
*Request for Proposal to Provide
Independent Audit Services for Payson
City*

Submission Deadline: April 25, 2024



Payson City
Attn: Kim E. Holindrake
439 West Utah Avenue
Payson, Utah 84651
Kimh@payson.org

I. BACKGROUND INFORMATION

Payson City was established in 1853 and serves a population of about 23,000 residents.

Payson's financials consist of one general fund, one capital improvement fund, 7 special revenue funds, and 7 enterprise funds (Water, Solid Waste, Electric, Sewer, Ambulance, Golf Course and Storm Drain).

Payson currently uses Caselle software for its accounting applications.

Payson is required by State law to provide an annual audit of its financial statements by a Certified Public Accountant in accordance with generally accepted auditing standards.

This requirement includes: 1) a financial statement audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, 2) a State Compliance Audit in accordance with the *State Compliance Audit Guide* issued by the Office of the Utah State Auditor, 3) any additional required reports by Utah State and often 4) Federal Single Audit .

The audit must be submitted to the State Auditor's Office and if a single audit is required, to the Federal Single Audit Clearing House within six months after the end of the fiscal year.

II. OBJECTIVE AND SCOPE

The purpose of this request for proposal (RFP) is to contract with a certified public accounting firm (Auditor) to provide financial audit services for the fiscal year ending June 30, 2024, with anticipated contract continuation for the succeeding four fiscal years, subject to performance evaluation, city budget appropriations and the needs of Payson City. At the end of the initial term of the agreement, Payson, at its own discretion, may extend the contract for additional one-year terms.

III. AUDIT STANDARDS

The auditor shall perform a financial audit and a state compliance audit for each fiscal year of the contract period in accordance with the following:

1. Auditing standards generally accepted in the United States of America, as promulgated by the American Institute of Certified Public Accountants (AICPA).
2. The *AICPA Audits of State and Local Governmental Units* audit and accounting guide.
3. *Government Auditing Standards*, 2011 revision, published by the U.S. Government Accountability Office.
4. For the state compliance audit – the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor.
5. Federal Single Audit - in compliance with 2 CFR Part 200 subpart F audit requirements, when required.

IV. REPORTING REQUIREMENTS

1. Financial Report – In the past, management has prepared and printed Payson’s Comprehensive Annual Financial Report (CAFR) including all financial statements and combining and supplementary information. The auditor audits the CAFR and records of Payson City and shall issue an auditor’s opinion on those financial statements and an in-relation-to opinion on the combining and supplementary information. Such financial statements are prepared in conformity with accounting principles generally accepted in the United States of America as promulgated by the GASB. As an option, Payson City may consider having the Auditor prepare Payson’s Comprehensive Annual Financial Report with schedules and notes provided by Payson City.
2. Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters – The auditor shall issue a report on internal control over financial reporting and on compliance and other matters in accordance with *Government Auditing Standards*.
3. Report Required for State Compliance Audit – The auditor shall prepare and include a statement expressing positive assurance of compliance with State fiscal laws and other financial issues related to the expenditure of funds received from federal, state, or local governments identified in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor. This report is in addition to the compliance opinion required as part of a single audit.
4. Management Letter – As appropriate, the auditor shall prepare a comprehensive management letter including the auditor’s recommendations relative to the internal control over financial reporting, compliance with laws and regulations, adherence to generally accepted accounting principles and items as required by Utah State.
5. Single Audit - As appropriate, the auditor shall conduct a single audit in compliance with 2 CFR Part 200 subpart F audit requirements.
6. Reporting Deadlines – The audit must be completed and 12 physical copies with an electronic copy of each of the required auditor’s reports must be submitted to Payson by November 30, following the fiscal year under audit. If Payson City prepares the financial reports, Payson will print out the physical copies of the audit.
7. Audit term – If the selected firm performs satisfactorily for services for the fiscal year ending June 30, 2024, with anticipated contract continuation for the succeeding four fiscal years, subject to performance evaluation, city budget appropriations and the needs of Payson City. At the end of the initial term of the agreement, the audit term will renew at Payson’s discretion, for additional one-year terms.
8. Payson reserves the right to review the contract on a regular basis regarding performance and cost analysis and may negotiate price and service elements during the term of the contract.

V. SUBMISSION OF PROPOSALS

By submitting a proposal in response to this RFP, the Proposer is acknowledging that the requirements, scope of work, and evaluation process outlined in this RFP are fair, equitable, not unduly restrictive, understood and accepted. Any exceptions to the content of the RFP must be protested to Payson prior to the closing date and time for submission of the proposal.

Proposals must be received by the submission deadline of April 25, 2024, no later than 5:00 p.m. MST. Proposals received after the deadline will be late and ineligible for consideration. **The preferred method of submitting your proposal is electronically in PDF format to: kimh@payson.org.** However, hard copies are submitted, three copies of your proposal must be returned to Kim Holindrake:

Payson City
439 West Utah Avenue
Payson, Utah 84651

Selection of the Auditor will be made, and all Proposers who have submitted will be notified immediately as to the selection results.

VI. RIGHT TO REJECT

Payson reserves the right to reject any and all proposals submitted and to request additional information from all Proposers. Payson also reserves the right to cancel the RFP and award at any time at its sole discretion. Payson is not liable for any expense incurred by Proposer in preparing for and responding to this RFP.

VII. PROPOSAL QUALIFICATION REQUIREMENTS

An interested certified public accounting firm (Proposer) must include the following information in its proposal to be considered to perform the audit for the fiscal year ending June 30, 2024.

