

**REQUEST FOR PROPOSALS (RFP)**  
*FOR*  
**PROFESSIONAL AUDITING SERVICES**  
**RFP NUMBER 2021-**  



ISSUE DATE:	DECEMBER 10TH , 2021
ISSUED BY:	TOWN OF WILTON 238 DANBURY ROAD WILTON, CT 06897
INQUIRIES:	ANNE KELLY-LENZ, CHIEF FINANCIAL OFFICER PHONE: 203-563-0128 EMAIL: ANNE.KELLY-LENZ@WILTONCT.ORG
SUBMISSION DEADLINE:	FRIDAY, JANUARY 21TH, 2022, 11:00 AM

The Town of Wilton (the “Town”) is requesting proposals from qualified firms of certified public 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 statements of the Town. Proposals will be received at the First Selectman’s Office, 238 Danbury Road, Wilton, CT 06897 until 11:00 a.m. on Friday, January 21st, 2022 at which time no further proposals will be considered. Request for Proposal documents and specifications can be viewed/downloaded from the Town website at <http://www.wiltonct.org> or may be obtained at the First Selectman’s Office from 8:30 a.m. until 4:30 p.m. on Mondays through Fridays. Technical information concerning this RFP may be obtained by contacting Anne Kelly-Lenz, CFO, at (203) 563-0128. The Town is an Equal Opportunity Employer.

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## **I. INTRODUCTION**

### **A. General Information**

The Town is requesting proposals from qualified firms of certified public accountants (referred to in this RFP as “auditor” or “firm”) to audit its financial statements for the fiscal years ending June 30, 2022, June 30, 2023 and June 30, 2024. The Town is considering the annual statements to be completed in one of two formats: a financial audit or in a comprehensive financial report. The Town’s Board of Finance will determine which format it wishes to have completed. The financial statements 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 (2011), the provisions of the Federal Single Audit Act of 1984, as amended, and U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments and Non-profit Organizations, and the provisions of Sections 4-230 through 4-236 of the Connecticut General Statutes concerning the State Single Audit Act, as well as all Governmental Accounting Standards Board Statements in effect at the time of audit.

The auditor 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 to reimburse firms for any expenses incurred in preparing proposals in response to this request.

To be considered, nine paper copies and one electronic copy (on flash drive) of the proposal must be received at the First Selectman's Office, Town of Wilton, 238 Danbury Road, Wilton CT 06897 by 11:00 a.m. on Friday, February 25<sup>th</sup>, 2022 (the "Submission Deadline"). The Town reserves the right to reject any or all proposals submitted. Proposals submitted after the Submission Deadline will not be considered. Proposals submitted will be evaluated by Finance Department personnel, Town administrators and Board of Finance members.

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

The Town 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 RFP, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the Town and the firm selected.

Proposals that do not materially conform to the requirements of the RFP will not be considered.

It is anticipated the selection of a firm will be completed no later than February 21, 2022. Following the notification of the selected firm, and approvals by the Board of Finance and Board of Selectmen, it is expected that an engagement letter will be executed between both parties within 33 days of all approvals.

**THE TOWN OF RESERVES THE RIGHT TO WAIVE ANY DEFECTS AND INFORMALITIES IN ANY PROPOSAL, TO REJECT ANY OR ALL PROPOSALS FOR ANY REASON AND TO ACCEPT THAT PROPOSAL DEEMED TO BE IN THE BEST INTEREST OF THE TOWN WHETHER OR NOT IT IS THE LOWEST COST PROPOSAL. THE TOWN RESERVES THE RIGHT TO CANCEL THIS RFP AT ANY TIME AND TO REISSUE THIS RFP OR A SUBSTITUTE RFP AT A LATER DATE.**

By submitting a proposal or entering into a transaction with the Town, the firm certifies that no payment, gift or thing of value of any kind was given or promised to or received by any person holding office or employment with the Town for the purpose of gaining acceptance of the proposal or bringing about the transaction. A false certification shall void the proposal and shall be deemed a material breach of any contract covering the transaction.

## **B. Terms of Engagement**

### **1. Form of Contract; Prohibited Terms.**

Within two (2) weeks of receipt of notice from the Town that the auditor is the successful proposer (i. e., notice of award), the auditor shall submit to the Town's Chief Financial Officer a form of contract. The auditor's form of contract will be subject to review and approval by the Town Attorney. The Town will not accept the following provisions: (a) contract to be governed by the laws of any State other than Connecticut; (b) alternative dispute

resolution proceedings (i. e., mediation or arbitration) to be held in any place other than Fairfield County, Connecticut; (c) jurisdiction and venue in any court other than the State and Federal Courts located in the State of Connecticut; (d) a limitation period on claims that is shorter than the applicable statute of limitations under the Connecticut General Statutes; (e) interest on late payments greater than 12% per annum; (f) interest or late payment penalties applicable to payments made within thirty (30) days of receipt by of an invoice by the Town's Chief Financial Officer; and (g) a limitation of the auditor's liability for negligent or willful acts or omissions ("Prohibited Terms"). Inclusion of one or more Prohibited Terms will be grounds for rejection of the auditor's form of contract and cancellation of the notice of award.

