



ADDENDUM # 1

RFP # 102015

Bay County Finance Department
Auditing Services

THOMAS HICKNER
BAY COUNTY EXECUTIVE

DATE OF ADDENDUM

SEPTEMBER 10, 2015

REFERENCE PROPOSAL NUMBER

RFP 102015

PROPOSED DATE/TIME REQUIRED

OCTOBER 9, 2015
11:00 AM

SUBMIT PROPOSAL TO:

BAY COUNTY FINANCE
DEPARTMENT
PURCHASING DIVISION
ATTN: FRANCES MOORE
BAY COUNTY BUILDING
515 CENTER AVENUE
7TH FLOOR
BAY CITY, MI 48708-5128

MARK PROPOSAL:

“BAY COUNTY AUDITING SERVICES -
DELIVER TO PURCHASING
IMMEDIATELY”

ADDENDUM REGARDING: CLARIFICATION QUESTIONS

ADDENDUM ISSUED BY:

NAME

TITLE

1. Were there any proposed adjustments as a result of the audit?
No
2. What is the reason for the change in auditors?
The contract has expired and the Board of Commissioners has requested we issue the RFP.
3. Can you provide the amount of audit hours and audit fees the County was charged for the prior year audit?
"County" CAFR and Single Audit for FY2014 was \$73,650. The amount of audit hours were not provided to the County.
4. How many auditors were on site for the audit last year and approximately how long were they on site.
Approximately four staff over six weeks.
5. How many audit journal entries were there in 2014 and what was the nature of these entries?
20 (most comprising of component unit adjustments and GASB entries)
6. Did the County receive any new Federal Financial Assistance Grants this year, and if so what was the program and amount of the grant funds?
Yes. Office of Highway Safety awarded \$15,000 for FY15 and \$25,000 for FY16
Office of Homeland Safety awarded \$187,500 in 2015 for future use.
7. What progress has the County made in preparation for GASB 68?
We are working with the actuary to prepare separate accounting results for our multiple agent pension plan.
8. Can you provide the rating criteria and points that will be used to score the proposals?
Please see attached.
9. Have there been any significant changes in the operations or staffing of the County this fiscal year?
No, staffing and operations remain consistent.
10. What reconciliations/schedules were prepared by the prior auditor?
N/A
11. Is the payroll processed in-house or does the County use a contracted payroll service?
Payroll is processed in house
12. Is there a copy of the SEFA available for the year ended 12-31-2014?
Yes. <http://www.baycounty-mi.gov/Finance/>
13. Does the County anticipate that it will prepare the CAFR?
Yes

14. Can you provide a copy of the 2014 Management Letter?

Yes, please see attached.

15. Has there been any employee turnover in the finance/accounting department this fiscal year?

Yes, the Accounts Receivable Clerk.

16. Will all year-end receivables and payables be calculated and recorded?

Yes.

17. Were there any new funds added this year?

Yes, the CPL fund

18. Have there been any lawsuits and/or settlements in the fiscal year?

No

19. Is the County anticipating any new Type A programs for the Single Audit this year?

No.

20. Are Federal funding levels expected to remain fairly constant during the period being bid?

Yes.

INDEPENDENT AUDITORS' COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

June 26, 2015

Bay County Board of Commissioners
Bay County Library Board of Trustees
Bay County, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of *Bay County, Michigan* (the "County") as of and for the year ended December 31, 2014, and have issued our report thereon dated June 26, 2015. We did not audit the financial statements of the Road Commission and Department of Water and Sewer component units, and the Housing major enterprise fund. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion on the financial statements and this report, insofar as they relate the Road Commission, Department of Water and Sewer, and Housing, are based solely on the report of other auditors. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated August 18, 2014, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the County solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Our report on internal control over financial reporting and compliance is included with our report on the County's compliance with the Single Audit Act and will be issued under separate cover. Also, we noted certain other matters which are included in Attachment A to this letter.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter and in our meeting about planning matters on April 29, 2015.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm has complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the County's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the County is included in Note 1 to the financial statements. For the year ending December 31, 2014, the County implemented Statement of Governmental Accounting Standards (GASB Statement) No. 67, *Financial Reporting for Pension Plans*. This standard had no impact on beginning equity of the County, but provided for expanded disclosures on the County's Retirement System in the footnotes and required supplemental information.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements were:

- Management's estimate of the useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.
- Management's estimate of the accrued compensated absences is based on current hourly rates and policies regarding payment of sick and vacation banks.
- Management's estimate of the allowance for uncollectible receivable balances is based on past experience and future expectation for collection of various account balances.
- Management's estimate of the insurance claims incurred but not reported is based on information provided by the entity's third party administrators and subsequent claims activity.

