



REQUEST FOR PROPOSAL for Professional Audit Services

Introduction

The City of Lansing, Kansas, (City) is soliciting proposals from qualified firms for professional audit services. The City prefers to engage the selected firm for multiple years subject to review of annual performance and arrangements. There is no expressed or implied obligation for the City to reimburse firms for any expenses incurred in preparing the submission response to this request. The City reserves the right to reject any or all submissions.

Contact

Inquiries concerning this request should be addressed to:

Beth Sanford, Finance Director
800 1st Terrace
Lansing, KS 66043
(913) 364-6860
bsanford@lansingks.org

Schedule

RFP Advertised: Friday, October 25, 2019
Deadline for Proposals: Thursday, November 14, 2019 by 3:00 p.m.
Recommendation to Council: Thursday, November 21, 2019

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 below.

- A. Provide a general profile of the firm and identify primary office serving the City.
- B. Describe your firm's approach to conducting the audit examination, including your understanding of the scope of services to be provided and the reports and documents required. It should indicate the approximate date the audit will begin and end (including any preliminary fieldwork).
- C. Describe the governmental experience of your firm including the specific details regarding experience in the preparation of Audited Financial Reports.

- D. Provide a list of at least three (3) municipal government references, with comparable characteristics to the City, where your firm has conducted an audit in the past 36 months. This list should indicate the names and telephone numbers of officials in the other municipalities that may be contacted.
- E. Experience of the individuals who will be assigned to the engagement and the relevant experience of each in auditing municipalities and preparing Audited Financial Reports must be furnished.
- F. The City requires a firm, fixed fee for the audit service.

The completed proposal must be received no later than 3:00 p.m. on Thursday, November 14, 2019. The proposals shall be submitted to:

City of Lansing
Attn: Beth Sanford
Finance Director
800 1st Terrace
Lansing, KS 66043

Proposal documents may be submitted in any reasonable format, as long as all information requested is included. Please submit two (2) copies of the proposal.

Evaluation Criteria

- A. The audit firm is independent and licensed to practice in Kansas. The audit firm has no conflict of interest regarding any other work performed by the firm for the City. The audit firm adheres to the instructions in this request for proposals on preparing and submitting the proposal.
- B. Provide the maximum fee for the annual audit.
- C. The firm's past experience and performance on Kansas municipal audit engagements, including public utilities.
- D. The qualifications of the firm's professional personnel to be assigned to the engagement and the qualifications of the firm's management support personnel to be available for technical consultation.
- E. Adequacy of proposed staffing plan for various segments of the engagement. Adequacy of audit, review, and reporting procedures.
- F. Although price for services will be an important factor in the evaluation of proposals, the City is not required to choose the lowest bidder. Evaluation and acceptance of a proposal will be based on the total package of services offered.

The Finance Director and the City Administrator will review each proposal and develop a ranking list based on the criteria stated above. The Finance Director will present a recommendation to the City Council for consideration.

Background

The City of Lansing is located in Leavenworth County, Kansas, on the northwest edge of the Kansas City metropolitan area. The City operates under a nine-member governing body including a mayor and eight councilmembers, with daily operations under the supervision of the City Administrator.

The City's fiscal year begins on January 1 and ends on December 31. The City's total assessed valuation for 2019 was approximately \$86 million. The City has a total budget of \$19 million for 2019, with 57 full time equivalent (FTE) employees.

The City has approximately 15 funds that consist of the following:

General Fund	Special Revenue Funds
Proprietary Funds <ul style="list-style-type: none">• Wastewater Utility• Solid Waste	<ul style="list-style-type: none">• Library• Special Parks• Special Highway• Infrastructure Sales Tax• Transient Guest• Special Alcoholic Liquor• Park Land• Mayor's Christmas Tree
Capital Projects Funds <ul style="list-style-type: none">• Capital Improvement• Equipment Reserve• Police Equipment Reserve	
Debt Funds <ul style="list-style-type: none">• Debt, Bond & Interest	

The City uses the Fundbalance accounting software, which provides full General Ledger capability including balance sheets and revenue and expenditure/expense statements by fund. All financial applications use the Fundbalance accounting software including accounts payable, general ledger, cash receipts, capital assets, utility billing, and GASB reporting. The City outsources payroll to ADP for its payroll processing. The accounting and financial reporting functions of the city are centralized. More detailed information on the government and its finances can be found in the annual budgets and audits on the City's website (www.lansingsks.org).

Scope of Work to be Performed

The following services will be required as a minimum and should constitute the basis for a response to the Request for Proposal.

- A. The audits are to be performed as required by Kansas Statute 75-1122 and 75-1123 and in accordance with auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit Guide*, and if applicable, the standards set forth for financial audits in GAO's *Government Auditing Standards*, the provisions of the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and the AICPA industry audit guide *Audits of State and Local Governmental Units*. The financial statements shall be in accordance with the financial reporting model in GASB Statement No. 34.
- B. Prepare the financial statements and notes to financial statements, including a single audit if necessary.
- C. Respond to reasonable inquiries by City staff throughout the year.
- D. The audit shall communicate in a separate letter to management any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structures that could adversely affect the City's ability to record, process, summarize and report financial data consistent with assertions of management in the financial statements. S.A.S. 114 and 115 letters will be submitted as appropriate.

The letter shall also communicate any reportable conditions found during the audit that are also material weaknesses. A material weakness shall be defined as a reportable condition in which the design or operation of the specific internal control structure elements do not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

In completing the audit(s), the following dates will be adhered to, with subsequent years following corresponding dates:

- A. Submit a draft copy of the audit report and management letter for review no later than June 1st. The auditor will review the audit draft with City management of the City before the final report is prepared.
- B. The final audit report and management letters must be completed and delivered to the City no later than June 25th each year. Copies that will be required are 5 bound copies and a PDF format electronic copy.
- C. A copy of the audit shall be filed by the Auditor with the State of Kansas.

The Auditing firm will be expected to provide support to staff throughout the year in regard to answering questions related to general accounting, the City's audit, and best practices.

Additional Considerations

The City reserves the right to reject any agreement that does not conform to the Request for Proposal and any City requirements for agreements and contracts. Additional considerations include the following:

- A. The audit must be performed by a CPA firm that meets the independent standards of the GAO Standards of Government Organizations, Programs, Activity and Functions.
- B. Any proposal may be withdrawn up until the date and time set above for the deadline. Any proposals not withdrawn shall constitute an irrevocable offer, for a period of 90 days, to provide the City the services set forth in the specifications, or until one or more of the proposals have been approved by the City.
- C. Payment for service rendered will be based upon receipt of an itemized invoice from the audit firm.
- D. All data, documents and other information provided to the City by the consultant as a result of this Request for Proposal shall become the property of the City and subject to its disposal.
- E. As this is a request for Proposal and not a bid, the City reserves the right to negotiate with any party and on any matter.
- F. The City of Lansing assures that no person shall on the grounds of race, color, national origin, sex, disability, age or low-income status as provided by Title VI of the Civil Rights Act of 1964, and the Civil Rights Restoration Act of 1987 (P.L. 100.259) be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity. The City of Lansing further assures every effort will be made to ensure nondiscrimination in all of its programs and activities, whether those programs and activities are federally funded or not.