

**CITY OF COBURG**  
**and**  
**COBURG URBAN RENEWAL DISTRICT**  
**(A component Unit)**

**Request for proposal**  
**Municipal Audit Services**



**Contact Information**

**Tim Gaines, Finance Director**  
**541-682-7870**  
**[tim.gaines@ci.coburg.or.us](mailto:tim.gaines@ci.coburg.or.us)**

## Projected Timeline

---

RFP Release	March 18, 2022
Proposals Due	April 18, 2022
Review and Interviews	April 2022
Council Approval	May 10, 2022
Award of Contract	May 2022

# TABLE OF CONTENTS

- I. Description of the City of Coburg and Applicable Accounting System
- II. General Instruction for Submission of Proposal
- III. Audit Objectives and Scope of Services
- IV. Evaluation Criteria
- V. Proposal Requirements
- VI. Technical Criteria and Price

# CITY OF COBURG

## **REQUEST FOR PROPOSALS – MUNICIPAL AUDITING SERVICES**

The City of Coburg (City), invite proposals from qualified independent licensed municipal auditors (hereinafter called “auditor”) for annual audit services for the City and the Coburg Urban Renewal District (URA), as required by ORS 291.425, OAR 162-10-000 through 330, and other applicable statutes. Invitees will have sufficient governmental and auditing experience in performing an audit in accordance with the specifications outlined in this Request for Proposal (RFP).

### **I. DESCRIPTION OF THE CITY AND APPLICABLE ACCOUNTING SYSTEMS**

The City of Coburg is a small town located approximately seven miles north of the Eugene-Springfield metropolitan area, along the Interstate 5 corridor. The City is served by an interchange off Interstate 5. The City population is approximately 1395. The City’s UGB contains approximately 531 acres. The community is in the process of completing a major water service project and We are also beginning a street reclamation project.

The community is surrounding by farmlands, with a view of the Coburg Hills to the east of the city. The core of the City is a National Historic District. Property owners have preserved many of the historic residential and commercial buildings, which reflect community pride and investment in the community. The city still has a small town feel that is valued by residents. The population in Coburg has not varied much in the last 100 years, with a population of 1000 in 1895. A grocery store and post office, small antique shops, offices and a few residences characterize the downtown core area. Community buildings, such as City Hall, the Grange and Odd Fellows Hall, as well as several parks add to the fabric of the downtown core area.

The City of Coburg has a Council-City Administrator form of government consisting of six councilors elected to four-year terms and a Mayor, elected to a two-year term. At each biennial general election the Mayor and three Councilors are elected. The City Administrator is responsible for the daily operations of the City.

Annual appropriations for fiscal year 2021-22, for the general fund and all funds combined are \$3.2 million and \$15.2 million respectively. The City has a total payroll cost of \$1.9 million covering 18.3 FTE.

The City of Coburg uses the following fund types and accounting groups in financial reporting:

- 1 General Fund
- 1 Special Revenue Funds
- 2 Enterprise Funds
- 1 Police Fiduciary

The Coburg Urban Renewal Agency is governed by a Board of Directors for which the board seats are filled by the Coburg City Council. The sole purpose of the Coburg Urban Renewal Agency is for the development of adequate sewer infrastructure for the City, and the safe and hygienic development of properties in the future. The annual budget of the URA is \$462,000.

The City of Coburg uses Springbrook Financial software.

A copy of the budgets and audits from the prior years are available on the City of Coburg website at [www.ci.coburg.or.us](http://www.ci.coburg.or.us)

## II. GENERAL INSTRUCTIONS FOR SUBMISSION OF PROPOSALS

A. All proposals must be submitted no later than 1:00 p.m. **April 18, 2022** to:

Mailing Address:

City of Coburg  
ATTN: Sammy Egbert, City Recorder

PO Box 8316  
Coburg, Oregon 97408

Hand Delivery:

City of Coburg  
ATTN: Sammy Egbert, City Recorder  
91136 N. Willamette Street  
Coburg, Oregon 97408

The outer envelope in which proposals are tendered should be marked “**Audit Proposal**”.

