

NOTE ON MODEL REQUEST FOR PROPOSALS

The following comprehensive model request for proposal (RFP) is designed to meet the needs of a wide variety of governments. Accordingly, the text of the RFP is clearly marked to indicate those portions that are designed to apply only to certain specific types of engagements.

Financial audits of state and local governments can be classified into one of three categories, depending on the standards that are to be followed in the engagement. These categories can be described briefly as follows:

- (1) audits performed in accordance with generally accepted auditing standards (GAAS).
- (2) audits performed in accordance with GAAS and the standards for financial audits set forth in the U.S. General Accounting Office's (GAO) *Government Auditing Standards* (1994).
- (3) single audits, i.e., audits performed in accordance with GAAS, the standards for financial audits set forth in the GAO's *Government Auditing Standards* (1994), the provisions of the federal Single Audit Act of 1984 (as amended in 1996) and U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Throughout the model RFP, specialized language proper to only one or two of these categories is labelled appropriately, i.e., (1), (2), or (3).

In using the model RFP, governments should strive to eliminate any paragraphs clearly inapplicable to their specific situation. For example, a government that does not participate in a pension plan or does not have an internal audit function should eliminate those paragraphs from the RFP. Nevertheless, in most instances the size of a government makes little difference to the type of information needed by proposers and governments in the audit procurement process. Accordingly, the RFP of a small government is likely to have many common features with the RFP of a large government. On the other hand, the degree of detail needed is often considerably less for smaller engagements than for larger ones. Therefore, small governments are advised to reduce the size of their RFPs by keeping detail to a minimum rather than by eliminating certain information altogether.

EXHIBIT A - MEMORANDUM OF NOTIFICATION TO POTENTIAL BIDDERS

[NAME OF GOVERNMENT LETTERHEAD]

DATE:[DATE]

TO: Invited Parties

FROM: [NAME OF OFFICIAL, TITLE]

SUBJECT: Professional Auditing Services

The [NAME OF GOVERNMENT] is soliciting proposals from qualified firms of certified public accountants to audit the [NAME OF GOVERNMENT]'s financial statements for the fiscal year ending [DATE], with the option of auditing the [NAME OF GOVERNMENT]'s financial statements for the [NUMBER] subsequent fiscal years. Audit firms expressing interest will be provided with a copy of a request for proposal (RFP).

Please indicate your interest in receiving a copy of the RFP by making a request in writing to the following address by [DATE].

[NAME OF OFFICIAL]
AUDIT COMMITTEE
[ADDRESS]

All questions and correspondence should be directed to [NAME OF OFFICIAL] in writing at the above address or by calling [TELEPHONE NUMBER]. Contact with [NAME OF GOVERNMENT] personnel other than [NAME OF OFFICIAL] regarding this RFP may be grounds for elimination from the selection process.

EXHIBIT B - MEMORANDUM OF INSTRUCTION TO AUDIT FIRMS REQUESTING RFPs

[NAME OF GOVERNMENT LETTERHEAD]

DATE:[DATE]

TO: Audit Firms Having Expressed Interest in Responding to a Request for Proposals

FROM: [NAME OF OFFICIAL, TITLE]

SUBJECT: Notification of Interest

The [NAME OF GOVERNMENT] is soliciting proposals from qualified firms of certified public accountants to audit the [NAME OF GOVERNMENT]'s financial statements for the fiscal year ending [DATE], with the option of auditing the [NAME OF GOVERNMENT]'s financial statements for the [NUMBER] subsequent fiscal years. Enclosed for your consideration is a Request for Proposal (RFP).

To be considered for this engagement, your firm must meet the qualifications and satisfy the requirements set forth in the RFP. Please indicate your intent to submit a proposal by completing the attached Notification of Interest and returning it to the address listed below by [DATE].

[NAME OF OFFICIAL]
AUDIT COMMITTEE
[ADDRESS]

Completed proposals must be received at that address by [TIME] ON [DATE].

Please note that a preproposal conference is scheduled at [TIME] on [DATE] in our offices located at [ADDRESS] to respond to any questions you may have about the RFP.

All questions and correspondence should be directed to [NAME OF OFFICIAL] in writing at the above address or by calling [TELEPHONE NUMBER]. Contact with [NAME OF GOVERNMENT] personnel other than [NAME OF OFFICIAL] regarding this RFP may be grounds for elimination from the selection process.

EXHIBIT C - NOTIFICATION OF INTEREST

[ACCOUNTING FIRM'S LETTERHEAD]

[NAME OF OFFICIAL]
AUDIT COMMITTEE
[ADDRESS]

NOTIFICATION OF INTEREST

Dear [NAME OF OFFICIAL]

Our firm is interested in submitting a proposal to audit the [NAME OF GOVERNMENT]'s financial statements for the fiscal year ending [DATE], with the option of auditing the [NAME OF GOVERNMENT]'s financial statements for the [NUMBER] subsequent fiscal years, as set forth in the request for proposal (RFP) dated [DATE].

[SELECT ONE OF THE FOLLOWING PARAGRAPHS]

We plan to have [NUMBER] representatives attend a preproposal conference for firms interested in submitting proposals. The preproposal conference will be held on [DATE] in your office.

-OR-

We will be unable to send representatives to the preproposal conference, but we are interested in receiving further correspondence concerning inquiries made or other items discussed at that conference.

