



AGENDA ITEM EXECUTIVE SUMMARY

Agenda Item:	Internal Controls Audit Proposal		
Presenter & Title:	Mary McKittrick, City Administrator		
Date:	August 13, 2012		
<i>Please Check Appropriate Box:</i>			
<input checked="" type="checkbox"/>	Committee of the Whole Meeting	<input type="checkbox"/>	Special Committee of the Whole Meeting
<input checked="" type="checkbox"/>	City Council Meeting	<input type="checkbox"/>	Special City Council Meeting
<input type="checkbox"/>	Public Hearing	<input type="checkbox"/>	Other -
Estimated Cost: Not to Exceed \$30,000		Budgeted?	<u> X </u> YES NO
<i>If NO, please explain how the item will be funded:</i>			
Executive Summary:			
<p>This project is an FY 2012-13 goal approved by the City Council and budgeted accordingly. The request for proposals (RFP) was posted on the City's website and sent to several well-known accounting firms that have municipal finance backgrounds (Sikich, Crowe Horwath, Baker Tilly Virchow Krause, LLP), requesting proposals for a special internal financial controls audit. The special internal controls audit is being solicited to ensure that operating procedures including all internal controls are being followed and that all expenditures of the City funds are in accordance with laws, regulations, and City policy.</p>			
Attachments: <i>(please list)</i>			
<ul style="list-style-type: none"> City Administrator's Memorandum with Details RFP Baker Tilly Virchow Krause, LLP Proposal Resolution 			
Recommendation / Suggested Action: <i>(briefly explain)</i>			
<p>Staff recommends that the attached resolution be approved authorizing the City Administrator to execute the proposal submitted by Baker Tilly Virchow Krause, LLP in an amount not to exceed \$27,300, for the purpose of conducting a special internal controls audit as outlined in the attached request for proposals.</p>			



City Administrator's Office Memorandum

To: Mayor & Committee of the Whole

From: Mary McKittrick
City Administrator

Date: August 13, 2012

Re: Internal Controls Audit Proposal

Mayor and Members of the Committee of the Whole:

In accordance with FY 2012-13 goals adopted by the City Council, the City Administrator issued a request for proposals (RFP) for an internal controls audit. The scope of the special internal control audit requires that the audit be conducted in accordance with the Statement on Auditing Standards (SAS) 54, Illegal Acts by Clients; SAS99, Consideration of Fraud in a Financial Statement Audit; Management Anti-fraud Programs and Controls (an attachment to SAS 99). The audit is intended to evaluate the adequacy of the internal financial controls of the City, with emphasis on areas vulnerable to fraud and abuse. The objectives of this project include, development of a risk assessment of the City's financial operations, including, but not limited to; review of administrative and financial policies, procedures, and practices; testing and evaluation of one or more areas of the City's internal controls, taking into account risk, control weaknesses, size, and complexity of operations; preparation of reports which analyze significant risk assessment findings, and recommend changes for strengthening internal financial controls and reducing identified risks. Areas requested in the audit, include, but are not limited to:

- Review of bank reconciliations
- Payroll observations
- Review credit card invoice submissions for payment

Additionally, the chosen firm will make an independent selection of key controls for testing to assure that controls are appropriate and are effective when applied, perform sampling procedures designed to identify unusual and/or questionable transactions. Such sampling must initially include financial transactions FY2008-09 to present. Should any adverse findings of theft or fraud be determined during this period of time, a more comprehensive review will be initiated by the City. A final report will be provided to the City Council.

The City Administrator issued the RFP on June 27, 2012 with a due date of July 27, 2012. The CA met with four (4) firms to review the scope and timeline of the project, as well as to answer questions. Eight proposals were received. Two of the proposals were outside of the budgeted amount for the project (Plante Moran & Titus), two (2) proposals included firms that either are currently doing audit work for the City or have done so within the past several years and the CA believed it to be in the best interest to select a firm with no prior City contact (Lauterback and Miller Cooper), and one (1) firm had less Illinois municipal experience (WIPFLI LLP) than other firms. See table below.

Internal Controls Audit Proposals Submitted 2012					
	<u>Company</u>	<u>Cost</u>	<u>References</u>	<u>Staff</u>	<u>Address</u>
1	Lauterback & Amen	\$5,000- \$20,000	Barrington, Woodridge, Mt. Prospect	50	Warrenville, IL
2	Miller Cooper	\$22,500	Rich Township, DeKalb CUSD, 11 local	200+	Deerfield, IL
3	WIPFLI LLP	\$26,450	Wis/Kishwaukee	?	Chicago, IL
4	Baker Tilly Virchow Krause, LLP	\$27,300	Elgin, Evanston, Highland, Chicago	1400	Oakbrook, IL
5	Sikich	\$28,500	Aurora, Elgin, Roselle	400+	Naperville, IL
6	Crowe Horwath	\$30,000	Hoffman Estates, River Grove, Forest Park	170	Oakbrook, IL
7	Plante Moran	\$67,000	N/A	N/A	N/A
8	Titus	\$81,400	N/A	N/A	N/A

After comparing the eight proposals, meeting with four (4) of the firms, and discussing proposal details with the Finance Manager, the City Administrator recommends hiring Baker Tilly Virchow Krause, LLP to perform the special internal controls audit at a cost not to exceed \$27,300. Baker Tilly Virchow Krause, LLP provided a comprehensive approach to the scope of the project, estimated that it would take 177 hours to complete the audit, is within budget and the City Administrator received excellent feedback from municipal references contacted regarding the work done by the firm.



CITY OF GENEVA, ILLINOIS
REQUEST FOR PROPOSALS (RFP)
INTERNAL FINANCIAL CONTROLS AUDIT SERVICES

Overview

The City of Geneva, Illinois invites proposals from qualified individuals and accounting firms, hereinafter referred to as “Auditor,” to perform a special internal financial controls audit.

1. Purpose

The City requests proposals from qualified individuals and accounting firms interested in providing a special internal financial controls audit for the City. The special internal control audit will be performed to ensure that the operating procedures including all internal controls are being followed and that all expenditures of the City funds are in accordance with laws, regulations, and City policy.

2. Proposal Submission

Proposals must be clearly labeled and submitted to Mary McKittrick, City Administrator, City of Geneva, 22 South First Street, Geneva, IL 60134 on or before 5:00 p.m., on Friday, July 27, 2012. There is no expressed or implied obligation for the City to reimburse responding individuals or firms for any expenses incurred in preparing quotations, attending pre-quotation conferences, or interview(s) in responding to this request. Proposals submitted after the stated time and date will not be considered and will be returned to the firm unopened.

3. Scope of the Audit

The special internal control audit should be conducted in accordance with the following guidance, as applicable: the Statement on Auditing Standards (SAS) 54, Illegal Acts by Clients; SAS99, Consideration of Fraud in a Financial Statement Audit; Management Anti-fraud Programs and Controls (an attachment to SAS 99). This audit will evaluate the adequacy of the internal financial controls with emphasis on areas vulnerable to fraud and abuse. The auditor will make use of, and build upon, the internal controls in place as well as recommendations from the City’s independent CPA firm during that firm’s annual financial statement audit. The objectives of this engagement are:

- Development of a risk assessment of the City’s financial operations, including, but not limited to; review of administrative and financial policies, procedures, and practices;

- Testing and evaluation of one or more areas of the City's internal controls, taking into account risk, control weaknesses, size, and complexity of operations;
- Preparation of reports which analyze significant risk assessment findings, recommend changes for strengthening internal financial controls and reducing identified risks.

