

**Bannockburn School District 106**  
**Bannockburn, IL**

## **REQUEST FOR PROPOSAL**

### **Auditing Services**

Sealed proposals marked “AUDIT PROPOSAL” will be received before and opened on March 5, 2021; 1:00pm at the Administration Offices of Bannockburn School District 106 located at 2165 Telegraph Road, Bannockburn, IL 60015.

It is understood that this is not a competitive bid, but rather a proposal to perform auditing services for Bannockburn School District 106. Complete the attached Fee Summary Schedule for a 3-year term, indicating costs per year.

Selection of an auditor is exclusively the province of the Board of Education for the district. The Board reserves the right to select on the basis of written information provided and/or interview.

Should you have any questions or require further information, please contact: Lisa Pease, Director of Business Services, 1-847-945-5900.

### **GENERAL INFORMATION**

Bannockburn School District 106 is a PreK-8 elementary public school district. The District is located in Bannockburn, Lake County, IL. The current enrollment is approximately 150 students. The District employs approximately 45 certified and non-certified personnel. The revenues of all Governmental Funds for the fiscal year ended June 30 2020, were \$7,369,738. The expenditures of all Governmental Funds for the fiscal year ended June 30, 2020, were \$7,585,958. The District received a School District Financial Profile score of 4.0 out of 4.0 for FY 2020. The annual expenditure budget for 2020-2021 is approximately \$9,800,000 million. Audit reports are posted at [www.bannockburnschool.org](http://www.bannockburnschool.org).

### **REQUEST FOR PROPOSAL SCHEDULE**

- |                                        |                              |        |
|----------------------------------------|------------------------------|--------|
| 1) Deadline for submission of Proposal | March 5, 2021                | 1:00pm |
| 2) Interview with selected finalists   | Week of March 8, 2021        | TBD    |
| 3) Award of Contract                   | March 16, 2021 Board Meeting | 7:00pm |

## **SCOPE OF AUDIT**

We are 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 ended June 30, 2021, 2022, and 2023 and schedules in the District's Annual Financial Report. The financial statements will be presented in accordance with the financial reporting model described in GASB Statement No. 34. All audits shall be made by independent auditors in accordance with the U.S. generally accepted auditing 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. At this time, the District is not subject to the Single Audit Act based on the amount of funding received.

The audit shall include a review of the system of internal accounting control of the District to ensure that there is effective control over revenues, expenditures, assets and liabilities, and a proper accounting of resources, liabilities, and accounting operations. The audit shall also include an examination of the student council activity fund.

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

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

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 its State Annual Financial Report. The auditor shall assist the District in preparing the Annual Financial Report Form.

## **SERVICES REQUIRED**

- Annual Financial Report for the District consistent with prior year.
- Supplementary schedules consistent with prior year report.
- Consult with District staff as requested for preparation of the MD & A.
- Annual Financial Report (ISBE 50-3-5) for the District to be prepared for submission to the Illinois State Board of Education.
- Student Activity Report consistent with prior year's report.
- Auditor signature on CLIC audited payrolls form 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 and any other regulatory agencies under the Single Audit Act.
- A report detailing the reconciliation of modified accrual to cash.
- Update Fixed Asset Records including depreciation calculations.
- Complete Workers' Compensation Payroll Forms.
- Comply with GATA Reporting Requirements.
- Comply with all relevant GASB Reporting Requirements.

Tentative drafts of the Management Letter and the Annual Financial Report shall be submitted to the Director of Business Services prior to final preparation of these reports. A meeting shall be held to review the tentative drafts within ten (10) days after their receipt. The audit reports shall be completed and submitted annually by September 30.

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 procedure. Ten (10) copies of this letter shall be submitted with the Annual Financial Report.

The auditor, in conjunction with the Business Office, shall prepare and publish ten (10) copies of the Annual Financial Report, including the Management's Discussion and Analysis, basic financial statements, individual fund statements, and supplementary schedules in a format similar to the prior year's financial report.

The auditor shall prepare ten (10) copies of the Single Audit Report when required.

The firm must be available to present the Annual Financial Report and Management Letter to the Board of Education and/or a Board Committee. Board meetings are usually at 7:00 on the third Tuesday of each month.

The auditor shall keep the district apprised of any and all changes in accounting and reporting requirements.

The auditor shall serve as a resource and be available for consultation on accounting and internal control issues throughout the fiscal year.

Audit work papers shall remain in the custody of the auditor, however, the District 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 year for a period of up to five (5) years after the audit has been completed.

### **QUALIFICATIONS**

Proposals will be accepted from CPA firms with demonstrated experience and competency in public school district auditing and must be familiar with the reporting requirements as specified in the Governmental Accounting Standards Board's Statement 34. The minimum qualifications for firms submitting proposals are:

- 1) The audit shall be conducted under supervision of a licensed Certified Public Accountant experienced and knowledgeable in Illinois public school district auditing. The senior field auditor must have three to five years of actual experience in supervising a public school district audit.
- 2) The firm must have demonstrated efforts to keep its staff current in the industry and in governmental organizations.