Yours very truly,

[AUDIT FIRM]

EXHIBIT D - MODEL REQUEST FOR PROPOSALS AND ATTACHMENTS

[NAME OF GOVERNMENT]

AUDIT COMMITTEE

REQUEST FOR PROPOSALS

FOR

PROFESSIONAL AUDITING SERVICES

[DATE]

[ADDRESS OF GOVERNMENT]

[NAME OF GOVERNMENT]

REQUEST FOR PROPOSALS

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[NAME OF GOVERNMENT]
REQUEST FOR PROPOSALS

I. INTRODUCTION

A. General Information

The [NAME OF GOVERNMENT] is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending [DATE], with the option of auditing its financial statements for each of the [NUMBER] subsequent fiscal years. These audits are to be performed in accordance with

SELECT ONE OF THE FOLLOWING THREE OPTIONS BASED ON THE TYPE OF AUDIT BEING REQUESTED:

(1) generally accepted auditing standards

OR

(2) generally accepted auditing standards and the standards for financial audits set forth in the U.S. General Accounting Office's (GAO) *Government Auditing Standards* (1994)

OR

(3) generally accepted auditing standards, the standards set forth for financial audits in the General Accounting Office's (GAO) *Government Auditing Standards* (1994), the provisions of the federal Single Audit Act of 1984 (as amended in 1996) and U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

as well as the following additional requirements:

**LIST APPLICABLE FEDERAL, STATE, LOCAL OR PROGRAMMATIC
AUDIT REQUIREMENTS**

There is no expressed or implied obligation for the [NAME OF GOVERNMENT] to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

A preproposal conference for all the firms interested in submitting a proposal will be held at [TIME] on [DATE] at [ADDRESS] in [ROOM] to answer questions about the engagement. After this preproposal conference, any inquiries concerning the request for proposals should be addressed to [NAME OF OFFICIAL]. All interested audit firms will be provided with a copy of the minutes of the preproposal conference by [DATE].

To be considered, [NUMBER] copies of a proposal must be received by [NAME OF OFFICIAL] at [ADDRESS] by [TIME] on [DATE]. The [NAME OF GOVERNMENT] reserves the right to reject any or all proposals submitted.

Proposals submitted will be evaluated by a [NUMBER] member Audit Committee selected by the [NAME OF GOVERNING BODY], consisting of

DESCRIBE THE COMPOSITION OF THE AUDIT COMMITTEE

During the evaluation process, the Audit Committee and the [NAME OF GOVERNMENT] reserve the right, where it may serve the [NAME OF GOVERNMENT]'s best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. At the discretion of the [NAME OF GOVERNMENT] or the Audit Committee, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The [NAME OF GOVERNMENT] 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 [NAME OF GOVERNMENT] and the firm selected.

It is anticipated the selection of a firm will be completed by [DATE]. Following the notification of the selected firm it is expected a contract will be executed between both parties by [DATE].

B. Term of Engagement

A [NUMBER]-year contract is contemplated, subject to the annual review and recommendation of the Audit Committee, the satisfactory negotiation of terms (including a price acceptable to both the [NAME OF GOVERNMENT] and the selected firm), the concurrence of the [NAME OF GOVERNING BODY] and the annual availability of an appropriation.

C. Subcontracting

Firms submitting proposals are encouraged to consider subcontracting portions of the engagement to small audit firms or audit firms owned and controlled by socially and economically disadvantaged individuals. If this is to be done, that fact, and the name of the proposed subcontracting firms, must be clearly identified in the proposal. Following the award of the audit contract, no additional subcontracting will be allowed without the express prior written consent of the [NAME OF GOVERNMENT].

II. NATURE OF SERVICES REQUIRED

A. General

The [NAME OF GOVERNMENT] is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal year ending [DATE], with the option to audit the [NAME OF GOVERNMENT]'s financial statements for each of the [NUMBER] subsequent fiscal years. These audits are to be performed in accordance with the provisions contained in this request for proposals.

B. Scope of Work to be Performed

The [NAME OF GOVERNMENT] desires the auditor to express an opinion on the fair presentation of its general purpose financial statements in conformity with generally accepted accounting principles.

THE FOLLOWING LANGUAGE SHOULD BE ADDED IF A FULL-SCOPE AUDIT IS BEING OBTAINED FOR A COMPREHENSIVE ANNUAL FINANCIAL REPORT:

The [NAME OF GOVERNMENT] also desires the auditor to express an opinion on the fair presentation of its combining and individual fund and account group financial statements and schedules in conformity with generally accepted accounting principles. The auditor is not required to audit the supporting schedules contained in the comprehensive annual financial report. However, the auditor is to provide an "in-relation-to" opinion on the supporting schedules based on the auditing procedures applied during the audit of the general purpose financial statements and the combining and individual fund financial statements and schedules. The auditor is not required to audit the statistical section of the report.

THE FOLLOWING LANGUAGE SHOULD BE ADDED BY GOVERNMENTS ISSUING A COMPREHENSIVE ANNUAL FINANCIAL REPORT, BUT THAT ONLY DESIRE AN AUDIT OF THE GENERAL PURPOSE FINANCIAL STATEMENTS:

The auditor is not required to audit the combining and individual fund and account group financial statements and supporting schedules. However, the auditor is to provide an "in-relation-to" report on the combining and individual fund financial statements and supporting schedules based on the auditing procedures applied during the audit of the general purpose financial statements. The auditor is not required to audit the statistical section of the report.

THE FOLLOWING LANGUAGE SHOULD BE ADDED BY GOVERNMENTS PRESENTING REQUIRED SUPPLEMENTARY INFORMATION REQUIRED BY THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD:

The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

THE FOLLOWING LANGUAGE SHOULD BE ADDED BY

GOVERNMENTS OBTAINING SINGLE AUDITS:

The auditor is not required to audit the schedule of expenditures of federal awards. However, the auditor is to provide an "in-relation-to" report on that schedule based on the auditing procedures applied during the audit of the financial statements.

