

Village of Orland Park
RFP for Professional Audit Services
Questions

Please note we have responded to all questions from potential proposers even if the question was a duplicate.

1. It sounds like the finance department is fully responsible for the preparation of the CAFR, except for some items in the statistical section. Are there any journal entries that are annually proposed by the auditors such as GASB34 type entries for F/S presentation? The prior auditors have not annually proposed any journal entries.
2. How are capital assets accounted for annually? The Village maintains all capital asset ledgers with accumulated depreciation and depreciation expense by function within the Village's financial software.
3. The Stellwagen Foundation issues separate financial statements. Are those statements in accordance with FASB? And will the external audit team be opining on those statements as well? It looks like the amounts and disclosures in the CAFR are in accordance with GASB. The separately issued financial statements for Stellwagen and Open Lands are prepared in accordance with FASB standards as they are both non-profit entities.
4. The RFP states the finance department assists the auditors with certain schedules. Which schedules specifically do they prepare? The Village prepares all work papers and schedules related to the audit.
5. How many weeks are generally spent at the Village for interim and year end work by the audit team? Interim was 2 people for about 7 days, for all entities, the remainder of the hours were for final field work.
6. What level of assurance is needed on the review of the 990's? Is the external audit team signing the form? It is requested that the 990's are reviewed by the tax department of the auditing firm. A signed form is not required.
7. Does the Village prepare the entire CAFR, including covers, dividers, binding, etc.?
Yes, the Village prepares the entire CAFR.
8. Does the Village prepare the entire AFR for the four component units? Yes, the Village prepares the AFR for all four component units.
9. Does the Village prepare the application for the GFOA certificate? Do you require any assistance from the auditors? The Village prepares the entire application without assistance from the auditors.

Village of Orland Park
RFP for Professional Audit Services
Questions

10. Can we obtain a copy of the prior year management letter, including the report on internal controls selected for testing? Yes, the SAS 114 and 115 letters are included as a separate addendum to the Request for Proposals.
11. What specific statistical schedules are expected to be prepared by the auditor? The auditor provides data for the statistical schedules that note principal taxpayers of Orland Park, direct and overlapping debt, and the principal employers of Orland Park. The actual schedule will be prepared by the Finance Department.
12. Who prepares the 990 for the Open Lands Corporation and Stellwagen Foundation? The Village prepares the 990 for both entities and requests that the auditing firm review the completed forms.
13. Is the prior auditor bidding on the engagement or is it mandatory rotation? In 2002, the Village Board approved a resolution requiring the Village to request proposals for auditing services every 5 years. This RFP was issued due to the mandatory rotation requirement.
14. Does the prior auditor maintain any data for the Village? All data is maintained by the Village's Finance Department.
15. How many auditors are typically on-site for preliminary field work and final field work and for how long? Approximately four weeks for planning and final field work with 1 to 3 people on site. The audit covered closer to 6 weeks but the prior auditors did not have a presence every week.
16. How many adjusting journal entries did the prior auditor propose? Can we obtain a copy of these adjusting journal entries? There was one entry in 2011 to adjust the insurance claim reserve. The entry is included in the SAS 114 and 115 letter attached as addendum to the Request for Proposal.
17. Does the Village prepare the GASB 34 conversion entries? Yes, the Village prepares all GASB 34 entries.
18. What were the prior year audit fees? Are these fees for the same services requested in the request for proposal? The fees are for the same services as requested in the RFP and are as follows:

Village of Orland Park	\$33,000
Civic Center Authority	\$3,500
Open Lands Corporation	\$3,500
Joint Emergency System Board	\$4,700

Village of Orland Park
RFP for Professional Audit Services
Questions

TIF Report	\$1,200
Stellwagen Foundation	\$2,100
Single Audit (if required)	\$7,000