Areas that may be addressed include but are not necessarily limited to:

- Review of bank reconciliations
- Payroll observations
- Review credit card invoice submissions for payment
- Make an independent selection of key controls for testing to assure that controls are appropriate and are effective when applied.
- Perform sampling procedures designed to identify unusual and/or questionable transactions. Such sampling shall initially include financial transactions FY2008-09 to present. Should any adverse findings of theft or fraud be determined during this period of time, a more comprehensive review may be initiated by the City.
- Review any recommendations regarding improvements of the internal financial controls with the City Administrator.
- Based upon the findings, assist the City Administrator in the design and implementation of recommended procedures to ensure the operating effectiveness of the internal control environment.

In the event the Internal Control Auditor believes that fraud and/or theft has been or may have been committed by any City employee, he or she is to immediately notify the Mayor and City Administrator, who in turn will notify the City Council. The Corporate Authorities will then review the information and take appropriate action.

An individual or firm can schedule an appointment prior to the submission of any proposal to meet with City Administrator Mary McKittrick, to review the scope of services to be provided to the City. Please contact the City Administrator at mmckittrick@geneva.il.us to schedule an appointment.

All proposals must be submitted in two parts. Part I must consist of responses to the management and qualification requirements listed below. Part II must consist of complete contract cost and pricing information. Incomplete submissions will not be considered for award. Proposals should not be excessively long, and should be submitted in a format that permits copying for review. Please provide three (3) copies of each proposal in hard copy titled "ORIGINAL" and an electronic format copy in PDF to mmckittrick@geneva.il.us. Each page of the proposal must state the name of the firm submitting the proposal and the page number. All materials submitted in response to this request for proposals shall become the property of the City.

PART I - Management and Qualifications

In setting forth its qualifications, each individual or firm submitting a proposal shall:

- Provide evidence of an individual's credentials and qualifications in the area of internal auditing and if the firm is an Illinois licensed certified public accounting firm.
- Describe the individual's or firm's experience and expertise focusing on internal controls.
- State the name(s) of the officer(s) and associate(s) in the firm.

- D. State the names and credentials of all partners, associates, and accountants that might be assigned to this engagement and provide their resumes.
- E. Identify the nature of any potential conflict of interest any individuals or the firm might have in providing these services to the City.
- F. Provide a comprehensive description of your approach to fulfilling the requirements of the RFP. For example, describe forensic auditing techniques, data analysis techniques, use of information technology (IT) specialists to perform IT assessments and other auditing procedures, the type and extent of sampling to be employed, etc.
- G. Provide at least three (3) references of past clients to which services of a similar nature have been provided. Preference will be given to vendors who have provided such internal control audit services to other local government organizations.
- G. Provide any other information that might be beneficial to the City in awarding a contract for this project.
- H. Provide a detailed schedule for completing the audit.

Part II – Cost

State the rates at which the services of all partners, managers, senior accountants, staff accountants, or other personnel who would be involved in the services provided to the City. In addition, state which partners and/or staff are expected to perform the services. Please include:

- A. For each partner, manager, or staff whose resume is provided, the regular hourly rate and the hourly rate you are quoting.
- B. For each item in the “Scope of Audit,” include the estimated number of hours for each employee type.
- C. The total cost for this project, including travel and other incidental costs.
- D. Each proposal will clearly state the basis on which special audit or management services will be billed.

4. City of Geneva, Illinois Profile

Workforce: The City employees 160 full-time employees, 15 part-time employees, 6 seasonal employees, 8 crossing guards and 36 paid on call firefighters.

City Council: One (1) Mayor elected at large for a four-year term and ten (10) Aldermen elected for four-year terms, one (1) City Clerk and one (1) Treasurer.

Core Services: The City provides public services in the form of street maintenance, public safety through its police and fire services, utility services including electric, water and sewer service, building, zoning, community and economic development, and administrative services for a population of 21,495 residents.

Pension Plans – Non public safety eligible employees are required to participate in the Illinois Municipal Retirement Fund (IMRF). Public Safety eligible employees are required to participate in their respective public safety retirement systems

Description of financial software programs - The City is in the process of implementing New World Systems software for all financial accounting.

Accounting Funds: Governmental Funds (General Fund, special Revenue Funds, Debt Service Fund, and Capital Projects fund); Proprietary Funds (Enterprise Funds & Internal Service Funds); and Fiduciary Funds (Trust and Agency Funds).

Checks Processed: A monthly average of 300 accounts payable vouchers and checks, for an annual total approximating \$41,000,000.

Payroll Checks: Approximately 200 paychecks are processed per pay period, twenty-six (26) times per year, of which 25% are paper checks and 75% are directly deposited into employees' bank accounts.

5. Interview

The award process will include an interview with the City Administrator and Finance Manager, plus other appropriate staff, as determined by the City Administrator.

6. Evaluation and Selection Process

A. Opening of Proposals - The City Administrator shall open and list the proposals for the record. This is not a public opening. Responses received after July 27, 2012 shall be returned unopened.

B. Evaluation - During the evaluation phase, proposals are reviewed by the City Administrator and Finance Manager to determine which proposals address all the requirements of the RFP, and to technically review the proposals. Proposals determined to be technically non-responsive or not as responsive as other proposals, are eliminated at this point.

7. Termination of Contract

Any contract agreed to under this Request for Proposal is subject to termination by either party with thirty (30) days written notice. In the event of termination of the contract, the City's responsibility shall be to pay for unpaid services performed and authorized costs incurred by the Auditor.

8. Right to Reject Requests for Proposal

The City reserves the right to reject without prejudice any and all quotations received under this Request for Proposal.

RECEIVED

By Mary McKittrick at 10:07 am, Jul 26, 2012

Proposal for Internal Financial
Controls Audit Services, Part I

City of Geneva, IL

July 27, 2012

Submitted by:

Baker Tilly Virchow Krause, LLP
Jason Coyle, Partner
1301 W. 22nd Street, Suite 400
Oak Brook, IL 60523
P 630 645 6205
jason.coyle@bakertilly.com



Candor. Insight. Results.

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Baker Tilly Virchow Krause, LLP
1301 W. 22nd Street, Suite 400
Oak Brook, IL 60523
P 630 990 3131
F 630 990 0039
bakertilly.com

July 27, 2012

Mary McKittrick
City Administrator
City of Geneva
22 South First Street
Geneva, IL 60134

Dear Ms. McKittrick:

Baker Tilly Virchow Krause, LLP (Baker Tilly) is pleased for the opportunity to assist the City of Geneva (the "City") with your internal financial control audit services. Our proposal details our tailored approach to partnering with you to accomplish your objectives, as well as information we believe will be helpful in making your decision to choose a Trusted Business Advisor.

Why choose Baker Tilly?