C. Auditing Standards To Be Followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with:

SELECT ONE OF THE FOLLOWING BASED ON THE TYPE OF AUDIT BEING REQUESTED:

- (1) generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants;

- OR -

- (2) generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants and the standards for financial audits set forth in the U.S. General Accounting Office's *Government Auditing Standards* (1994)

- OR -

- (3) generally accepting 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* (1994), the provisions of the Single Audit Act of 1984 (as amended in 1996) and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, Audits of State and Local Governments.

LIST ANY ADDITIONAL FEDERAL, STATE OR LOCAL AUDIT REQUIREMENTS THAT MAY BE APPLICABLE

D. Reports to be Issued

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

SELECT ONE OF THE FOLLOWING BASED ON THE TYPE OF AUDIT BEING REQUESTED

- (1) A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.

- OR -

- (2) 1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.

2. A report on compliance and internal control over financial reporting based on an audit of the financial statements

- OR -

- (3) 1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles, including an opinion on the fair presentation of the supplementary schedule of expenditures of federal awards "in relation to" the audited financial statements.

2. A report on compliance and internal control over financial reporting based on an audit of the financial statements

3. A report on compliance and internal control over compliance applicable to each major federal program.

SELECT ONE OF THE FOLLOWING BASED ON THE TYPE OF AUDIT BEING REQUESTED:

- (1) The auditor shall communicate in a letter to management 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 statements. In addition, the following conditions shall be considered reportable:

LIST ANY OTHER CONDITIONS THAT THE GOVERNMENT WISHES TO BE CONSIDERED AS REPORTABLE CONDITIONS FOR PURPOSES OF THE AUDIT. SUCH CONDITIONS COULD RELATE TO STATE OR LOCAL REQUIREMENTS OR SPECIFIC MATTERS OF CONCERN IDENTIFIED BY THE GOVERNING BODY, MANAGEMENT OR THE AUDIT COMMITTEE.

- OR -

- (2)/(3) In the required report[s] on compliance and internal controls, the auditor shall communicate 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 statements. In addition, the following conditions shall be considered reportable:

LIST ANY OTHER CONDITIONS THAT THE GOVERNMENT WISHES TO BE CONSIDERED AS REPORTABLE CONDITIONS FOR PURPOSES OF THE AUDIT. SUCH CONDITIONS COULD RELATE TO STATE OR LOCAL REQUIREMENTS OR SPECIFIC MATTERS OF CONCERN IDENTIFIED BY THE GOVERNING BODY, MANAGEMENT OR THE AUDIT COMMITTEE.

Reportable conditions that are also material weaknesses shall be identified as such in the report. Nonreportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the report[s] on compliance and internal controls.

FOR TYPE (2) OR TYPE (3) ENGAGEMENTS, THE FOLLOWING LANGUAGE SHOULD BE ADDED:

- (2) The report on compliance and internal controls shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall be reported in a separate management letter, which shall be referred to in the report on compliance and internal controls.

- OR -

- (3) The reports on compliance and internal controls shall include all instances of noncompliance.

Irregularities and illegal acts. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts

FOR TYPE (2) OR TYPE (3) ENGAGEMENTS, THE FOLLOWING LANGUAGE SHOULD BE ADDED:

or indications of illegal acts

of which they become aware to the following parties:

LIST OR DESCRIBE THE PARTIES TO BE INFORMED OF IRREGULARITIES OR ILLEGAL ACTS, INCLUDING TOP GOVERNMENT OFFICIALS, THE AUDIT COMMITTEE (OR ITS EQUIVALENT), THE OVERSIGHT BODY AND GRANTORS.

Reporting to the audit committee. Auditors shall assure themselves that the [NAME OF GOVERNMENT]'s audit committee is informed of each of the following:

1. The auditor's responsibility under generally accepted auditing standards
2. Significant accounting policies
3. Management judgments and accounting estimates
4. Significant audit adjustments
5. Other information in documents containing audited financial statements

6. Disagreements with management
 7. Management consultation with other accountants
 8. Major issues discussed with management prior to retention
 9. Difficulties encountered in performing the audit
- E. Special Considerations

INCLUDE ONLY THOSE INSTRUCTIONS APPLICABLE TO THE ENGAGEMENT.

1. The financial statements of the [NAME OF GOVERNMENT] are included as a component unit of the financial statements of the [NAME OF OVERSIGHT UNIT]. It is anticipated that the auditor [will/will not] be required to provide special assistance to the [NAME OF OVERSIGHT UNIT]'s auditors.
2. The [NAME OF GOVERNMENT] will send its comprehensive annual financial report to the Government Finance Officers Association of the United States and Canada for review in their Certificate of Achievement for Excellence in Financial Reporting program. It is anticipated that the auditor [will/will not] be required to provide special assistance to the [NAME OF GOVERNMENT] to meet the requirements of that program.
3. The [NAME OF GOVERNMENT] currently anticipates it will prepare one or more official statements in connection with the sale of debt securities which will contain the general purpose financial statements and the auditor's report 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."
4. The [NAME OF GOVERNMENT] has determined that the United States Department of [Name] will function as the cognizant agency in accordance with the provisions of the Single Audit Act of 1984 (as amended in 1996) and U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.
5. The Schedule of Expenditures of Federal Awards and related auditor's report, as well as the reports on compliance and internal controls are

SELECT ONE OF THE FOLLOWING:

to be issued as part of the comprehensive annual financial report.

- OR -

not to be included in the comprehensive annual financial report, but are to be issued separately.

