

# City of Preston, MN

## REQUEST FOR PROPOSALS FOR PROFESSIONAL AUDITING SERVICES

### I. Purpose.

The City of Preston is requesting proposals from qualified firms of certified public accountants to prepare and audit its financial statements. The City expects to select a City Auditor who will prepare the 2022 audit, with the City's option to retain said services for the 2023 audit. Proposals must be received no later than 4:30 PM on Monday, November 28, 2022.

### II. Nature of Services Required (City Auditor).

#### A. General

The City of Preston is soliciting the services of qualified firms of Certified Public Accountants to prepare and audit the city financial statements for the fiscal year ending 2022, with the City's option to retain said services for the 2023 audit. These activities are to be performed in accordance with the provisions contained in this request for proposals. It is further anticipated that Firm shall provide audit/accounting adjustment notations as needed, and advise as to procedural changes for the betterment of the financial record keeping of the City. These services shall be included in the proposal as incidental to the audit.

#### B. Auditing Standards to be Followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the *Government Auditing Standards* issued by the Comptroller General of the United States, the provisions of the Single Audit Act and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*. The audit also shall be performed in accordance with the *Minnesota Legal Compliance Audit Guide for Local Governments*.

#### C. Reports to be Issued

The Auditor shall issue general purpose financial statements & independent auditor's report consistent with those found in a typical Minnesota municipal financial audit and that may include:

1. Combining and individual fund statements
2. A report on the fair presentation of the general purpose financial statements in conformity with generally accepted accounting principles.
3. A report on the internal control structure based on the auditor's understanding of the control structure and assessment of control risk.
4. A report on compliance with applicable laws and regulations.
5. Single purpose audit of federal awards, if necessary.
6. Schedule of findings and questioned costs.
7. Reportable conditions that are also material weaknesses shall be identified as such in the report.
8. Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the report on internal controls.
9. General Fixed Assets update and depreciation schedules, as needed for reporting GASB 34.
10. The reports on compliance shall include all instances of noncompliance.
11. The City financial reporting form for the Office of the State Auditor.

D. Reporting to the City Administrator

The auditor shall inform the City Administrator of each of the following:

1. The auditor's responsibility under generally accepted auditing standards
2. Significant accounting policies
3. Management judgments and accounting estimates
4. Significant audit adjustments
5. Other information in documents containing audited financial statements
6. Disagreements with management
7. Management consultation with other accountants
8. Major issues discussed with management prior to retention
9. Difficulties encountered in performing the audit

The auditor shall provide recommendations for the improvement of financial management and condition of the City. The auditor shall provide ten (10) copies of the complete audit and management letter.

E. Other Reporting Requirements

**The Firm shall complete the financial reports under this proposal no later than May 1st of each year.**

III. Proposal Requirement

A. General Requirements

Inquiries concerning the request for proposal may be made to:

Ryan Throckmorton, City Administrator  
City of Preston  
PO Box 657  
Preston, MN 55965  
507-765-2153  
[rthrockmorton@prestonmn.org](mailto:rthrockmorton@prestonmn.org)

B. Submission of Proposals

Responses must provide complete information as described in this request. One copy shall be submitted by 4:30 PM on Monday, November 28, 2022 to:

City of Preston  
PO Box 657  
Preston, MN 55965

1. Title Page

Showing the request for proposals subject; the firm's name; the name, address, and telephone number of the contact person; and the date of the proposal.

2. Transmittal Letter

Briefly state the vendor's understanding of the work to be done, timetable for completion of the work, staff to be assigned to the City of Preston, a statement why the firm believes it to be best qualified to perform the engagement.

### 3. General Information

- a. Firm qualifications and experience
- b. An affirmative statement that the Firm is independent from the City of Preston
- c. License to practice in Minnesota
- d. Partner, supervisor, and staff qualifications and experience
- e. Prior engagements with the City of Preston
- f. Similar engagements with other governmental entities-references with telephone numbers
- g. Specific audit approach

### 4. Fee

The proposal shall include a dollar cost bid including total all-inclusive maximum fee for year 2022 and a fee for year 2023 that may be exercised at the city's option. **The audit proposal shall include a provision that reduces the audit fee by twenty percent (20%) if the audit is not completed and delivered by the May 1<sup>st</sup> deadline.**

## IV. Evaluation of Proposals & Selection Process

1. Proposals will be evaluated based on the following criteria:
  - a. Experience in providing city auditing/accounting services to other cities.
  - b. Experience and availability of staff assigned to serve the City of Preston.
  - c. Reference
  - d. Fees-The City of Preston is interested in selecting that firm, which professionally provides the City with optimal services, yet also meets the City's concern with regard to cost.
2. It is anticipated the selection of a firm will be considered on December 5, 2022.
3. During the evaluation process, the City Council reserves the right, where it may serve the City of Preston's best interest, to request additional information or clarifications from vendors, or to allow corrections of errors or omissions. At the discretion of the City, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.
4. All materials submitted in response to the RFP become the property of the City and supporting materials will not be returned. The City is not responsible for any costs incurred by the company in the preparation of the proposal.

## V. Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal unless clearly and specifically noted in the proposal submitted.

Notwithstanding any other provisions of the RFP, the City reserves the right to reject any or all proposals, to waive any irregularity in a proposal, and to accept or reject any item or a combination of items, when to do so would be to the advantage of the City or its taxpayers. It is further within the right of the City to reject proposals that do not contain all elements and information requested in this document.