



Request for Proposals for Annual Audit Services

The City of Indianola is requesting proposals from qualified firms of certified public accountants for audit services relating to the audit for fiscal years ending June 30, 2027, - June 30, 2029, subject to review by Finance Department personnel after the conclusion of the initial audit. There will also be an option to extend the agreement to include fiscal years 2030, 2031, and 2032, with such extension to be exercised annually. Terms may be modified as mutually agreed by the audit firm and the City for purpose of the extension.

Below is the information relating to minimum specifications of services, data to be included in the proposal, evaluation criteria, and select information relating to the City of Indianola.

Two (2) hard copies of the Firm's proposal are due by November 6, 2026 at 5:00 PM to:
City of Indianola
Proposal for Audit Services
c/o City Clerk
110 N 1st St.
Indianola, IA 50125

The City Council plans to consider selecting an auditor on December 7, 2026. The City's fiscal year begins on July 1 and ends on June 30. By statute, the audit must be filed with the State of Iowa by March 31 in the year following the completion of the applicable fiscal year, but the City would like the draft Audit completed by November 1 (for the completion of the Annual Financial Report) and the final audit report completed by or before November 30 to allow for a presentation of audit results to the City Council.

The audit shall be performed in accordance with the following:

- US generally accepted auditing standards
- The standards for financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States
- The Single Audit Act Amendments of 1996 and OMB Circular A-133, Audits of States, Local Governments, and Non-profit Organizations, when applicable

The audit report should conform to:

- Reporting formats specified by the Iowa Auditor of State's office
- AICPA Audit Guides
- The requirements of the Single Audit Act Amendments of 1996 and OMB Circular A-133, Audits of States, Local Governments, and Non-profit Organizations, when applicable
- Applicable provisions of the Iowa Code and guidance from the Iowa Auditor of State

The audit report should include a management letter, if appropriate, which includes recommendations related to the financial statements, internal controls, accounting systems, and compliance issues.



Proposal Contents

The proposal should include the following items and be organized in the manner specified below.

Letter of Transmittal

A letter of transmittal briefly outlining the proposer's understanding of the work and general information regarding the firm and individuals to be involved is permitted, but not required, if it is limited to not more than two pages. If a transmittal letter is presented, it should clearly set forth the local address of the office of the firm to be performing the work, the telephone number, email address, and the name of the contact person. The letter shall be signed by an individual authorized to bind the firm.

Profile of Firm Proposing

The profile should state whether the firm is a local, national, or international firm, with a brief description of the size of the firm. State whether the firm is in compliance with the registration requirements to engage in the practice of public accounting within Iowa and all assigned professionals hold current Iowa licenses. Describe the local office from which the work is to be performed, including location, size of professional staff by level, number of CPAs in the office, and any other information relevant to describe the office which will be performing the work.

Qualifications

Describe the recent local office auditing experience in similar types of audits to which the proposal relates. If appropriate, include regional experience in auditing similar types of entities. Provide at least three (3) references from Iowa municipal clients of similar size or complexity served within the past five (5) years, including contact names, telephone numbers and services provided.

Include resumes of key professional members who will be assigned to the audit. Resumes should be included for all members of the audit team from the audit partner through at least the on-site in-charge accountant. The resumes should include:

- The years of experience the individual has in the auditing profession
- A summary of similar audits on which the individual has worked
- A summary of the continuing professional education the individual has had in governmental accounting and auditing during the last two years
- A statement as to whether the individual is independent, as defined by Government Auditing Standards
- License status and Iowa license number

Describe the firm's policy on notification of changes in key personnel.

Describe the number of and the availability of individuals within the firm who are primarily involved in governmental auditing and reporting and with whom the audit team may consult. Key personnel shall not be replaced during the contract term without the City's prior written approval, and replacements shall have equivalent qualifications.

Describe briefly the firm's system of quality control to ensure that the audit is adequately performed.



Scope of Services and Proposed Project Schedule

Briefly describe your understanding of the scope of services to be provided. Indicate a proposed time schedule for completing the work. Include your mechanism for collecting data from the City in preparation of the audit. Include the approximate dates you would perform fieldwork, office review, and report preparation and the latest delivery date of the final report.