-
6. A list of findings and other weaknesses from the [NAME OF GOVERNMENT]'s most recent financial statement audit, as well as a list of findings from internal audits conducted during the most recent fiscal period to be audited, are attached to this document (Appendix A). Of those findings and other weaknesses, management believes that the following have not been resolved:

LIST UNRESOLVED FINDINGS AND WEAKNESSES FROM THE MOST RECENT FINANCIAL AUDIT AND FROM INTERNAL AUDITS CONDUCTED DURING THE FISCAL PERIOD TO BE AUDITED. CORRECTIVE ACTION PLANS SHOULD ALSO BE ATTACHED, IF AVAILABLE.

7. Difficulties are anticipated in implementing and complying with the following specific reporting requirements recently mandated by the GASB:

[NAME OF GASB PRONOUNCEMENT]
[SPECIFIC PROVISIONS THAT MAY CAUSE DIFFICULTIES]
[CAUSE OF ANTICIPATED DIFFICULTIES]

The [NAME OF GOVERNMENT] [will/may] require the auditor's assistance to comply with these reporting requirements.

F. 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 three (3) years, unless the firm is notified in writing by the [NAME OF GOVERNMENT] of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:

LIST THE FOLLOWING, AS APPROPRIATE:

[NAME OF GOVERNMENT]

[NAME OF COGNIZANT AGENCY]

U.S. General Accounting Office (GAO)

Parties designated by the federal or state governments or by the [NAME OF GOVERNMENT] as part of an audit quality review process

Auditors of entities of which the [NAME OF GOVERNMENT] is a subrecipient of grant funds

Auditors of entities of which the [NAME OF GOVERNMENT] is a component unit

LIST OTHER PARTIES TO BE PROVIDED ACCESS TO THE WORKING PAPERS

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.

III. DESCRIPTION OF THE GOVERNMENT

- A. Name and Telephone Number of Contact Persons/Organizational Chart/Location of Offices

The auditor's principal contact with the [NAME OF GOVERNMENT] will be [NAME OF OFFICIAL AND TITLE], or a designated representative, who will coordinate the assistance to be provided by the [NAME OF GOVERNMENT] to the auditor.

An organizational chart (Appendix B) and a list of key personnel with the location of their principal offices (Appendix C) are attached.

- B. Background Information

The [NAME OF GOVERNMENT] serves an area of [NUMBER] square miles with a population of [NUMBER]. The [NAME OF GOVERNMENT]'s fiscal year begins on [DATE] and ends on [DATE].

The [NAME OF GOVERNMENT] provides the following services to its citizens:

BRIEFLY LIST SERVICES PROVIDED BY THE GOVERNMENT TO ITS CITIZENS

The [NAME OF GOVERNMENT] has a total payroll of [AMOUNT] covering [NUMBER] employees.

The [NAME OF GOVERNMENT] is organized into [NUMBER] departments and agencies. The accounting and financial reporting functions of the [NAME OF GOVERNMENT] are [centralized/decentralized].

More detailed information on the government and its finances can be found in

LIST AVAILABLE DOCUMENTS (E.G., BUDGET DOCUMENT, OFFICIAL STATEMENTS, ANNUAL FINANCIAL REPORTS, POLICIES AND PROCEDURES MANUALS) AND THEIR LOCATION. ALSO LIST A CONTACT PERSON AND TELEPHONE NUMBER TO OBTAIN ACCESS TO THOSE DOCUMENTS.

C. Fund Structure

The [NAME OF GOVERNMENT] uses the following fund types and account groups in its financial reporting:

<u>Fund Type/Account Group</u>	<u>Number of Individual Funds</u>	<u>Number With Legally Adopted Annual Budgets</u>
General fund	_____	_____
Special revenue funds	_____	_____
Debt service funds	_____	_____
Capital projects funds	_____	_____
Enterprise funds	_____	_____
Internal service funds	_____	_____
Expendable trust funds	_____	_____
Nonexpendable trust funds	_____	_____
Pension trust funds	_____	_____
Agency funds	_____	_____
General fixed assets account group	_____	NA
General long-term debt account group	_____	NA

D. Budgetary Basis of Accounting

The [NAME OF GOVERNMENT] [prepares/does not prepare] its budgets on a basis consistent with generally accepted accounting principles.

IF THE GOVERNMENT DOES NOT PREPARE ITS BUDGETS ON A

BASIS CONSISTENT WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, DESCRIBE THE BUDGETARY BASIS OF ACCOUNTING.

E. Federal and State Awards

During the fiscal year to be audited, the [NAME OF GOVERNMENT] received the following :

LIST ALL FEDERAL AND STATE AWARDS. FEDERAL AWARDS PROGRAMS SHOULD BE IDENTIFIED BY THEIR *CATALOG OF FEDERAL DOMESTIC ASSISTANCE* NUMBER. ANY KNOWN MAJOR FEDERAL AWARDS PROGRAMS SHOULD BE IDENTIFIED.

F. Pension Plans

The [NAME OF GOVERNMENT] participates in the following pension plans:

	<u>Multiple-Employer</u>	<u>Single-Employer</u>
	Cost-	Defined Defined
<u>Plan</u>	<u>Sharing Agent</u>	<u>Benefit Contrib.</u>

COMPLETE TABLE WITH APPROPRIATE INFORMATION

Actuarial services for these plans are provided by [NAME OF ACTUARIAL FIRM].

G. Component Units

The [NAME OF GOVERNMENT] is defined, for financial reporting purposes, in conformity with the Governmental Accounting Standards Board's *Codification of Governmental Accounting and Financial Reporting Standards*, Section 2100. Using these criteria, component units [are/are not] included in the [NAME OF GOVERNMENT]'s financial statements.

THE FOLLOWING LANGUAGE SHOULD BE ADDED IF THE FINANCIAL STATEMENTS INCLUDE COMPONENT UNITS.

