

CITY OF OGDENSBURG, NEW YORK
REQUEST FOR PROPOSAL FOR INDEPENDENT AUDIT SERVICES

I. INTRODUCTION

The City of Ogdensburg, New York (“City”) is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the three fiscal years ending December 31, 2020, through December 31, 2022. These audits are to be performed in accordance with the provisions contained in this request for proposals.

To be considered, four (4) copies of a proposal must be received by the Comptroller’s Office, Room 5, 330 Ford Street, Ogdensburg, NY 13669 **by Friday, September 4, 2020.**

It is anticipated the selection of a firm will be completed **by Friday, September 18, 2020** and presented to the City Council for approval on **Monday, September 28, 2020.** Following the notification of the selected firm it is expected an engagement letter will be executed between both parties within 30 days of approval.

The City reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal and confirmed in the contract between the City and the firm selected. The City reserves the right without prejudice to reject any or all proposals.

There is no express or implied obligation for the City to reimburse firms for any expenses incurred in preparing proposals in response to this request.

The City’s most recent independent audited financial statements are available on the City’s website at **www.ogdensburg.org**.

Any inquiries concerning the request for proposals should be submitted in writing to Timothy Johnson, City Comptroller, Room 5, 330 Ford Street, Ogdensburg, NY 13669 or e-mailed to **tjohnson@ogdensburg.org**. Responses to all inquiries will be distributed to all prospective firms receiving this RFP.

Contact with personnel of the City other than the above regarding this request for proposal may be grounds for elimination from the selection process.

II. SCOPE OF AUDIT

A. General

1. The City is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the three fiscal years ending December 31, 2020 through December 31, 2022. These audits are to be performed in accordance with the provisions contained in this request for proposals.

B. Scope of Work

1. The City desires the auditor to express an opinion on the fair presentation of its general-purpose financial statements in conformity with generally accepted accounting principles.
2. The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted accounting standards.
3. The auditor is not required to audit the schedule of expenditures of federal awards. However, the auditor is to provide an "in-relation-to" report on that schedule based on the auditing procedures applied during the audit of the financial statements, as applicable.
4. The auditor to whom the proposal is awarded is prohibited from assigning, transferring, conveying, subletting or otherwise disposing of the same, or of his/her right, title or interest therein, or his/her power to execute such contract, to any other person or company without the previous consent in writing of the City. If the auditor to whom the proposal is awarded shall without the previous written consent specified above, assign, transfer, convey, sublet or otherwise dispose of the same, or of his/her right, title or interest therein, or his/her power to execute such contract, to any other person or company, the City shall revoke and annul such contract and the City shall be relieved and discharged from any and all liability and obligations growing out of this contract to the auditor and to the person or company to which the contract shall have been assigned, transferred, conveyed, sublet or otherwise disposed of, and such auditor and his/her assignees, transferees or subleases shall forfeit and lose all moneys, theretofore earned under such contract, except so much as to pay his/her employees.

C. Auditing Standards

1. The audit shall be performed in accordance with generally accepted auditing standards and the U.S. General Accounting Office's (GAO) *Government Auditing Standards*.

2. The provisions of the U.S. Office of Management and Budget's (OMB) *Uniform Guidance* and the New York State Department of Transportation Single Audit Program, as applicable.

D. Reports to be Issued

1. Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:
 - a. Independent Auditors report on the fair presentation of the financial statements in conformity with generally accepted accounting principles including the schedule of expenditures of federal awards "in-relation-to" the audited financial statements as applicable
 - b. Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards
 - c. Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control over Compliance in Accordance with the *Uniform Guidance* as applicable
 - d. Schedule of Findings and Questioned Costs as applicable
 - e. Summary Schedule of Prior Audit Findings as applicable
 - f. Report on Compliance and Controls over State Transportation Assistance Expended Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards as applicable
 - g. Schedule of State Transportation Assistance Expended as applicable
 - h. Notes to the Schedule of State Transportation Assistance Expended as applicable
 - i. Schedule of Findings and Questioned Costs for State Transportation Assistance Expended as applicable
 - j. Form SF-SAC -Data Collection Form for Reporting on Audits of States, Local Governments, and Non-profit Organizations as applicable
2. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the City Manager and City Comptroller.

E. Timeline for Audit

1. Proposal Calendar

- a. Request for proposals issued **Friday, August 7, 2020**
- b. Due date for proposal submissions **Friday, September 4, 2020**
- c. Evaluation & review completed **Friday, September 18, 2020**

2. Notification and contract dates

- a. Recommendation considered by City Council **Monday, September 28, 2020**
- b. Selected firm notified **within 10 business days**
- c. Engagement letter signed **within 15 days**

3. Date audit may commence

- a. The City will have records ready for audit and all management personnel available to meet the firm's personnel no later than June 1st of each year

4. Audit schedule

- a. Each of the following shall be completed by the auditor no later than the dates indicated.
 - i. Interim fieldwork will be scheduled at a time agreeable to both parties
 - ii. A detailed audit plan shall be provided to the City by May 15th and contain a list of all schedules to be prepared by the City.
 - iii. Fieldwork is to be completed by July 31st.
 - iv. Draft financial statements, notes, supplementary schedules and recommendations are to be presented to management for review by August 20th. The City shall provide all recommendations, revisions and suggestions for improvement to the auditor within 10 business days of receipt of the draft. During that period, the auditor should be available for any meetings that may be necessary to discuss the audit reports. Once all issues for discussion are resolved, the final signed report shall be delivered to the City Comptroller within 10 working days. It is anticipated that this process will be completed and the final report delivered by September 1st.

