

TOWN OF MILLSBORO NOTICE FOR REQUEST FOR PROPOSAL

THE TOWN OF MILLSBORO, DE REQUESTS PROPOSALS FROM QUALIFIED CERTIFIED PUBLIC ACCOUNTING FIRMS FOR THE PROVISION OF AUDITING SERVICES FOR THREE (3) YEARS BEGINNING WITH THE FISCAL YEAR ENDING JUNE 30, 2022 AND TWO ONE-YEAR EXTENSIONS. THE TOWN OF MILLSBORO WILL RECEIVE PROPOSALS BY MAY 27, 2022 AT 4:30 PM EST. Proposals will be accepted ONLY at the Millsboro Town Administrative Office, 322 Wilson Hwy, Millsboro, DE 19966 until 4:30 PM, May 27, 2022. The proposal shall be sealed, addressed to the Director of Finance and Technology and clearly labeled with the firm's name and "Provision of Audit Services." Firms assume all responsibility to ensure our successful receipt of proposal packages. Said proposals will be evaluated and results will be made public after completion of the negotiation process with the selected auditor. The Town reserves the right to reject any or all proposals and to waive any informalities or irregularities in any proposal or in the proposal process.

TOWN OF MILLSBORO, DELAWARE

NOTICE FOR PROPOSALS

PROVISION OF AUDIT SERVICES

NOTICE IS HEREBY GIVEN that request for proposals from qualified certified public accounting firms for the provision of auditing services for three (3) years beginning with the fiscal year ending June 30, 2022 and two one-year extensions will be received by the Town of Millsboro. Proposals will be accepted ONLY at the Millsboro Town Administrative Office, 322 Wilson Hwy, Millsboro, DE 19966 until 4:30 PM, May 27, 2022. The proposal shall be sealed, addressed to the Director of Finance and Technology and clearly labeled with the firm's name and "Provision of Audit Services." Firms assume all responsibility to ensure our successful receipt of proposal packages. Said proposals will be evaluated and results will be made public after completion of the negotiation process with the selected auditor. The Town reserves the right to reject any or all proposals and to waive any informalities or irregularities in any proposal or in the proposal process.

PROVISION OF AUDIT SERVICES

I. INTRODUCTION

1. General Information

The Town of Millsboro, DE requests proposals from qualified certified public accounting firms for the provision of auditing services for a period of three years beginning with the fiscal year ending June 30, 2022 and two one-year extensions.

The Town of Millsboro will receive proposals by May 27, 2022 by 4:30 PM EST. A proposal received after the closing date and time for receipt of the proposals is late and shall not be considered.

The audit(s) shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and Part 200-Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) (if required).

The Town reserves the right to reject any or all proposals submitted.

During the evaluation process, the Town reserves the right to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. Firms may be requested to make an oral presentation to a selection committee as part of the final 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 request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the Town and the firm selected.

2. Fund Types

Millsboro, DE complies with Generally Accepted Accounting Principles (GAAP), including all relevant Governmental Accounting Standards Board (GASB) pronouncements. The following fund types are identified in The Town of Millsboro's financial reporting.

1. General Fund - General operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid from the

General Fund for each of the Millsboro Departments, which include
Administrative, Police, Recreation, and Streets.

2. Water Fund
3. Sewer Fund

II. NATURE OF SERVICES REQUIRED

A. Scope of Work to be Performed

1. The audit services provided shall be for the purpose of expressing an opinion on The Town of Millsboro's basic financial statements taken as a whole, required supplementary information and accompanying supplementary information in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and Uniform Guidance.
2. Audit Services shall include examination of and reporting on The Town of Millsboro's internal control structure, including recommendations on findings, if any.

B. Reports to be issued

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

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.
3. A report on compliance and internal control over compliance applicable to each major federal program in accordance with Uniform Guidance if necessary.
4. The Schedule of Expenditures of Federal Awards and related auditor's reports as well as the reports on compliance and internal controls if necessary.

C. Additional Services

In addition to the audit services described above, the Town is requesting the following additional assistance or services:

- Preparation of the following additional statements and schedules:
 - General capital asset schedules
- Assistance with GASB68 Calculations, Accounting and Financial Reporting for Pensions.
- Typing, copying, and binding of the annual financial report. The firm will provide the Town with bound copies and one electronic (PDF) version of the audited financial statements and supplemental information.

