

TOWN OF LOOMIS

REQUEST FOR PROPOSALS FOR  
FINANCIAL STATEMENT AUDIT SERVICES

**Proposal Release Date**

July 20, 2023

**Proposal Submittal Due Date**

August 9, 2023

TOWN OF LOOMIS  
REQUEST FOR PROPOSAL FOR AUDIT SERVICES

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- C. Sample Copy of Town of Loomis “Consulting Services Agreement” includes insurance and business license requirements

## **PART 1 – AUDIT SPECIFICATIONS**

### **I. INTRODUCTION**

The Town of Loomis (hereinafter referred to as “the Town”) is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the three years beginning with the fiscal year ending June 30, 2023. At the option of the Town, the audit engagement may be extended for two, one-year periods (fiscal years) by written amendment. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial and compliance audits in the U.S. General Accounting Office’s (GAO) *Government Auditing Standards* and the provisions of the Single Audit Act of 1984, as amended in 1996, and U.S. Office of Management and Budget (OMB) 2 CFR Part 200.500 (Uniform Guidance).

There is no expressed or implied obligation of the Town to reimburse responding firms for any expenses incurred in preparing proposals in response to this request. Materials submitted by respondents are subject to public inspection under the California Public Records Act (Government Code Section 6250 et seq.). Any language purporting to render the entire proposal confidential or proprietary will be ineffective and will be disqualified.

During the evaluation process, the Town reserves 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. The Town reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether the proposal is selected. 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 Town and the firm selected.

To be considered, an electronic copy must be received at [CParker@loomis.ca.gov](mailto:CParker@loomis.ca.gov) no later than 4:00 PM, Wednesday, August 9, 2023. It is anticipated that the selected firm will be notified no later than the week of August 14, 2023. The Town reserves the right without prejudice to reject any or all proposals and/or waive any irregularity.

A copy of this request for proposal and the Town’s most recent budget and Annual Financial Statements can be found on the Town’s website <https://loomis.ca.gov/departments/finance/>. All inquiries relating to this Request for Proposal should be submitted to:

Carol Parker, Administrative Services Manager  
Town of Loomis  
3665 Taylor Road  
Loomis, CA 95650  
(916) 824-1509

## **II. DESCRIPTION OF THE ENTITY**

The Town was incorporated on December 17, 1984. It is governed by an elected five-member Town Council and operates under the Council-Manager form of government.

The Town provides municipal services which includes, but are not limited to, public safety (contracted police, fire and animal control services), recreation and library, public works, capital improvements, planning, community development, and general government. The Town has 15 regular full-time employees. The Finance Department is responsible for the release of the annual budget and financial statements for the Town.

The Town's fund structure includes: General Fund (1), Special Revenue Funds (3), Capital Projects Fund (1), and Fiduciary Fund (1).

The estimated budget for FY 2022-23 is \$6.7 million. The budget for the General Fund is \$5.1 million.

The Town's financial statements are prepared in conformance with GASB 34, as amended and have been audited by Fechter and Company LLP for the prior four (4) years. The prior year audit fee was \$30,000.

The Town uses Microsoft Dynamics Great Plains for their general ledger, budget, and payroll. Separate systems are used for cashiering and accounts payable.

## **III. SCOPE OF WORK TO BE PERFORMED**

### **A. Services to be performed by Auditors.**

1. In general, the auditors will perform a financial and compliance audit to determine (a) whether the combined financial statements of the Town fairly present the financial position and the results of financial operations in accordance with generally accepted accounting principles, and (b) whether the Town has complied with laws and regulations that may have a material effect upon the financial statements.
2. The auditors will examine the Town's internal accounting controls and accounting procedures and render written reports of their findings and recommendations to the Finance Director. The examination shall be made and reports rendered in accordance with generally accepted government auditing standards. In addition, the auditors shall communicate any reportable conditions found during the audit that can be defined as either a significant or material weakness 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.

3. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the Town Manager and Director of Finance.
4. Auditors shall include all funds of the Town and its component units.
5. Under the requirements of the Federal Government's program covering a single audit for all federal grant funds, auditors shall conduct an audit in accordance with the Single Audit Act Amendments of 1996 as amended by the Uniform Guidance and in generally accepted auditing standards as well as generally accepted governmental auditing standards.
6. Auditors shall submit a management letter setting forth their findings and/or recommendations on those matters noted and observed during the conduct of the examination of the financial records and developed within the scope usually associated with such an examination relating to, but not limited to, a) improvement in systems of internal control, b) improvement in accounting system, c) apparent noncompliance with laws, rules, and regulations, and d) any other material matter coming to the attention of the firm during the conduct of the examination.
7. Auditors shall also perform an Article XIII B Appropriations Limitation Uniform Guidelines agreed-upon procedures engagement.

**B. Timeline Requirements**

1. Auditors shall schedule with the Finance Director, or designee, for the Fiscal Year 2022-23 audit.
2. All Town books must be closed and ready for audit by the mutually agreed upon start date. Town staff shall prepare detailed lead sheets and account reconciliations for the auditors.
3. Fieldwork shall commence on an agreed upon date between auditors and Town staff but no later than the first week of September for the 2022-23 fiscal year audit, and no later than the first week of June for all subsequent fiscal years, and shall be completed by no later than the first week of December of each year, at which time a draft copy of all reports listed under "Specific Deliverables to the Town" shall be prepared and delivered to the Finance Director.
4. The Entrance Conference, Progress Reporting, and Exit Conference should be held by the time frames indicated on the schedule shown below:

i.	Entrance Conference with key Finance Department staff to discuss work to be performed, establish overall liaison for audit and arrangements for space and other needs of the auditor	Prior to start of field work
ii.	Progress conference with key Finance Department staff to discuss the year-end work to be performed	Midway through audit work
iii.	Exit conference with Finance Director to summarize the results of the field work and to review significant findings	At the conclusion of the year-end audit work

**C. Reporting and Communication**

1. The auditors will meet continuously during the field work process with the Finance Director, or designee, to discuss preliminary audit findings and management recommendations.
2. Prior to issuing their final reports, the auditors will meet with the Finance Director and his/her designee(s) with all audit reports to be addressed to the Town Council.
3. The auditors may be consulted occasionally throughout the year as an information resource. Auditors may be asked to provide guidance on implementation of Government Account Standards Board (GASB) requirements and specifics of federal and state regulations as they may affect local government accounting.

**D. Other Considerations**

1. All working papers and reports must be retained, at the auditor's expense, for a minimum of five (7) years, unless the firm is notified in writing by the Town of the need to extend the retention period.
2. The auditors will be required to make working papers available upon request to the appropriate parties. 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.
3. Throughout the year, the auditor will provide financial advice and counsel on matters occurring throughout the year that would affect the annual report.

4. The audit partner/manager may be required to attend a Town Council meeting to explain or clarify financial statements or accounting requirements.

**E. Specific Deliverables to the Town**

<b>Reports</b>	<b>Due Date</b>	<b>Quantity</b>
Audit of the general-purpose financial statements and review of the preparation of the financial statements, and delivery of opinion letter for the financial statements	No later than December 1 <sup>st</sup>	10
Single Audit Report	No later than March 1 <sup>st</sup>	10

**IV. TOWN RESPONSIBILITIES**

**A. Finance Department**

1. Finance Department staff will prepare the final closing of the books including any auditor adjusting entries or changes to the financial statements as well as providing balance sheets for all funds and groups, statements of revenue and expenditures for all funds including detailed subsidiary ledgers.
2. Finance Department staff will produce the confirmation letters that are mailed by the auditors.
3. Finance Department staff will be available to assist the auditors in locating records or preparing audit schedules. All requests from the auditors will be directed to the Finance Director or designee.
4. Finance Department staff will provide the auditors with a reasonable workspace and access photocopying machines.

**B. Report Preparation**

1. Auditor will prepare a draft copy of the financial statements for Town review and accept.
2. Final preparation and printing of the financial statements will be the responsibility of the auditor.
3. Preparation, editing, and printing of all other reports as indicated in Section III (E) Specific Deliverables to the Town, will be the responsibility of the auditors.



