CITY OF BERKLEY
STATE OF MICHIGAN

REQUEST FOR PROPOSALS
FOR
PROFESSIONAL AUDITING SERVICES

For the Fiscal Years
2022 to 2026

Issued: April 19, 2022
The City of Berkley is soliciting proposals from qualified contractors to provide professional auditing services. Sealed bids will be accepted until **10:00 AM on May 13, 2022**. Bid packages should be one (1) compiled PDF document and should be cover paged as follows:

```
Company Name
Address
“RFP: Professional Auditing Services”
```

Detailed information and specifications, and required documents for submittal are available on the City’s website: [www.berkleymich.org](http://www.berkleymich.org) or from the City Manager’s Office, 3338 Coolidge Highway, Berkley, Michigan 48072 during the hours of 8:30 AM to 5:00 PM (*closed for lunch from 1 PM - 2 PM daily)*.

For questions regarding this RFP please contact:
Mark Pollock, Finance Director
Finance Department
(248) 658-3349
[mpollock@berkleymich.net](mailto:mpollock@berkleymich.net)

**ALL QUESTIONS MUST BE RECEIVED BY MAY 6, 2022 AT 5:00 PM EST.**

The City of Berkley does not discriminate in its employment or any other programs or activities based on race, color, religion, sex, sexual orientation, gender identity or expression, national origin, age, genetic information, height, weight, disability, veteran status, familial status, marital status, unless a federal or state law mandates contrary action.

We provide reasonable accommodation for qualified individuals with a disability, if requested.

The City reserves the right to accept or reject any or all bids and to waive any immaterial informalities, defects or irregularities in the bids, when deemed by the City to be in its best interest. The City also reserves the right to accept a bid higher than the low bid, when in the opinion of the City Council, the public interest will be better served.

Matthew Baumgarten
City Manager
Berkley, Michigan 48072
INTRODUCTION

General Information

The City of Berkley is requesting proposals from qualified firms of Certified Public Accountants to audit its financial statement for the fiscal year ending June 30, 2022. This audit is to be performed in accordance with generally accepted auditing standards and, if single audit is applicable, the provisions of the federal Single Audit Act of 1996 and U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

There is no expressed or implied obligation for the City of Berkley to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

During the evaluation process, the City reserves the right to retain all proposals submitted and to use any ideas in the proposals regardless of whether the proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal, unless clearly and specifically noted by the firm selected and agreed to by the City.

Term of Engagement

A five-year contract is contemplated, subject to annual review by the Finance Director, the satisfactory negotiation of terms (including a price acceptable to both the City of Berkley and the selected firm) and the concurrence of the City Council.

In the event of a merger of the audit firm with another firm of certified public accountants or the change of partners to the audit firm, this contract will be transferable to the successor firm with the approval of the City.

This agreement shall not be assigned or transferred without the written approval of the City of Berkley.
DESCRIPTION OF THE GOVERNMENT

Principal Contact

The auditor’s principal contacts with the City of Berkley will be:

Mark Pollock  
Finance Director/Treasurer  
(248) 658-3349  
mpollock@berkleymich.net  
3338 Coolidge Hwy.  
www.berkleymich.org

Laurie Fielder  
Accountant  
(248) 658-3342  
lfielder@berkleymich.net

Background Information

The City of Berkley is a spirited community nestled within 2.62 square miles in Southeast Michigan. Berkley’s resounding effort for inclusivity has made the City home to more than 15,000 residents, and it embodies an undeniable urban vibe with beautiful tree-lined neighborhoods. It is one of metro Detroit’s most sought-after locations.

Berkley offers the full-service amenities of a metropolitan city, while also providing the charm of a small tight-knit community with a notable hometown warmth. Residents enjoy living close to beautiful park spaces, attending a variety of city-wide events, exploring the revitalized downtown district, and the walkability of an affordable suburban city.

The City has approximately seventy-five (75) full-time equivalent employees and several on a seasonal basis. It maintains a full-time Department of Public Safety and Department of Public Works. The City also provides essential municipalservices such as street maintenance, parks, planning & zoning and general administration.

To help familiarize you with the City’s funds and finances, City financial information can be found at:

www.berkleymich.org/departments/finance_treasury/

The City of Berkley Finance/Treasury Department provides the budgetary, accounting, auditing, payroll, property tax collections, and accounts payable functions. The departments have a staff of four (4) full time employees. It utilizes BS&A Financial Management software as its primary accounting software.
CITY OF BERKLEY MICHIGAN
PROFESSIONAL AUDITING SERVICES
REQUEST FOR PROPOSALS

SCOPE OF WORK TO BE PERFORMED

General

To meet the requirements of this request for proposal, the audits shall be performed in accordance with generally accepted auditing standards (GAAS) as set forth by the American Institute of Certified Public Accountants (AICPA), the standards applicable to financial audits contained in Government Auditing Standards as issued by the U.S. Government Accountability Office (GAO), the provisions of the U.S. Office of Management and Budget (OMB) Circular A-133, and all other applicable State of Michigan or federal standards. The City of Berkley desires the auditor to express an opinion on the fair presentation of its financial statements in conformity with generally accepted accounting principles (GAAP).

