



CHARTER TOWNSHIP OF MERIDIAN, INGHAM COUNTY

REQUEST FOR PROPOSAL

The Charter Township of Meridian is issuing this request for proposal (RFP) for professional services, which will include the following:

1. A financial audit of the Township's financial statements
2. If needed, compliance audit of the Township's federal programs in accordance with the Federal Single Audit Act.
3. A financial audit of the Economic Development Corporation of the Charter Township of Meridian and the Downtown Development Authority (component units of The Charter Township of Meridian).

The contact person regarding this RFP is Dante Ianni, Finance Director who can be reached at ianni@meridian.mi.us or 517-853-4104.

The Proposals shall be submitted to the Finance Director in the following manner:

1. In one packet, submit all information requested by the Township related to services to be provided by your firm and information supporting your qualifications to perform these services. Please submit two (2) copies of this information.
2. In a separate, sealed envelope, submit all compensation-related information as described on page 6. Please submit one (1) copy of this information.

The audit period under contract is for the years ended December 31, 2023, through 2025 and may be extended at the discretion of the Township.

It is the policy of the Township to request proposals for audit services every 5 years at a minimum. The initial contract period is normally 3 years with option for extension.

AUDITING STANDARDS

Your examination will be conducted in accordance with the standards for financial audits contained in Audits of State and Local Governments (and if necessary, compliance audit standards contained in the Government Auditing Standards, issued by the U.S. General Accounting Office, the Federal Single Audit Act and the provisions of the Office of Management and Budget's (OMB) Uniform Guidance) and, accordingly, will include any other tests of the accounting records and such other auditing procedures you consider necessary in the circumstances, including the requirements of Michigan Act #2, PA of 1968 as amended.

ASSISTANCE PROVIDED BY THE TOWNSHIP'S FINANCIAL STAFF

The Township staff will provide the auditor with balanced trial balances and supporting information as agreed to with the auditor in a pre-audit planning conference, however, it is expected that the auditor will be primarily responsible for the drafting and preparation of the financial statements, including the footnotes, in compliance with generally accepted accounting principles and the State of Michigan's Uniform Reporting Format.

Additionally, the Township staff will assist the auditors with clerical tasks including the pulling and refiling of invoices needed during the audit, typing of third party confirmation requests and other items as agreed to.

The audit staff will be provided with workspace and reasonable access to internet connections, telephones, photocopy/scanning machines and other items as agreed to by the Township and the auditors at the pre-audit conference.

MANDATORY QUALIFICATIONS OF THE AUDITOR

The following information must be affirmed in the proposal response:

1. The proposer is properly licensed for public practice as a certified public accountant.
2. The proposer meets the independence requirements of the Governmental Auditing Standards published by the U.S. General Accounting Office.
3. The respondent does not have a record of substandard audit work. Please disclose the controls your firm has in place to ensure quality standards have been met. Also, disclose whether your firm is subject to an external quality control review process.
4. The respondent has experience in successfully assisting municipal clients in their application for and receipt of the GFOA Certificate of Achievement for Excellence in Financial Reporting.

MONITORING

To ensure the quality of the audit, the Township may request, from time to time, a report of, the progress of the audit. In addition, prior to completion of the fieldwork, an audit exit conference will be held to discuss the results of the audit.

TIME REQUIREMENTS

The Township shall receive all proposal responses by 5:00 PM September 25, 2023. Any proposals received after this date will not be considered. We anticipate the successful bidder will be notified by November 30, 2023.

WORKING PAPERS

The working papers shall be retained for at least three years. The working papers will be available for examination by authorized representatives of the State of Michigan, and, if required, the cognizant federal audit agency and the General Accounting Office.

RIGHT TO REJECT

The Township reserves the right to reject any and all proposals submitted and to request additional information from all proposers. Any contract awarded will be made to the independent auditor who, based on evaluation of all responses, applying all criteria and oral interviews if necessary, is determined to be the best qualified to do the audit.

NUMBER OF COPIES OF AUDITOR'S REPORTS

The auditor shall furnish the Township 30 copies of all required reports. In addition, the auditor shall furnish the requested number of copies for each federal and state agency, as applicable.

CONTRACTUAL ARRANGEMENTS

Invoices for service will be paid when received. The total amount to be invoiced shall not exceed the amount of the bid unless other arrangements have been negotiated with the Township first. The cost of audits for subsequent years or services beyond this RFP will be negotiated each year or as needed. The Township reserves the right to terminate the contract for audit at any time.