- The assumptions used in the actuarial valuations of the pension and other postemployment benefits plans are based on historical trends and industry standards.
- Management's fair value determination of investments.

We evaluated the key factors and assumptions used to develop these estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The material misstatements detected as a result of audit procedures and corrected by management are described in the Schedule of Findings and Questioned Costs issued in connection with the Single Audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the County's financial statements or the auditors' report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in Attachment C to this letter.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the County, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the County's auditors.

Other Information in Documents Containing Audited Financial Statements

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole. We made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Upcoming Changes in Accounting Standards

Generally accepted accounting principles (GAAP) are continually changing in order to promote the usability and enhance the applicability of information included in external financial reporting. While it would not be practical to include an in-depth discussion of every upcoming change in professional standards, Attachment B to this letter contains a brief overview of recent pronouncements of the Governmental Accounting Standards Board (GASB) and their related effective dates. Management is responsible for reviewing these standards, determining their applicability, and implementing them in future accounting periods.

This information is intended solely for the use of the governing body and management of *Bay County, Michigan* and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "Lehmann Lohman LLC". The signature is written in a cursive, flowing style.

BAY COUNTY, MICHIGAN

Attachment A - Comments and Recommendations

For the December 31, 2014 Audit

During our audit, we became aware of certain other matters that are opportunities for strengthening internal control and/or improving operating efficiency. This memorandum summarizes our comments and recommendations regarding those matters. Our consideration of the County's internal control over financial reporting is described in our report with the Single Audit that will be issued at a later date, issued in accordance with *Government Auditing Standards*. This memorandum does not affect that report or our report dated June 26, 2015, on the financial statements of Bay County.

Timely Reconciliation of General Ledger Balances

At the start of the audit not all general ledger accounts had been reconciled to underlying support, which created the need for several adjusting journal entries during the audit process. To make this process as smooth as possible, we recommend all general ledger accounts are reconciled prior to the commencement of the audit.

Payroll - Review of Changes

Although there appears to be adequate approval of wage adjustments prior to changes being made in the payroll system in the current year, there appears to be no review of these changes being done once they have been made in the system. A system has been put into place subsequent to yearend that documents the review procedures performed by an individual other than the individual entering the changes, to verify the accuracy of the changes.

Community Center Review

There is currently no formal process in place to review the trends in revenues and expenditures for the Community Center. It is recommended that procedures be put in place to have an individual analyze and document the trends in revenues and expenditures for the Community Center either monthly, quarterly, or yearly, to ensure operations are running as expected and look into any areas of concern. We also recommend having a separate individual review this documentation to ensure procedures are being performed.



BAY COUNTY, MICHIGAN

Attachment B - Upcoming Changes in Accounting Standards / Regulations

For the December 31, 2014 Audit

The following pronouncements of the Governmental Accounting Standards Board (GASB) have been released recently and may be applicable to the County in the near future. We encourage management to review the following information and determine which standard(s) may be applicable to the County. For the complete text of these and other GASB standards, visit www.gasb.org and click on the "Standards & Guidance" tab. If you have questions regarding the applicability, timing, or implementation approach for any of these standards, please contact your audit team.

GASB 68 ■ Accounting and Financial Reporting for Pensions

Effective 06/15/2015 (your FY 2015)

This standard establishes new requirements for governments to report a "net pension liability" for the unfunded portion of its pension plan. Governments that maintain their own pension plans (either single employer or agent multiple-employer) will report a liability for the difference between the total pension liability calculated in accordance with GASB 67 and the amount held in the pension trust fund. Governments that participate in a cost sharing plan will report a liability for their "proportionate share" of the net pension liability of the entire system.

Historically, governments have only been required to report a net pension obligation to the extent that they have not met the annual required contribution (ARC) in any given year. Upon implementation of this standard, governments will be required to report a net pension liability based on the current funded status of their pension plans. This liability would be limited to the government-wide financial statements and proprietary funds. Changes in this liability from year to year will largely be reflected on the income statement, though certain amounts will be deferred and amortized over varying periods.

