

THE VILLAGE OF RICHTON PARK



# REQUEST FOR PROPOSAL

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Auditing Firm Search

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**Submission Date: February 19, 2016 at 5:00PM**

**Village of Richton Park**

**Carolyn L. Eloby**

**Sr. Financial Associate**

**4455 Sauk Trail**

**Richton Park, IL. 60471**

# Village of Richton Park Request for Proposal

## Introduction

### General Information

The Village of Richton Park is requesting proposals from qualified firms of certified public accountants to audit the Village's financial statements for the fiscal year ending April 30, 2016, through the fiscal year ending April 30, 2020. The continuation of the contract after each year is solely at the discretion of the Village of Richton Park. The current auditor is Ringold Financial Management Services.

There is no expressed or implied obligation for the Village of Richton Park to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

To be considered, all prospective firms must submit *three* copies of the proposal no later than 5:00PM on February 19, 2016. The official terms and requirements are available on our website <http://richtonpark.org> or for pickup prior to submission by your firm.

Remit to:

David Sevier  
Finance Director  
Village of Richton Park  
4455 Sauk Trail  
Richton Park, IL 60466

During the evaluation process, the Village reserves the right to request additional information or clarifications from prospective firms or to allow corrections of errors or omissions.

The Village of Richton Park reserves the right to retain all proposals submitted and to use any ideas in the proposals regardless of whether the proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the Village of Richton Park and the firm selected.

It is anticipated the selection of a firm will be completed and a contract awarded by March 1, 2016.

### **Terms of Engagement**

The Village of Richton Park expects to enter into a five year contract, subject to annual review by the Finance Director, the satisfactory negotiation of terms, including a price acceptable to both the Village of Richton Park and the selected firm, and the concurrence of the Village Board.

In the event of a merger of the audit firm with another firm or certified public accountant(s) or the change of partners to the audit firm, the contract may be transferable to the successor firm with the approval of the Village.

No contract awarded by the Village of Richton Park shall be assigned, transferred or any part subcontracted without the written approval of the Finance Director.

### **Scope of Work to be performed**

To meet the requirements of this request for proposal, the audit shall be performed in accordance with Generally Accepted Auditing Standards as set forth by the American Institute of Certified Public Accountants. These audits are to be performed in accordance with the provisions included in this request for proposal. The Village of Richton Park desires the auditor to express an opinion on the fair presentation of its general-purpose financial statements in conformity with Generally Accepted Accounting Principles.

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

The audit report will be prepared according to program requirements of the Government Finance Officers' Association Certificate Program. The Village staff will prepare the transmittal letter, the management's discussion and analysis and statistical schedules. The auditor will review the transmittal letter, the management's discussion and analysis and statistical section for consistency.

The auditors shall provide to the Village all audit adjustments including the appropriate backup documentation and will meet with staff, if requested, to discuss these final adjustments.

### **Irregularities and Illegal Acts**

The auditors shall be required to make an immediate written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the Village Manager.

## **Reports to be issued**

Following the completion of the audit of the fiscal years' financial statements, the auditor shall issue a report on the fair presentation of the general-purpose financial statements in conformity with Generally Accepted Accounting Principles. The most current reports for the Village of Richton Park are included with this request.

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

1. A Comprehensive Annual Financial Report on the examination of the financial statements of the Village including all funds and account groups. The auditor will prepare all financial statements and notes to the financial statements. The Village will prepare the transmittal letter, the management's discussion and analysis and statistical section of the CAFR.
2. A report on the financial statements, internal control and compliance in accordance with the audit guide and standards for compliance with Single Audit Act of 1984 and OMB Circular 133 as well as GASB 68. This includes the preparation of Form SF-FAC.
3. The annual supplemental report required by the Office of the Comptroller of the State of Illinois (AFR).
4. A management report containing comments and recommendations regarding a municipality's system of internal controls; that is, its methods of safeguarding its assets, insuring the accuracy of its financial information, promoting efficiency and adhering to municipal policies. This letter should contain comments and recommendations for controlling any internal weaknesses discovered and shall be reviewed by the Finance Director before finalizing.
5. Response to prior year comments from the Government Finance Officers Association relating to the Certificate of Achievement for Excellence in Financial Reporting Award Program.
6. Tax Increment Financing (TIF) District report. The Village has five TIF districts.
7. The Illinois Department of Insurance Annual Reports for the Police Pension Fund.  
All census information shall be provided by the Village as well as investment activity.

