



## **City of Springfield, TN**

### **REQUEST FOR PROPOSAL #1282**

# **Financial and Compliance Audit**

*Issue Date: March 19, 2024*

*Proposals Due: April 30, 2024*

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## 1. PURPOSE

The City of Springfield, Tennessee has issued this request for proposals from interested auditors, who are qualified under state law and regulations, for the performance of a financial and compliance audit of the City of Springfield in accordance with the requirements of the laws and/or requirements of the State of Tennessee. This audit shall be for the period beginning July 1, 2023 and ending June 30, 2024.

## 2. SCOPE

The auditor shall perform a financial and compliance audit of the financial statements of all funds and grant contracts of the City.

### **Type of Audit**

The auditor shall conduct the examination in accordance with Government Auditing Standards and requirements prescribed by the Comptroller of the Treasury, State of Tennessee. In addition, the examination is to be conducted in accordance with the provisions of the Single Audit Act and Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards*, and any applicable federal management circulars.

### General Requirements

1. The auditor shall, as part of the written report of audit, submit to the Board of Mayor and Aldermen a report containing an expression of an opinion that the financial statements are fairly presented, or an opinion qualified as to certain funds or items in the financial statements, a disclaimer of opinion and the reasons therefore, or an adverse opinion, and shall explain in every detail any unusual items or circumstances under which the auditor was unable to reach a conclusion. This report shall state that generally accepted government auditing standards have been followed in the audit.
2. The auditor's opinion shall be expressed on the opinion units identified in the AICPA Audit and Accounting Guide: *Audits of State and Local Governmental*, as well as the additional requirements in the State of Tennessee Department of Audit *Audit Manual*.
3. The auditor shall furnish ten (10) copies of the report to the City. The auditor shall file copies of said report with the Comptroller of the Treasury and with the appropriate officials of the granting agencies.
4. If a management letter or any other reports or correspondence relating to findings or recommendations are issued in connection with this audit, a copy shall be filed with the Comptrollers of the Treasury. Such management letters, reports, or correspondence shall be consistent with the findings published in the audit report (i.e., they shall disclose no matters not also disclosed in the findings found in the published audit report.)

5. The Audit fieldwork shall begin prior to September 15th of each year and the reports shall be submitted prior to December 1 of each year, but in no case shall be filed later than six (6) months after the fiscal year-end.
6. Pertinent data from the working papers shall be available for five (5) years for reference if requested by the City.
7. Any reasonable suspicion of fraud, (regardless of materiality) or other unlawful acts including, but not limited to, theft, forgery, credit/debit card fraud, or any other act of unlawful taking, waste, or abuse of, or official misconduct, as defined in Tennessee Code Annotated, 39-16-402, involving public money, property, or services shall, upon discovery, be promptly reported in writing by the auditor to the Comptroller of the Treasury, State of Tennessee, who shall under all circumstances have the authority, at the discretion of the Comptroller, to directly investigate such matters. Notwithstanding anything herein to the contrary, the Comptroller of the Treasury, State of Tennessee, acknowledges that the auditor's responsibility hereunder is to design its audit to obtain reasonable, but not absolute, assurance of detecting fraud that would have a materials effect on the financial statement, as well as other illegal acts or violations of provisions of contracts or grant agreements having a direct and material effect of financial statement amounts. If the circumstances disclosed by the audit call for a more detailed investigation by the auditor than necessary under ordinary circumstances, the auditor shall inform the organization's management and those in charge of governance in writing of the need for such additional investigation and the additional compensation required therefor. Upon approval by the Comptroller of the Treasury, State of Tennessee, an amendment to this contract may be made by the Board of Mayor and Aldermen and the auditor for such additional investigation.
8. An audit exit conference with those charged with governance will be conducted by the auditor in charge. At this time, the findings and recommendations regarding compliance and internal control shall be discussed. Those charged with governance shall have the opportunity to respond in writing to the findings. Any such written responses shall be included in the audit report.
9. The records of the City will not be removed from offices except with expressed written permission of the City.
10. The audit firm shall state its willingness to enter into a contract for one year, renewable annually for each of the next two (2) years by the City.
11. All adjusting entries will be submitted to the City in writing at the time with sufficient explanation so that they can be easily understood and properly posted to the financial records. Example: listing of invoices charged to the accounts payable supporting any adjusting entries.

