



**CITY OF OAKRIDGE
P.O. BOX 1410
48318 E. 1ST STREET
OAKRIDGE, OR 97463**

REQUEST FOR PROPOSAL – MUNICIPAL AUDIT SERVICES

Due Date: January 16, 2023

CITY OF OAKRIDGE, OREGON

REQUEST FOR PROPOSAL MUNICIPAL AUDIT SERVICES

The City of Oakridge 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 are not limited to:

- ◆ Planning and Performing the Audit
- ◆ Performing Tests of Documentary Evidence
- ◆ Evaluation of Internal Controls
- ◆ Management Letter(s) per Financial Report
- ◆ Preparation of Adjusting Journal Entries
- ◆ Draft and Final Audit Report (includes 12 annual copies)
- ◆ Preparation and Filing of State Documents
- ◆ Technical Assistance throughout the Fiscal Year

I. Background

The City of Oakridge provides a full range of municipal services, including administration and finance; water; wastewater; street construction and maintenance; parks operations, planning and community development; library and public safety services. The accounts are organized on the basis of funds (i.e. General, Water, Sewer, etc). The Citywide approved budget for Fiscal Year Ending **June 30, 2023** is approximately **\$9** million and the City accounts for **11** funds under the modified accrual basis of accounting. We utilize several state and federal grants but are not currently subject to individual audits on the federal grants.

The City operates under a Council-Administrator form of government. The governance of the City is vested in the City Council. The Council is composed of six elected members and an elected Mayor. Council appoints the City Administrator and Municipal Judge. The City Administrator is responsible for all City functions. The Finance Director maintains all financial records. The City currently employs **18** full-time, **4** part-time, and approximately **25** seasonal and volunteer employees.

The City utilizes a Microsoft Access based computer accounting system, **Asyst**, maintained by Central Square Technologies for the General Ledger, Payroll, and Utility Billing functions. *However*, the City is currently transitioning to **Caselle** to replace Asyst in 2023.

II. Auditing Standards

The financial statements are prepared to conform fully with generally accepted accounting principles (GAAP) and to be in full compliance with the pronouncements of the Governmental Accounting Standards Board (GASB) and/or the Financial Accounting Standards Board (FASB) as appropriate. The auditor's opinion will be directed toward the fairness of presentation of the financial statements in accordance with GAAP. The auditor will also provide compliance reports as required under Federal and State law.

III. Audit Period and Term of Engagement

The proposal is for three years, with separate audits each year. The periods to be audited are the fiscal years ending June 30, 2023, 2024, and 2025. It is the intent of the City Administrator to negotiate a three-year contract with the second and third year contingent upon successful completion of the first year of the contract as determined by the Administrator. If the contract is satisfactorily carried through for three (3) years, the successful Proposer's contract may be extended at the discretion of the City of Oakridge. An engagement letter is required each year by the auditing firm. Either party may cancel the written contract by giving notice, in writing, to the other party by March 1st of any given year.

IV. Equal Opportunity Requirement

The City of Oakridge requires all audit firms to comply with equal opportunity policies. Oakridge's programs, services, employment opportunities, volunteer positions and contracts are open to all persons without regard to race, religion, color, national origin, sex, age, marital status, handicap, or political affiliation.

V. Scope of Work

The Auditor will, as a part of this engagement, conduct the following activities utilizing the appropriate standards noted in Section II.

- A. Plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free from material misstatement, whether caused by error or fraud;
- B. Perform tests of documentary evidence supporting the transactions recorded in the accounts, which may include tests of the physical existence of inventories and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions;
- C. Perform tests of the City's compliance with applicable laws and regulations and the provisions of contracts and agreements;
- D. Review the internal accounting controls of the City to the extent necessary to evaluate the system as required by applicable standards;
- E. Issue a Management Report making recommendations for improvement;
- F. Inform the City Council of any matters involving internal control and its operation that the Auditor considers to be reportable conditions under standards established by the American Institute of Certified Public Accountants;
- G. Assist the Finance Director with final adjusting and GAAP journal entries;
- H. Meetings and Progress Reports:
 - 1. Pre-audit conference(s) with City management and accounting staff 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 City staff to the auditors should be presented 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. Post audit conference(s) with City management and key audit firm personnel will be held at a mutually agreeable date;
4. Audit firm management will provide an electronic copy of the final financial report and mail the final financial report and management letter to all City Council members as well as an additional 13 copies (one unbound) to the Finance Director each fall when the audit is completed;
5. An opening Trial Balance for the next fiscal year will be mailed to the Finance Director with the final financial report document;

