

REQUEST FOR PROPOSAL

District Auditing Services



Oak Park Elementary School District 97

Proposals Due:

**Monday, March 27, 2017
1:00 p.m.**

Sealed Proposals must be returned to:

**Alicia Evans
Assistant Superintendent for
Finance & Operations
District 97 Administration Center
260 West Madison Street
Oak Park, IL 60302
708-524-7623
aevans@op97.org**

INTRODUCTION

Oak Park District 97 is inviting independent Certified Public Accounting firms licensed in the State of Illinois to submit a proposal to provide District Auditing Services. District 97 is desirous of entering into a contract that is minimally for a three-year period (2016-17, 2017-18 and 2018-19 fiscal years) with the opportunity to extend for an additional two years (2019-20 and 2020-21).

The citizens of Oak Park District 97 support eight elementary and two middle schools. The District provides public education to students in Oak Park who reside within its boundaries which reside within the county of Cook and the State of Illinois. The District's student population is approaching 6,150 and is a culturally rich and diverse community.

Total revenues for all governmental funds for the fiscal year ended June 30, 2016 were \$106,445,315 and total expenditures for all governmental funds for the fiscal year ended June 30, 2013 were \$117,254,476. The Illinois State Board of Education utilizes a School District Financial Profile for assessing a school district's financial stability and health. The overall score for District 97 was 3.55 out of a possible 4.0. This score places the District in the "RECOGNITION" category for financial strength.

All responses to this request must be received no later than 1:00 p.m. on Monday, March 27, 2017. Qualifications received after this date and time shall be returned unopened.

RESPONSE DATE

Ten (10) bound copies of your proposal must be received at the District 97 Administration Center (c/o Alicia Evans) **no later than 1:00 p.m. on Monday, March 27, 2017.** It is the sole responsibility of the respondent to ensure that Oak Park District 97 receives its response by the time and date noted above. Electronic or facsimile transmission of the response is not acceptable.

DISTRICT 97 RESPONSES TO QUESTIONS FROM RESPONDENTS

Questions or requested clarifications regarding the requirements of this RFP must be addressed to Alicia Evans, Assistant Superintendent for Finance & Operations **no later than 1:00 p.m. on Wednesday, March 15, 2017.** The Assistant Superintendent for Finance & Operations will provide a written email response that identifies every question submitted along with District 97's answer to every respondent who requests a copy and who transmits his/her email address to Alicia Evans (aevans@op97.org) **prior to 1:00 p.m. on Thursday, March 16, 2017.** The intent of this procedure is to ensure that every respondent knows each

question and District 97's response. District 97 will not respond to any question(s) received *after the established deadline of 1:00 p.m. on Thursday, March 16, 2017.*

AWARD OF CONTRACT

Oak Park District 97 reserves the right to waive any and all requirements of this RFP if it determines that such waiver is in the best interests of Oak Park District 97. Upon evaluation of the proposals from interested firms, District 97 will identify firms who will be interviewed by FORC (Finance Oversight & Review Committee). District 97 will then attempt to negotiate a contract with the highest ranked firm. If that negotiation is not successful, District 97 will move to negotiate with the second firm and so on.

SCOPE OF WORK

Oak Park District 97 is requesting an audit of the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the district as of and for the years ending June 30, 2017, 2018 and 2019. However, the initial contract will be for one year only, with new contracts signed each year at the fee level quoted in this proposal. The Board reserves the right to review/adjust/or cancel the contract each year at its discretion. It is understood that if the operations of the district change significantly during the first three-year period, the audit fee may be renegotiated.

The financial statements will be presented in accordance with the financial reporting model described in GASB Statement No. 34 and include schedules and statistical tables provided in the District's Comprehensive Annual Financial Report. All audits shall be made by independent auditors in accordance with U.S. generally accepted audited standards and *Government Auditing Standards*. In addition, the audit of the District needs to be based upon the additional requirements of the Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

All audit work must be performed by audit staff of the proposing firm; no audit work is to be performed by subcontractors.

In addition, the District requires an audit of the Illinois Annual Financial Report. The auditor shall assist the District in preparing the Annual Financial Report Form.

The District further requires the following reports:

- SELF (Worker's Compensation) Report
- CLIC (Collective Liability Insurance Cooperative) Report
- Separate Activity Fund Report
- Evaluation of the Internal Control System
- Evaluation of the Health Insurance Fund

The District also requires the following “non-attest” services:

- Assistance in calculating accrual balances
- Assistance in calculating capital asset and related depreciation
- Assistance in preparing financial statements.

