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To: Mayor & Council

From: Cindy Kudrna, Finance Director

Date: February 10, 2017

Re: RFP Auditor for Fiscal Year 2017 through 2019

Our 3 year agreement with the Auditor of State for our annual audit has expired. I am requesting authorization to proceed with sending out Request for Proposals to auditing firms for this service for the Fiscal Years of 2017, 2018, and 2019.
Attached is a draft of the letter, the proposal and a list of accounting/auditing firms that would receive the letter and have the opportunity to submit a proposal. This is just a list of the firms we have sent the request to in the past, if you know of any other firms that you would like to see added to this list, please let me know.
Thank you for your time and consideration.

The City of Hiawatha is accepting proposals for auditing services. The City is requesting each interested firm submit a one-year audit proposal for fiscal year 2014 and a three-year audit proposal for fiscal years 2017, 2018 and 2019. Proposals are due by noon on March 8, 2017.

The City of Hiawatha is on a "Cash-Basis" accounting system and is fully computerized. The Hiawatha Water Department will require a separate audit report on their financial operations. The Water Department is also reported in the City's audit as a component unit. The City Hall and Water Department financial and clerical staff will provide information and assistance as required.

The City anticipates receiving federal STP funds of approximately $578,000 within the three-year audit term which may require a single audit. No other federal grant money is expected for the term of the audit services.

Audits must be conducted in accordance with United States generally accepted auditing standards, Chapter 11 of the Code of Iowa, *Government Auditing Standards* issued by the Comptroller General of the United States, and all applicable Federal and State requirements. The Auditor will hold an exit conference with the City Administrator and the Finance Director at the conclusion of their fieldwork.

The audit fieldwork will need to be completed by September 15th of each year. A sufficient quantity of bound copies of the audit must be available for distribution by November 1st of each year.

Please contact me if you need any additional information.

Sincerely,

Cindy Kudrna
Finance Director

Enclosure

PROPOSAL TO PROVIDE AUDIT SERVICES
FOR THE CITY OF HIAWATHA, IOWA

Company:	_____	Contact:	_____
Address:	_____	Phone #:	_____
	_____	Fax #:	_____
	_____	e-mail:	_____

Auditor's hourly rates range from: $_____ per hour to $_____ per hour.

	City of Hiawatha	Water Department
Estimated hours	_____	_____
Estimated fee	$_____	$_____
Additional estimated fee for a Single Audit	$_____	

The following proposals contain all pricing information relative to performing the audit. The total estimated fees are the costs expected. The City of Hiawatha and the Water Department will be promptly informed if costs are anticipated to exceed the estimated fees.

The City of Hiawatha and the Water Department will be billed for actual audit expenses. An invoice stating the number of hours, reimbursement rate and actual expenses will be submitted for payment to the City of Hiawatha and the Water Department upon satisfactory completion of the audit. Payment will be made within 30 days of receipt invoice.

It is our understanding that the audit must be conducted in accordance with United States generally accepted auditing standards, Chapter 11 of the Code of Iowa, *Government Auditing Standards* issued by the Comptroller General of the United States, and all applicable Federal and State requirements.

The audit fieldwork will be completed by September 15th of each year. An exit conference will be held at the end of our fieldwork with the City Clerk, the Mayor, City Administrator, and the Finance Director. A sufficient quantity of bound copies of the audit will be available for distribution by November 1st of each year.

Fiscal Year 2017, 2018 & 2019 Proposal	City of Hiawatha	Water Department
Total Estimated fees FY17	$ _____	$ _____
Total Estimated fees FY18	$ _____	$ _____
Total Estimated fees FY19	$ _____	$ _____

A Letter of Transmittal is included with this proposal. The Letter of Transmittal includes:

- A brief outline of our understanding of the scope of services to be performed
- Firms' and/or individuals' qualifications to perform government audits
- Recent experience in similar types of audits
- General information regarding the firm and/or individuals to perform audit

We understand that the City of Hiawatha reserves the right to reject any or all proposals.

Submitted by:

_____

Date

Kerry Smith Honkamp Krueger 4440 N Brady St, Suite 3 Davenport, Iowa 52806	McGladrey & Pullen, LLP 221 3rd Ave SE, Suite 300 Cedar Rapids, Iowa 52401

Kyle Kunz Honkamp Krueger 1751 Boyson Rd PO Box 188 Hiawatha, Iowa 52233	Andrew Nielsen Office of Auditor of State State Capitol Building, Room 111 1007 East Grand Avenue Des Moines, Iowa 50319-0001

Robert volk Mehar Accounting Services, PLC 1450 Boyson Rd, Suite B-7 Hiawatha, Iowa 52233	Timothy Broghammer Broghammer & Duncan, PC 1574 42nd Street NE Cedar Rapids, Iowa 52402

Provider Accounting Resources, LLC 1455 Sherman Road Hiawatha, Iowa 52233	

Duane St. John Bergan, Paulsen & company, PC 5825 Dry Creek Ln NE Cedar Rapids, Iowa 52402	

DRAFT

RESOLUTION NO. 17-
City Council

RESOLUTION AUTHORIZING THE FINANCE DIRECTOR TO PROCEED WITH REQUEST FOR PROPOSALS FOR ANNUAL AUDITING SERVICES FOR FY 2017-2019

WHEREAS, the City of Hiawatha's three year agreement with the Auditor of State for annual auditing services has expired, and

WHEREAS, the Finance Director has the need to send out RFP's to auditing firms for annual auditing services for FY 2017-2019, and

WHEREAS, the City Council deems it necessary to send out RFP's to qualified auditing firms to perform the annual audit for the City, and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HIAWATHA, IOWA, to authorize the Finance Director to proceed with Requests for Proposals to auditing firms for annual auditing services for the City for FY 2017-2019.

AYES:
NAYS:
ABSENT:

PASSED AND APPROVED this 15th day of February, 2017.

_____
Bill Bennett, Mayor

ATTEST:

_____
Kelly Kornegor, City Clerk