

SANDWICH PARK DISTRICT
REQUEST FOR PROPOSALS
FOR
PROFESSIONAL AUDITING SERVICES

1001 N. Latham Street
Sandwich, IL 60548
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SANDWICH PARK DISTRICT REQUEST FOR PROPOSALS

I. INTRODUCTION

A. General Information

The Sandwich Park District will receive sealed proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending April 30, 2020, with the option of auditing its financial statements for fiscal years 2021 and 2022, at the request of the District, in accordance with this request for proposal.

Proposals will be accepted by the Sandwich Park District Treasurer until 10 A.M., local time, on February 28, 2020. All proposals must be received prior to the date and time shown above. Proposals transmitted by facsimile will not be accepted.

The Sandwich Park District reserves the right to reject any and all submittals and to waive irregularities and informalities in the submittal and evaluation process. This RFP does not obligate the District to pay any costs incurred by respondents in the preparation and submission of a proposal. Furthermore, the RFP does not obligate the District to accept or contract for any expressed or implied services.

Dated this, 11th day of December, 2019.

Todd Latham
President

II. NATURE OF SERVICES REQUIRED

A. Scope of Work to be Performed

The Sandwich Park District will receive sealed proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal years ending April 30, 2020 with the option of auditing its financial statements for fiscal years 2021 and 2022, at the request of the District, in accordance with this request for proposal. These audits are to be performed in accordance with auditing standards generally accepted in the United States for governmental agencies as well as the provisions set forth in this request for proposal.

The audit includes all the funds, accounts, capital assets, and long term debt and activities of the Sandwich Park District. The District does not have any component units, nor is the District a component unit of any other government.

It is the District's intent to have the auditor prepare, edit, and produce all sections of the Comprehensive Annual Financial Report of the District. The auditor is not required to audit the statistical section of the report.

The auditors shall also be responsible for preparing required supplementary information required by the Governmental Accounting Standards Board as mandated by Generally Accepted Auditing Standards.

The auditors shall provide to the District all audit adjustments including the appropriate supporting documentation and will meet with staff to discuss the final adjustments.

B. Reports to be Issued

The auditor shall prepare the following reports, including electronic filing, at the completion of the audit:

1. Ten (10) copies of the Comprehensive Annual Financial Report. The auditor will prepare financial statements and notes to the financial statements. The auditor will prepare the statistical section of the CAFR and will prepare appropriate schedules.
2. A letter to management containing appropriate suggestions for improvement of accounting procedures and internal controls for the District's consideration. This letter should contain comments and recommendations for controlling any internal weaknesses discovered and shall be reviewed by the Executive Director and Treasurer before finalizing.
3. Presentation to the Board of Commissioners.
4. Two (2) copies of the annual report required by the Office of the Comptroller of the State of Illinois.

C. Special Considerations

1. The Sandwich Park District will send its Comprehensive Annual Financial Report to the Government Finance Officers Association for review in their Certificate of Achievement for Excellence in Financial Reporting program. In accordance with this award program, the auditor shall assure that the District's CAFR conforms to the provisions of the program and shall prepare annually the District's response to comments made by the award program on the preceding year's report as submitted to the program. All appropriate and reasonable changes that are required by the prior year's comments are to be incorporated into the current year's report.

D. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years, unless the firm is notified in writing by the Sandwich Park District of the need to extend the retention period. The auditor will be required to make working papers and prior reports available, upon request, to the District. In addition, the firm shall

respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers from prior years' audits.

III. DESCRIPTION OF THE GOVERNMENT

A. Name of Contact Person

The auditor's principal contact with the Sandwich Park District will be Todd Latham, President, who will coordinate the assistance to be provided by the Sandwich Park District to the auditor.

B. Background Information

The District was incorporated in 1966 and serves a population of approximately 8,000. Neighborhood parks and park land encompass approximately 80 acres.

The Sandwich Park District's fiscal year begins on May 1 and ends on April 30.

The District employs approximately 5 full-time, 8 part time, and 4 seasonal employees.

C. Budgetary Basis of Accounting

The Sandwich Park District prepares its budget on a cash basis.