## 2. Contract Period.

The initial term of the agreement shall be for a period of one year beginning July 1, 2022 and ending June 30, 2023 (the "Initial Term"). Notwithstanding, the auditor shall make all necessary preparations to begin performing the audit services on July 1, 2022. The Initial Term shall be automatically extended for two one-year terms (each an "Extension Period") unless the Town notifies the auditor at least thirty days prior to the expiration of the Initial Term or Extension Period, as applicable, that the Town does not wish to extend the agreement. The agreement may be further extended for two additional one-year periods at the discretion of the Board of Finance, subject to mutual agreement on compensation.

## 3. Compensation.

Compensation for services shall be based on the firm's hourly rates subject to a guaranteed maximum price for the Initial Term and, if applicable, each of the two Extension Periods. The guaranteed maximum price shall include a minimum number of hours to be allocated to the partner-in-charge, supervising manager, and field staff. With each invoice, the firm will provide the Town with a statement of hours expended by each staff member. If the term of the agreement is extended for a fourth or fifth year, then services will be performed at hourly rates and a guaranteed maximum price mutually agreed upon prior to the beginning of the applicable fiscal year.

## 4. Termination.

The Town may at any time and for any reason, with or without cause, terminate the agreement by written notice specifying the termination date, which shall be not less than seven (7) days from the date such notice is given. In the event of such termination, services shall be paid for in such amount as shall compensate the auditor for the services satisfactorily performed prior to termination. Such amount shall be fixed by the Town after consultation with the auditor, and shall be subject to audit by the Town's Chief Financial Officer. Termination under this section shall not give rise to any claim against the Town for damages or for compensation in addition to that provided hereunder. The auditor may resign if obligated to do so by any term or requirement set out in the Connecticut General Statutes or the applicable provisions of the professional standards of the Connecticut State Board of Accountancy or the American Institute of Certified Public Accountants. Prior to resigning, the auditor shall provide the Town's Chief Financial Officer with written notice of its intention, setting out the reasons for the same in detail and specifying the effective date of its intended resignation, which shall not be less than forty-five (45) days from the date of the Town's Chief Financial Officer's receipt of such notice. The auditor shall make every effort to assist and cooperate with the Town in obtaining a competent replacement for it and shall perform all services necessary and reasonably desirable in order to assist the Town in meeting all applicable time schedules and audit deadlines or to obtain a proper extension of the same, as may be in the best interests of the Town, as determined by its Chief Financial Officer.

In the event of termination or resignation, the auditor shall provide its successor with access to all documents,

information and other working papers that may have been used or drawn up in connection with and as part of the performance of the auditing services, in accordance with the applicable professional standards, and based on mutually agreeable terms and conditions as set by and between the Town and the auditor.

## 5. Subcontracting Prohibited.

The auditor will be prohibited from subcontracting any of its work or services to be performed to others without the express prior written consent of the Town.

## II. DESCRIPTION OF THE GOVERNMENT

### **A. General**

The auditor's principal contact with the Town will be Anne Kelly-Lenz, Chief Financial Officer, who will coordinate the assistance to be provided by the Town to the auditor.

### **B. Background Information**

The Town operates under a Board of Selectmen, Town Meeting form of government. A Town Charter and Code of Ordinances govern operation of the Town. In addition, certain Town and Board of Education transactions are governed by the State of Connecticut General Statutes (CGS).

The Town serves an area of 27.3 square miles with a population of approximately 18,062. The Town's fiscal year begins July 1 and ends on June 30.

The Town provides the following services to its citizens: Police Protection, Fire Protection, Parks and Recreation, Road Repair, Street Lights, Snow Removal, Transfer Station, Recycling, Animal Control, Social Services, Educational and General Government Services, as well as support for the Library, Ambulance and other services provided by not-for-profit organizations.