We are confident that Baker Tilly is capable of delivering the level of service you desire from your professional services firm for the following reasons:

- > **Listening to your needs and tailoring a solution that fits.** Our client-centric approach to executing our projects is focused first and foremost on understanding your unique needs and the environment in which you operate. We do not believe in a one-size-fits-all approach and instead customize our approach based on commonly accepted frameworks that are tailored to meet your specific needs.
- > **Value-added insight, while properly managing and mitigating risk.** Through our experience working with other local governments, we recognize the challenges that you are facing. With added pressures to "do more with less," our team of public sector experts seek to drive results by providing value-added insight. Through our integrated teams of professionals, we are able to provide recommendations that will help the City optimize its resources, while properly managing and mitigating its risk profile.
- > **Senior level of personnel.** An important factor of our proposal is the commitment of the senior level of the personnel comprising our project teams. The engagement partners, managers, and consultants identified in our proposal are integral, working elements of the teams. Their experience means more efficient services for the City and the ability to bring the required skills and expertise to the table regardless of changes in project focus. Our project teams are well-positioned to provide the professionalism, expert advice, and objective analysis needed on these mission-critical projects on behalf of the City.
- > **Governmental services specialization.** Baker Tilly partners and staff are organized along industry lines, taking an industry specialization approach to providing services. This approach allows us to provide specialized training and continuing education for our staff, providing our clients with a team possessing specialized knowledge and

skills. Our Public Sector team consists of professionals who are dedicated to serving governmental and not-for-profit organizations. Because of this specialized focus, the City's engagement team will understand the unique accounting and operational issues that governmental institutions face, and have the experience to conduct the engagement efficiently. Our familiarity with the critical risk areas in the financial government operations allows us to plan our approach to focus our time and energy on these areas.

- > **Value beyond the audit.** The foundation of our relationship is that the value of our service is based upon your assessments and expectations we want to educate your staff and support your operations. This value includes preparing the City's staff for changes in accounting standards and best practices through formal communications, webinars (see our website at www.bakertilly.com for upcoming events), and hands-on training. The webinars are free to our clients and qualify for continuing professional education (CPE). Our recent webinar topics include: *How to Read Your Financial Statements*, *How Human Resource Management Can Impact Your Bottom Line*, *GASB Changes on the Horizon*, *Auditing 101*, *Enhancing Collection of Your Revenues*, and *The Ups and Downs of Rightsizing*. All webinars are archived and can be viewed at anytime.
- > **Proactive industry involvement.** As government organizations are challenged with constant changes in regulations and standards, our memberships in organizations such as the AICPA Government Audit Quality Center (GAQC) and our involvement as authors, speakers, trainers, and promoters of the advancement of government accounting and auditing, we can provide you with the information you need about current issues. On a local level, Jason Coyle is currently a member of the Illinois CPA Society's government report review committee.

Our understanding of your needs

Given the scope of the City's operations, you should insist on a responsive partner with significant experience, who provides quality service, and who understands the operating environment of the public sector industry. Baker Tilly is that firm, and we are delighted to have this opportunity to demonstrate our desire to partner with you.

The City has requested a proposal regarding a review of internal financial controls, which includes an analysis of various procedures and policies that are currently being performed over a wide range of functions. The City has further requested that sampling be performed over the series of transactions within these functions to determine if procedures and policies are being performed properly.

Baker Tilly is capable of meeting the level of service you desire from your professional services firm. Above all, we truly will appreciate your business. We will offer you comprehensive, quality services and give you personalized, day-to-day attention – always striving to exceed your expectations. We encourage you to call the references included in our proposal and see what they have to say about their positive experience with Baker Tilly.

Mary McKittrick, City Administrator
City of Geneva

July 27, 2012
Page 3

We appreciate the opportunity to submit this proposal and welcome the opportunity to discuss any specific aspects. Jason Coyle can be contacted by phone at 630 645 6205 or by email at jason.coyle@bakertilly.com. We believe that the selection of our firm will provide the City with the best possible team to serve you. Our firm is large enough to assure you of top quality professional service, yet still offer personalized service responsive to your unique needs. This proposal is a firm and irrevocable offer for 90 days.

We look forward to working with the City of Geneva.

Sincerely,

BAKER TILLY VIRCHOW KRAUSE, LLP

A handwritten signature in black ink that reads "Jason Coyle". The signature is written in a cursive, flowing style.

Jason Coyle, CPA, Partner

Enclosure



Proposal for City of Geneva

Part I – Management and Qualifications

A. Provide evidence of an individual's credentials and qualifications in the area of internal auditing and if the firm is an Illinois licensed certified public accounting firm.

Founded in 1931 with one central objective, to use our expertise to help our clients improve their businesses, Baker Tilly has grown steadily over the years, broadening our service offerings and expanding our geographic presence to meet the evolving needs of our clients. Baker Tilly is ranked as one of the top 20 largest accounting and advisory firms in the United States according to *Accounting Today's* 2012 list of "Top 100 Firms."

Baker Tilly balances dynamic growth with a deep commitment to operating with absolute integrity and a belief in the value of trusted relationships. The down-to-earth style that built the firm remains evident today in a collaborative, client-focused approach. Below are some key facts about our firm:

- > Provides a wide range of accounting, tax, assurance, and consulting services by more than 1,400 total staff members, including 170 partners and 523 CPAs.
- > Serves clients from offices in Illinois, Wisconsin, Michigan, Minnesota, New York, and Washington DC.



We will adopt an integrated team approach to your engagement, blending our public sector focused professionals with experienced specialists in the areas most important to you. This combination of financial, business, and industry-specific expertise ensures you will be working with knowledgeable professionals who understand your business and the challenges you face — and can create innovative solutions to help you overcome them. You can expect to receive consistent, efficient, and exceptional service for the duration of our relationship.

License to practice in Illinois

Baker Tilly is licensed and in good standing with the State of Illinois. All key employees assigned to the City's project are properly licensed to practice.

Public Sector experience

Baker Tilly has been providing services to governments including cities for more than 75 years. Our Public Sector Group provides more than 225,000 hours to the public sector annually. This is more than any other CPA firm. We are one of the few CPA firms with a Public Sector Group, dedicated entirely to serving governmental clients. Because of this specialized focus, our staff understands the issues governments face and has the experience to find effective solutions.

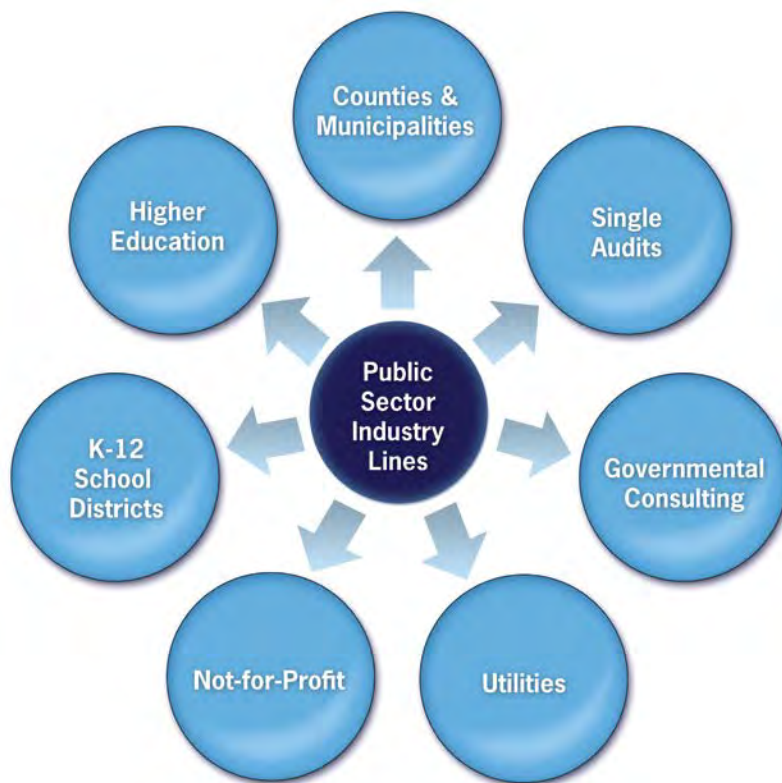


Proposal for City of Geneva

Services provided to our governmental clients include accounting and auditing, operational reviews, consolidation and shared services studies, information systems analysis, economic impact analysis, and utility consulting among others. In all engagements, our clients are welcome to consult with all levels of staff, as well as partners.