GASB 68 also requires more extensive note disclosures and required supplementary information, including 10 years of historical information. The methods used to determine the discount rate (the assumed rate of return on plan assets held in trust) are mandated and must be disclosed, along with what the impact would be on the net pension liability if that rate changed by 1% in either direction. Other new disclosure requirements include details of the changes in the components of the net pension liability, comparisons of actual employer contributions to actuarially determined contributions, and ratios to put the net pension liability in context. For single-employer and agent multiple-employer plans, the information for these statements will come from the annual actuarial valuation. For cost sharing plans, this information will be derived from the financial reports of the plan itself, multiplied by the government's proportionate share of plan.

GASB 68 is only applicable to pension plans. However, the GASB has announced its intent to issue similar standards for other postemployment benefits (e.g., retiree healthcare) on a three year delay from these standards.

BAY COUNTY, MICHIGAN

Attachment B - Upcoming Changes in Accounting Standards / Regulations

For the December 31, 2014 Audit

GASB 71 ■ Pension Transition for Contributions Made Subsequent to the Measurement Date

Effective with the Implementation of GASB 68

This standard is an amendment to GASB 68, and seeks to clarify certain implementation issues related to amounts that are deferred and amortized at the time GASB 68 is first adopted. It applies to situations in which the measurement date of an actuarial valuation differs from the government's fiscal year.

GASB 72 ■ Fair Value Measurement and Application

Effective 06/15/2016 (your FY 2016)

This standard defines "fair value" as the price that would be received to sell an asset in an orderly transaction between market participants (an "exit price"). Fair value measurement is currently applied principally to investments, which GASB 72 does not change. However, it does introduce specific methods for measuring fair value when a market price is not readily available, and establishes a 3-level hierarchy of fair value that is disclosed in the footnotes, based on the presence or absence of observable market inputs.

2 CFR 200 ■ Uniform Guidance for Federal Awards

Cost Principles Effective 12/26/2014; Single Audit Requirements Effective 12/26/2015 (your FY 2016)

The Office of Management and Budget (OMB) has consolidated seven separate circulars (including administrative requirements, cost principles, and audit requirements) into a single federal regulation. The new Uniform Guidance covers all aspects of federal grants from pre-award through the single audit. While much of the guidance was simply reorganized and recodified, there were also several substantive changes to the single audit thresholds. A single audit will now only be required if total expenditures of federal awards exceed \$750,000 (up from \$500,000). The OMB has indicated that further changes to the single audit will be announced in 2015.

In addition, the Uniform Guidance now explicitly requires grant recipients to have sound internal controls that are consistent with the COSO framework and documented procedures for grant administration. Rehmann is available to assist grant recipients in developing/documenting these policies and procedures in compliance with the new requirements.



BAY COUNTY, MICHIGAN

■ Attachment C - Management Representations

For the December 31, 2014 Audit

The following pages contain the written representations that we requested from management.



BAY COUNTY
FINANCE/INFORMATION SYSTEMS

Thomas L. Hickner
Bay County Executive

Crystal A. Hebert
Finance Officer
hebertc@baycounty.net

Kimberly A. Priessnitz
Assistant Finance Officer
priessnitzk@baycounty.net

Frances A. Moore
Purchasing/Housing Rehab
mooref@baycounty.net

Julie A. Coppens
Information Systems Manager
coppensj@baycounty.net

June 26, 2015

Rehmann Robson
5800 Gratiot Road
Suite 201
Saginaw, MI 48638

This representation letter is provided in connection with your audit of the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of *Bay County, Michigan*, as of and for the year ended December 31, 2014, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, and the respective budgetary comparison for the General Fund and each major special revenue fund of the County in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of June 26, 2015:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated August 18, 2014, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
2. We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions used by us in making accounting estimates are reasonable.
6. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. For the purposes of this letter, related parties mean members of the governing body; board members; administrative officials; immediate families of administrative officials, board members, and members of the governing body; and any companies affiliated with or owned by such individuals.
7. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
8. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
9. With regard to items reported at fair value:
 - a. The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - c. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
 - d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
10. All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
11. All funds and activities are properly classified.
12. All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
13. All components of net position and fund balance classifications have been properly reported.
14. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
15. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
16. All interfund and intra-entity transactions and balances have been properly classified and reported.
17. Special items and extraordinary items have been properly classified and reported.
18. Deposit and investment risks have been properly and fully disclosed.
19. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
20. All required supplementary information is measured and presented within the prescribed guidelines.
21. We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefit liabilities and costs for financial accounting purposes are appropriate in the circumstances.