- The firm will provide the Town with ten (10) copies of their report(s) on the internal control and compliance in accordance with the audit guide and standards for compliance with the Single Audit Act, as may be required.
- A letter to the Town Manager containing appropriate suggestions for improvement of accounting procedures and internal controls for consideration. This letter should contain comments and recommendations for controlling any internal material weaknesses discovered and shall be discussed before finalizing.
- Review and discussion of any and all matters, which may arise during the term of the engagement, whether related directly or indirectly to the specific scope of the representation.

III. AUDIT COMPLETION

1. Draft Report

The auditor shall transmit a draft audit report to the Town Manager and the Director of Finance and Technology by September 15, 2022. The draft report will be discussed with the Town Manager to identify any questions regarding the draft and will forward those to the auditor for possible corrections and / or clarifications.

2. Final Report

The auditor shall transmit completed audit report and present it to the Town Manager and the Director of Finance and Technology by October 1, 2022 or within 15 days of the auditor's receipt of comments from the Town Manager, whichever is later.

3. Council Presentation

The Auditor shall present the Final Audit Report to Millsboro Town Council at the first Town Council meeting after the Town Manager and the Director of Finance and Technology has approved the Final Audit Report.

NOTE: These deadlines may be amended once the auditor has been selected.

IV. PROPOSAL REQUIREMENTS

The following information is required for a proposing firm to be considered. Please note that all materials provided by interested proposers as part of the proposal will become public documents at the time of the proposal opening. Interested proposers should include any of their proprietary information they would like in a separate document marked clearly as proprietary information.

A. License to Practice

The audit firm and all assigned key professional staff must be certified public accountants and licensed to practice in the state of Delaware.

B. Firm Qualifications and Experience

1. The proposal should include a list of contacts and telephone numbers for recent municipal governments audited by the firm; the firm's experience in auditing municipal entities; the names of partners, managers, supervisors and staff to be assigned to this account and their specific backgrounds in municipal auditing and any other such data that would assist in the review of the firm's proposal.
2. The proposal should also include a copy of the firm's most recent peer review report, the related letter of comments, and the firm's response to the letter of comments. Additionally, a statement whether the peer review included specific governmental engagements.
3. The proposal should also include 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.
4. The proposer may submit any other information the proposer believes relevant to the selection of auditing services.

C. Independence

The firm should provide an affirmative statement that is independent of the entity as defined by generally accepted standards/the U.S. General Accounting Office's Government Auditing Standards.

D. Conflict of Interest

All proposers must disclose the name of any Town Councilperson or Town employee in the past 5 years who owns, directly or indirectly, an interest in the proposing firm.

E. Fee

The fees quoted in each applicant's proposal and included in the contract will be given as "not to exceed" cost for standard audit services, unless both parties complete an amendment to the contract. If material problems arise which were not reasonably anticipated during the firm's proposal response, a contract amendment will be negotiated based on the fee schedule accompanying the proposal. No additional work should be performed by the CPA, nor will it be paid for by the Town without a written amendment to this contract.

V. TERMINATION OF CONTRACT SERVICES

The Town of Millsboro retains the right to terminate the agreement without cause by providing notice of its intention in writing. Such notice of termination would cancel the agreement for audit of the upcoming fiscal year and beyond; however, the fiscal year currently in effect at the time notice is rendered would still be audited by the existing firm pursuant to the terms established unless otherwise agreed upon.

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If the contracted firm fails to provide deliverables under the terms of the agreement, the Town shall only be required to compensate for work deliverables completed prior to the time of service interruption and the contract may be cancelled immediately. If a firm is not capable of completing the audit of a particular year, all working papers and work in progress will be provided to the Town and, upon request, a substitute audit firm.

VI. INQUIRIES

Questions pertaining to this Request for Proposal, must be in writing and emailed to the Director of Finance and Technology, Matthew Hall at matth@millsboro.org. All questions must be submitted no later than May 27, 2022 at 4:30pm EST. All questions will be compiled and answered in the form of an addendum and will be emailed to all prospective proposers. All changes or corrections to the Request for Proposal will be handled by addenda issued by Millsboro.

Note: The Town's prior financial statements are available upon request by email Director of Finance and Technology, Matthew Hall at matth@millsboro.org.