Fees and Compensation

Provide the estimated total hours, out-of-pocket expenses, hourly rates by staff classification, a not-to-exceed fee for each fiscal year, and frequency and timing of your billing process. The fee proposal should indicate the costs for a standard audit and a single audit. It is unknown at this time if a single audit will be required each year of this contract. Proposed fees shall be all-inclusive. Any services beyond the scope of the engagement require the City's advanced written approval, and the firm shall not bill in excess of the not-to-exceed fee without a written amendment signed by the City.

Evaluation Criteria

The proposal will be evaluated upon overall cost, including any out-of-pocket expenses for performance of the audit, proposed scope and ability to meet City deadlines, references and the qualifications and experience of the firm.

Work and Reporting Requirements

City staff plan to take an active role in the preparation of the financial statements. Staff will prepare workpapers and work with the firm to produce accurate financial information. The firm will be responsible for all adjusting entries and final copies.

The City will provide the auditors with reasonable workspace, desks/tables and chairs. The auditors will also be provided with access to a telephone line, the internet and a photocopy/scan/fax machine.

Report preparation, editing and printing shall be the responsibility of the firm. The City requires ten (10) bound copies of the final report and an electronic PDF copy. The firm will be responsible for properly and timely filing the final report with the Auditor of State.

The firm should have enough staff dedicated to the audit to complete on-site fieldwork within five (5) working days, unless extended by mutual agreement of the parties. Fieldwork time will be, whenever possible, in contiguous blocks of time on site. An exit conference with the City Manager and designated staff will take place on the last day of the fieldwork, or as scheduled by mutual agreement of the parties.

Following completion of the report, a representative of the firm will be responsible for presenting an overview of the audit to the City Council and answering any related questions.

Entity Profile

The City of Indianola is a municipal corporation under the laws of the State of Iowa and with the first official government taking office on April 1, 1864. It is the county seat of Warren County. Indianola is located approximately 10 miles south of Des Moines. The 2020 Census listed the population as 15,833, with a U.S. Census estimated population in 2025 of 16,829.



The City is governed by a directly elected, non-voting Mayor and a six-member City Council under the Mayor-Council system of government. The City Council has established a City Manager position by ordinance, which is vested with all authority, duties and responsibilities of Iowa Code 372.8 (City Manager under Council-Manager form of government). The City's departments are as follows: Clerk/Finance, Human Resources, Community and Economic Development, Police, Fire, Information Technology, Library, Parks and Recreation, and Streets. . Business-type activities include a Sewer Utility, Stormwater Utility and a Recycling Utility, as well as the Wellness Campus.

During the calendar year, the City employs around 242 people. Of this total, 98 are full-time, 112 are permanent part-time, and the remaining employees are employed on a seasonal basis. Document processing is maintained at the following levels (From fiscal year 26):

Receipts/Transactions: 5,132

Payroll Checks: 5,008

A/P Checks: 6,263

The City's current billing and accounting records are maintained with software from Tyler Technologies (ERP 10, cloud version).

The City budgets and operates on a cash basis. A recent Treasurer's Report is attached to give a representation of the City's fund structure. The City's overall financial condition is in excellent standing.

It is possible the City will require a single audit in one or all three of the years under contract, as the City has qualified in the past and may have federal projects in the future.

Those wishing to review prior year audits may locate these at <http://auditor.iowa.gov/reports/results.php>.

In addition, the following general provisions apply:

1. The City reserves the right to reject any and all proposals received and to waive irregularities.
2. There is no expressed or implied obligation for the City to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.
3. Only proposals received at the location described and in the timeframe provided will be considered.
4. The agreement may be subject to renewal annually for a maximum of an additional three years, which includes the FY32 audit.
5. A certificate of insurance will be required from the firm awarded the contract.
6. The selected firm shall execute an engagement agreement in a form acceptable to the City.
7. Proposals are public records subject to Iowa Code Chapter 22. A proposer asserting that any portion of its proposal is confidential must identify that portion and cite the specific statutory confidentiality at the time of submission.