REQUEST FOR PROPOSAL
AUDIT SERVICES
FOR
ILLINOIS VALLEY COMMUNITY COLLEGE
PROPOSAL # RFP2012-P06

The Board of Trustees of Illinois Valley Community College District No. 513 is seeking a Proposal for Audit Services. All proposals are due by 2:00 p.m. on Wednesday, March 21, 2012 and should be sent to:

Illinois Valley Community College District No. 513
Purchasing Department – Room C-343
815 North Orlando Smith Road
Oglesby, Illinois 61348

ALL PROPOSALS MUST BE IN A SEALED ENVELOPE AND MARKED “AUDIT SERVICES PROPOSAL.” Late proposals will not be considered.

Questions should be directed to Patrick Berry, Controller, at (815) 224-0389 or Patrick_Berry@ivcc.edu.

To be considered, four (4) copies of the proposal must be submitted. The College reserves the right to accept or reject any or all proposals received or any parts thereof, or to negotiate separately with any accounting firm whatsoever if no acceptable proposals are submitted in order to best serve the interest of the College. The submission of a proposal indicates acceptance by the firm of the conditions contained in the request for proposal (RFP), unless clearly and specifically otherwise noted in the submitted proposal and confirmed in the contract between the College and the firm selected. The RFP is made for information and planning purposes only and does not obligate or bind the College contractually to accept any proposals submitted.

<table>
<thead>
<tr>
<th>Event</th>
<th>Date and Time</th>
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<tbody>
<tr>
<td>Request for Proposals Issued</td>
<td>February 22, 2012</td>
</tr>
<tr>
<td>Question Period Ends</td>
<td>March 14, 2012</td>
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<tr>
<td>Proposals Due &amp; Bid Opening</td>
<td>March 21, 2012 by 2:00 PM</td>
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<tr>
<td>Evaluation Period</td>
<td>March 22 through April 6, 2012</td>
</tr>
<tr>
<td>Anticipated Contract Award</td>
<td>April 18, 2012</td>
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ACKNOWLEDGEMENT OF ADDENDA:
Signature of a company official on an original document shall be construed as acknowledgement of receipt of any and all addenda pertaining to this specific proposal. Identification by number of addenda and date issued should be noted on all proposals submitted. FAILURE TO ACKNOWLEDGE RECEIPT OF ADDENDA ON PROPOSAL SUBMITTED MAY RESULT IN DISQUALIFICATION OF PROPOSAL.

PROPOSAL PROCEDURES:
No proposal shall be modified, withdrawn, or canceled for sixty days after the proposal opening date without the consent of the College’s Board of Trustees.

Changes or corrections may be made in the proposal documents after they have been issued and before proposals are received. In such cases, the College will issue a written addendum describing the change or correction to all bidders of record. Such addendum shall take precedence over that portion of the documents concerned and shall become part of the proposal documents. Except in unusual cases, addendum will be issued to reach the vendors at least five (5) days prior to the date established for receipt of proposals.

Each vendor shall carefully examine all proposal documents and all addenda thereto and shall thoroughly familiarize themselves with the detailed requirements thereof prior to submitting a proposal. Should a vendor find discrepancies or omissions from documents, or should there be doubt as to their meaning, they shall, at once, and in any event not later than ten (10) days prior to proposal due date, notify the Director of Purchasing who will, if necessary, send a written addendum to all bidders. The College will not be responsible for any oral instructions. All inquiries shall be directed to the Director of Purchasing. After proposals are received, no allowance will be made for an oversight by the bidder.

SIGNATURE ON PROPOSALS:
The College requires the signature on proposal documents to be that of an authorized representative of said company. Each Bidder, by making her/his proposal, represents that she/he has read and understands the proposal documents and that these instructions to vendors are a part of the specifications.

TAX EXEMPTION:
The College is tax exempt and therefore all proposal submissions should not include tax.

INVESTIGATION OF BIDDERS:
The College will make any necessary investigation to determine the ability of the bidder to fulfill the proposal requirements. The College reserves the right to reject any proposal if it is determined that the bidder is not properly qualified to carry out the obligation of the contract.

PROPOSAL AWARD:
The successful contractor, and/or any contractor, shall not proceed on this proposal until it receives a purchase order from the College. Failure to comply is the risk of the contractor.
PROPOSED AGREEMENT:
Submit a sample of your company’s agreement with your proposal.

CERTIFICATION FORM:
Bidders must sign the enclosed Certification Form that refers to the Criminal Code of 1961 and to the Illinois Human Right Act dealing with Sexual Harassment. The signed Certification must be submitted with your proposal. Failure to do so may result in the rejection of your proposal.

