reject any and all proposals it deems may not be in the best interest of the Town.

The Finance Director , Town Administrator and the Town Accountant will evaluate proposals submitted and make a recommendation to the Board of Selectmen.

During the evaluation process, the Town of Goffstown reserves the right, where it may serve the Town of Goffstown's best interest, to request additional information or clarifications from proposers.

The Town of Goffstown 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 Goffstown and the firm selected.

It is anticipated that a firm will be selected and notified by October 23, 2009 and subsequently a contract will be executed by both parties.

B. Term of Engagement

The term of the contract will be three years, with the option of two, one-year extensions at the end of the three-year period. A recommendation to utilize each of the two, one-year extensions shall be made by the Finance Director and shall be subject to Board of Selectmen approval.

II. NATURE OF SERVICES REQUIRED

A. General

The Town of Goffstown is soliciting the services of qualified firms of certified public accountants to audit its financial records and prepare financial statements for the calendar year ending December 31, 2009, 2010, and 2011, with the option of two one-year extensions. These audits are to be performed in accordance with generally acceptable auditing standards, generally acceptable accounting principals, and the provisions contained in this request for proposals.

B. Scope of Work To Be Performed

1. The Town of Goffstown desires the auditor to audit its financial records, prepare Government-Wide and Fund Financial Statements, provide a template for an MD&A Analysis, an opinion on the fair presentation of the financial statements in conformity with generally acceptable accounting principles, and preparation of the MS-5 (due no later than May 30).
2. The firm shall also be responsible for answering inquiries from the Finance Director and/or Town Administrator throughout the year for each of the years covered by the contract.
3. The firm shall meet no less than twice per year (outside of the audit) with representatives of the Finance Office to review and discuss changes in laws, rules, regulations and suggested practices that would affect the operation of the Finance Office.
4. The firm shall be available by telephone, fax, or email for consultation on the practices and procedures of the Finance Office for the purpose of improving internal control, efficiency and effectiveness of the office.
5. Required adjusting journal entries will be stated using the account structure utilized by the Town of Goffstown accounting system and full back-up documentation will be provided to the Finance Office.

C. Auditing Standards To Be Followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally acceptable standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the US General Accounting Office's Government Auditing Standards, the provisions of the Single Audit Act of 1984 as amended, and the provisions of US Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments.

D. Reports To Be Issued

Following the completion of the audit of the fiscal year's financial data, the auditor shall complete the MS-5 no later than May 30 and in conjunction with the completed audit issue:

1. A report of the fair presentation of the financial statements in conformity with generally acceptable accounting principals.

2. A report on the internal control structure based upon the auditor's understanding of the control structure and assessment of control risk.

3. A report on compliance with applicable laws, regulations and internal practices and areas for strengthening internal controls and operating efficiencies.

   In the required report(s) on internal controls, the auditor shall communicate any significant deficiencies (or control deficiencies) found during the audit.

   Auditors shall be required to make an immediate, written report to management, of all perceived illegal acts or irregularities of which they become aware.

4. The auditor shall provide all necessary comfort letters, reports, and assurances to state and federal regulatory agencies, as required.

5. A single audit (if necessary) or other reports as required in accordance with generally acceptable accounting principals and generally acceptable auditing standards.

E. 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 seven (7) years, unless the firm is notified in writing by the Town of Goffstown of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the parties or their designees.

1. Town of Goffstown

2. General Accounting Office

3. Parties designated by the federal or state governments or by the Town of Goffstown as part of an audit quality review process.

4. Auditors of entities of which the Town of Goffstown is a sub-recipient of grant funds.

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

III. DESCRIPTION OF THE GOVERNMENT

A. Town Personnel

The auditor's principal contact with the Town of Goffstown will be Janice O'Connell, Finance Director, who will coordinate the assistance to be provided by the Town of Goffstown to the auditor.

B. Background Information

The Town of Goffstown serves as area of 37 square miles with a population of approximately 18,000. The Town of Goffstown's fiscal year begins on January 1 and ends on December 31. The Town of Goffstown prepares its budget on a basis consistent with generally acceptable accounting principals.

The Town of Goffstown receives federal and state grant funding each year for a variety of purposes.

