

REQUEST FOR QUOTES (RFQ)

AUDIT SERVICES

The Town of Lisbon is accepting quotes from qualified independent Certified Public Accountants to perform municipal financial audits and prepare financial statements in accordance with generally accepted auditing standards (the standards set forth for financial audits in the General Accounting Office's (GAO) Government Auditing Standards, the provisions of the federal Single Audit Act of 1984 and US Office of Management and Budget (OMB) Circular A-128 Audits of State and Local Governments), for fiscal years December 31, 2021 through December 31, 2024. Fiscal years 2017, 2018, 2019 and 2020 had not had the accounting periods closed or reconciled nor had the Bank or Financial Accounts been balanced and reconciled. Supervisor Nelson is requesting a review and qualified opinion as to the condition of the four years financial records ending, December 31, 2017, 2018, 2019, 2020, budgets and financial records developed and implemented.

GENERAL INFORMATION

The Town fiscal year runs from January 1 through December 31. The Town has a total payroll of \$950,000 covering approximately 25 year round and 30 seasonal employees. Approved budgets for the most recent fiscal year (2023) are \$1,243,920 for the General Fund, \$2,090,391 for the Highway Fund, \$67,327 for the Library Fund, \$23,000 for the Water Fund, \$118,400 for the Sewer Fund.

Questions concerning this request are to be directed to:

William Nelson, Town Supervisor

Town of Lisbon

6963 County Rt 10

Lisbon, NY 13658

supervisor@townoflisbonny.org

315-323-6916

Electronic digitally signed pdf proposals will be accepted and shall be addressed to the Town of Lisbon Supervisor at email supervisor@townoflisbonny.org, or copies may be mailed to the above address, bearing on the outside the name of the proposer and "Proposal for Audit Services".

Proposals will become part of the Town's files without obligation on the Town's part.

COMPUTER SYSTEM

The Town utilized the following software for the specified applications:

- The Town had used Enhanced Business Computing Accounts Payable, Fund Accounting, Payroll, Cash Receipts, and General Ledger for fiscal years 2017, 2018, 2019, 2020; as noted above, the Bookkeeper had not reconciled or closed any bank accounts or accounting periods for those four years. For the closed fiscal years 2021 and 2022, the Town purchased, installed and utilizes Williamson Law Books Municipal Accounting, Payroll, Town Clerk, Water and Sewer District Billing, and Code Enforcement Software systems as well for all years moving forward. Fiscal years 2021 and 2022 are complete, reconciled, and all accounting, payroll, and bank accounts balanced and accounting periods closed.
- Town Clerk cash receipts and disbursements are Williamson Law Books for 2021 and 2022
- Tax Collection, Water & Sewer District Billing are Williamson law Books for 2021 and 2022
- The Justice Court utilizes SEI Justice Court software

PERIODS TO BE AUDITED

The Town operates on a calendar year basis. There has not been an audit of the Town financial records in a number of years, and we are requesting a review of the previous 4 years records to ensure that financial records were properly maintained and processes followed, and to develop a solid baseline for clean fiscal records for all financial records moving forward from fiscal year ending

12/31/2021. The first year to be audited/reviewed will be the calendar year ending December 31, 2021 and 2022. The proposal shall be for a review and audit of the past four years, 2017, 2018, 2019, 2020, and for fiscal years ending December 31, 2021 through December 31, 2024.

****** Note: Prioritization of audits:**

Fiscal years 2021 and 2022 priority one, with final audit reports to Supervisor by August 15, 2023. Fiscal years 2017, 2018, 2019 and 2020 reports to the Supervisor by September 30, 2023.

PERFORMANCE SPECIFICATIONS

1. The auditor shall conduct the examination in accordance with generally accepted government auditing standards (GAGAS) and procedures applicable to governmental units, as prescribed in the following documents:

- AICPA, Statements on Auditing Standards and Audits of State and Local Government Units;
- General Accounting Office, Standards for Audit of Governmental Organizations, Programs, Activities and Functions;
- Governmental Accounting, Auditing, and Financial Reporting (GAAFR);
- Governmental Generally Accepted Accounting Principles (GAAP);
- Governmental Accounting Standards Board Series (GASB); and
- Provisions of the Federal Single Audit Act Amendments of 1996 and Inspector General Act of 1978, as amended (if applicable).