4. Finance Department staff will produce the confirmation letters that are mailed by the auditors.

**V. BASIS FOR COMPENSATION**

- A. The Town will pay the auditors for the services described in Part I, Section III (Scope of Work to be Performed) that do not exceed the amount contained within a signed agreement between the Town and the Audit Firm. For additional services required after the inception of the agreement, written approval by the Town shall be required in advance of such services being rendered. The fee for such services shall be paid based on the auditor's quoted hourly rates.
- B. The Town shall receive all final opinions and reports for the Town financial statements no later than December 1st, following the initial year as outlined in Section III (E) "Specific Deliverables to the Town" barring any unforeseen Town delays. If delay of deliverables is a result of the Town, report submission deadlines will be discussed and amended. Final reports for Grants and Agency programs shall be completed in time to meet required submission dates.

**VI. ADDITIONAL PROVISIONS**

- A. Upon notice of intent to award contract, the successful contractor shall enter into a Professional Services Agreement with the Town.
- B. No officer, agent, or employee of the Town and no member of its governing bodies shall have any pecuniary interest, direct or indirect, in this agreement or the proceeds thereof. No officer, agent, or employee of the auditors shall serve on a Town committee or hold any such position which is incompatible with such person's duties or obligations or other relationship to this agreement.
- C. Time is of the essence in each and all provisions of this agreement.
- D. The Town is a cognizant agency under the Single Audit Act of 1984, as amended in 1996, and amended by the Uniform Grant Guidance, and the state audit agencies under terms of its assistance agreement with the Town shall have access to the auditor's work papers for purposes of review. All working papers and reports must be retained, at the auditor's expense, for a minimum of five (7) years, unless the firm is notified in writing by the Town of the need to extend the retention period. The auditors shall make their working papers available to successors. The auditor will also be required to make working papers available, upon request, to the following parties or their designees:
  1. Town of Loomis
  2. U.S. General Accounting Office (GAO)

3. Parties designated by the federal or state governments or by the Town as part of an audit quality review process.
4. Auditor of entities of which the Town is a sub-recipient of grant funds.
5. Auditor of entities of which the Town is a component unit.

In addition, the audit 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.

## **VII. SPECIAL TERMS AND CONDITIONS**

- A. The Town is not liable for any pre-contractual expenses incurred by any bidder. In addition, no bidder shall include any such expenses as part of the price proposed to conduct the operation.
- B. The Town reserves the right to withdraw the RFP at any time without prior notice. Further, the Town makes no representations that any agreement will be awarded to any bidder responding to this RFP. The Town expressly reserves the right to postpone action regarding this RFP for its own convenience and to reject any and all proposals in response to this RFP without indicating reasons for such rejection.
- C. The Town is not responsible for oral statements made by any of its employees or agents concerning this RFP. If the bidder requires specific information, the bidder must make the request in writing as instructed in the RFP. Email inquiries are acceptable.
- D. All responses to the RFP shall become the property of the Town and a matter of public record. Responders must identify all copyrighted material, trade secrets or other proprietary information that the responder claims are exempt from disclosure by the California Public Records Act. In the event a responder claims such exemption, the responder must state in the response that:

“The responder will indemnify the Town and hold it harmless from any claim or liability and defend any action brought against the Town for its refusal to disclose copyrighted material, trade secrets, or other proprietary information to any person making a request thereof.”

Failure to include such a statement shall constitute waiver of the responder’s right to exemption from disclosure and authority for the Town to provide a copy of the proposal or any part thereof to the requestor.

- E. All questions regarding this RFP should be made in writing and emailed to Carol Parker, Administrative Services Manager: [cparker@loomis.ca.gov](mailto:cparker@loomis.ca.gov).

## **PART 2 – PROPOSAL REQUIREMENTS AND INFORMATION**

### **I. PROPOSAL PROCESS AND CALENDAR**

#### **A. Distribution of Proposals**

Request for Proposals shall be available on July 20, 2023.

#### **B. Proposal Submission**

Proposals for the Town audit must be received no later than 4:00 PM on August 9, 2023. Proposals will only be accepted by electronic submission to [cparker@loomis.ca.gov](mailto:cparker@loomis.ca.gov).

#### **C. Proposal Review and Notification**

The Finance Director and a select panel of Finance Department staff members will review and evaluate each proposal submitted. Written notification will be sent only to those firms that are selected for an interview.

