

Briggs District Library
Request for Proposal
Internal Controls & Audit Services

NOTICE OF PROPOSAL

The Briggs District Library is issuing this request for proposal (RFP) for (1) the financial audit of the Library's financial statements for the fiscal year ending June 30, 2016 with an option to extend for two additional fiscal year audits and (2) assistance in establishing internal controls. The contact person regarding this RFP is Sara Morrison and she can be reached at (989)224-4702 or director@briggsdistrictlibrary.org. The response due date for this RFP is 5:00 PM, May 23, 2016. Any proposals received after this date will not be considered. We are requesting 8 copies of your proposal in a sealed envelope. The envelope should clearly indicate it is a proposal for audit services.

BRIEF EXPLANATION OF SITUATION

The Briggs District Library is a newly formed governmental agency formed under PA 24 of 1989, the District Library Establishment Act. It was previously the Briggs Public Library. As the Briggs Public Library, auditing of the Library's finances was part of the annual City of St. Johns audit. Both the former and new entity has a fiscal year that runs from July 1 to June 30. The District Library officially took over operations on May 1, 2016. As such its first fiscal year is a partial year and will only be two months long. Additionally, the Briggs District Library would like assistance in establishing proper internal controls to ensure the security and safety of the resources entrusted to it by the tax payers.

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 audits contained in the Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the U.S. General Accounting Office, the Single Audit Act and accordingly, will include any other tests of accounting records and such other auditing procedures you consider necessary in the circumstances, including the requirements of Public Act 2 of 1968 as amended.

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 Standard 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.

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 shall receive all proposal responses by 5:00 PM May 23, 2016. We anticipate the successful bidder will be notified by June 3, 2016.

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 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. No bills will be submitted to the Briggs District Library for the cost of preparing the RFP.

NUMBER OF COPIES OF AUDITOR'S REPORTS

The auditor shall furnish the Library 10 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

For the auditing services, the invoice for services may be submitted upon acceptance of the final audit and will be paid within 30 days of receipt. For services related to the establishment of internal controls, invoices may be submitted monthly or more frequently as established in the contract for services. The total amount to be invoiced shall not exceed the amount of the bid unless other arrangements have been negotiated with the Library first. The cost of audits for subsequent years will be negotiated each year. 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:

Evaluation Worksheet

1. Number of governmental entities audited by office of CPA firm proposing.
2. Firm governmental resources available.
3. Involvement in governmental activity and organizations.
4. Training of personnel in governmental (and federal grant) auditing.
5. Quality of staff included in assignment.
6. Referenced responses.
7. Internal quality control procedure 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 Briggs District Library Board will select the audit firm(s) who is most qualified and reasonable in cost.

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 be clear and completed identification of the materials submitted by section and page number.

List of References

Provide the names and contact information for at least three former or current clients.

Letter of Transmittal

The Letter of transmittal should contain the following information:

*A brief understanding of the audit service to be performed.

*A positive commitment to perform the service timely.

*The names of persons authorized to represent the proposer, their title, address and telephone number. This may be important if different from the individual who signs the transmittal letter.

CONTENT OF THE RFP

Profile of the Independent Auditor

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 a 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 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 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.
 - d. An affirmation from the proposer that they will follow the American Institute of Certified Public Accountants' (AICPA) :Interpretation 501-3, Failure to Follow Standards and/or Procedures or Other Requirements in Governmental Audits". Basically, if a member of the AICPA accepts such an engagement and undertakes an obligation to follow specified the 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

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 audit

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.

Proposal approach to establishing internal controls

Submit a work plan for the establishment of internal controls. The deliverable should be a document that states the areas of risk and the recommendation for mediating that risk for the library. Recommendations for staff and board responsibilities as well as required checks and balances should be included.

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 for the first year of the engagement and the range or average cost per hour of audit services. Provide a separate cost for the internal controls work and document.

ADDITIONAL DATA

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

Please submit RFP's to:

Briggs District Library

108 E. Railroad St.

St. Johns, MI 48879