

CITY OF MOSIER

small enough to make a difference

REQUEST FOR PROPOSALS FOR MUNICIPAL AUDITING SERVICES

INTRODUCTION

The City of Mosier, (hereinafter called “the City”) Wasco County, Oregon invites proposals from qualified independent licensed municipal auditors (hereinafter called “auditor”) having sufficient governmental and auditing experience in performing an audit in accordance with the specifications outlined in this Request for Proposal (RFP).

It is the intent of the City to negotiate an approximate three-year contract, beginning October 2019 and terminating on March 1, 2022, with an option to extend for up to two additional one-year terms. The contract will be subject to the satisfactory performance and timely completion of the work by the auditor, satisfactory negotiation of terms, approval by the City Council, and availability of appropriations.

A full RFP packet is available on the City of Mosier website at <http://www.cityofmosier.com>. Submissions must be received by 4:00 p.m. October 4, 2019. Electronic submissions are preferred and should be sent to Jayme Bennett, City Recorder, jayme.bennett@cityofmosier.com

Table of Contents

I. CITY BACKGROUND AND ACCOUNTING	3
II. GENERAL INFORMATION AND SUBMISSION OF PROPOSALS	4
III. AUDIT OBJECTIVES AND SCOPE OF SERVICES	5
IV. PROPOSAL REQUIREMENTS	6
V. PRICE	8
VI. EVALUTION CRITERIA AND SELECTION PROCEDURE	9
VII. OTHER	10
ATTACHMENT A- Authorization Signature and Attestation	11

I. CITY BACKGROUND AND ACCOUNTING SYSTEM

The City of Mosier is operated under the Council–Manager form of government. Policy-making and legislative authority are vested in the City Council, consisting of an elected mayor and six council members. The City Manager is responsible for carrying out the policies and ordinances of the City Council and for overseeing the day-to-day operations of the City. Financial records are maintained by the Finance Officer/City Recorder. The population of the City of Mosier is approximately 456.

The City provides a range of municipal services including but not limited to street, water, wastewater, parks, planning, and general administration. The City has 3 full-time employees, City Manager, City Recorder and Public Works/Water Officer. In addition, the City contracts with 3 professional staff; City Planner, City Engineer and City Attorney.

The City prepares a Comprehensive Annual Financial Report and operates on a modified accrual basis of accounting. All prescribed procedures of the State of Oregon in the preparation and adoption of the City’s annual budget are followed.

Financial accounting records are computerized using Quickbooks Software.

The City currently maintains one (1) General Fund, (4) Special Revenue Funds, and (2) Enterprise Funds, and (5) Debt Service Funds. Within the General Fund, the expenditures are organized by Department. The adopted budget for all City operations for Fiscal Year Ending, June 30, 2019 is \$2,295,482. The City has received both state and federal grants, however it is not subject to individual audit requirements each year. Our financial statements are prepared in accordance with a cash-based system.

A copy of the budget and prior year audited financial report is available on the City of Mosier website: www.cityofmosier.com

II. GENERAL INFORMATION AND SUBMISSION OF PROPOSALS

All information and data furnished to proposers by the City and all other documents to which the proposers’ employees or agents have access during the preparation and submittal of the proposal shall be treated as confidential by the proposers. Any oral or written disclosure to third parties without the City’s prior written consent is prohibited.

The City of Mosier requires all audit firms to comply with equal opportunity policies. The City of Mosier’s programs, services, employment opportunities, volunteer positions and contracts are open to all persons without unlawful regard to race, religion, color, gender, sexual orientation,

national origin, age, disability, genetic information, veterans' status, marital status, or any other status protected by applicable federal, Oregon or local law.

A. All proposals must be submitted to:

Mailing Address:

Jayme Bennett/City Recorder
City of Mosier
P.O. Box 456
Mosier, OR 97040

For questions or additional information contact Jayme Bennett, 541-478-3505 or email: jayme.bennett@cityofmosier.com

All submissions must be received by the City prior to 4:00 pm on October 4, 2019. Electronic submissions are encouraged and should be delivered to Jayme Bennett, jayme.bennett@cityofmosier.com.

B. Proposals submitted to the City shall become the property of the City of Mosier without obligation.

C. The City of Mosier reserves the right to reject any and all proposals, with or without cause. The City may seek clarification of any proposal submitted. The City may require additional or other evidence of technical, financial, or other abilities prior to evaluation or selection. The City of Mosier may make an award based upon initial proposals received without further process or discussion with the submitting entities of their proposals.

D. The selection of the external auditor will be based upon an evaluation of responses received according to the criteria included in Part VI of this proposal.

E. The scope of work shall begin with the fiscal year 2018-19 audit and the work may begin upon approval of the contract by the Mayor (anticipated to be on or before October 30, 2019). Any agreement initiated as a result of this RFP will be effective through March 1, 2022 with an option to extend the contract for up to a maximum of (4) additional one-year terms unless otherwise terminated as provided for by the terms and conditions of the agreement.