### 3. GENERAL INFORMATION

The City shall have closed and balanced all accounts and shall have prepared financial statements for all funds to be examined by the auditor.

#### Accounting System

1. Funds/Budget-
  - a. General Fund - \$25,777,192
  - b. General Fund Fixed Assets
  - c. General Fund Long Term Debt
  - d. Tourism Fund - \$202,366
  - e. State Street Aid Fund - \$1,549,190
  - f. Drug Fund - \$108,115
  - g. Federal Asset Forfeiture Fund - \$3,759
  - h. GF Capital Improvements/Economic Development Fund - \$3,026,760
  - i. Electric Fund - \$33,245,730
  - j. Gas Fund - \$11,999,905
  - k. Water Fund - \$9,714,747
  - l. Wastewater Fund - \$7,095,990
  - m. Sanitation Fund - \$1,365,079
  - n. Storm Water Fund - \$419,790
  - o. System Development Fund - \$0
  - p. Internal Service Fund – Health Insurance - \$3,420,406
2. Checking Accounts-
  - a. 6 main accounts
  - b. 38 investment accounts
3. Number of purchase orders/year – approx. 9,400
4. Number of checks written/year – approx. 6,000
5. Number of receipts/year – approx. 238,500

#### Payroll

1. Number of employees – 259
2. Frequency of payroll – Bi-weekly
3. Number of payroll checks/year – approx. 7,000

#### Utilities

1. Number of Utility Customers-
  - a. Electric – 8,900
  - b. Gas – 8,700

- c. Water – 13,800
- d. Sewer – 7,500
- e. Sanitation – 6,400
- f. Storm Water – 8,100

2. Number of utility bills processed/year – approx. 213,000

If additional information is required prior to submitting a proposal, inquiries should be directed to Lisa Crockett, Finance Director/City Recorder, at [lisa.crockett@springfieldtn.gov](mailto:lisa.crockett@springfieldtn.gov) or by phone at 615-382-2200 Extn. 1515.

## 4. PROPOSAL FORMAT

The proposal shall be styled at the discretion of the submitter; however, at a minimum it must address these areas:

1. Nature and extent of the firm’s governmental auditing experience
2. A copy of the audit firm’s most recent external quality control review report should be provided to the local government.
3. Organization size and structure of the firm.
4. Qualifications of staff to be assigned the work. Education, position in firm, and years and types of experience will be considered.
5. Availability of the auditor to the city for specialized consultation and support assistance on sensitive or highly specialized issues.
6. Type and level of training provided to the firm’s staff. Assurance that all audit staff assigned to the audit have obtained the necessary hours of continuing professional education required by *Government Auditing Standards*.
7. The audit fee must be quoted either as a fixed amount or rate per hour, with total estimated hours. If the latter method is used, a maximum amount must be stated for budgetary purposes. Also, estimated incidental expenses, such as travel and supplies, will be included.  
**Please use Attachment A on Page 7.**

## 5. SUBMITTAL INFORMATION

Proposals shall be submitted in a sealed envelope clearly marked **Financial and Compliance Audit RFP #1282** on the outside of the envelope, then addressed to:

Lisa Crockett, Finance Director/City Recorder  
City of Springfield  
405 N. Main Street  
Springfield, TN 37172

Proposals must be submitted no later than 2:00 p.m. local time on Tuesday, April 30, 2024.

## 6. SELECTION PROCESS

All proposals will be reviewed by the Finance Director and Accounting Supervisor and a recommendation will be made to the City Manager.

If approved by the City Manager, the contract will be submitted to the Board of Mayor and Aldermen for acceptance.

## 7. RESERVATION OF RIGHT

The City reserves the right to reject any and all proposals, to waive any informality or irregularity in any proposal received, and to be the sole judge of the merits of the respective proposal received. Final award will be subject to the execution of the contract. The City reserves the right to accept any proposal that is in the best interest of the City.

**ATTACHMENT A  
CITY OF SPRINGFIELD  
REQUEST FOR PROPOSALS #1282  
FINANCIAL AND COMPLIANCE AUDIT**

	FY 2024	FY 2025	FY 2026
Financial Statement Audit			
Uniform Guidance Audit			
Chart of Accounts Crosswalk			
Other Fees (please detail below)			
<b>TOTAL</b>			

Firm Submitting Proposal:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Authorized Representative:

Signature \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Please attach schedule of professional fees and expenses, if appropriate.