

SOUTHERN COMBINED DISPATCH CENTER

REQUEST FOR PROPOSALS

AUDIT SERVICES

FOR FISCAL YEARS 2021 THROUGH 2025

**Proposals must be received in the
Office of the Director by
12:00 p.m., Friday, January 8, 2021**

Southern Combined Dispatch Center

21113 Dettmering Dr.

Matteson, Illinois 60443

(708) 283-6630

I. INTRODUCTION

A. Term of Engagement

The Southern Combined Dispatch Center (SouthCom) is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending April 30, 2021, 2022, 2023, 2024 and 2025.

There is no expressed or implied obligation for the Southern Combined Dispatch Center to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

Proposals must be received by **12:00 p.m. on Friday, January 8, 2021**. Proposals may be submitted via email to cathydorans@southcomdispatch.com. Please confirm that your proposal was received. The Southern Combined Dispatch Center cannot be responsible for proposals not received, or proposals that are late due to technological issues. SouthCom reserves the right to reject any, and all proposals.

The Southern Combined Dispatch Center reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal, unless clearly and specifically noted in the proposal submitted and confirmed in the engagement letter between the Southern Combined Dispatch Center and the firm selected.

After proposals are received, SouthCom may select some firms to conduct interviews or to request additional information. We anticipate that the auditor will be selected by December and approved by January 2021. Following the notification of the selected firm, an engagement letter will be executed between both parties.

The Southern Combined Dispatch Center may officially accept the selected firm at their Board of Directors meeting in March 2021.

B. Term of Engagement

It is the intent of SouthCom to contract for the services presented herein for a term of five fiscal years ending April 2021, 2022, 2023, 2024 and 2025. The proposal package shall present all-inclusive audit fees for each year of the contract term.

A five-year initial engagement is contemplated, subject to the annual review and recommendation of the Operating Committee, the satisfactory negotiation of terms (including a price acceptable to both the Southern Combined Dispatch Center and the selected firm), and the concurrence of the Board of Directors of Southern Combined Dispatch Center.

C. Subcontracting

No subcontracting will be permitted.

II. NATURE OF SERVICES REQUIRED

A. Entity

In partnership with our brave fire fighters, paramedics and police officers, SouthCom Dispatch is dedicated to saving human life; reducing property damage and loss; and preserving the freedoms of life for the citizens and responders we serve.

B. Scope of Work to be Performed

To meet the requirements of this request for proposal, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants (AICPA). These audits are to be performed in accordance with the provisions included in this request for proposal. The Southern Combined Dispatch Center desires the auditor to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles.

The Southern Combined Dispatch Center desires the auditor to express an opinion on the fair presentation of its combining and individual fund and account group financial statements and schedules in conformity with generally accepted accounting principles.

The auditor shall also be responsible for preparing the supplemental and statistical information required by the Government Accounting Standards Board as mandated by generally accepted auditing standards.

The auditor is responsible for expressing an opinion on management's assertion that the Southern Combined Dispatch Center conformed to any compliance and reporting requirements of the State of Illinois.

The auditor is responsible for expressing an opinion on the management's assertion that the Southern Combined Dispatch Center complied with the requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 (Single Audit Act).

The auditor shall provide to SouthCom all audit adjustments including appropriate backup documentation and will meet with SouthCom's Accountant to discuss these final adjustments.

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 in a timely manner and provide guidance on any particular issue that may arise throughout the contract period.

C. Auditing Standards to Be Followed

To meet the requirements of this request for proposal, the audit shall be performed in accordance with generally accepting auditing standards, the standards as set forth by the American Institute of Certified Public Accountants, and, if necessary, generally accepted government auditing standards issued by the United States General Accounting Office (GAO, 1994), the provisions of the federal Single Audit Act of 1984 (as amended in 1996) and U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Any special compliance and reporting requirements of the State of Illinois.