- v. Entrance conferences are to be conducted with the City Comptroller for both interim fieldwork and year-end fieldwork. The purpose of these meetings shall be to discuss prior audit problems and the nature of the work to be performed. These meetings will also be used to establish the overall liaisons for the audit and to make arrangements for space and other needs of the auditor.
- vi. Exit conferences shall be conducted with the City Manager, City Comptroller and Audit Committee to review a draft of the audit report prior to the issuance of the final report.
- vii. The final report and ten (10) signed and bound copies should be delivered to the City Comptroller at Room 5, 330 Ford Street, Ogdensburg, NY 13669. One unbound master copy and an electronic pdf file shall also be provided.

F. Special Considerations

1. The City reserves the right to have the audit firm present the final audit report to the City Council at a meeting agreeable to the City and the firm.

G. Working Paper Retention and Access to Working Papers

1. All working papers and reports must be retained, at the auditor's expense for a minimum of five (5) years from the report release date, unless the firm is notified in writing by the City of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:
 - a. City of Ogdensburg
 - b. Any cognizant agency of the City, if applicable
 - c. U.S. General Accounting Office
 - d. Parties designated by the federal or state governments or by the City as part of an audit quality review process
 - e. Auditors of entities of which the City is a sub-recipient of grant funds
2. The firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

III. PROPOSAL FORMAT AND CONTENT

A. General

1. The proposals should be separated into two separate sections that are **sealed** and marked "Technical Proposal for Professional Auditing Services" and "Cost Proposal for Professional Auditing Services". Each section should include the name, title, address and telephone number of the firm and the person authorized to represent the firm.
2. The following material is required by **September 4, 2020** for a proposing firm to be considered:
 - a. The technical proposal and three (3) copies are to include the following:
 - i. Title page showing the request for proposal's subject; the firm's name; the name, address and telephone number of a contact person; and the date of the proposal
 - ii. Table of contents
 - iii. Signed transmittal letter briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for the period covered. The individual must be empowered to submit the proposal and sign the contract with the City.
 - iv. Detailed proposal as set forth in Section III-B of this request for proposals

B. Technical Proposal for Professional Auditing Services

1. General Requirements
 - a. The purpose of the Technical Proposal is to determine qualifications, competence and capacity of the firms seeking to undertake an independent audit of the City of Ogdensburg in conformity with the requirements of this request for proposals. As such, the substance of the proposals will carry more weight than their form or manner of presentation. The Technical Proposal should demonstrate the qualifications of the firm and the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposals requirement.

- b. There should be no dollar units or total costs included in the technical proposal.
 - c. The Technical Proposal should address all points outlined in the request for proposals (excluding any cost information which should only be included in the sealed cost proposal). The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals. While additional information may be presented the proposal must address the items in this section.
2. Independence
- a. Provide an affirmative statement that the firm is independent of the City and its component units as defined by generally accepted accounting standards and the *Government Auditing Standards* published by the U.S. Government Accounting Office.
 - b. Describe any relationships involving the City and its employees with a statement explaining why the relationship does not constitute a conflict of interest relative to conducting the proposed audit.
3. Qualifications of the Firm
- a. Identify the size of your firm, the size of the governmental audit staff and the location of the office from which the work on this audit will be conducted.
 - b. Provide a list of auditing experiences similar to the type and size of the City of Ogdensburg's audit, and give a representative list of the types of local, state and federal entities that you serve.
 - c. Describe the experience and knowledge that your firm has in performing examinations in accordance with the provisions of the *Uniform Guidance*.
 - d. Identify specialized skills within your firm regarding municipal accounting and auditing.
 - e. Provide the results of your most recent peer review and indicate if a specific government engagement was included in the review.
 - f. Provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with the state regulatory bodies or professional organizations.

4. Qualifications of Professional Staff

- a. Identify the engagement partners, managers, and other staff members who would be assigned to the audit and indicate which are licensed to practice in the State of New York as a Certified Public Accountant.
- b. Describe the role of each member assigned to the audit.
- c. Describe any relevant continuing professional education in governmental accounting and auditing which the proposed staff members have received in the past three years and memberships in professional organizations which are relevant to this audit.
- d. Describe the experience of the firm and the proposed audit team in implementing new GASB pronouncements.
- e. Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

5. Audit Approach

- a. The proposal should set forth a work plan, including an explanation of the audit methodology to be followed to perform the services required of this proposal. In developing the work plan, reference should be made to such sources of information as the City's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.
- b. Proposer will be required to provide the following information on their audit approach:
 - i. Proposed segmentation of the engagement
 - ii. Level of staff and number of hours to be assigned to each proposed segment of the engagement. No dollars should be included in the technical proposal.
 - iii. Sample size and the extent to which statistical sampling is to be used in the engagement
 - iv. Extent of use of management information systems software in the engagement

- v. Type and extent of analytical procedures to be used in the engagement
- vi. Approach to be taken in determining laws and regulations that will be subject to audit test work
- vii. Approach to be taken in drawing audit samples for purposes of tests of compliance.

