



# REQUEST FOR PROPOSALS

## Financial Audit Service

**INQUIRIES AND PROPOSALS SHOULD BE DIRECTED TO:**

**Sarah Moyer-Cale, Village Manager**  
**Village of Paw Paw, MI**  
**111 E. Michigan Ave**  
**P.O. Box 179**  
**Paw Paw, MI 49079**

**269-657-3148 Phone**

**269-657-7544 Fax**

**[s.moyer-cale@pawpaw.net](mailto:s.moyer-cale@pawpaw.net)**

**Proposals Due: 4:00pm on Friday, October 2, 2020**

The Village of Paw Paw is requesting proposals from qualified accounting firms to audit its financial statements for the year ending February 28, 2021 with the option of auditing its financial statements for two subsequent years.

## **I. GENERAL INFORMATION**

This Request for Proposals is for the purpose of selecting a qualified accounting firm to provide financial auditing services to the Village of Paw Paw.

### **Instructions on Submission**

Proposals may be mailed or hand delivered to the Village of Paw Paw, Village Manager. Qualifications must be submitted no later than **4:00PM on Friday, October 2, 2020** to:

**Sarah Moyer-Cale, Village Manager  
Village of Paw Paw, MI  
111 E. Michigan Ave  
P.O. Box 179  
Paw Paw, MI 49079**

**Or by email to [s.moyer-cale@pawpaw.net](mailto:s.moyer-cale@pawpaw.net)**

It is important that one (1) copy of the Offeror's proposal be submitted in a sealed envelope clearly marked with the following information: **Proposal for Financial Audit Services**

Failure to do so may result in premature disclosure of your qualifications. It is the responsibility of the Offeror to ensure that the response is received by the Village of Paw Paw by the date and time specified above. Late proposals may not be considered.

***The Village of Paw Paw reserves the right to reject any and all proposals received in response to this RFP and/or negotiate terms with firms who submit proposals.***

All costs incurred in the preparation of a proposal responding to this RFQ will be the responsibility of the Offeror and will not be reimbursed by the Village of Paw Paw.

## **II. DESCRIPTION OF THE VILLAGE**

The Village of Paw Paw was founded in 1859 and has a population of 3,448 residents. The Village is located off I-94 and is the seat of Van Buren County. The Village has a council-manager form of government; the council consists of seven members including the Village President. The Village has its own police department as well as a public services department consisting of water, wastewater, electric, parks, and streets services. The Village has 27 full time employees. The Village uses BS&A software.

## **III. SCOPE OF SERVICES**

The audit is to be performed in accordance with generally accepted auditing standards as set forth by the US General Accounting Office's Government Auditing Standards, Michigan Compiled Laws chapter 141, and applicable auditing and reporting provisions set forth by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

The audit will include the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements. The financial statements are to be presented in accordance with the financial

reporting model described in GASB Statement 34. The auditor will also prepare and file the F-65 and Act 51 forms.

The audit will include combining and individual non-major fund financial statements and schedules that will be subjected to the auditing procedures applied in the audit of the financial statements.

The audit will include management's discussion and analysis and budgetary comparison schedules that will be according to generally accepted accounting principles but will not be subjected to the auditing procedures.

The auditor shall furnish the village with fifteen (15) copies of all required reports.

This audit must be submitted to the State Treasurer's Office within six months of the end of the fiscal year.

**IV. CONTENTS. *Proposals that fail to provide all information requested may be rejected at the sole discretion of the Village of Paw Paw.***

The Offeror, in its proposal, shall, as a minimum, include the following;

**A. Overview of Firm**

- Describe the organization and size of the audit firm.
- Identify the location of the office from which the work is to be done and the number of professional staff, by staff level, employed at the office.
- Provide positive statements that the following mandatory criteria are satisfied:
  - a) An affirmation that the proposing audit firm is properly licensed for practice as a certified public accountant in the State of Michigan.
  - b) An affirmation that the proposing audit firm meets the independence requirements of the AICPA and the GAGAS.
  - c) An affirmation that the firm meets the continuing education and external quality control review requirements contained in the GAGAS.

**B. Qualifications of the Firm**

- Identify the audit partners, audit managers, field supervisors, and other staff who will work on the audit. Provide a resume or similar description, including continuing professional education, for each team member.
- Describe the audit firm's recent auditing experience similar to the type of audit requested.
- 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 in accordance with GAGAS.

**C. Approach to the Examination**

- Submit a general audit work plan to accomplish the scope or work, including the firm's understanding of the audit requirements and the audit tests and procedures to be applied in completing the audit work plan.
- Provide the expected number of audit hours by staff level.
- Detail how the reporting deadline requirement of the audit will be met.

#### D. Fee Structure and Price

- Provide an annual fee for the audit service, inclusive of travel, per diem, and all other out-of-pocket expenses.
- It is expected that if the selected firm performs satisfactorily for the February 28, 2021 audit, it will be engaged to perform the audit for the succeeding two years. Provide the annual fee for the audit service for each of these two additional years.
- Provide the method, including hourly rates for each staff level, expected in calculating adjustments to the annual fee should an increase or decrease in the scope of the audit occur. Any charges in excess of the agreed upon annual fee must be negotiated with the Village of Paw Paw in advance.

#### E. References

- Please provide five references from municipal clients.

#### F. Additional Information

Please provide any other information that you think will assist the Village in making its decision.

### **V. EVALUATION**

The Village Manager will review qualifications and make a recommendation to the Village Council for final approval. The Village may request an in person or telephone meeting with some qualified Offerors prior to final selection. Qualifications will be reviewed in accordance with the following criteria:

1. Proposed approach to scope of work
2. Qualifications and level of experience of the firm identified including adequacy of staffing and proposed audit work plan.
3. The Offeror's experience with similar clients
4. Response from references
5. Fee structure

It is expected that a decision selecting the successful firm will be made within three (3) weeks of the closing date for the receipt of proposals. Upon conclusion of the selection process, offerors submitting proposals in response to this RFP will be informed of the resulting decision in writing.

The Village shall retain the right to refuse any and all proposals for any or no reason and to waive any irregulars in the bidding procedures unless otherwise required by law.

The Village of Paw Paw is an Equal Opportunity Employer.