

CITY OF ST. HELENS



REQUEST FOR PROPOSALS MUNICIPAL AUDITING SERVICES

May 19, 2022

Projected Timeline

RFP Release	May 19, 2022
Proposals due	June 22, 2022
Selection of Finalists	June 24, 2022
Interviews if Necessary	June 28, 2022
Notice of Intent to Award	June 29, 2022
City Council Approval	July 20, 2022

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CITY OF ST. HELENS

REQUEST FOR PROPOSALS – MUNICIPAL AUDITING SERVICES

The City of St. Helens (City) 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 Proposals (RFP).

I. DESCRIPTION OF THE CITY AND APPLICABLE ACCOUNTING SYSTEMS

The City of St. Helens is in Columbia County, Oregon. The City serves an area of 5.3 square miles with a population of 14,560. The City provides a full range of municipal services to its citizens, including but not limited to water and sewer, police, municipal court, public works, community services, and library.

The City of St. Helens has a Council-Mayor form of government consisting of four Councilors, elected to four-year terms, and a Mayor, elected to a two-year term. At each biennial general election, the Mayor and two Councilors are elected.

Annual appropriations for fiscal year 2021/2022, for the general fund and all funds combined are \$10.92 million and \$36.07 million respectively. The City has 82 full and part-time employees.

The City of St. Helens uses the following fund types and accounting groups in its financial reporting:

- 1 - General Fund
- 4 - Special Revenue Funds
- 5 - System Development Charge Funds
- 3 - Enterprise Funds
- 2 - Internal Service Funds
- 1 - Urban Renewal Agency

The City of St. Helens uses Incode 10 Financial Software’s General Ledger, Accounts Payable, Accounts Receivables, Payroll, Licensing and Permits, Cash Receipting, and Utility Billing modules. The City uses Accela from the State of Oregon for Building Permits.

A copy of the budgets and audits from the prior year are available on the City of St. Helens website www.sthelensoregon.gov.

II. GENERAL INSTRUCTIONS FOR SUBMISSION OF PROPOSALS

A. All sealed proposals must be submitted not later than 3:00 p.m. June 22, 2022, to:

Mailing Address:

City of St. Helens
ATTN: Matt Brown, Finance Director
265 Strand Street
St. Helens, OR 97051

Hand Delivery:

City of St. Helens
ATTN: Matt Brown, Finance Director
265 Strand Street
St. Helens, OR 97051

The outer sealed envelope in which proposals are tendered should be marked "Audit RFP Proposal".

- B. Five (5) copies of the proposal are required, not to be opened until after the final submission date and hour noted above. These submissions shall become the property of the City of St. Helens without obligation.
- C. The selection of the external auditor will be based upon responses received to the criteria included in Part III of this proposal.
- D. Any questions should be directed to Matt Brown, Finance Director, at mbrown@sthelensoregon.gov. Written responses will be available to all interested parties.
- E. Work under this municipal auditing services agreement shall begin with the fiscal year 2021/2022 audit and shall commence with the adoption of the contract by City Council (anticipated to be issued July 20, 2022). Any agreement initiated as a result of this RFP will be effective through June 30, 2025, with an option to renew annually up to a maximum of (2) two additional years unless otherwise terminated as provided for by the terms and conditions of the agreement.
- F. The City of St. Helens reserves the right to reject all proposals, and has the right, in its sole discretion, to accept the proposal it considers most favorable to the City's interest and the right to waive minor irregularities in procedure.

III. AUDIT OBJECTIVES AND SCOPE OF SERVICES

The City of St. Helens is requesting proposals for the services of a qualified Certified Public Accounting firm to conduct the Financial and Compliance Audit of the City's operations. Services will include, but not be limited to: Planning and Performing the audit; Performing tests of documentary evidence, Evaluation of internal controls; Review of Management Letter; Review of adjusting entries; Draft and final Audit Report (includes approximately 10 copies and an electronic copy); Preparation and filing of State Documents; Technical assistance throughout the fiscal year; and Review of Year End Financial reports.

- 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 position and results of 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; and
 - Issue a management letter.
- 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. The audit will be used as a single document which will contain the basic financial statements, notes, and as supplementary data, the Combining and Individual Fund Financial Statements and Schedules.
- F. 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 Administrator and Finance Director.
- G. The auditor shall meet with the Finance Director 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 to inform the City Administrator and Finance Director of pertinent findings. A summary presentation of the audit findings shall be made to the City Council.
- H. The City will make available the information and work papers necessary in conjunction with the financial and compliance audit engagement.

