



Request for Proposal: AUDIT SERVICES

NOTICE OF PROPOSAL

The Ypsilanti District Library (YDL) issues this request for proposal (RFP) for the financial audit of the Library's financial statements and if necessary an audit in accordance with the Single Audit Act. YDL has historically conducted an annual audit and has not required a single audit. Currently, the Library has an operating budget of \$6 million. It was determined to be a 501(c)3 entity in 2019.

The contact person regarding this RFP is:

Lisa Hoenig, Director

Ypsilanti District Library

5577 Whittaker Road

Ypsilanti, Michigan 48197

(734) 879-1300

lisa@ypsilibrary.org

The response due date for this RFP is 5:00 PM, Thursday, May 9, 2024. Proposals received after this date may not be considered. Please send your response via email to lisa@ypsilibrary.org. Include in the subject line of your email: "Audit 2024-25." The audit period for proposal is for the year ending November 30, 2024, with likely award of a three-year agreement, ending with the audit for FY 2026-2027, and three-year-more renewal at the discretion of the Library. Required completion date of the December 1, 2023 to November 30, 2024 ending fiscal year's audit is February 15, 2025.

AUDITING STANDARDS

Your examination will be conducted in accordance with the standards generally accepted in the United States of America, and, if a Single Audit is required your examination will be conducted in accordance with the governmental audit standards issued by the Comptroller of the United States and standards contained in OMB's Uniform Guidance.

MANDATORY QUALIFICATIONS OF THE AUDITOR

The following information must be affirmed in the proposal response:

- The proposer is properly licensed in Michigan for public practice as a Certified Public Accountant.
- The proposer meets the independence requirements of the Standards for Audit of Governmental Organizations, Programs, Activities and Functions published by the U.S. General Accounting Office.
- The proposer does not have a record of substandard audit work as obtained from references. 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.

DESIRABLE QUALIFICATIONS OF THE AUDITOR

The following qualifications are highly desirable and should be described in the proposal:

- Experience with Fund Balance accounting software
- Experience with fund accounting
- Experience with municipal accounting
- Experience with public libraries

MONITORING

To ensure the quality of the audit, the Library may request, from time to time, a report on 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 Library must receive all proposal responses by 5:00 PM, Thursday, May 9, 2024. The Library Board plans to award the bid no later than its June 26, 2024 meeting.

WORKING PAPERS

The auditor's working papers shall be retained for at least three years. The working papers are to be available for examination by authorized representatives of the State of Michigan, and, if required, the appropriate federal audit agencies and the General Accounting Office.

RIGHT TO REJECT

The Library 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 Library with an electronic copy and twelve (12) printed copies of all required reports. In addition, the auditor shall furnish the requested number of copies to 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 submitted proposal unless other arrangements have been negotiated with the Library first. The cost of audits for subsequent years will be negotiated each year. If no negotiations are entered into, the cost of the audit will remain the same as the prior year. A three-year proposal is requested, however, the Library 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:

- Number of governmental entities audited by office of CPA firm
- Firm's governmental resources available
- Involvement in governmental activity and organizations
- Training of personnel in governmental and fund accounting auditing
- Quality of staff included in assignment
- Reference responses
- 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 or average cost per hour for audit services. Once all factors have been evaluated, the audit firm chosen will be notified. The YDL has the unconditional right to reject any and all bids and to waive any informality or irregularity in any bid or bids received, and to make in its sole judgment, a determination as to the adequacy of the audit firm's qualifications, experience, and capability, and to accept such bid if any, in whole or in part, which in its judgment, is in the best interest of the YDL.

FORMAT OF THE RFP RESPONSE

Title Page

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

Table of Contents

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

A **Letter of Transmittal**, which should contain the following information:

- A brief understanding of the audit service to be performed.
- A positive commitment to perform the service by February 15 following the close of each fiscal year for which the audit is prepared.
- The names of persons authorized to represent the proposer, their titles, addresses, phone numbers, and e-mail addresses. This may be important if different from the individual who signs the transmittal letter.

Summary of Fees

- Fee for separate study, evaluation, and report on internal control systems.
- Fee for single-year audit, including management letter, specific recommendations, and reports for the General and Debt Service Funds.
- Fee for three consecutive year audits, including management letters, specific recommendations, and reports for each year.
- Fee for accounting questions posed throughout the year to assure the Library's compliance with current accounting standards.

PROFILE OF THE INDEPENDENT AUDITOR

The proposer is requested to provide a profile of general background information. This should include:

1. The organization and size of the proposer, 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 by that office.
3. A description of the range of activities performed by the local office such as auditing, accounting, tax service or management services.
4. A statement on the proposer'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.
5. A positive statement that the following mandatory criteria are satisfied:
 - A. An affirmation that the proposer's auditing personnel be properly licensed in Michigan for practice as certified public accountants.
 - B. An affirmation that the proposer meets the independence requirements of the Standards for Audit of Governmental Organizations, Programs, Activities and Function, published by the U.S. General Accounting Office.
 - C. An affirmation that the proposer does not have a record of substandard work.
 - D. An affirmation from the proposer that the American Institute of Certified Public Accountants' (AICPA) "Interpretation 501-3, Failure to Follow Standards and/or Procedures or Other Requirements in Governmental Audits" will be followed. Basically, if a member of the 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 therefore.

SUMMARY OF THE PROPOSER'S QUALIFICATIONS

- Identify the audit managers, 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. (These may be included as an appendix.)
- 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.
- Other members of the firm who are participating in the audit are also required to provide evidence of qualifications.

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, if requested:

- A report on the separate study and evaluation of internal control systems. This report will include a detailed review of the accounting area for the purpose of evaluating key accounting policies and procedures being followed; the allocation of duties and responsibilities among key personnel; and the authority levels of these employees.
- 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 or state assistance program.
- Management letter, including specific recommendations.
- Continued presentation of Government-wide, as well as Operating and Debt Service Funds.
- Draft revisions of all documents presented in a sufficiently timely manner for thorough review by the Library's Administration in advance of presentation to the Board of Trustees.
- Presentation to Library Director and Board of Trustees at the regularly scheduled Board of Trustees' meeting held in February of each year.
- Submission of audit as finalized to State of Michigan Department of Treasury.

The audit work plan should demonstrate the auditor's understanding of the audit requirements of a single audit as specified by the OMB 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 to the RFP must comply with the deadline for final reports by February 15 following the close of each fiscal year for which the audit is prepared.

COMPENSATION

Provide a not-to-exceed cost of services being offered for the first year of the engagement and the range or average cost per hour of audit services. Provide a quote for three consecutive years of audits and management letters. Provide a factor, such as Consumer Price Index as of June 1 of the year in which such audit is being performed, to indicate increase in fees in subsequent years in that first three-year contract.

ADDITIONAL DATA

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