The management of the [NAME OF GOVERNMENT] identified the following component units for inclusion in the [NAME OF GOVERNMENT]'s financial statements:

[NAME OF COMPONENT UNIT]
LIST SERVICES PROVIDED
[FISCAL YEAR END OF COMPONENT UNIT]

IF A COMPONENT UNIT IS AUDITED BY ANOTHER AUDITOR, PROVIDE THE FOLLOWING INFORMATION:

[NAME OF AUDITOR]
[DATE OF REPORT TO BE ISSUED]

The auditors of the [NAME OF COMPONENT UNIT] are contractually obligated to provide information needed for the audit of the [NAME OF GOVERNMENT].

IF A COMPONENT UNIT IS TO BE AUDITED AS PART OF THIS ENGAGEMENT, PROVIDE THE FOLLOWING INFORMATION:

[NAME OF CONTACT OFFICIAL]
[ADDRESS]
[TELEPHONE NUMBER]
[LOCATION OF RECORDS]

This component unit is to be audited as part of the audit of the [NAME OF GOVERNMENT]'s financial statements.

THE FOLLOWING LANGUAGE SHOULD BE ADDED IF THE GOVERNMENT HAS NOT INCLUDED A POTENTIAL COMPONENT UNIT IN ITS FINANCIAL STATEMENTS:

The management of the [NAME OF GOVERNMENT] has determined that the following potential component units should not be included in the [NAME OF GOVERNMENT]'s financial statements for the following reasons:

<u>Potential Component Unit</u>	<u>Reason for Exclusion</u>
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COMPLETE TABLE WITH APPROPRIATE INFORMATION

H. Joint Ventures

The [NAME OF GOVERNMENT] [does/does not] participate in joint ventures with other governments.

INCLUDE THE FOLLOWING CHART IF THE GOVERNMENT DOES PARTICIPATE IN JOINT VENTURES WITH OTHER GOVERNMENTS:

NAME OF JOINT VENTURE NAME OF OTHER PARTICIPATING GOVERNMENT(S) TYPE OF SERVICES PROVIDED

COMPLETE TABLE WITH APPROPRIATE INFORMATION

I. Magnitude of Finance Operations

The finance department is headed by [NAME OF OFFICIAL AND TITLE] and consists of [NUMBER] of employees. The principal functions performed and the number of employees assigned to each are as follows:

Function Number of Employees

COMPLETE TABLE WITH APPROPRIATE INFORMATION.

J. Computer Systems

Hardware

Type of Equipment Number Make of Equipment Networked?

COMPLETE TABLE WITH APPROPRIATE INFORMATION

Software

Make Vendor Major Applications

Selected firm notified [DATE]

Contract date [DATE]

C. Date Audit May Commence

The [NAME OF GOVERNMENT] will have all records ready for audit and all management personnel available to meet with the firm's personnel as of [date]

D. Schedule for the [YEAR] Fiscal Year Audit (A similar time schedule will be developed for audits of future fiscal years if the [NAME OF GOVERNMENT] exercises its option for additional audits).

Each of the following should be completed by the auditor no later than the dates indicated.

1. Interim Work

The auditor shall complete interim work by [DATE].

2. Detailed Audit Plan

The auditor shall provide [NAME OF GOVERNMENT] by [DATE] both a detailed audit plan and a list of all schedules to be prepared by the [NAME OF GOVERNMENT].

3. Fieldwork

The auditor shall complete all fieldwork by [DATE]

4. Draft Reports

The auditor shall have drafts of the audit report[s] and recommendations to management available for review by the Audit Committee and the chief financial officer by [DATE].

E. Entrance Conferences, Progress Reporting and Exit Conferences (A similar time schedule will be developed for audits of future fiscal years if the [NAME OF GOVERNMENT] exercises its option for additional audits).

At a minimum, the following conferences should be held by the dates indicated on the schedule:

	<u>Week of</u>
Entrance conference with [CHIEF FISCAL OFFICER]	[DATE]
Entrance conference with all key finance department personnel and department heads of key offices or programs	[DATE]
- The purpose of this meeting will be to discuss prior audit problems and the interim work to be performed. This meeting will also be used to establish overall liaison for the audit and to make arrangements for work space and other needs of the auditor	
Progress conference with [CHIEF FISCAL OFFICER] and department heads of key offices or programs	[DATE]
- The purpose of this meeting will be to summarize the results of the preliminary review and to identify the key internal controls or other matters to be tested	
Progress conference with [CHIEF FISCAL OFFICER] and Audit Committee (or designees)	[DATE]

Progress conference with [CHIEF FISCAL OFFICER], key finance department personnel and other department heads of key offices or programs [DATE]

- The purpose of this meeting will be to discuss the year-end work to be performed

Entrance conference with [CHIEF FISCAL OFFICER] to commence year-end audit work [DATE]

Exit conference with [CHIEF FISCAL OFFICER] and department heads of key offices or programs [DATE]

- The purpose of this meeting will be to summarize the results of the field work and to review significant findings [DATE]

In addition, the auditor shall provide written reports on the progress of the audit on the following dates:

LIST DATES FOR WRITTEN PROGRESS REPORTS

F. Date Final Report is Due

The Chief Fiscal Officer shall prepare draft financial statements, notes and all required supplementary schedules [and statistical data} by [DATE]. The auditor shall provide all recommendations, revisions and suggestions

for
improvement
to the Chief
Fiscal Officer
by [DATE].
A revised
report,
including [a]
draft auditor's
report(s) shall
be delivered to
the audit
committee by
[DATE].

The Chief Fiscal Officer and the Audit Committee will complete their review of the draft report as expeditiously as possible. It is not expected that this process should exceed one week. 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, the final signed report shall be delivered to the [NAME OF OFFICIAL] within [NUMBER] working days. It is anticipated that this process will be completed and the final report delivered by [DATE].