Our devotion to the public sector is illustrated by our commitment to inform and instruct our clients about important governmental issues. Annually, we speak at numerous accounting, financial, and management seminars and workshops in Illinois and throughout the nation.

Our employees work year round in this highly technical area and do not work in other areas such as commercial audits or tax return preparation. Since the governmental environment is so complex, we have further specialized into separate teams within our Public Sector Group. Examples include teams that specialize in municipalities, counties, utilities and transit, single audits, school districts, and colleges and universities. This team approach allows us to broaden our knowledge and resource base to provide our clients with the highest possible service.



Our public sector clients rely on our expertise to meet their specific auditing, accounting, and operational needs. From helping you manage and optimize your resources to clearly and accurately reporting your funding sources and patterns, you can expect a practical approach, technical insight, and a thorough understanding of the government, delivering the precise services you need, when you need them.



Proposal for City of Geneva

B. Describe the individual's or firm's experience and expertise focusing on internal controls.

As a Baker Tilly client, you will work with a dedicated, knowledgeable team with a genuine interest in the details and challenges the City faces. With your interests in mind, our team will collaborate with you to understand your current challenges, help improve your existing operations, and position your internal control functions for success. Specifically, the City will directly benefit from our extensive experience with the following services:

- > Internal Audit
- > IT Audit
- > Risk Management
- > Fraud Investigations
- > Consulting
- > Training Services

Evaluation and tests of internal controls

Our approach to internal controls, including information systems controls, will be to evaluate the design and implementation of key entity level, process-level and information technology controls. We have performed similar services for many clients, most in conjunction with the implementation of new audit standards that went into effect a few years ago. These standards, known as the risk assessment standards, required auditors to take a deeper look at organization's internal controls. To prepare our clients for these new standards, many clients hired us to assist them in documenting their procedures and controls and provide recommendations for improvement.

Please refer to question F. on page 14 for a comprehensive description of our approach to fulfilling the scope requirements in your RFP.

C. State the name(s) of the officer(s) and associate(s) in the firm.

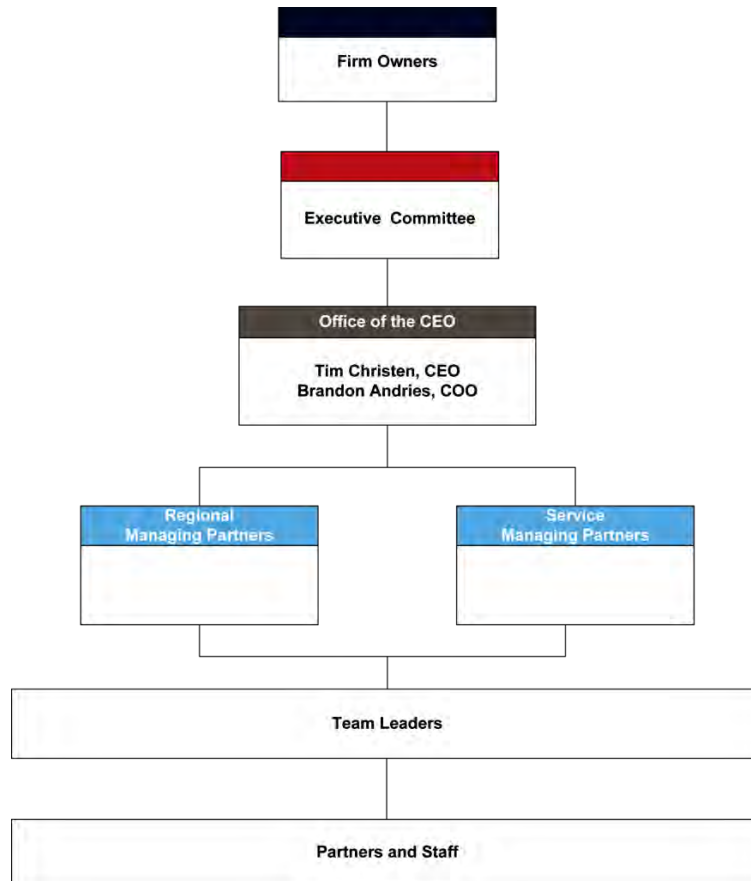
Currently our firm has approximately 1,400 total staff members, including 170 partners and 523 CPAs. Executive officers of our firm are listed below:

- > Timothy Christen, Chairman and Chief Executive Officer
- > Brandon Andries, Executive Managing Partner
- > Ed Offerdinger, Executive Managing Partner



Proposal for City of Geneva

Our firm is a partnership and is organized as shown on the following chart:



Our Public Sector Practice group consists of more than 120 professionals who serve government clients exclusively. All staff members assigned to the City's project are full-time Baker Tilly staff who specialize in government accounting, auditing, and consulting.

Primarily, we will serve the City with professionals staffed from our Oak Brook, Illinois location. The Oak Brook office maintains a team of twenty-five full-time professional and support staff, all solely dedicated to serving public sector clients; however, at any time, we are able to draw upon additional resources located throughout the firm to provide solutions that are just right for you. We successfully serve clients in thirty-eight states from our Midwest offices.



Proposal for City of Geneva

Approximately four full-time staff from this office would be assigned to your engagement.

Staff Employee Classification	Total Number	Total Number Assigned to City
Partners	3	1
Directors	1	-
Senior Managers/Managers	5	1
Senior Accountants	6	1
Staff Accountants	10	1



Proposal for City of Geneva

D. State the names and credentials of all partners, associates, and accountants that might be assigned to this engagement and provide their resumes.

In developing our team to serve the City, we have matched the capabilities of our personnel with your requirements. We propose to assign the following supervisory and management staff to the City of Geneva engagement.

Member	Title	Role
Jason Coyle, CPA	Partner	Role: Partner-in-charge Ensure project is completed according to plans in the proposal, timelines and quality standards are met, and client expectations are exceeded.
Nick Cavaliere, CPA, CPE	Manager	Role: Project Manager Serve as primary client contact, oversee all aspects of the project, including planning, fieldwork, and reporting.
Irene Daciuk, CPA, CFE	Senior	Role: Project consultant Serve as the day-to-day client contact. Coordinates and performs project planning, fieldwork, and reporting.

Combined with local knowledge and industry expertise, the project team selected to serve you has the ability to provide you with the highest quality of service. The partner and manager assigned to the City's project team are licensed in the State of Illinois.

