



REQUEST FOR PROPOSALS

Professional Auditing Services

**For The Calendar Years Ending
DECEMBER 31, 2012, 2013 and 2014**

**PROPOSALS MUST BE RECEIVED BY
5:00 p.m. on November 21, 2012**

**VILLAGE OF BENSENVILE
12 SOUTH CENTER STREET
BENSENVILLE, IL 60106**

VILLAGE OF BENSENVILLE REQUEST FOR PROPOSALS

I. INTRODUCTION

A. General Information

The Village of Bensenville is soliciting proposals from qualified firms of certified public accountants to audit the Village's financial statements for calendar years ending December 31, 2012, 2013, 2014.

B. Term of Engagement

A three-year contract is contemplated, subject to annual review, the satisfactory negotiation of terms (including a price acceptable to both the Village of Bensenville and the selected firm), and the concurrence of the Board of Trustees and the annual availability of an appropriation.

II. NATURE OF SERVICES REQUIRED

A. Scope of Work to be Performed

The Village of Bensenville desires the auditor to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles.

The Village of Bensenville also desires the auditor to express an opinion on the fair presentation of its combining and individual fund financial statements and schedules in conformity with generally accepted accounting principles. The auditor is not required to audit the introductory section of the report or the statistical section of the report.

The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
2. A report on compliance and internal control over financial reporting based on an audit of the financial statements.
3. Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133 (Single Audit)

As a part of the contract, the auditors shall also complete on a timely basis the State of Illinois Comptroller Report.

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 accounting significance.

B. Funds to be Audited

The Village of Bensenville uses the following fund types in its financial reporting:

<u>Fund Type</u>	<u>Number of Individual Funds</u>	<u>Number with Legally Adopted Annual Budgets</u>
General Fund	1	1
Special Revenue Funds	1	1
Debt Service Funds	1	1
Capital Projects Funds	16	16
Enterprise Funds	3	3

C. Financial Reporting

The Village of Bensenville will provide individual fund statements and supporting schedules for all GAB adjustments / footnotes.

Report preparation, editing, printing and supplies including covers, dividers, and spines shall be the responsibility of the auditor. The Letter of Transmittal, Management's Discussion and Analysis, and necessary letterhead will be provided by the Village of Bensenville. The auditor shall reproduce up to 50 copies of the Comprehensive Annual Financial Report.

While final responsibility for the financial statements rests with the Village of Bensenville, the Village of Bensenville expects that the auditor possess and demonstrate sufficient expertise in governmental accounting and reporting to assure that all reporting requirements are met.

Demonstration of governmental accounting expertise shall be supported by membership, either current or past, in various governmental accounting and auditing committees and task forces of the Illinois CPA Society or AICPA.

Reasonable support can also be shown by appointment to the Special Review Committee for the Governmental Finance Officer Association's Comprehensive Annual Financial Report program.

The auditor shall express an unqualified opinion on all individual funds and accept "in relation to" responsibility for supplemental data. If an unqualified

opinion cannot be expressed, the auditor shall bring such matter to the attention of the Village of Bensenville before issuance of the report to determine whether or not the problems leading to a qualification can be resolved.

D. Management Letter

If, during the course of the examination, the auditor finds any weaknesses in internal control, the auditor shall summarize such findings and recommendations in the form of a separate management letter to the Village of Bensenville .

The auditor shall be available to meet with elected officials at an evening meeting to answer questions regarding the proposal, the completed audit or management letter, if requested.

The auditor in the person of a partner or manager shall be available not only during the audit preparation period, but also on an as-needed basis to answer questions or provide guidance on any particular issue that may arise throughout the contract period.

III. DESCRIPTION OF THE GOVERNMENT

A. Background Information

The Village of Bensenville, incorporated in 1884, is located approximately 17 miles northwest of downtown Chicago, bordering the southwest corner of O'Hare International Airport. With a 2010 population estimate of 18,352, the Village serves a very diverse population base who live mostly in single family homes with a median family income of \$55,616

The mission of the Village of Bensenville is “to be FINANCIALLY SOUND and provide customer friendly services of the highest quality.”

The Village provides a full range of services to its citizens, including police protection, emergency disaster management services, general governance, maintenance of village highways, streets and sidewalks, community and economic development, code enforcement, water and sewer utility services, refuse and recycling as well as recreational services. The Village also hosts a variety of special events including, the “Music in the Park” summer concert series, classic car nights, fishing derby, holiday magic, and Liberty Fest (annual Fourth of July fireworks and celebration).

Additional information, including the most recent Comprehensive Annual Financial Report, can be found online at www.bensenville.il.us.

B. Pension Plans

The Village of Bensenville participates in the Illinois Municipal Retirement Fund, and also has a defined benefit pension plan for the police department.

C. Magnitude of Finance Operations

The Finance Department is directed by Timothy J. Sloth, Director of Finance Services, and consists of 10.5 full and 1 part time employees. The principal functions performed and the number of employees assigned to each is as follows:

Full-Time

<u>Function</u>	<u>Number of Employees</u>
Director of Finance	1
Assistant Director of Finance	1
Finance Department Assistant	.5
Accountant	1
Accounts Payable	1
Utility Billing	2
Cash Management	2
Customer Service	2

Part-Time

Utility Billing	1
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E. Federal and State Grants

The Village of Bensenville has at times received grants for various projects. The Village met the threshold for a single audit in 2010 and 2011 and is likely to meet this threshold in future years.

F. Availability of Prior Audit Reports and Working Papers

Interested proposers who wish to review prior years' audit reports and management letters should contact Tim Sloth at tsloth@bensenville.il.us, or at (630) 350-3397. The Village of Bensenville will use its best efforts to make prior audit reports and supporting working papers available to proposers to aid their response to this Request for Proposal.

