

**REQUEST FOR PROPOSAL
TO PROVIDE ACCOUNTING & FINANCIAL SERVICES FOR
WILLIAMSTOWN TOWNSHIP
INGHAM COUNTY, MICHIGAN
MARCH 21, 2019**

1. BACKGROUND INFORMATION

Williamstown Township, originally organized as a General Law Township under the name Phelpstown, changed the name to Williamstown Township on February 17, 1857. It currently has a population over 5,100. Municipalities having a population exceeding 4,000 are required to have an annual audit of their financial records, accounts and procedures. Since 2008, Williamstown Township has secured the services of two accounting firms, one to prepare the annual financial statements and a second firm to audit those statements according to GASB-34. This Request for Proposal specifically relates to the preparation of annual reports and financial records, also referred as the pre-audit, and advise on technical issues of governmental accounting and financial reporting throughout the year. Williamstown Township currently has the following funds: General Fund, Cemetery Fund, Police Services Fund, Capital Projects Fund, and Trust & Agency Fund. Williamstown Township uses BS & A for its accounting applications.

Williamstown Township is required by State law to provide an annual audit of its financial statements by a Certified Public Accountant in accordance with generally accepted auditing standards. This audit must be submitted to the State Treasurer's Office within six months after the end of the fiscal year ending

2. OBJECTIVE AND SCOPE

A financial pre-audit is requested for the fiscal year ending on March 31, 2019. Significant accounting services to be provided include assisting in the preparation of post-closing entries, preparing audit confirmation requests, researching balancing problems, preparing working trial balances for the auditors and drafting the annual financial statements, schedules and footnotes. The financial statements are to be presented in accordance with the financial reporting model described in GASB No. 34. The auditor will audit the financial statements provided to them and render their audit opinion on the statements. At the conclusion of the pre-audit process, the auditors will provide final opinion and reports to the pre-audit team. Following the final audit, the pre-audit team

will prepare and bind the final report for the Township. In addition, one member of the pre-audit team will be available during the audit fieldwork to answer any questions that the auditor may have and act as a liaison between the auditor and the Township Management. Specific description of the required activities for the **pre-audit** include:

- Prepare and Post year-end closing and journal entries
- Prepare year-end working trial balances for all funds
- Prepare supporting lead sheets and tie to trial balances
- Prepare audit confirmation requests
- Post audit adjustments to working trial balances
- Draft the Annual Financial Statements with notes
- Provide financial consulting services upon request
- Reproduce, Bind and file the final Audit report
- Prepare and upload F 65 as required by the State of Michigan

Additional management advisory services may be requested throughout the year, including but not limited to:

- General accounting and advisory assistance
- Internal Control Policies and procedures assistance
- Laws and regulations compliance assistance
- Investigation of Allegations or Concerns
- Other accounting services upon request

Procedures required by the pre-audit team shall be performed in accordance with generally accepted auditing standards, as promulgated by the American Institute of Certified Public Accountants (AICPA); the *AICPA Audits of State and Local Government Units* audit and accounting guide; and the *Government Auditing Standards*, published by the U.S. General Accounting Office.

The pre-audit must be completed and presented to the Auditors by July 20, 2019 for the final audit completion date of September 30, 2019, the deadline required by the State of Michigan.

3. REPORT REQUIREMENTS

For the pre-audit, the team shall examine the financial statements and records of Williamstown Township, suggesting any journal entries, adjustments, and budget amendments as necessary for the final audit review and report.

The pre-audit team shall issue draft financial statements to be provided to the external auditor, on Township management's behalf, that will be prepared in accordance with accounting principles generally accepted in the U.S., will be limited to management's representations, and will include no opinion, report, or any form of assurance on the statements from the pre-auditors.

Please note that a copy of the latest adopted budget is available upon request.

4. AUDIT TERM

If the selected certified public accounting firm performs satisfactorily for the March 31, 2019 pre-audit, the same firm will be engaged to perform the audit for the succeeding two years, subject to an annual evaluation and Williamstown Township Board appropriation. The term may be extended for an additional two years beyond the three-year engagement, based on mutual agreement by and between the pre-auditor firm and Williamstown Township. The contract will contain a termination clause. The termination clause will allow either party to terminate the contract at any time provided that 90 days advance notice is given.

