



# VILLAGE OF NORRIDGE

4000 North Olcott Avenue • Norridge, Illinois 60706-1199  
708/ 453-0800 FAX 708/ 453-9335  
www.villageofnorridge.com

June 19, 2014

**PRESIDENT**

James Chmura

**CLERK**

Debra J. Budnik

**TRUSTEES**

Ursula A. Kucharski  
Dominic S. Falagario  
Jacqueline Gregorio  
Dominic Sulimowski  
Donald Gelsomino  
Daniel Tannhauser

## **RFP #2014-7 Request for Proposal for Professional Auditing Services For the Fiscal Year Ending April 30, 2014, 2015, 2016**

The Village of Norridge, located in Illinois, is soliciting proposals from qualified firms of certified public accountants to audit the Village's financial statements for fiscal years ending April 30, 2014, 2015, 2016.

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

### **DESCRIPTION OF THE GOVERNMENT:**

#### **A. Background Information**

The Village of Norridge, incorporated in 1948, is located approximately 10 miles northwest of downtown Chicago. With a 2013 census population of 14,686, the Village serves mostly single family homes with a median household income of \$55,096.

The Village provides a full range of services to its citizens, including, but not limited to, police protection, emergency disaster management services, general governance, maintenance of village streets and sidewalks, community and economic development, code enforcement, water and sewer utility services.

Additional information, including the most recent Comprehensive Annual Financial Report, can be found online at [www.villageofnorridge.com](http://www.villageofnorridge.com).

#### **B. Pension Plans**

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



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## C. Accounting Methods

The Village of Norridge maintains ledgers on a cash basis for the General Fund, Motor Fuel Tax Fund, Wireless 911 Fund and the Water Fund. It will be the responsibility of the auditor to, upon completion of the audit, provide journal entries in order to convert to a modified accrual basis.

The Police Pension Fund uses an accrual basis of accounting.

Each year the Village prepares an annual budget document to control expenditures throughout the year, as well as an annual Appropriation Ordinance which serves as the formal legal mechanism by which the Village authorizes the actual expenditure of budgeted funds.

## D. Magnitude of Finance Operations

The Finance Department is directed by Joanna Skupien, Financial Director, and consists of 1 full-time and 1 part-time employee.

## E. Federal and State Grants

The Village of Norridge has, at times, received grants for various projects. Total Federal grants have not exceeded \$500,000 and the Village of Norridge has not been required to have a single audit conducted, as per OMB Circular A-133.

## F. Availability of Prior Audit Reports and Working Papers

Interested proposers who wish to review prior years' audit reports should contact Joanna Skupien at [jskupien@villageofnorridge.com](mailto:jskupien@villageofnorridge.com), or at (708) 583-5752. The Village of Norridge 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.

## **NATURE OF SERVICES REQUIRED:**

### A. Scope of Work to be Performed

The annual audit is commissioned annually by the Village of Norridge Board of Trustees. The audit is intended to make an opinion on the fairness of the Village's financial statements.



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

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).
4. A letter to management containing appropriate suggestions for improvement of accounting procedures and internal controls for the Village's consideration. This letter should contain comments and recommendations for controlling any internal weaknesses discovered and shall be reviewed by the Village President, Trustees and Financial Director before finalizing.

As a part of the contract, the auditors shall also complete and electronically file, on a timely basis, the State of Illinois Comptroller Report, the Cook County Debt Disclosure and the Department of Insurance filing for the Police Pension Fund.

The auditors shall also assist the Financial Director with the Management Discussion and Analysis (MD&A) that accompanies the basic financial statements.

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.



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## B. Funds to Be Audited:

The Village of Norridge currently has five funds. These five funds are grouped into three groups:

Group 1: General Fund, Motor Fuel Tax Fund, Wireless 911 Fund

Group 2: Water Fund

Group 3: Police Pension Fund

Each group set of Funds will require separate audit reports and statements.

