

**CEDAR CITY CORPORATION**

**REQUEST FOR PROPOSALS  
FOR  
AUDITING AND CONSULTING SERVICES**

**JUNE 2017**

**CEDAR CITY CORPORATION**

**REQUEST FOR PROPOSALS  
FOR  
AUDITING AND CONSULTING SERVICES**

**SUMMARY SHEET**

Project: Auditing and consulting services for Cedar City Corporation for the fiscal year ending June 30, 2017, with a possible two-year extension

Location: Cedar City, Utah

Requested Services: Auditing; preparing of reports, draft financial statements and footnotes; State and Federal awards; Airport PFC audit; UT-2 report and related chart of account requirements; other consulting services as needed.

Contact Person: Jason Norris  
Finance Director  
10 North Main  
Cedar City, UT 84720  
E-mail: [norris@cedarcity.org](mailto:norris@cedarcity.org)  
Telephone: (435) 586-2950  
Fax: (435) 586-4362

Advertisement Date: June 9, 2017

Submission Requirements: Proposals must be received no later than 5:00 p.m. June 23, 2017

Requirements: See attached requirements

Evaluation Criteria: See attached criteria

**CEDAR CITY CORPORATION**  
**REQUEST FOR PROPOSALS**  
**FOR**  
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## NOTICE OF REQUEST FOR AUDITING AND CONSULTING SERVICES

Cedar City Corporation is accepting proposals for auditing and consulting services for the fiscal year ending June 30, 2017, with a possible two-year extension.

The auditor must be a certified public accountant familiar with all relevant professional accounting and auditing standards as well as all applicable state and federal laws, including but not limited to the Uniform Accounting Procedures for Municipalities required by the State of Utah.

The audit must be completed prior to December 31, 2017.

Request for Proposal packets can be obtained by contacting

Jason Norris  
10 North Main  
Cedar City, UT 84720  
Telephone: (435) 586-2950

All proposals must be received in their entirety no later than 5:00 p.m. on June 23, 2017. Cedar City reserves the right to reject any and all proposals and to request additional information.

Dated this 9<sup>th</sup> day of June 2017.

Cedar City Corporation  
Jason Norris  
Finance Director

# **CEDAR CITY CORPORATION**

## **REQUEST FOR PROPOSALS FOR AUDITING AND CONSULTING SERVICES**

### **I. Background Information**

Cedar City Corporation (the City) was established in 1851 and currently has the following funds:

General Fund

Special Revenue Funds

Aquatic Center

Cedar Area Transit Service

Airport

Transportation Impact Fees

Parks and Recreation Impact Fees

Public Safety Impact Fees

Golf Course

RAP Tax

Transient Room Tax

Downtown Parking Authority

Redevelopment Agency

Municipal Building Authority

Public Safety Task Force

Debt Service Fund

Special Improvement District Debt Service Funds

Capital Project Funds

Airport Construction

Capital Improvement

Municipal Building Authority

Enterprise Funds

Water

Sewer Collection

Sewer Plant

Storm Drain

Solid Waste

Total revenue for all funds and component organizations was \$33,747,000 for the fiscal year ended June 30, 2016. Cedar City uses Caselle software for most of its accounting applications which is supported by various hardware.

Cedar City 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 audit must be submitted to the Office of the Utah State Auditor within 180 days after the end of the fiscal year.

## II. Objective and Scope

Cedar City Corporation is requesting a financial audit for the fiscal year ended June 30, 2017. The audit shall be performed in accordance with generally accepted auditing standards as promulgated by the American Institute of Certified Public Accountants (AICPA); the *AICPA Audits of State and Local Governmental Units* audit and accounting guide; and the *Government Auditing Standards*, published by the U.S. General Accounting Office.

The audit must be completed, and the report issued prior to December 1, 2014. The auditor must deliver an electronic copy of the report to the Office of the Utah State Auditor and twenty copies to the city.

The auditor will be involved in drafting, typing and printing the financial statements and relative footnotes. The auditor will also prepare the State of Utah Form UT-2 and related chart of accounts reporting.

A single audit will be required for the fiscal year ending June 30, 2017. Federal compliance test work will be done in accordance with Office of Management and Budget Circular A-133. The auditor will be involved in drafting, typing and printing the Schedule of Federal Financial Assistance and all supplemental reports required by federal statutes. The auditor will be involved in drafting, typing and printing the Schedule of Expenditures of State Awards. The auditor will be responsible to audit airport passenger facility charges and assist in preparing related reports.

## III. Report Requirements

For financial audits, the auditor shall examine the financial statements and records of the City and shall issue an auditor's opinion on the City's financial statements with an "in-relation-to" opinion on combining and supplementary information, if any. Such financial statements shall be prepared in conformity with generally accepted accounting principles.

The auditor shall issue a compliance report based on an audit of general purpose or basic financial statements and a report on the internal control structure; both in accordance with *Government Auditing Standards*.

The auditor shall prepare and include a statement expressing positive assurance of compliance with State fiscal laws identified by the state auditor and other financial issues related to the expenditure of funds received from Federal, State,

or local governments. *(This statement is in addition to the compliance opinion required as part of a single audit.)*

The auditor shall prepare a comprehensive management letter including the auditor's findings and recommendations relative to the internal accounting and administrative controls, compliance with laws and regulations as applicable and adherence to generally accepted accounting principles.