2. The audit shall be a financial and compliance review of the following accounts. The following list is not all-inclusive.

- General Fund
- Highway fund
- Town Clerk Funds to include tax collection
- Water Fund
- Sewer Fund
- Capital/Grant Funds
- Justice Court funds and records

TYPICAL SCHEDULE FOR THE CALENDAR YEAR AUDIT

Entrance conference - The auditor will contact the Town Supervisor by phone, in person, or email to determine the dates of the audit and to discuss any pending issues, changes in laws, rules or regulations that would affect the operation of the Town of Lisbon. The auditor shall provide the Town of Lisbon a detailed audit plan and a list of all schedules to be prepared by the Town of Lisbon.

Field Work – For the future year audits, the Town of Lisbon will have requested records ready for audit no later than the end of the first full week of March each year or as requested. It is expected that fieldwork will begin no later than the first week of April. The Town staff will render assistance to the auditor and will respond to requests for information; provide all necessary books and records; provide any account analysis worksheets, computer report (s) on all activity on requested accounts. The Town will provide the auditor with a separate room, tables and chairs for the conduct of the audit. The auditor will be provided with access to telephone lines and photocopying facilities. The Town will assume all photocopy costs performed at Town Hall for the Town's audit.

Progress conference with the Town Supervisor shall be held at approximately the mid-point of field-work. The purpose of this meeting will be to summarize the results of the field work completed to date and to review significant findings.

Exit Conference with Town Supervisor and Town Board shall be held at the end of fieldwork. The purpose of this meeting will be to summarize the results of the fieldwork and to review significant findings.

Draft Reports - It is expected that the auditor shall complete fieldwork within four weeks of beginning fieldwork, or as agreed upon. The auditor shall have drafts of the audit report(s) and draft recommendations to management available for review by the Town Supervisor by the end of the first full week in June.

Final Report - The Town Supervisor will complete review of the draft audit report as expeditiously as possible. With the Town Supervisor, the auditor will complete the Management's Discussion & Analysis. It is expected that this process should take no more than four weeks. During that period, the auditor should be available for any meetings that may be necessary to discuss the audit reports. Once all issues for discussion are resolved and the MD&A is completed and submitted, the final signed report shall be delivered to the Town Supervisor. It is anticipated that this process will be completed and the final report delivered by July 15.

Six (6) signed copies of the final reports and 1 PDF file shall be delivered to the Town Supervisor.

REPORTS TO BE ISSUED

- 1. A letter report on the fair presentation of the financial status of all Town Funds in conformity with generally accepted accounting principles including GASB 34 requirements.
- 2. A Single Audit report on the schedule of federal financial assistance for the each calendar year
- 3. A final, unqualified auditor's report, or if qualified, specify why, and General Purposes Financial Statements with supporting schedules including:
 - A report on the internal control structure (as required by the Single Audit Act as revised and Governmental Auditing Standards) based on the auditor's understanding of the control structure (including federal financial assistance programs, if necessary) and assessment of control risk;
 - A report on compliance with applicable laws, regulations and internal practices and areas for strengthening internal controls and operating efficiencies.
 - The auditor shall communicate to management any reportable condition (defined as a significant deficiency in the design or operation of the internal control structure) found during the audit.
- 4. Reports of Management Letter
- 5. Annual Financial Condition Report

SCOPE OF SERVICES

1. The Town of Lisbon desires the auditor express an opinion on the fair presentation of its general purpose financial statements in conformity with generally accepted accounting principles for government entities as defined by the Government Accounting Standards Board (GASB). The Town also desires the auditor to express an opinion on the fair presentation of the combining and individual fund financial statements and schedules in conformity with GASB generally accepted accounting principles.