IV. TIME REQUIREMENTS

A. Proposal Calendar

The following is a list of key dates up to and including the date proposals are due to be submitted:

Request for proposal issued	October 17, 2012
RFP Notice Published in Paper	October 19, 2012
Due date for proposals	November 21, 2012
Board Committee Action	December 4, 2012

B. Notification and Contract Dates

Selected firm notified after official Board of Trustees action.

C. Date Audit May Commence

The Village of Bensenville will have all records ready for audit and all management personnel available to meet with the firm's personnel at an agreed upon schedule.

V. PROPOSAL REQUIREMENTS

A. Inquiries

Inquiries concerning the Request for Proposals and the subject of the Request for Proposals must be made to:

Tim Sloth, Director of Finance
Village of Bensenville
12 S. Center Street
Bensenville, IL 60106
(630) 350-3397
tsloth@bensenville.il.us

B. Submission of Proposals

The following material is required to be received by November 21, 2012 for a proposing firm to be considered:

1. Title Page
State the RFP subject.
2. Table of Contents
Clearly identify the material by section and page number.
3. Letter of Transmittal (limited to three pages)

Briefly outline and summarize the key elements of the proposal as to experience, qualifications, references, technical expertise, audit standards, understanding of the work to be performed, timing and fee.
4. Profile of the Proposer
 - a. Describe the types of services provided.
 - b. State the location of the office and the total number of Partners and professional staff from that office.
 - c. Identify the Partners, Managers/Supervisors and In-Charge

Accountants who will perform the audit. Include resumes for each person listed detailing educational background, years of experience and client names for audits similar to the proposed examination.

- d. Describe firm audit experience similar to the proposed examination. (Multi-office firms should discuss experience for only the office of the firm from which the personnel will be assigned.) Provide client names, contact persons and telephone numbers of all municipal / applicable local government audit clients who have been served in the last two years – at least five references shall be provided. Also provide a recent Annual Financial Report prepared by your firm.
- e. Discuss governmental industry experience in terms of years of service, training, organizational involvement, etc.

5. Audit Process

- a. Describe your audit approach.
- b. Detail (in percentage) the amount of time to be put in on the audit by the following categories:

	<u>Percent</u>
Partner/Manager	_____
In-Charge Accountants (Seniors)	_____
Staff Accountants (Junior)	_____
Total	100%

6. Fees and Billings

- a. It is the intention of the Village to retain the same audit firm for a minimum of three years. Provide a maximum “not-to-exceed” fee proposal using the attached Audit Proposal Form.
- b. Describe the circumstances under which you would propose to increase the fee and how you would communicate such a potential increase to the Village of Bensenville.
- c. List, by Partner and staff level, hourly billing rates to be charged should the Village of Bensenville expand the scope of the audit or require additional services.

VI. SUBMISSION OF PROPOSALS

- A. All proposals should be addressed to:

Tim Sloth, Director of Finance
 Village of Bensenville
 12 S. Center Street
 Bensenville, IL 60106

(3) copies of the proposal are required and should be sealed in envelopes

addressed to the above and clearly marked "2012 AUDIT RFP".

- B. Proposals are due no later than 5:00p.m. on November 21, 2012.

The most recent Annual Financial Statements of the Village of Bensenville can be found at:

www.bensenville.il.us

VII. TIMELINESS OF REPORT

The final audit must be completed and a report received by the Village of Bensenville prior to June 30th of each year, unless the Village has caused the audit period to be longer. Failure to deliver a final report in a timely manner may result in reducing the term of the engagement.

VIII. EVALUATION OF PROPOSALS

- A. Proposals will be evaluated on the basis of which proposer best meets the requirements of the Village of Bensenville.

Critical factors will be technical expertise, the qualifications of the firm and audit team, and the audit fee.

- B. Oral Interviews

The Village of Bensenville reserves the right to interview proposing firms, if necessary.

- C. The Village of Bensenville's Board of Trustees will consider final acceptance of the proposal, under the recommendation of the Village Manager.

IX. AUDIT PROPOSAL FORM

- A. Each proposal shall fully meet the requirements as set forth on the attached "Audit Proposal Form." Proposals shall be quoted on the total annual cost basis for the audit, management letter, State of Illinois Comptroller's report, single audit (assume > \$500K and <\$2M in federal grant) and by hourly cost quotes for services that may be requested beyond the scope of the audit. Attached is a proposal that bidders shall use in submitting their proposals.

**VILLAGE OF BENSENVILLE
AUDIT PROPOSAL FORM**

Maximum charge for examination and reporting of the Village of Bensenville's Financial Statements (including Management Letter and Illinois Comptroller's Report).

Audit Fees

FY12 \$ _____

FY13 \$ _____

FY14 \$ _____

(If Necessary) Single Audit Fees

FY12 \$ _____

FY13 \$ _____

FY14 \$ _____

The above Audit Fees represents the annual maximum “not to exceed” fee for a series of one year engagements for a total of three years. These fees should include all expenses.

The (If Necessary) Single Audit Fees are the additional fees the firm would charge if a Single Audit is deemed necessary. This assumes total Federal Grant Expenditures total at least \$500,000 but do not exceed \$2,000,000.

Payment will be made upon receipt of progress billings with final payment made after receipt of the Annual Financial Report.

At the end of each one year engagement, the contract is considered automatically extended for one year unless the Village notifies the independent auditor, in writing by no later than July 31st, of the calendar year to be audited, that the Village will not renew the engagement.

The Auditor and the Village agree that an equitable adjustment in the contract price may be negotiated if the cost or the time required for performance of the audit service is increased pursuant to a change in scope requested by the Village.