The auditor shall include the written responses from Cedar City for each recommendation included in the state compliance letter and the management letter required by the *State of Utah Legal Compliance Audit Guide*.

*(For audits completed in accordance with the Single Audit Act, the auditor shall examine the financial systems and records as they relate to the various federal grants and agreements and shall issue auditor's reports on internal and administrative control and on compliance with federal and state laws and regulations as required by generally accepted auditing standards promulgated by the AICPA.)*

#### IV. Audit Term

If the selected certified public accounting firm performs satisfactorily for the June 30, 2017 audit, it is anticipated that the same firm will be engaged to perform the audit for the succeeding two years, subject to an annual evaluation and Cedar City Council appropriation. The term may be extended beyond the total three-year engagement based on mutual agreement between the auditor and the Cedar City Council but not beyond a total of three additional years.

#### V. Proposal Qualification Requirements

Interested certified public accounting firms should include the following information in their proposal to perform the audit of the fiscal year ending June 30, 2017:

Items C through H should not exceed 12 pages. A page is defined as any 8.5" by 11" page that contains text, pictures, graphs, charts or any other graphics.

##### A. Profile of the Independent Auditor

1. The organization and size of the proposer, whether it is local, regional, national or international in operations
2. The locations of the office from which the work is to be done and the number of professional staff, by staff level, employed at the office.
3. A statement on the proposer's staff capability to audit computerized systems.

4. 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 the American Institute of Certified Public Accountants and the *Government Auditing Standards*, 2011 revision, published by the U.S. General Accounting Office.
  - c) An affirmation that the firm meets the continuing education and external quality control review requirements contained in the *Government Auditing Standards*, 2011 revision, published by the U.S. General Accounting Office.

B. Proposer's Qualifications

1. Identify the audit partners, audit managers, field supervisors and other staff who will work on the audit, including staff from other than the local office. Resumes including relevant experience and continuing education for the staff auditors up to the individual with final responsibility for the engagement should be included.
2. Describe the recent local office auditing experience similar to the type of audit requested.
3. If other auditors are to participate in the audit, those auditors should be required to provide similar information.

C. Proposer's Approach to the Examination

Submit a general audit work plan to accomplish the scope defined in these guidelines. The audit work plan should demonstrate that the proposer understands the audit requirements and the audit tests and procedures to be applied in completing the audit plan. The plan should detail the expected number of audit hours by staff level. The planned use of specialists should also be specified.

D. Time Requirements

Detail how the reporting deadline requirements of the audit will be met.

E. Fees

Supply the billing rates, estimated number of billable hours, other billable expenses and a "not-to-exceed" fee for the audit, inclusive of travel, per diem and all other out-of-pocket expenses. As noted in section IV, it is expected that if the selected certified public accounting firm performs



satisfactorily for the June 30, 2017 audit, it will be engaged to perform the audit for the succeeding two years. Therefore, the not-to-exceed fee information requested above should be provided on an annual basis for three years.

Proposal should also include estimated billing rate for other consulting services that may be required by the City. After the contract is awarded, the City will not pay in excess of previously agreed upon “not-to-exceed” amounts.

F. Non-discrimination Clause

Affirm that the firm does not discriminate against any individual because of race, religion, sex, color, age, handicap or national origin, and that these shall not be a factor in consideration for employment, selection of training, promotion, transfer, recruitment, rates of pay, or other forms of compensation, demotion, or separation.

G. Additional Information

- Provide any additional information considered essential to this proposal that was not specifically requested in other sections. If no additional information is presented, state such in this section.

VI. Contractual Arrangements

- A. Audit programs, work papers and reports must be retained for a period of seven years after the completion of the audit and made available for inspection by the city or government auditor’s if requested by them.
- B. Payment for the audit will be made monthly as work progresses except that final payment will be made upon receipt of the audit reports required in section III.
- C. City staff will be available to prepare schedules, trial balances, and provide documentation to assist the auditor as their schedules permit during the course of the audit.

VII. Evaluation of Proposals

The following criteria will be considered when making an evaluation of the proposals:

B. Technical Factors

1. Responsiveness of the proposal in clearly stating an understanding of the audit services to be performed.

- a. Appropriateness and adequacy of proposed procedures.
  - b. Reasonableness of time estimates and total audit hours.
  - c. Appropriateness of assigned staff levels.
2. Technical experience of the firm.
  3. Qualifications of staff.
  4. Size and structure of firm, considering the scope of the audit.
  5. Geographic location of key personnel and responsible office.

C. Cost of the Audit

D. Right to Reject

Cedar City reserves the right to reject any and all proposals submitted and to request additional information from all proposers. Any contract awarded will be made to the independent certified public accounting firm who, based on evaluation of all responses, applying all criteria and oral interviews, if necessary, is determined to be the best to perform the audit.

VIII. Submission of Proposals

Four copies of your proposal must be submitted to Jason Norris, Cedar City, 10 North Main, no later than 5:00 p.m. on Friday, June 23, 2017. Selection of the CPA firm will be made by July 25, 2017, and all firms submitting proposals will be notified as to the selection results. No proposal will be considered that is not received in its entirety at or prior to the above time and date.

IX. Sources of Information

Jason Norris can be contacted at (435) 586-2950 for information necessary to complete the proposal. Current and prior year budgets, audit reports, and management letters are available for inspection on the Utah State Auditor's Website.