

City of Morristown

Incorporated 1855



March 11, 2010

The City of Morristown is seeking proposals for financial and compliance audit services. It is the City's hope to enter into a contractual agreement with an audit firm for a period of five (5) years beginning with the audit for the fiscal year ending June 30, 2010. Proposals are due by 5:00 PM April 12, 2010.

Please review the enclosed request for proposal documents. If you have any questions or require any additional information please do not hesitate to contact me. I can be reached by phone at (423) 585-4617 or by email at bjanish@mymorristown.com. I look forward to receiving your proposal for the City's audit services.

Sincerely,

Brian Janish

REQUEST FOR PROPOSAL

FINANCIAL AND COMPLIANCE AUDIT

CITY OF MORRISTOWN, TENNESSEE

PURPOSE

The City of Morristown has issued this request for proposals to interested auditors, who are qualified under state law and regulations, for the performance of a financial and compliance audit of the City in accordance with the requirements for the laws and/or requirements of the State of Tennessee.

SCOPE

The audit will examine the financial statements and records of all funds and account groups of the City for each of the next five fiscal years. The final contract shall include provisions for the City to terminate the agreement at any time.

TYPE OF AUDIT

The audit will be a financial and compliance audit and will be conducted in accordance with generally accepted audit standards adopted by the American Institute of Certified Public Accountants, and the standards adopted by the Comptroller of the Treasury of the United States and those prescribed by the Comptroller of the Treasury of the State of Tennessee. Furthermore, the audit will be conducted in accordance with all guidelines as specified in the Single Audit Act of 1984 (Public Law 98-502).

GENERAL REQUIREMENTS

1. The auditor shall submit to the City's governing body a printed report of the audit. This report shall contain an expression of opinions on the financial statements of the combined, combining, and individual funds that said statements are fairly stated, or opinions as to certain funds or items in the financial statements, or disclaimer of opinions and the reasons therefore, or an adverse opinion, and shall explain in every detail any unusual items or circumstances under which the auditor was unable to reach a conclusion. This report shall state that generally accepted government auditing standards have been followed in the audit.
2. Fifty (50) copies of the completed report will be furnished to the City and one copy to the Comptroller of the Treasury, municipal audit division. A pdf or other acceptable electronic version of the report shall be furnished to the City as well.
3. The audit shall begin prior to, and the reports shall be submitted prior to, but in no case later than six (6) months after the fiscal year end.
4. The auditor shall retain the working papers for no less than three years, and they shall be available for review by the Comptroller of the Treasury or designated representative.
5. Pertinent data from the working papers shall be available for three years for reference if requested by the City.

6. In the event that circumstances arise during the audit that requires work to be performed above original estimates, such cost will be negotiated prior to commencement of the work.
7. An audit exit conference with the City Administrator and/or their designees will be conducted by the auditor in charge within 14 days of issuance of the final report.
8. An audit exit conference with the City Council will be conducted by the auditor in charge within 14 days of issuance of the final report. In addition to this exit conference the auditor in charge will be available to meet with City Council as a whole or individually for up to 16 hours in total to discuss the audit prior to, during and/or after the issuance of the final audit report. The proposal shall include any fees for additional meeting time on a per hour basis.
9. Any findings and recommendations regarding compliance, internal control or other matters shall be discussed with the City Administrator and/or their designee. The City Administrator or a designee shall have the opportunity to respond orally or in writing on the findings. Any such written responses shall be included in the audit report.
10. The records of the City will not be removed from City offices except with expressed written permission of the City Administrator.
11. The RFP and the auditor's proposal will become part of the audit contract as prescribed by the State Comptroller.
12. All adjusting entries will be discussed with the City Administrator or their designee.
13. The auditor in charge will present a separate report, both orally and in writing, opining on the financial condition of the City on an individual fund level basis and as a whole.
14. It is the City's desire to obtain the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting Program (CAFR Program). The selected audit firm shall assist the City in obtaining the Certificate by the end of the second year of the contract.
15. The auditor in charge will provide updates to the City Administrator and/or their designee on at least a bi-weekly basis. These updates can be in the form of written letters, emails, phone calls or meetings.

☐ GENERAL INFORMATION

The City shall have closed and balanced all accounts and shall have prepared financial statements for all funds to be examined by the auditor no later than the first Tuesday of September following the close of the fiscal year to be audited. Page 4 provides details related to the number of funds maintained by the City and summary of the activities of these funds.

If additional information is required prior to submitting a proposal, inquires should be directed to the following:

City of Morristown
Brian Janish
(423) 585-4617
bjanish@mymorristown.com.

