

**REQUEST FOR PROPOSAL
FORENSIC AUDITING SERVICES
INTRODUCTION AND DESCRIPTION OF OPERATIONS**

The Mayor and Council of the City of Houston is soliciting proposals for a forensic audit dating back ten years to year ending December 31, 2012. It is the intent of the City to engage professional accounting services from a qualified CPA firm through a process subsequent to: 1) an evaluation and comparison of past performance, appropriate references, prior forensic audit experience in other municipalities and counties and expertise related to the City's specifications; and 2) the identification of available professional services that may or may not have been used by the City previously. Specifications pertaining to the scope of the City's forensic audit are outlined below, as well as the criteria that will be used in evaluating the qualifications of firms submitting proposals.

DESCRIPTION OF THE CITY AND RECORDS TO BE AUDITED

The City of Houston operates under the Mayor/Council/City Administrator form of government. The City is a 4th class city with a population of 2,079. The City does have a component unit.

FUND STRUCTURE

The forensic audit shall encompass all funds of the City of Houston, Missouri including, but not limited to the following:

General Fund
Cemetery Fund
UDAG Fund
Electric Fund
Water Fund
Police Fund
Parks and Recreation Fund
Fire Fund

ASSISTANCE AVAILABLE FOR PROPOSERS

KPM CPAS & ADVISORS PC, 1445 East Republic Road Springfield, MO 65804, completed the City's audits for fiscal years 2012 through 2022. From 2012 through 2017 was known as Davis, Lynn and Moots PC before merging with KPM in 2017.

The City will provide adequate work area for the auditing staff. City staff will be available to answer questions and for consultation as needed. Minor clerical assistance will be provided (typing of confirmations, pulling and refiling documents, etc.).

The forensic audit shall be of sufficient depth and scope to enable the auditor to produce an unqualified audit report, if appropriate. The forensic audit must be performed in accordance with generally accepted auditing standards, the standards for financial and compliance audits contained in the Government Auditing Standards. The Schedule of Expenditures of Federal Awards will need to be completed as required by Title 2 U.S. Code of Federal Regulations (CFR) part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

SELECTION PROCESS

The qualifications of the firms submitted proposals will be reviewed by a committee comprised of the Finance Committee and /or City Council. This group will make a recommendation to the Council and may do so with or without an interview.

PROPOSAL FORMAT AND CONTENTS

Responses to this Request for Proposal shall include the following information and the format shall be followed as shown. Incomplete proposals will not be accepted.

Table of Contents

Include a clear identification of the material by section and by page number.

Scope Section

Everything for the City of Houston from 2012 through 2022.

Audit Approach

Clearly describe your firm's approach to conducting the examination as proposed.

Profile of the Firm

Provide the location of the office from which the work is to be performed and the number of partners, managers, supervisors, seniors and other professional staff employed at that office.

Identify the staff who will be assigned to this forensic audit. Resumes of each person to be assigned to the forensic audit must be included and should contain specific municipal and utility auditing experience.

Describe the range of activities performed by the local office in the governmental area such as audit, accounting and management services. Include activities that demonstrate your commitment to the municipal governmental practice.

Briefly describe your firm's quality control policies and procedures. State whether or not those policies and procedures are subjected to the profession's "peer review" program to provide for an independent review of their effectiveness.

Governmental Experience

Describe the most recent forensic audits (along with dates) of municipalities that were conducted by the group proposed to undertake this audit. List names and telephone numbers of client officials responsible for those audits.

Also, include your firm's experience in assisting governmental entities in the reporting model changes as promulgated under recent GASB statements.

Additional Data

Give any additional information considered essential to this proposal, including involvement in state and municipal government organizations, seminars, etc.

EVALUATION CRITERIA

Proposals will be evaluated on the basis of the qualifications of the office in the firm which will actually be performing the audit work. Following are some of the factors which will be considered:

- Experience and qualifications of firm and forensic audit team.
- Compliance with Government Auditing Services.
- Participation and attendance in governmental-based and/or GFOA-sponsored CPE courses.
- Single and forensic audit experience.
- Extensive knowledge and/or experience in the requirements of the new reporting of infrastructure as mandated by GASB.
- Number and scope of current city and other local government clients.
- Provided References.
- Consulting capabilities available.
- Fees.

FEES

Proposals that are submitted in response to this letter should include a proposed fee of the firm's charge to perform the City's forensic audit attached in a separate sealed envelope to the firm's copy of the qualifications section and identified as "Cost Data". The fees need to be broken down by year.

If your firm desires to present its qualifications to the selection committee, please submit three copies to City Clerk Heather Sponsler by 3:00 p.m. July 28, 2023. If you desire any additional information, clarification or would like to visit the City of Houston to review our financial records before preparing your proposal, please contact me at 417-967-3348.

The City of Houston reserves the right to reject any or all bids or waive any irregularities that is in the best interest of the City. Furthermore, the professional accounting services engaged will be from the firm which, in the opinion of the City, is the best qualified to perform the City of Houston's audit.

Respectfully submitted,

Mark Campbell
City Administrator

Request for Proposals

The City of Houston is accepting Request for Proposals for Forensic Auditing Services. Specifications can be obtained by contacting City Administrator Mark Campbell or City Clerk Heather Sponsler at 417-967-3348. Proposals should be submitted in a sealed envelope marked Proposal for Forensic Auditing Services and returned to City Clerk Heather Sponsler, 601 S. Grand Ave, Houston Mo, 65483 by July 28, 2023 at 3:00 p.m. The City of Houston reserves the right to reject any or all bids or waive any irregularities that is in the best interest of the City.