SERVICES REQUIRED

The auditor shall prepare the following printed and bound reports:

- Supplementary schedules consistent with prior year’s report.
- Consult with School District 97 staff, as requested, for the preparation of the MD & A (Management Discussion & Analysis).
- Annual Financial Report (ISBE 50-35) for the District to be prepared for submission to the Illinois State Board of Education (ISBE).
- Student Activity Report consistent with prior year’s report.
- Annual Federal Compliance Section Report (Single Audit) for the District consistent with prior year’s report.
- Data Collection Form (SF-SAC) consistent with prior year’s report.
- Auditor Signature on SELF Audited Payrolls for the year.
- Management Letter for the District.
- All additional reports, as may be required to be submitted, to the Illinois State Board of Education (ISBE) and any other regulatory agencies under the Single Audit Act.
- The audit firm will be available from time to time to answer questions as they arise.
- Provide audit entries to reconcile cash basis accounting to modified accrual reporting standard.

Tentative drafts of all reports shall be submitted to the Assistant Superintendent for Finance & Operations prior to final preparation. A meeting shall be held to review these tentative drafts within ten (10) days after their receipt. The final audit reports shall be completed and filed to ISBE by October 15 of each year unless, by mutual agreement, a later date is determined.

The auditor shall be required to prepare and submit a Management Letter in connection with the audit. The purpose of the letter shall be to make known recommendations of the auditor, which if implemented, would, in the auditor’s opinion, increase efficiency, improve internal accounting control and assist in effective accounting procedures.

Audit work papers shall remain in the custody of the auditor; however, the Assistant Superintendent for Finance & Operations and succeeding independent auditors shall be given access to audit work papers and shall have the right to copy such work papers pertaining to audits for the fiscal years 2017, 2018, and 2019 for a period of up to 5 years after the audits have been completed.

Following the completion of the audit, the firm will be available to meet with the Board of Education for review of the audit and the Management Letter. Board meetings are usually at 7:00 p.m. on the second and fourth Tuesdays of each month. The review of the audit report is at a Board meeting to be mutually determined.

QUALIFICATIONS

Proposals will be accepted from firms with demonstrated experience and competency in school district auditing. The minimum qualifications for firms submitting proposals are:

- The audit shall be conducted under the supervision of a licensed Certified Public Accountant experienced and knowledgeable in Illinois school district auditing. The senior field auditor must have three to five years of actual experience in supervising a school district audit. Senior field auditor must be on site during audit.
- The firm must have demonstrated efforts to keep its staff current in the industry and in governmental organizations by active participation in such organizations.
- The firm must be members of the AICPA, the AICPA's Government Audit Quality Center, and the Illinois CPA Society.
- The firm must meet the continuing professional education requirements of *Government Auditing Standards*.
- The firm must provide a copy of its most recent peer review report.
- The auditor does not have a record a substandard work. The proposal must disclose any enforcement action to which the firm has been subject during the past three years or which is in progress.
- The firm must provide the names, titles, addresses, and phone numbers of **at least 3 school district clients** for whom the firm has performed audits within the last 2 years **similar in scope and reporting as those required by Oak Park District 97.**
- The firm must have existing engagements with at least ten (10) Illinois public school districts.

FEES

The proposal shall contain a maximum fee for the fiscal year in accordance with the detailed description of services required. Firms have the flexibility to propose whatever method of compensation that would be to the best mutual benefit of the District and the firm. An equitable adjustment in the proposed fee shall be negotiated if the cost or the time required for performance of the audit service is increased or decreased pursuant to a change in scope of the audit requested by the District or provisions to the effect that in the event disclosures in the audit indicate extraordinary circumstances which warrant more intensive and detailed services, the firm shall provide all pertinent facts relative to the extraordinary circumstances together with the firm's estimate of the cost of additional services to the school district. The fee proposal is for a three-year proposal.

Three Year Quote: Oak Park District 97

	<u>2017</u>	<u>2018</u>	<u>2019</u>
Single Audit			
Student Activity Report			
Financial Audit (inclusive of SELF, CLIC & Internal Control Evaluation)			
TOTAL *			

*Subject to completion and submission to ISBE (Illinois State Board of Education) by October 15 of each given year.

ASSISTANCE AVAILABLE TO PROPOSERS

School District 97 has an excellent staff who will be invaluable to the selected firm. In past years, School District 97 staff will present the auditor with an accurate schedule of investments and a general ledger, on a monthly basis, and is in balance. Invoices and all schedules will be readily available and in a format that will be conducive to accomplishing a thorough and efficient audit.

RSM US LLP was engaged to perform the District's annual audit for the year ended June 30, 2016.

