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Request for Proposal
To Provide Audit Services for
The Town of Alta

I. BACKGROUND INFORMATION

The Town of Alta was created in 1970 and operates under Title 10, (Utah Code Annotated 1953, as amended). The Town constructs, operates and maintains a culinary water system and a sewage system for the collection and conveyance of sewage. The Town of Alta provides municipal services to the residents and businesses inside the Town of Alta boundaries. The Town of Alta is governed by a Town Council composed of five publicly elected members.

The Town of Alta is a governmental entity engaged in municipal-type activities. The Town consists of one general fund and two enterprise funds. The Town uses the Caselle accounting application run on a Microsoft Windows based platform.

The Town has twelve (12) full time and 15 part time employees. Operating revenues consist primarily of tax dollars for the general fund and water service and sewer service fees for the enterprise funds. For the fiscal year ended June 30, 2019 revenues were \$2,379,000 and total expenses/expenditures were approximately \$2,027,000.

The Town of Alta 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 State Auditor within 180 days after the end of the fiscal year.

The Town currently contracts with an outside CPA firm to prepare all year-end reconciliations and write the financial statement reporting package, including Management Discussion and Analysis, financial statements, required supplementary information, and footnotes. It is anticipated that the records of the Town will be ready to be audited by October 15 each year. There was an audit adjusting entries for the 2019 audit. Two auditors were onsite for approximately two weeks for the 2019 audit. A copy of the 2019 financial statements are available for download on the State Auditor's website.

II. OBJECTIVE AND SCOPE

A financial audit is requested for the fiscal year ended June 30, 2020. 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 in time to be presented in the December 2020 Town Council meeting, usually held on the second Wednesday of the month. The auditor must provide an electronic copy of the report to the Town.

III. REPORT REQUIREMENTS

For financial audits, the auditor shall examine the financial statements and records of the entity and shall issue an auditor's opinion on the entity'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.

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 the Town of Alta for each recommendation included in the state compliance letter and the management letter required by the *State Compliance Audit Guide*.

IV. AUDIT TERM

If the selected certified public accounting firm performs satisfactorily for the June 30, 2020 audit, it is anticipated that the same firm will be engaged to perform the audit for the succeeding four years, subject to an annual evaluation by the Town of Alta

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, 2020:

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 that 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*, 2018 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*, 2018 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. 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 are 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 in annual amounts for a period of five years.

F. Non-discrimination Clause

Affirm that the firm does not discriminate against any individual because of race, religion, gender identification, sexual orientation, 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.

VI. CONTRACTUAL ARRANGEMENTS

- A. Audit programs, work papers and reports must be retained for a period of three years after the completion of the audit and made available for inspection by the Town of Alta or government auditors if requested by them.
- B. Payment for the audit will be made upon receipt of the audit reports required in section III.
- C. Town of Alta 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:

A. 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 or key personnel and responsible office.

B. Cost of the audit

C. Right to Reject

The Town of Alta 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. EVALUATION CRITERIA

Proposals will be evaluated on the criteria below:

Qualifications of staff assigned
Technical experience of the firm
Size/Location/Structure of firm
Cost of audit services

IX. SUBMISSION OF PROPOSALS

The deadline for submission is October 15, 2020 at 5:00 PM. Submit proposals in PDF to the following email address: jguldner@townofalta.com

No proposal will be considered that is not received at or prior to the above time and date. Selection of the CPA firm is anticipated to be made by October 30, 2020.

X. SOURCES OF INFORMATION

For questions and clarifications, contact Piper Lever at plever@townofalta.com or (801) 557-8575.