

*The City of Lewes*



**CITY OF LEWES, DELAWARE**

**REQUEST FOR PROPOSAL**  
**PROVISION OF AUDIT SERVICES**  
**DUE: APRIL 5, 2019 BY 4:00 PM**

Deliver to:

City of Lewes  
ATTN: City Manager  
P.O. Box 227  
114 East Third Street  
Lewes, DE 19958

**CITY OF LEWES**

**NOTICE FOR PROPOSALS**

**PROVISION OF AUDIT SERVICES**

**NOTICE IS HEREBY GIVEN** that proposals for the provision of Audit Services of its financial records will be received by the City of Lewes. Proposals will be accepted **ONLY** at the **City Hall, P.O. Box 227, 114 East Third Street, Lewes, DE 19958** until **4:00 PM, April 5, 2019**. Submissions shall contain one (1) original and five (5) copies of the proposal. The proposal shall be clearly labeled with the firm's name and "City of Lewes Proposal – Provision of Audit Services." Firms assume all responsibility to ensure our successful receipt of proposal packages.

**LEWES, DELAWARE**  
**PROVISION OF AUDIT SERVICES**

I. INTRODUCTION

A. General Information

The City of Lewes, DE requests proposals from qualified certified public accounting firms for **the provision of auditing services for the fiscal year(s) ending March 31, 2019 through March 31, 2021 and two one-year extensions.**

The City of Lewes will receive proposals until 4:00 pm, **April 5, 2019** local time. A proposal received after this date and time 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).

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

During the evaluation process, the City 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 City 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 City and the firm selected.

B. Fund Types

Lewes, 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 City of Lewes' financial reporting.

Government Funds

1. General Fund
2. Transfer Tax Fund
3. General Capital Projects Fund
4. Municipal Street Aid Fund

5. Emergency Illegal Drug Enforcement Fund
6. State Aid to Local Law Enforcement Fund
7. Combat Violent Crime Fund
8. Police Department K-9 Fund
9. Pilottown Village Nature Trail
10. Fisher Martin House 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 City of Lewes' basic financial statements taken as a whole, 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 City of Lewes' 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 required.
4. The Schedule of Expenditures of Federal Awards and related auditor's reports as well as the reports on compliance and internal controls, if applicable.

### C. Additional Services

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

- Preparation of the Management Discussion and Analysis
- Preparation of all required basic financial statements to include Government-wide Financial Statements and Fund Financial Statements
- Preparation of the notes to the financial statements
- Preparation of the following additional statements and schedules:

- Combining and individual fund financial statements
- Budgetary comparison schedules
- General capital asset schedules
- Schedule of investments
- Preparation of supporting schedules and trial balances for the financial statements.
- Implementation of GASB 68, Accounting and Financial Reporting for Pensions.
- Typing, copying and binding of the draft and final annual audit report. The firm will provide the City with bound copies and one electronic (PDF) version of the audited financial statements and supplemental information by the dates outlined below in Section III AUDIT COMPLETION.
- The firm will provide the City 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 management containing appropriate suggestions for improvement of accounting procedures and internal controls for the City's consideration. This letter should contain comments and recommendations for controlling any internal weaknesses discovered and shall be discussed with appropriate personnel before finalizing.

### III. AUDIT COMPLETION

#### A. Draft Report

The auditor shall transmit a draft audit report and discuss findings and recommendations with the City Manager, Treasurer, Assistant City Manager/Financial Officer and the Mayor no later than three (3) months after the fiscal year end being audited.

#### B. Final Report

The auditor shall transmit a completed audit report to the City Manager and Assistant City Manager/Financial Officer no later than two (2) weeks prior to the Council Presentation.

#### C. Council Presentation

The auditor shall present the Final Audit Report to the Lewes Mayor and City Council no later than four (4) months after the fiscal year end being audited.

### 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 and in the City of Lewes.

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.

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. Fee

The proposed all-inclusive fee should be presented by fiscal year and include a schedule of hourly rates by staff level for additional services.

V. INQUIRIES

If you have questions pertaining to this Request for Proposal, they must be emailed to **Ann Marie Townshend** at [ATownshend@ci.lewes.de.us](mailto:ATownshend@ci.lewes.de.us). All questions must be submitted no later than 4:00 pm, **March 22, 2019**. 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 the City of Lewes.

CITY OF LEWES NOTICE FOR REQUEST FOR PROPOSAL

**THE CITY OF LEWES, DELAWARE REQUESTS PROPOSALS FROM QUALIFIED CERTIFIED PUBLIC ACCOUNTING FIRMS FOR THE PROVISION OF AUDITING SERVICES FOR THE FISCAL YEAR(S) ENDING MARCH 31, 2019 THROUGH MARCH 31, 2021 AND TWO ONE-YEAR EXTENSIONS. THE CITY OF LEWES WILL RECEIVE PROPOSALS UNTIL 4:00 PM ON APRIL 5, 2019 PM LOCAL TIME.**

**NOTICE IS HEREBY GIVEN** that request for proposals from qualified certified public accounting firms for **the provision of auditing services for the fiscal year(s) ending March 31, 2019 through March 31, 2021 and two one-year extensions** will be received by the City of Lewes. Proposals will be accepted only at the City Hall, P.O. Box 227, 114 East Third Street, Lewes, DE 19958, until **4:00 PM on April 5, 2019**. Said proposals will be evaluated and results will be made public after completion of the negotiation process with the selected auditor. The City reserves the right to reject any or all proposals and to waive any informalities or irregularities in any proposal or in the proposal process.

**March 8, 2019**