

CITY OF WHEATLAND



REQUEST FOR PROPOSALS

FOR

AUDIT SERVICES

Proposals are due by 4:00 p.m.

Tuesday April 2, 2024

City of Wheatland
111 C Street
Wheatland, CA 95692
530.633.2761
www.wheatland.ca.gov

**CITY OF WHEATLAND
REQUEST FOR PROPOSALS
FOR AUDIT SERVICES**

I. INTRODUCTION

The City of Wheatland is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal years ending June 30, 2024, 2025, and 2026 with the option of auditing its financial statements for each of the two subsequent fiscal years.

A tentative schedule of the proposal and selections process is outlined in Attachment I. Please note that these are tentative dates and are subject to change.

To be considered, a proposal must be submitted before 4:00 P.M., Tuesday, April 2, 2024 to:

swong@wheatland.ca.gov
Steve Wong, Finance Director
City of Wheatland
Finance Department
111 C Street
Wheatland, CA 95692

Include **“AUDIT PROPOSAL”** in the subject line of the email. Printed proposals may also be submitted to the address noted above.

Additional information may be obtained by contacting:

Steve Wong, Finance Director
City of Wheatland
111 C Street, Wheatland CA 95692
530.633.2761
swong@wheatland.ca.gov

NATURE OF SERVICES REQUIRED

Scope of Work

The City of Wheatland desires the selected auditor to:

1. Audit, prepare and express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles.
2. Test compliance with Proposition 111, Article XIII.B – Review of Appropriation Limit Calculations.
3. Perform a Single Audit and report in conformance with the Single Audit Act of 1984 in the years when the threshold has been exceeded.
4. Prepare the Annual City Financial Transactions Report sent to the State Controller's Office.

The cost of each of these services should be bid out separately in the pricing proposal.

Report to be Issued

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue the following:

1. Annual Comprehensive Financial Report (ACFR)
2. A report on the internal control structure based on the auditor's understanding of the control structure and assessment of control risk.
3. A report on the City's compliance with the Gann appropriation limit
4. A Single Audit Report (when required)

These audits are to be performed in accordance with all applicable and generally accepted government auditing standards including the standards set forth for financial audits by the Governmental Accounting Standards Board (GASB); in the U.S. Government Accountability Office (GAO), Government Auditing Standards; and the U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations. Additionally, the City of Wheatland will send its ACFR to the Government Finance Officers Association for review in its financial reporting award program. The auditor selected will be expected to review the ACFR in relation to the award checklist to ensure compliance with the award program.

In the required report on internal controls, the auditor shall communicate any reportable conditions found during the audit. Reportable conditions that are also material weaknesses shall be identified in the report. Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referenced in the report on internal controls. The auditors shall be required to make an immediate written report of all irregularities and illegal acts, or indications of illegal acts of which they become aware to the following parties:

Rick West, Mayor
Bill Zenoni, City Manger
Steve Wong, Finance Director

Delivery of Reports

The auditor shall complete all fieldwork and prepare and deliver to the City's Finance Director a draft copy of all reports listed above under "Reports to be Issued" in early November and deliver copies of the final reports to same no later than the last week of November.

Other Considerations

The City's books will be closed and ready for audit by October 15. City staff will prepare supporting schedules and account reconciliations as requested by the auditors.

The schedule of Federal Financial Assistance and related auditor's report, as well as the related reports on the internal control structure and compliance are not to be include in the annual comprehensive financial report, but are to be issued separately.

All working papers and reports must be retained, at the auditor's expense, for a minimum of seven (7) years, unless the firm is notified in writing by the City's Finance Director of the need to extend the retention period. The auditor will be required to make working papers available upon request to the appropriate parties. In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

Throughout the year, the auditor will provide financial advice and counsel on matters that would affect the annual report.

DESCRIPTION OF THE GOVERNMENT

Background Information

The City is a general law city incorporated in 1874. The City of Wheatland services an area of 8.13 square miles with a population of approximately 4,000. The City operates under the Council/Manager form of government. Five Council members are elected at-large for staggered four-year terms to govern the City. The Mayor and Vice Mayor are elected by the Council from their own ranks and serve one-year terms. The City Council is responsible for adopting City ordinances, resolutions, and the annual budget, appointing commissions and committees, and hiring the City Manager. The City Manager is responsible for implementing the Council's policies, ordinances and directives, overseeing the day-to-day operations of the City, and appointing the Directors of the City's departments. There are 20 full-time employees and 8 part-time employees. The City does not have a Redevelopment Agency and does **not** participate in the Public Employees Retirement System (PERS).

City departments and areas of responsibility are described below:

- General Government – City Council, City Manager, City Clerk, human resources, risk management, and legal services
- Finance – finance and information systems
- Planning – planning, zoning, economic development and building inspections
- Police – patrol, investigations, and traffic and parking enforcement
- Public Works – engineering, storm drain maintenance, street maintenance, water, wastewater, parks and facility maintenance

The City of Wheatland’s fiscal year begins on July 1 and ends June 30. The FY 2023-24 Adopted General Fund Operating Budget is \$2,637,905. The City receives various grants from programs, which may impose specific audit requirements. More detailed financial information including budget documents and audited financial statements from prior years can be found on our website, www.wheatland.ca.gov.