CPE training

In order to ensure that our staff meets your expectations, we require all professional staff to obtain a minimum of 120 continuing professional education credits (CPE) every three years, with no less than twenty credits in any given year, allowing them to keep current with industry regulations. This requirement exceeds the professional education requirements of *Government Auditing Standards* which require twenty-four governmental CPE credits every two years.

In addition, we provide training to governmental associations such as the Illinois Government Finance Officers Association and Illinois Municipal Treasurers' Association on various topics including new accounting standards and internal controls. Some of our clients use Baker Tilly to provide customized, local training to their staff. In addition, we have hosted seminars on governmental topics for more than twenty years.



Proposal for City of Geneva

Some of our recent presentations include “SAS Regulations: Impact on Local Government” and “Basics of property taxes, including tax caps.”

All governmental audit staff attend courses in the accounting and auditing areas dealing with public sector topics, including single audits. Some of the recent courses attended include:

- > Accounting for Governmental Units Under GASB
- > Government Accounting and Auditing Update
- > Risk Assessment Standards Program
- > Satisfying Compliance Auditing Requirements of Financial Assistance Programs
- > National Government Accounting Conference
- > Advanced Governmental Accounting
- > Audits of State and Local Governmental Units
- > Yellow Book: Government Auditing Standards
- > In-house course – How to perform the single audit
- > In-house course – Analytical review and audit sampling for governmental units
- > In-house course – Governmental Accounting and Auditing Update
- > Issues under formation of Regional Transmission Organizations
- > Utility Board Governance
- > Advanced Utility Accounting
- > Financial Statement Analysis
- > Utility Benchmarking
- > Obtaining Value from Your Audit (Baker Tilly as instructors for the American Public Power Association)

Professional resumes follow.



Proposal for City of Geneva



Jason K. Coyle, CPA

Partner

630 645 6205

jason.coyle@bakertilly.com

Jason Coyle, a Partner with Baker Tilly Virchow Krause, LLP, has been in the accounting industry since 1997. Jason is a member of the Public Sector Practice Group. He specializes in providing financial and compliance audits, as well as accounting services. Jason has extensive experience with municipalities, special districts, and school districts.

Specific experience

- > Partner-in-charge of financial and compliance related audit engagements for local governmental entities.
- > Routinely assists local governments with the implementation of new accounting standards issued by the Governmental Accounting Standards Board.
- > Reviews and provides guidance for Comprehensive Annual Financial Reports, which have been awarded a "Certificate of Achievement for Excellence" in Financial Reporting.
- > Performs internal control reviews of municipalities and school districts, providing recommendations on policies and procedures to strengthen internal controls.
- > Provides Tax Incremental Financing (TIF) compliance audits.
- > Partner-in-charge of single audits in accordance with OMB Circular A-133 Audit Guidelines.
- > Presents annual audit and financial results to various client boards.
- > Leads operations reviews designed to improve the efficiency and effectiveness of business and finance operations.
- > Member of the Special Review Committee of the GFOA which reviews financial statements submitted to the CAFR program
- > Licensed CPA in Illinois.

Industry involvement

- > American Institute of Certified Public Accountants
- > Government Finance Officers Association – Special Review Committee
- > Illinois Governmental Finance Officers Association
- > Illinois CPA Society, Government Report Review Committee
- > Illinois Association of School Business Officials
- > Speaks at industry conferences

Education

University of Illinois - Urbana-Champaign
Bachelor of Science in Accountancy



Proposal for City of Geneva



Nick E. Cavaliere, CPA, CFE
Manager

630 645 6244
nick.cavaliere@bakertilly.com

Nick Cavaliere, a Manager in the Public Sector Practice Group of Baker Tilly Virchow Krause, LLP, has been with the firm since 2005. He specializes in providing auditing and consulting services to local governments and school districts.

Specific experience

- > Performs and supervises financial statement audits of local governments.
- > Performs single audits in accordance with OMB Circular A-133 Audit Guidelines
- > Provides outsourced controller services and training to local governments regarding monthly reconciliation issues.
- > Consults with business managers and superintendents of school districts to improve fiscal policies and to fulfill the school board's fiscal goals.
- > Provides assistance to local governments with internal investigations to determine if fraudulent activity has occurred.
- > Assists local governments with the recovery of misappropriated assets.
- > Provides assistance in assessing internal controls within an organization and providing recommendations to mitigate identified risks in a cost effective manner.
- > Performs efficiency studies for local governments and provides recommendations to reduce operational costs.
- > Assists local governments with accounting system implementations to ensure all modules within the system are operating properly.
- > Provides assistance to local governments in documenting procedures and policies within the finance department through the use of flow charts and written documents.

Industry Involvement

- > Illinois Association of School Business Officials
- > Active member of the IASBO Budgeting and Financial Planning Professional Development Committee
- > American Institute of Certified Public Accountants
- > Association of Certified Fraud Examiners
- > Meritorious Budget Award Reviewer – Association of School Business Officials International

Education

University of Illinois - Chicago
Bachelor of Business in Accounting and Finance



Proposal for City of Geneva



Irene Daciuk, CPA, CFE, CGAP

Senior Accountant

630 645 6231

irene.daciuk@bakertilly.com

Irene Daciuk, Senior Accountant with the Public Sector Practice Group, has been with Baker Tilly since 2005. She specializes in providing consulting and auditing services to school districts and municipalities.

Specific experience

- > Assessing process control deficiencies through interviews and walkthroughs to design cost effective client specific recommendations tailored to mitigate identified risks.
- > Performs process reengineering utilizing focus groups and individual interviews to produce flow charts defining roles and responsibilities, detailed improvement matrices, and recommendations for improvement
- > Performs emergency outsourcing services for operational management ensuring that office operations remain intact during transitional periods.
- > Provides training to client staff in general office operations including maintaining general ledgers, processing receipts and disbursements, payroll processing, performing bank reconciliations, performing wire transfers, calculating tax payments, and preparing monthly financial board reports.
- > Develops detailed procurement manuals referencing board approved resolutions while providing guidance for increasing internal controls.
- > Performs interviews and reviews relating to possible fraudulent activity.
- > Identifies practices that are inconsistent with state laws or policies.
- > Performs and supervises financial statement audits of local governments including audits in accordance with OMB Circular A-133 Audit Guidelines.

Industry involvement

- > American Certified Fraud Examiners
- > The Institute of Internal Auditors
- > Illinois CPA Society

Education

Loyola University - Chicago
Bachelor of Business Administration



Proposal for City of Geneva

E. Identify the nature of any potential conflict of interest any individuals or the firm might have in providing these services to the City.

Independence

Baker Tilly and its partners and staff are independent with respect to the City of Geneva as defined by generally accepted auditing standards, and we will maintain an independent attitude and appearance through the full term of the engagement.

We have no knowledge of any business, investment, or family relationships with the City, its agencies, officials, department heads, or other employees and personnel of our firm that would impair our independence.

F. Provide a comprehensive description of your approach to fulfilling the requirements of the RFP. For example, describe forensic auditing techniques, data analysis techniques, use of information technology (IT) specialists to perform IT assessments and other auditing procedures, the type and extent of sampling to be employed, etc.

Our understanding of your needs

The City has requested a proposal regarding a review of internal financial controls, which includes an analysis of various procedures and policies that are currently being performed over a wide range of functions. The City has further requested that sampling be performed over the series of transactions within these functions to determine if procedures and policies are being performed properly.

In order to meet the goals of the City in this analysis, we propose proceeding in two phases.