The final report and [NUMBER] signed copies should be delivered to the [NAME OF OFFICIAL AND TITLE] at [ADDRESS].

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

A. Finance Department and Clerical Assistance

The finance department staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of [NAME OF GOVERNMENT/the auditor].

In addition [NUMBER] hours of clerical support will be made available to the auditor for the preparation of routine letters and memoranda.

B. Internal Audit Staff Assistance

The internal audit staff of [NAME OF GOVERNMENT] will be available to assist the auditor in performing audit tests as follows:

Position

Hours

**COMPLETE TABLE WITH APPROPRIATE INFORMATION
IF THE AUDITOR IS TO PREPARE EVALUATIONS FOR INTERNAL
AUDIT STAFF ASSISTING IN THE AUDIT, THIS FACT SHOULD BE
STATED.**

C. Electronic Data Processing (EDP) Assistance

The following EDP personnel will be available to assist the auditor in performing the engagement:

Position Hours

COMPLETE TABLE WITH APPROPRIATE INFORMATION

EDP personnel will also be available to provide systems documentation and explanations. The auditor [will/will not] be provided computer time and the use of the [NAME OF GOVERNMENT]'s computer hardware and software.

IF THE AUDITOR IS TO BE PROVIDED COMPUTER TIME AND USE OF THE GOVERNMENT'S COMPUTER HARDWARE AND SOFTWARE, ANY LIMITATIONS ON THIS USE SHOULD BE STATED.

D. Statements and Schedules to be Prepared by the Staff of the [NAME OF GOVERNMENT]

The staff of [NAME OF GOVERNMENT] will prepare the following statements and schedules for the auditor by the dates indicated:

Statement or Schedule Date

COMPLETE TABLE WITH APPROPRIATE INFORMATION

E. Work Area, Telephones, Photocopying and FAX Machines

The [NAME OF GOVERNMENT] will provide the auditor with reasonable work space, desks and chairs. The auditor will also be provided with access to [NUMBER] telephone lines, photocopying facilities and FAX machines subject to the following restrictions:

LIST ANY RESTRICTIONS TO BE PLACED ON THE AUDITOR'S USE OF TELEPHONES, PHOTOCOPYING FACILITIES OR FAX MACHINES.

F. Report Preparation

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

VI. PROPOSAL REQUIREMENTS

A. General Requirements

1. Submission of Notification of Interest

Firms interested in submitting a proposal must submit by [DATE] their "Notification of Interest" in the format attached to the letter transmitting this Request for Proposal. Failure to do so will disqualify firms from submitting a proposal.

2. Preproposal Conference and On-site Inspections

A conference for firms interested in submitting proposals will be held at [TIME, DATE, ADDRESS]

Both verbal and written questions will be accepted during the conference. Minutes of the preproposal conference will be distributed by [DATE] to all firms that submit a "Notification of Interest."

At [TIME, DATE] representatives of the various departments within the [NAME OF GOVERNMENT] will be available to discuss their operations and conduct on-site inspections for interested proposers.

3. Inquiries

Inquiries concerning the request for proposals and the subject of the request for proposals must be made to:

[NAME OF OFFICIAL, TITLE]

[ADDRESS]

[TELEPHONE NUMBER]

CONTACT WITH PERSONNEL OF THE [NAME OF GOVERNMENT] OTHER THAN [NAME OF OFFICIAL, TITLE] REGARDING THIS REQUEST FOR PROPOSALS MAY BE GROUNDS FOR ELIMINATION FROM THE SELECTION PROCESS.

4. Submission of Proposals

The following material is required to be received by [DATE] for a proposing firm to be considered:

a. A master copy (so marked) of a Technical Proposal and [NUMBER] copies to include the following:

i. Title Page

Title page showing the request for proposals subject; the firm's name; the name, address and telephone number of the contact person; and the date of the proposal.

ii. Table of Contents

iii. 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 [PERIOD].

iv. Detailed Proposal

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

v. Executed copies of Proposer Guarantees and Proposer Warranties, attached to this request for proposal (Appendix D and Appendix E)

- b. The proposer shall submit an original and [NUMBER] copies of a dollar cost bid in a separate sealed envelope marked as follows:

SEALED DOLLAR COST BID
PROPOSAL
FOR
[NAME OF GOVERNMENT]
FOR
PROFESSIONAL AUDITING SERVICES
[DATE]

- c. Proposers should send the completed proposal consisting of the two separate envelopes to the following address:

[NAME, TITLE]
[ADDRESS]

B. Technical Proposal

1. General Requirements

The purpose of the Technical Proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the [NAME OF GOVERNMENT] in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The Technical Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposals requirements.

THERE SHOULD BE NO DOLLAR UNITS OR TOTAL COSTS INCLUDED IN THE TECHNICAL PROPOSAL DOCUMENT.

The Technical Proposal should address all the points outlined in the request for proposals (excluding any cost information which should only be included in the sealed dollar cost bid). The Proposal 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. While additional data may be presented, the following subjects, items Nos. 2 through 10, must be included. They represent the criteria against which the proposal will be evaluated.

2. Independence

The firm should provide an affirmative statement that is independent of the [NAME OF GOVERNMENT] as defined by [generally accepted auditing standards/the U.S. General Accounting Office's *Government Auditing Standards* (1994)]

IF THE GOVERNMENT'S FINANCIAL STATEMENTS INCLUDE COMPONENT UNITS, THE FOLLOWING LANGUAGE SHOULD BE ADDED:

The firm also should provide an affirmative statement that it is independent of all of the component units of the [NAME OF GOVERNMENT] as defined by those same standards.

