



TOWN OF EXETER, NEW HAMPSHIRE

10 FRONT STREET • EXETER, NH • 03833-3792 • (603) 778-0591 • FAX 777-1514

www.exeternh.gov

Request for Proposals For Financial Audit Services

GENERAL INFORMATION

The Town of Exeter is soliciting proposals from qualified firms of independent certified public accountants to audit the financial statements for the fiscal year ending December 31, 2023, with the option of auditing the organization's financial statements for up to three (3) subsequent years.

During the evaluation process, the Town of Exeter reserves the right, where it may serve the organization's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. The Town of Exeter reserves the right to retain all proposals submitted.

At the discretion of the Town of Exeter, firms submitting proposals may be requested to make oral presentations as part of the evaluation process. There is no express or implied obligation for Town of Exeter to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

CONTACT INFORMATION

All questions and inquiries regarding this RFP should be direct in writing to:

Corey Stevens, Finance Director
Town of Exeter
10 Front Street
Exeter, NH 03833
or
E-mail: cstevens@exeternh.gov

PROPOSAL DEADLINE

Proposals shall be mailed or delivered to the Exeter Town Offices so that they are received no later than 4:00PM on Thursday, November 30, 2023.

One (1) paper copy and one (1) electronic copy on a USB drive of the proposal shall be submitted in a sealed envelope, addressed to the Town of Exeter at the above address, bearing the name of the proposer on the outside and clearly captioned "Proposal for Financial Audit Services".

Proposals will be opened publicly at the Town Offices at 7:00 pm on Monday, December 4, 2023.

The Town of Exeter reserves the right to accept or reject all proposals without further discussion of the proposals submitted.

SCOPE OF SERVICES

The engagement shall be for the Town of Exeter's financial statements for the calendar year ending December 31, 2023, and through the year ending December 31, 2026 if extended by mutual consent of the parties.

The audit will encompass a financial and compliance examination of the Town of Exeter's basic financial statements and required supplementary information and compliance reports. The financial and compliance audit will cover federal, state and local funding sources in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the following:

Government Auditing Standards issued by the U.S. Government Accountability Office; Single Audit Act of 1984 and Single Audit Act Amendments of 1996, if applicable; Provisions of the U.S. Office of Management and Budget OMB Circular No. A-133, Audits of States, Local Governments, and Non-Profit Organizations, if applicable; Government Auditing Standards and Circular A-133 Audits issued by the American Institute of Certified Public Accountants; and all other applicable laws and regulations.

The Auditor will be responsible for preparation and printing of the basic financial statements, supplementary information, and compliance reports. The Town of Exeter will be involved in preparing the Management Discussion and Analysis (MD&A), other schedules and supplementary information. The Auditor will submit a draft of the financial statements to be reviewed in detail by the Finance office and Town Manager's office. This draft shall be submitted to the Town in time to allow ample review and corrections.

The audit shall result in the preparation of financial statements from the audited records of the Town of Exeter with the Auditor's opinion thereon. The Auditor's opinion shall be expressed in the report and include reasons for qualifying the opinion, disclaiming the opinion, or rendering an adverse opinion.

The Auditor should also be familiar with and prepared to advise Town staff on how to best implement both current and proposed GASB Statements. In addition, the Auditor is also expected to provide informal advice and consultation throughout the year on matters relating to accounting, financial reporting, and internal controls. This would not necessarily include any task that entails significant research or a formal report.

Should circumstances arise during the audit that require significant additional work to be performed in excess of the amounts set forth in the contract, additional costs shall be negotiated prior to commencement of the work and an amended contract will be submitted for approval by the Town of Exeter.

In planning and performing the audit, the Auditor shall consider the Town of Exeter's system of internal control over financial reporting as a basis for designing auditing procedures for the purpose of expressing an opinion on the financial statements. The Auditor shall communicate in a written report any material weaknesses in internal controls found during the audit. A material weakness shall be defined as a significant deficiency in internal controls, or a combination of significant deficiencies that results in more than a remote likelihood that a misstatement of the Town of Exeter's financial statements will not be prevented or detected by the Town of Exeter. The report shall include written responses by Town of Exeter to the Auditor's comments and recommendations.

Non-material conditions and/or other matters that come to the attention of the Auditor related to opportunities for strengthening internal controls and operating efficiencies shall be reported in a management letter. The management letter shall include written responses by Town of Exeter to the Auditor's comments and recommendations.

The Auditor shall be required to make an immediate written report of irregularities and illegal acts, or indications of illegal acts of which they become aware, to the Finance Director, Town Manager, or Select Board.

As guided by AICPA Auditing Standards Board Statement on Auditing Standard No. 68, the Auditor

should exercise due professional care in understanding the type of engagement and also requiring that if during the audit the Auditor becomes aware that the Town of Exeter is subject to audit requirements which may not be encompassed in the terms of the engagement he or she should communicate to management and the Select Board that the audit may not satisfy the requirements.

Reporting Requirements

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles. The financial audit opinion will cover the basic financial statements.
2. A report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133 and the Single Audit Act, if applicable.
3. A schedule of findings and questioned costs in accordance with the Single Audit Act, if applicable.
4. Management letter, if appropriate.