The Town is organized into several departments. The Town's financial administration, operation, accounting and reporting are divided between the Town Finance Department and the Board of Education Business Office. The Board of Education maintains its own budget, accounting, payroll, procurement, human resources, purchasing, employee benefits, and vendor checks. The transactions are posted in summary form to the Town's General ledger maintained by the Town Finance Department based upon information supplied by the Business Office of the Board of Education. The Board maintains the supporting documentation. Exceptions to this are worker's compensation transactions, transactions of capital project funds, and capital lease transactions for the Board of Education computers. The Town Finance Department accounts for these types of transactions and keeps the supporting documentation.

More detailed information on the government and its finances can be found in a variety of documents which provide background information that defines the scope of Town services, Town demographics, fund structure, basis of accounting, federal and state assistance and a description of the Town's pension plans.

More detailed information on the government and its finances can be found in the following documents which are available on the Town's website at: ([www.wiltonct.org](http://www.wiltonct.org) under the Finance Department).

### 1. General Obligation Bonds, Issue of 2021 – Final Official Statement

2. Budget for Fiscal Year 2022 – Adopted
3. Audit Report, Fiscal Year 2021
4. Federal/State Compliance Report 2021
5. Audit Report, Fiscal Year 2021
  - Audit Report, Fiscal Year 2020
  - Audit Report, Fiscal Year 2019

### **C. Fund Structure**

The Town uses all of the funds included in the budget and the Audit and Pension Funds, all under general ledger control, and account groups in its financial reporting including the following:

#### General Fund

Special Revenue Fund – BOE Entitlement Grants, Parks & Recreation Self-Sustaining, Gift Fund, BOE Continuing Education, Police Asset Forfeiture, Town Properties, Water Assessment (Debt Service), and School Lunch.

Capital Project Funds– Debt and Non-Recurring Capital Trust - Wilton Employees

Retirement Trust, Other Post-Employment Benefits Trust

Business Type - Water Pollution Control Authority, Transfer Station

Internal Service - Medical Benefits

Agency - Student Activity

### **D. Budgetary Basis of Accounting**

The Town prepares its budgets on a basis consistent with generally accepted accounting principles except that encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures of the current year. Where applicable, budgets for proprietary funds are prepared on the full accrual basis. Only the general fund budget is legally adopted by Town Meeting. The Water Pollution Control Authority (WPCA) adopts the sewer operating budget by resolution. The Transfer Station budget is approved by the Board of Selectmen.

### **E. Pension Plans**

The Town is an administrator of a single employer defined benefit pension plan (the “Plan”) which covers substantially all full-time employees of the Town, other than members of the Teamsters Union, certified teachers and other Board of Education personnel, who participate in a contributory retirement plan administered by the State. Certified teachers employed by the Town are eligible to participate in the State of Connecticut Teachers’ Retirement System. This system is a cost-sharing multi-employer defined benefit PERS with the State acting as a non-employer contributor, which is administered under the provisions of Chapter 167a of the Connecticut General Statutes.

Actuarial services for the Town and Board of Education plan are provided by Hooker & Holcombe Consultants.

Information in the Audit is to be compliant with Standards in effect at the time of audit.

## **E. OPEB**

The Town provides healthcare benefits to its retirees and their spouses and dependents. The amount the Town pays for the medical premiums for retirees and spouses varies by employment group. All eligible regular active employees who retire directly from the Town and meet the eligibility criteria may participate in accordance with the plan provisions of their respective employee group. An OPEB Trust has been created and funds have been deposited in Vanguard investments. The contribution of the Town is based upon a biannual actuarial report. Information to be included in the audit shall be prepared in accordance with all related GASB rules.

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

### **A. Statements and Schedules and Other Pertinent Information to be Prepared by the Town.**

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

- Adjusted trial balance for all funds
- Detailed schedules of revenues and expenditures, expenses, accounts payable and receivable, and encumbrances
- Detail of balance sheet and subsidiary account activity
- Check registers for all funds
- Bank reconciliations for all accounts
- Detail of capital projects expenditures on a project to life basis
- Analysis of accounts as requested
- Investment activity schedules
- Debt schedules
- Fixed assets schedules
- Payroll records
- Tax collection schedules
- Schedule of compensated absences
- Latest actuarial reports
- Completed ED-001 and supporting documents
- Standard representation letters
- Individual fund statements for all funds
- Notes to combined financial statements
- Required supplementary information
- Management's discussion and analysis
- CAFR statistical tables as required
- Schedule of federal and state assistance

### **B. General**

Office space will be provided by the Finance Department. Telephones and use of copy and facsimile machines will be made available as well as Internet access during the engagement. The auditor will be required to provide additional computer equipment and other office materials, as needed. The auditor should be aware that the use of



Town telephones, equipment and services is restricted to this audit engagement only and is not available for use to service the auditor's clients or for personal use.