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. General Accounting Office's *Government Auditing Standards*; the provisions of the Single Audit Act of 1984 and the Single Audit Act Amendments of 1996 (when applicable); and the provisions of the U.S. Office of Management and Budget (OMB) 2 CFR, Chapter I, Chapter II, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. 2 of 4

The Town does not anticipate spending in excess of \$750,000 in federal awards and should not require an audit in accordance with the Single Audit Act of 1984. However, this is only anticipation and proposals should reflect the potential additional fees of an audit in accordance with the Single Audit Act of 1984.

It is expected that in determining the extent of test procedures, full consideration will be given to the apparent effectiveness of the system on internal accounting controls. The feasibility of recommendations for improvements in the accounting system and internal controls will be discussed during the course of the engagement. In the required report on internal control, the auditor shall communicate any reportable conditions found during the audit. Reportable conditions that are also

material weaknesses shall be identified as such in the report. Non-reportable conditions discovered by the auditors shall also be reported in a separate management letter, which shall include all instances of noncompliance.

At the conclusion of the audit, the auditor will meet with the Town Board to discuss the results of the audit and explain any findings that are included in the auditor's management letter.

1. All working papers and reports shall be retained for a minimum of five years, unless the firm is notified in writing by the Town of the need to extend the retention period. to audit its financial records, prepare financial statements, including the balance sheets of the Town's various fund types and account groups and the related statements of revenues, expenditures and changes in fund balance for the year ended, and shall include tests of the accounting records of the Town. Procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected customers, creditors and banks. The auditor shall express an opinion on the fair presentation of the financial statements in conformity with generally accepted accounting. The auditor shall review the system of internal control and provide recommendations in the form of a management letter.
2. If required, the auditor shall perform the audit and prepare reports pertaining to the Single Audit Act Amendments of 1996 and OMB Circular A-133.
3. The auditor will be required to provide ongoing consultation for compliance with GASB 34.
4. The working papers shall be retained for at least five (5) years and shall be available for examination by authorized representatives upon written request from the Town of Lisbon.
5. 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.
6. The auditor shall provide the Town Supervisor with the basic governmental fund financial statements and other supplemental schedules that were used to convert to the government-wide financial statements.
7. The auditor shall provide six (6) original paper copies of the financial statements and supplemental schedules. The auditor shall provide one copy of the original audit and reports in PDF format.
8. If requested by the Town Board a representative of the audit firm shall meet with the Town Board and Town Supervisor, to review audit results or to discuss changes in laws, rules, regulations and suggested practices that would affect the operation of the Town of Lisbon.
9. The firm shall also be responsible for answering inquiries from the Town Supervisor and Town Board throughout the year for each of the years covered by the contract.

REQUIREMENTS

1. Meet with Town Supervisor as appropriate, which may include final report presentation to the Town Board and follow up meeting with the Town Supervisor (if necessary) to review audit figures prior to tax rate setting;
2. be available for consultation telephone inquiries from Town staff during the course of the year. (Please specify any limitations);
3. Be properly licensed and certified public accountants in New York and meet independence standards;
4. Advise and inform through the term of the agreement on questions, practices and procedures for handling various accounting activities; and
5. Advise the Town of any significant changes in governmental accounting procedures, as they become aware of them as they may materially affect the financial statements and accounting procedures.

Any deviations from the above stated requirements must be so noted and any prices must be reflective of these changes.

TOWN 'S RESPONSIBILITIES

1. Have the year closed, balanced and ready for audit by March 1st annually and as agreed to by both parties;
2. Provide reasonable cooperation and information to conduct the audit;
3. Provide a location for auditors to work while performing the audit;
4. Authorize the firm to report immediately all findings of suspected fraud and/or embezzlement to the Town.
5. Provide copies of the prior year's financial statements and budgets; and
6. Provide detail listings of all assets, liability, fund balances and expense accounts as requested.

INSTRUCTIONS REGARDING PROPOSAL

Copies of your proposal will be accepted by William D Nelson, Town Supervisor, Lisbon, NY 13658 until 4:00 PM, Friday, March 24, 2023.