#### **D. Interviews**

The Town reserves the option to schedule interviews with the finalists for the week of August 14, 2023 to aid the selection process. Firms selected for interviews will be requested to prepare a short presentation for the committee.

#### **E. Final Selection Notification**

The Town anticipates sending written notification of status to the finalists by August 18, 2023.

#### **F. Important Dates to Remember**

<b>July 20, 2023</b>	<b>RFP available</b>
<b>July 28, 2023</b>	<b>Deadline for submission of questions</b>
<b>August 2, 2023</b>	<b>Town deadline for responses to questions</b>
<b>August 9, 2023</b>	<b>Deadline for proposal submission</b>
<b>August 11, 2023</b>	<b>Town review of proposals</b>
<b>August 14, 2023</b>	<b>Interviews – Week of</b>
<b>August 18, 2023</b>	<b>Notifications to all firms</b>
<b>September 12, 2023</b>	<b>Town Council bid approval – if necessary</b>

## II. PROPOSAL REQUIREMENTS

### A. Independence

The audit firm should provide an affirmative statement that it is independent of the Town as defined by generally accepted auditing standards. Moreover, the firm must have no conflict of interest with regard to any other work performed for the entity being audited. It is understood that the services performed by the auditors are in the capacity of independent contractors and not as an officer, agent, or employee of the Town.

### B. License to Practice in California

The audit firm should provide an affirmative statement indicating that the firm and all assigned key professional staff are properly licensed to practice in California.

### C. Firm Qualifications and Experience

1. The proposal 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 staff to be so employed on a part-time basis.
2. The audit firm shall 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.
3. The audit firm shall 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 audit 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.
4. For the audit firm's office assigned responsibility for the audit, list the most significant engagements (maximum of 10) performed in the last five years that are similar to the engagement described in this request for proposal.

### D. Partner, Manager, and Staff Qualifications and Experience

The audit firm shall identify the principal management staff, including engagement partners, managers, other supervisors and specialists, who would

be assigned to the engagement and indicate whether each such person is licensed to practice as a certified public accountant in California. The audit firm should also provide information on the governmental auditing experience, including the scope of audit services requested by the Town, of each person, and information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

The audit firm should provide as much information as possible, including resumes, regarding the number, qualifications, experience and training of the specific staff to be assigned to this agreement. The audit firm should also indicate how the quality of staff over the term of the agreement will be assured.

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 reserves the right to approve or reject replacements. This shall also apply to consultants and firm specialists mentioned in response to this request for proposal.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

**E. 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 Part I, Section III of this request for proposal.

**F. 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.

**G. Total All-Inclusive Maximum Price**

The proposal should contain all pricing information relative to performing the audit engagement as described in this request for proposal as "the total all-inclusive maximum price to be proposed".

**H. Rates by Partner, Manager, and Staff Level Times Hours Anticipated for Each**

The proposal should include a schedule of professional fees and expenses, as presented in the format shown in Appendix A, which supports the total all-inclusive maximum price in the format shown in Appendix B.

**I. Ownership of AGENCY-Related Documents**

All property rights, including publication rights of all reports produced by proposer in connection with services performed under this agreement shall be vested in the Town. The proposer selected shall not publish or release any of the results of its examinations without the express written permission of the Town Finance Director or designee.

**J. Acceptance of Proposal Contents**

After an audit firm is selected by the Town, the contents of the submitted proposal shall become a contractual obligation. The successful proposer will be required to execute a standard consultant agreement with the Town. Failure of the audit firm to agree to include the proposal as part of the contractual agreement may result in cancellation of the award. The Town reserves the right to reject those parts that do not meet with the approval of the Town.

**K. Acceptance or Rejection and Negotiation of Proposals**

The Town reserves the right to reject any or all proposals, to waive non-material irregularities or information in the request for proposal, and to accept or reject any item or combination of items. By requesting proposals, the Town is in no way obligated to award a contract or to pay expenses of the proposing firms in connection with the preparation or submission of a proposal. Furthermore, the Town reserves the right to reject any and all proposals prior to the execution of the contract(s), with no penalty to the Town. In addition, if the Town elects to reject all of the proposals, it reserves the right to select one at random to negotiate a contract for services.

