



**REQUEST FOR PROPOSALS  
FOR PROFESSIONAL AUDITING  
SERVICE**

**RFP #Finance 2022-9-9**

**Town of Cheverly**  
**Request for Proposals**  
**RFP #Finance 2022-9-9**  
**Contract for Services: Audit of Financial Statements and Annual Comprehensive Financial Report (ACFR) Preparation**

**Publication Date:** Request for Proposals (RFP) documents will be available beginning **Friday, September 9, 2022**. Bid packages may be obtained from the Town of Cheverly's website at [www.cheverly-md.gov](http://www.cheverly-md.gov).

**BID Deadline:** 2 Hard Copies and 1 Electronic Copy (PDF) of proposals are due no later than 12:00 PM (Eastern), on Thursday, September 22, 2022. Sealed bids should be addressed and delivered to the Town of Cheverly, Attention: Dylan Galloway, Town Administrator, 6401 Forest Road, Cheverly, MD 20785 and will be received at Cheverly Town Hall's Administrative Offices. No proposals will be accepted after that time. The Town will not accept faxed proposals. All faxed proposals will be rejected.

**Bid Opening - Thursday, September 22, 2022 – 1:00 p.m.- 2:00 p.m. EST via Zoom link:**

Topic: RFP #Finance 2022-9-9 Bid Opening  
Time: Sep 22, 2022, 01:00 PM Eastern Time (US and Canada)

Join Zoom Meeting  
<https://us02web.zoom.us/j/82699946872?pwd=MU5BbktKb3ZQS044LytSUi9zVkI4UT09>

Meeting ID: 826 9994 6872  
Passcode: 084391  
One tap mobile  
+13017158592,,82699946872#,,, \*084391# US (Washington DC)  
+13092053325,,82699946872#,,, \*084391# US

**Purpose:** The Town of Cheverly invites qualified audit firms to submit responses (“proposals”) to this Request for Proposals in order to work with the Finance Department for the completion of the Annual Audit and Annual Comprehensive Financial Report.

**Contact:** Dylan Galloway  
Town Administrator  
Town of Cheverly  
6401 Forest Road  
Cheverly, MD 20785  
Phone (301) 773-8360  
Email [dgalloway@cheverly-md.gov](mailto:dgalloway@cheverly-md.gov)

## **INTRODUCTION**

### **I. General Information**

The Town of Cheverly (Town) is requesting proposals (RFP) from qualified certified public accounting firms to audit financial statements for the fiscal years ending June 30, 2022, through June 30, 2024, with the option of extending the contract for two (2) additional one-year periods, at the sole discretion of the Town. As well as preparing the State of Maryland Uniform Financial Report ("UFR") for fiscal year(s) as described above.

These audits are to be performed in accordance with the generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, the provisions of the Federal Single Audit Act, and United States Office of Management and budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

There is no expressed or implied obligation for 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 Maryland Public Records Act, unless exempt. Any language purporting to render the entire proposal confidential or proprietary will be ineffective and disregarded.

It is anticipated that a recommendation and proposed contract will be prepared for review on September 22, 2022, and approval by the Town Council at its October 22, 2022, meeting. The Town reserves the right to reject any or all proposals submitted. The proposal package shall present all-inclusive audit fees for each year of the proposed contract term.

### **II. Background Information**

The Town was incorporated in 1931 and derives its governing authority from the Charter, as amended, granted by the General Assembly. The powers of the Town are provided in the Charter and in the Constitution and laws of the State of Maryland. In 1970, the Town established a Mayor-Council form of government with the executive functions vested in an elected Mayor and legislative functions vested in a six-member Town Council, of which the mayor serves as President. As President, the Mayor may participate in all Council discussions. The mayor may vote only when necessary to break a tie vote of the Council or to provide four affirmative votes. The six Councilmembers are elected by ward every two years and the mayor is elected every three years.

The Town is 1.27 square miles in area, and the 2020 U.S. Census survey counted a population of 6,170 residents. The Town is located in the western portion of Prince George's County, Maryland, just one mile from the northeastern Washington, D.C. border. Cheverly lies between two major road arteries -- the Baltimore-Washington Parkway and Maryland Route 50. Established as a planned residential community, Cheverly is convenient to Washington, D.C. by Metro bus and rail, and to retail shopping centers in the surrounding communities. The Town's acreage is 80% residential, 10% commercial and 10% open space. The Town is the 19th largest of the 28 incorporated municipalities in the County.