METHOD OF EVALUATING PROPOSALS

Proposals will be evaluated with a strict emphasis on quality. Attributes, which will be analyzed, include:

Evaluation Worksheet

1. Number of governmental entities audited by CPA firm proposing.
2. Firm governmental resources available.
3. Involvement in municipal activity and organizations.
4. Training of personnel in governmental (and federal grant) auditing.
5. Experience with clients receiving GFOA Certificate of Achievement for Excellence in Financial Reporting.
6. Quality of staff included in assignment.
7. Reference responses.
8. Maintenance of a secondary partner and rotation of partners periodically.
9. Internal quality control procedures and external quality control review.

After technical qualities have been evaluated, cost and other considerations will be evaluated. The proposing audit firm should indicate the cost of the audit for the first year and the range of average cost per hour for audit services. (If desired, additionally, the proposal should separately identify the cost associated with assisting the Township with its attempt to receive the GFOA Certificate of Achievement for Excellence in Financial Reporting.) Once all factors have been evaluated, the audit firm who is most qualified and reasonable in cost will be selected.

FORMAT OF THE RFP RESPONSE

It is suggested the RFP response be formatted as follows:

Title Page

The response should identify the RFP subject and the name of the independent auditor, local address, telephone number, name and title of contact person and date of submission. The period which the proposal is effective should also be disclosed.

Table of Contents

The table of contents of the proposal should include a clear and complete identification of the materials submitted by section and page number.

Letter of Transmittal

The letter of transmittal should contain the following information:

1. A brief understanding of the audit service to be performed.
2. A positive commitment to perform the service timely.
3. The names of persons authorized to represent the respondent, their title, address and telephone number. This may be important if different from the individual who signs the transmittal letter.

PROFILE OF THE INDEPENDENT AUDITOR

The respondents are requested to provide a profile of general background information. This should include:

1. The organization and size of the respondent, whether it is local, regional, national or international in operations.
2. The location of the office from which the work is to be done and the number of professional staff by staff level employed at that office.
3. A description of the range of activities performed by the firm such as auditing, accounting, tax service or management services.
4. A description of the firm's experience assisting clients in their application for and receipt of the GFOA Certificate of Achievement for Excellence in Financial Reporting.

5. A statement of the respondent's staff capability to audit federal programs, including the number and classifications of personnel skilled in federal program auditing who will work in the audit, if required to.
6. A positive statement that the following mandatory criteria are satisfied:
 - a) An affirmation that the proposer is properly licensed for practice as a certified public accountant.
 - b) An affirmation that the proposer meets the independence requirements of Government Accounting Standards.
 - c) An affirmation that the respondent does not have a record of substandard work.
 - d) An affirmation from the respondents that they will follow the American Institute of Certified Public Accountants' "Interpretation 501-3, Failure to Follow Standards and/or Procedures or Other Requirements in Governmental Audits." Basically, if a member (of AICPA) accepts such an engagement and undertakes an obligation to follow specified government audit standards, guides, procedures, statutes, rules and regulations, in addition to generally accepted auditing standards, the auditor is obligated to follow such requirements. Otherwise, the auditor must disclose in the audit report the fact that such requirements were not followed and the reasons therefor.

SUMMARY OF THE PROPOSER'S QUALIFICATIONS

1. Identify the audit managers and field supervisors and other staff who will work on the audit, including staff from other than the local office. Resumes including relevant experience and continuing education for auditor in-charge up to the individual with final responsibility for the engagement should be included. (The resumes may be included as an appendix.)
2. Describe the recent local and regional office auditing experience similar to the type of audit requested and give the names and telephone numbers of client officials responsible for three of the audits listed.
3. Other auditors who are participating in the audit are also required to provide similar information.

PROPOSER'S APPROACH TO THE EXAMINATION

Submit a work plan to accomplish the scope of the audit. The work plan should include time estimates for each significant segment of the work and the staff level to be assigned. Where possible, individual staff members should be named and their titles provided. The planned use of specialists should be specified.

The audit work plan should completely cover what audit work will be accomplished to allow the auditor to render:

1. A report on the study and evaluation and report on internal control systems.
2. Reporting on the organization's control system to assure compliance and whether the organization has complied with laws and regulations that may have an effect on each major federal assistance program.

The audit work plan should demonstrate the auditor's understanding of the audit requirements of a single audit as specified in OMB Circular A-133 and the audit tests and procedures to be applied in completing the audit plan.

TIME REQUIREMENTS

If not already adequately covered in the letter of transmittal, the response should detail information on when the audit firm plans to deliver the final reports.

COMPENSATION

Provide a not-to-exceed cost of each of the services being offered for each year of the engagement.

ADDITIONAL DATA

Provide any additional data the respondent feels may be helpful in the selection process.