

REQUEST FOR PROPOSAL AUDITING SERVICES

The City of Iron Mountain, Michigan is requesting proposals from qualified firms of Certified Public Accountants for auditing services for the City's financial statements for the fiscal years ending June 30, 2018 & June 30, 2019.

AUDITING STANDARDS

The audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in governmental auditing standards issued by the Comptroller General of the United States and, if applicable, also in accordance with the provisions of OMB Circular A-133. The audit must comply with the Michigan Department of Treasury's *Bulletin for Audits of Local Units of Government*. This will also 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.

MANDATORY QUALIFICATIONS

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 firm 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 and internal quality control procedures.
4. The proposer furnishes a list of audit clients.

TIME REQUIREMENTS

It is anticipated that the audit fieldwork would begin by August 30 and be completed and submitted to the Michigan Department of Treasury by December 31.

RIGHT TO REJECT

The City 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.



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 test and procedures to be applied in completing the audit plan.

Prior to finalization of the audit report, an exit conference will be held jointly with the Chief Finance Officer and City Manager to review drafts of the management letter and financial statements. Upon completion of the audit report, a verbal presentation will be made to the City Council outlining the highlights, special notations and recommendations at a regularly scheduled City Council meeting.

ASSISTANCE PROVIDED BY THE CITY'S FINANCIAL STAFF

The City's staff will provide the auditor with balanced trial balances and supporting information as agreed to with the auditor in a preaudit 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. It is expected that it will be necessary for the auditor to provide some final year-end adjustments during the audit.

Additionally, the City staff will assist the auditors with clerical tasks including the pulling and refiling the invoices needed during the audit and other items as agreed to. The audit staff will be provided with workspace and reasonable access to telephones and copy machines and other items as agreed to by the City and the auditors at the preaudit conference.

PROPOSER WARRANTIES

The proposer will warrant that it will not delegate or subcontract its responsibilities under agreement without prior written permission of the Iron Mountain City Council.

Additionally, the proposer will warrant that all information provided by it in connection with this proposal is true and accurate to the best of its knowledge.

In the event that final audit reports prepared by the successful proposer are not acceptable to the State Treasurer, the successful proposer shall, at its own expense, take the necessary steps to prepare and resubmit audit reports which are acceptable to the State Treasurer.



COMPENSATION/COST

1. A cost of services being offered for audit of each fiscal year ending June 30, 2018, 2019 for the City of Iron Mountain and its Component Unit, with a separate cost listed in the event a single audit is necessary.
2. Estimate of any other costs such as mileage, travel, clerical time, etc. not included in the audit cost.
3. Additional costs, if not included with audit cost, associated with implementing and assisting the City with any new accounting principles required by GASB, or as required by State or Federal law.
4. The firm will be available to answer questions that may arise during the term without additional cost to the City. If not in agreement, please note exceptions and quote cost.
5. The City may request the auditing firm complete the F65 report. Please quote the cost of this service.

Fund Structure:

Fund Type/Account Group	Number of Individual Funds	Number w/ Legally Adopted Budgets
General	1	1
Special Revenue Funds	2	2
Capital Projects Fund	4	5
Enterprise Funds	2	2
Internal Service Funds	1	1
Trust Funds	2	
Pension Funds	1	
General Fixed Assets Acct. Group	1	



The proposal shall be as follows:

	<u>City</u>
Fiscal Year 2017-18 Audit	\$ _____
Fiscal Year 2018-19 Audit	\$ _____
Single Audit Proposal (if needed)	\$ _____
F65 Report (if requested)	\$ _____

Firm: _____

Address: _____

By: _____

Title: _____

Dated: _____