The Town has approximately 45 full-time and 3 part-time employees, including the Town Administrator, Chief of Police, and Director of Public Works, each of whom is appointed to serve at the pleasure of the Mayor and Town Council. A full-time Town Administrator acts as the chief administrative officer and is responsible for implementing the policies established by the Mayor and Council and overseeing day-to-day operations of the town.

Executive Offices  
6401 Forest Road  
Cheverly, Maryland, 20785  
Phone: 301-773-8360

### **III. Financial Information**

The Town's General Fund operating budget for Fiscal Year 2021-22 is approximately \$6.3 million and the total budget for all funds is approximately \$7.8 million.

The Town receives grants from various programs, which may impose specific audit requirements, including the State of Maryland, Prince George's County, Federal COPS programs, and various federal and state street related projects.

The Town's budget for Fiscal Year 2022-2023 reflects the conditions of the local economy, which like every other agency, is impacted by the pandemic, but still meets a number of Council policies:

- Sets annual expenditures at or below annual revenues.
- Places greater emphasis on the Town's complete budget needs.
- Strengthens alignment of one-time funds to one time needs via specific policy, and.
- Makes progress toward full cost recovery on fees.

#### **STAFFING / OPERATIONS**

The Administrative Services Department serves as the central administrative body of the Town, supporting all departments. The department provides expertise, support, service and management of finance, budget, information technology, and business license.

### **IV. Point of Contact**

Questions regarding this RFP may be directed to:

Dylan Galloway  
Town Administrator  
Town of Cheverly  
6401 Forest Road  
Cheverly, MD 20785  
Phone (301) 773-8360  
Email [dgalloway@cheverly-md.gov](mailto:dgalloway@cheverly-md.gov)

## GENERAL INFORMATION FOR RESPONDING TO THIS RFP

### **I. Response to Proposal**

The deadline for response is **Thursday, September 22, 2022**, at 12 PM, submit two (2) hard copies and one (1) electronic copy (PDF) of the proposal to:

Dylan Galloway  
Town Administrator  
Town of Cheverly  
6401 Forest Road  
Cheverly, MD 20785  
Phone (301) 773-8360  
Email [dgalloway@cheverly-md.gov](mailto:dgalloway@cheverly-md.gov)

No fax proposals will be accepted. Proposals received after Thursday, September 22, 2022, 12 PM will not be considered.

- A. The Response should address, at minimum, the information requested in the subsequent section entitled "Minimum Content of Responses". The format should follow the same sequence as the Minimum Content of Responses section and should be based upon the attached Auditor Scope of Work. Respondents may include relevant attachments and exhibits. Responses should be presented in a clear and concise format.
- B. The firm receiving the contract for audit services shall procure and maintain, for the duration of the contract, insurance as required in the Town's standard consulting services contract (see Exhibit A). The cost of such insurance shall be included in the consultant's proposal.
- C. The firm selected must acquire a Town business license while conducting any work under this agreement.
- D. The Town of Cheverly reserves the right to accept or reject any or all proposals at the Town's discretion. The Town reserves the right to adopt ideas of any proposal regardless of whether those proposals selection status. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals and in the attached standard consulting services contract, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the Town and the firm selected.
- E. Minimum Content of Responses  
All participating Consultants are requested to provide the following information in their response
  - 1. A title page showing the firm's correct legal business name; the name, address, and telephone number of the contact person; and the date of the proposal.

2. A signed letter of transmittal briefly stating that the firm submitting the proposal is a.) properly licensed to practice in the State of Maryland (including all assigned professional staff to the engagement); b.) agrees to perform all work outlined in the Town's RFP within the time periods established by the Town and c.) understands that the firm's proposal is a firm and irrevocable offer through at least June 30, 2023. The letter must contain a 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 Town.
3. A report on the firm's most recent external quality review, any findings discovered as part of that review and actions taken to correct those findings. The firm also must disclose 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, as well as any pending or settled litigation within the past three (3) years.
4. A description of the size of the firm's governmental staff and the firm's experience with municipalities of a similar nature and scope. Emphasis should be placed on assignments undertaken within the past three years and engagements undertaken by the personnel proposed to be assigned to this agreement.
5. Identify all personnel who will be assigned to work on this project and the firm office in which they are each located. Include brief summaries of their background (including if they hold a current CPA license) and experience in auditing municipalities as well as their assigned responsibilities under the proposal.
6. An affirmative statement that 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 only with the express prior written permission of the Town. However, in either case, the Town retains the right to approve or reject replacements. Other audit personnel may be changed at the discretion of the firm submitting the proposal, provided those replacements have substantially the same or better qualifications or experience.
7. The proposal should set forth an audit approach and methodology to be used to perform the services. This may include a discussion of approach to selection of sample size; use of specialized software; analytical procedures; approach to internal control structure; approach to determining laws/regulations subject to audit test work; identification of any anticipated problems, or special assistance required from Town Staff; and the format of the report.
8. Provide an indication of the time required for the completion of each major phase of the project. Any assumptions regarding turnaround time for Town Staff or Council review should be clearly noted
9. The firm should provide a calendar outlining the timeline for completion of the