Proposals must include:

1. Qualifications of the Firm
 - a) A description of your firm and its relevant prior experience.
 - b) Resume of the partner (s) and manager (s) to be assigned to this engagement.
 - c) An affirmative statement should be included indicating that the firm and all assigned key professional staff are properly licensed to practice in New York.
2. Technical Approach
 - a) A tentative schedule for performing the key phases of the audit.
 - b) A brief description of the audit procedures to be followed, presented in a form which shall best aid the Town in evaluating your firm's ability to identify, evaluate, and communicate on local government financial problems.
3. Fees. The dollar cost quote shall include the following information:
 - a) Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the quote, and authorized to sign a contract with the Town of Lisbon.
 - b) An all-inclusive maximum price for each of the past four years and the three future (3) years of the engagement, and a total maximum price.
 - c) A separate cost for Single Audit Act.
 - d) Hourly rates for each partner, specialist, supervisory and staff level personnel assigned to the engagement, the anticipated number of hours for each and the extended price for each.
4. Manner of payment (The quote shall also include a schedule for professional fees and expenses that supports the total all-inclusive price for each of the past five years and the future three (3) years.
5. Specifically note any exceptions to the Request for Proposal (RFP) of the service to be provided by the firm, and/or any service to be provided by the firm not mentioned in the RFP;
6. Insurance Requirements: The firm awarded the contract shall maintain, at their own expense, during the life of the contract, insurance against professional liability in the amount of \$1,000,000. The firm shall also 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.

EVALUATION PROCEDURES

The Town shall evaluate the proposals on the basis of the qualifications, relevant expertise and experience, the audit approach, references, and responsiveness of the proposals, as well as the maximum fee for the engagement.

The Town reserves the right to negotiate with the individual firms and to request additional information. The Town reserves the right without prejudice to reject any and all proposals submitted. 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 Lisbon and the firm selected.

AWARD OF CONTRACT

The Town Supervisor will select a firm based on the evaluation process. The Town reserves the right to reject any or all proposals, and to request additional information or clarifications from proposers. At the discretion of the Town, firms submitting proposals may be requested to make oral presentations/interviews as part of the evaluation process at no cost to the Town Board.

**TOWN OF LISBON - APPENDIX A
REQUIREMENT OF FINANCIAL AUDIT SERVICE PROPOSAL**

The audit service proposals must include:

The audit firm's plan to provide audit services to the Town of Lisbon, including the methods of evaluating internal controls, testing transactions and balances, audit sampling techniques, compliance testing techniques, and a timetable for providing the requested audit services.

A commitment must be expressed by the audit firm to make every effort to provide the same personnel throughout the two year future engagement with Lisbon.

A schedule of all-inclusive fixed fees to be charged for each of the years ending December 31, 2017, December 31, 2018, December 31, 2019, December 31, 2020, December 31, 2021 December 31, 2022, December 31, 2023, December 31, 2024.

- Proposed Audit Fees for Year ending December 31, 2017 \$ _____
- Proposed Audit Fees for Year ending December 31, 2018 \$ _____
- Proposed Audit Fees for Year ending December 31, 2019 \$ _____
- Proposed Audit Fees for Year ending December 31, 2020 \$ _____
- Proposed Audit Fees for Year ending December 31, 2021 \$ _____
- Proposed Audit Fees for Year ending December 31, 2022 \$ _____
- Proposed Audit Fees for Year ending December 31, 2023 \$ _____
- Proposed Audit Fees for Year ending December 31, 2024 \$ _____

PROPOSAL FOR FINANCIAL AUDIT SERVICES

The undersigned has read, understands, and agrees to comply with the requirements contained in the Request for Proposal for Financial Audit Services. The undersigned submits this proposal in good faith and without collusion with any other person, individual or firm.

Name and Address of Firm:

Name, Title and Contact Information (phone, fax, email) of Authorized Representative:

Federal ID# _____

Signature of Authorized Representative:

Date