Proposal and Award Schedule:

September 10, 2019 Publish notice and distribute RFP

September 27, 2019 Questions Submission Due Date

October 7, 2019 Proposal Due Date

October 11, 2019 Selection of Finalists

October 15-18, 2019 Interview finalists if necessary

October 21-25, 2019 Complete Contract Process

October 30, 2019 Contract Award by Council

III. AUDIT OBJECTIVES AND SCOPE OF SERVICES

The City of Mosier is requesting proposals for the services of a qualified Certified Public Accounting firm to audit the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of the City of Mosier. Services will include, but not be limited to: planning and performing the audit; performing tests of documentary evidence, evaluating internal controls; preparing the draft and final Audit Report (includes approximately (10) copies and an electronic copy); preparing and filing State Documents; and providing technical assistance throughout the fiscal year.

A. The auditing services performed by the auditor shall allow the firm to:

- Express an opinion on whether the financial statements of the City present fairly the financial operations in conformity with Generally Accepted Accounting Principles (GAAP);
- Express an opinion on whether the City has complied with laws and regulations that may have a material effect on the audited financial statements in accordance with Government Auditing Standards;
- Report on internal controls related to the financial statements and major programs and issue an opinion on compliance with laws, regulations and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133; and
- Issue a management letter identifying opportunities to strengthen processes and internal controls as identified during the audit.

B. A minimum standard for audits of Oregon Municipal Corporations, adopted by the Secretary of State and approved by the State Board of Accountancy, shall govern the audit.

C. The financial and compliance audit shall apply industry standards for auditing, and shall be made in accordance with all of the following:

- Generally accepted governmental procedures as prescribed in the American Institute of CPAs (AICPA) Industry Audit Guide – Audits of State and Local Government Units and in Governmental Accounting, Auditing, and Financial Reporting (GAAFR);
- Generally accepted auditing standards, Government auditing standards, and Oregon minimum standards;
- The Single Audit Act and OMB A-133: and Applicable laws and regulations.

D. Recommendations based upon the auditing firm’s review of the adequacy of internal accounting controls and other audit investigations shall be made a part of a formal management report separate from the financial audit. Such associated costs shall be included in the audit fee. The discussion of these recommendations shall be with the City Manager and City Recorder/Finance Officer. Recommendations to management, opinion, comments or recommendations relating to internal controls, accounting systems, compliance with laws, rules and regulations, or any other matters that come to the attention of the auditor during the course of the audit must be discussed with appropriate City officials prior to publication to third parties.

E. The auditor shall meet with the Finance Director/City Recorder prior to the commencement of each audit to discuss the planned approach to the audit work and to provide a list of schedules to be prepared by City personnel prior to the beginning of field work. An exit conference is required of the auditing firm on completion of all field work so as to inform the City Manager and City Recorder/Finance Officer of pertinent findings. A letter summary of the audit findings shall be submitted to the City Council.

F. The City will make available the information and work papers necessary in conjunction with the financial and compliance audit engagement.

G. Expectation of services to be provided by auditors not already outlined above:

- The Auditor should be familiar with and prepared to advise City staff on how best to implement both current and proposed GASB Statements. In addition, the Auditor is also expected to provide informal advice and consultation throughout the year on matters relating to accounting and financial reporting.
- Provide the City with adjusting entries and a final trial balance upon completion of the field work.
- Draft and prepare final audit report – Auditor will be expected to prepare the final audit report and provide (10) hard copies and an electronic copy to the City.
- Prepare and file all required State Documents.
- Prepare the “Oregon Audits Division Summary of Revenues and Expenditures” form for the City and each of the City’s component units.

- Prepare a report on compliance with specific requirements applicable to major federal financial assistance programs, if required.
- All working papers and reports must be retained, at the auditor’s expense, for a minimum of ten (10) years, unless the firm is notified in writing by the City of Mosier 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:
 - City of Mosier
 - Secretary of State of the State of Oregon
 - U.S. General Accounting Office
 - Parties designated by the federal or state government or by the City as part of an audit quality review process

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 continuing accounting significance.

H. Any unusual conditions encountered during the course of the audit, where services of the auditing firm must be extended beyond the normal work anticipated, will require written notification to the City Recorder/Finance Officer who will respond in writing concerning the additional services.

IV. PROPOSAL REQUIREMENTS

In order to achieve a uniform review process and to obtain the maximum degree of comparability, it is required that proposals include the items noted below and be organized in the manner specified in this part.

1. Title Page – The name of the proposal’s firm, firm address, telephone number, name of contact person, email address, and the date.

2. Table of Contents – include a clear identification of the material by section and by page number.

3. Organization and Assigned Personnel – State whether your audit organization is national, regional, or local. Include the names of local partners/principals and the number of local personnel on the Oregon Municipal roster. Provide a list of partners, managers, and other key staff people who will be assigned to the City’s account.