IF THE GOVERNMENT IS A MATERIAL COMPONENT UNIT OF ANOTHER GOVERNMENT, THE FOLLOWING LANGUAGE SHOULD BE ADDED:

The firm also should provide an affirmative statement that it is independent of its primary government, [NAME OF PRIMARY GOVERNMENT], and any other component units of that entity, as defined by those same standards.

The firm should also list and describe the firm's (or proposed subcontractors') professional relationships involving the [NAME OF GOVERNMENT] or any of its [agencies/ agencies or component units/ agencies, component units or primary government] 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 [NAME OF GOVERNMENT] written notice of any professional relationships entered into during the period of this agreement.

3. License to Practice in [STATE]

An affirmative statement should be included that the firm and all assigned key professional staff are properly [registered/licensed] to practice in [STATE].

4. 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.

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.

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

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past 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.

5. Partner, Supervisory and Staff Qualifications and Experience

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 registered or licensed to practice as a certified public accountant in [STATE]. 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.

The proposer should identify the extent to which staff to be assigned to the audit reflect the [NAME OF GOVERNMENT]'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 [NAME OF GOVERNMENT]. However, in either case, the [NAME OF GOVERNMENT] retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for proposal can only be changed with the express prior written permission of the [NAME OF GOVERNMENT], 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.

6. Prior Engagements with the [NAME OF GOVERNMENT]

List separately all engagements within the last five years, ranked on the basis of total staff hours, for the [NAME OF GOVERNMENT] by type of engagement (i.e., audit, management advisory services, other). Indicate the scope of work, date, engagement partners, total hours, the location of the firm's office from which the engagement was performed, and the name and telephone number of the principal client contact.

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 request for proposal. 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 II of this request for proposal. In developing the work plan, reference should be made to such sources of information as [NAME OF GOVERNMENT]'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

NO DOLLARS SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL

- c. Sample size and the extent to which statistical sampling is to be used in the engagement
- d. Extent of use of EDP 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 [NAME OF GOVERNMENT]'s 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 problem and any special assistance that will be requested from the [NAME OF GOVERNMENT].

10. Report Format

The proposal should include sample formats for required reports.

NO DOLLARS SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL

C. Sealed Dollar Cost Bid

1. Total All-Inclusive Maximum Price

The sealed dollar cost bid should contain 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.

The [NAME OF GOVERNMENT] 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.

The first page of the sealed dollar cost bid should include the following information:

- a. Name of Firm
- b. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with the [NAME OF GOVERNMENT].
- c. A Total All-Inclusive Maximum Price for the [YEAR] engagement.

2. Rates by Partner, Specialist, Supervisory and Staff Level Times Hours Anticipated for Each

The second page of the sealed dollar cost bid should include a schedule of professional fees and expenses, presented in the format provided in the attachment (Appendix F), that supports the total all-inclusive maximum price. The cost of special services described in Section I E of this request for proposal should be disclosed as separate components of the total all-inclusive maximum price.

3. Out-of-pocket Expenses Included in the Total All-inclusive Maximum Price and Reimbursement Rates

Out-of-pocket expenses for firm personnel (e.g., travel, lodging and subsistence) will be reimbursed at the rates used by the [NAME OF GOVERNMENT] for its employees. All estimated out-of-pocket expenses to be reimbursed should be presented on the second page of the sealed dollar cost bid in the format provided in the attachment (Appendix F). All expense reimbursements will be charged against the total all-inclusive maximum price submitted by the firm.

In addition, a statement must be included in the sealed dollar cost bid stating the firm will accept reimbursement for travel, lodging and subsistence at the prevailing [NAME OF GOVERNMENT] rates for its employees.

4. Rates for Additional Professional Services

If it should become necessary for [NAME OF GOVERNMENT] 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 [NAME OF GOVERNMENT] and the firm. Any such additional work agreed to between [NAME OF GOVERNMENT] and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the sealed dollar cost bid.

5. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost bid proposal. Interim billing shall cover a period of not less than a calendar month. Ten percent (10%) will be withheld from each billing pending delivery of the firm's final reports.

VII. EVALUATION PROCEDURES

A. Audit Committee

Proposals submitted will be evaluated by a [NUMBER] member Audit Committee selected by the [NAME OF GOVERNING BODY], consisting of

DESCRIBE MEMBERSHIP OF THE AUDIT COMMITTEE

B. Review of Proposals

The Audit Committee will use a point formula during the review process to score proposals. Each member of the Audit Committee will first score each technical proposal by each of the criteria described in Section VII C below. The full Audit Committee will then convene to review and discuss these evaluations and to combine the individual scores to arrive at a composite technical score for each firm. At this point, firms with an unacceptably low technical score will be eliminated from further consideration.

After the composite technical score for each firm has been established, the sealed dollar cost bid will be opened and additional points will be added to the technical score based on the price bid. The maximum score for price will be assigned to the firm offering the lowest total all-inclusive maximum price. Appropriate fractional scores will be assigned to other proposers.

The [NAME OF GOVERNMENT] reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

C. Evaluation Criteria

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications and price. The following represent the principal selection criteria which will be considered during the evaluation process.

1. Mandatory Elements

- a. The audit firm is independent and licensed to practice in [STATE]
- b. The firm has no conflict of interest with regard to any other work performed by the firm for the [NAME OF GOVERNMENT]
- c. The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal
- d. The firm submits a copy of its last external quality control review report and the firm has a record of quality audit work.