Timing Requirements

A tentative schedule based on the following requirements shall be included with the proposal. The Town is willing to be flexible on the timeline for the first-year audit (FY ending 12/31/23).

1. Detailed Audit Plan – the auditor shall provide the Town of Exeter both a detailed audit plan and a list of all schedules to be prepared by the Town of Exeter prior to the end of the fiscal year to be audited.
2. Field Work – the auditor shall complete all fieldwork by June 15th of the year following the year being audited.
3. Draft Reports – the auditor shall have drafts of the audit reports and recommendations to management available for review by the Finance Director by July 15th of the year following the year being audited. The Finance Director will complete the review of the draft report as expeditiously as possible. During that period, the auditor should be available for any meetings that may be necessary to discuss the audit reports.
4. Final Report – the auditor shall deliver to the Town of Exeter a signed final report five (5) business days after any and all issues are resolved.
5. The auditors will present their findings to the Town Manager and Finance Director in August (day to be determined).

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 Exeter of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to authorized Town of Exeter personnel. 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.

Additional Requirements

1. Advise and inform the Town of Exeter, throughout the term of the agreement, on questions, practices and procedures for handling various accounting activities.
2. Advise the Town of Exeter of any significant changes in accounting procedures as they become

aware of them that may materially affect the financial statements and accounting procedures of the organization.

GENERAL AUDIT INFORMATION

The Town of Exeter is a municipality within Rockingham County in the State of New Hampshire. The latest population estimate is in excess of 16 thousand residents. Exeter is an SB-2 Town and is currently governed by a 5-member elected Select Board. The town runs on a calendar year basis and has three major fund budgets: General Fund: \$21.3M, Water Fund: \$4.5M, and Sewer Fund: \$7.5M.

Exeter employs approximately 175 employees. Salaries, benefits and taxes comprise 57% of the budget.

The bulk of Exeter's revenue is derived from property taxes. Motor vehicle fees are the second largest source of the Town's revenues.

FUND STRUCTURE

The Town uses the following types of funds:

- 1) General Fund
- 2) Water Enterprise Fund
- 3) Sewer Enterprise Fund
- 4) Special Revenue Funds
- 5) Capital Project Funds: General, Water and Sewer
- 6) Agency Funds
- 7) Private Purpose Funds

FINANCIAL SOFTWARE

Exeter utilizes Munis financial software for General Ledger, Accounts Payable, Payroll, Fixed Assets, Purchase Order and Property Taxes. MuniLink software is used for Water & Sewer Utilities.

TOWN OF EXETER RESPONSIBILITIES

The principal contact for the Town of Exeter will be the Finance Director, or a designated representative, who will provide the following to the audit firm:

1. Access to all records necessary to perform the audit.
2. Coordinate any personnel necessary to provide additional information, documentation, or explanations needed to complete the audit.
3. Reasonable work space including desks, chairs, and use of photocopying and scanning equipment.

PROPOSAL REQUIREMENTS

The proposal should include a program and schedule of audit activities that addresses all the points outlined in the Scope of Services section and should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals. The proposal should also include:

1. An affirmative statement that the firm and all assigned key professional staff are properly certified and licensed in the State of New Hampshire.
2. An overview of the firm, including its size, the size of the firm's 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 most likely to be assigned to this engagement. Provide information on the auditing experience of each key person, including any relevant continuing professional education and memberships in professional organizations relevant to the performance of this audit.

3. Information on the results of its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.
4. For the firm's office or principal that will be assigned responsibility for the audit, list the most significant engagements (at least 3, and no more than 5) performed in the last three years that are similar to the engagement described in this request for proposal. Indicate the scope of work, date, and the name and telephone number of the principal client contact.
5. Specifically note any exceptions to the Request for Proposal (RFP) of the services to be provided by the firm, and/or any services to be provided by the firm not mentioned in the RFP.
6. Total All-Inclusive Maximum Price - all pricing information relative to performing the audit engagement as described in this request for proposal. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses.
7. Rates for Additional Professional Services - if it should become necessary for the Town of Exeter 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 addendum to the contract between the Town of Exeter and the firm.

BASIS FOR PAYMENT

The Town of Exeter will make progress payments on the engagement as follows:

- Monthly, as work progresses or,
- One third at the end of field work,
- One third when the draft is issued,
- Balance on receipt of final report.

RIGHT TO CANCEL

The Town of Exeter may cancel the agreement, without penalty, 60 days prior to the close of the fiscal year after the first year of the agreement. The firm shall provide at least 90 days written notice, prior to the close of the fiscal year, of its intent to terminate the remainder of the agreement.

DETERMINATION OF AWARD AND RIGHT TO REJECT

Awards shall be made on the basis of the proposal which, in the opinion of the Town of Exeter, is in the best interest of the Town of Exeter and any award made will be made to the firm which, in the opinion of the Town of Exeter, is best qualified. The Town of Exeter reserves the right to reject any and all proposals submitted and/or to request additional information from all proposers.