EQUAL OPPORTUNITY EMPLOYMENT:
Illinois Valley Community College District No. 513 is an Equal Opportunity/Affirmative Action Employer, and parties doing business with the College must comply with the employment opportunity clause as required by the Illinois Fair Employment Practices Commission. The successful bidder must agree to conform to the current rules and regulations of the Fair Employment Practices Commission.

Illinois Valley Community College District No. 513 is committed to a policy of non-discrimination on the basis of sex, handicap, race, color, and national or ethnic origin in the admission, employment, education programs, and activities it operates.

W-9 FORM:
Please complete the enclosed W-9 form and return with your proposal.
CONTRACT TERM

The intent of this RFP is to commit to the winning firm for audits for the three fiscal years ending June 30, 2012, 2013, and 2014. However, the initial contract will be for one year only, with new contracts signed each year at the fee level quoted in this proposal. The Board reserves the right to review and adjust or cancel the contract each year at its discretion. It is understood that if the operations of the College change significantly during the three-year period, the audit fee may be renegotiated.

GENERAL INFORMATION

Illinois Valley Community College was established in 1924, and is a comprehensive two-year public community college serving the residents of eight counties in north-central Illinois. Since 1965, the Illinois Community College Board (ICCB) has been the state’s coordinating agency for community colleges. The ICCB promotes cooperation within the system and accommodates statewide initiatives considered appropriate for community colleges. The College offers a variety of programs and services.

The College is located approximately 100 miles southwest of Chicago, Illinois. The district is 2,058 square miles-wide serving a population of approximately 148,000 from all or parts of the following eight counties: LaSalle, Bureau, Putnam, Livingston, Lee, Grundy, Marshall, and DeKalb.

The College issues a comprehensive annual financial report (CAFR) which is submitted to the Government Finance Officers Association (GFOA) for consideration for the “Certificate of Achievement for Excellence in Financial Reporting.”

The College has received an unqualified opinion in each of its past audits. In addition, the College has not been cited for any significant internal control deficiencies (material weaknesses) as a result of past audit examinations.

1. All accounting records are currently maintained on Datatel’s Colleague Administrative software.

2. The Fiscal Years 2012 and 2011 Illinois Valley Community College budgets can be found at http://www.ivcc.edu/businessservices/.

3. The Comprehensive Annual Financial Reports for the fiscal years ending June 30, 2011 and 2010 can also be found at http://www.ivcc.edu/businessservices/.

4. Additional information may be obtained and/or inspection of the College financial records can be made by contacting Patrick Berry, Controller, at (815) 224-0389 or Patrick_Berry@ivcc.edu.
SCOPE OF THE AUDIT

The accounting firm shall provide an audit of the books and records of all funds and account groups of the College. The audit will be performed for the purpose of expressing an opinion on the financial statements. The College’s audit must be performed in accordance with generally accepted auditing standards accepted in the United States of America. The College’s audit must also be performed in accordance with the Governmental Auditing Standards issued by the Comptroller General of the United States. To the extent applicable, the audit for the College shall include procedures required by the following:

- Governmental Auditing Standards;
- Office of Management and Budget (OMB) Circular A-133, Audits of State, Local Governments and Non-Profit Organizations (The Single Audit Act);
- OMB Circular A-133 Compliance Supplement;
- Audits of Institutions of Higher Education and Other Nonprofit Institutions;
- The requirements of Section III of the Illinois Community College Board’s (ICCB) Fiscal Management Manual, July 2000, and as amended;
- And other promulgations that might apply.

The audit shall include all funds of the College, but not limited to:

- Education Fund
- Operations and Maintenance Fund
- Operations and Maintenance Fund (Restricted)
- Bond and Interest Fund
- Auxiliary Fund
- Restricted Purposes Fund
- Working Cash Fund
- Liability, Protection, and Settlement Fund
- Any other fund(s) that may be created during the three audit years under this proposal
NATURE OF SERVICES REQUIRED

The College is soliciting the services from accounting firms to audit the financial statements of the College. These audits are to be performed in accordance with the provisions contained in the request for proposal.

For each fiscal year, the following work will be performed by the auditors:

- The accounting firm will express an opinion on the College’s basic financial statements of the business-type activities and the College’s discretely presented component unit, Illinois Valley Community College Foundation. The auditor will apply certain limited procedures, as needed, to the supplementary information including but not limited to the Management’s Discussion and Analysis, the Uniform Financial Statements, and the Certificate of Chargeback Reimbursement.

