

**CLARKSTON INDEPENDENCE DISTRICT LIBRARY  
REQUEST FOR PROPOSAL  
AUDIT SERVICES  
FOR FISCAL YEAR 2023-2025**

**NOTICE OF PROPOSAL:** The Clarkston Independence District Library is issuing this request for proposal (RFP) for the financial audit of the Library's financial statements. The contact person regarding this RFP is:

Julie Meredith, Director  
Clarkston Independence District Library  
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Clarkston, MI 48346  
248.657.4289

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The response due date for this RFP is **Friday, September 29, 2023**. Any proposals received after this date will not be considered. We are requesting your proposal be submitted electronically. The subject line of the email should clearly indicate: **CIDL Audit proposal**. The audit period under contract is for the fiscal year ending December 31, 2023. It is the intention of the Library to continue its relationship with the auditor for no less than three years.

**AUDITING STANDARDS:** The audit work must be performed in accordance with generally accepted auditing standards as established by the American Institute of Certified Public Accountants as applicable to governmental units.

**DESCRIPTION OF THE CLARKSTON INDEPENDENCE DISTRICT LIBRARY:** The Clarkston Independence District Library (CIDL) is a public library formed pursuant to Michigan's District Library Establishment Act 24 of 1989 and is classified as a "Municipality – Special District", subject to governmental accounting practices. CIDL is governed by a seven-member library board and serves the 37,614 residents of the Charter Township of Independence and the City of the Village of Clarkston. The Library is primarily funded by a dedicated millage levied on the December tax bill. The annual budget is approximately \$2,408,125 and functions on a January-December fiscal year. The Library's current budget and audited financial statements are available at <https://cidlib.documents-on-demand.com/>

**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 Standards for Audit of Governmental Organizations, Programs, Activities and Functions published by the U.S. General Accounting Office.
3. The proposer 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.

**TIME REQUIREMENTS:** The Library shall receive all proposal responses by:  
**Friday, September 29, 2023.**

Evaluation of each proposal will be made as soon as possible with the award contingent upon approval of the Clarkston Independence District Library Board of Trustees. The Library may elect to interview representatives from selected firms.

**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 the evaluation of all responses, applying all criteria and oral interviews if necessary, is determined to be the best qualified to do the audit.

**REQUIREMENTS:** The audit must be complete and final reports rendered five months following the fiscal year end.

A preliminary draft of the audit and required journal entries must be submitted to the Library Director by June 1, 2024. The auditor should be available to present the preliminary draft of the audit to the finance committee as well as to present the final audit report to the Board of Trustees at their July board meeting.

The auditor shall furnish the Library 8 copies of all required reports. In addition, the auditor shall furnish the requested number of copies to each federal and state agency, as applicable.

The auditors will be available to answer reasonable questions that may arise on financial matters without additional cost to the Library during the course of the year. The auditor shall include all costs associated with implementing and assisting the Library with any new accounting principles required by GASB, GAAP, or SAS.

**ASSISTANCE PROVIDED BY THE LIBRARY'S FINANCIAL STAFF:** The Library's accountants will provide the auditor with balanced statements and supporting information as agreed to with the auditor in the pre-audit planning conference. It is expected, however, that the auditor will be primarily responsible for the audit of the financial statements, including the footnotes and

financial information contained in the Management's Discussion and Analysis as required by GASB 34 and in compliance with generally accepted accounting principles and the State of Michigan's Uniform Reporting.

**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.

**WORKING PAPERS:** The working papers shall be retained for at least five 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.

**CONTRACTUAL AGREEMENT:** 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 Library first. If the Library accepts a one year contract, the cost of the audits for subsequent years will be negotiated each year (see "compensation" below). 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:

1. Number of libraries or similar governmental entities audited by the office of the CPA firm proposing.
2. Firm governmental resources available.
3. Involvement in governmental activity and organizations.
4. Training of personnel in governmental auditing.
5. Quality of staff included in assignment.
6. Reference responses.
7. 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 who is most qualified and reasonable in cost will be selected.

**FORMAT OF RFP RESPONSE:** It is suggested the RFP response be formatted as follows:

Title Page: The response should identify the RFP subject and name of the independent auditor, local address, telephone number, name, title and email address 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 completed 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 in a timely manner.
3. The names of persons authorized to represent the proposer, their title, address, telephone number and email address. This may be important if different from the individual who signs the transmittal letter.

**PROFILE OF THE FIRM**: The proposers are 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 at 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 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 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.

**SUMMARY OF THE PROPOSER'S QUALIFICATIONS:**

1. 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. (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 all applicable laws and regulations.

**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 services being offered the first year of the engagement and the range of average cost per hour of audit services. Also provide a not-to-exceed cost of services for a three year period.

**ADDITIONAL DATA:** Provide any additional data the proposer feels may be helpful in the selection process.