#### **IV. NATURE OF SERVICES REQUIRED**

##### **A. General**

The Town is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal years ending June 30, 2022, 2023 and 2024 with an optional two-year extension at the discretion of the Board of Finance. These audits are to be performed in accordance with the provisions contained in this RFP.

##### **B. Qualifying Requirements**

###### ***Qualified Firm:***

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, 2020, as independent auditors for the purpose of rendering an opinion on the annual financial statements of a Connecticut municipality.

###### ***Location:***

The auditors must have an office located within the State of Connecticut and resident staff must be able to offer the full range of auditing services required by this RFP.

###### ***Non-Discrimination:***

No person shall be denied or subjected to discrimination on account of any services, or activities made possible by or resulting from this agreement on the grounds of sex, race, color, creed, national origin, age (except minimum age and retirement provision), marital status or the presence of any sensory, mental or physical handicap. Any violation of this provision shall be considered a violation of a material provision of this agreement and shall be grounds for cancellation, termination or suspension in whole or in part of the agreement by the Town and may result in ineligibility for further Town contracts. The proposer shall at all times in the proposal and contract process comply with all applicable Town, state, and federal anti-discrimination laws, rules, regulations and requirements thereof.

###### ***Reports:***

Each proposer shall submit hard copies of **at least three** recent Comprehensive Annual Financial Reports issued by Connecticut municipalities in which their opinion is contained. **At least one** of these reports shall have been awarded the GFOA Certificate of Achievement for Excellence in Financial Reporting.

###### ***Other:***

Supervisory members of the audit team, including the "in charge" field auditor, should be Certified Public Accountants and have a minimum of three (3) years of municipal audit experience in the State of Connecticut. The selection personnel intend to strongly consider municipal audit experience and certification in evaluating the proposer's audit team.

###### ***Client List:***

List the auditor's current Connecticut municipal clients and the Connecticut municipal clients lost and gained since July 1, 2018.

### **C. Scope of Work to be Performed**

The Town desires the auditor to express an opinion on the fair presentation of its basic financial statements, the combining and individual non-major fund financial statements and schedules in conformity with generally accepted accounting principles.

The auditor is not required to audit the supporting schedules, the Management's Discussion and Analysis and the Budgetary Comparison contained in the Comprehensive Annual Financial Report should the Town determine that it wished to produce a CAFR. However, the auditor is to provide an "in-relation-to" report on the supporting schedules and information based on the auditing procedures applied during the audit of the basic financial statements and the combining and individual fund financial statements and schedules. The auditor is not required to audit the introductory section of the report or the statistical section of the report.

The auditor will be entirely responsible for the printing of 15 Audits/CAFRs that contain charts and graphs before December 31st each year for the previous fiscal year. A searchable PDF of the Audit/CAFR that is able to be posted on EMMA and the Town website will be provided to the Town at that time.

### **D. Auditing Standards to be Followed**

To meet the requirements of this RFP, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the U.S. Comptroller General's Government Auditing Standards as amended 2011), the provisions of the Single Audit Act of 1984, as amended in 1996, the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments and Non-profit Organizations, and in conjunction and conformity with sections 4-230 through 4-236 of the *Connecticut General Statutes* (the State Single Audit Act.), and Governmental Accounting Standards Board Statements in effect at the time of audit.

### **E. Reports to be Issued by the Auditor**

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue, as required by generally accepted auditing standards, and *Government Auditing standards*, *OMB Circular A-133*, and the *Connecticut General Statutes*, including but not limited to the following:

- Audit or a Comprehensive Annual Financial Report (15 copies) plus a searchable pdf of the document
- Municipal Audit Questionnaire for Submission to the State Office of Policy and Management
- Circular A-133, Federal Single Audit Report (15 copies) plus a searchable electronic report in pdf
- State Single Audit Report (15 copies) plus a searchable electronic report in pdf
- Management Letter (15copies)
- ED001 Certification for the Board of Education
- A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
- A report on compliance and on internal control over financial reporting based on an audit performed in accordance with *Government Auditing Standards*.
- A report on the Schedule of Expenditures of Federal Financial Assistance.
- A report on the Supplementary Schedule of State Financial Assistance.
- A report on the internal control over compliance in accordance with the State Single Audit Act.

- A report on compliance with the general requirements applicable to state financial assistance programs.
- A report on compliance with specific requirements applicable to major state financial assistance programs.

The auditor shall communicate in a letter to the Board of Finance 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 statement.