- The accounting firm will express an opinion, as prescribed by ICCB, on ICCB state grants financial statements including but not limited to the Workforce Development Component Grant Program, Program Improvement Grant, State Adult Education and Family Literacy Restricted Grant, and the PCCB Grant.

- The accounting firm will complete a single audit of the College’s major federal programs in accordance with the provisions of OMB Circular A-133 and prepare related written reports.

- The accounting firm will perform a complete review of the final draft of the CAFR. The College intends to submit its CAFR to the Government Finance Officers Association of the United States and Canada for the purpose of obtaining the Certificate of Achievement for Excellence in Financial Reporting. The auditor will not be required to prepare the CAFR but to review the CAFR and provide comments in order for the College to meet the requirements of the certificate program.

- The accounting firm will attend the meetings of the Audit/Finance Committee and the Board of Trustees to discuss the audit and the results of the audit.

- The accounting firm must retain all working papers and reports at their expense for a minimum of seven (7) years, unless the firm is notified in writing by the College of the need to extend the retention period. The accounting firm will be required to make audit work papers available, upon request, to the following parties or their designees including Illinois Valley Community College, U.S. Department of Education, U.S. General Accounting Office (GAO), Illinois Community College Board, and parties designated by grant-awarding agencies including federal, state, or local governments as part of an audit quality review. In addition, the firm shall respond to reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.
REPORT DELIVERABLES

The report preparation, editing, printing, and binding shall be the responsibility of the accounting firm. The proposed audit fee shall include the cost of 30 bound copies and one digital copy. Following the completion of the audit of the fiscal year’s financial statements, the auditor shall issue the following:

- A report on the fair presentation of the basic financial statements in conformity with generally accepted accounting principles;

- A report on internal controls over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with government auditing standards;

- A report on compliance with requirements that could have a direct and material effect on each major program and on internal control over compliance win accordance with OMB Circular A-133;

- A schedule of expenditures for federal awards;

- A schedule of findings and questioned costs;

- Reports on the fair presentation of the financial statements of all the ICCB required grant audits;

- A report on the Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed as required by the ICCB;

- A management letter report which includes internal control deficiencies found during the audit (if any);

- The electronic filing of the Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations;

- Other reports as prescribed by the standards referred to above.
TIME REQUIREMENTS

- The College will commit resources for preliminary field work for approximately one week (preferably beginning in May).

- The College will commit resources for field work for approximately two consecutive weeks (preferably beginning the second week of August).

- Final report deliverables are due by the end of the third week of September.

- Final report deliverables will be discussed with the College’s Audit/Finance Committee around the first or second week of October.

- All report deliverables are due to the ICCB and the College Board of Trustees by October 15 each year.

The College’s Business Office staff and responsible management personnel will be available during the audit to assist the accounting firm by providing information, documentation, and explanations. Based on the auditor’s list of worksheets as described in the “prepared by client” letter, the Business Office is responsible for preparing the worksheets and analyses that will be used by the auditors.

With the exception of the Auditor opinions, the College is responsible for completing the Comprehensive Annual Financial Report.

PROPOSAL REQUIREMENTS

All written proposals will be reviewed and evaluated based on how well they address the specific needs of the College as outlined in this RFP. Failure to provide information may be cause for the proposal to be rejected.

Mandatory Information

- The proposal shall identify the audit partner, audit manager, information technology auditors, and audit fieldwork staff that will work on the audit and related auditing experience (resume).

- The accounting firm shall submit an affirmation that the accounting firm and the professional staff members responsible for this engagement are properly licensed to practice as certified public accountants in the State of Illinois. Each member must be in good standing with each licensing or certification organization.

- The accounting firm shall submit an affirmation that their firm meets the independent requirements of the Government Auditing Standards, 2003 revision, published by the U.S. General Accounting Office.
• The accounting firm shall list prior experience performing the attest function for the financial statements based on GASB reporting standards of a college or university including federal Single Audit requirements.

• The accounting firm shall provide a minimum of three (3) references where similar services in scope to the requirements of this RFP have been provided. The reference list shall include the client’s name, names of persons who may be contacted, position of the persons, addresses, and phone numbers.

**Quality of the Audit Approach**

• Describe the accounting firm’s understanding of the audit services to be provided, the approach to the engagement, and the overall work program, including timeline.

• Describe how the firm’s audit approach will comply with industry and governmental auditing standards and describe your internal control evaluation approach.

• Describe how the firm’s audit approach will provide for the issuance of management letters with recommendations for improvements in fiscal and operational matters as a result of the audit.

• List the accounting firm’s office locations and describe the firm’s available resources for auditing services relating to higher education.

**Audit Experience and Professional Development**

• Describe the team’s audit experience with higher education institutions.