D. Reports to be issued

The auditor will provide covers, binders and any dividers needed for audit report. The auditor will provide copies of all sections of the report and will be required to punch, collate, and bind documents. The auditor will provide the following reports:

1. Thirteen (13) copies of Audited Financial Report and one (1) pdf electronic copy.

E. Other/Miscellaneous Services

1. Thirteen (13) copies of the management letter communicating any reportable conditions found during the audit with the appropriate recommendations for improvement. SouthCom's Accountant shall review the letter before finalizing. The letter should contain management's response for the fiscal year being audited, status of comments of the previous fiscal year, and GASB pronouncement(s) to be implemented in the following fiscal year.
2. Auditor shall be required to make an immediate written report of all irregularities and illegal acts of which they become aware and present such report to the Director of SouthCom and/or to the Accountant and/or the Board Treasurer.
3. Prepare the Representation Letter.
4. Review and mail confirmation letters.

F. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of five years, unless the firm is notified in writing by the Southern Combined Dispatch Center of the need to

extend the retention period. The auditor will be required to make working papers available, upon request, to the Southern Combined Dispatch Center.

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.

III. DESCRIPTION OF SOUTHERN COMBINED DISPATCH CENTER

A. Contact Person

The auditor's principal contact with the Southern Combined Dispatch Center will be LaChondra Davis, Accountant, or a designated representative, who will coordinate the assistance to be provided by SouthCom to the auditor.

B. Background Information

SouthCom Combined Dispatch was formed in 2000 by intergovernmental agreements between the Villages of Matteson, Richton Park and Olympia Fields, Illinois. The purpose of forming SouthCom was to consolidate fire/EMS and police dispatch into one facility. The Village of Park Forest was added in October 2005. In 2016 SouthCom established a partnership agreement with E-Com for shared services. E-Com provides a Spillman computer-aided dispatch (CAD) system as a hosted service for SouthCom and its agencies.

The Southern Combined Dispatch Center's fiscal year begins on May 1st and ends April 30th. SouthCom's annual budget for the fiscal year ending April 30, 2021, totals \$2,654,214.

Health Care Benefits and payroll taxes are administered by the Village of Matteson. SouthCom is not a subsidiary or business unit of the Village of Matteson. SouthCom is a separate entity with its own budget and governing board of directors. SouthCom receives an independent financial audit separate from the Village of Matteson.

C. Budgetary Basis of Accounting

The Southern Combined Dispatch Center prepares its budgets on a basis consistent with generally accepted accounting principles.

D. Federal and State Financial Assistance

At times, SouthCom is the recipient of both Federal and State grants. As required, by statute, special grant audits are to be completed by the auditors.

E. Pension Plans

The Illinois Municipal Retirement Fund is operated independently therefore SouthCom's auditor will not be responsible for this audit under this engagement.

F. Finance Operations

The Southern Combined Dispatch Center does not have a formal Finance Department. All budgetary, payroll, purchasing, accounts receivable and accounts payable functions are performed by the full-time staff. The accounting and financial reporting for SouthCom is performed by a contracted accountant.

G. Computer Systems

SouthCom utilizes a computerized governmental accounting system; MSI. MSI support is provided by Harris Local Government.

H. Internal Audit Function

None

I. Availability of Prior Audit Reports and Working Papers

Interested proposers who wish to review prior years' audit reports and management letters should refer to the SouthCom's website. The Southern Combined Dispatch Center will use its best efforts to make prior audit reports available to proposers to aid their response to this request for proposals.

SouthCom has employed Lauterbauch & Amen, LLP of Naperville, IL as auditors since 2010.

J. Availability of Prior Audit Reports and Working Papers

All actuary services are currently provided by Lauterbach & Amen (630) 393-1483.

K. Debt

The Southern Combined Dispatch Center does not currently have a debt service fund.

Additional debt may be issued within the next five years for capital improvements.