The auditor shall have the following reporting responsibilities:

1. Reportable conditions - If the auditor becomes aware of deficiencies in the design and operations of the Town's internal control structure, these deficiencies, must be brought to the attention of the management and those charged with governance. At a minimum, the auditor should use SAS No. 115 to identify and evaluate control deficiencies during an audit. As set forth in SAS No. 115, Communication of Internal Related Matters Identified in an Audit, GAGAS requires reportable conditions to be included in the auditors' report on the Town's internal control structure. The auditor should use the definition of significant deficiency and a material weakness as defined in SAS No. 115.
2. Nonmaterial instances of noncompliance – GAGAS requires that all material instances of noncompliance with applicable laws and regulations be included in the auditors' report on compliance. GAGAS also requires that non-material instances of noncompliance be reported to the Audit Committee (Board of Finance), in writing. Since the Town is subject to the provisions of the Federal Single Audit Act, OMB Circular A-133 requires the auditor to include all instances of non-compliance in its report. Reportable conditions that are also material weaknesses, non-reportable conditions, material instances of noncompliance and all instances of noncompliance, as required by OMB Circular A-133, should be included in the Management Letter.
3. Errors and irregularities, etc. - The auditor's responsibilities for reporting errors and irregularities are set forth in SAS No. 99, Consideration of Fraud in a Financial Statement Audit. The auditor will also be required to report any indications of abnormalities, non-recurring or extraordinary items or one-time changes in the pattern of Town expenditures or procedures to the Board of Finance, in writing.
4. Illegal acts and indications of illegal acts – The auditor's responsibilities for reporting illegal acts and indications of illegal acts are set forth in SAS No. 54, Illegal Acts by Clients. Additional reporting responsibilities for GAGAS audits are set forth in the GAO's yellow book. GAGAS require the auditor who becomes aware of illegal acts or indications of illegal acts to promptly report them to both the First Selectman and the Board of Finance simultaneously. Also, when illegal acts or indications of illegal acts involve funds received from another government, the auditor must assure himself that the audited government has properly notified the officials of the donor government, including officials of the donor government's audit organization. If the audit government does not notify the donor government in a reasonable time, GAGAS requires the auditor to inform the donor government directly. GAGAS also requires that all notifications of illegal acts or indications of illegal acts be made in writing.
5. Other matters to be brought to the Board of Finance attention - The auditor's responsibilities under GAGAS include significant accounting policies, management judgments and accounting estimates, significant audit adjustments, disagreements with management, consultations with other accountants, major issues discussed with management prior to retention, difficulties encountered in performing the

audit, a written list and explanation of all adjustments made to the financial reports and Management Letter between its draft and final issuance. The Town requires that the auditor communicate in writing to the Board of Finance.

#### **E. Special Considerations**

1. If the Town intends to send a Comprehensive Annual Financial Report to the Government Finance Officers Association for review in its Certificate of Achievement for Excellence in Financial Reporting program in a timely manner, the Town will not allow an extension on submission for this program.
2. The schedule of federal and state financial assistance and related auditor's reports, as well as the reports on the internal control structure and compliance, are to be issued separately from the Comprehensive Annual Financial Report.
3. During the course of the contract period, the Town will likely prepare several official statements in connection with the sale of debt securities which will contain the basic financial statements and the auditor's opinion thereon. The auditor shall be required, if requested by the fiscal advisor and/or the underwriter, to issue a "consent and citation of expertise" as the auditor and any necessary "comfort letters."

#### **G. 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 five (5) years, unless the firm is notified in writing by the Town of the need to extend the retention period. The auditor will be required to make working papers available, upon request by the Town. In accordance with the requirements of Government Auditing Standards and of the Single Audit Act Amendments of 1996, the auditor is required to provide access to the working papers and photocopies thereof to a federal agency or the Comptroller General of the United States upon their request for their regulatory oversight purposes. If such a request is made, the auditor will inform the Chief Financial Officer prior to providing such access.

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.

#### **H. Other Audit Services**

Periodically, the Town may have separate audits performed. The auditor will be expected to perform these audits and any other audit services requested by the Town outside of the standard audit at the hourly rate stated in Appendix A.

#### **I. Implied Requirements**

All services not specifically mentioned in this RFP that are necessary to provide the functional capabilities described by the auditor shall be included in the Scope of Services.