D. Finance Operations

The Sandwich Park District provides the budgetary, accounting, capital asset tracking, collections, accounts receivable, accounts payable, payroll, and human resource functions.

E. Computer Systems

The day-to-day transactions of the District are conducted with the aid of a computerized fund accounting system. The financial accounting software is supported by Chalkable, Inc., but the District will be letting bids for a new financial provider in 2020.

F. Pension Plan

The Sandwich Park District participates in the Illinois Municipal Retirement Fund.

IV. TIME REQUIREMENTS

The Sandwich Park District will make all records and management personnel available to meet with the firm's personnel any time after the award of the contract. The District expects to have fully-adjusted trial balances available no later than July 1 each year.

Each of the following shall be completed by the auditor no later than the dates indicated.

1. Detailed Requested Items List – The auditor shall provide the District a list of all schedules to be prepared by the district prior to the audit.
2. Field Work – The auditor shall begin the fieldwork portion of the audit by early July. The District shall be notified, in advance, of the audit team to be assigned to the District's engagement.
3. Draft reports – The auditor shall supply adjusting entries and recommendations to management available copies of the draft CAFR including the auditor's report, financial statements, notes to the financial statements and recommendations to management the award The auditors must be able to meet the following essential dates for the fiscal year audit:

Preliminary work completed by April 30.

Fieldwork completed by July 1.

Draft reports completed by August 1.

Final printed and bound reports by September 1.

Presentation to the Board of Commissioners at its September meeting.

V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

A. Treasurer Assistance

The treasurer 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 Sandwich Park District. The mailing of the confirmation letters shall be the responsibility of the auditing firm. The District will provide the auditor with reasonable workspace, desks, and chairs.

B. Assistance to be Provided by the Auditor Report Preparation

The District also expects that the auditor will be available during the year for informal advice and general discussion regarding local government finance.

VI. PROPOSAL REQUIREMENTS

A. General Requirements

1. Inquiries

Inquiries concerning the request for proposals and the subject of the request for proposals must be made to:

Todd Latham, President
Sandwich Park District
1001 N. Latham Street
Sandwich, IL 60548
815-786-8044

2. Submission of Proposals

The following material is required to be submitted for a proposing firm to be considered:

A. Four (4) copies of the proposal shall be submitted and shall include the following:

- 1) Title Page – The title page shall show the request for proposal's subject; the firm's name and address; the name, telephone number, and email address of the contact person; and the date of the proposal.
- 2) Transmittal Letter – A signed letter of transmittal briefly stating the proposers understanding of the work to be done, the commitment to perform the work within the established time period, a statement of why the firm believes itself to be the best qualified firm to perform the engagement and a statement that the proposal is a firm an irrevocable offer for ninety days.
- 3) Detailed Technical Proposal – The detailed technical proposal is set forth in Section III-B of this request for proposal.
- 4) Fee Proposal – the proposed fees should be presented using Appendix A. The proposed fees shall be the maximum, not to exceed fee for each fiscal year shown.

B. Proposers must send the completed proposal on or before 10:00 a.m. February 28, 2020 to the following address:

Sandwich Park District
Attn: Todd Latham
1001 N. Latham Street
Sandwich, IL 60548

3. Technical Proposal

- A. General Requirements- The purpose of the technical proposal is to the qualifications, competence, and capacity, of the firms seeking to undertake the independent audit of the Sandwich Park District in conformity with the requirements of this request for proposal. As such, the substance of proposals will carry more weight than their form or manner of presentation. However, the presentation will be considered as an example of the type of work typical of that of the firm. The technical proposal should demonstrate the qualifications of the firm and the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposals requirement.

The technical proposal should address all the points outlined in request for proposal. The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposal. While additional data may be presented, the following subjects, items b. through g. must be included. They represent criteria against which the proposal will be evaluated.

- B. Independence – The firm shall provide an affirmative statement that it is independent of the Sandwich Park District as defined by generally accepted auditing standards.

The firm shall also list and describe the firm's professional relationship involving the Sandwich Park District, its elected officials, and employees for the past five years, together with a statement explaining why such relationships, if any, do not constitute a conflict of interest relative to performing the proposed audit.