6. Identification of Anticipated Potential Audit Problems

- a. The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the City.

7. References

- a. Provide a minimum of three references with attention being given to previous audits in the governmental audit/accounting field. Indicate if the reference prepares a comprehensive annual financial report.

8. Proof of Insurance shall be provided if requested.

C. Cost Proposal for Professional Auditing Services

1. The cost proposal should contain all pricing information relative to performing the audit engagement as described in this request for proposals. The total all-inclusive maximum price to be proposed is to contain all direct and indirect costs including all out-of-pocket expenses.
2. The first page of the sealed price proposal should include the following information:
 - a. Name of firm
 - b. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the proposal and authorized to sign a contract
 - c. A total all-inclusive maximum price for each of the three fiscal years covered by this proposal.
3. Progress payments shall be made on the basis of hours of work completed of the engagement. Interim billings shall cover a period of not less than one month.
4. There is no express or implied obligation for the City to reimburse firms for any expenses incurred in preparing proposals in response to this request.

5. Provide the rates by which your firm would charge for any special request, reports or broadening of scope.

IV. DESCRIPTION OF THE GOVERNMENT

A. Contact Information

1. The auditor's principal contact with the City will be Timothy Johnson, City Comptroller, or a designated representative, who will coordinate the assistance to be provided by the City to the auditor. Contact may be made via telephone at 315-393-1860 or e-mail at **tjohnson@ogdensburg.org**

B. Background Information

1. The City of Ogdensburg is located in northern New York State on the Canadian border. It is approximately 60 miles north of Watertown, and sits on the St. Lawrence River. The City encompasses 8.18 square miles of land and has a population of 11,128, according to the 2010 Census. The City has had a Council-Manager form of government since 1970. There are six councilors, and a Mayor. The seven member Council is elected at large for four year terms. A full-time City Manager is appointed by the Council and is the Chief Executive Officer of the City.
2. Some of the services provided by the City include:
 - a. Police
 - b. Fire
 - c. Road Maintenance
 - d. Water Treatment Plant
 - e. Waste Water Treatment Plant
 - f. Library
 - g. Parks and Recreation
 - h. Economic and Community Development programs
3. The City has a total payroll of approximately \$8.5 million covering approximately 160 FTE's.
4. The City's Adopted 2020 Budget was \$20,729,213 in four Funds as follows:

a. General Fund \$14,358,245	c. Library Fund \$1,034,620
b. Water Fund \$2,450,192	d. Sewer Fund \$2,886,156
5. Detailed information on the government and its finances can be found in the annual audit reports and adopted budgets. These documents are available on the City's website or from the Office of the City Comptroller.

6. The City's utilizes software developed by Tyler Technologies, Inc. and Systems East, Inc., to maintain its financial records.

C. Fund Structure

1. The City uses the following fund types in its financial reporting:
 - a. General
 - b. Community Development
 - c. Water
 - d. Sewer
 - e. Capital Projects
 - f. Library
 - g. Self Insurance
 - h. Agency
 - i. General Fixed Assets
 - j. General Long-term Debt

V. ASSISTANCE TO BE PROVIDED BY THE CITY

- A. Statements, schedules and other pertinent information to be prepared by the City
 1. The staff of the City will prepare or provide the following statements and schedules for the auditors as follows:
 - a. Balance Sheets for all funds
 - b. Detailed schedules of revenues and expenditures, expenses, accounts payable and receivable and encumbrances
 - c. Detail of balance sheet and subsidiary account activity
 - d. Check registers for all funds
 - e. Bank reconciliations for all accounts
 - f. Detail of capital projects
 - g. Analysis of accounts as requested
 - h. Investment activity schedules
 - i. Debt schedules
 - j. Fixed asset schedules
 - k. Payroll records
 - l. Property tax collection data
 - m. Utility billing collection data
 - n. Schedule of compensated absences
 - o. Standard representation letters
 - p. Schedule of Federal and State assistance
 - q. NYS Annual Financial Report Update Document

2. General

- a. Office space will be provided in close proximity to the financial records. Access to a telephone and a copy machine will be available during the engagement. The auditor is required to provide their own equipment and other office materials.

VI. EVALUATIONS

- A. Proposals will be evaluated based on the requirements of section III of the request for proposals. The committee reserves the right to request additional information or clarifications from firms or to allow corrections of errors or omissions. At the discretion of the committee, the firm submitting proposals may be requested to make an oral presentation as part of the evaluation process. The evaluation committee will recommend a firm for approval by the City Council.