

**REQUEST FOR PROPOSALS  
FOR REVIEW/AUDIT SERVICES**

**BY**

**MAINE RETIREMENT SAVINGS BOARD  
DBA MERIT- Maine Retirement Investment Trust**

**June 14, 2024**



**MAINE RETIREMENT SAVINGS BOARD  
REQUEST FOR PROPOSAL for an  
INDEPENDENT AUDIT**

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The following information will be provided to firms indicatating that they will be submitting proposals:

- December 31, 2022 Unaudited Financial Statements
- December 31, 2023 Unaudited Financial Statements
- Maine Retirement Savings Board Annual Report

## **I. Introduction**

**Organizational Overview:** The Maine Retirement Savings Board was created by PL 2021, c. 356 to implement and operate an Auto IRA Program for Maine employers and employees. PL 2023, c. 167 amended the original legislation to provide, among other things, for the delay in Program participation deadlines and in the Audit Start date until the end of calendar year 2025.

The State Treasurer is a voting member of the Board and currently serves as the Board Chair. The remaining eight members are appointed by the Governor and confirmed by the Senate. The initial Board members were named in early 2022 and in accordance with the enabling statute, the Board held its first meeting in April 2022.

The Board was funded with an initial allocation of \$1,600,000, which is invested in the State Treasurer's cash pool. The Board is expected to become self sustaining over time through program revenue. The Board receives Program revenue quarterly. The first Program revenue for Q1 2024 was received by the Program in early Q2 2024. The Board receives monthly distributions of investment earnings from the Treasurer's Cash Pool. The Program is managed by Vestwell State Savings LLC (Vestwell). Accounts are held at Bank of NY Mellon (BNY). Vestwell and BNY will be audited separately pursuant to the terms of the Master Services Agreement for Program Management. As a public entity, the Board's audits and approved Board minutes are publicly accessible on our website, [mainesaves.org](https://mainesaves.org). The Board is required to provide its audit to the State of Maine for inclusion in the State financial statements.

The Board has a single employee as of the release of this RFP. That employee oversees all finance matters with the assistance of a contracted bookkeeper. The Board has established a working group of two board members to oversee the audit process. The full board will make the selection of the auditor and review and approve the audit. .

**Contact Information:** Requests for additional information should be directed to:

**Elizabeth Bordowitz**

Executive Director

Maine Retirement Savings Board

Tel: (207) 888-4706      E-mail: [elizabeth.bordowitz@mainesaves.org](mailto:elizabeth.bordowitz@mainesaves.org)

## **II. Services to be Performed**

The Maine Retirement Savings Board (MRSB) is soliciting the services of a certified public accounting firm to perform a review of the Board's statement of financial position and related statements of activities, cash flows, and functional expenses for the fiscal year ending December 31, 2024, and an audit of the Board's statement of financial position and related statements of activities, cash flows, and functional expenses for the fiscal year ending December 31, 2025, in accordance with auditing standards generally accepted in the United States.

The Review of the 2024 financial statement should be sufficient to provide reasonable assurance that the financial statements are fairly presented and conform to U.S generally accepted accounting principles.

The audit scope should be sufficient to provide reasonable assurance that the financial statements are fairly presented and free of material misstatement. The audit should include the following elements:

- Obtaining an understanding of the MRSB and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures.
- Tests of the foundation's accounting records and other procedures considered necessary to enable the auditors to express an opinion about whether MRSB's financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting standards. Along with the report on the financial statements, the CPA firm will:
  - Issue an audit opinion, if applicable, along with any required communications.
  - Prepare a management letter containing comments and recommendations with respect to accounting, internal control, efficiencies, and emerging issues.
- Tests of documentary evidence supporting the transactions recorded in the accounts and direct confirmation of certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions and review of any related party transactions.

Audit firms interested in responding to this RFP will receive organizational and financial information related to the MRSB.

## **III. Review and Audit Specifications**

This request is a solicitation to provide a Review of the Board's financial statements for the fiscal year beginning January 1, 2024, and ending December 31, 2024 and an audit of the Board's financial statements for the fiscal year beginning January 1, 2025 and ending December 31, 2025. The contract with the firm selected through this competitive process may be extended to three additional consecutive years at terms consistent with the audit firm's original proposal.