1. Profile of the proposer,
 - a. The organization and size of the Proposer, and whether it is local, regional, national, or international in operations.
 - b. The location of the office from which the work is to be done and the number of professional staff, by staff level, employed at the office. Also describe the Proposer's policy on availability/responsiveness of staff and potential fees for questions between audit years.
2. A positive statement that the following mandatory criteria are satisfied:
 - a. An affirmation that the Proposer is properly licensed for practice as a certified public accountant in the state of Utah.
 - b. An affirmation that the Proposer meets the independence requirements of AICPA and the *Government Auditing Standards*.
 - c. An affirmation that the Proposer meets the continuing education and external quality control review requirements contained in the current version of the *Government Auditing Standards*.
 - d. An affirmation that the Proposer has not recently received a "fail" designation from a review performed by the Office of the Utah State Auditor.
 - e. Whether or not the Proposer, any principals of the Proposer, or any affiliate to the Proposer is the focus of any pending or ongoing litigation, formal investigation, or administrative proceedings related to attestation services. If yes, please describe.

- f. A copy of the Proposer's most recent review letter issued by the Office of the Utah State Auditor. If the Proposer has never been reviewed by the Office of the Utah State Auditor, please indicate.
- g. A copy of the Proposer's most recent peer review report.

VIII. PROPOSER'S QUALIFICATIONS

1. Identify the audit partners, audit managers, field supervisors, and other staff who will work on the audit, including staff from locations outside the local office. Include resumes that outline relevant experience and continuing education for the staff auditors up to the individual with final responsibility for the audit.
2. Describe a recent local office auditing experience similar to the type of audit requested.
3. The above information for any other firms and their employees that may participate in the audit.

IX. FEES

Supply a comprehensive "not-to-exceed" fee for the audit, inclusive of travel, per diem, and all other out-of-pocket expenses. As noted in Section III, it is expected that if the Auditor performs satisfactorily for the June 30, 2024, audit, it will be engaged to perform the audit for up to four additional years. Therefore, the not-to-exceed fee information requested above should be provided on an annual basis for fiscal years ending 2024 through 2028. Payson-option annual contract extensions will be negotiated before the start of each extension. Please provide a separate estimate for hours and fees for single audit services should those services be required. Please state if an additional amount is due for the Federal Single Audit.

X. NON-DISCRIMINATION

Affirm that the Proposer does not discriminate against any individual because of race, color, sex, age, religion, national origin, disability, pregnancy, familial status, veteran status, genetic information, sexual orientation, or gender identity, and that these are not factors in consideration for employment, selection of training, promotion, transfer, recruitment, rates of pay, or other forms of compensation, demotion, or separation.

XI. CONFLICT OF INTEREST

Affirm that none of the Proposer's officers, employees, or immediate family members of its officers and employees is or has been an elected official, employee, board member, or commission member of Payson or its affiliates who influences the RFP, selection of a Proposer, or the subsequent written agreement. Each Proposer must also represent and warrant that it has not provided any compensation in any form, whether directly or indirectly, to an elected official, employee, board member, or commission member of Payson or its affiliates who influences the RFP, selection of a Proposer, or the subsequent written agreement.

XII. DOCUMENT RETENTION

Workpapers and reports for the audit must be retained for a period of five years after the completion of the audit and made available for inspection by Payson or government auditors, including the Office of the Utah State Auditor.

XIII. COMPENSATION FOR SERVICES

Progress payments may be made during the audit period based on the percentage of work completed. Final payment for the audit will be made upon receipt of the audit reports required in Section II.

XIV. AVAILABILITY OF STAFF

City staff will be available to prepare schedules, trial balances, and provide documentation to assist the auditor during the course of the audit. Various balance sheet reconciliations will be provided to the auditors at the start of audit fieldwork.

XV. CONFIDENTIALITY

The Proposer must be willing to guarantee the confidentiality of all files, emails, documents, and other information that are obtained or accessed in execution of the audit unless it has received prior written authorization from Payson. The Proposer must also be willing to use reasonable precautions and processes to prevent unauthorized access, use, or disclosure of any file, email, document, or other information.

XVI. WRITTEN AGREEMENT

By submitting a proposal to the RFP, the Proposer signifies that it is willing and able to enter into a written agreement with Payson to fulfill each of the terms found in the RFP.

XVII. EVALUATION OF PROPOSALS

The following criteria will be considered when making an evaluation of the proposals, each having a scoring weight of 25%:

1. Responsiveness of the proposal (25% scoring weight)
 - a. Responsiveness of the proposal in clearly stating an understanding of the audit services to be performed.
 - b. Appropriateness and adequacy of proposed procedures.
 - c. Reasonableness of time estimates, timing of audit, and total audit hours.
 - d. Appropriateness of plan to meet stated deadlines.
 - e. Appropriateness of assigned staff levels, including proposed fieldwork hours of managers and partners.
 - f. Availability and responsiveness of audit staff.

2. Technical experience of the firm (25% scoring weight)
 - a. Governmental audit experience, including number and size of past and current governmental clients (with specific emphasis on municipal clients).
 - b. Size and structure of the firm.
 - c. Results of most recent peer review and review from the Office of the Utah State Auditor if applicable.
3. Qualifications of staff proposed to perform the audit (25% scoring weight.)
 - a. Years of government auditing experience (with specific emphasis on municipal clients).
 - b. Names of other small government audits conducted.
 - c. Knowledge of GASB standards and CAFR reporting requirements.

XVIII. COST OF THE AUDIT (25% scoring weight).

XIX. SOURCES OF INFORMATION

The individual listed below may be contacted for information. You can review Payson's prior year financial statements and auditor's reports which can be found on the Office of the Utah State Auditor's website at: <https://secure.utah.gov/auditor-search/?p=public>.

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