

P2017-22

**City of Salem
Request for Proposals for Audit Services
November 9, 2017**

BACKGROUND

With a population of approximately 7,400, Salem is located in Marion County at the intersection of Interstate 57 and US Highway 50. Some notes and facts on the City of Salem:

- The City is operated under a Manager form of government, with a five member City Council. The total City budget for all funds and departments is approximately \$18.8 million for our FY18 (May 1 through April 30).
- The City budgeted is comprised of approximately 20 funds to cover activities related to both government and business activities, including Police Department, Cemetery, Economic Development, two Tax Increment Financing Districts, Revolving Loan, Police Pension, Water/Sewer, Natural Gas, Garbage, among others.
- Glass & Shuffett of Centralia has performed audit services for the City of Salem in prior years. An electronic copy of the City's FY16 audit (May through April) will be made available.
- For FY17, GASB 67/68 and tax levy reports were performed by Lauterbach & Amen.

REQUEST

The City of Salem seeks proposals from qualified professional certified public accounting firms to provide municipal government accounting services for the City of Salem.

SUBMISSION PROCESS/TERMS

1. **Deadline for Final Proposal Submission** → Proposal may be mailed or hand delivered to the City of Salem no later than December 4, 2017 at 10:00 am. City Manager contact information is below. Submission received after this deadline will not be considered unless the deadline for submissions is extended by the City Manager. Proposals shall be provided in a sealed envelope which notes prominently that it is a sealed proposal. Proposals shall be provided to the City in an electronic format when requested after the proposal deadline.

Bill Gruen
101 South Broadway
Salem, IL 62881
ctymgr@salemil.us
(618) 548-2222 ext. 13

2. **Scope of Services** → Scope of services sought by City include/exclude the following:
 - ✓ The audit of financial statements and records of Salem's government and business activities to be performed in accordance with auditing standards generally accepted in the United States of America and the State of Illinois, including GASB, Single Audit, and others as necessary. The City desires that the auditor express an opinion on the fair presentation of the respective financial position of the governmental and business

activities and on the respective changes in financial position and cash flows where applicable. The City also seeks a report reviewing the adequacy of the City's internal controls over activities and reporting related to financial activities.

- ✓ Assist in the preparation of the fixed asset schedules and financial statements and related notes of City of Salem in conformity with U.S. generally accepted accounting principles based on the information provided by us.
 - ✓ Completion and submission of the City's Annual Financial (Multi-Purpose Long Form) to the Illinois Comptroller's Office.
 - ✓ Presentation of annual audit reports, in both paper and electronic formats, no later than October 15 of each year. Presentation on each year's audit shall be made to the City Council after submission of the final report to City management.
 - ✓ The scope of service **excludes** submission of GASB 68 and 45 reports.
3. **Proposal Term** → Proposals shall at a minimum provide for a three-year term of service (audit for fiscal years FY18, 19, and 20) with a breakdown of costs and cost maximums provided for each of the three years. Thereafter, the City shall consider one-year extensions of service prior to re-seeking new proposals for service.
4. **Proposed Fee Structure** → Proposals shall indicate the firm's fee rate structures, including the standard hourly rates for all staff that will be working on the audit or other bookkeeping services, including partners, manager, supervisors, and all other staff.
5. **Independence** → Proposals shall include an affirmative statement that the firm submitting the proposal is independent of the City of Salem, Illinois pursuant to generally accepted auditing standards. Relationships with City elected officials, management, personnel, or contractors should be disclosed for review.
6. **Qualifications, Licensure, Experience** → Firms making proposal shall disclose qualifications, licensure, and experience related to municipal auditing.

Municipal auditing experience shall be shared accordingly:

Name of Agency: _____

Contact Person: _____ Telephone #: _____

Agency Address: _____

Amt of Contract: _____

7. **Selection Process** → Those making submission should anticipate having a face-to-face meeting with City personnel/officials after submission deadline for the purposes of discussing the proposal submission. Thereafter, the City Council shall make final selection among proposals submitted.

Proposals will be available for public review after deadline, but they may not be edited or amended after submission to the City. The City reserves the right to request additional information or clarification from those submitting proposals. The City further reserves the right to accept the proposal which, in its judgment is the lowest cost and/or the best proposal, to reject any or all proposals, and to waive irregularities or informalities in any proposal submitted. **In other words, the City reserves the right to accept the proposal which, in its judgment, and regardless of cost, best accomplishes the project described in this request.** All firms making proposal agree that rejection of any proposal shall be without liability on the part of the City, and firms making proposal shall not seek recourse of any kind against the City because of such rejection. The filing of any proposal shall constitute an agreement of the firm making proposal to the terms and conditions of these Instructions to firms making proposal.

8. **Rights Reserved** → All rights and remedies afforded to the City of Salem by law, ordinance, or policy of the City shall be retained, whether or not specified in this proposal request.

Bill Gruen
Salem City Manager