IV. TIME REQUIREMENTS

The auditors must be able to meet the following deadlines for the fiscal year audit:

1. **Detailed Audit Plan** – the auditor shall provide the SouthCom both a detailed audit plan and a list of all schedules to be prepared by the SouthCom, as agreed upon by the SouthCom, prior to the audit, but no later than June 1 of each year.
2. **Preliminary Fieldwork** – preliminary work shall be completed by September 30st of each year.
3. **Fieldwork** - the auditor shall begin the fieldwork portion of the audit by the 2nd week of October and complete all fieldwork within two weeks of initiation. SouthCom shall be notified, in advance, of the audit team to be assigned to the SouthCom’s engagement. The fieldwork may take place remotely or on site. A conference room will be made available.
4. **Draft Reports** – the auditor shall supply electronically the initial draft of the audit report, including the auditor’s report, financial statements, notes to the financial statements and recommendations to management by the date agreed upon and specified in the Detailed Audit Plan.

5. **Final Reports** – all financial statements and reports must be delivered to the SouthCom in final and complete form at least one week prior to the Board meeting date, as determined by the SouthCom, in which the audit will be presented for acceptance.
6. Failure to deliver the reports and other/miscellaneous information by the appropriate deadlines may result in a 10% reduction of the audit fee and termination of future audit engagements.

V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

SouthCom’s Accountant and responsible management personnel will be available during the audit to assist the firm by providing information, documentation, and explanations. The preparation of confirmations will be the responsibility of the Southern Combined Dispatch Center as directed by the auditor.

VI. PROPOSAL REQUIREMENTS

A. General Requirements

1. Inquiries

Inquiries concerning the Request for Proposals shall be directed electronically to Cathy Dorans at cathydorans@southcomdispatch.com and LaChondra Davis at accountant@SouthComdispatch.com by **January 8, 2021**. SouthCom will prepare and send a response to all inquiries by **January 12, 2021**.

2. Submission of Proposals

Two (4) copies of the proposal and one (1) pdf electronic copy to be emailed to cathydorans@southcomdispatch.com are required and should be in sealed envelopes marked:

[Name of Firm]

Professional Auditing Services

Southern Combined Dispatch
Center [Date]

Proposals are due no later than **12:00PM (noon) on Friday, January 08, 2021** to the attention of the above.

Proposal shall be in the following format:

I. Title Page

Title page showing the request for proposal subject; the firm's name; the name, address, and telephone number of the contact person; and the date of the proposal.

II. Table of Contents

III. Transmittal Letter

Transmittal Letter must include the points identified below:

- A statement that the firm is authorized to conduct business in the State of Illinois.
- A brief history of the company.
- The number of the firm's employees.
- The number of years the firm has been in business in Illinois.
- The proposer understands the work to be accomplished.
- The proposer's commitment to perform the work and to meet the stipulated timelines.
- A statement why the firm believes it to be the best qualified to perform the engagement.
- A signed statement that the proposal is a firm and irrevocable offer for ninety (90) days from the date of the proposal.

IV. Detailed proposal that addresses the requirements identified below:

- **Independence** - The firm should provide an affirmative statement that it is independent of the Southern Combined Dispatch Center as defined by generally accepted auditing standards/the U.S. General Accounting Office's Government Auditing Standards.

- **License to Practice in Illinois** - An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in Illinois. The statement should also include the length of time the firm has been in business in the State of Illinois.

- **Firm Qualifications and Experience** - The proposal should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number of the professional staff to be employed in this engagement on a full- time basis and on a part-time basis. The firm is also required to submit one copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.

- **Partner, Supervisory and Staff Qualifications and Experience** - Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors, and specialists, who would be assigned to the engagement. Indicate whether each such person is licensed or registered certified to practice as a certified public accountant (CPA) in Illinois. Provide information on the government auditing experience of each person as well as their length of service with the firm. Also include information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

Engagement partners, managers, other supervisory staff, and specialists may be changed if those personnel leave the firm, are promoted, or are assigned to another office. Other audit personnel may be changed at the discretion of the proposer provided the replacements have substantially the same or better qualifications or experience-

However, in either case, the Southern Combined Dispatch Center retains the right to approve or reject replacements.