- B. Six (6) copies of the proposal are required and one electronic copy contained on a USB thumb drive, not to be opened until after the final submission date and hour noted above. These submissions shall become the property of the City of Coburg without obligation.
- C. The selection of the external auditor will be based upon responses received to the criteria included in Part III of this proposal.
- D. Any questions should be directed to Tim Gaines, Finance Director, in writing at [tim.gaines@ci.coburg.or.us](mailto:tim.gaines@ci.coburg.or.us). Written responses will be available to all interested parties.
- E. Work under this municipal auditing services agreement shall begin with the fiscal year 2021-22 audit and shall commence with the adoption of the contract by City Council. Any agreement initiated as a result of this RFP will be effective through June 30, 2025, with an option to renew annually up to a maximum of four (3) additional years unless otherwise terminated as provided for by the terms and conditions of the agreement.
- F. The City of Coburg reserves the right to reject any and all proposals and has the right, in its sole discretion, to accept the proposal it considers most favorable to the City’s interest and the right to waive minor irregularities in procedure.

### **III. AUDIT OBJECTIVES AND SCOPE OF SERVICES**

The City of Coburg is requesting proposals for the services of a qualified Certified Public Accounting firm to conduct the Financial and Compliance Audit of the City's operations. Services will include, but are not limited to:

1. Planning and performing the audit
2. Performing tests of documentary evidence
3. Evaluation of internal controls
4. Review of the Management Letter
5. Review of adjusting entries
6. Draft and final Audit Report (includes 20 hard copies and an electronic copy)
7. Report to the Finance Committee prior to submitting final Audit Report
8. Preparation and filing of State documents
9. Presentation of final Audit Report to the City Council
10. Technical assistance throughout the fiscal year
11. Review of Year End Financial reports

- A. The auditing services performed by the auditor shall allow the firm to:
  - a. Express an opinion on whether the financial statements of the City present fairly the financial position and results of financial operations in conformity with Generally Accepted Accounting Principles (GAAP);
  - b. Express an opinion on whether the City has complied with laws and regulations that may have a material effect on the audited financial statements; and
  - c. Issue a management letter.
- B. A minimum standard for audits of Oregon Municipal Corporations, adopted by the Secretary of State and approved by the State Board of Accountancy, shall govern the audit.
- C. The financial and compliance audit shall apply industry standards for auditing, and shall be made in accordance with all of the following:
  - a. Generally accepted governmental procedures as prescribed in the American Institute of CPAs (AICPA) Industry Audit Guide – Audits of State and Local Government Units and in Governmental Accounting, Auditing, and Financial Reporting (GAAFR);
  - b. Generally accepted auditing standards, Government auditing standards, and Oregon minimum standards;
  - c. The Single Audit Act and OMG A-133; and
  - d. Applicable laws and regulations.

- D. The audit will be used as a single document which will contain the basic financial statements, notes and as supplementary data, the Combining and Individual Fund Financial Statement and Schedules.
- E. Recommendations based upon the auditing firm's review of the adequacy of internal accounting controls and other audit investigation shall be made a part of a formal management report separate from the financial audit. Such associated costs shall be included in the audit fee. The discussion of these recommendations shall be with the City Administrator and Finance Director.
- F. The auditor shall meet with the Finance Director prior to the commencement of each audit to discuss the planned approach to the audit work and to provide a list of schedules to be prepared by City personnel prior to the beginning for field work. An exit conference is required of the auditing firm on completion of all field work so as to inform the City Administrator and Finance Director of pertinent findings. A summary presentation of the audit findings shall be made to the City Council.
- G. The City will make available the information and work papers necessary in conjunction with the financial and compliance audit engagement.
- H. Expectation of services to be provided by auditors not already outlined above:
  - a. Provide the City with adjusting entries and a final trial balance upon completion of the field work.
  - b. Draft and prepare final audit report – Auditor will be expected to prepare the final audit report and provide twenty (20) hard copies and an electronic copy to the City.
  - c. Prepare and file all required State Documents.
  - d. Prepare a report on compliance with specific requirements applicable to major federal financial assistance programs, if required.
  - e. As part of the overall audit contract, the City expects to receive from the audit firm a variety of technical assistance throughout the fiscal year, including answers to accounting, reporting, and/or internal control questions.
  - f. All working papers and reports must be retained, at the auditor's expense, for a minimum of ten (10) years, unless the firm is notified in writing by the City of Coburg of the need to extend the retention period.



#### IV. EVALUATION CRITERIA

Proposals will be evaluated based on technical responses and price with the following points:

Experience and qualifications of auditors and staff assigned to the Coburg contract	35%
Audit approach and understanding of the City's auditing needs	20%
Local references	10%
Cost effectiveness	10%
Staffing levels assigned to Coburg audit	10%
Responsiveness to RFP	10%
Having an office located within a 1.5 hour drive from Coburg	<u>5%</u>
	100%

The proposals will be reviewed by the Finance Committee which is comprised of one City Councilor, the Finance Director and Budget Manager, and four Coburg Citizens. The Finance Committee may elect to interview only those candidates they deem most suitable to perform the audits.

