

## **Wauconda Park District**

### **Request for Proposals for Auditing Services**

The Wauconda Park District invites independent Certified Public Accountants licensed in the State of Illinois to audit financial statements for the fiscal year ending April 30, 2023, 2024, and 2025 in accordance with the following requirements and specifications. No subcontracting will be permitted.

#### **GENERAL INFORMATION**

The Wauconda Park District, Lake County, Illinois was organized in 1959 and is located in the Village of Wauconda in Lake County, Illinois, approximately 37 miles northwest of Chicago's central business district. The District serves approximately 14,000 residents in the Village of Wauconda.

The District employs 13 full-time employees and approximately 100 seasonal and part-time employees. Employees are not represented by a union. The District manages 102 acres of parkland, a community center, preschool, two marinas, and a beach, along with several trails and playgrounds throughout the park system.

#### **SCOPE OF AUDIT**

The annual audit shall consist of an examination of the individual and combined financial statements conducted in accordance with generally accepted auditing standards and shall include a review of the Park District's system of internal controls to ensure that there is effective control over revenue, expenditures, assets and liabilities, and a proper accounting of resources, liabilities, and accounting operations.

The annual audit shall consist of an examination of the individual and combined financial statements conducted in accordance with generally accepted auditing standards and shall include a review of the Park District's system of internal controls to ensure that there is effective control over revenue, expenditures, assets and liabilities, and a proper accounting of resources, liabilities, and accounting operations.

The audit shall consist of tests of compliance with requirements of applicable state and federal laws and regulations of material effect on the financial statements.

The examination shall be sufficient in scope as to render an opinion on the fairness of the representations contained in the individual and combined balance sheets and related statements of revenue and expenditures, and changes in fund equity for the year then ended in accordance with generally accepted accounting principles for state and local governments.

A management letter shall be prepared with appropriate suggestions for improvement of accounting procedures and internal control for the Park District's consideration and be available for review with the Park District's staff to discuss implementation of such improvements. A copy of the Audit Report for the year ended April 30, 2022 is enclosed for review.

## **ACCOUNTING SYSTEM AND BASIS OF ACCOUNTING**

The Park District's accounts are organized based on funds and account groups in accordance with generally accepted governmental accounting standards. Day to day transactions are conducted with the aid of a computerized accounting system supported by SAGE Software and ACTIVE.NET. The Park District's year-end is April 30th.

The Finance Department staff is outsourced to the accounting firm Lauterbach and Amen, LLP and also includes one part-time accounting clerk of the District.

## **INFORMATION TO BE PROVIDED IN THE PROPOSAL**

*There should be no dollar units or total costs included in the technical proposal document.*

### **TECHNICAL PROPOSAL**

#### **1. General Requirements**

The purpose of the Technical Proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the Park District in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The Technical Proposal should demonstrate the qualifications of the firm and of the staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposal requirements.

The Technical Proposal should address all the points outlined in the request for proposals (excluding any cost information which should only be included in the sealed dollar cost). 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 proposals. While additional data may be presented, the following subjects, items Nos. 2 through 8, must be included. They represent the criteria against which the proposal will be evaluated.

#### **2. Independence**

The firm should provide an affirmative statement that is independent of the Park District as defined by the U.S. General Accounting Office's Government Auditing Standards.

The firm should also list and describe the firm's (or proposed subcontractors') professional relationships involving the Park District or any of its agencies or component units for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

In addition, the firm shall give the Park District written notice of any professional relationships entered into during the period of this agreement.

#### **3. 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.

**4. Firm Qualifications and Experience** The proposer 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 basis and the number and nature of the staff to be so employed on a part-time basis. 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 (3) 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 (3) years with state regulatory bodies or professional organizations.

#### **5. Partner, Supervisory and Staff Qualifications and Experience**

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether each such person is registered or licensed to practice as a certified public accountant in Illinois. Provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years, and membership in professional organizations relevant to the performance of this audit.

Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. Indicate how the quality of staff over the term of the agreement will be assured.

The proposer should identify the extent to which staff to be assigned to the audit reflect the Park District's commitment to Affirmative Action.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the Park District. However, in either case, the Park District retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for proposal can only be changed with the express prior written permission of the Park District, which retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

#### **6. Similar Engagements With Other Park District Entities**

For the firm's office that will be assigned responsibility for the audit, list the most significant park district engagements (maximum - 5) performed in the last five years that are similar to the engagement described in this request for proposal. These engagements should be ranked based on total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

## **7. 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 this request for proposal. In developing the work plan, reference should be made to such sources of information as the Park District's budget and related materials, organizational chart, manuals and programs, and financial and other management information systems.

The Audit Firm will be required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement.
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement.
- c. Sample size and the extent to which statistical sampling is to be used in the engagement.
- d. Extent of use of Payroll software in the engagement.
- e. Type and extent of analytical procedures to be used in the engagement.
- f. Approach to be taken to gain and document an understanding of the Park District's internal control structure.
- g. Approach to be taken in determining laws and regulations that will be subject to audit test work.
- h. Approach to be taken in drawing audit samples for purposes of tests of compliance.

## **8. Report Format**

The proposal should include sample formats for required reports. The Audit Firm will be given the trial balance in electronic version and will need to prepare financial statements in compliance with Government Auditing Standards.

# **SEALED DOLLAR COST PROPOSAL**

## **1. Total All-inclusive Maximum Price**

The sealed dollar cost should contain all pricing information relative to performing the audit engagement as described in this request for proposal. The total all-inclusive maximum price is to contain all direct and indirect costs including all out-of-pocket expenses.

The Park District will not be responsible for expenses incurred in preparing and submitting the technical proposal or the sealed dollar cost. Such costs should not be included in the proposal.

The sealed dollar cost should include the following information:

- a. Name of Firm
- b. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the proposal, and authorized to sign a contract with the Park District.
- c. A Total All-inclusive Maximum Price for each year of the contract specifically the 2023, 2024, and 2025.

## **2. Rates for Additional Professional Services**

If it should become necessary for the Park District to request the auditor to render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between Park District and the firm. Any such additional work agreed to between Park District and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the sealed dollar cost.

## **EVALUATION PROCEDURES**

**A. Proposals submitted will be evaluated by the Executive Director and the Accounting Team.**

**COST WILL NOT BE THE PRIMARY FACTOR IN THE SELECTION OF AN AUDIT FIRM**

**B. Oral Presentations/Follow Up Questions**

During the evaluation process, the Executive Director may request firms to make oral presentations or ask the firm to be available remotely or in person to discuss any questions on the submitted proposal.

**C. Final Selection**

The Board of Park Commissioners will select a firm based upon the recommendation of the Director of Finance.

It is anticipated that a firm will be selected on May 9, 2023

**F. 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 Park District and the firm selected.

***The Park District reserves the right without prejudice to reject any or all proposals.***

## **PROPOSAL SCHEDULE**

Mail/Email requests for proposals 3/20/23

Submission of Written Questions 3/29/23

Response to Questions 4/5/23

Deadline for submission of proposals 4/14/23

Proposer Presentation (if needed) 4/28/23

Award Contract 5/9/23

Please Note: In order for the auditor to properly make an evaluation of the work to be performed on which to base the fee, you may contact our offices to set up an appointment to answer any questions, demonstrate computer operations, view various reports, etc. Please direct those calls to Tim Staton, Executive Director, (847) 526-3610 or via email to [tstaton@waucondaparks.com](mailto:tstaton@waucondaparks.com).