5. PROPOSAL QUALIFICATIONS REQUIREMENTS

Interested certified public accounting firms should include the following information in their proposal for Accounting and Financial Services to perform the pre-audit procedures for fiscal year 18-19 ending March 31, 2019:

A. Profile of the Independent Pre-Audit Accounting Firm

The profile of the proposing audit firm should provide general background information. This should include:

- The organization and size of the proposing accounting firm, whether it is local, regional, national, or international in operations.
- The locations of the office from which the work is to be done and the number of professional staff, by staff level, employed at the office.
- A positive statement that the following mandatory criteria are satisfied:
 - (1) An affirmation that the proposing audit firm is properly licensed for practice as a certified public accountant in the State of Michigan.
 - (2) An affirmation that the proposing audit firm meets the independence requirements of the American Institute of Certified Public Accountants and the

Governing Auditing Standards, 2018 revision, published by the U.S. General Accounting Office.

(3) An affirmation that the firm meets the continuing education and external quality control review requirements contained in the *Government Auditing Standards*, 2018 revision, published by the U.S. General Accounting Office.

B. Proposing Firm's Qualifications

- Identify the audit partners, audit managers, field supervisors, and other staff that will work on the pre-audit, including staff from other than the local office, if applicable. Resumes including relevant experience and continuing education for the staff auditors up to the individual with final responsibility for the engagement should be included.
- Describe the recent local office auditing experience similar to the type of audit requested.
- If other auditors are to participate in the pre-audit, those auditors should be required to provide similar information.
- Describe the audit firm's participation in AICPA-sponsored or comparable quality control programs (peer review). Provide a copy of the firm's current peer review as required by *Governmental Auditing Standards*.

C. Proposing Firm's Approach to the Examination of Financial Records

- Submit a general pre-audit work plan to accomplish the scope defined in these guidelines. The pre-audit work plan should demonstrate the proposing audit firm's understanding of the pre-audit requirements and the procedures to be applied in completing the pre-audit plan. The plan should detail the expected number of audit hours by staff level. The planned use of specialists should also be specified.

D. Time Requirements

- Detail how the reporting deadline requirements of the pre-audit will be met.

E. Fees

- Supply an annual fee for the pre-audit service, inclusive of travel, per diem and all other out-of-pocket expenses. Any changes in excess of the agreed upon annual fee must be negotiated with Williamstown Township in advance of their accrual. As noted in section D., it is expected that if the selected certified public accounting firm performs satisfactorily for the March 31, 2019 pre audit, it will be engaged to perform the audit for the succeeding two years with the possibility of extending

the agreement for any additional two years beyond that. Therefore, the annual fee requested above should be provided for each of the five years.

F. Non-discrimination Clause

-Affirm that the firm does not discriminate against any individual because of race, consideration for employment, selections of training, promotion, transfer, recruitment, rates of pay, or other forms of compensation, demotion, or separation.

6. CONTRACTUAL ARRANGEMENTS

A. Audit programs, work papers and reports for the pre-audit must be retained for a period of three years after the completion of the pre-audit and made available for inspection by the Williamstown Township or government auditor's if requested by them.

B. Williamstown Township staff will be available prior and during the pre-audit process and will prepare schedules, trial balances, and provide documentation to the assist the pre-audit team to the best of their ability during the course of the pre-audit process.

7. EVALUATION OF PROPOSALS

The following criteria will be considered when making an evaluation of the proposals:

A. Technical Factors

-Responsiveness of the proposal clearly stating an understanding of the pre-audit services to be performed.

(1) Appropriateness and adequacy of proposed procedures.

(2) Reasonableness of time estimates and total pre-audit hours.

(3) Appropriateness of assigned staff levels.

-Technical experience of the firm.

-Qualifications of the staff.

-Size and structure of the firm, considering the scope of the pre-audit process.

-Geographic location of key personnel and responsible office.

B. Cost of the Pre-Audit

C. Right to Reject

-Williamstown Township reserves the right to reject any and all proposals submitted and to request additional information from all proposing accounting firms. Any contract awarded will be made to the independent certified public accounting firm who, based on evaluation of all responses, applying to criteria and oral interviews, if necessary, is determined to be the best to perform the pre-audit requirements of the Township.

8. SUBMISSION OF PROPOSAL

Two copies of your proposal must be submitted no later than Wednesday, April 10, 2019 to:

Wanda Bloomquist
Supervisor, Williamstown Township
4990 Zimmer Rd
Williamston MI 48895

Selection of the CPA firm will be made by the Williamstown Township Board at their regular meeting scheduled for 7:00pm on Wednesday, April 17, 2019. All firms submitting proposals will be notified immediately as to the selection results. No proposal will be considered that is not received at or prior to the above time and deadline date.

9. SOURCES OF INFORMATION

Please contact Wanda Bloomquist (517) 655-3193 for any additional information in regards to the proposal. Previous years Annual Audit Reports are available for inspection upon request.