☐ PROPOSAL FORMAT

The proposal shall be styled at the discretion of the submitter; however, at a minimum it must address these areas:

1. Breadth and depth of the firm's governmental auditing experience;
2. Organization size and structure of the firm;
3. Qualifications of staff to be assigned to the work; this will be determined from resumes submitted. Education, position in firm and years and types of experience will be considered.
4. Availability of the auditor to the City for specialized consultation and support assistance on sensitive or highly specialized issues;
5. A copy of the audit firm's most recent external quality control review report should be provided to the municipality;
6. A list of references from other local government clients and Governmental Finance Officers Association award recipients;
7. A copy of an audit or CAFR document from another governmental entity audited by the proposer within the last three (3) fiscal years, preferably one that has received the GFOA certificate of achievement (CAFR program);
8. The audit fee must be quoted as prescribed for in the compensation section of this document. Estimated incidental expenses, such as travel, supplies and printing will be included in all fees quoted;
9. The final audit document will incorporate financial and other relevant information from Morristown Utilities Commission. MUC has a separate annual audit performed and made available to the City's auditors usually no later than December 1st of each year.

Please note - all proposals are considered public information and bidders should not include any information they deem to be proprietary or do not want disclosed to the public.

☐ INTERVIEW

The City reserves the right to require a proposer to appear for an oral interview to discuss their proposal.

☐ SELECTION

The City Council of the City of Morristown shall formally select by vote a firm to enter into final negotiations with to serve as the City's auditor for the next five fiscal year audits. The City shall have 10 days to finalize a contract with the selected firm. If the City and the selected firm fail to agree to a contract within 10 days the City may negotiate with other proposers for the services described in this document.

COMPENSATION

The City desires to enter into a five-year contract for services outlined in this document. Proposals shall state an annual, all-inclusive fixed fee for each area of the engagement for each fiscal year. The City may elect to contract with the selected firm for one or more areas of engagement.

Financial Audit of All Funds

Fiscal Year Ended June 30, 2010 _____

Fiscal Year Ended June 30, 2011 _____

Fiscal Year Ended June 30, 2012 _____

Fiscal Year Ended June 30, 2013 _____

Fiscal Year Ended June 30, 2014 _____

Federal Single Audit Report

Fiscal Year Ended June 30, 2010 _____

Fiscal Year Ended June 30, 2011 _____

Fiscal Year Ended June 30, 2012 _____

Fiscal Year Ended June 30, 2013 _____

Fiscal Year Ended June 30, 2014 _____

Preparation of Financial Statements, Notes and Supplementary Information

Fiscal Year Ended June 30, 2010 _____

Fiscal Year Ended June 30, 2011 _____

Fiscal Year Ended June 30, 2012 _____

Fiscal Year Ended June 30, 2013 _____

Fiscal Year Ended June 30, 2014 _____

Additional Fees and/or Areas of Engagement (please explain)

Fiscal Year Ended June 30, 2010 _____

Fiscal Year Ended June 30, 2011 _____

Fiscal Year Ended June 30, 2012 _____

Fiscal Year Ended June 30, 2013 _____

Fiscal Year Ended June 30, 2014 _____

Explanation of additional fees: _____

The audit firm will bill the City for services performed on a monthly basis by invoice with balances due within thirty (30) days of invoice date.

SUBMITTAL INFORMATION

Proposals shall be submitted no later than the close of business (5:00 p.m.) on April 12, 2010 to:

City of Morristown
Attn: Brian Janish
P.O. Box 1499
Morristown, Tennessee 37816-1499

Please mark on face of proposal – City of Morristown Audit Proposal.

RESERVATION OF RIGHT

The City reserves the right to reject any or all proposals, to waive technicalities to informalities, and to accept any proposal deemed to be in the best interest of the City.

City of Morristown, Tennessee

Volumes/Frequencies/Amounts

Population – Estimated	26,500
Total Budgeted Revenues – All Funds FY 2010	\$41,017,656*
Accounting System:	
Number of funds	8
Checking accounts	2
Local Government Investment Pool accounts	1
Number of purchase orders (estimated)	1,500
Number of payable checks (estimated)	14,000
Number of receipts (estimated)	36,000
Payroll:	
Number of employees (full and part-time)	375
Frequency of payroll (FY 2010)	Bi-weekly
Number of payroll checks (estimated)	7,600
Property Tax:	
Number of parcels	12,837
Business Tax Licenses:	
Number of Licenses	3,300

*excludes transfers between City funds