19. Where there any additional fees billed by the auditor in the prior year? There were no additional fees billed by the auditor in the prior year.
20. Does the Village prepare all work papers related to the audit? Are there any work papers that are expected to be prepared by the auditor? The Village prepares all work papers related to the audit.
21. Are all trial balances by fund adjusted to GAAP basis or do the auditors adjust to GAAP? All trial balances are adjusted to GAAP basis by the Village.
22. Does the Village's chart of accounts have consistency of account number sequencing between funds? Yes, the chart of accounts is consistent between funds.
23. Is the Village's purchasing functions centralized or decentralized? If decentralized, what locations perform these functions? The Finance Department processes all bids, requests for proposals, requisitions, and purchase orders. Departments obtain price quotes, assist with preparations of bids and requests for proposals, and enter requisitions for approval in the Village's financial software.
24. Does the Village expect any changes in their self-insurance programs? The Village does not anticipate any changes to the self-insurance programs.
25. Does the Village maintain written documentation of internal controls? The Village has prepared documentation related to the Village's major transaction cycles during the Innoprise implementation process. Cash receipts, cash disbursements, and payroll have been completed and will ultimately be converted into a Policy and Procedure Manual. Utility billing will be completed during FY2012.
26. Have there been any changes in personnel, internal control or operations since the last audit that would have a significant audit impact? Staff and internal control operations have remained the same since the last audit.
27. Were there any concerns with the performance of services of your previous auditor? If so, what was the nature of those concerns? The Village had a good working relationship with the previous auditors and they met all deadlines set by Finance Department staff.

Village of Orland Park
RFP for Professional Audit Services
Questions

28. Will they be included in the RFP process for December 31, 2012? The Village's prior auditors were invited to be included in the current RFP process.
29. Were there any disagreements or disputes with the prior auditor? No, there were not any disagreements or disputes with the prior auditors.
30. How many Journal Entries were proposed and recorded as a result of their December 31, 2011 audit? Was this typical, and are your expectations that the current year will be similar? There was one entry in 2011 to adjust the insurance claim reserve. Finance staff makes every effort to limit the number of auditor proposed journal entries.
31. May we receive a copy of the management letter communications issued for the year ended December 31, 2011? The SAS 114 and 115 letters are included as a separate addendum to the Request for Proposals.
32. What were the all-inclusive fees for the December 31, 2011 audit? Were there additional billings in excess of the proposed fees – if so, why? At approximately what percentage have your fees increased over the past several years? Please refer to question 18 for the 2011 audit fees. There were no additional billings during the 2011 audit. The fees have increased approximately 4.5% over the past several years.
33. Per page 8 of your RFP, #8 - can you clarify the level of Internal Control reporting that you are looking for? During the course of our normal audit, we gain an understanding of your control environment and identify key controls. However, we are not required to test those controls in detail, nor would we report upon them (assuming no Single Audit), unless we discover material weaknesses, which would be communicated to those charged with the governance of the organization. Can you provide a sample of the prior level of reporting and can you provide sample sizes that were tested. The Village is looking for the auditors to evaluate, test and report on a specified procedure within a Village department. The work typically includes obtaining a detailed understanding of the process in place, including the internal controls. Sample sizes varied greatly based on the nature of the work and the population size. The reporting consists solely of findings reported in the management letter; however, management was also provided with copies of memos and detailed understandings where applicable.
34. From the time requirements provided, it appears that there is currently a gap of approximately two months from the requested completion of fieldwork (around mid-March) to the receipt of the Village's draft of the CAFR on May 15th. Is this length of time necessary for the Village or could it be shortened by, say, starting fieldwork a few weeks later and still finishing well before May 15th? The Village could adjust the fieldwork dates by approximately 2 weeks.

Village of Orland Park
RFP for Professional Audit Services
Questions

35. Please provide or discuss the audit entries which were determined in the December 31, 2011 audit. Were these entries the auditor calculated? There was one entry in 2011 to adjust the insurance claim reserve. This entry was auditor calculated.
36. Who is the actuary providing service for the Police Pension and for the OPEB? Timothy W. Sharpe of Geneva, Illinois provides service for both the Police Pension and the OPEB.
37. Does the Village utilize an outside entry to manage claims paid in the internal service (Insurance) fund? If yes, please identify the entity, and if a SSAE16/SAS 70 letter is received regarding internal controls in place. Yes, the Village uses a third party administrator to manage insurance claims. The firm is Cannon Cochran Management of Lisle, Illinois. A SSAE16/SAS70 letter was not received.
38. How is the Village maintaining their capital asset records, and does it include functional depreciation classes? The Village maintains all capital asset ledgers with accumulated depreciation and depreciation expense by function within the Village's financial software.
39. Is the incumbent firm invited to propose, or is there a required rotation? How many firms were invited to propose? In 2002, the Village Board approved a resolution requiring the Village to request proposals for auditing services every 5 years. The Village's prior auditors were invited to participate in the current RFP process. There were 20 firms invited to propose.
40. What firm performs the Orland Park Public Library audit? McClure Inserra and Company performs the Orland Park Library audit.
41. Are the internal controls at the Orland Park Public Library centralized or decentralized? The internal controls at the Orland Park Library are separate from the Village of Orland Park internal control structure.
42. How many hours did the December 31, 2011 audit take? Approximately 1,000 total hours were incurred for audits for all entities and the TIF report. This also includes review of the 990 form.
43. Will the Village need any assistance in the preparation of the state comptroller submission or the Department of Insurance report? The Village does not need any assistance with either the submission or report.
44. Does the Village provide the GASB 34 adjustments and related support? Yes, the GASB 34 adjustments and related support is provided by Village staff.