Phase I – Risk Assessment Documentation and Analysis

Phase I of our services will consist primarily of assessing the City's current internal control structure over most functional areas of the City's operations (excluding pension operations). We will review all available documentation currently available from the City regarding policies and procedures in place for specific functional areas identified in the scope of the project. We will perform walkthroughs of these specific areas with individuals involved in these processes and expand upon any documentation that may not have been captured in the City's available information. We will corroborate this information through sampling as evidence that these processes are in fact being performed as described. If during this process we identify a transaction that is not being performed as defined by City policies we will bring this matter to the attention of the City Administrator and/or the Mayor.

Once we have obtained a complete understanding of these functional areas, we will identify key controls within these processes, or potentially, identify the absence of a control for a specific process. Our report will include recommendations to the City's administration as to how different types of controls could be implemented to mitigate the control risks identified throughout our project.



Proposal for City of Geneva

We also understand that the City is currently in the process of converting to a new financial accounting software package and that additional options may be available to increase systemic limitations to users and have the potential to increase internal controls. Our report to the City will include recommendations that also take into account additional opportunities that are available to the City as a result of this new accounting software package being implemented.

Our report for Phase I of the project will consist of a written report that is arranged in a matrix and utilizes three columns of information. Column one will consist of the current process and associated procedures approved by the City for each transaction cycle. Column two will identify the controls currently in place by the City to ensure that errors do not occur, or potentially, that a control is absent from this process. Column three will consist of recommendations to the City's administration to address specific risks identified by our procedures. This report will also be provided to the City in electronic format so that it can be updated regularly for any changes in procedures or policies that may occur in the future.

After Phase I of the project is complete, we will provide a draft report to the City Administrator for review and we would like to meet in person to discuss the specifics of the report. This process is critical as it allows for a final review to ensure that all the facts have been captured within the report. Any items that need additional clarification will be reviewed and investigated as necessary. Once the draft report has been reviewed by both parties, and all necessary updates have been made, we will issue a final report to the City. We will also assist with implementation of our recommendations.

Upon issuance of this report, Phase I of the engagement will be completed and Phase II of the engagement will begin.

Phase II – Additional Sampling Procedures

In Phase II of the engagement, we would provide recommendations to the City as to where the current the procedures in place at the City have the most risk, and these areas may be a focus for additional sampling of transactions to ensure procedures are being performed properly. For all intents and purposes, Phase II of the project will consist of expanded sampling and testing of transactions in specific transactional areas identified by the City based upon the risk assessment.

Once a defined scope has been agreed upon by both parties we will commence our sampling of transactions and will provide a report regarding the results of our tests to the City. If at any point in time during this process we identify transactions that appear unusual or indicative of fraud we will notify the City Administrator and/or the Mayor immediately.



Proposal for City of Geneva

G. Provide at least three (3) references of past clients to which services of a similar nature have been provided. Preference will be given to vendors who have provided such internal control audit services to other local government organizations.

Our history with government entities provides you with the level of expertise necessary to perform an effective and efficient internal control assessment of the City. Below is a list of clients for which Baker Tilly has provided similar services within the last few years. We encourage you to contact these entities to learn more about us. A comprehensive list of our Illinois public sector clients can be found on page 18. Additional references can be provided upon request.

Client:	City of Evanston
Partner:	Jason Coyle
Contact:	Hitesh Desai, Accounting Manager
Phone:	847 866 2934
Scope of work:	Revenue internal control projects
Project date:	2010 - 2011 (current audit client)

Client:	Community Unit School District 200
Partner:	Jason Coyle
Contact:	Maureen Zyburt, Treasurer/Comptroller
Phone:	630 628 2016
Scope of work:	Internal control documentation and recommendations
Date:	2008 (current audit client)

Client:	Barrington Community Unit School District 220
Partner:	Jason Coyle
Contact:	Tom Beerheide, Director of Fiscal Services
Phone:	847 842 3550
Scope of work:	Forensic Review Services
Date:	2011 (current audit client)



Proposal for City of Geneva

What our clients are saying:

The following are comments that our clients have provided in relation to service provided by Baker Tilly. These are obtained as a part of our comprehensive client service program.





Proposal for City of Geneva

Client list

The following list includes both audit and consulting clients in Illinois.

Illinois city clients

Chicago
Elgin
Evanston
Highland
Prospect Heights
Saint Charles
Waukegan
West Chicago
Wheaton

Illinois county clients

Lake
McHenry
Peoria
Will

Illinois township clients

Lyons
Evanston

Illinois utility clients

Batavia Water & Sewer
DuPage County Water and Sewerage System
Glenbard Wastewater Authority
Illinois Municipal Electric Agency
Marshall Utilities
Metropolitan Water Reclamation
District of Greater Chicago
Naperville Utilities
Oglesby Utilities

Illinois village clients

Barrington Hills
Broadview
Carol Stream
Carpentersville
Chicago Ridge
Downers Grove
Hodgkins
Indian Head Park
Johnsburg
Lemont
Long Grove
McCook
Melrose Park
Park Forest
Riverside
Schaumburg
Westmont
Woodridge

Illinois library clients

Bedford Park
Des Plaines
Downers Grove
Evanston
Hodgkins
McCook
Melrose Park
Park Forest
Waukegan
Westmont

Other entities

Bedford Park Park District
Hodgkins Park District
LaGrange Highlands Sanitary District
Northwest Suburban Municipal Joint Action
Water Agency
Pleasantview Fire Protection District
Regional Transportation Authority



Proposal for City of Geneva

H. Provide any other information that might be beneficial to the City in awarding a contract for this project.

Industry involvement

To help you respond to and prepare for change, we are actively involved in local and national associations, keeping us on the forefront of what's happening in the industry. Our memberships in the following organizations and our involvement as authors, speakers, trainers, and promoters of governmental accounting and auditing can better assist you with implementing new regulations or adopting new standards.

The City will benefit from our involvement in the following associations:

Illinois CPA Society

Since its earliest days of existence, Baker Tilly has been involved in the Illinois CPA Society's government report review committee. Jason Coyle, Partner-in-charge on this proposal, is currently a member of this committee. Additionally, our partners in Illinois have served for many years as representatives for local government matters on the Illinois CPA Society's Ethics Committee and Peer Review Committee, both of which are senior technical committees of the Society (membership is by invitation only).

Illinois Government Finance Officers Association (IGFOA)

IGFOA is a professional association that provides programs and services to promote excellence in governmental finance through leadership, education, professional development, peer support, and communication so as to advocate best practices and advance the competence and effectiveness of local government finance officers in Illinois. Baker Tilly is extremely active in this organization. Our participation includes presenting at seminars throughout the year and the annual IGFOA Conference. We consider our involvement in IGFOA a key part of the service we deliver to our clients and the industry as a whole. This again sets us apart from other firms when considering our expertise in serving Illinois municipalities.

Governmental Audit Quality Center (GAQC)

Designed to raise awareness of the importance of governmental audits, serve as a resource to member firms, provide members with on-line tools for sharing ideas, and recognize CPA firms that demonstrate a commitment to governmental audit quality, the AICPA has created a national voluntary group called the Governmental Audit Quality Center (the GAQC or "the Center"). We are an active member of the Center and are also represented on the Executive Committee and Expert Panel.