4. Local Office Technical Qualifications – Provide resumes of persons who will be performing professional work and indicate their experience in auditing governmental jurisdictions. Provide a list of the local office’s current and prior government audit clients indicating the type(s) of services performed and the number of years served for each.

5. Quality Control - Describe your audit organization’s participation in AICPA sponsored or comparable quality control programs. Include a copy of your most recent peer inspection report.

6. Compliance - Disclose any and all judgments, pending or expected litigation, or other real or potential financial reversals that might materially affect the viability or stability of the proposing organization, or warrant that no such condition is known to exist. If the proposer is a national firm, it must disclose the above information for its region and all material judgments and pending or expected litigation on a nation-wide basis. If the proposer has had a contract terminated for default during the past five (5) years, all such incidents must be described. The audit firm must not have a record of substandard work. The City will verify this requirement by communication with the Oregon State Board of Accountancy.

7. Use of Subcontractors – State whether subcontractors will be used and provide the above information for each subcontractor.

8. Audit Approach - Describe staffing level that will be assigned to the City of Mosier’s field work and the level of staff to be assigned to each proposed segment of the engagement. Outline a work plan and related time schedule for each significant segment of the work. Describe the organization of the audit team.

Describe use of statistical sampling and use of computer and programs to assist in the audit process. Describe your policy on rotation of personnel to be assigned to the City the first year and each year thereafter.

Describe your approach to documenting and communicating findings to management and/or to the City Council.

9. Use of City Personnel - Describe how you would propose to use City personnel, if at all, to assist you during the audit and indicate the approximate time requirement.

10. Reporting Deadlines – Provide detailed information on how the audit firm proposes to meet the anticipated timelines and reporting deadline of the engagement.

11. References – Proposers must demonstrate successful past performance of the firm’s ability to provide services as set for in this specification. Proposers must detail five (5) references to document experience with at least three (3) of the references being governmental entities.

V. PRICE

Provide the firm’s proposed all-inclusive audit fee and a statement regarding determination of increases in succeeding years should the contract be extended or renewed. The proposal must include a total not-to-exceed amount for the fiscal year ending June 30, 2019. Include the hourly rates for each staff employee classification, and any other fees associated with the completion of the audit. The auditing firm shall include in their auditing fee the following:

- All direct and indirect costs, including out-of-pocket expenses such as travel costs.
- The cost of providing (10) copies of the audit document and (1) PDF copy.

The City is not responsible for costs or expenses incurred in the preparation or submission of proposals, and such costs should not be included in the proposal.

VI. EVALUTION CRITERIA AND SELECTION PROCEDURE

Interviews may be conducted with the finalists or the City may negotiate and award based on the initial proposals alone. A contract is expected to be executed between the City and the selected auditor by October 30, 2019. Proposals will be evaluated by a review committee based on technical responses and price with the following points:

- 40% - Experience, Qualifications and References
 - 30% - Audit approach and understanding of RFP
 - 30% - Cost Proposal
- 100% TOTAL

Any proposal that scores a zero (unacceptable) in any category will be rejected, regardless of total score.

VII. OTHER

Meetings and Progress Reports:

1. Pre-audit conferences with City Manager and Finance Administrator will be held to discuss audit schedules, working paper requirements, and report deadlines, as well as the audit program. A written list of information to be provided by the City staff to the auditors should be provided at this time.
2. Progress report meetings will be held with key audit firm personnel and City financial management staff at regular intervals mutually agreed upon.
3. An exit conference is required with key audit firm personnel on completion of the preliminary draft report to inform the City Manager and City Recorder/Finance Officer of pertinent findings.

4. Formal report presentation by the Audit firm management will be required before the City Council upon completion of the final report.

Use of Audit

Ownership of the audit report belongs to the City of Mosier and it is expressly understood that publication of the audit, in whole or in part, or reference to the audit, will be at the sole discretion of the City.

Attachment A
Authorized Signature and Attestation

I, the undersigned, an authorized representative of _____ ,
whose address is _____ have read and
thoroughly understand the specifications, instructions and all other conditions of the RFP for
Municipal Auditing Services issued by the City of Mosier for the fiscal years ended June 30,
2019, June 30, 2020, and June 30, 2021. Acting on behalf of my accounting firm, which is listed
above, I do attest that we are independent of the City of Mosier as defined by the GAAS, and
that the services offered by us meet City of Mosier's specifications in every respect (check one)
_____ without exception _____ with exception

We, therefore, offer and make this bid to furnish City of Mosier the Audit services detailed in
this proposal, at the price indicated. The prices identified in this proposal are firm and valid for
90 days from the date of our signature below.

Date: _____
Signature: _____
Printed Name: _____
Title: _____