

October 21, 2016

REQUEST FOR PROPOSAL  
AUDIT SERVICES

I. INTRODUCTION

A. GENERAL STATEMENT

The City of Raytown is currently seeking proposals for professional audit services for three years ending October 31, 2016, 2017, and 2018, with two one year extensions. The audit is to be conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. A copy of the City's October 31, 2015 Audited Financial Statement may be accessed on the City's website at [www.Raytown.mo.us](http://www.Raytown.mo.us) by first clicking on Govern (on the top left hand side), then Finance, then City Financials.

B. BACKGROUND

The City of Raytown was incorporated under the provisions of the Missouri State Statutes as a Fourth Class City. The City operates under a Mayor-Board of Aldermen form of government, consisting of the Mayor and a ten member Board of Aldermen. Day to day operations are directed by the City Administrator. The City is organized with Departments of Administration, Finance, Court, Police, Emergency Medical Services, Public Works, and Parks and Recreation. The Finance Department consists of ten full time staff with half of the employees being dedicated to Sewer billing and County collections. The City employs approximately 140 full-time staff.

Finance Department staff will be available for any records and/or data required to complete the audit firm's report on an efficient and timely basis. All City financials, including payroll, are process using Incode X software.

II. SCOPE OF SERVICES

A. OBJECTIVES

1. AUDIT

The auditing firm selected shall be required to audit all financial records of the city including all funds. The term of this contract will be for three (3) years. An option to extend the contract and related costs will be considered in the final year. The audit shall include the following:

- All tests and examinations necessary for an informed opinion of the financial statements,
- Preparation and supervision of all adjusting entries,
- Recommendations, as deemed appropriate, concerning management operations and accounting procedures and controls,
- Preparation of the annual report,
- Completion of the audit and all reports in a timely manner prior to May 1.

- Upon completion 20 copies of the audit will be submitted to the City Clerk for distribution.
- A verbal presentation will be required to the Mayor and the Board of Aldermen.

## B. DELIVERABLES

The provider of audit services will provide the following:

- Up to 20 copies and an electronic copy of the Audited Financial Report. The City shall retain the right to make additional copies as it deems necessary and appropriate,
- Verbal presentation of the Audited Financial Report by the provider of audit services to the Mayor and Board of Aldermen at public meeting,
- A draft Management Letter to the Mayor and Board of Aldermen, containing any recommendations for improvement of organizational effectiveness, internal controls and/or accounting controls will be reviewed with the City Administrator and Finance Director prior to finalizing,
- Discussion of the Management Letter with the Mayor and Board of Aldermen at an open meeting, in accordance with State Law.

## III. PROPOSAL CONTENT REQUIREMENTS FOR AUDIT SERVICES

Proposal Requirements:

- A. Describe your firm's approach to conducting the audit examination, including your understanding of the scope of services to be provided and the reports and documents required. It should indicate the approximate date the audit will begin and end (including any preliminary fieldwork). Include a copy of your firm's most current peer review report.
- B. Describe the governmental experience of your firm including the specific details regarding experience in the preparation of Audited Financial Reports.
- C. Provide a list of at least five municipal government references where your firm has conducted an audit in the past 36 months. This list should indicate the names and telephone numbers of officials in the other municipalities that may be contacted.
- D. Experience of the individuals who will be assigned to the engagement and the relevant experience of each in auditing municipalities and preparing Audited Financial Reports must be furnished.
- E. The City requires a firm, fixed fee for the audit service listed below:
  - a. Audited Financial Report for the year ending October 31, 2016
  - b. Audited Financial Report for the year ending October 31, 2017
  - c. Audited Financial Report for the year ending October 31, 2018
- F. Additionally the firm will need to provide an hourly rate for services offered outside the normal scope of the annual audit, to include any required Single Audits.
- G. The original and two (2) copies of the completed proposal must be received **no later than 10:00 a.m. on Friday November 11, 2016**. The proposals shall be submitted to:

Mark Loughry  
Director of Finance  
City of Raytown  
10000 East 59<sup>th</sup> Street  
Raytown, Missouri 64133

#### IV. SELECTION CRITERIA

The procurement process for these services will be based upon a Qualifications Based Selection (QBS) process. The award of a contract will be made to the firm offering a response which the City believes best meets its needs.

Each respondent will be evaluated on the basis of the following criteria:

- A. Qualifications and experience of the firm and the key individuals to be assigned to the City's audit,
- B. Ability to complete the audit in a timely manner, credentials of the firm and demonstrated ability in similar projects,
- C. Costs

#### V. OTHER CONSIDERATIONS

- A. Conflict of Interest: Firms making proposals must stipulate that they or their employees do not currently have, nor will they have, any conflict of interest between themselves, and the City. Any perceived or potential conflict of interest must be disclosed in the proposal.
- B. Rights Reserved to the City: The City reserves the right to reject any and all proposals, or to waive any irregularities and missions if, in its judgment, the best interest of the City is served.
- C. Payment: Payment for service rendered will be based upon receipt of an itemized invoice(s) from the audit firm.
- D. Ownership: All proposals and reports become the property of the City upon submission, for use as deemed appropriate. Work papers must be available for references and reproduction by the City for a period of three years from submission of the reports. Copies of adjusting entries and trial balance, if applicable, will be provided to the City upon completion of the audits.
- E. Confidentiality: All proposals will be kept in confidence by the City. The invitees and subsequently selected firm may not issue news releases or other public notification regarding this project without prior approval from the City.

#### VI. MISCELLANEOUS INFORMATION

- A. Proposal Acceptance:
  - 1. The City of Raytown reserves the right to accept the proposals in whole or in part, and to reject any and all proposals, and to negotiate separately as necessary to serve the best interests of the City.
  - 2. Neither the distribution of this RFP nor acceptance of any response should be construed as creating a contractual obligation between the City of Raytown and

any firm. Raytown does not authorize and will not be responsible for any expense or charges associated with providing a response to the Request for Proposal.

3. A recommendation will be made to the Mayor and Board of Aldermen for final approval. Firms whose proposals are not accepted will be notified in writing.
4. Notification of award will be made by the Director of Finance. The selected firm will be required to enter into a contract with the City. The final contract is subject to final approval by the Mayor and Board of Aldermen.
5. The proposal must remain valid for at least forty-five (45) days, after submittal date.

#### B. ADDITIONAL INFORMATION

All questions regarding this Request for Proposal should be directed *via email*, to:

Mark Loughry  
Director of Finance  
City of Raytown  
10000 East 59<sup>th</sup> Street  
Raytown, Missouri 64133  
Fax: (816) 737-8370  
Email: [markl@raytown.mo.us](mailto:markl@raytown.mo.us)

Proposals must be submitted by **10:00 a.m. on Friday, November 11, 2016** to the Office of the Director of Finance, at which time they will be opened and evaluated. A recommendation will be submitted to the Board of Aldermen for consideration at their Board Meeting on December 6, 2016. All proposals must be submitted in sealed envelopes clearly marked "AUDIT PROPOSAL" and must be submitted in duplicate.