AICPA State and Local Government Expert Panel

The AICPA State and Local Government Expert Panel is a select group of CPAs with in-depth State and Local Government accounting and auditing expertise. The group meets semi-annually with the GASB board and provides input to GASB from a practitioner and user perspective. This committee is also responsible for publishing the AICPA's State and Local Government and Government Auditing Standards and Circular A-133 Audit Guides and related Audit Risk Alerts. We are currently represented on this expert panel and have been represented since 2006.



Proposal for City of Geneva

GAQC Executive Committee

This committee governs the GAQC, develops the policies of the GAQC, and oversees its activities. The committee meets twice a year, held in conjunction with the Single Audit Roundtable (SART). The SART is a meeting of the federal inspector general's, federal agencies, and CPA firms to discuss various single audit issues. The focus of the committee has been on single audits since the results of the National Single Audit Sampling Projects were released in June 2007. We are represented in the Executive Committee and the subcommittees studying sampling and materiality related to the fourteen compliance requirements.

In addition to the previously mentioned associations, Baker Tilly has an active interest in many other governmental affiliations supporting local and national public sector organizations including:

- > American Institute of Certified Public Accountants (AICPA)
- > American Water Works Association
- > American Public Power Association
- > Association of Government Accountants
- > Government Finance Officers Association
- > Illinois Government Finance Officers Association
- > Illinois Municipal Treasurers' Association
- > Illinois Municipal League
- > Illinois Waterworks Association
- > Michigan Government Finance Officers Association
- > Michigan Municipal League
- > Michigan Rural Water Association
- > Michigan Townships Association
- > Wisconsin Clerks, Treasurers & Finance Officers Association
- > Wisconsin Counties Association
- > Wisconsin Institute of Certified Public Accountants (WICPA)
- > Wisconsin Government Finance Officers Association
- > Wisconsin League of Municipalities
- > Wisconsin Municipal Clerks Association
- > Wisconsin Municipal Treasurers Association
- > Wisconsin Public Service Commission
- > Wisconsin Urban and Rural Transit Association
- > Wisconsin Women in Government, Inc.

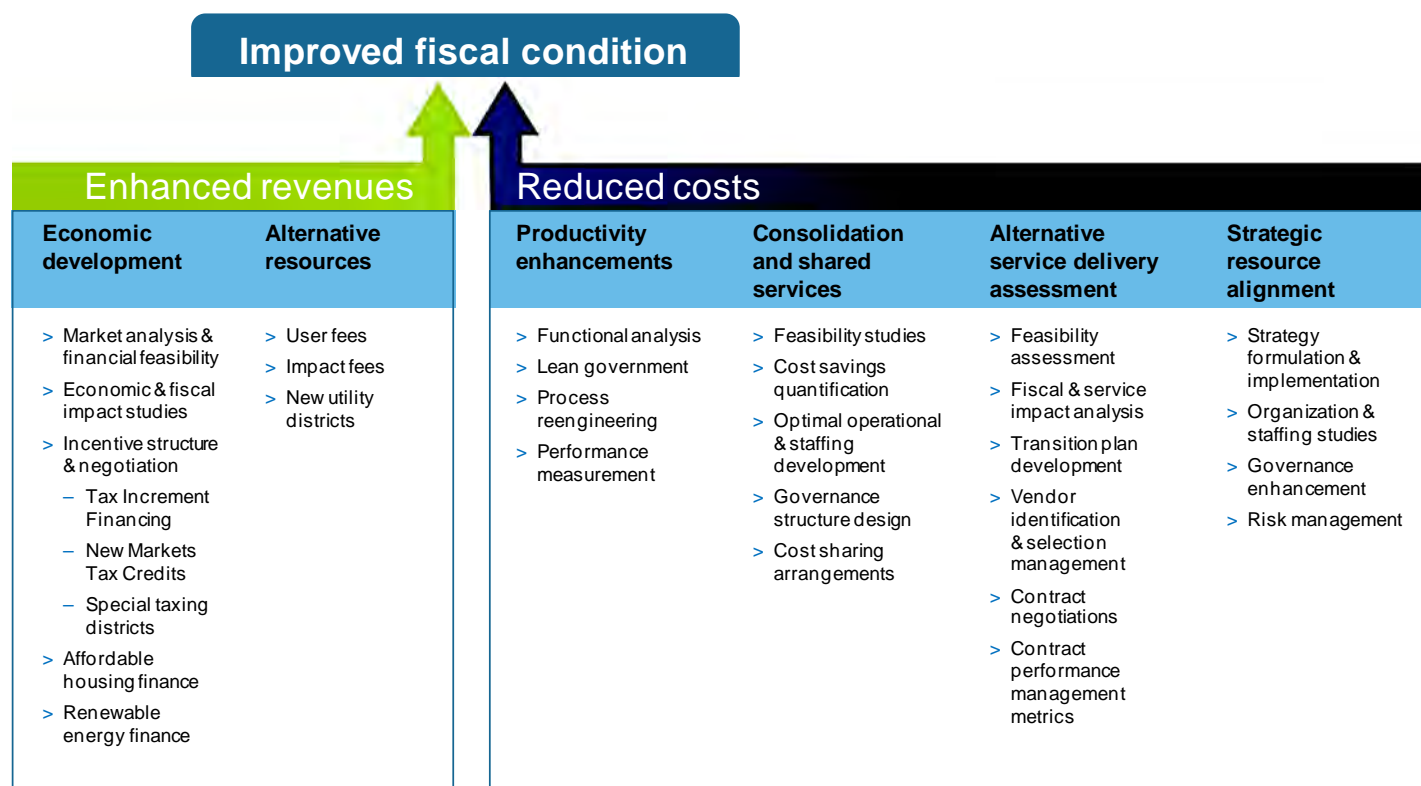


Proposal for City of Geneva

Value added services

The value of our service is based upon your assessments and expectations. Going above and beyond to educate your staff and support your operations is the foundation of the relationship we would like to build with you.

In today's challenging fiscal environment, government organizations are faced with increasing service expectations as available resources are constrained. State and Local Government specialists at Baker Tilly provide a range of accounting and advisory services to assist you with uncovering new opportunities to improve your overall fiscal condition. Our consulting professionals can offer solutions to improve your unique fiscal position and leverage your scarce resources, transforming your organization's strategic priorities into sustainable outcomes. Our seasoned consultants can provide you with the following services:





Proposal for City of Geneva

I. Provide a detailed schedule for completing the audit.

The following represents our proposed timeline. The actual timeline will be based upon a mutually agreement timeframe. We seek to do everything we can to meet your expectations.

