

**REQUEST FOR PROPOSAL**  
**FOR**  
**PROFESSIONAL AUDITING SERVICES**

ISSUED BY

THE CITY OF MONETT, MISSOURI  
January 10, 2011

## NOTICE OF PROPOSAL

The City of Monett, Missouri (the City) is soliciting proposals from Certified Public Accountants to provide audit services, as outlined in this Request for Proposal, for a period not to exceed three fiscal years subject to satisfactory performance, and at the discretion of the City Council commencing with the fiscal year ending March 31, 2011.

The audit services must be performed in accordance with generally accepted auditing standards issued by the American Institution of Certified Public Accountants.

The City reserves the right to negotiate with any or all bidders regarding the proposals, to award the contract to other than that firm submitting the lowest cost proposal, without negotiation, and to reject any or all bids.

The bidders shall submit his/her proposal in accordance with the guidelines herein. Proposals (3copies) must be received no later than 10:00 A.M Friday February 11, 2011 in order to be considered. Each proposal should be in a sealed envelope clearly marked **“Bid Proposal for City Audit Services”** and delivered to the Office of the City Clerk, 217 5<sup>th</sup> Street, PO Box 110, Monett, MO 65708.

Requests for additional information may be made by fax (417) 235-4608 or writing the City of Monett, 217 5<sup>th</sup> Street, PO Box 110, Monett, MO 65708, Attention: City Audit Proposal

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Municipal Officials

## I. GENERAL INFORMATION AND INSTRUCTIONS

- 1.0 **Contents of this Request for Proposals.** This document consists of the following sections, which are arranged to assist in review and understanding of the City's requirements:
- . Cover
  - . Part One – General Information and Instructions
  - . Part Two – Descriptions of Entity and Records to be Audited
  - . Part Three – Scope of Services Required
  - . Part Four – The Proposal: Form and Attachments
  - . Part Five – Section Criteria
  - . Part Six – Miscellaneous
  - . Appendices
- 1.1 **Introduction.** The City of Monett is soliciting written proposals from Certified Public Accountants for its fiscal year 2011 Annual Financial Report.
- 1.2 **Background.** The City of Monett's fiscal year runs from April 1 through March 31. The 3<sup>rd</sup> Class City would like to employ the same auditing firm for not more than three consecutive years without soliciting proposals for professional auditing services.
- 1.3 **Number of Copies: Place and Time of Filing.** Three (3) copies of each proposal shall be submitted in a sealed envelope clearly marked "**Bid Proposal for City Audit Services**" and delivered to the Office of the City Clerk, 217 5<sup>th</sup> Street, PO Box 110, Monett, MO 65708, by 10:00 A.M., Friday February 11, 2011 in order to be considered. Any proposals not submitted as required by the foregoing sentence will not be considered.
- 1.4 **Further Information.** Any firm desiring further information shall contact the City of Monett, City Administrator, 217 5<sup>th</sup> Street, PO Box 110, Monett, MO 65708. By fax at (417) 235-4608.
- 1.5 **Procedures.** The selection of the City's external auditor will be made by the City Council. The firm will be selected based on the firm's experience, assigned personnel, approach to the audit, past record of performance, and fees.

1.6 **City's Rights With Respect to Proposals.** The City reserves the unqualified and absolute right to not accept any proposal, to reject any or all proposals, and to waive minor defects or irregularities in any proposal. By submitting a proposal, the firm agrees that the City's decision with respect to any proposal, in any respect, are final, binding and conclusive upon it for all purposes, and acknowledges that the City may, in its sole and unqualified discretion, waive or deviate from any of the procedures and/or the timetable outlined. All material submitted becomes the property of the City of Monett and will be a matter of public record.

1.7 **Overall Timetable.** The following dates should be adhered to unless mutual agreement is reached between the auditing firm and City Council.

Deadline for Receipt of RFPs	Friday, February 11, 2011
Selection of Auditor Completed by	Monday, March 21, 2011
Rough Draft of Audit and Management Letter submitted by	Monday, July 11, 2011
Conference with Mayor and City Administrator	Monday, July 18, 2011
Audit presented to City Council	Monday, August 1, 2011

1.8 **Independence.** The audit must be made by an independent auditor or auditors. An "independent" auditor means a public auditor who meets the independence standards specified in the generally accepted governmental auditing standards and generally accepted auditing standards.

1.9 **Professional Liability Insurance.** The audit firm shall secure and maintain during the entire term of the engagement, professional liability insurance in the amount satisfactory to the City to cover any alleged errors or omission or fraud. A copy of the liability insurance shall be provided to the City prior to the effective date of the contract.

## II DESCRIPTION OF ENTITY AND RECORDS TO BE AUDITED

- 2.0 **General Information.** The City of Monett has a population of approximately 8,829.

The City provides a range of services normally associated with a municipality, including police and fire protection, public works operations, enforcement of building codes, parks and recreation, municipal airport, and cemeteries. The City maintains the sewer system, electric system, water system, and administrative services.

The City's total payroll for the fiscal year ending March 31, 2011, is approximately \$4,950,000, covering full-time, part-time, and seasonal employees. The City's 2011 adopted budget is approximately \$36 million.

- 2.1 **Description of the Government.** The City of Monett is a third class political subdivision. The City is governed by an elected Mayor and two City Council Members.