## C. Financial Reporting

Report preparation, editing, printing and supplies including covers, dividers, and spines shall be the responsibility of the auditor. Necessary letterhead will be provided by the Village of Norridge. The auditor shall reproduce up to 15 copies of the Comprehensive Annual Financial Report of each Fund group (ie: 15 copies of Group 1 report, 15 copies of Group 2 report and 15 copies of Group 3 report).

One copy of the Illinois Comptroller's Annual Financial Report for the Village of Norridge and one receipt of successful electronic filing.

One copy of the Cook County Debt Disclosure filing and one receipt of successful electronic filing.

One copy of the Department of Insurance filing and one receipt of successful electronic filing.

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

## 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 Norridge.



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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, or 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. We would not expect this type of service to be very time consuming and as such we would expect this to be built into the fixed audit fee.

## **TIMELINESS OF REPORT:**

The final audit must be completed and the report must be received by the Village of Norridge prior to October 31<sup>st</sup> of each year. Failure to deliver a final report in a timely manner may result in reducing the term of engagement.

## **PROPOSAL REQUIREMENTS:**

### A. Inquiries

Inquiries concerning the Request for Proposals and the subject of the Request for Proposals must be made to the Village of Norridge Financial Director, Joanna Skupien, at [jskupien@villageofnorridge.com](mailto:jskupien@villageofnorridge.com) or 708-583-5752.

### B. Submission of Proposals

The following material is required to be included with each proposal:

1. 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 and timing.
2. 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



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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.

### 3. 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%

### 4. Fees and Billings

Fees and billing schedules must be completed using Exhibit A of this RFP.

Fees and billing schedule must be separated out by the Fund groups as listed in Exhibit A.

- 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 Exhibit A Form. As stated on Page 1, paragraph two, of the introduction, a three-year contract is contemplated, however, not guaranteed. Therefore, please enter the fee structure based on the outline given in Exhibit A.





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- b. The Village of Norridge also requests a fee for an option of a single audit under the provisions of the Federal Single Audit Act, should it become necessary in the forthcoming years.
- c. List, by Partner and staff level, hourly billing rates to be charged should the Village of Norridge expand the scope of the audit or require additional services.

## 5. Potential Increases in Fees and Billings

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 Norridge.

Payment to the auditor or firm will be made in a single payment AFTER the audit is completed.

**ORAL PRESENTATIONS/INTERVIEWS:** During the evaluation process, the Village may, at their discretion, request firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the Village Board or the Financial Director may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

**INSURANCE:** A contractor, or vendor, shall not commence work nor shall the Village permit any contractor or vendor, under any contract with the Village to commence work, until the contractor or vendor has first obtained all insurance required under this paragraph, and such insurance has been approved by the

Village; nor shall a Contractor allow any sub-contractor to commence work on a sub-contract until all similar insurance required of the sub-contractor has been approved by the Village. A contractor or vendor agrees to provide and maintain certificates of insurance evidencing the minimum insurance coverage and limits set forth below during the term of the contract, unless Village ordinance or bidding requirements specify a greater amount or additional type of insurance, then such greater amount or type of insurance will be required. Such policies shall be in force and from companies acceptable and satisfactory to the Village to afford protection against all claims for damages to public or private property, and injuries to persons, arising out of and during the contract term. A copy of the certificate of insurance shall name the Village of Norridge, its officers, agents, employees, representatives and assigns as additional insured. The policy of insurance shall contain no provisions that invalidate the naming of the Village as additional insured. The insurance coverage and limits set forth below shall be deemed to be minimum coverage and shall not be construed in any way as a limitation on Contractor's duty to carry adequate insurance or on



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Contractor's liability for losses or damages under this Contract. The minimum insurance coverage and limits that shall be maintained by the Contractor and his sub-contractors at all times while providing, performing, or completing the work are as follows:

- a. Worker's Compensation. The Contractor is required to carry, with a company authorized under the laws of the State of Illinois, a policy for protection against liability under the Worker's Compensation and the Occupational Disease Statutes of the State of Illinois with limits of not less than \$500,000.00 per claim
- b. General Liability. The Contractor shall carry a comprehensive general umbrella liability policy for all operations with limits of not less than \$1,000,000.00 each accident for bodily injury liability and not less than \$1,000,000.00 each accident for property damage liability.
- c. Professional Liability Insurance. The Contractor shall carry minimum of \$1,000,000.00.
- d. Automobile Insurance. The Contractor shall carry minimum of \$1,000,000.00.

