

CITY OF MARION
REQUEST FOR PROPOSALS
FOR
PROFESSIONAL AUDITING SERVICES
APRIL 30, 2013, 2014 AND 2015

1102 TOWER SQUARE PLAZA
MARION, IL 62959

CITY OF MARION

REQUEST FOR PROPOSALS

I. INTRODUCTION

A. General Information

The City of Marion (the City) is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal years ending April 30, 2013, 2014 and 2015. These audits are to be performed in accordance with generally accepted auditing standards in the United States of America, standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the provisions of the federal Single Audit Act of 1984 (as amended in 1996) and U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Any special compliance and reporting requirements of the State of Illinois for Tax Increment Financing Districts shall be followed.

B.. Subcontracting

No subcontracting will be permitted.

II. NATURE OF SERVICES REQUIRED

A. Entity

The City of Marion comprises all functions and activities of municipal operations. The City's financial statements include all funds, departments, agencies, boards, commissions and other organizations over which the City of Marion officials exercise oversight responsibility, including the Marion Carnegie Library.

B. Scope of Work to be Performed

The City of Marion desires the auditor to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles. The auditor is not required to audit the supporting schedules contained in the financial statements. However the auditor is to provide an "in-relation-to" opinion on the combining, individual fund financial statements based on the auditing procedures applied during the audit of the basic financial statements. The auditor should also provide an "in-relation-to"

report on the schedule of expenditures of Federal awards when applicable based upon the auditing procedures applied during the audit of the basic financial statements.

The auditor shall not audit the required supplementary information or the management discussion and analysis except for certain limited procedures as required by auditing standards.

The auditor shall be responsible for the preparation of all financial statements and footnotes including required and not required supplementary information and the schedule of federal awards. This information will be reviewed by the City Treasurer who will also prepare the management discussion and analysis.

The City shall assist as needed in work paper preparation and shall provide in a timely manner adjusted trial balances.

C. Funds to be Audited

The City of Marion uses the following fund types in its financial reporting:

| <u>Fund Type/Account Group</u> | <u>Number of Individual Funds</u> | <u>Number with Legally Adopted Annual Budgets</u> |
|--------------------------------|-----------------------------------|---|
| General Fund | 1 | 1 |
| Special Revenue Funds | 7 | 7 |
| Debt Service Funds | 5 | 5 |
| Capital Projects Funds | 2 | 2 |
| Enterprise Funds | 2 | 2 |
| Internal Service Funds | 1 | 1 |
| Permanent Funds | 1 | 1 |
| Pension Trust Funds | 2 | 2 |
| Agency Funds | 1 | 0 |

D. Financial Reporting

Report preparation, editing and printing shall be the responsibility of the auditor. Covers, dividers, spines, the Introductory and Management's Discussion and Analysis section, and any necessary letterhead will be provided by the City. The auditor shall reproduce 25 copies of the Annual Financial Report, which shall include the TIF compliance letter and 5 copies of the Single Audit report.

While final responsibility for the financial statements rests with the City, the City expects the auditor to possess and demonstrate sufficient expertise in governmental accounting and reporting to assure that all reporting requirements are met.

The auditor shall supply the City with its latest peer review report.

The auditor shall express an unqualified opinion on all individual funds and accept "in relation to" responsibility for supplemental data. If an unqualified opinion cannot be expressed, the auditor shall bring such matter to the attention of the City before issuance of the report to determine whether or not the problems leading to a qualification can be resolved.

E. Management Letter

If, during the course of the examination, the auditor finds any weaknesses in internal control, the auditor shall summarize such findings and recommendations in the form of a separate management letter to the City.

The auditor shall be available to meet with elected officials at an evening meeting to answer questions regarding the proposal, the completed audit or management letter, if requested.

The auditor in the person of a partner or manager shall be available not only during the audit preparation period, but also on an as-needed basis to answer questions or provide guidance on any particular issue that may arise throughout the contract period.

III. DESCRIPTION OF THE GOVERNMENT

A. The City of Marion is a Mayor – Commissioner form of government. The auditor's principal contact with the City will be Steve Hale, City Treasurer, or a designated representative, who will coordinate the assistance to be provided by the City to the auditor.

B. Background Information

The City of Marion is located in Southern Illinois. Present population is approximately 17,193 residents. This City is a home-rule community under the State of Illinois Constitution.