- I. Expectation of services to be provided by auditors not already outlined above:
- 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 a report on compliance with specific requirements applicable to major federal financial assistance programs, if required.
 - As part of the overall audit contract, the City expects to receive from the audit firm a variety of technical assistance throughout the fiscal year, including answers to accounting, reporting, and/or internal control questions.
 - 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 St. Helens of the need to extend the retention period.
- J. Plan changes in reporting over the next three years: It is the intent of the City that over the next three years to prepare and print a Government Finance Officers Associated (GFOA) certified Comprehensive Annual Financial Report (CAFR) each year.
- K. Compilation of financial statements and note disclosures.

IV. EVALUATION CRITERIA

Proposals will be evaluated based on technical responses and price with the following points:

Experience, Qualifications, and References	10	Points
Audit Approach and Understanding of City’s Auditing Needs	10	Points
Cost Proposal	<u>5</u>	<u>Points</u>
Total	25	Points

The proposals will be reviewed by a selection committee comprised of one City Councilor, the City Administrator, and the Finance Director. Additional selection committee members may consist of Budget Committee members and/or other local governmental agency peers. The selection committee may elect to interview those candidates they deem most suitable to perform the audits.

Based upon this review, a recommendation will be made to the City Council as to award.

IV. PROPOSAL REQUIREMENTS

To achieve a uniform review process and to obtain the maximum degree of comparability, it is required that proposals be organized in the manner specified in this part.

- A. Title Page - The name of the proposal's firm, firm address, telephone number, name of contact person, and email address.
- B. Table of Contents - Include a clear identification of the material by section and by page number.
- C. A list of partners, managers and other key staff persons who will be assigned to the City's engagement. Provide resumes and indicate their experience in auditing governmental jurisdictions, specifically municipalities.
- D. Describe staffing level that will be assigned to the City of St. Helens field work. Outline a work plan and related time schedule for each significant segment of the work.
- E. Describe how you would propose to use City personnel, if at all, to assist you during the audit and indicate the approximate time requirement.

V. TECHNICAL CRITERIA AND PRICE

Your proposal must clearly respond to the following:

A. Organization/Local Office Technical Qualifications and Approach.

1. State whether your audit organization is national, regional, or local.
2. Indicate the number of people (by level) located within the local office that will handle the audit.
3. 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.
4. Indicate the local office's experience in providing additional services to government clients by listing the name of each government, the type(s) of service performed, and the year(s) of engagement.
5. Disclose 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 nationwide basis.
6. 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 show through the Oregon State Board of Accountancy to not have a record of substandard work.
8. The proposer must state if subcontractors will be used and provide the above information for each subcontractor.
9. Describe your approach to the examination: This should include at least the following points:
 - a. Description of audit approach.
 - b. Use of statistical sampling.
 - c. The firm's knowledge and use of computer and programs to assist in the audit process.
 - d. Organization of audit team and approximate percentage of time spent on audit.
 - e. Management letter (provide a sample letter).
 - f. Typical assistance expected from City staff.
 - g. Tentative schedule for completing audit.

B. Price Quote

Provide the firm's proposed all-inclusive audit fee and a statement regarding determination of increases in succeeding years should the contract be extended. Include the hourly rates for each staff employee classification, and any other fees associated with the completion of the audit. Break out separately the costs associated with single audit. Please state if there are any opportunities to reduce

audit fees should the City institute additional procedures such as an internal audit function, provision of additional schedules, or other recommended procedures.

City may request additional services that would be outside the normal course of the requested annual audit services such as technical assistance on developing supplemental statistical schedules, specialized internal control reviews, specialized programs, and other opportunities that may arise. Therefore, please provide a supplement list of services your firm could provide with applicable pricing schedule and /or pricing strategy to reflect costs for additional services.

Ownership of the audit reports shall belong to the City of St. Helens, and it is expressly understood that publication of the audit report (in whole or in part) or reference for such audit report shall be at the sole discretion of the City of St. Helens.

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 Finance Director who will respond in writing concerning the additional services. Additional fees must be approved by the City Council.