### **V. TIME REQUIREMENTS**

#### **A. Proposal Calendar**

The following time schedule has been established for the processes governing this RFP:

December 10 <sup>th</sup> , 2021	Distribute RFP, Publish in <u>local publications</u> and the Town's Website
January 21 <sup>st</sup> , 2022 (11:00 am)	Proposals MUST be received by the Finance Dept.
February 8 <sup>th</sup> , 2022	Board of Finance will choose two or three finalists
February 21 <sup>st</sup> through 25 <sup>th</sup> , 2022	Oral Presentations to the Board of Finance
March 7 <sup>th</sup> , 2022	Board of Finance presents finalist to Board of Selectmen
June, 2022	Audit work begins

## VI. GENERAL AND SPECIFIC PROPOSAL REQUIREMENTS

### **A. General Requirements**

Inquiries - Inquiries concerning the RFP must be made to:

Town of Wilton  
 238 Danbury Road  
 Wilton, Connecticut 06897  
 Attn: Anne Kelly-Lenz, CFO  
 (203) 563-0128  
 (203) 563-0299 (Fax)  
[anne.kelly-lenz@wiltonct.org](mailto:anne.kelly-lenz@wiltonct.org)

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

### **B. Specific Requirements**

#### 1. Submission of Proposals.

The following material is required to be received by the Submission Deadline in order for a proposing firm to be considered.

- **Title Page**  
 Title page showing the RFP' subject; the firm's name; the name, address and telephone number of a contact person; and the date of the proposal.
- **Table of Contents**
- **Transmittal Letter**  
 A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to

be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for the period covered.

- **Detailed Proposal**

The detailed proposal should follow the order set forth in Section VI B of this RFP.

- **Executed Appendix A Proposer Guarantees and Proposer Warranties**
- **Completed Dollar Cost Proposal - Appendix B**

**The proposer shall submit an original and nine copies to the following address:**

**First Selectman's Office  
238 Danbury Road  
Wilton, CT 06897**

2. Independence.

The firm should provide an affirmative statement that it is independent of the Town 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 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 written notice of any professional relationships entered into during the period of this agreement.

3. Insurance Requirements.

Each proposal shall include a certification that the auditor holds current insurance policies meeting the requirements described in Appendix C.

4. License to Practice in Connecticut.

An affirmative statement should be included indicating that the firm and all key professional staff are properly qualified to practice in Connecticut.

5. Firm Qualifications and Experience.

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.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the last three (3) years. 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.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement as to whether that quality control review included a review of specific government engagements.

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

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. Indicate whether each such person is licensed to practice as a certified public accountant in Connecticut. 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 the staff over the term of the agreement will be assured.

The proposer should identify the extent to which its staff reflects the Town's commitment to 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 Town. However, in either case, the Town retains the right to approve or reject replacements. In addition, consultants and firm specialists mentioned in response to this RFP can only be changed with the express prior written permission of the Town, 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.

#### 7. 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 - 5) performed in the last five years that are similar to the engagement described in this RFP. 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.

#### 8. Specific 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 Section IV of this RFP. 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.

Proposers will be required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement.
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement.
- c. Sample size and the extent to which statistical sampling is to be used in the engagement.
- d. Extent of use of Electronic Data Processing software in the engagement.

- e. Type and extent of analytical procedures to be used in the engagement.
- f. Approach to be taken to gain and document an understanding of the internal control structure.
- g. Approach to be taken in determining laws and regulations that will be subject to audit test work.
- h. Approach to be taken in drawing audit samples for purposes of tests of compliance.

#### 9. 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.

#### 10. Report Format.

The proposal should include sample formats for required reports.

### **B. Dollar Cost Proposal**

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

The dollar cost proposal should contain all pricing information relative to performing either a simple audit or a CAFR as described in this RFP. 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 will not be responsible for expenses incurred in preparing and submitting the proposal. Such costs should not be included in the proposal.

#### 2. Fixed Fees by Category.

The dollar cost proposal should include a schedule of professional fees and expenses, presented in the format provided in the attachment (Appendix A), that supports the total all-inclusive price for either an Audit or a Comprehensive Annual Financial Report. Such price shall be held for a period of 90 days following the Submission Deadline.

The total all-inclusive maximum price to be proposed shall contain all direct and indirect costs including all out-of-pocket expenses.

#### 3. Rates for Additional Professional Services.

If it should become necessary for the Town to request the auditor to render any additional 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 and the firm. Any such additional work agreed to between the Town and the firm shall be performed at the same rates set forth in the schedule of fees (including hourly rates) and expenses included in the dollar cost proposal in Appendix A.

#### 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 proposal. Interim billings shall cover a period of not less than a



calendar month. Each proposer should indicate its proposed schedule of billing dates (i. e., monthly, bi-monthly, quarterly).

### **C. Procedural Matters**

#### **1. Pre-Audit Conference.**

The auditor shall meet with the Chief Financial Officer and her staff at a pre-audit conference to discuss the schedule of the audit and the information needed to complete the audit.