The Village of Richton Park may require, from time to time, additional reports that are submitted to various granting agencies, such as the Illinois Department of Commerce and Economic Opportunity. It is understood that these reports are not to be included with the costs for this proposal and will be negotiated on a separate, as needed, basis.

## **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 five years, unless the firm is notified in writing by the Village of Richton Park of the need to extend the retention period. The auditor will be required to make any and all working papers available, upon request, to the Village of Richton Park

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing significance.

## **DESCRIPTION OF GOVERNMENT**

### **Principal Contact**

The auditor's principal contact who will coordinate the assistance to be provided by the Village of Richton Park to the auditor will be Carolyn Eloby, Sr. Finance Associate, 708-481-8950.

### **Background Information**

Richton Park was incorporated in 1926.

Located approximately 30 miles south of downtown Chicago, Richton Park (population 13,867) is part of Cook and Will County. It is bordered by Matteson, Richton Park, University Park and Frankfort. Interstate Highway 57 is on the western end of town and Cicero and Governors Highway run north to south thru town. Midway and O'Hare airports are both less than an hour away. Richton Park residents have easy access to three Metra commuter rail line stations. The Metra makes 80 daily train trips to downtown Chicago. The trip takes as little as 50 minutes during rush hour.

As for municipal services, Richton Park residents enjoy expert police, fire, and public works. Richton Park boasts a three-minute response time to Fire/EMS calls and a well below-average crime rate compared to most municipalities in the five-county Chicagoland region. Unlike other communities that purchase and distribute Lake Michigan water and are affected by summer shortages, Richton Park drills, processes and distributes its own well water, supplying high-quality, purified softened water that is abundant year-round.

Richton Park's greatest amenities are recreational, cultural and the high level of service provided by its local government. The acres of parks, recreation facilities and open land in Richton Park are among the largest per capita in the State and offer access to more recreational opportunities than communities twice its size. In addition to numerous playgrounds, ball fields and picnic facilities, the Village contains tennis courts and a community center.

The Village participates in the Intergovernmental Risk Management Agency (IRMA) which is an organization of municipalities and special districts in Northeastern Illinois which have formed an association under the Illinois Intergovernmental Cooperation's

Statute to pool its risk management needs. The Village pays annual premiums to IRMA for its workers' compensation, general liability and property coverage. The Village assumes the first \$2,500 of each occurrence and IRMA has a mix of self-insurance and commercial insurance at various amounts above that level.

The Village of Richton Park uses an independent actuary to determine the Village's required contribution to its Police Pension Fund.

The Village of Richton Park's Finance Department provides the budgetary, accounting, auditing, information systems, payroll, water billing, accounts receivable, collections and accounts payable functions. The Department has a staff of eight full-time employees.

The Village of Richton Park prepares its budgets following the Budget Act, which is a basis consistent with Generally Accepted Accounting Principles.

## **TIME AND REPORT REQUIREMENTS**

### **Audit Calendar**

The Village of Richton Park has a fiscal year end of April 30. The auditors must be able to meet the following essential dates for the fiscal year audit:

Fieldwork completed by the second week of September. Draft reports completed by the last week of October.

All final printed and bound reports by November 30th

### **Report Requirements**

The independent auditor shall type, reproduce and assemble the following reports:

1. Fifty (25) copies of the Comprehensive Annual Financial Report.
2. Five (5) copies of the Municipal Annual Supplemental Report (AFR) for the Office of the State Comptroller (in addition to preparing the on-line report).
3. Twenty five (10) copies of the Single Audit report.
4. Twenty five (10) copies of the Management/Internal Control Letter
5. Twenty five (10) copies of each of the TIF report(s)
6. Ten (5) copies each of the Department of insurance reports for the Police and Fire Pension Funds (in addition to the electronic filing requirement).