More detailed information on the Town government and its finances can be found in the following reports:

- Adopted Budget
- Government-Wide and Fund Financial Statements
- Minutes of Board of Selectmen Meetings
- State MS Reports

C. Fund Structure

The Town of Goffstown uses the following funds in its financial statements:

GOVERNMENTAL FUNDS
- General Fund
- Special Revenue Fund
  - Emergency Medical Services
  - Parks & Recreation
  - Current Use Fund
- Capital Project Fund
- Permanent Funds

FIDUCIARY FUNDS
- Trust & Agency Funds
  - Consolidated Trust Funds
  - Planning Funds

PROPRIETARY FUNDS
- Enterprise Fund
  - Sewer Fund

IV. PROPOSED CALENDAR

The Town of Goffstown will have all records ready for audit and all management personnel available to meet with the firm's personnel as of **March 1**. It is anticipated that this process will be completed and the final report delivered by **May 30 or sooner.**

(These dates are subject to revision at the discretion of the Town of Goffstown in consultation with the audit firm).

V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

A. Finance Office

Finance Office Staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations.

B. Work Area, Telephone, Copying and Fax Machines

The Town of Goffstown will provide the auditor with a separate room, tables, and chairs located at the Town Hall. The auditor will not be provided computer time, Internet, or the use of the Town of Goffstown's computer hardware and software. The auditor will be provided telephone lines, photocopying equipment and fax machines provided that all use of equipment at Town Hall is associated with the Town's audit.

The auditors are responsible for all long-distance phone calls.

C. Report Preparations

Report preparations, editing and printing shall be the responsibility of the auditor.

D. Inquiries

Inquiries concerning the request for proposals and the subject of the request for proposals must be made to: Janice O'Connell, Finance Director, 16 Main Street, Goffstown, New Hampshire 03045 (603) 497-8990 x105 or joconnell@GoffstownNH.gov

VI. QUALIFICATIONS

A. Independence

1. The firm shall provide an affirmative statement that it is independent of the Town of Goffstown as defined by generally acceptable standards/the US General Accounting Office Government Auditing Standards.

   The firm shall also list and describe the firm's professional relationships involving the Town of Goffstown or any of its agencies for the past five (5) years.

2. The firm shall give the Town of Goffstown written notice of any professional relationships entered into during the period of this agreement.

B. License to Practice in New Hampshire – an affirmative statement shall be included that the firm and all assigned key professional staff are properly registered or licensed to practice in New Hampshire.

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C. Experience

1. The proposer 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 professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

   If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal auditor should be noted, if applicable.

2. 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.

D. Similar Engagements With Other Government Entities

1. For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum – 5) performed in the last five years that are similar to the engagement described in this request for proposal.
2. The firm is required to provide a list of municipal clients who have left the service of the firm in the last three (3) years.

E. Background Information On Key Audit Personnel

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether each person is registered or licensed to practice as a certified public accountant in New Hampshire. Provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. Indicate how the quality of staff over the term of the agreement will be assured.

Engagement partners, managers, other supervisory staff 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 expressed written permission of the Town of Goffstown. However, in either case, the Town of Goffstown retains the right to approve or reject the replacements. The expectation is that replacements will have substantially the same or better qualifications or experience.

VII. COST BID

A. Cost of Professional Fees and Expenses

The proposer must complete and submit:

1. The *Schedule of Professional Fees and Expenses* for each of the three (3) years of the engagement and each of the two, one-year extensions. The cost is to contain all direct and indirect costs including all out-of-pocket expenses. No dollar amounts shall be included in the technical portion of the proposal.

2. The *Summary Schedule of Professional Fees and Expenses* for the Sewer Fund, the General Fund and all other funds, the MS-5 preparation and the cost of a single audit (if necessary). Bids should reflect a cost for each of the three (3) years of the engagement and each of the two, one-year extensions for the General Fund audit, Sewer Fund audit and preparation of the MS5.

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

B. Out-Of-Pocket Included In The Price

Out-Of-Pocket expenses for firm personnel (e.g., travel, lodging, and subsistence) shall be the responsibility of the audit firm.

C. Rates For Additional Professional Services

If it should become necessary for the Town of Goffstown to request the auditor to render any additional services to either supplement the services requested in this RFP 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 amendment to the contract between the Town of Goffstown and the firm.

Any such additional work agreed to between the Town of Goffstown and the firm shall be performed at the same hourly rates set forth in the schedule of fees and expenses included in the cost bid.

D. Manner Of Payment

Progress payments will be made on the basis of work completed during the course of the engagement. Interim billing shall cover a period of not less than a calendar month.

VIII. INSURANCE REQUIREMENTS

The firm awarded a contract shall take out and maintain, at their own expense during the life of the contract, insurance against professional liability in the minimum amount of $2,000,000. The firm shall also take out and maintain, at their own expense during the life of the contract, the statutory Workers' Compensation and Employer's Liability insurance for all its employees engaged in work for this contract.