#  Sample Request for Proposal for Auditing Services

DATE: [DATE]

TO: Invited Parties

FROM: [NAME OF OFFICIAL, TITLE]

SUBJECT: Professional Auditing Services

The [DISTRICT] is soliciting proposals from qualified firms of certified public accountants to audit the [DISTRICT]'s financial statements for the fiscal year ending [DATE], with the option of auditing the [DISTRICT]'s financial statements for the [NUMBER] subsequent fiscal years.

Your proposal should contain, but not be limited to the following considerations:

1. Eligibility - authorization by the State Board of Accountants to conduct audits.
2. Experience of your firm in relation to the scope of audits for the District.
3. A list of similar local governments or pertinent accounts served by your firm.
4. Your staff assignments and availability to complete the audit on a timely basis.
5. Participation of senior audit personnel assigned to the engagement.
6. Frequency of contact with fiscal personnel.
7. Availability of staff to respond to questions within the scope of the engagement and the hourly charge, if any, for services outside the scope of the audit.
8. Audit firm staff stability history - what assurances can you provide the District regarding the assignment of your permanent personnel to the engagement.
9. Describe capability to audit computerized accounts receivable systems and to audit during the development of a completely computerized bookkeeping system.
10. Procedures used to transmit audit adjustments and the reasons for them along with management recommendations to the responsible personnel within the District structure.
11. Detailed audit plan.
12. Your fee proposal to conduct the basic audit function, along with your fee schedule for additional services that may be required beyond the scope of the audit engagement. The proposal should also state that any increase in the audit fee will be immediately disclosed to the District Manager. This disclosure should include an estimation of the increased fees and the reason for the increase.
13. Estimated number of hours to complete the audit by classification of your employees, i.e. partners, senior, junior.
14. Detail of expenses expected to be incurred, i.e. mileage, per diem, telephone, etc.
15. Audit firm to produce statements and to print annual report.
16. Proof that the firm is certified to conduct municipal audits by the Board of Accountancy.

Enclosed is a copy of the audit proposal information to provide you with information about the District's financial records. I have enclosed the unaudited statement from the previous fiscal period as well.

The final decision of the selection of the firm to conduct the audit will be made by the Board of Directors. The final agreement will be in the form of a written contract following the standard agreement form used by CPA firms conducting audits.

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

We will look forward to receiving your proposals on or before [DATE].

Sincerely,

Audit Proposal Information

Sealed audit proposals will be accepted by the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ District until \_\_\_\_\_\_ p.m., on \_\_\_\_\_\_\_\_\_\_\_. Please direct proposals to the attention of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. All proposals become the property of \_\_\_\_\_\_\_\_\_\_\_\_\_\_District.

All proposals will become part of the requester’s files without obligation.

Nature of Services Required

1. Audit period will be \_\_\_\_\_\_\_\_\_\_ through \_\_\_\_\_\_\_\_\_\_. (one year)

2. Special reports, exhibits, and schedules required:

1. Accounts report.
2. Balance sheet.
3. Schedule of cash.
4. Statements of changes in financial position.
5. Notes of financial statement.

3. Conferences:

1. Exit conference with \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and District Manager.
2. Exit conference with office personnel.

4. Description of Entity and Records to be Audited:

1. General ledger, fixed assets ledger, accounts receivable, general journal, accounts payable.

5. Available Manuals and Information Sources:

1. Minutes of the board meetings of the District.
2. Accounting function work description of General Ledger Bookkeeper.
3. By-laws.

6. Details of fixed assets are maintained. Fixed assets are based on cost when available otherwise on estimates authorized by the Board of Directors. The fixed assets ledger was constructed with historical information by the District Manager during an audit period.

7. A budget is maintained and is available for examination.

8. Staff members will be available to pull and reproduce documents. Legal counsel will be made available with prior staff approval.

9. Work areas will be provided by the District in close proximity with the financial records on the premises.

10. Report Requirements

1. The report will be addressed to the Board of Directors and will contain items listed in item #2.
2. State the scope of the examination and that the audit was performed with generally accepted accounting principles and include a statement of opinion as to whether the statements conform to generally accepted accounting principles.
3. Reports of compliance examinations must include a statement that the audit was con-ducted in accordance with applicable standards. The audit report must state where the examination disclosed instances of significant non-compliance with laws and generally accepted accounting principles. Findings of non-compliance and ineligible expenditures must be presented in enough detail for management to be able to understand them.
4. A management letter will be required. It should contain a statement of audit findings and recommendations affecting financial systems and statements, internal control, legality of actions, other instances of non-compliance with laws and generally accepted accounting principles, and any other material matters.

11. Time Requirements

1. Proposals will be delivered to the District office at \_\_\_\_\_\_\_\_\_\_\_\_\_\_ not later than \_\_\_\_\_ p.m. on \_\_\_\_\_\_\_\_\_\_\_\_\_\_.
2. If presentations of possible finalists are necessary, no one with personal bias will interview proposers.
3. The Board of Directors have made no decision as to the date of the award of the audit. All proposers will be notified of the Board action in a timely manner.
4. Once a contract has been signed, work may begin immediately to generate the audit in a progress manner with costs to be billed to the District as the charges generated by the proposer in accordance with the original agreement.
5. Preliminary work to close accounts can begin immediately.
6. The preliminary report and exit conference will be completed prior to \_\_\_\_\_.

12. Report Review Timing and Number of Copies.

1. Prior to the submission of the completed audit report the audit firm will be required to deliver and review the draft and the proposed management letter with the District Board.
2. Copies required

a. Audit report, \_\_\_ copies.

b. Management letter, \_\_\_ copies.

c. Working papers, \_\_\_ copies.

13. The District Reserves the Right:

1. To reject any and all proposals submitted.
2. To request additional information from all proposers.