The District's Business Office closes and balances all accounts at year-end. The District's accounting system is operated on a fund basis using the cash basis of accounting. For the 2016 audit, the District contemplates an accounting system for payroll and benefits using the modified accrual basis of accounting. The financial statements are converted to the modified accrual basis of accounting for the annual audit only. Property tax revenues received in May and June are considered current revenues. Copies of trial balances and assistance from the Business Office staff will be available to the selected firm.

EVALUATION OF PROPOSALS

The proposals will be reviewed and evaluated by the Assistant Superintendent for Finance & Operations and the members of FORC (Finance Oversight & Review Committee). The top candidates may be invited to participate in oral interviews. The proposals will be evaluated on the following criteria:

- Understanding of the audit engagement.
- Accessibility and ability to respond to District needs in a timely manner.
- Acceptability of audit approach.

- References of firms.
- Qualifications and technical experience of firm in Illinois school district audits.
- Qualifications of assigned individuals in Illinois school district audits.
- Experience and knowledge in working with ISBE (Illinois State Board of Education).
- Experience and knowledge of GASB Statement 34,
- Audit schedule.
- Fees.

Firms submitting proposals will be informed of the District's selection by May 1, 2017 providing the Board of Education acts on the audit selection at its scheduled April 26, 2017 meeting.

The District reserves the right to reject any and all proposals submitted, and to ask for more details or further clarification of any proposal, and select the proposal that best meets the needs of the District.

INSTRUCTIONS FOR SUBMITTED PROPOSALS

All proposals must be submitted no later than Monday, March 27, 2017 at 1:00 p.m. and should be directed to:

Dr. Alicia Evans
Assistant Superintendent for Finance & Operations/School Treasurer
Oak Park District 97
260 West Madison Street
Oak Park, IL 60302

Ten (10) copies of the proposal are to be provided.

Questions regarding the proposal may be addressed to Alicia Evans at aevans@op97.org or 708-524-7623.

PROPOSAL FORMAT

Responses to the RFP must be organized in accordance with the outline delineated below:

1. **Title Page**: include the firm's name, address, and name and telephone/fax number of contact person.
2. **Table of Contents**: include a table of contents identifying sections and/or page numbers.
3. **Letter of Transmittal**: briefly state your understanding of the work to be done and make a positive commitment to perform the work within the time period specified.

State name/s of the person(s) who will be authorized to make representations for the firm, their titles, addresses and telephone numbers.

4. **Scope and Timing of Proposed Services:** express understanding of the scope and timing of the work to be performed as well as the reports to be delivered and the District's requested timing of delivery of the reports. Provide the level of assurance your firm is proposing with respect to the Auditor's Opinions.

In past years, interim work was performed during the month to end of month in June or the beginning of July with final field work performed by the end of July or beginning of August, with concluding visits in early September. It is expected that this schedule would be followed in 2017, 2018 and 2019 as well as the subsequent two fiscal years.

5. **Scope of Proposed Internal Control Evaluation**

6. **Profile of the Firm**

Provide an overview of your firm, size, location and experience of the firm. State whether or not the firm is independent from the District.

Provide the firm's license number to practice in the State of Illinois.

State whether the firm and its proposed audit staff meet the continuing professional education requirements of the General Accountability Office's *Government Auditing Standards*.

Express whether or not the firm or its partners or shareholders have been subject to any disciplinary action of the State of Illinois, the Illinois CPA Society or the AICPA. Disclose any enforcement action to which the firm has been subject to during the last three years or which are currently in progress.

Describe the firm's external quality review process and results and provide a copy of the firm's most recent Peer Review Report.

7. **Approach**

Describe the firm's approach, including risk management, for the audit services.

Express agreement to meet the requirements of the engagement as stated in the Scope of Audit and Services Required sections of this proposal. Provide descriptions of the audit approach, and illustrations of procedures to be employed.

Provide a tentative schedule for performing key phases of the audit and estimated number of hours for each level of staff necessary to complete each phase of the audit.

8. **Summary of Firm's Qualifications**

Describe the firm's experience, reputation and skills to provide the services requested. Identify the supervisory level personnel who will work on the proposed services, including staff from other than the local office. Resumes for each supervisory person to be assigned to the audit should be included.

Describe the firm's staffing approach to provide quality service and continuity of personnel.

Provide results from client surveys for the past three years.

Provide a list of school districts that are similar in scope and reporting for which the firm has provided similar service. Please provide a list of clients who may be contacted for references.

9. **Additional Information**

Since data not specifically requested must not be included in the foregoing sections, give any additional information considered *essential* to the proposal in this section. If there is not additional information, please note: ***“There is no additional information.”***