These audits will need to address the requirements of and in compliance with all of the following:

- Applicable State of Michigan requirements
- Applicable Federal Requirements
- Applicable requirements under GAAP
- Any other applicable requirements

The auditors shall also be responsible for preparing the supplementary information required by the Government Accounting Standards Board (GASB) as mandated by GAAS. Additionally, the auditor will be responsible for preparing other supplementary schedules as required or requested by the Finance Director, including breaking out the City’s combined water & sewer utility in the audit into separate water, sewer and totals. The City may require additional assistance with other annual financial reports.

They shall also prepare, in coordination with the City, a presentation to City Council of the completed audit results.

The auditors shall provide to the City all audit adjustments including appropriate backup documents and will meet with staff to discuss these final adjustments.

The auditor will be available to answer reasonable questions that may arise on financial and compliance matters without additional cost to the City during the course of the year.

Component Units

The City has one component unit, the Downtown Development Authority (discrete). The City also maintains the books and records for Public Safety. The DDA maintains its own books. The audit schedule and fieldwork for the DDA will be the same as for the City.
Irregularities and Illegal Acts

Auditors shall be required to make an immediate, written report of all irregularities and if illegal acts or indications of illegal acts of which they become aware to the Finance Director and City Manager.

Reports to be Issued

Following the completion of the audit of the fiscal year’s financial statements, the auditor shall issue a report on the fair presentation of the general-purpose financial statements in conformity with generally accepted accounting principles. The auditor shall prepare the following report at the completion of the audit:

1. Annual Consolidated Financial Report (ACFR): Compiled and Audited Financial statements for the City including all funds, account groups and applicable component units. The auditor will prepare all financial statements, schedules, supplementary information and notes to the financial statements.

2. Management Discussion and Analysis: The auditor will work with the City on an acceptable format and will update all charts, graphs, tables and figures. The City will provide the narrative/explanatory information.

3. A stand-alone, plain language, explanatory summary of the results of the City audit (separate from the MD&A) as a tool to aid the Council and public in understanding the audit results.


5. A report on the financial statements, internal control and compliance in accordance with the audit guide and standards for compliance with the Single Audit Act, as may be required.

6. Any supplemental reports, schedules or other required by the State of Michigan, Federal Government, and GASB or GAAP.

7. A management report containing comments and recommendations regarding a municipality’s system of internal controls: its methods of safeguarding its assets, ensuring the accuracy of its financial information, promoting efficiency and adhering to municipal policies. This letter should contain comments and recommendations for controlling any internal weaknesses discovered and shall be reviewed by the Finance Director before finalizing.

8. Other mandatory or required reports.
CITY OF BERKLEY MICHIGAN
PROFESSIONAL AUDITING SERVICES
REQUEST FOR PROPOSALS


Records and documents pertaining to the City of Berkley audit will become the property of the City. All working papers and reports must be retained, at the auditor’s expense, for a minimum of 5 calendar years after completion of the audit, unless the firm is notified in writing by the City of Berkley of the need to extend the retention period. The auditor will be required to make any and all working papers available, upon requested, to the City of Berkley.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

AUDIT SCHEDULE AND REPORT REQUIREMENTS

Audit Calendar

The auditors must be able to substantially adhere to the following timeline for the audit; with the understanding that the earlier the audit can be completed, the better:

- Audit Planning meeting with the City will be held no later than the end of August
- Preliminary and field work completed by no later than the end of October
- Draft reports completed by no later than the end of the first week of November
- Final reports by no later than the end of November
- Presentation of Audit by no later than the first Council meeting in December

If the proposing firm sees any problem with meeting this schedule, it should be noted in the proposal with an alternate schedule.

All filing deadlines for the ACFR and other reports shall be adhered to.

Report and Other Requirements

The independent auditor shall type, reproduce and assemble the following reports and submit as noted:

1. Fifteen (15) copies of the ACFR;
2. Submission of ACFR with the State of Michigan as required;
3. Fifteen (15) copies of the Single Audit Report (included with ACFR), if needed;
4. Management Letter (included in ACFR)
5. Other required reports
6. High quality Adobe PDF file of the ACFR and all other reports, letters and findings.
ASSISTANCE TO BE PROVIDED TO THE AUDITOR

Finance Department and Clerical Assistance

The Finance Department staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of the Auditor.

