

[Date of RFP]

Partner's Name

Name of CPA Firm

Street Address

City, State, Zip

Dear _____:

Our organization is accepting proposals from CPA firms to provide audit services in the future. We invite your firm to submit a proposal to us by _____, for consideration. A description of The Company, the services needed, and other pertinent information follows:

Background of [Company Name] and Subsidiaries

[Company Name] and Subsidiaries (the Company) operates as [Describe the type of work your Company does, including where the work is performed such as the region or national scope]. The Company includes the following subsidiaries:

- Insert a description of each subsidiary, and what the primary function of each is.

Consolidated annual revenues are between \$XXX million and \$XXX million per year, and the organization employs approximately XXX employees in approximately XX locations across the United States and XXX location(s) in [International operations]. The Company is a [Corp Structure] and has a [Month, Date, Year] year-end, with a requirement to file an audited financial statement with the bank by [Month DD] of each year.

The Company sponsors two employee benefit plans, including a 401(k) and Employee Stock Ownership Plan (ESOP).

- The 401(k) plan is a defined-contribution plan covering substantially all employees of the Company and its subsidiaries. As of December 31, 20XX the plan had net assets available for benefits of approximately \$XXX million. Substantially all assets of the plan are certified by XYZ Trust Company, who also serves as the third-party administrator to the plan.
- The ESOP plan is a noncontributory employee stock ownership plan which invests primarily in the common stock of the Company. As of December 31, 20XX the plan had net assets available for benefits of approximately \$XXX million. XYZ Bank is trustee of the ESOP Plan. The plan also utilizes ABC and Associates, Inc. as a third-party administrator.

Services to Be Performed

Your proposal is expected to cover the following services:

1. Annual audit to be completed in compliance with the Generally Accepted Accounting Principles (GAAP) as required by our financial institutions and meetings with audit committee and/or board of directors, as necessary

2. *Limited Scope audit of the Company's 401(k) plan, as permitted by the Department of Labor (DOL) Rules and Regulations for Reporting and Disclosure under ERISA, to be completed in accordance with generally accepted accounting principles to be included in the form 5500 filed with the IRS and DOL.*
3. *Full Scope audit of the Company's ESOP plan. Limited Scope procedures may be performed for investments which are certified by U.S. Bank, as permitted by the Department of Labor (DOL) Rules and Regulations for Reporting and Disclosure under ERISA. The audit is to be completed in accordance with generally accepted accounting principles to be included in the form 5500 filed with the IRS and DOL.*

Key Personnel

Following are key contacts for information you may seek in preparing your proposal:

<i>Nancy Smith</i>	<i>CFO</i>	<i>(XXX) XXX-XXXX ext XXXX</i>
<i>John Doe</i>	<i>Controller</i>	<i>(XXX) XXX-XXXX ext XXXX</i>

Requests for additional information, visits to our site, review of prior financial statements, and appointments with management should be coordinated through our Controller. You may reach him/her at the number listed in this proposal. Please return the completed proposal to the attention of our Controller at the address noted above or electronically [email@domain.com].

Other Information

Our Company relies heavily on our CPAs as experts. As such, we expect our firm to be extremely knowledgeable in financial reporting and tax issues surrounding our Company's operations. Some additional items to note:

- *A division of the Company performs construction services. As such, the audit will require procedures over our Work in Progress (WIP) Schedule, as well as Billings in Excess (BIE) and Costs in Excess (CIE) accounts.*
- *The Company prefers to do a portion of the audit fieldwork covering internal controls and acquisitions in October or November to reduce the workload of our corporate office during the financial statement audit.*
- *The financial statement audit of [Company Name], Inc. is expected to be completed annually by [Month DD].*

Relationship with Prior CPA or Current Service Provider

These services have been provided by [Former Firm Name]. The Company is looking to reduce its fees, without significant reduction in the quality of service received. In preparing your proposal, be advised that management will give permission to contact the prior auditors.

Your Response to This Request for Proposal

In responding to this request, we request the following information:

1. *Detail your firm's experience in providing auditing and tax services to organizations in the engineering and construction industries, as well as auditing companies of a comparable size to [Company Name], including those with international operations.*
2. *Detail your firm's experience in providing auditing services for both 401(k) and ESOP plans, as well as auditing plans of a comparable size to [Company Name].*

3. *Provide information on whether you participate in any construction or related industry associations or groups. In addition, **please note how many of your firm's employees hold the CCIFP credential and how many of those individuals will be performing the specified scope of work.***
4. *Discuss the firm's independence with respect to [Company Name] and its subsidiaries.*
5. *Discuss commitments you will make to staff continuity, including your staff turnover experience in the last three years.*
6. *Identify the five largest Engineering or Construction industry clients your firm (or office) has lost in the past three years and the reasons. Also, discuss in instances when loss of the client was due to an unresolved auditing or accounting matter, the process of attempting to resolve the issue(s).*
7. *Identify the partner, manager, and in-charge accountant who will be assigned to our job if you are successful in your bid, and provide biographies. Indicate any complaints against them that have been leveled by the state board of accountancy or other regulatory authority, if any. Indicate any corrective actions that have been taken by the firm with respect to these people.*
8. *Describe how your firm will approach the audit of our Company and its benefit Plans, including the use of any association or affiliate member firm personnel and the areas that will receive primary emphasis. Also, discuss the firm's use of technology in the audit. And finally, discuss the communication process used by the firm to discuss issues with the management and audit committees of the board.*
9. *Set forth your fee proposal for the services described above, with whatever guarantees can be given regarding increases in future years. Your fee proposal should also delineate hours by level of staff.*
10. *Detail your audit plan, including a timeline for completion of key milestones including interim testing, planning, fieldwork, and issuance of audit report.*
11. *Describe how you will bill for questions on technical matters that may arise throughout the year.*
12. *Furnish current standard and discounted billing rates for classes of professional personnel.*
13. *Provide the names and contact information for other similarly sized clients of the partner and manager that will be assigned to our organization for reference purposes.*
14. *Describe how and why your firm is different from other firms being considered, and why our selection of your firm as our external accountants is the best decision we could make.*
15. *Include a copy of your firm's most recent peer review report, the related letter of comments, and the firm's response to the letter of comments.*

Evaluation of Proposals

[Company Name] will evaluate proposals on a qualitative basis. This includes our review of the firm's peer review report and related materials, interviews with senior engagement personnel to be assigned to our organization, results of discussions with other clients, and the firm's completeness and timeliness in its response to us.

We would also appreciate a response if you decline to submit a proposal.

*Sincerely,
John Doe, CCIFP, CPA
Controller*

Attachments: Most recent Corporate, ESOP and 401(k) financial statements