work described in this proposal. Please note that the Auditor is responsible for identifying required review times for Town input and must account for printing and distribution within any timelines identified in the Scope of Work.

- F. Provide fee information on the Not to Exceed Price for Proposed Services Schedule for the completion of the projects described in the Scope of Auditor Services section. The total maximum bid price is to contain all direct and indirect costs, including all out-of-pocket expenses. Costs and total hours required should be specified for each fiscal year. The Town will not be responsible for expenses incurred in preparing and submitting the proposal. Such costs shall not be included in the proposal.
- G. Include an hourly fee quotation for all positions to be assigned. Identify an estimate of any reimbursable or non-direct costs, which would be applicable to the completion of the work. Identify proposed method of adjustment, if any, in the cost of services through subsequent years of the engagement.

#### **TENTATIVE SCHEDULE FOR SELECTION PROCESS**

Request for Proposal Issued	September 9, 2022
Submittal Deadline	September 22, 2022, 12 PM
Recommendation to Town Council with Agreement	September 22, 2022
The schedule and its components are subject to change at the discretion of the Town	

Town staff may conduct interim fieldwork in July/August with the final phase of fieldwork taking place in mid-October. Historically, interim field work has taken approximately one week to complete, whereas final field work has taken approximately two weeks to complete and would include any proposed audit adjustments from fieldwork. Staff expects draft copies of all audit reports to be delivered in mid-November, well in advance of the submittal deadlines for GFOA.

In order to meet the deadline established by the GFOA Comprehensive Annual Financial Report (CAFR) award program, the Auditor will be held responsible for delivering up to 10 final versions of the bound CAFR and an electronic version of the final reports (PDF) to the Town no later than December 15th of each year, unless the deadline is extended in writing by the Town.

1. Provide a listing of all cities for which the firm has performed audits during the last three years
2. Provide three references for your most representative projects including the following:
  - a. Name of Public Agency
  - b. Name and Title of contact person
  - c. Telephone Number of contact person
  - d. Size of General Fund Budget for the year most recently audited
  - e. Size of Agency Finance Department Staff
  - f. Brief description of the scope of the audit performed

## **SCOPE OF AUDITOR SERVICES**

### **I. General**

The Town of Cheverly desires the auditor to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles. The audit shall include an examination of all funds of the Town of Cheverly by certified public accountants duly authorized to practice as such by the State of Maryland. 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.

Auditor shall review and verify all trial balance worksheets and summary schedules including balance sheets, revenues, expenditures, and changes in fund balance for each fund of the Town. The Auditors shall also assist in the preparation of the pension footnote. The data source for the schedules will be the financial statements supplied by the Town. An initial draft of the CAFR will be prepared by Town Staff and will be given to the auditors during the final stage of the audit. Final report preparation and necessary editing shall be the responsibility of the Auditor. Reproduction of reports is discussed in Section V below.

Auditor shall submit a review draft of all reports for management. The final reports are subject to review by the Finance Committee and Town Council. Auditor shall incorporate, as part of the basic proposal, meeting time with Staff, the Finance Committee and Town Council for the purpose of discussing the audits or management letter and its conclusions.

### **II. Basic Reports to Be Issued**

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

- A. Signed Independent Auditors' Reports for the Town
- B. Independent Auditor's Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards
- C. Independent Accountant's Report on Agreed-Upon Procedures Applied to Appropriation Limit Worksheets
- D. A Management Letter addressed to the Town Council recommending improvements to the Town's internal controls that are otherwise non-reportable

The auditor shall communicate in a letter to the Town Council and the Town Manager 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 Town's ability to record, process, summarize, and report financial data consistent with the assertions of management in the



financial statements. Non-reportable conditions discovered by the auditor shall be communicated in the Management Letter, as noted above.

