



LAKE COUNTY FOREST PRESERVES
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Preservation, Restoration, Education and Recreation

DATE: May 1, 2017

TO: S. Michael Rummel, Chair
Finance Committee

Agenda Item # 9.3

FROM: Steve Neaman
Director of Finance

SUBJECT: Audit Services for the District

RECOMMENDATION: Recommend approval of a Resolution awarding a five-year Contract for auditing services for the Lake County Forest Preserve District for Fiscal Years 2017 through 2021 to Baker Tilly Virchow Krause, LLP, Oak Brook, Illinois in the Contract Price of \$278,190.00.

STRATEGIC DIRECTIONS SUPPORTED: Organizational Sustainability

FINANCIAL DATA: The 2017 audit fees totaling \$52,400.00 will be budgeted and charged to the Audit Fund (22104000-701000). Audit fees for 2016 totaled \$60,500.00.

BACKGROUND: RSM US LLP has provided auditing services to the District for fiscal years 2011 through 2016. The District continued to earn the Certificate of Achievement for Excellence in Financial Reporting under a good working relationship with RSM US LLP during this six-year period. Under a separate agreement, which also expired with the FY 2016 audit, RSM US LLP provided auditing services and tax preparation for the Preservation Foundation of the Lake County Forest Preserves ("Foundation").

The Government Finance Officers Association ("GFOA") recommends multiyear agreements of at least five years in duration to allow for greater continuity and to help minimize the potential for disruption in connection with the independent audit. Multiyear agreements can also help to reduce audit costs by allowing auditors to recover certain "startup" costs over several years, rather than over a single year. In addition, GFOA indicates auditor independence would be enhanced by requiring that the independent auditor be replaced at the end of the audit contract, as is often the case in the private sector.

A Request For Proposals was issued on January 20, 2017, for a five-year auditing arrangement for the District. Five firms submitted proposals, and three firms were interviewed by a selection committee consisting of the Director of Finance, Chief Development Officer and Accounting Manager. The three firms interviewed were Baker Tilly; RSM US LLP; and BKD LLP.

It is the consensus of the selection committee that Baker Tilly Virchow Krause, LLP's proposal is the most advantageous to the District based on their interview and proposal. A summary of the proposed fees from all of the firms is as follows:

AUDITING SERVICES

	Proposals					5-yr Total
	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	
BKD, LLP	\$51,800	\$53,180	\$54,600	\$56,055	\$57,530	\$273,165
Lauterbach & Amen, LLP	\$52,100	\$53,705	\$55,310	\$56,915	\$58,520	\$276,550
Baker Tilly Virchow Krause LLP	\$52,400	\$53,970	\$55,580	\$57,260	\$58,980	\$278,190
Sikich LLP	\$54,000	\$55,080	\$56,175	\$57,295	\$58,430	\$280,980
RSM US LLP	\$57,600	\$59,500	\$61,400	\$63,300	\$65,200	\$307,000

REVIEW BY OTHERS: Executive Director, Chief Operations Officer, Purchasing Manager, Corporate Counsel.

**LAKE COUNTY FOREST PRESERVE DISTRICT
LAKE COUNTY, ILLINOIS**

**A RESOLUTION AWARDING A CONTRACT FOR AUDITING SERVICES TO
BAKER TILLEY VIRCHOW KRAUSE, LLP**

WHEREAS, the Lake County Forest Preserve District (the "District") desires to purchase the services of an independent accountant or accountants to audit all funds and accounts of the District and of the Preservation Foundation of the Lake County Forest Preserve District to be made annually for five fiscal years (the "Services"); and

WHEREAS, the Director of Finance, and the Purchasing Manager have determined that the Services require personal confidence; and

WHEREAS, the Purchasing Manager has solicited proposals for the Services; and

WHEREAS, a selection committee comprised of staff reviewed the proposals and interviewed three firms and recommends that the Board of Commissioners (i) find that the proposal submitted by Baker Tilley Virchow Krause, LLP is the proposal that is most advantageous to the District; and (ii) award a five-year contract for the Services to Baker Tilley Virchow Krause, LLP in the amount of \$278,190.00 (the "Contract Price"); and

WHEREAS, the Board of Commissioners hereby finds that the proposal for the Services submitted by Baker Tilley Virchow Krause, LLP is the proposal that is most advantageous to the District;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Lake County Forest Preserve District, Lake County, Illinois THAT:

Section 1: Recitals. The recitals set forth above are incorporated as a part of this Resolution by this reference.

Section 2: Award of Contract. A Contract for the Services (the "Contract") in the amount of the Contract Price, in substantially the form of the attached Engagement Letter, is hereby awarded to Baker Tilley Virchow Krause, LLP.

Section 3: Execution of Contract. The Executive Director of the District is hereby authorized and directed to execute the Contract for the Services in the amount of the Contract Price.

Section 4: Payments. The District Treasurer shall make payments under the Contract only pursuant to and in accordance with the Contract terms.

Section 5: Effective Date. This Resolution shall be in full force and effect from and after its passage and approval in the manner provided by law.

PASSED this _____ day of _____, 2017.

AYES:

NAYS:

APPROVED this _____ day of _____, 2017.

**Ann B. Maine, President
Lake County Forest Preserve District**

ATTEST:

**Julie Gagnani, Secretary
Lake County Forest Preserve District**

Exhibit No. _____