#### IV. Audit Proposal Requirements, Timeline, and Format Specifications

Proposal respondents must conform to the following:

- a) Each respondent expecting to submit a proposal shall indicate an interest in responding to this RFP no later than June 28, 2024, by sending an email to Elizabeth Bordowitz ([elizabeth.bordowitz@mainesaves.org](mailto:elizabeth.bordowitz@mainesaves.org)) expressing your interest in submitting a proposal and identifying the firm and an email for the primary contact for the RFP process.
- b) Questions and/or requests for clarification about this RFP or the selection process must be submitted in writing to Elizabeth Bordowitz via e-mail ([elizabeth.bordowitz@mainesaves.org](mailto:elizabeth.bordowitz@mainesaves.org)) by July 9, 2024. All inquiries and responses will be provided to all respondents who have returned a Notice of Bidder Interest Form indicating intent to submit a proposal. Names of inquirers will not be disclosed until the process is complete.
- c) Bidders will provide a PDF of their proposal. Proposals must be received by **e-mail** at [info@mainesaves.org](mailto:info@mainesaves.org) no later than **4 pm (Eastern Time) on August 2, 2024**, to be considered.

To achieve a uniform process to evaluate proposals, the Board is requesting that proposals be organized in the manner specified:

- a) Title page, including title, the proposing firm's name, contact person, telephone number, e-mail address, and date.
- b) A cover letter that includes:
  - A brief statement of your understanding of the work to be done and commitment that the work can be performed within the time frame specified in this request.
  - A statement that the signer(s) is (are) authorized to commit the firm to the proposal and to contract for the firm.
  - The title or position the signer(s) hold(s) in the proposing firm.
  - A statement to the effect that the proposal is a firm and irrevocable offer good for six months from the date of the letter.
  - A statement on the availability of staff and other required resources for performing all services as described in this request for proposal and for services in addition to those requested, if offered or requested.
- c) Table of contents that identifies the material by section and page number.
- d) General information about your firm, including:
  - Organizational structure, including service categories, staff level description, the number of professional staff in the proposed office that will service the MRSB, and location of the firm's headquarters and contact information, if different from the office which will provide audit service to the MRSB.
  - Firm experience in providing auditing to independent state agencies or other governmental entities.
  - Disclosure of any pending or threatened litigation against the firm as of the date of your response.

- Commitments the firm makes to staff continuity, including your staff turnover experience in the last three years.
- e) Summary of the proposed team’s qualifications that identifies the partners, managers, and in-charge accountants assigned to our job if you succeed in your bid.
  - Bios for each person on the proposed team, specifying any recent experience related to the type of services requested.
- f) Description of the audit approach, outlining how your firm will approach MRSB’s audit, including the use of any association or affiliate member firm personnel and the areas that will receive primary emphasis.
  - Outline of the planned audit cycle and timetable, including the timing of interim tests, fieldwork, and delivery of reports..
  - Outline of your expectations of the MRSB staff.
  - Include a discussion of the firm’s use of technology in the audit.
  - Include a discussion of the communication process used by the firm to discuss issues with management and the MRSB members.

**Note:** By statute, the first audited reports of FY25 are due to the Legislature on Feb 1, 2026. The board recognizes the tight timeline and intends to submit a request to have the date changed in future legislative sessions. The firm selected is expected to provide a proposed timeline to meet the deadline or provide a reasonable timeline that would allow the presentation of the results to the board no later than the April board meeting, which is held on the 3rd Wednesday of the month.

- g) An estimate of your annual charges and maximum fee (including estimated out-of-pocket expenses) based on a five-year engagement (one year of Review, 4 years of Audits). Specify the projected number of hours by staff level/category and your standard billing rates for each class of professional personnel for the last two years. Address your firm’s approach to cost savings in the auditing process (i.e., automated systems, reliance on internal controls, remote audit work, and other efforts to reduce audit staff time and MRSB staff time).
- h) Client references that include a list of governmental clients the firm has audited in the past three years. Please furnish the names and telephone numbers of three of these clients we may contact.
- i) Peer Review Reports: Provide a copy of the firm’s latest peer review report, the related letter of comments, and the firm’s response to the letter of comments.
- j) A draft copy of the representation letter you will require from MRSB management in conjunction with auditing the financial statements.