The auditor will be required to make immediate written notification to the Town Council, Town Manager, and Town Attorney of all irregularities and illegal acts or indications of illegal acts of which the auditor becomes aware.

### **III. Additional Reports To Be Requested At Town Option**

Reports on other audits or agreed-upon procedures may be agreed to in writing and stated in a supplemental audit agreement. Prior to beginning work, the scope of the study and associated costs shall be approved by the Town.

A. Single Audit Report of Federal Financial Assistance

B. Supplemental Reports / Studies

1. Number of Copies of Report to Be Produced
2. Independent Auditors' Reports for the Town – 1 electronic copy (PDF)
3. CAFR – up to 10 bound copies, 1 unbound copy and 1 electronic copy (PDF)
4. Successor Agency Audit - up to 10 bound copies, 1 unbound copy and 1 electronic copy (PDF)
5. Independent Auditors' Report on Internal Controls – 1 electronic copy (PDF)
6. Appropriations Limit - up to 10 original copies, 1 unbound copy and 1 electronic copy (PDF)
7. Management Letter - up to 10 bound copies, 1 unbound copy and 1 electronic copy (PDF)
8. Single Audit, if applicable, up to 10 bound reports, 1 unbound copy and 1 electronic copy (PDF)
9. Transient Occupancy Tax audit, if applicable, up to 10 bound reports, 1 unbound copy, 1 electronic copy (PDF)

### **VI. Standards To Be Followed**

To meet the requirements of this request for proposal, these audits are to be performed in accordance with all applicable and generally accepted auditing standards including: the standards set forth for financial audits by the Governmental Accounting Standards Board (GASB), in the General Accounting Office's (GAO) Government Auditing: Standards, and in the U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations.

## **VII. Special Considerations**

- A. The Town of Cheverly would like to send its comprehensive annual financial report to the Government Finance Officers Association (GFOA) for review in their Certificate of Achievement for Excellence in Financial Reporting program. The format of reports shall allow the Town to meet the requirements of that program. This also requires that the Auditor ensures the audit report and financial statements are complete in time for submission to GFOA. The Auditor shall also assist with developing responses to any comments or deficiencies noted by GFOA.
- B. The schedule of federal financial assistance and related auditor's report, as well as the reports on the internal controls and compliance are not to be included in the comprehensive annual financial report but are to be issued separately.

## **VIII. 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 five (5) years following completion of the audit, unless the firm is notified in writing by the Town of Cheverly 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:

- ☐ Town of Cheverly
- ☐ Parties designated by the federal or state governments or by the Town of Cheverly as part of an audit quality review process
- ☐ Auditors of entities of which the Town of Cheverly is a sub-recipient of grant funds
- ☐ State of Maryland, Office of the State Controller

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 accounting significance.

## **IX. Assistance To Be Provided By The Town**

- A. Town Staff will be available during the audit to assist the auditor by providing information, documentation, and explanations.
- B. Town Staff will generate the necessary confirmation letters prepared by the Auditor.
- C. Town will provide the auditor with reasonable workspace. Auditor will be provided reasonable access to a telephone line, WiFi, photocopier, and scanner. Read-only use profiles will be granted to the Audit staff in our Financial System (MIP Fund Accounting).

## BACKGROUND INFORMATION

### NOT TO EXCEED PRICE FOR PROPOSED SERVICES SCHEDULE

In accordance with the Request for Proposal for Audit Services issued by Town of Cheverly, the firm referenced below hereby submits the following cost proposal:

	Year Ended June 30th				
	2022	2023	2024	2025	2026
<b>Basic Reports to Be Issued</b>					
Town Audit, including CAFR and Management Letter					
Successor Agency Audit					
Gann Limit					
Total					

#### **Additional Audit Reports to Be Requested At Town Option**

Single Audit	
Transient Occupancy Tax	
Total	

In addition, please include below an hourly fee quotation and hours proposed for all positions to be assigned to the audit:

	Hours	Hourly Rate
Partners		
Managers		
Supervisory Staff		
Professional Staff		
Clerical/Support Staff		
Other		

I hereby certify that the undersigned is authorized to represent the firm stated above, and empowered to submit this bid, and if selected authorized to sign a contract with the Town, for the services identified in the Request For Proposals.

Firm Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_