• Describe the audit team’s audit training relating to higher education institutions.

**Federal Single Audit Plan**

• Describe the firm’s expertise and experience in performing Federal Single Audits for higher education institutions.

• Describe the firm’s audit approach for the Federal Single Audit.
**Engagement Staffing**

- Describe the size of the accounting firm.
- Describe the size of the firm’s audit staff.
- Include the location of the office from which the work on this engagement is to be performed.
- Include the number and nature of staff to be employed on a part-time basis.
- Describe the firm’s ability to staff audit engagements within the time schedules of this RFP.

**Independence**

The firm should provide an affirmative statement that it is independent of Illinois Valley Community College as defined by generally accepted auditing standards and the U.S. General Accounting Office’s Government Auditing Standards. The firm should also list and describe the firm’s professional relationship involving Illinois Valley Community College for the past five (5) years, together with a statement expressing why such relationship does not constitute a conflict of interest relative to performing the proposed audit. In addition, the firm shall give the College written notice of any professional relations entered in during the period of the engagement.

**Anticipated Audit Problems**

The proposal should identify and describe any anticipated audit problems, the firm’s approach to resolving these problems, and any special assistance that will be requested from the College.

**Dollar Cost Bid**

The bid should contain all pricing information relative to performing the audit engagement. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out of pocket expenses. Hourly rates should be listed for any additional work that might need to be performed (i.e., separate audits to satisfy grantor agencies). The College will not be responsible for expenses incurred in preparing and submitting the proposal and should not be included in the proposal.
EVALUATION CRITERIA AND TECHNIQUES FOR RESPONSES TO REQUESTS FOR PROPOSALS

Proposals will be evaluated by the Board of Trustee’s Audit Committee, Vice President for Business Services and Finance, Controller, and College President. Recommendations then will be presented to the Board of Trustees to make the final decision.

Evaluation of responses to a request for proposal is based upon a 100-point rating system. A maximum of 25 points is assigned to the cost of the bid proposal, and a maximum of 75 points is assigned to the qualifications of the bidding firm or individual. The techniques used to evaluate these two components are described below:

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
<th>Possible Points</th>
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<tr>
<td>Cost</td>
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<td>Mandatory Requirements</td>
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<tr>
<td>Quality of the Audit Approach</td>
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<td>Audit Experience and Professional Development</td>
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<tr>
<td>Engagement Staffing</td>
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<td>Federal Single Audit Plan</td>
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<tr>
<td><strong>Total Possible Points</strong></td>
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# AUDIT PROPOSAL

Please include this sheet with your proposal.

Firm: ________________________________

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<th>2013</th>
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<tbody>
<tr>
<td><strong>Proposed Fee for Fiscal Year:</strong></td>
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<tr>
<td><strong>Audit of Comprehensive Annual Financial Report as outlined in the Request for Proposal</strong></td>
<td>$</td>
<td>$</td>
<td>$</td>
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<td><strong>Proposed Number of Hours</strong></td>
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<td><strong>Federal Single Audit</strong></td>
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<td><strong>Proposed Number of Hours</strong></td>
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<tr>
<td><strong>Foundation Audit</strong></td>
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<tr>
<td><strong>Proposed Number of Hours</strong></td>
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Fees for additional work not included within the Audit Proposal (i.e. grants).

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<tr>
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<td><strong>Partners</strong></td>
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<tr>
<td><strong>Supervisory Staff</strong></td>
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<td><strong>Other (specify)</strong></td>
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Audit Services – Proposal #RFP2012-P06
CERTIFICATION OF CONTRACT/BIDDER

The below signed contractor/bidder hereby certifies that it is not barred from bidding on this or any other contract due to any violation of either Section 33E-3 or 33E-4 of Article 33E, Public Contracts, of the Illinois Criminal Code of 1961, as amended. This certification is required by Public Act 85-1295. This Act relates to interference with public contracting, bid rigging and rotating, kickbacks and bribery.

NAME OF CONTRACTOR/BIDDER

TITLE

DATE

THIS FORM MUST BE RETURNED WITH YOUR BID TO:

Illinois Valley Community College
Purchasing Department – Room C-343
815 North Orlando Smith Road
Oglesby, Illinois 61348
SIGNATURE PAGE

Having read and understand the specifications and requirements of **Audit Services - Proposal # RFP2012-P06**, I agree to the terms and conditions of this proposal.

**Submitted By:**

<table>
<thead>
<tr>
<th>Company</th>
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<tr>
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<tr>
<td>City, State  Zip</td>
<td>Phone</td>
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<tr>
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