**III. EVALUATION PROCESS**

The proposals for the Town's audit will be evaluated by a committee selected by the Finance Director. Proposers may be required to make oral presentations as a supplement to their proposals. These presentations would only be held subsequent to the receipt of the proposals and will be part of the evaluation process to determine qualifications of the audit firm. The Town will schedule a time for each oral presentation that it requests to be held on Microsoft Teams or a similar platform. Should a proposer refuse to honor the request for an oral presentation or interview, it may result in the

rejection of the proposal by the Town. Evaluation considerations will include the following:

- A. Responsiveness of the proposal in clearly stating the understanding of the work to be performed and in demonstrating the intention and ability to perform the work.
- B. Cost. Although a significant factor, cost will not be the primary factor in the selection of an audit firm.
- C. Auditors' experience in conducting audits of cities of similar nature, size, and complexity, and the auditors' commitment to maintaining technical expertise in the municipal financial environment.
- D. Technical experience and professional qualifications of the audit team. The number of key and supervisory personnel who will directly participate in the audit will be a consideration. Another consideration will be the auditors' commitment to keeping the same team assigned to this job for each successive year the auditor is awarded the contract.
- E. Size and structure of the firm's office from which the audit work is to be done. The Town is looking for a highly qualified team that is able to meet the due dates specified in this document, and it expects that same team (wherever possible) to complete any successive year's engagements.
- F. Auditors' experience in complying with applicable federal and state regulations relating to non-discrimination of an affirmative action program for equal employment opportunity.
- G. Ability of the firm in providing optional services such as special studies, system review and other services. Examples of such services performed for other client cities will be helpful.

#### **IV. FORMAT AND CONTENT OF PROPOSAL**

##### **A. Title Page**

The title page should include the request for proposal subject and number, the name of the proposer's firm, local address, telephone number, name of contact person, and date.

##### **B. Table of Contents**

Include a clear identification of the material by section and by page number.

**C. Letter of Transmittal**

1. Give the location of the office from which the work is to be done and the number of partners, managers, supervisors, seniors, and other professional staff employed at that office.
2. Describe the range of activities performed by the local office such as audit, accounting, or management services.
3. Describe the local office's recent auditing experiences similar to the type of audits requested and give the names and telephone numbers of client officials responsible for five of the audits listed.
4. Describe the document publication technology and staff formatting and proofreading expertise.

**D. Audit Team**

1. Describe the composition of the audit team, including staff from other than the local office, and consultants. Describe the commitment of the firm to providing the same audit team on subsequent audits. Include resumes of each person so identified.
2. Identify the supervisors and associates who will work on the audit and include resumes of each person so identified.

**E. Audit Scope and Provisions**

Describe the scope of the required services to be provided and outline a plan on how such services will be provided. Please include depth of work, staffing, and time estimates. Proposers should list all reports including management letters that are to be issued, the points to be addressed by reports, and the estimated completion dates.

**F. Cost Data**

Indicate the total hours and hourly rates by staff classification and the resulting all-inclusive maximum fee (not to exceed total) for which the requested work will be done for each of the specific deliverables identified in this Request for Proposal.



**G. Additional Data**

Data not specifically requested should not appear in the foregoing sections, but any additional information considered essential to the proposal may be presented at this section.

**APPENDIX A**

<b>Schedule of Professional Fees and Expenses to Support the Total All-Inclusive Maximum Price</b>	<b>Hours</b>	<b>Standard Hourly Rates</b>	<b>Quoted Hourly Rates</b>	<b>Total</b>
<b>Partner</b>	_____	\$ _____	\$ _____	\$ _____
<b>Manager</b>	_____	\$ _____	\$ _____	\$ _____
<b>Supervisory Staff</b>	_____	\$ _____	\$ _____	\$ _____
<b>Other (Specify)</b>	_____	\$ _____	\$ _____	\$ _____
<b>Sub-Total</b>				\$ _____
<b>Other Expenses</b>				\$ _____
<b>Total</b>				\$ _____

**APPENDIX B**

All-Inclusive Maximum Price by segment	Optional Years				
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Audit and preparation of the financial statements	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Other service:	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Other service:	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
<b>Total</b>	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____