Attachment II provides supplemental information about the City’s financial operations that may be relevant in preparing your proposal. Attachment III identifies the Mayor and Council members, as well as the City’s executive staff.

Computer System

The City uses Tyler Technologies Incode to manage and maintain its financial functions. The system was implemented in the 2021-2022 fiscal year.

Basis of Accounting and Fund Structure

The City of Wheatland currently maintains approximately 50 funds including the General Fund, Special Revenue funds, Capital Project funds, Enterprise funds, and Agency funds. The accounting basis used by the City for its funds conforms to generally accepted accounting principles. Accordingly, the governmental and fiduciary fund types use the modified accrual basis of accounting and the entity-wide statements use the accrual basis of accounting.

Budget Procedures

The City Council adopts an annual Operating and Capital Improvement Program Budget. The budget for fiscal year 2024-25 will be presented to Council in June 2024. The City Manager is authorized to transfer budgeted amounts from one program, activity, or object to another within the same fund. Amendments to the budget must be approved by the City Council at a public meeting.

ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

Finance Department

The Finance Department staff and responsible management personnel will be available during the audit to assist the auditor by providing information, documentation, and explanations. The Finance Department consists of three full time and two part-time employees. April Ouellette, Senior Accountant, will be responsible for acting as the liaison between the audit firm and City staff. Consideration must be given to the on-going tasks of the Finance Department.

Work Area

If on-site, in-person work is desired, the City will provide the auditor with reasonable workspace and access to the standard communications and office equipment.

Report Preparation

City staff is currently responsible for compiling information for the financial statements, notes, Management's Discussion and Analysis, and supplemental information, and electronically providing this information to the auditor. The auditor is responsible for preparing the cash flow statement, the final check of the number presentation and printing the final reports.

REQUEST FOR PROPOSAL FORMAT

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

A. TECHNICAL PROPOSAL

Note: No dollar amounts should be included in the technical proposal

1. Title Page – Show the Request for Proposal subject, the name of the proposer's firm, local address, telephone number, contact person and date of the proposal.
2. Table of Contents – clearly identify the material by section and page number.
3. Letter of Transmittal – Limit to one or two pages.
 - a. Briefly state the proposer's understanding of the work to be done and make a positive commitment to perform the work within the defined time period.
 - b. Provide the names of the persons who will be authorized to make representations for the proposer, their titles, addresses and telephone numbers.
4. Profile of the Proposer
 - a. State whether the firm is local, California, national or international.
 - b. The firm should provide an affirmative statement that it is independent of the City of Wheatland as defined by generally accepted auditing standards.
 - c. The firm should also list and describe the firm's professional relationships involving the City of Wheatland for the past five (5) years, together with a statement

explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit. In addition, the firm shall give the City of Wheatland written notice of any such professional relationships entered into during the period of this agreement.

- d. An affirmative statement must be included indicating that the firm and all assigned key professional staff are properly licensed to practice in the State of California.
 - e. The size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work is to be done, and the number of partners, managers, supervisors, seniors and other professional staff employed at the office should be addressed.
 - f. Describe the range of activities performed by the local office, such as audit, accounting tax service, management or information system services.
 - g. The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.
 - h. The firm shall also provide information on the results of any federal or state desk reviews or filed reviews of its audits during the past three (3) years.
 - i. The firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations, including any lawsuits filed by public, private or non-profit organizations.
5. Summary of Proposer's Qualifications (in addition to minimum qualifications).
- a. Identify the partners, managers and supervisors who will work on the audit, including staff if other than those assigned to the local office. Include resumes for each supervisory person to be assigned to the audit. The resumes may be included in an appendix.
 - b. The City may wish to have the audit firm rotate partners, managers and or supervisors assigned to the City's audit if the annual contract with the audit firm is extended beyond three years. Describe the firm's ability to accommodate this request.
 - c. Describe recent local office auditing experience similar to the type of audit requested. Include the names and telephone numbers of specific references and the agency each represents.
 - d. Describe the professional activities of your firm or of key staff members that support your commitment to governmental accounting.
6. Scope Section
- a. Clearly describe the scope of the required services to be provided. Please list the services, data and information to be furnished by the City as well as the firm, and include the projected hours required of the City to familiarize the firm with the City's financial system.
 - b. If it should become necessary for the City of Wheatland to require the auditor to render any additional services to either supplement the services requested in this

request for proposals or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the City of Wheatland and the firm. Any such additional work between the City of Wheatland and the firm shall be performed at the same rates set forth in the schedule of fees and expenses.

- c. The auditors shall familiarize themselves with and comply with the provisions of any federal and state and county orders; statutes; ordinances; charter; bond covenants; administrative code or other rules and regulations that may pertain to the work required in the engagement.
- d. The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the City of Wheatland.