## **ASSISTANCE TO BE PROVIDED TO THE AUDITOR Finance**

### **Department and Clerical Assistance**

The Finance Department staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmations at the request of the auditor will be the responsibility of the Village of Richton Park.

## **PROPOSAL REQUIREMENTS**

### **Deadline to Submit Proposal**

Completed proposals must be received by 5:00 P.M. on February 19, 2016.

### **Inquiries**

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

Carolyn Eloby, Sr. Finance Associate at (708) 481-8950 or [celoby@richtonpark.org](mailto:celoby@richtonpark.org)

Or

David Sevier, Finance Director at (708) 481-8950 or [dsevier@richtonpark.org](mailto:dsevier@richtonpark.org)

### **Independence**

The firm should provide an affirmative statement that it is independent of the Village of Richton Park as defined by Generally Accepted Auditing Standards.

### **Firm Qualifications and Experience**

The proposal should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full time and part time basis.

The firm should identify the principal supervisory and management staff including engagement partners, managers, other supervisors and staff who would be assigned to this engagement and indicate whether each such person is registered as a certified public accountant in Illinois. The firm should also provide information on the government auditing experience of each person.

Audit personnel may be changed at the discretion of the proposer if replacements have substantially the same or better qualifications or experience. The Village of Richton Park retains the right to approve or reject replacements.

### **Similar Engagements with Other Government Entities**

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements performed in the last three years that are similar to the engagement described in this request for proposal. Also, indicate those municipalities that achieved the Certificate of Achievement for Excellence in Financial Reporting award while your firm was engaged as their auditors. Indicate the scope of work, date, engagement partner, total hours, and the name and telephone number of the principal client contact. Specifically identify those engagements at which the managers and other supervisors who will be assigned to the Village of Richton Park engagement have worked.

### **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 Village.

### **DOLLAR COST**

#### **Total All Inclusive Maximum Cost**

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 prices are to include all direct and indirect costs including all out of pocket expenses.

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

#### **Rates by Partner, Supervisory and Staff Level Times Hours Anticipated for Each**

The cost schedule should include a schedule of professional fees and expenses broken into the above categories, if appropriate.

#### **Manner of Payment**

Progress payments will be made on the basis of hours of work completed during the course of the engagement in accordance with the firm's proposal. Interim billings shall cover a period of not less than one calendar month.

## **EVALUATION CRITERIA**

### **Mandatory Elements**

1. The audit firm is independent and licensed to practice in the State of Illinois.
2. The audit firm's professional personnel have received adequate continuing professional education within the preceding three years.
3. The firm has no conflict of interest with regard to any other work performed by the firm for the Village of Richton Park.
4. The firm submits a copy of its most recent external quality control review report and the firm has a record of quality audit work.
5. The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal.
6. The firm has an understanding of the specific needs of the Village of Richton Park as it relates to the audit engagement.

### **Technical Qualifications**

1. The firm exhibits expertise based on implementation of all GASB Pronouncements, 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 assigned to the engagement will also be considered.

As part of the evaluation process, the Village may request a meeting with the audit team.

### **Price Consideration**

Cost will not be the primary factor in the selection of an audit firm.

### **Final Selection**

The Village of Richton Park will select a firm based upon the evaluation criteria. It is anticipated that a contract will be awarded by March 1, 2016.

### **Right to Reject Proposals**

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

**ATTACHMENT A**

**VILLAGE OF RICHTON PARK  
REQUEST FOR PROPOSAL  
AUDITING SERVICES**

**DUE: 5:00 P.M. February 19, 2016**

Firm Submitting Proposal:

Fee Structure: CAFR, Municipal Annual Supplemental Report (AFR), Management Letter, Single Audit Report, TIF Compliance Reports, GFOA Certificate Response, Component Unit Report Illinois Department of Insurance Reports; Single Audit Report for Grants (if applicable)

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|------|----|
| 2016 | \$ |
| 2017 | \$ |
| 2018 | \$ |
| 2019 | \$ |
| 2020 | \$ |

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Signature of Authorized Representative

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Printed Name of Authorized Representative

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Title