#### **2. Written Work Plan and Schedule.**

The auditor shall submit a written work plan and schedule for the audit to the Chief Financial Officer and her staff at a pre-audit conference to discuss the schedule of the audit and the information needed to complete the audit.

#### **3. Auditor Availability.**

The auditor shall be available to meet with elected or appointed Town officials, at their request and at their regular meeting times, typically between 7:30 p.m. and 8:30 p.m., to discuss the audit and any other related financial matters.

#### **4. Management Letter Draft before Final Publication.**

The auditor shall submit a draft of the Management letter to the Chief Financial Officer, the Director of Finance for the Board of Education and to the Board of Finance in advance of its final publication. These Town officials shall have the opportunity to respond to or to otherwise comment on the draft before it is published in its final format.

## **VII. EVALUATION PROCEDURES**

### **A. Selection Personnel**

Proposals submitted will be evaluated by Finance Department personnel and Board of Finance members.

### **B. Evaluation Criteria**

The following represent the principal selection criteria which will be considered during the evaluation process of proposals.

#### **1. Mandatory Elements**

- a. The audit firm is independent and licensed to practice in Connecticut.
- b. The audit firm's professional personnel have received adequate continuing professional education within the preceding three years.
- c. The firm has no conflict of interest with regard to any other work performed by the firm for the Town.
- d. The firm submits a copy of its most recent external quality control review report and the firm has a record of quality audit work.

- e. The firm adheres to the instructions in this RFP on preparing and submitting the proposal.
- f. The firm submits copies of at least three Annual Financial Reports issued by Connecticut municipalities in which their opinion is contained. One shall be a CAFR which has been awarded the GFOA Certificate of Achievement for Excellence in Financial Reporting.

## 2. Technical Qualifications

### a. Expertise and Experience

- 1. The firm's past experience and performance on comparable government engagements.
- 2. The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.
- 3. Experience with the preparation of federal and state financial assistance and related reports.
- 4. Experience in providing assistance to meet the requirements of the Certificate of Achievement for Excellence in Financial Reporting program.

### b. Audit Approach

- 1. Service Delivery Plan: Describe how the firm intends to conduct the financial report in the first year versus subsequent years. Describe the service delivery system including what will be done, by whom, how and where. Provide detail on staffing requirements. Describe how the services will be coordinated and monitored and how access to them will be ensured through entrance conferences, progress reporting, and exit conferences. Describe differences anticipated between conduct of an Audit versus a Comprehensive Annual Financial Report.

## 3. All-Inclusive Price

Cost will be a factor in the selection of an audit firm and type of report that is selected.

## **C. Oral Presentations**

During the evaluation process, the Board of Finance may, at their discretion, request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the Board of Finance may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

## **D. Final Selection**

Following notification of the firm selected, and contract approvals by both the Board of Finance and the Board of Selectmen, it is expected a contract will be executed between both parties before **MM/DD/2022**.

## **E. Right to Reject Proposals**

Submission of a proposal indicates acceptance by the firm of the conditions contained in this RFP unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the Town and the firm selected. The Town reserves the right without prejudice to reject any or all proposals or parts thereof for any reason, to negotiate changes to proposal terms and to waive minor inconsistencies with the RFP.

## **Appendix A**

## **Proposer Guarantees and Proposer Warranties**

### **Proposer Guarantees**

1. The proposer certifies it can and will provide and make available, at a minimum, all services set forth in Section IV, Nature of Services Required.

### **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 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 express prior written permission of the Town.
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

### FEE PROPOSAL

Name of firm \_\_\_\_\_

Location of office staffing the audit \_\_\_\_\_

Professional staff assigned to Wilton (Number) Audit \_\_\_\_\_ CAFR \_\_\_\_\_

Certified professional audit staff assigned to Wilton (Number) Audit \_\_\_\_\_ CAFR \_\_\_\_\_

Connecticut municipal audit clients: List fiscal year 2022 engagements for municipalities with populations of 15,000 or greater.

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#### Fees for Year 1: 2022

Classification	Audit			CAFR		
	Hours	Hourly Rate	Total	Hours	Hourly Rate	Total
Partners						
Managers						
Supervisory Staff						
Staff						
Other (specify)						
<b>Subtotal</b>						
Out of Pocket Expenses						
Meals and Lodging						
Transportation						
Other (specify):						
Total all-inclusive Maximum price for (FISCAL YEAR) audit						

Note: The rates quoted should not be presented as a general percentage of the standard hourly rates or as a gross deduction from the total all-inclusive maximum price.