## **V. Criteria for Evaluation and Selection of Audit Firm**

The Board’s’s criteria for evaluation and selection of an audit firm will include, but not be limited to, the following:

- a) Engagement partner and staff qualifications and experience in auditing governmental entities.
- b) Engagement firm’s depth of personnel, experience, and qualifications of the staff to be assigned to the Board.

- c) Understanding of and commitment to the scope of work to be performed, including responsiveness to the RFP, quality of written presentations, ability to meet stated deadlines, and to meet unexpectedly arising needs.
- d) A fee structure that is reasonable and commensurate with expectations.
- e) Depth and array of other services offered by the firm.
- f) Client references.

Please note that late proposals will not be accepted, nor will faxed or mailed submissions be accepted, even if received before the deadline.

The Board reserves the right to ask for a modification of minor irregularities in the proposals and to incorporate those modifications with the concurrence of the proposing firm. The Board also reserves the right to adapt all or part of any proposal except for matters covered by a patent, copyright, or other legal limitations or obligation.

The contract is expected to be awarded on or no later than September 30, 2024.

## **VI. Expected Engagement Procedures**

The CPA Firm will be expected to conduct its audit under the following conditions.

- a) The contract is expected to be effective upon approval by the Board.
- b) The fieldwork and due dates for various stages of the audit services are expected to be developed with the Board staff to assure that the Board can provide audited financial statement to the State in a timely manner.
- c) The firm shall comply with all auditing standards generally accepted in the United States.
- d) The partner responsible for the audit engagement will primarily be responsible for comprehensive audit planning, development of audit procedures, work scheduling, coordinating with the audit staff, advance preparation of schedule requests, and appropriate tailoring of the financial statements.
- e) The scope of the audit work should be the minimum required, consistent with rendering an unqualified opinion on the Board's financial statements. The target date for the final published financial statements is April.
- f) The audit team will attend the April Board meeting to present the audit and meet in an executive session to discuss any management issues.
- g) The Board will assign the Executive Director, Elizabeth Bordowitz, to serve as the key contact person during the audit.
- h) A list of all required audit schedules shall be sent to Ms. Bordowitz for preparation two weeks before the start of the audit.
- i) Along with the report on the financial statements, the CPA firm will:
  - In the years that a full audit is undertaken, issue an audit opinion, if applicable, along with any required communications.
  - Prepare a management letter containing comments and recommendations with respect to accounting, internal control, efficiencies, and emerging issues.
- j) The Board will need a secured and unsecured PDF file of the final audit.

- k) The audit will be provided to the Controller’s Office of the State of Maine and to be included in the State of Maine financial statements.
- l) A response to the RFP is deemed consent to publish the financial statements in the Annual Report of the Board, on the Board’s website and an in the State’s financial statements.

**VII. Other General Information and Conditions**

All parties who submit proposals should be aware of the following conditions of this RFP and the proposed audit services contract.

- a) The Board is not liable for any cost associated with the participation of any firm or individual in the proposal and selection process.
- b) All proposals and accompanying and related documentation will become the property of the Board and will not be returned.
- c) The submission of a proposal shall be evidence that the firm submitting a proposal has full knowledge of the scope, nature, quantity, and quality of work to be performed, the detailed requirements of the specifications, and the conditions under which the work is to be performed.
- d) All proposals submitted to the Board will remain confidential until final evaluation and selection. After the final approval of the contract, all proposals submitted are subject to Maine’s Freedom of Access Laws and available for public inspection.
- e) The Board retains the right to reject any or all proposals at any time and for any reason and, at the Board’s sole discretion, solicit new proposals on the same or different terms.
- f) Subsequent to the deadline, the Board may modify or amend the specifications.
- g) The contract may be terminated without cause by either party, immediately by the Board, and with thirty (30) days written notice by the public accounting firm.

**VIII. Proposal Time Schedule**

RFP available/distributed	June 14, 2024
Email identifying bidder interest due	June 28, 20234
Deadline for questions from bidders	July 9, 2023
Deadline for responses to bidders’ questions	July 12, 2024
Deadline for Final Submissions	August 2, 2024 at 4:00 PM
Meeting with the Board’s Working Group	August 19-20, 2024
Board Vote on award of representation	August 21, 2024