

MEMORANDUM



TO: VICTOR CARDENAS, CITY MANAGER
FROM: CARL JOHNSON, FINANCE DIRECTOR
SUBJECT: AUDIT RFP RESULTS
DATE: MARCH 27, 2024

Mayor and Council –

Please see the summary of our recent RFP for the City's annual financial audit. This will appear on the April 8th agenda.

- Victor

The City of Novi recently issued a request for proposal (RFP) to secure the services of an independent audit firm to provide professional auditing services in accordance with generally accepted auditing standards. The State of Michigan Uniform Budgeting and Accounting Act, PA 2 of 1968 requires a local unit of government having a population of 4,000 or more to obtain an audit of its financial records, accounts, and procedures on an annual basis.

Six firms submitted proposals and were evaluated by the finance staff based on their level of expertise and experience within the municipal sector as well as their response to the mandatory elements included within the RFP. Based on the evaluations, two firms stood out above all others that submitted bids. The top two firms are well known for being some of the top-rated accounting firms in the state and ones that could provide outstanding service to the City. The two firms being recommended to the Mayor and City Council for consideration are Yeo & Yeo, PC and our current auditors Rehmann Robson (both were finalists five years ago when the last RFP was issued for audit services). The fees proposed over the five years requested in the RFP are listed below (the audit fee for the year ended June 30, 2023 was \$59,900):

	6/30/2024	6/30/2025	6/30/2026	6/30/2027	6/30/2028	Total
Yeo & Yeo, PC	\$60,000	\$62,500	\$65,000	\$67,500	\$70,000	\$325,000
Rehmann Robson	\$65,900	\$69,200	\$72,700	\$76,300	\$80,100	\$364,200

The finance team has favorable experience working with both firms and feel either firm would provide outstanding service to the City. The administration has added an item on the April 8, 2024 City Council meeting agenda for appointment of the audit firm of their choice.