The City Council may elect to interview only those candidates they deem most suitable to perform the audits.

Based upon this review, a recommendation will be made to the City Council as to award.

## **V. PROPOSAL REQUIREMENTS**

In order to achieve a uniform review process and to obtain the maximum degree of comparability, it is required that proposals be organized in the manner specified in this part.

- A. Title Page – The name of the proposal’s firm, firm address, telephone number, name of contact person, email address and the date.
- B. Table of Contents – Include a clear identification of the material by section and by page number.
- C. A list of partners, managers and other key staff persons who will be assigned to the City’s engagement. Provide resumes and indicate their experience in auditing governmental jurisdictions, specifically municipalities.
- D. Describe staffing level that will be assigned to the City of Coburg work. Outline a work plan and related time schedule for each significant segment of the work.
- E. Provide a staffing matrix including staffing, rate, hours and total.
- F. Describe how you would propose to use City personnel, if at all, to assist you during the audit and indicate the approximate time requirement.

## **VI. TECHNICAL CRITERIA AND PRICE**

Your proposal must clearly respond to the following:

- A. Organization/Local Office Technical Qualifications and Approach
  1. State whether your audit organization is national, regional, or local.
  2. Indicate the number of people (by level) located within the local office that will handle the audit.
  3. Provide a list of the local office's current and prior government audit clients, indicating the type(s) of services performed and the number of years served for each.
  4. Indicate the local office's experience in providing additional services to government clients by listing the name of each government, the type(s) of service performed and the year(s) of engagement.
  5. Describe your audit organization's participation in AICPA-sponsored or comparable quality control programs. Include a copy of your most recent peer inspection report.
  6. Disclose any and all judgements, pending or expected litigation, or other real or potential financial reversals that might materially affect the viability or stability of the proposing organization, or warrant that no such condition is known to exist. If the proposer is a national firm, it must disclose the above information for its region and all material judgements and pending or expected litigation on a nation-wide basis.
  7. If the proposer has had a contract terminated for default during the past five (5) years, all such incidents must be described. The audit firm must not have a record of substandard work. The City will verify this requirement by communication with the Oregon State Board of Accountancy.
  8. The proposer must state if subcontractors will be used and provide the above information for each subcontractor.
  9. Describe your approach to the examination: This should include at least the following points:
    - a. Description of audit approach.
    - b. Use of statistical sampling.
    - c. The firm's knowledge and use of computer and programs to assist in the audit process.
    - d. Organization of audit team and approximate percentage of time spent on audit.
    - e. Management letter (provide a sample letter).
    - f. Typical assistance expected from City staff.
    - g. Tentative schedule for completing audit.
    - h. Policy on rotation of personnel to be assigned to the City the first year and each year thereafter.

## B. Individual Audit Staff Technical Qualifications

1. Describe the experience in government audits, specifically for each senior and higher level person assigned to the audit, including years on each job and their position while on the audit. Indicate the percentage of the time the senior person will be on-site.
2. Describe the relevant educational background of each individual assigned to the audit.
3. Describe the experience of assigned individuals in auditing relevant government organizations, programs, activities and functions (e.g. general government, special revenue and enterprise programs).

## C. Price Quote

Provide the firm's proposed all-inclusive audit fee and a statement regarding determination of increases in succeeding years should the contract be extended. Include the hourly rates for each staff employee classification and any other fees associated with the completion of the audit. Please state if there are any opportunities to reduce audit fees should the City institute additional procedures such as an internal audit function, provision of additional schedules or other recommended procedures.

In addition, please provide a supplement list of services your firm could provide with applicable pricing schedule and/or pricing strategy to reflect costs for additional services. City may request additional services that would be outside the normal course of the requested annual audit services such as technical assistance on developing supplemental statistical schedules, specialized internal control reviews (i.e. red flags, IT security, etc.), audit review for energy credit programs and/or other specialized state/federal programs, and other opportunities that may arise (assessment of specific operations, organizational/efficiency studies, cost recovery, etc.).

Ownership of the audit reports shall belong to the City of Coburg and it is expressly understood that publication of the audit report (in whole or in part) or reference for such audit report shall be at the sole discretion of the City of Coburg.

Any unusual conditions encountered during the course of the audit, where services of the auditing firm must be extended beyond the normal work anticipated, will require written notification to the Finance Director who will respond in writing concerning the additional services. Additional fees must be approved by the City Council.