Village of Orland Park
RFP for Professional Audit Services
Questions

45. Are the December 31, 2011 SAS 114 and 115 letters available for review? Yes, it is included as a separate addendum to the Request for Proposals.
46. Is the December 31, 2011 management letter available for review? What internal controls and Village department will be selected for reporting in the next audit period? The SAS 114 and 115 letters are included as a separate addendum to the Request for Proposals. The Village department to be selected for additional internal control testing has not been determined at this time.
47. Is the Village flexible on the fieldwork dates (i.e. first 3 weeks in March), provided the audit firm meets the June 15th report delivery date? The Village could adjust the fieldwork dates by approximately 2 weeks.
48. What prevented the December 31, 2011 audit from meeting the June 15th delivery date? The CAFR was available for auditor review at a later date than anticipated.
49. Were there any management letter comments in fiscal year 2011? If so, please provide a copy of the letter. The SAS 114 and 115 letters are included as a separate addendum to the Request for Proposals.
50. Have there been any significant changes in personnel, internal control or operations since the last audit? Staff and internal control operations have remained the same since the last audit.
51. Approximately how many and what types of journal entries were made in the prior year? Is this typical? Please provide a copy of the entries. There was one entry in 2011 to adjust the insurance claim reserve. The entry is included in the SAS 114 and 115 letter included as an addendum to the Request for Proposals.
52. Does the City maintain capital asset ledgers with accumulated depreciation and depreciation expense by functional expense? The Village maintains all capital asset ledgers with accumulated depreciation and depreciation expense by function within the Village's financial software.
53. Who prepares the accrual (both modified accrual & full accrual) entries? Village Finance staff prepares all entries.
54. Item 6 in the scope of work indicates that the Village prepares all sections of the CAFR, but item 9 mentions providing data for certain statistical section tables. Are the specific tables mentioned in item 9 the only elements of the CAFR that the Village does not prepare? The Village requests that the auditing firm provide data for the statistical schedules that note principal taxpayers of Orland Park, direct and

Village of Orland Park
RFP for Professional Audit Services
Questions

overlapping debt, and the principal employers of Orland Park. The actual schedule will be prepared by the Finance Department.

55. Does the Village use a third-party administrator for the self-insurance program? If so, who, and have they provided a SAS 70 report to the auditors in prior years? Yes, the Village uses a third party administrator to manage insurance claims. The firm is Cannon Cochran Management of Lisle, Illinois. A SSAE16/SAS70 letter was not received.
56. Page 5 of the RFP indicates that the Financials Module of Innoprise was implemented at the beginning of 2012, but that other modules of the new system will not be implemented until 2013. Could you please specify what modules of SunGard the Village is currently using, and which modules of Innoprise will be implemented? Also, if payroll is not processed in house, please indicate which payroll processing provider the village uses. Currently, only the Financials module of Innoprise has been implemented. Financials includes purchasing and general ledger. The Community Development and Cash Receipts modules of Innoprise will be implemented at the end of October 2012. Community Development includes permits, licenses, and planning. Water billing implementation is planned for March 2013 and payroll is planned for the end of 2013. Payroll is processed in house and the Village currently uses HTE.
57. What was the prior year fee? Were there any additional billings? Please refer to question 18 for the 2011 audit fees. There were no additional billings during the 2011 audit.
58. Does the Village have a mandatory rotation policy for audit services? If not, is the Village satisfied with the current audit firm and will they be allowed to bid again? In 2002, the Village Board approved a resolution requiring the Village to request proposals for auditing services every 5 years. The Village's prior audit firm was invited to participate in the RFP process and during the five year contract period continued to meet all deadlines set by Finance Department staff.
59. Does the Village have documentation of its processes and controls over significant process cycles? Payroll, cash disbursements, cash receipts, utility billing? The Village has prepared documentation related to the Village's major transaction cycles during the Innoprise implementation process. Cash receipts, cash disbursements, and payroll have been completed and will ultimately be converted into a Policy and Procedure Manual. Utility billing will be completed during FY2012.
60. What significant issues are there for next year? For example, are there any major activities or changes to your operations or organization makeup since the date of your last financial statement, which could have an impact on our audit? In September

