

Champaign Community Unit School District No. 4
703 S. New Street
Champaign, Illinois 61820

(217) 351-3825

RFP Auditing Services

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**REQUEST FOR PROPOSAL
AUDITING SERVICES
FOR
CHAMPAIGN COMMUNITY UNIT SCHOOL DISTRICT NO. 4**

Champaign Community Unit School District No. 4 (CUSD #4) invites independent Certified Public Accounting firms licensed in the State of Illinois to submit proposals for auditing services for the three years ending June 30, 2014, 2015, and 2016 in accordance with the following requirements and specifications:

GENERAL INFORMATION

The District provides public education to students in CUSD #4 who reside within its boundaries, in Champaign County, Illinois, approximately 127 miles south of Chicago. The District encompasses an area of 83 square miles within The City of Champaign, the Village of Savoy and the Village of Bondville. The District's student population is currently 9,717. In FY14, the district had a total budget of \$138,899,108 with an Assessed Valuation of \$1,927,016,407.

- The Illinois State Board of Education is utilizing a School District Financial Profile for assessing a school district's financial health. The overall score for CUSD #4 was 3.9 out of 4.0. This score places the District in the "Financial Recognition" category for financial strength - the highest category.

REQUEST FOR PROPOSAL SCHEDULE

- Post on Website and Advertise in local paper: March 24, 2014
- Deadline for Submission: April 10, 2014 2:00 P.M.
- Interviews with Finalists: April 17, 2014
- Board of Education Approval: May 12, 2014

All inquiries regarding this proposal should be made to:

Matthew Y. Foster
Executive Director of Business Services
703 S. New Street
Champaign IL 61820
fosterma@champaignschools.org

SCOPE OF AUDITS

Within the scope of the CUSD #4 audit, all accounts will be audited.

Champaign Community Unit School District No. 4

We are requesting an audit of the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of CUSD #4 as of and for the years ending June 30, 2014, 2015, and 2016, and schedules and statistical tables included in the District's Comprehensive Annual Financial Report and update necessary EMMA information and attach as an appendix to the audit. 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 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*.

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.

The District also requires the following reports:

- Separate student activity fund report
- EMMA filing

The District also requires the following "non-attest" services:

- Assistance in calculating accrual balances
- Assistance in calculating capital asset and related depreciation
- Provide audit entries to the Business Office no later than two weeks after final audit visit

SERVICES REQUIRED

The auditor shall prepare the following printed and bound reports:

- Comprehensive Annual Financial Report for the District consistent with prior year.
- Consult with CUSD #4 staff as requested for preparation of the MD&A, Transmittal Letter, and Communications from Auditor to Management and the School Board.
- 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.
- Annual Federal Financial 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.
- 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.
- The audit firm will be available from time to time to answer questions as they arise.
- A report detailing the reconciliation of modified accrual to cash.
- Reconciling and adjusting SunGard Database to AFR report.
- The audit team is available to discuss the AFR results in order to improve District practices.

Tentative drafts of all reports shall be submitted to the Executive Director of Business Services prior to final preparation. A meeting shall be held to review these tentative drafts within ten days after their receipt. The final audit reports shall be completed by October 15, 2014 (for fiscal year 2014 audit), October 15, 2015 (for fiscal year 2015 audit), and October 15, 2016 (for fiscal year 2016 audit) 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 Executive Director of Business Services 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 2014, 2015, and 2016 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 6:00 P.M. on the second and fourth Monday of each month. The presentation and review of the audit report is at the December Board Meeting.

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 seven to ten 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 Governmental 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 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.
- The firm must provide the names, titles, addresses, and phone numbers of **at least 5 school district clients** for whom the firm has performed audits within the last 2 years **similar in scope and reporting as those required by the District.**
- The firm must have existing engagements with at least 10 Illinois public school districts.
- The firm must be proficient in accrual accounting.
- The firm must have experience with Federal Program auditing, including Title I, Title II, and Federal Breakfast and Lunch Programs.

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:
Champaign Community Unit School District No. 4**

	2014	2015	2016
Single Audit/AFR	\$	\$	\$
Student Activity Funds	\$	\$	\$
EMMA Reporting	\$	\$	\$
TOTAL	\$	\$	\$

ASSISTANCE AVAILABLE TO PROPOSERS

CUSD #4 has an excellent staff that will be invaluable to the selected firm. In past years, CUSD#4 has presented the auditor with an accurate schedule of investments and a general ledger that is reconciled 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.

Baker Tilly Virchow Krause was engaged to perform the District's annual audit for the year ended June 30, 2013. The prior audit workpapers will be available for inspection to the selected firm at the office of Baker Tilly Virchow Krause in Oakbrook, Illinois.

The District Business Office closes and balances all accounts at year-end. The District's accounting system is operated on a fund basis using the modified accrual basis of accounting. For the 2014 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 revenues for the following fiscal year. 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 Executive Director of Business Services, Administration and Business Office staff. 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 firm
- 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 the Illinois State Board of Education
- Experience and knowledge of GASB Statement 34
- Familiarity and experience with accrual basis of accounting
- Familiarity and experience with Federal audit requirements
- Audit schedule
- Fees

Firms submitting proposals will be informed of the District's selection on date of selection provided the Board of Education acts on the audit selection at its scheduled May Board 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 SUBMITTING PROPOSALS

All proposals must be submitted no later than 2:00 P.M. on April 10, 2014 to:

Five (5) copies of the proposal are to be provided.

Questions regarding the proposal may be addressed to Matthew Foster, Executive Director of Business Services - fosterma@champaignschools.org .

PROPOSAL FORMAT

Responses to the RFP must be organized in accordance with the outline, which follows:

Title Page:

Include the firm's name, address, and name and telephone/fax number of contact person.

Table of Contents:

Include a table of contents identifying sections and/or page numbers.

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 names of the person(s) who will be authorized to make representations for the firm, their titles, addresses and phone numbers.

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 end of June or the beginning of July with final fieldwork performed the end of July or beginning of August, with concluding visits in September.

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.

Approach:

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

Express agreement to meet the requirement of the engagement as stated in the Scope of Audit and Services Required sections 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.

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 last 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.

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."