- **Quality Assurance** - Indicate how the quality of all assigned personnel and their work over the term of the engagement will be assured.
- **Similar Engagements with other Government Entities** - For the firm's office that will be assigned responsibility for the audit, list the most significant engagements performed in the last three years that are similar to the engagement described in this request for proposal. Also indicate those municipalities that achieved the Certificate of Achievement for Excellence in Financial Reporting award while your firm was engaged as their auditors. Indicate the scope of work, date, engagement partners, total hours and the name and telephone number of the principal client contact. Specifically, identify those engagements at which the managers and other supervisors who will be assigned to the SouthCom engagement have worked.
- **Specific Audit Approach** - The proposal should set forth a work plan, including an explanation of the audit methodology to be followed.
- **Identification of Anticipated Potential Audit Problems** - The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems, and any special assistance that will be requested from the Southern Combined Dispatch Center.

VII. Pricing Information

The proposal shall contain all pricing information relative to performing the audit engagement as described in this request for proposal on a “not to exceed” basis for the fiscal year ending April 30, 2021, 2022, 2023, 2024 and 2025. The total all-inclusive not to exceed maximum price is to include all direct and indirect costs including all out-of-pocket expenses. The proposed hourly billing rates shall include all expenses. The SouthCom shall not separately reimburse the firm for any travel, per diem, meals, photocopying, telephone bills or any other incidental expenses of the audit.

Adjustment in the contract price may be negotiated between the Auditor and the SouthCom if the cost or the time required to perform the audit is significantly increased pursuant to a change in scope requested by SouthCom or required by State and/or Federal laws or policies.

VIII. Special Projects

Projects will be addressed on an as needed basis.

IX. All Inclusive, Not-to-Exceed Maximum Prices for 2021-2025

Describe how the firm would determine an increase in its hourly billing rates and/or audit fee and describe how the firm would determine an increase for the guaranteed hourly rates for special projects performed in conjunction with the audit if the SouthCom exercises its option to retain the auditor for subsequent years. In addition, explain how increases would be communicated to the SouthCom.

X. Authority to Contract

Provide certification that the person submitting the cost proposal has the authority to represent the firm and sign a contract.

XI. Manner of Payment

Manner of Payment term to be provided by auditor. All payments will be in accordance with the firm's proposal.

XII. EVALUATION OF PROPOSALS

A. Evaluation Process

The Southern Combined Dispatch Center Audit Committee will evaluate proposals submitted.

B. Evaluation Criteria

The Audit Committee will evaluate the proposals to determine that all mandatory criteria outlined in the request have been met. The Audit Committee will consider technical quality, experience and expertise of the firm, the audit approach, and the fees proposed.

C. Oral Presentations

During the evaluation process, the Audit Committee may, at its discretion, request oral presentations. Such presentations will provide firms with an opportunity to answer any questions the Selection Committee may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

D. Final Selection

After the Selection Committee completes its evaluation process, it will determine which firm offers, if any, the best combination of technical qualifications and cost. The SouthCom Board of Directors will consider final acceptance of the proposal, upon the recommendation of the Operating Committee, at its regular meeting in March 2021.

Following notification of the firm selected, it is expected an engagement letter will be executed between both parties following the March 2021, SouthCom Board of Directors meeting.

E. Terms and Conditions

The Southern Combined Dispatch Center reserves the right to reject any or all proposals or any portion thereof, that it feels is the best interest of the SouthCom and to negotiate with any one or more of the respondents.

XIII. OTHER INFORMATION

The auditing firm will be expected to provide their own computers and other office equipment. The firm shall not be allowed to utilize the space provided to perform work for other clients.

The Southern Combined Dispatch Center has historically had a long-term relationship with its auditors (five to ten years), with the preference of having at least two audit personnel returning in subsequent years.

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