The City of Marion currently has 162 full-time employees. The City’s current budget is \$48,604,620. The accounting and financial reporting functions of the City are centralized.

The City of Marion’s fiscal year begins on May 1st and ends on April 30th.

More detailed information on the government and its finances can be found in the Annual Financial Report for 2012, located at 1102 Tower Square Plaza, Marion, Illinois 62959. PDF files can be obtained by calling Steve Hale at 618-993-8575.

C. Pension Plans

The City of Marion participates in the following pension plans:

| <u>Plan</u> | <u>Multiple-Employer</u> | | <u>Single-Employer</u> | |
|------------------------------|--------------------------|--------------|------------------------|-----------------------------|
| | <u>Cost-Sharing</u> | <u>Agent</u> | <u>Defined Benefit</u> | <u>Defined Contribution</u> |
| Police Pension Fund | | | X | |
| Fire Pension Fund | | | X | |
| IL Municipal Retirement Fund | X | | | |

The City employs an independent actuary for its annual tax levy requirement.

H. Availability of Prior Audit Reports and Working Papers

Interested proposers who wish to review prior years’ audit reports and management letters should contact Steve Hale at treasurer@cityofmarionil.gov or 618-993-8575. The City will make available prior audit reports and any supporting documentation in its possession..

IV. TIME REQUIREMENTS

A. Proposal Calendar

The following is a list of key dates up to and including the date proposals are due to be submitted:

| | |
|-----------------------------|------------------|
| Request for proposal issued | February 26,2013 |
| Due date for proposals | March 28, 2013 |

B. Notification and Contract Dates

Selected firm notified after official City Council action.

C. Date Audit May Commence

The City of Marion will have all records ready for audit and all management personnel available to meet with the firm's personnel at an agreed upon schedule.

V. PROPOSAL REQUIREMENTS

1. Inquiries

Inquiries concerning the Request for Proposals and the subject of the Request for Proposals must be made to:

Steve Hale, CPA, Treasurer
City of Marion
1102 Tower Square Plaza
Marion, IL 62959
618-993-8575
treasurer@cityofmarionil.gov

3. Submission of Proposals

The following material is required to be received by 4pm on March 28, 2013 for a proposing firm to be considered:

A.. Letter of Transmittal

Briefly outline and summarize the key elements of the proposal as to experience, qualifications, references, technical expertise, audit standards, understanding of the work to be performed, timing and fee.

B. Profile of the Proposer

1. Describe the types of services provided.
2. State the location of the office and the total number of Partners and professional staff from that office.
3. Identify the Partners, Managers/Supervisors and In-Charge Accountants who will perform the audit. Include resumes for each person listed detailing educational background, years of experience and client names for audits similar to the proposed examination.
4. Describe firm audit experience similar to the proposed examination. (Multi-office firms should discuss experience for only the office of the firm from which the personnel will be

assigned.) Provide client names, contact persons and telephone numbers of all municipal audit clients who have been served in the last two years. Also provide a recent Annual Financial Report prepared by your firm.

5. Discuss governmental industry experience in terms of years of service, training, organizational involvement, etc.

F. Fees and Billings

1. It is the intention of the City to retain the same audit firm for a minimum of three years. Provide a maximum “not-to-exceed” fee proposal for each of the three years.
2. List, by Partner and staff level, hourly billing rates to be charged should the City of Marion expand the scope of the audit or require additional services.

VI. SUBMISSION OF PROPOSALS

- A. All proposals should be addressed to:

Steve Hale, CPA, Treasurer
City of Marion
1102 Tower Square Plaza
Marion, IL 62959

Four copies of the proposal are required and should be sealed in envelopes addressed to the above and clearly marked “FY2013 AUDIT RFP”.

- B. Proposals are due no later than 4pm on March 28, 2013.

VII. TIMELINESS OF REPORT

The final audit must be completed and a report received by the City prior to November 1st of each year, unless the City has caused the audit period to be longer. Failure to deliver a final report in a timely manner may result in reducing the term of the engagement.

VIII. EVALUATION OF PROPOSALS

- A. Proposals will be evaluated on the basis of which proposer best meets the requirements of the City of Marion.

Critical factors will be technical expertise, qualifications of the firm and audit team, and fee.

B. Oral Interviews

The City of Marion reserves the right to interview proposing firms, if necessary.

- C. The City Marion's City Council will consider final acceptance of the proposal, under the recommendation of the City Treasurer.