



REQUEST FOR PROPOSALS  
MUNICIPAL AUDITOR

The Town of Hermon invites qualified independent public accountants to submit proposals for the performance of an audit of its financial accounts and records covering a term of three fiscal years for the purpose of rendering an auditor's opinion regarding the fairness of applicable financial statements and compliance with applicable legal provisions, in accordance with generally accepted auditing principals. The contract would commence September 1, 2023, with the FY2023 audit and continue through June 01, 2026, ending with the FY2025 audit.

**Background**

The Town of Hermon is a community of approximately 6,900 residents with an annual operating budget of \$30 million. Town funds include General Fund, Capital Fund, TIF Funds, Grants and any additional funds requested by the Town Council. The Hermon School system is a department of the Town and is included in the Town's Audit.

The Town uses TRIO financial software.

**Audit Requirements**

These services will not be required of the Auditor and include:

- Preparation of financial statements in accordance with GASB Standards,
- Preparation of schedule of expenditures of federal awards in accordance with Uniform Guidance requirements,
- Assistance with preparation of the management's MD&A,
- Compilation and organization of supporting documentation to the financial statements, and
- End-of-year account balance reconciliation.

These services render most of the detailed data compilation included in a municipal audit complete prior to handing information off to the Auditor. Services the Town needs the Municipal Auditor to provide include:

- Auditing of all pre-prepared financial statements in accordance with GASB Standards and the requirements of the State of Maine Department of Audit and Title 30-A M.R.S.A. § 5823,
- Auditing of the school department accounts in accordance with the requirements of Title 20-A M.R.S.A. Section 6051, which will include examining the Financial

Mailing Address  
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Report of Public Schools submitted to the State Department of Education of Form EF-M-45 for fairness of presentation,

- Certification that the financials are free from fraud, abuse or waste,
- Auditor shall review the system of internal control, operating procedures, and compliance with budgetary and legal requirements of the Town of Hermon and School Department,
- Auditor will provide an overview of how internal controls and compliance are proven,
- Verification of Uniform Guidance compliance,
- A written report, containing an expression of opinion regarding the financial statements of the municipality,
- A management letter, which shall identify management and internal control weaknesses, if any, and propose steps to correct them,
- Be available for additional inquires as seen fit by Town Manager, Superintendent of School, School Committee and Town Council (per hourly rate sheet provided),
- A brief presentation of the final audit at a public Town Council meeting, and
- Provision of 8 hard copies and an electronic copy of the final Comprehensive Annual Financial Report (CAFR) no later than thirty (30) days after completion of the Audit.

The audit should be completed by January 1 of each year for the prior fiscal year. Any inability to meet this deadline must be communicated to the Town Manager, at the earliest possible date, to allow communication with various reporting entities that require the Town's financial reports.

### **Instructions for Proposals**

Proposals will not receive consideration unless submitted in accordance with the following instructions to bidders. Please mark sealed envelopes plainly: "Municipal Auditor RFP 2023-2025." All proposals should include:

- Name, address, phone number and website of the auditing firm.
- A brief description of your firm and its municipal experience and a description of the senior personnel to be assigned to the engagement, including their resumes.
- A brief description of the audit procedures to be followed, presented in a form, which will aid in evaluating your firm's understanding of local governments and their financial problems.
- Please provide an **estimate** on the total project cost your firm will charge for the requested services, as well as an hourly rate sheet if additional services are requested by the Town Manager or Town Council. Final payment shall become due only after the submission of all required reports.
- Any other information which will aid the Town in evaluating your firm's proposal and qualifications.

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## **Evaluation**

During the evaluation process, more weight will be given to the bidder who fully complies with the RFP requirements and whose past performance, reputation and capability is deemed acceptable. The Town Manager may wish to conduct oral interviews with the firms considered most qualified in order to assist the municipality in the selection process. The Town Manager will then present the top three proposals to the Hermon Town Council to make a final selection.

The Town reserves the right to accept or reject any and all proposals, to waive technical or legal deficiencies, and to accept any proposal that it may deem to be in the best interest of the Town and to negotiate the terms and conditions of any proposal leading to execution of a contract.

Questions regarding this Request for Proposals should be directed to Josh Berry, Town Manager, [berryj@hermonmaine.gov](mailto:berryj@hermonmaine.gov) . RFP documents including a link to prior year audits and the bid form are available on the Town's website at [www.Hermonmaine.gov](http://www.Hermonmaine.gov) .

Please submit your proposal to the Town of Hermon by 2:00 p.m. Thursday, August 31, 2023. Proposals must be delivered to the Hermon Town Office at 333 Billings Road, Hermon, ME 04401, or electronically to the email address above, on or before the date and time appointed. No proposals will be accepted after the time and date listed above. Proposals will be opened publicly at 3:00 p.m. on that date.

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