

**VILLAGE OF CALUMET, MICHIGAN
REQUEST FOR QUALIFICATIONS & PROPOSALS
ANNUAL FINANCIAL AUDIT SERVICES**

Section A – General Information

The Village of Calumet is requesting proposals for qualified firms of certified public accountants to audit its financial statements for the fiscal year ending February 29, 2020 with the option of auditing its statements for each of the two (2) subsequent years at the discretion of the Village Council.

The examination of the financial records, accounts and procedures by all local units of government shall be made in accordance with generally accepted auditing standards as adopted by the American Institute of Certified Public Accountants in its Statements on Auditing Standards, the U.S. General Accounting Office's (GAO) Government Auditing Standards and the State of Michigan Department of Treasury's Statements of Position and Uniform Reporting Format. The audit must comply with the Michigan Department of Treasury's Bulletin for Audits of Local Units of Government. In addition, it will include any other tests of the accounting records and such other auditing procedures the proposer considers necessary in the circumstances.

Section B – Information about the Request

- 1) One (1) copy of the proposal should be provided and marked "Proposals for Audit Services – Village of Calumet" and will be accepted at:
Calumet Village Hall
340 Sixth Street
Calumet, Michigan 49913
- 2) Proposals will be accepted through 5:00p.m. on January 31, 2020
- 3) Questions about the Village or this proposal should be directed to the contact person regarding the RFP: Caleb Katz, Village Administrator (906) 337-1713
- 4) The Village reserves the right to reject any and all proposals submitted. The Village will make the final selection of the auditor based on evaluation of all responses, qualifications, audit approach, thoroughness and pricing.

Section C – Description of the Entity to be Audited

The Village of Calumet has a population of approximately of 700 and is governed by a seven-member Council.

Section D – Mandatory Qualifications of the Proposer

- 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 proposer furnishes a list of audit clients.

Section E – Assistance Available to the Proposer

The Village of Calumet's preceding examination was performed by Joe Daavettila CPA. The Village of Calumet will make available upon request its 2018 and 2019 Financial Statements and management letters. The Village will make every effort to make available all personnel when necessary to assist in performance of the examination. The Village Clerk will provide the auditor with trial balances and supporting information for the start of the field work. Village officials will assist and provide the auditors with detailed accounts from the Village computer system and retrieve and re-file invoices or other documentation selected for examination. The audit staff will be provided with reasonable work space and access to telephones, photocopy and fax machines.

Section F – Nature of Services Rendered

The services will include an audit of the 2019-2020 financial statements as well as compliance with pertinent statutory and internal control regulations. Internal control systems will be documented and examined to identify any weaknesses. Any areas of identified risks by the auditor will be sufficiently examined to determine if proper policies and procedures have been followed or should be implemented. The audit will comply with GASB #34 reporting requirements. The level of audit necessary is that which, at the conclusion of the audit, audit staff are satisfied that the Village's financial statements are free of material misstatements and control policies are in place or recommended that deliver efficient and lawful procedures for the Village.

Section G – RFP Response

The proposal must contain, at a minimum, the following information:

- 1) Work Plan (also refer to Section F – Nature of Services Rendered)
 - a) Explanation of audit methodology
 - i) Financial Statements: Indicate the scope and level of the audit, including how the proposer will develop an understanding of the current system in place; testing of balances, transactions, and reconciliations; identify how sample thresholds are set and tested.
 - ii) Internal Control Procedures: Describe the internal control examination and its extent. The internal control systems must be examined to determine compliance with compiled laws and regulations.
 - iii) Approach to identification and examination of areas of weakness. Include any other tests of the accounting records and such other procedures the proposer considers necessary in the circumstances.
 - iv) GASB #34 Reporting Requirements: Define resources needed.
- 2) Profile of Auditor
 - a) Independent Auditor: The firm should provide an affirmative statement that it is independent of the Village of Calumet as defined by generally accepted auditing standards.

b) Audit Firm:

- i) The proposal should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed.
- ii) A description of the range of services performed by the firm including but not limited to this RFP, such as additional accounting and management services.
- iii) Any additional firm information that would be helpful in the selection process.

c) Resources dedicated to this contract:

- i) The proposer should identify the principal supervisory and management staff who would be assigned to the engagement. These staff members should be identified as to whether each person is a certified public accountant in Michigan and any relevant professional experience or continuing professional education during the past five years. Also identify any support staff that will be assigned to this task.

3) Reports and Completion of the Audit

- a) A report on the audit of the financial statements of Village of Calumet for the fiscal year ended February 29, 2020.
- b) Report on the internal accounting and administrative controls employed by the Village including any necessary recommendations.
- c) Management Letter summarizing audit findings and recommendations.
- d) Prior to finalization of the audit report, an exit conference will be held with the Village President, Clerk and Administrator to review drafts of the management letter and financial statements.
- e) Upon completion of the audit report, a verbal presentation to the Village Council outlining the highlights, special notations and recommendations will be made at a scheduled Council meeting.
- f) The successful audit firm will be available throughout the year to consult with Village officials regarding matters which may affect accounting and reporting for governmental units.

4) Pricing Information

- a) The proposal should include all pricing information relative to performing the audit engagement. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including out of pocket expenses. The bid may be broken out into the following areas:
 - i) Inclusive fee that will deliver the "Detailed Work Plan" and "Reports and Completion of the Audit" outlined above including the financial statement, internal control evaluation and identified areas of risk examination. Pricing may be broken out and assigned to the four areas of the "Detailed Work Plan" if the proposer feels this would be helpful in the selection process. Indicate fees related to GASB #34.

- ii) Hourly fees for services that may be retained above and beyond those services outlined in this RFP.
Indicate hourly fees by staff classification. Note the quantity, if any, of follow-up consultation discussed in “Reports and Completion of the Audit” section if that will be included in the package bid or billed at an hourly rate to the Village.
- 5) Time Table: Proposer should outline first availability of firm resources that is in line with selection of bid. In addition, availability which impacts pricing should also be noted.

Section H – Contractual Arrangements

Invoices for services will be paid within 30 days from receipt. The total amount invoiced is not to exceed the bid amount unless the Village Council has approved other arrangements. The Village Council reserves the right to terminate the contract for audit at any time. Services rendered up to that point will be paid and the remaining contract will be nullified.