## Fees for Year 2: 2023

Classification	Audit			CAFR		
	Hours	Hourly Rate	Total	Hours	Hourly Rate	Total
Partners						
Managers						
Supervisory Staff						
Staff						
Other (specify)						
<b>Subtotal</b>						
Out of Pocket Expenses						
Meals and Lodging						
Transportation						
Other (specify):						
Total all-inclusive Maximum price for (FISCAL YEAR) audit						

Note: The rates quoted should not be presented as a general percentage of the standard hourly rates or as a gross deduction from the total all-inclusive maximum price.

## Fees for Year 3: 2024

Classification	Audit			CAFR		
	Hours	Hourly Rate	Total	Hours	Hourly Rate	Total
Partners						
Managers						
Supervisory Staff						
Staff						
Other (specify)						
<b>Subtotal</b>						
Out of Pocket Expenses						
Meals and Lodging						
Transportation						
Other (specify):						
Total all-inclusive Maximum price for (FISCAL YEAR) audit						

Note: The rates quoted should not be presented as a general percentage of the standard hourly rates or as a gross deduction from the total all-inclusive maximum price.

## **APPENDIX C**

### **INSURANCE REQUIREMENTS**

The auditor shall obtain the insurance coverages described below and maintain such coverages for the life of the Agreement, from a company or companies with an A.M. Best rating of A- (VII) or better. All insurance shall be carried with insurers authorized to do business in the State of Connecticut. The insurance shall protect the Town from claims that may arise out of or result from the auditor's obligations under the Agreement or from the obligations of any subcontractor or any other person or entity directly or indirectly employed by the auditor or by anyone for whose acts said auditor may be liable. The auditor must require that all subcontractors, agents and assigns procure and maintain sufficient insurance protection. The auditor shall not commence work under the Agreement until all insurance required of the auditor has been procured and approved by the Town.

For each policy required by the Agreement, auditor shall, before the execution of the Agreement by the Town, provide the Town with certificates of insurance. auditor shall provide updated certificates of insurance at least thirty days before any renewal of any such coverage. The certificates shall require notice of cancellation to the Town according to policy provisions.

#### **1. Workers' Compensation:**

auditor shall provide workers compensation insurance required by law with employer's liability limits for at least the amounts of liability for bodily injury by accident of \$500,000 each accident and bodily injury by disease of \$500,000 including a waiver of subrogation.

#### **2. Commercial General Liability Insurance:**

Auditor shall provide commercial general liability insurance including products and completed operations and including XCU coverage if applicable. Limits shall be at least: Bodily injury & property damage coverage with an occurrence limit of \$1,000,000; Personal & advertising injury limit of \$1,000,000 per occurrence; General aggregate limit of \$2,000,000 (other than products and completed operations); Products and completed operations aggregate limit of \$2,000,000. Coverage will continue three years after the completion of the work.

- The policy shall name the Town as an additional insured and include ISO Form CG 2010 (04/13) and CG 2037 (04/13) or equivalent.
- The coverage will be provided on an occurrence basis and shall be primary and shall not contribute in any way to any insurance or self-insured retention carried by the Town.
- The policy shall contain a waiver of subrogation in favor of the Town.
- The coverage shall contain a broad form contractual liability endorsement or wording within the policy form to comply with the hold harmless and indemnity provision(s) of all agreements between the Town and the auditor.
- A per project aggregate limit of liability endorsement shall apply for any construction contract.
- Deductible and self-insured retentions shall be declared and are subject to the approval of the Town.

#### **3. Commercial Automobile Insurance:**

Auditor shall provide commercial automobile insurance for any owned, non-owned or hired autos, in the amount of \$1,000,000 each accident covering bodily injury and property damage on a combined single limit basis. The policy shall name the Town as an additional insured and provide a waiver of subrogation.

#### **4. Umbrella or Excess Liability Insurance:**

Auditor shall provide an umbrella or excess liability policy in excess (without restriction or limitation) of those limits and coverages described in items (1) through (3) above. Such policy shall contain limits of liability in the amount of \$5,000,000 each occurrence and \$5,000,000 in the aggregate. The Town reserves the right to require higher limits of umbrella or excess liability coverage depending on the scope of the Agreement.

5. Errors & Omissions Insurance:

If the Agreement is for professional services, the auditor shall provide errors & omissions insurance for liability resulting from the negligent performance of professional duties or operations. Such policy shall contain limits of liability in the amount of \$1,000,000 each claim and \$3,000,000 in the aggregate. The policy shall name the Town as an additional insured and provide a waiver of subrogation. Coverage written on a claims-made basis requires an extended reporting period of at least thirty six months post termination of agreement or completion of work, whichever occurs later.