B. COST PROPOSAL

1. The first page of the sealed dollar cost bid should include the following information; (a) name of firm; and (b) certification that the person signing the proposal is authorized to represent the firm, empowered to submit the bid, and authorized to sign a contract with the City.
2. Total All-Inclusive Maximum Price – In a sealed dollar cost bid, list the fee by year for each of the services described in the Nature of Services Required section. The cost should contain all direct and indirect costs including all out-of-pocket expenses. The total all-inclusive maximum price should be presented for each of the years (FY 2023-24, FY 2024-25, FY 2025-26, FY 2026-27, FY 2027-28).
3. Rates by partner, supervisor and staff – The cost proposal should include detailed information regarding the estimated number of hours to be dedicated to the City's engagement, delineated by staffing level and billing rate and including all additional expenses to support the total all-inclusive maximum price.
4. Billing rates listed in these schedules will be used if any additional work is requested outside the scope of this proposal.
5. Manner of Payment – Progress payments will be made on the basis of actual audit work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's proposal. Payment will be made based upon actual costs not to exceed the maximum outlined in the proposal.
6. Proposal fees must be valid for a period of 60 days after the proposal due date.

EVALUATION OF PROPOSALS

The City's Audit Committee, the City Manager and the Finance Director will evaluate proposals to determine which proposer best meets the needs of the City. Although the factors to be considered in selecting an audit firm are not given a specific weight, the following are some of the major factors on which the decision will be based:

1. The audit firm is independent and licensed to practice in California.
2. The firm's size and structure.
3. The firm has no conflict of interest with regard to any other work performed by the firm for the City of Wheatland.
4. The proposal's responsiveness in clearly stating the understanding of the work to be performed.
5. The audit firm's personnel have demonstrated professional skills, credentials, and professional activities of the staff to be assigned to the audit.
6. The firm's related technical experience and references on comparable government engagements.
7. Audit fee.

Once the top candidates have been selected based upon this process, oral interviews may be scheduled (most likely by Zoom) to assist in making the final selection.

ADDITIONAL INFORMATION

1. There is no expressed or implied obligation for the City of Wheatland to reimburse responding firms for any expenses incurred in the preparation of proposals in response to this request.
2. The submission of a proposal shall be prima facie evidence that the proposer has full knowledge of the scope, nature, quantity and quality of work to be performed; the detailed requirements of the specifications; and the conditions under which the work is to be performed.
3. The proposer shall furnish the City such additional information as the City may reasonably require.
4. The City will not be liable for any costs not included in the proposal.
5. The City reserves the right to conduct personal interviews of any or all proposers prior to selection. The City will not be liable for any costs incurred by the proposer in connection with such interview (i.e., travel, accommodations, etc.)
6. The City reserves the right to conduct pre-contract negotiations with any, or all, potential proposers in the interest of securing the optimum service at minimum costs.
7. The City reserves the right to reject any and all proposals and the right, in its sole discretion, to accept the proposal it considers most favorable to the City.

ATTACHMENT 1

**TENTATIVE SCHEDULE OF PROPOSAL AND SELCTION PROCESS
(subject to change)**

March 7, 2024	Request for Proposal issued and made available to vendors
April 2, 2024, 4:00 PM	Proposals due to City of Wheatland, Finance Department
April 23, 2024	Oral interviews if needed
May 14, 2024	City Council award of contract

ATTACHMENT II

SUPPLEMENTAL INFORMATION

FINANCE DEPARTMENT STAFFING

The Finance Director manages the finance activities of the City and reports to the City Manager. The department is staffed by:

Number of Staff	FTE	Title	Years with the City
2	100%	Account Clerk	2.5
1	100%	Senior Account Clerk	23
1	85%	Senior Accountant	2
1	60%	Finance Director	1.5

FINANCIAL TRANSACTIONS

All financial records for the City are centrally located in the Finance Department. Annually, there are approximately 4,000 receipt transactions and approximately 2,000 disbursements.

All disbursements of cash are made either through accounts payable or payroll. A majority of the cash receipts are utility payments collected at City Hall. Some receipts are collected at the City's police station which is in a different location.

BANK ACCOUNT

The City has one checking account used to process all monies received, transferred and disbursed including payroll and one money market account. Both accounts are with Five Star Bank. The City also has an account with the Local Agency Investment Fund (LAIF) and invests surplus funds in accordance with the City's Investment Policy.

PENSION PLANS

The City has retirement benefits through two defined contribution plans, a 401 plan with Mission Square (formerly ICMA Retirement Corporation) and a 457 plan with Empower. The City does not participate in the State of California Public Employees' Retirement System (CalPERS).

ATTACHMENT III

MUNICIPAL OFFICERS

ELECTED OFFICIALS

Rick West	Mayor
Robert Coe	Vice Mayor
Lisa McIntosh	Council Member
Pamela Shelton	Council Member
Angela Teeter	Council Member

CITY MANAGER

Bill Zenoni

CITY ATTORNEY

Jennifer Buckman with Bartkiewicz, Kronick & Shanahan

DEPARTMENT DIRECTORS

Steve Wong	Finance Director
Tim Raney	City Planner (contract)
Dane Schilling	City Engineer (contract)
Dale Klever	Public Works Director
Lisa Thomason	City Clerk
Brian Wittmer	Police Chief