- 3) The firm must be members of the AICPA and the Illinois CPA Society.
- 4) The firm must meet the continuing professional education requirements of Government Auditing Standards.
- 5) The firm must provide a copy of its most recent peer review report.
- 6) The auditor does not have a record of 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.
- 7) The firm must have as existing engagements at least five public school districts.
- 8) The firm must provide the names, titles, addresses, and phone numbers of at least three public school district clients for whom the firm has performed audits within the last two years similar in scope and reporting as those required by the District.

### **AUDIT TIMING**

Final fieldwork should begin no later than the first two weeks of August following each fiscal year June 30 close, or by mutual agreement with the District's Chief School Business Official. All reports shall be issued by September 30 after the close of the fiscal year. Subsequent audits will have similar time frame requirements.

### **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 Superintendent of the District.

### **SCHOOL DISTRICT'S ACCOUNTING SYSTEM AND FUNDS**

The District's accounting systems are computerized and are operated on a fund basis using a cash basis of accounting. The financial statements are converted to the modified accrual basis of accounting for the annual audit only. All of the District's accounts are based on the Illinois State Board of Education's Program Accounting Manual.

## **EVALUATION OF PROPOSALS**

The proposals will be reviewed and evaluated by the Superintendent and the Director of Business Services. The top candidates may be invited to participate in oral interviews. The proposals will be evaluated on the following criteria:

- 1) Understanding of the audit engagement
- 2) Accessibility and ability to respond to District needs in a timely manner
- 3) Acceptability of audit approach
- 4) References of firm
- 5) Qualifications and experience of firm in Illinois school district audits
- 6) Qualifications of assigned individuals in Illinois school district audits
- 7) Experience and knowledge of all relevant GASB Statements
- 8) Experience and knowledge in working with the Illinois State Board of Education
- 9) Audit schedule
- 10) Overall fees

Firms submitting proposals will be informed of the District's selection no later than March 19, 2021 provided the Board of Education acts on this item at their regularly scheduled meeting held in March. Fieldwork can begin on a mutually agreed upon date after selection of the firm. The District reserves the right to reject any and all proposals submitted, and to ask for more details or further clarification on any proposal.

## **INSTRUCTIONS FOR SUBMITTING PROPOSALS**

All proposals must be submitted no later than March 5, 2021 by 1:00pm to:  
Dr. Scott Herrmann, Superintendent  
2165 Telegraph Road, Bannockburn, IL 60015, 847-945-5900

Proposals must be submitted in sealed envelopes clearly marked "AUDIT PROPOSAL". Three (3) copies of the proposal are to be provided.

Questions regarding the proposal may be addressed to Lisa Pease at 847-945-5900.

## PROPOSAL FORMAT

In order to simplify the review process and obtain the maximum degree of comparison, proposals should be organized in the manner stated below:

A. Title Page

Show the RFP subject, the name of the firm, local address, name and telephone number of contact person, and date of the proposal.

B. Table of Contents

Include a clear identification of the material by section and by page number.

C. Letter of Transmittal

Briefly state your understanding of the work to be done and make a positive commitment to perform work within the time period specified.

State the all-inclusive annual fee for each fiscal year for which work will be done on the attached Fee Summary Schedule. Please include proposals for a 3-year term, stating annual fee.

State names of persons who will be authorized to make representations for the firm, their titles, addresses, and telephone numbers.

Include a signature by an authorized officer of firm.

D. 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 or not 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.

Provide a copy of the firm's most recent Peer Review Report.

E. Summary of Firm's Qualifications

Identify the supervisors who will work on the audit, including staff from other than the local office. Resumes for each supervisory person to be assigned to the audit should be included (the resumes may be included as an appendix).

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

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.

F. Services to be Provided

Express agreement to meet the requirements of the engagement as stated in the “Scope of Audit”, and “Services Required”, section of these guidelines.

Provide descriptions of the audit approach, and illustrations of the 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.

G. Additional Information

Since information not specifically requested must not be included in the foregoing proposal sections, give any additional information considered essential to the proposal in this section. If there is no additional information to present, state in this section, “There is no additional information we wish to present”.

**Bannockburn School District 106  
Fee Summary Schedule**

Proposed Audit Fee

FY 2020-21 Audit Services \_\_\_\_\_

FY 2021-22 Audit Services \_\_\_\_\_

FY 2022-23 Audit Services \_\_\_\_\_

Hourly Rate for other project/services:

	2020-2021	2021-2022	2022-2023
Partner	_____	_____	_____
Manager	_____	_____	_____
Senior Audit Staff	_____	_____	_____
Junior Audit Staff	_____	_____	_____
Administrative Support	_____	_____	_____

Submitted By:

Name of Firm: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City/State/Zip Code: \_\_\_\_\_

Telephone/Fax Number: \_\_\_\_\_

Contact Name/Title: \_\_\_\_\_

Contact Phone Number: \_\_\_\_\_

Contact Email Address: \_\_\_\_\_

Signature: \_\_\_\_\_