



January 8, 2018

### **REQUEST FOR PROPOSAL**

The Edgebrook Sauganash Chamber of Commerce (Contractor) invites proposals for the 2017-2018, 2018-2019, 2019-2020 annual financial audit of Sauganash Special Service Area #62 and its service provider, the Edgebrook Sauganash Chamber of Commerce.

Proposals should be submitted to Jennifer Herren, Executive Director, by email at [info@esc60646.com](mailto:info@esc60646.com). We request that bids be received by **Friday, February 2**. Jennifer can be reached with questions via e-mail or at 773-545-9300.

#### **Proposals must include these details:**

- a. How the CPA Firm will conduct the audit in the first and subsequent years.
- b. Qualifications of the CPA Firm, management, and staff, including experience in auditing like entities, such as Special Service Areas and Chambers of Commerce.
- c. Policies on notification of changes in key personnel
- d. Whether the proposed staff has received continuing professional education during the previous 2 years.
- e. Whether the CPA Firm has received a positive peer review within the last 3 years
- f. Whether the CPA Firm is independent, as defined by applicable auditing standards.
- g. Whether the CPA Firm has been the object of any disciplinary action during the past 3 years.
- h. Whether the CPA Firm maintains an active license in the State of Illinois

#### **Proposals will be evaluated based on:**

- a. The CPA Firm's understanding of the audit requirements, including the needs of the Area and the final products to be delivered.
- b. Soundness of technical approach to the audit, including the meeting of the contractor's specific deadlines and other requirements.
- c. Qualifications of the CPA Firm.
- d. Qualifications of the audit team.
- e. The information provided by respondents in response to the RFP, including cost and independence.

**Once a CPA Firm is chosen based upon the foregoing criteria, a written engagement letter will be required that specifies:**

- a. Audit scope, objectives, and purposes.
- b. Deadlines for the work to be performed
- c. Report format, including providing a digital version of the final audit.
- d. Type and timing of support to be provided to the CPA Firm by the ESCC.
- e. Professional auditing standards to be followed in performing the audit
- f. Independence of the CPA Firm to the ESCC.
- g. Terms of making changes to the scope of the agreement.
- h. CPA Firm's ownership of the work papers, retention period, and requirement for availability to the City upon request.

**Other audit specifications:**

Summary Schedule of Findings

In order to properly conduct the certified audit of the books and records of the Contractor, it is necessary for the CPA Firm to read and understand the requirements contained in the Contractor's SSA Agreement. Particular attention should be given to Sections 3 and 5 of the Agreement. The CPA Firm must test the Contractor's compliance with the requirements contained in the Agreement. Should the CPA Firm find exception to the requirements of the Agreement, it must disclose all exceptions in a separate schedule, which shall be entitled "Summary Schedule of Findings". Each finding shall be listed separately. The schedule shall be incorporated with the other required financial statements. If the CPA Firm finds no exceptions to the Agreement requirements, it shall still include a "Summary Schedule of Findings". On that schedule the CPA Firm shall make an affirmative statement indicating it has read the Agreement and, after conducting the audit, has determined that no exceptions were noted.

Subsections to note in Section 5 include:

- a. *Section 5.01, Basis of Payment*, describes "carry over" as the amount of Service Tax Funds collected for prior tax years which remain previously unspent.
- b. *Section 5.02, Budget for Services*, restricts the maximum amount that may be spent in a calendar year to the amount stated in the Agreement.
- c. *Section 5.03, Method of Payment*, states that the Contractor shall establish a separate checking account and that Area funds shall not be commingled with other sources.

Audit Documents

The City requires an audit conducted in accordance with generally accepted accounting principles to include the following documents:

1. Statement of Financial Position.
2. Statement of Activities: Budget and Actual (period being audited compared to the previous year).
3. Statement of Cash Flows.
4. Notes to the Financial Statements.
5. Summary Schedule of Findings.

Expense descriptions included in the Statement of Activities must correspond to the expense descriptions in the budget submitted to the City.