

The City of Columbia City
In Columbia County on the Columbia River



PO Box 189 ♦ 1840 Second Street ♦ Columbia City, Oregon 97018
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CITY OF COLUMBIA CITY, OREGON

Request for Municipal Auditing Service Proposals
July 12, 2024

INTRODUCTION

The City of Columbia City (hereinafter called “the 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 Proposal (RFP). Services will include, but are not limited to:

- Planning and performing the audit
- Performing tests of documentary evidence
- Evaluation of internal controls
- Review of Management Letter
- Review of adjusted journal entries
- Draft and final Audit Report (includes eight (8) hard copies and an electronic copy)
- Preparation and filing of State Documents
- Technical assistance throughout the fiscal year
- Review of Year End Financial reports

1. Background

The City is an Oregon municipal corporation with city limits covering approximately one square mile. The population of the City is approximately 1,935. The City is located in Columbia County, on the banks of the Columbia River, approximately 32 miles north of Portland on Highway 30, 2 miles north of St. Helens, and 70 miles southeast of Astoria. The City Council consists of the Mayor and four Council Members elected from the City at large. The City operates under a City Administrator form of government.

The City has a \$5 million budget for the 2024-25 fiscal year, with revenue from a variety of sources. The funding is derived primarily from charges for services, intergovernmental revenue, property tax support, and fees.

The City provides municipal services, including administration, finance, police, municipal court, public works, building and planning services. Accounts are organized using funds such as the General Fund, Street Fund, Water Fund, Sewer Fund, etc. Within the General Fund, the expenditures are setup by Departments. The City currently employs eight full-time and six part-time employees, for a total of ten full-time equivalents. The City utilizes Springbrook Software for its financial reports and information and our books are kept using the modified accrual basis of accounting.

2. General Information and Submission of Proposals

All information and data furnished to the audit firm by the City and all other documents to which the audit firm's employees have access during the preparation and submittal of the proposal shall be treated as confidential by the successful audit firm. Any oral or written disclosure to unauthorized individuals is prohibited. The City requires all audit firms to comply with equal opportunity policies. The City'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:

Kim Karber, City Administrator
City of Columbia City
1840 Second Street/P.O. Box 189
Columbia City, OR 97018

For questions or additional information contact Kim Karber at 503-397-4010 or email kkarber@columbia-city.org. All submissions must be physically received by the City prior to 4 p.m. on August 29, 2024. Faxes and email submissions will not be accepted.

- B. Seven (7) 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 without obligation.
- C. The City reserves the right to reject any and all proposals, with or without cause, and has the right, in its sole discretion, to accept the proposal it considers most favorable to the City's interests. The City reserves the right to seek clarification of any proposal

submitted. The City also reserves the right to require other evidence of technical, financial, or other abilities prior to selection. The City may make an award based upon initial proposals received without discussion of such proposals with the submitting entity.

- D. The selection of the external auditor will be based upon responses received to the criteria included in Section 7 this proposal.

3. Audit Period and Term of Engagement

It is the intent of the City to negotiate a three-year contract, with separate audits for each Fiscal Year Ending June 30, 2025, 2026, and 2027, with the 2026 and 2027 years contingent upon the successful, timely completion of the first year of the contract. If the contract is satisfactorily carried out for the three-year term, the successful Proposer's contract may be extended for two single-year extensions for 2028 and 2029 at the sole discretion of the City. 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 January 1 of any given contract year.

4. Audit Objectives and Scope of Work

The City 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. Services will include but are not limited to: planning and performing the audit; performing tests of documentary evidence, evaluating internal controls; preparing the draft and final Audit Report (includes eight (8) hard 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.
- 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 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 Administrator. 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.
- E. The auditor shall meet with the City Administrator 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 fieldwork so as to inform the City Administrator of pertinent findings. A summary presentation of the audit findings shall be made 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 eight (8) 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 the need to extend the retention period.
- 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 Administrator who will respond in writing concerning the additional services.
- I. The firm shall be willing to meet with the City's Audit Committee during site visits.
- J. 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.

5. 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.

- A. **Title Page** – The name of the proposal's firm, firm address, telephone number, name of contact person, email address, and the date.
- B. **Table of Contents** – include a clear identification of the material by section and by page number.
- C. **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.
- D. **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.
- E. **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.
- F. **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.
- G. **Use of Subcontractors** – State whether subcontractors will be used and provide the above information for each subcontractor.
- H. **Audit Approach** - Describe staffing level that will be assigned to the City's fieldwork. 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.
- I. **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.
- J. **Reporting Deadlines** – Provide detailed information on how the audit firm proposes to meet the anticipated timelines and reporting deadline of the engagement.
- K. **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.

6. 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. 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:

- The cost of providing eight (8) hard copies of the audit document and one (1) electronic copy.
- Cost of conducting a single audit covering the City's Federal grants as required by the Single Audit Act and the Office of Management and Budget Circular A-133, if required (an additional fee may be charged for this service).

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

7. Evaluation Criteria

The City Administrator, Assistant to the City Administrator and the City's Audit Committee will screen all written proposals. Interviews may be conducted with the finalists, and the contract process is expected to be complete by October 17, 2024.

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

Experience, Qualifications and References	40%
Audit approach and understanding of RFP	30%
Cost Proposal	<u>30%</u>
TOTAL	100%

8. Proposal Award Schedule

July 12, 2024	Public notice and distribute RFP
August 29, 2024	Proposal Due Date
September 5, 2024	Selection of Finalists
September 9-16, 2024	Interview finalists if necessary
September 17-October 10, 2024	Complete Contract Process
October 17, 2024	Contract Award by Council

9. Proposal Submission

Submittal Deadline: Seven (7) copies of your proposal must be received at City Hall by 4:00 p.m. on August 29, 2024. City Hall hours are Monday through Friday from 8:00 a.m. to 5:00 p.m. (closed during the noon hour) for hand-delivered proposals. Proposals received after the deadline will not be eligible for consideration. For questions or clarifications, please call Kim Karber at (503) 397-4010, or email kkarber@columbia-city.org. Send or deliver proposals to:

City of Columbia City
 Kim Karber, City Administrator/Recorder
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