PROPOSAL REQUIREMENTS

Deadlines to Submit Proposal

Completed proposals must be received by 10:00 AM, Friday, May 13, 2022. Council action to award bids is expected in June 2022.

Submittal Requirements

The proposal (2 copies) shall be labeled clearly with: “RFP: Professional Auditing Services” and addressed to:

City of Berkley
Attn: Mark Pollock, Finance Director
3338 Coolidge Hwy.
Berkley, MI 48072

The full proposal shall also be emailed in PDF format to mpollock@berkleymich.net by the deadline.

Firm Information

The proposal should provide the name and type of firm (sole prop, LLC, corporation, etc.), size of firm in terms of total staff, number of clients, number of governmental audit clients and annual revenue, the size of the firm’s governmental audit staff and the location of the office from which the work on this engagement is to be performed. Provide proof that the firm is licensed to conduct business in Michigan.

Staff Experience

The proposal should provide the number of professional staff to be employed in this engagement. Identify the principal supervisory and management staff including engagement partners, managers, other supervisors and staff, who would be assigned to the audit. Provide information on the length and type government auditing experience of each person, relevant education, degrees, certifications and status of current continuing education requirements.
References

Provide the most significant engagements from the responding office performed in the past three years that are similar to the engagement described in this request for proposal. Indicate the scope of work provided and the name and telephone number of the principal client contact.

Independence

The firm should provide an affirmative statement that it is independent of the City of Berkley as defined by GAAS and Government Accounting Standards.

Conflict of Interest

List and describe the firm’s professional relationships with the City or any of its agencies for the past five years (if any) and include a statement explaining why such relationship does not constitute a conflict of interest relative to performing the proposed audit and/or compilation engagement. Further, the selected firm shall give the City written notice of any professional relationships entered into during the period of this agreement or subsequent renewal that would constitute a conflict of interest.

External Quality Control Review | Peer Review

The firm shall submit a copy of its most recent external quality control peer review report.

Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated audit problems, the firm’s approach to resolving these problems and any special assistance that will be requested from the City.

Price for Services

Attachment A must be completed and signed. Attachment A’s price(s) should specify all pricing information relative to performing the audit engagement as described in this request for proposal. The price(s) shall be all inclusive and shall include all direct and indirect costs including all out-of-pocket expenses and travel.

Manner of Payment

The audit firm shall bill the City for audit progress up to 75% of the contract amount. The final 25% of the payment will be made after the engagement is completed and all reports have been issued, filed with the State and the presentation made to Council. It is the firm’s responsibility to bill for these payments.

Other

Please include any other information that you think would be helpful in allowing the City of Berkley to make an informed decision in the selection process. Focus on the evaluation criteria.
EVALUATION CRITERIA

Mandatory Elements

1. The audit firm is independent and licensed to practice in the State of Michigan.
2. The audit firm’s professional personnel are adequately trained and have received adequate continuing professional education within the preceding three years.
3. The firm has no conflicts of interest with regard to any other work performed for the City of Berkley.
4. The firm has an acceptable external quality control review and a record of quality audit work.
5. The firm demonstrates an understanding of the specific needs of the City of Berkley as it relates to the audit engagement.
6. The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal.

Technical Qualifications

1. The firm exhibit expertise based on past experience and performance on comparable government engagements.
2. The quality of the firm’s professional personnel to be assigned to the engagement.

Insurance Requirements

A certificate of insurance naming the City of Berkley as an additional insured may be provided to the City by the successful proposer prior to commencement of work. A current certificate of insurance is to be on file with the City for the entire contract period.

References

The City may contact the firm’s references.

Price Consideration

Cost will be an important, but not primary, factor in the selection of an audit firm.

Final Selection

The City of Berkley will select a firm based upon its review of the proposals submitted. The City may request clarification of any items in the proposal.
Freedom of Information

Information submitted in this proposal is subject to the Michigan Freedom of Information Act and may not be held in confidence after the proposal is opened. The proposal will be available for review after staff has evaluated it or fifteen (15) business days after the opening date, whichever comes first.

Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City of Berkley and the firm selected.

The City of Berkley reserves the right without prejudices to reject any or all proposals.
ATTACHMENT A
REQUEST FOR PROPOSAL AUDITING SERVICES

Firm Submitting Proposal:

Proposed Fee: _________________________________________________________________

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Audit &amp; Reports</th>
<th>Single Audit (if needed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2024</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2025</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2026</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

__________________________
Signature of Authorized Representative

__________________________
Date

__________________________
Print Name

__________________________
Title