

## REQUEST FOR AUDIT PROPOSALS

The Region 2 Planning Commission, located in Jackson, Michigan, invites independent Certified Public Accountants doing business in the State of Michigan to submit proposals for the performance of audits of the Region 2 Planning Commission for the fiscal years ending September 30, 2019, September 30, 2020, and September 30, 2021. A firm bid for the audit is requested for the year ending September 30, 2019; and also quotations for each of the following two years (FY 2020 and FY 2021).

### **A. General Information**

The Region 2 Planning Commission is a local governmental agency in the State of Michigan. The audit shall include an examination of the financial statements of all the Region 2 Planning Commission funds and accounts.

The Region 2 Planning Commission has an annual budget of approximately \$900,000, writes approximately four hundred (400) checks per year, administers three federal grants, four state grants, and maintains a balance sheet containing seven (7) asset accounts, seven (7) liability accounts, and one fund equity account at fiscal year end. The Region 2 Planning Commission conducts its business on an accrual basis accounting system. The Commission's payroll, including income tax, social security and other check deductions and payments, is currently prepared by Paycor, Inc. The Commission also offers postretirement healthcare for applicable full-time employees. The most recent audit of the Region 2 Planning Commission was performed in December 2018 for the fiscal year ending September 30, 2018. The auditor's report is available for review at [www.region2planning.com](http://www.region2planning.com) (see Quick Links on home page) or the offices of the Region 2 Planning Commission, 9<sup>th</sup> floor, 120 W. Michigan Avenue, Jackson, MI 49201.

### **B. Performance Specifications**

1. The audit shall include an audit of the balance sheet of the Region 2 Planning Commission as of September 30, and verify the accuracy of the related Financial Statements and Notes to Financial Statements. Examination is to be made in accordance with generally accepted audit standards (GAAS) set forth by the Governmental Accounting Standards Board (GASB).
2. The examination is to be directed to an expression of opinion on the aforementioned financial statements taken as a whole and a report containing an opinion on these financial statements.

3. The audit shall include the submission of a memorandum or letter addressing suggestions for the improvement of existing systems of internal control, accounting policies and procedures and other related matters which come to attention during the course of the audit.
4. The audit shall include a review of the existing contracts with governmental and other funding agencies to ascertain compliance with the terms thereof by the Region 2 Planning Commission.
5. The audit shall include an examination of supporting documentation for costs incurred for projects billed to the Region 2 Planning Commission under a contractual or pass-thru agreement to determine eligibility of amounts charged in accordance with the agreements.
6. The audit shall include additional year end adjusting journal entries, if necessary. The total direct wages and fringe benefits and the total indirect costs shall be used to verify the final indirect cost percentage calculation.
7. The report and adjusting entries should be submitted to the Region 2 Planning Commission as soon as possible after the close of the fiscal year but no later than January 15 of each year, or as established by mutual agreement.
8. The engaged firm shall present and discuss the audit report prior to the printing thereof with the Executive Director and Accountant.
9. The engaged firm shall furnish fifteen (15) copies of the complete certified audit report including the letter to the Board of Commissioners.
10. If requested, the engaged firm shall present and discuss the audit report to the Commission's Personnel and Finance Committee and respond to questions that may be asked.
11. The engaged firm shall present and discuss the audit report to the Region 2 Planning Commission or Region 2 Planning Commission Executive Committee and respond to questions that may be asked.
12. The annual fiscal year audit will be electronically filed with the State of Michigan Department of Treasury after the audit has been presented to and approved by the Commission. If an extension is required for the

audit, a written request must be submitted prior to the due date of six months (March 30) after the close of the fiscal year (September 30). The letter must contain the extenuating circumstances for the delay of the audit and submitted to the State Treasurer. As of this date, the Commission has not required an extension on prior annual fiscal year audits.

13. If the beginning of the year fund balance is negative, and revenues are added, and expenditures are subtracted, and the result is a loss of unrestricted net assets at year end, the Commission is required to file a financial deficit elimination plan with the Michigan Department of Treasury within 90 days (January 1) after the beginning of the fiscal year (October 1). The plan must include an increase in unrestricted net assets to ensure it is a positive balance. The Commission has retained a healthy fund balance in prior fiscal years, and a deficit situation is not forecasted in the future.

**C. Instructions regarding Proposals**

Proposals shall be accepted at the offices of the Region 2 Planning Commission, 9<sup>th</sup> Floor, and 120 W. Michigan Avenue, Jackson, Michigan 49201 until 5:00 p.m. Monday, June 3, 2019. Proposals shall be sealed at the time of submission and shall remain unopened until after 5:00 p.m. June 3, 2019.

1. Proposals shall include the following:
  - a. Qualifications of the audit firm.
  - b. A description of the audit firm as related to prior experience with regional planning commissions, local units of government, and metropolitan planning organizations.
  - c. Biographies of staff assigned to the Region 2 Planning Commission's annual fiscal year end audit.
  - d. References of prior fiscal year audits as related to regional planning commission, local units of government, and metropolitan planning organizations.

2. Technical Approach

- a. Express agreement to meet or exceed the performance specifications stated in Section B of this Request for Audit Proposals.
- b. The Request for Audit Proposals shall include a tentative schedule for performing the audit. The Region 2 Planning Commission's accounting documentation, financial statements, and notes to financial statements are available for audit the third week of November following the September 30 fiscal year end.

3. Fees

A "not to exceed" fee for performing the engagement including out of pocket expenses, travel, etc. for the first year shall be provided. The fees for the audit including the subsequent two (2) years will be subject to reasonable increases as determined to be appropriate, and as approved by the Region 2 Planning Commission prior to commencement of the audit for these years. The firm shall include "not-to-exceed" fee in the engagement letter prior to the fiscal year audit.

**D. Evaluation Procedure**

Proposals will be evaluated on the basis of the qualification, relevant experience and responsiveness of the bidders as well as the cost of the engagement. A decision is expected to be made by the Region 2 Planning Commission at a meeting to be held at 2:00 p.m. on Thursday, July 11, 2019 at the Lenawee District Library, Adrian, Michigan. Proposals may be reviewed by the Commission's Personnel and Finance Committee and a recommendation on the selection of a bidder may be issued to the Commission. Official notification regarding the awarding of the audit shall be provided within 10 days of selection by first class mail.

**E. Contracts, Billing and Payment**

1. The Region 2 Planning Commission intends to award the audit for a three (3) year period based on acceptable performance by the audit firm.
2. Either party may terminate the agreement by written notice to the other no later than August 1 of each year.

3. Payment for audit services will be due upon receipt and approval of the final audit report by the Region 2 Planning Commission, or as established by mutual agreement.

**F. Other Information**

1. Modifications or deviations from the proposal requirements shall be noted appropriately.
2. The audit firm may provide any other information it deems appropriate for the review of this proposal.
3. Respondents are welcome to make an on-site investigation of the accounting system and records.
4. Additional information may be obtained from LaTasha Thompson, Senior Accountant – Jackson County, via email at [lthompson@mijackson.org](mailto:lthompson@mijackson.org) or via telephone at (517) 768-6834.