In addition, the firm shall give the Sandwich Park District written notice of any professional relationships entered into during the period of this agreement should it be thought to cause a conflict of interest.

- C. License to Practice in Illinois – An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in Illinois.
- D. Firms Qualifications and Experience – The proposal shall state the size of the firm, the size of the firm's governmental audit staff, and the number and nature of the professional staff to be employed in this engagement.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements. The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or

pending against the firm during the past three years with state regulatory bodies or professional organizations.

The proposal should identify and describe any pending or previous litigation the firm was involved in over the past three years which dealt with the quality of audit work or of pricing of auditing services rendered.

- E. Partner, Supervisory, and Staff Qualifications, and Experience – The firm should identify the principal supervisory and management staff, including engagement partners, managers, who would be assigned to the engagement and indicate whether each person is licensed to practice as a certified public accountant in Illinois. The firm also should provide information on the government auditing experience of each person, including membership in professional organizations relevant to the performance of this audit.

Staff assigned to the audit shall not include interns or paraprofessionals. The firm should indicate how the quality of staff over the term of the agreement will be assured.

- F. Similar Engagements with Other Government Entities – List the most significant engagements performed in the last three years that are similar to the engagement described in this request for proposal.

- G. Specific Audit Approach – The proposal should set forth a work plan, including an explanation of the audit methodology to be followed to perform the services required in Section II of this request for proposal. Proposers will be required to provide the following information on their audit approach:

1. Proposed segmentation of the engagement
2. Level of staff and estimated hours to be assigned to each proposed segment of the engagement.
3. The extent to which statistical sampling is to be used in the engagement.
4. Type and extent of analytical procedures to be used in the engagement.
5. Approach to be taken to gain and document an understanding of the District's internal control structure.
6. Approach to be taken in drawing audit samples for purposes of test of compliance.
7. Approach to be taken in determining laws and regulations what will be subject to audit test work.

- H. Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the Sandwich Park District.

I. Dollar Cost

1. Total All-Inclusive Maximum Price.

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

The Sandwich Park District will not be responsible for expenses incurred in preparing and submitting the proposal. Such costs should not be included in the proposal.

2. Rates for Additional Professional Services – If the District requests the auditor to render additional services, such additional work shall be performed only if set forth in an addendum to the contract between the District and the firm. Any such additional work agreed to between the District and the firm shall be performed at the rates set forth in the schedule of fees and expenses to be included in this bid.

VII. EVALUATION PROCEDURES

A. Evaluation Criteria

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications and price. The following represent the principal selection criteria, which will be considered during the evaluation process.

1. Mandatory Elements

- a. The audit firm is independent and licensed to practice in Illinois.
- b. The firm has no conflict of interest with regard to any other work performed by the firm for the Sandwich Park District.
- c. The firm submits a copy of its most recent external quality control review report and the firm has a record of quality audit work.

2. Technical Qualifications

a. Expertise and experience

1. The firm's past experience and performance on comparable government engagements.
2. The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.

b. Audit approach

1. Adequacy of proposed staffing plan for various segments of the engagement.
2. Adequacy of sampling techniques
3. Adequacy of analytical and other procedures.

3. All inclusive maximum, not to exceed, fee – Cost will be considered but may not be the primary factor in the selection.

B. Oral Presentations

During the evaluation process, the District may, at its discretion, request any one or all firms to make oral presentations. Such presentations will provide firms an opportunity to answer any questions the District may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

C. Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals unless clearly and specifically noted in the proposal submitted. The Sandwich Park District reserves the right without prejudice to reject any or all proposals.

ATTACHMENT A

SANDWICH PARK DISTRICT
AUDITING SERVICES

FEE STRUCTURE

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Totals</u>
CAFR, etc. *	\$ _____	\$ _____	\$ _____	\$ _____
Single Audit	\$ _____	\$ _____	\$ _____	\$ _____
Total	\$ _____	\$ _____	\$ _____	\$ _____

*CAFR, Management Letter, GFOA Certificate Prep & Response

FIRM SUBMITTING PROPOSAL:

Signature of Authorized Representative

Name of Authorized Representative

Title

Date