I. 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;

J. Additional Services: proposals should contain provisions for dealing with extraordinary circumstances discovered during the audit that may require an expansion of audit work beyond that which was originally planned. In addition the audit firm may be requested to perform special projects for the City during the year. Because of variations in demand for additional services, such work will be contracted for, provided, and billed separately to the City on an hourly basis. Proposals should describe the types of services available from the firm, the professionals who would provide them, and the standard hourly fees to be charged for such services;

K. Per request, a copy of last year's audit will be made available to Proposers.

VI. Mandatory Requirements

The audit firm must meet the following mandatory requirements: contractor must be registered to do business in the State of Oregon; Principal Auditor must be a Certified Public Accountant qualified to perform municipal audits in the State of Oregon; and contractor must have experience in performing municipal audits in accordance with auditing standards generally accepted in the United States of America, preparing financial statements compliant with GASB 34 and Oregon Budget Law.

VII. Proposal Requirements

The proposal should demonstrate that the firm could furnish the services in a manner that will be cost effective for the City of Oakridge. Those proposals that do not contain all information required by this RFP or are otherwise non-responsive may be rejected immediately; however the City has discretion to accept a proposal that does not conform with all RFP requirements if the City determines that the non-compliance is not substantial or material. If a proposal is unclear, or appears inadequate, the City may, at its discretion, give the firm an opportunity to explain how the proposal complies with the RFP. The proposal must contain **at least** the following information:

- A. Name(s) and title(s) of the person(s) authorized to submit the proposal and execute the personal services agreement;
- B. A letter, submitted on the firm's letterhead and signed by the corporate agent, owner, or principal, describing how the firm satisfies the mandatory requirements noted above and the firm's experience in performing municipal auditing in the State of Oregon, not to exceed two (2) pages;
- C. A history of the firm as a business or entity, including information that demonstrates the firm's financial stability and entity stability;
- D. Names and Oregon Municipal Audit Roster numbers of partners, managers, and key staff employees assigned to this engagement. The audit team leader should be identified;
- E. A list of at least five (5) clients who can be contacted, complete with a description of the work performed for the client and the client's address, phone number and email. At least three (3) of the clients must be public entities;
- F. Explain how you would propose to use City personnel to assist you during the audit and indicate the approximate time requirements;
- G. Provide a copy of your firm's most recent Peer Review report and related comment letter;
- H. Disclose legal settlements within the last two years and pending or threatened legal actions related to audit services provided by the local firm;
- I. Describe any personal, business and investment or family relationships with the City, City officials or appointed employees;
- J. A proposed work schedule and work plan for completing the audits;
- K. A fee schedule and estimated project cost showing estimated increases over the three-year contract period;
- L. Your firm's billing rates for any applicable classifications of professional personnel and the method used in charging for any special requests, reports, or broadening of the scope of work;
- M. A copy of the firm's model/standard letter of engagement;
- N. A sample of a management report recently issued covering an audit that has similar services and comparative size to the City of Oakridge (Population 3,300);
- O. Any additional information that supports the scope of work to be provided as set forth above.

Proposers may submit additional questions to **Finance Director Colleen Shirley** or **City Administrator James Cleavenger**, using the contact information listed at the end of this RFP. Firms may modify or withdraw their proposals at any time prior to the Closing Date by providing a written request for modification or withdrawal to the City of Oakridge.

VIII. Evaluation of Proposals

Proposals will be evaluated based on the scope of work and submission requirements listed above to determine which firm best meets the needs of the City. After meeting these requirements, the following factors will be used to evaluate proposals:

- A. Quality and comprehensiveness of the audit approach;
- B. Experience and knowledge with GASB 34 reporting requirements and auditing standards identified in Section II;
- C. Qualifications and experience of the firm and the members assigned to the City's engagement;
- D. Ability to provide a comprehensive range of auditing and financial services;
- E. References and past experience;
- F. Audit service costs.

IX. Proposal Award Schedule

December 19, 2022 RFP issued
January 16, 2023 Proposals due
January 19-31, 2023 Presentations/Interviews
February 2, 2023 Contract Awarded by Oakridge City Council

An Audit Committee, composed of the City Administrator, Finance Director, Mayor, 1 City Council member, and 1 Budget Committee member, will review the proposals.

At the option of the City, certain firms may be asked to make a presentation of their proposal to the Audit Committee and/or the City Council. The City will schedule the time and location of these presentations (if necessary) and notify the selected firms in advance.

X. Proposal Submission

Submit **two (2) copies** of your proposals by **January 16, 2023** via US Mail or email to:

James Cleavenger, JD, LL.M.
Oakridge City Administrator
P.O. Box 1410
Oakridge, OR 97463
541-782-2258

Email: **cityadministrator@ci.oakridge.or.us; colleenshirley@ci.oakridge.or.us**