Village of Orland Park
RFP for Professional Audit Services
Questions

2011, the Village entered into a redevelopment agreement for the redevelopment of property within the Main Street Triangle TIF District. This project will include 295 rental residential units, 8,000 square feet of interior amenity space, and 4,000 square feet of commercial space. The project is projected to be completed in the spring of 2013. The Village will incur phased debt for the financing of this project. Total development costs are estimated at \$65 million which will be funded by a \$2 million equity contribution by the developer, a \$38 million secured mortgage loan by the Village to the developer and a Village project incentive of \$25 million.

61. Has the Village typically had all requested items ready for the auditors when they first arrive for final fieldwork? If not, what areas are more difficult for the Village to prepare? The Village does not typically have capital assets available when the auditors first arrive for final fieldwork.
62. Approximately how many and what types of journal entries (adjusting journal entries and passed entries) were made in the prior year? Please make copies available. Is this typical? If not, please explain. There was one entry in 2011 to adjust the insurance claim reserve. There was one passed adjustment pertaining to an overstated liability. The entry is included in the SAS 114 and 115 letter included as an addendum to the Request for Proposals.
63. Is the Village able and willing to provide an electronic download (balance sheet, income statement, and budget) to download into our audit software prior to fieldwork? Yes, the Village is able to provide an electronic download of a trial balance for auditing software.
64. How long does the prior auditor usually spend at the Village and how many people do they send? Approximately four weeks for planning and final field work with 1 to 3 people on site. The audit covered closer to 6 weeks but the prior auditors did not have a presence "on-site" every week.
65. Was a management letter/SAS 115 letter issued for fiscal year 2011? If possible, please make the report available for review? The SAS 114 and 115 letters are included as a separate addendum to the Request for Proposals.
66. Has the Village evaluated the impact of GASB Statement No 61 on the evaluation of the five discretely presented component units? No, not at this time.
67. Does the Village prepare the Annual Financial Reports and 990s for the four component units? Yes, the Village prepares the Annual Financial Reports for the four component units and 990s for the two component units.

Village of Orland Park
RFP for Professional Audit Services
Questions

68. Please make available the fiscal year 2011 separately issued financial statements and 990s where applicable for the Orland Joint Emergency System Telephone Systems Board, Civic Center Authority, Stellwagen Foundation and Open Lands Corporation. Along with the report on compliance with Public Act 85-1142 for the Village's TIF. Are separate financial statements prepared for the TIF? If so, please make available this separately issued report for fiscal year 2011. The financial statements for the Joint Emergency System Board, Civic Center Authority, Stellwagen Foundation, and Open Lands Corporation are attached as separate addendum to the request for proposal. The 990 for the Open Lands Corporation is also attached. An e-postcard was filed for Stellwagen in 2011 since gross receipts were less than \$50,000. The TIF Report for the Main Street Triangle is also included as an attachment. Separate financial statements are not prepared for the TIF.
69. Is it the Village's intention that the fee included in the Fee Proposal form for the Village of Orland Park audit section to include the fee for the evaluation, testing and reporting on selected internal controls? The fee for the Village of Orland Park audit should be all-inclusive.
70. How much did the Village pay for auditing services for 2011? Please breakdown fee by Village audit, each component unit, TIF Report, and the separate internal control project. Was there any additional accounting assistance or change orders charged? If so, has the Village taken any steps to address items identified? Please refer to question 18 for the 2011 audit fees. There were no additional billings during the 2011 audit. The separate internal control project should be part of the all-inclusive fee for the Village of Orland Park audit.
71. If not precluded by a rotation policy, is it anticipated that your former auditor will be proposing again? The Village's prior auditors were invited to participate in the RFP process.
72. Why is the Village going out for proposals? In 2002, the Village Board approved a resolution requiring the Village to request proposals for auditing services every 5 years.