Information Provided

22. We have provided you with:
 - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit; and
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
23. All transactions have been recorded in the accounting records and are reflected in the financial statements.
24. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
25. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others where the fraud could have a material effect on the financial statements.
26. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
27. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
28. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
29. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
30. The government has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
31. We have disclosed to you all guarantees, whether written or oral, under which the government is contingently liable.
32. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
33. There are no:
 - a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.
34. The government has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
35. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
36. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB-62. Significant estimates are estimates at the balance sheet date that could change materially within the next year.

Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

Supplementary Information in Relation to the Financial Statements as a Whole

37. With respect to the supplementary information accompanying the financial statements:
- a. We acknowledge our responsibility for the presentation of the supplementary information in accordance with accounting principles generally accepted in the United States of America.
 - b. We believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

Required Supplementary Information

38. With respect to the required supplementary information accompanying the financial statements:
- a. We acknowledge our responsibility for the presentation of the required supplementary information in accordance with accounting principles generally accepted in the United States of America.
 - b. We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with accounting principles generally accepted in the United States of America.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

OMB Circular A-133

39. Expenditures of federal awards exceeded the \$500,000 threshold in the audit period and we are required to have an audit in accordance with OMB Circular A-133, which will be issued at a later date.



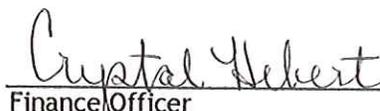
Chairman of the Board



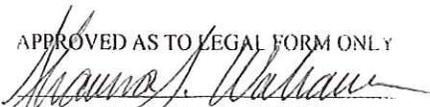
Bay County Treasurer



Bay County Executive



Finance Officer

APPROVED AS TO LEGAL FORM ONLY


BAY COUNTY CORPORATION COUNSEL

DATE: _____

D. ~~QUALIFICATIONS, EXPERIENCE AND TRAINING~~ Evaluation Criteria

Proposals will be evaluated and ranked. The County reserves the right to reject any and all proposals to make an award based directly on the proposals or to negotiate further with one or more firms. The County reserves the right to interview any number of qualifying firms as a part of the evaluation process. The decision of which firm to contract (if any) will be based on the selection criteria outlined in the document and as determined in the evaluation process. The County reserves the right to select, and subsequently recommend for award, the proposed services which best meets its required needs, quality levels and budget constraints.

1. Mandatory Elements

- The firm is properly licensed for public practice in the State of Michigan as a certified public accountant.
- The firm has no conflict of interest with regard to any other work performed by the firm for the County.
- The firm meets the independence requirement of the Government Auditing Standards issued by the Comptroller General of the United States.
- The firm's staff working on or associated with the engagement must meet the continuing education requirements of the Government Auditing Standards.
- The firm and/or its staff do not have a record of substandard work.
- The firm adheres to the instructions in this Request for Proposal on preparing and submitting the proposal and agrees to the terms and conditions established herein.
- The firm submits a copy of its last external quality control review report and the firm has a record of quality audit work.

2. Qualifications, Experience and Training (Technical – Maximum 105 points)

Outline why the County should select your firm to provide the required services. Provide a profile of your firm, including history. Firm should clearly identify who shall be assigned to this project. Identify the role he/she will play and include a resume and brief overview of his/her involvement (include experience with public sector). Additionally, please address the following:

A. Expertise and Experience – 55 points

- The firm's past experience and performance on comparable government engagements
- The quality of the firm's professional personnel to be assigned to the engagement and quality of the firm's management support personnel to be available for technical consultation
- The firm's past experience and performance auditing similar federal or state financial assistance programs
- The firm's computer expertise
- Firm size and structure

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B. Audit Approach – 30 points

- Adequacy of proposed staffing plan for various segments of the engagement
- Adequacy of sampling techniques
- Adequacy of analytical procedures

C. Methodology – 10 points

Provide the firm's method of approach or work plan summary to meet the County's objectives.

D. Comparable Projects – 10 points

Provide a list of comparable projects that have been successfully completed by your firm. Include municipal related work.

3. Cost – 20 points

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