- 2.2 **Name of Contact Persons/Organization Chart/List of Municipal Officials.** The auditor's principal contact with the City will be the City Clerk who will coordinate the assistance to be provided by the City to the auditor.

- 2.3 **Accounting Basis.** The City is organized and operated on a fund basis, using the modified accrual basis of accounting for general and special revenue funds and the accrual basis of accounting for proprietary funds.

The City's financial accounting data is maintained on Caselle Software.

### III SCOPE OF SERVICES REQUIRED

- 3.0 **Overview.** There are four services which are required as part of this Request for Proposal. All services must be included in the proposal in order for it to be considered.
- 3.1 **Comprehensive Annual Financial Report.** The City of Monett desires the auditor to conduct an audit of the general-purpose financial statements and supplemental information as it relates to the general-purpose financial statements taken as a whole.
- 3.2 **Management Letter (Comments).** The City requests a Management Letter addressing all material noncompliance with City procedures. A draft copy of this letter should be sent to the City Administrator for review and response. The final copy will then be issued to the Mayor and City Council.
- 3.3 **Record Retention.** The auditor must retain all work papers and reports obtained during the course of the audit in accordance with applicable laws and regulations. The City Administrator may request work papers to assist with the preparation of the Annual Budget.

## IV. THE PROPOSAL: FORM AND ATTACHMENTS

4.0 **Qualifications and Experience.** The firm should describe its relevant qualifications and experience in each of the following areas:

- 1) The proposal should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed, and the number and nature of the professional staff to be employed in this engagement on a full-time basis, and the number and nature of the staff to be so employed on a part-time basis.
- 2) An affirmative statement should be included indicating that the firm and all assigned key professional staff are properly licensed to practice in the State of Missouri.
- 3) The firm should identify the principal supervisory and management staff including engagement partners, managers, other supervisors, and specialists who will be assigned to the engagement. The firm should also provide information on the government auditing experience of each person, including information on relevant continuing professional education over the past three (3) years.
- 4) For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (limited to no more than five) performed in the last five (5) years that are similar to the engagement described in this request for proposals. These engagements should be ranked on the basis of total staff hours. Indicate the scope of the work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

4.1 **Approach.** The firm should include the information concerning the approach to be taken on the audits:

- 1) An estimated timetable
- 2) Use of audit programs and sampling techniques
- 3) Brief description of proposed process. This should coincide with #1-estimated timetable, above.
- 4) Indicate the percentage of time the senior auditor will be on-site.

4.2 **Independence.** An affirmation that the firm meets the independence requirements outlined early in this Request for Proposals.

4.3 **Compensation.** Please enclose the following information in the separate sealed envelope. In each case the fees should include all anticipated services. Quotes should be submitted on “maximum fee – not to exceed” basis for the following:

- 1) Annual Financial Report ( 2011 – Single Audit)
- 2) Please specify hourly rates and the approximate number of hours for individuals assigned to the job. Indicate charges for anticipated out-of-pocket expenses.
- 3) Estimation of consultation expenses (when required) in terms of personnel rate by staff category, per hour. Essentially, the cost of management advisory services.
- 4) Projected audit fees for each additional years. (2012- Single Audit, 2013 – Unknown at this time if Single Audit)

Fifty percent of the audit fee may be paid with the delivery of the preliminary audit. The balance will be paid at the time the Final Audit is presented to the City Council. Please note that all invoices submitted for payment are payable monthly, processed on the 20<sup>th</sup> of each month. Please note that all invoices submitted for payment will be expected to contain a detailed breakdown of services performed and other related charges.

## V. SELECTION CRITERIA

5.0 **Evaluation Criteria.** The proposals will be evaluated on the following criteria:

- . Experience of the personnel assigned to the audit.
- . Specialized experience in performing governmental audits
- . Capability of the firm to perform the work in question within the time limitations noted.
- . Past record of performance of the firm with respect to such factors as control of costs, quality of work, and ability to meet schedules
- . Cost of the services required

## VI MISCELLANEOUS

- 6.0        **Reporting.** The firm will be required to present the management letter, if any, to the City Council and the City Administrator.
- 6.1        **Work Papers.** Copies of significant work papers are to be made available upon request from the City Administrator
- 6.2        **Available Resources.** The City will prepare schedules of receivable, payables, and accruals. The City will provide all vouchers, support, or other documents requested as part of the audit. The City will also provide the auditing firm with the general ledger, and a fixed asset listing. In addition, the City will provide additional assistance as requested by the auditing firm.

The City's conference room, photocopier machine, fax machine, and telephone are all available for use by the auditors.

**APPENDIX A  
MUNICIPAL OFFICIALS**

**Mayor**  
Jim Orr

**City Council**  
Mike Brownsberger  
Jerry Dierker

**City Officials**

Dennis Pyle  
Janie Knight  
Lisa Crawford

Pete Rauch  
Russ Balmas  
Tim Schweder  
Tom Jones  
Howard Frazier  
Mike Knight

Amy Boxx

City Administrator  
City Clerk  
Deputy City Clerk – Payroll  
/Accounts Payable

Utility Superintendent  
Street Superintendent  
Police Chief  
Fire Chief  
Airport Superintendent  
Golf Superintendent

City Attorney