2. Technical Quality: (Maximum Points - [NUMBER])

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

LIST ADDITIONAL CATEGORIES RELEVANT TO THE ENGAGEMENT (E.G., COMPUTER EXPERTISE, EXPERIENCE WITH SIMILAR FEDERAL OR STATE FINANCIAL ASSISTANCE PROGRAMS)

b. Audit Approach

- (1) Adequacy of proposed staffing plan for various segments of the engagement
- (2) Adequacy of sampling techniques

(3) Adequacy of analytical procedures

LIST ADDITIONAL CATEGORIES RELEVANT TO THE ENGAGEMENT (E.G., ADEQUACY OF AUDIT PLAN FOR ELECTRONIC DATA PROCESSING FUNCTION)

3. Price: (Maximum Points - [NUMBER])

COST WILL NOT BE THE PRIMARY FACTOR IN THE SELECTION OF AN AUDIT FIRM

D. Oral Presentations

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

E. Final Selection

The [GOVERNING BODY] will select a firm based upon the recommendation of the Audit Committee.

It is anticipated that a firm will be selected by [DATE]. Following notification of the firm selected, it is expected a contract will be executed between both parties by [DATE].

F. Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the [NAME OF GOVERNMENT] and the firm selected.

The [NAME OF GOVERNMENT] reserves the right without prejudice to reject any or all proposals.

APPENDICES

- A. Findings from Recent External and Internal Audits
- B. Organizational Chart
- C. List of Key Officials, Office Locations and Telephone Numbers
- D. Proposer Guarantees
- E. Proposer Warranties
- F. Format for Schedule of Professional Fees and Expenses to Support the Total All-inclusive Maximum Price

GOVERNMENTS MAY ALSO WISH TO INCLUDE THE FOLLOWING AS APPENDICES:

- **SUMMARY BUDGETARY INFORMATION**
- **AUDITED FINANCIAL STATEMENTS**
- **OFFERING STATEMENTS**
- **MANAGEMENT LETTERS**
- **SINGLE AUDIT REPORTS**
- **EXCERPTS FROM STATE AND LOCAL LAWS AND REGULATIONS**
- **STANDARD LEGAL LANGUAGE TO BE INCLUDED IN THE AUDIT CONTRACT**

APPENDIX A

FINDINGS FROM RECENT EXTERNAL AND INTERNAL AUDITS

External Audits:

Report Finding Resolved?

Internal Audits:

Report Finding Resolved?

APPENDIX B

ORGANIZATIONAL CHART

THE GOVERNMENT SHOULD PROVIDE A COPY OF ITS MOST RECENT ORGANIZATIONAL CHART.

APPENDIX C

LIST OF KEY PERSONNEL, OFFICE LOCATIONS AND TELEPHONE NUMBER

Name and Title Location of Office Telephone

THIS LIST SHOULD INCLUDE ALL KEY OFFICIALS OF THE GOVERNMENT WHO MAY NEED TO BE CONTACTED BY THE AUDITORS, INCLUDING LEGAL STAFF, DEPARTMENT HEADS (ESPECIALLY THOSE RESPONSIBLE FOR MANAGING FEDERAL OR STATE FINANCIAL ASSISTANCE PROGRAMS), ELECTRONIC DATA PROCESSING STAFF, AS WELL AS ALL KEY FINANCE DEPARTMENT PERSONNEL

APPENDIX D

PROPOSER GUARANTEES

- I. The proposer certifies it can and will provide and make available, as a minimum, all services set forth in Section II, Nature of Services Required.

LIST ANY ADDITIONAL GUARANTEES THAT MAY BE RECOMMENDED BY LEGAL COUNSEL.

IF STANDARD LEGAL LANGUAGE TO BE INCLUDED IN THE CONTRACT IS PROVIDED IN AN APPENDIX, THE FOLLOWING LANGUAGE COULD BE ADDED:

- II. The proposer has read Appendix [LETTER], Contractual Requirements, and agrees that the rights and prerogatives as detailed in that appendix are retained by the [NAME OF GOVERNMENT].
- III. The proposer agrees to be bound by the contractual requirements delineated in Appendix [LETTER].

Signature of Official:
Name (typed):
Title:
Firm:
Date:

APPENDIX E

PROPOSER WARRANTIES

- A. Proposer warrants that it is willing and able to comply with State of [STATE] laws with respect to foreign (non-state of [STATE]) corporations.
- B. 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 or negligent acts, or omissions of any officers, employees or agents thereof.
- C. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the [NAME OF GOVERNMENT].
- D. 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 F

Page 1

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

FOR THE AUDIT OF THE [YEAR] FINANCIAL STATEMENTS

	<u>Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partners	—	—	—	
Managers	—	—	—	
Supervisory staff	—	—	—	
Staff	—	—	—	
Other (specify):	—	—		
Subtotal				
Total for services Described in Section II E of the RFP (Detail on subsequent pages)				
Out-of-pocket expenses:				
Meals and lodging				
Transportation				
Other (specify): _____				
Total all-inclusive maximum price for [YEAR] audit				

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

APPENDIX F

Page 2

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

FOR THE AUDIT OF THE [YEAR] FINANCIAL STATEMENTS:

COMBINING SCHEDULE - ALL SERVICES

DESCRIBED IN RFP SECTION II E

Nature of Service To Be Provided

Schedule

Total Price

EACH SERVICE DESCRIBED IN RFP SECTION II E SHOULD BE SUPPORTED BY AN INDIVIDUAL SCHEDULE IN THE FORMAT PROVIDED ON PAGE 3 OF THIS APPENDIX.

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

FOR THE AUDIT OF THE [YEAR] FINANCIAL STATEMENTS:

SUPPORTING SCHEDULE FOR [NAME OF SERVICE]

	<u>Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partners	—	—	—	
Managers	—	—	—	
Supervisory staff	—	—	—	
Staff	—	—	—	
Other (specify): _____	—	—	—	
Subtotal				
Out-of-pocket expenses:				
Meals and lodging				
Transportation				
Other (specify): _____				
Total price for [NAME OF SERVICE]				

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