All such insurance must include an endorsement whereby the insurer agrees to notify the Village at least thirty (30) days prior to non-renewal, reduction, or cancellation. The Contractor shall cease operations if the insurance is canceled or reduced below the required amount of coverage. All costs for insurance as specified herein will not be paid for separately, but shall be considered as incidental to the Contract.

**PREVAILING WAGE ACT:** All contractors hired by the Village for construction projects shall abide by the prevailing rate of wages for laborers, workmen and mechanics.

**NON DISCRIMINATION CLAUSE:** Illinois human rights laws require that any contractor or vendor to the Village of Norridge and other public bodies in the State of Illinois agree to be bound by Illinois human rights laws and their nondiscrimination requirements. The law requires a nondiscrimination clause be included in the Village's contracts and contract specifications. The requirements of a nondiscrimination clause shall be included in all contracts, and contract specifications. The required language shall be in the form of the following typed statement on the applicable document:





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*This [contract or contract specification] incorporates by reference the equal employment opportunity clause which the Illinois Department of Human Rights requires in all contracts and contract specifications. This clause is set forth in 44 Ill. Admin. Code Sec. 750 (Appendix A) and is contained in the Village's purchasing and contracting policy. By acceptance of this contract, the [vendor or contractor] agrees to comply with the clause and all other rules and regulations of the Illinois Department of Human Rights covering employment opportunity. The [vendor or contractor] also acknowledges that it has a written sexual harassment policy which complies with Section 2-105 of the Illinois Human Rights Act, 775 ILCS 5/2-105.*

**PLACE TO SUBMIT RFP** – submit the proposal in a sealed envelope, with RFP# 2014-7 clearly marked on the envelope to:

Village of Norridge  
c/o Joanna Skupien, Financial Director  
4000 N. Olcott Ave.  
Norridge, IL 60706

Proposals will NOT be accepted via facsimile or e-mail.

**DEADLINE FOR SUBMITTING RFP**

Wednesday, July 8, 2014 4:00 PM

Proposals recieved after the above cited time will NOT be considered.

**BID DEPOSIT** – No requirements

Inquiries should be directed to the Financial Director, Joanna Skupien via phone or e-mail: 708-583-5752 or [jskupien@villageofnorridge.com](mailto:jskupien@villageofnorridge.com).

Dates Posted on Website and hung on Village Hall Bulletin Board:  
06/19/2014-07/08/2014



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## EXHIBIT A

Maximum charge for examination and reporting of the Village of Norridge's Financial Statements (including Management Letter, Illinois Comptroller's Report, Cook County Debt Disclosure and other listed as per RFP #2014-7).

AUDITOR/FIRM NAME: \_\_\_\_\_

### **Audit Fees**

<b>for General Fund, MFT Fund &amp; Wireless 911 Fund</b>	<b>for Water Fund</b>	<b>for Police Pension Fund</b>
FY14 \$ _____	FY14 \$ _____	FY14 \$ _____
FY15 \$ _____	FY15 \$ _____	FY15 \$ _____
FY16 \$ _____	FY16 \$ _____	FY16 \$ _____

### **(If Necessary) Single Audit Fees**

FY14 \$ \_\_\_\_\_

FY15 \$ \_\_\_\_\_

FY16 \$ \_\_\_\_\_

### **Schedule of professional fees for additional services, quoted as hourly rates**

Specify Staff Level: \_\_\_\_\_

FY14 \$ _____	FY14 \$ _____	FY14 \$ _____
FY15 \$ _____	FY15 \$ _____	FY15 \$ _____
FY16 \$ _____	FY16 \$ _____	FY16 \$ _____

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