



**THE CITY OF EDWARDSVILLE
REQUEST FOR PROPOSALS
FOR
CITY AUDITING SERVICES
ISSUED: OCTOBER 4, 2019**

Submit completed proposal to:

**City of Edwardsville, KS
Attn: Finance Director
690 S. 4th St.
Edwardsville, KS 66111**

Or via e-mail at:

smilleson@edwardsvilleks.org

The City of Edwardsville is accepting proposals from qualified firms to provide audit services. The City invites firms to submit a proposal to staff no later than 2:00 p.m., Wednesday, October 30, 2019, for consideration and award by the Edwardsville City as early as the November 12, 2019 meeting. A description of the City, the services needed, and other pertinent information is provided below.

Background of the City of Edwardsville

The City of Edwardsville is a City of the second class and was incorporated on June 28, 1915. The City operates under a Mayor-Council form of government with a City Manager and provides the following services: public safety (police and fire), street maintenance, sewer, culture/recreation, public improvements, planning and zoning and general administrative services.

The City of Edwardsville maintains its records using the governmental accounting system, whereby its activities are organized and operated on a fund accounting basis, using the cash basis and budget laws of the State of Kansas. The current accounting software program used by the City is Fund Balance. The annual budget for the 2020 General Fund is approximately \$6.1 million. The City of Edwardsville employs approximately 48 full time employees, six elected officials, and is supported by part-time and seasonal employees.

Fund Structure

The City uses the following funds in its financial reporting:

- General Fund
- Special Highway Fund
- Sewer Fund
- Solid Waste Fund
- TIF and CID funds
- Special Parks & Recreation Fund
- Economic Development Fund
- Various project funds
- Cash Bond Fund
- Special Sales Tax Fund
- Transient Guest Tax Fund
- Cemetery Fund
- Debt Service Fund

There are also a number of project fund within the larger fund structure related to individual projects, initiatives, or capital improvement programs.

Services to be Performed

The successful firm's proposal is expected to cover the following services:

1. Attend meetings with necessary City employees to determine and update the City's significant accounting policies, procurement policies and procedures.
2. Annual audit to be completed and submitted to the City no later than May 30 of each year.
3. Attend exit interview with the necessary City employees to review results of completed annual audit.
4. Provide digital copies of completed audit that comply with EMMA format filing requirements.

The City uses a calendar year fiscal year and (as noted above) requires an audited financial statement by May 30. Please provide optional pricing for completion by March 31. Currently a three-year engagement will be considered, subject to the annual review and recommendation of staff and the satisfactory negotiation of terms. GFOA recommends a five-year engagement period and this option will be considered by staff for recommendation to the Council.

In addition to the services detailed above, the audit shall provide a separate letter to management of any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structures that could adversely affect the City's ability to record, process, summarize, and report financial data consistent with assertions of management in the financial statements. The letter shall also communicate any reportable conditions found during the audit that are also material weaknesses, defined as a reportable condition in which the design or operation of the specific internal control structure elements do not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their regular functions.

Audits are to be performed with generally accepted auditing standards. Additionally, the auditor will be responsible for communication and interpretation of any significant changes made in governmental reporting and shall respond to reasonable inquiries by City staff during the contract years. The auditing firm will be expected to provide support to staff throughout the year in regard to answering questions related to general accounting, the City's audit, and best practices.

Key Personnel

The following are key contacts for information firms may seek in preparing proposals:

Michael Webb	City Manager	(913) 356-6004
Zack Daniel	Assistant City Manager	(913) 356-6002
Sean Milleson	Finance Director	(913) 356-6014

Please also return the completed proposal to the attention of the Finance Director. The Finance Director will coordinate any requests for additional information, site visits, review of prior financial statements, and/or appointments with City staff.

Relationship with Prior CPA Service Provider

Audit services are currently provided by Wendling Noe Nelson & Johnson, LLC. However, it is the desire of the City to issue request for proposals for audit services as part of its overall evaluation of its professional service vendors. The current provider may be reappointed if so determined by the City at the conclusion of this process.

Firms' Response to this Request for Proposal

1. Detail your firm's experience in providing auditing services to municipalities using fund basis accounting.

2. Discuss commitments you will make to staff continuity, including your staff turnover experience in the last three years.
3. Identify the partner, manager, and in-charge accountant who will be assigned to the City's audit if you are successful in your bid.
4. Indicate any complaints that have been leveled by the state board of accountancy or other regulatory authority against your firm or any member of your firm within the last five (5) years. Indicate any corrective actions that have been taken by the firm with respect to these complaints.
5. Describe how your firm will approach the audit of the City, 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. Finally, discuss the communication process used by the firm to discuss issues with management and City staff.
6. Set forth your fee proposal for the 2019 audit, with whatever guarantees can be given regarding increases in future years.
7. Furnish standard billing rates for classes of professional personnel for each of the last three years.
8. Provide the names and contact information for other, similarly sized clients of the partner and manager that will be assigned to our city for reference purposes.
9. Describe how your firm stands out and why it is best positioned to service the City of Edwardsville.
10. 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

The City of Edwardsville will evaluate proposals on a qualitative basis. This includes staff review of the firm's peer review report and related materials, interviews with senior engagement personnel to be assigned to the City, results of discussions with other clients, and the firm's completeness and timeliness in its response to this solicitation.

A copy of the 2018 audit, as well as, the 2020 Budget are available by request or online at www.edwardsvilleks.org. Please submit your response to this request for proposal no later than 2:00 p.m., Wednesday, October 30, 2019. The City of Edwardsville reserves the right to reject any and all proposals and statements of qualifications and accepts no responsibility for the cost of proposal preparation.