	September	October
Establish engagement objectives		
Kick-off meeting with management	X	
Confirm scope of services, objectives, and approach	X	
Phase I – Risk Assessment Documentation and Analysis		
Bank Reconciliation Procedure Risk Analysis	X	
Planning meetings conducted by the engagement team and information requests are submitted to the City for items that are relevant to the project.	X	
Review current documentation, including current laws, guidelines, policies, and procedures presented by the City.	X	
Perform walkthroughs with City personnel involved in the bank reconciliation process.	X	
Document current procedures utilized by the City for the bank reconciliation process and identify key internal controls in place.	X	
Sample 2 months of bank reconciliations performed by the City and review documentation for internal procedure compliance.	X	
Identify recommendations for improvement based upon current processes in place and identified controls implemented by the City.	X	
Payroll Procedures Risk Analysis	X	
Planning meetings conducted by the engagement team and information requests are submitted to the City for items that are relevant to the project.	X	
Review current documentation, including current laws, guidelines, policies, and procedures presented by the City.	X	
Perform walkthroughs with City personnel involved in the payroll process. We would review these processes with individual departments to identify any unique circumstances that may occur at individual departments to ensure we have a complete understanding of this area. -Central Services -Police -Fire -Utility -Public Works	X	
Document current procedures utilized by the City for the Payroll process by individual department and identify key internal controls in place.	X	
Sample 2 payrolls processed by the City and review supporting documentation for internal procedure compliance.	X	



Proposal for City of Geneva

Identify recommendations for improvement based upon current processes in place and identified controls implemented by the City.	X	
Accounts Payable/Credit Card Transaction Risk Assessment	X	
Planning meetings conducted by the engagement team and information requests are submitted to the City for items that are relevant to the project.	X	
Review current documentation, including current laws, guidelines, policies, and procedures presented by the City.	X	
Perform walkthroughs with City personnel involved in the accounts payable/credit card transaction process. We would review these processes with individual departments to identify any unique circumstances that may occur at individual departments to ensure we have a complete understanding of this area. <ul style="list-style-type: none"> - Central Services - Police - Fire - Utility - Public Works 	X	
Sample 20 transactions processed by the City and review supporting documentation for internal procedure compliance.	X	
Identify recommendations for improvement based upon current processes in place and identified controls implemented by the City.	X	
Provide a draft report to management based upon the findings of our procedures.	X	
Meet with management to discuss the draft report and determine if any amendments to the draft report are necessary.	X	
Finalize Phase I Risk Assessment Report	X	
Phase II – Additional Sampling Procedures		
Meet with management to discuss areas of concern that were identified during Phase I of the engagement.		X
Determine specific areas of concern by management and perform additional sampling over these specific transactions.		X
Perform additional sampling and testing and document the results of these procedures.		X
Provide a draft report to management based upon the findings of our procedures.		X
Meet with management to discuss the draft report and determine if any amendments to the draft report are necessary.		X
Finalize Phase II Risk Assessment Report		X



Appendix A: Additional information

The Baker Tilly difference is the client experience

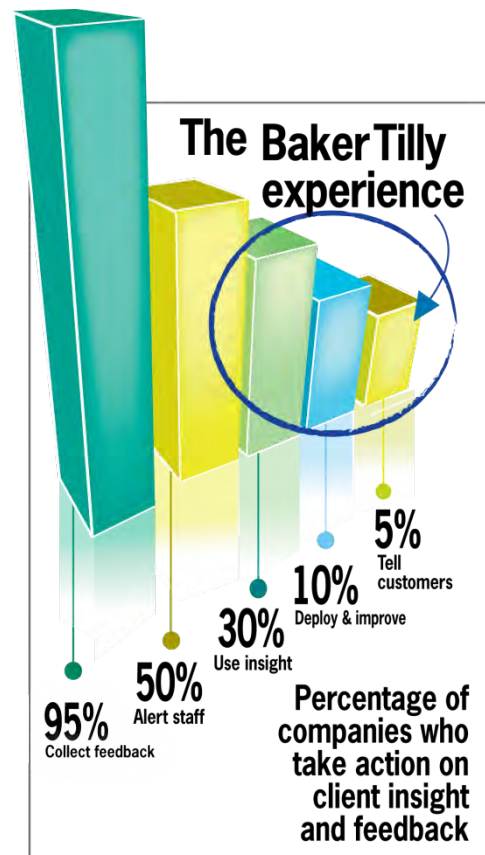
Accounting firms are not all the same. While similarities exist, Baker Tilly breaks away from the pack when it comes to connecting with clients to truly understand what is important to you.

Clients choose and stay with Baker Tilly because they know we are passionate about delivering exceptional client service. According to the Corporate Executive Board, 95 percent of companies may collect feedback about their level of service and expertise, less than half use it to improve the way they do business, and just 5 percent actually talk with their clients and take action to make things better. We are one of the rare 5 percent where talk triggers action.

A client-centric way of doing business

Your definition of “client satisfaction” is the only definition that matters. We ask. We listen. From staff accountant to managing partner, we are focused on understanding your needs. Through knowledge-sharing and open discussions, you will experience the value of working with a team of professionals that is focused on you and your success—a team that dedicates itself to:

- > Proactively identifying and meeting the needs of clients by fostering an atmosphere of service and respect
- > Providing value in ways that increase client satisfaction and loyalty
- > Taking responsibility for developing and sustaining productive client relationships
- > Consistently applying the characteristics of the Baker Tilly client service model to everything we do



Above all, it means we are continually working to improve the client experience.



Appendix A: Additional information

The client voice leads our service model.

Our dedicated client services director conducts satisfaction assessments through a mix of direct telephone calls, client visits, and web-based client satisfaction surveys. Firm leaders, including CEO Tim Christen, also get involved, meeting with a sampling of clients each year. During this assessment process, we verify that we are delivering on the promises made during the proposal process and that your needs and expectations are being met as defined during the client service planning phase of the engagement. Action, in the form of involvement and follow-up by firm leaders and team leaders, is a critical element of our approach to addressing concerns that may exist.

This client feedback is formally documented and then shared with the engagement team and respective managing partner. Our CEO, executive managing partners, managing partners, and team leaders receive a monthly report of their team's client satisfaction results. These results factor into partner and manager performance management. We take action based on the comments and suggestions we receive.

We ask clients to rate their satisfaction levels on a 1 to 10 scale (10 being highest). In the 6 months ended July 31, 2011, 74 percent of responding clients gave us 9 or 10. In the past year, clients who gave us a score of less than or equal to 7 for the prior year, gave us an average of nearly 2 points higher due to specific actions taken to improve the client service experience. One such client, a Vice President of Finance, provided the following comment, "You asked. I told you, and you did something about it. And I really respect that."

The client service plan—it is all about you (and we would not do it any other way)

A critical component of our engagement planning process is the development of a client service plan that defines our service delivery to the City of Geneva. We work with you to build the exact level of detail you desire to provide comfort that your needs are truly understood.

We utilize a web-based system to house and track these planning commitments. This enables seamless access by all members of the engagement team whether they are in audit, tax, consulting, or specialty services.

When we give our word regarding transition, process efficiency, accountability, timing, seamless delivery, and quality, this tool helps make sure we deliver on what was promised.



RECEIVED

By Mary McKittrick at 10:06 am, Jul 26, 2012

Proposal for Internal Financial
Controls Audit Services, Part II

City of Geneva, IL

July 27, 2012

Submitted by:

Baker Tilly Virchow Krause, LLP
Jason Coyle, Partner
1301 W. 22nd Street, Suite 400
Oak Brook, IL 60523
P 630 645 6205
jason.coyle@bakertilly.com



Candor. Insight. Results.

Contents

PART II. COST	1-3
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Proposal for City of Geneva

Part II – Cost

State the rates at which the services of all partners, managers, senior accountants, staff accountants, or other personnel who would be involved in the services provided to the City. In addition, state which partners and/or staff are expected to perform the services.

Please include:

- A. For each partner, manager, or staff whose resume is provided, the regular hourly rate and the hourly rate you are quoting.

Fees for any service can vary due to factors such as hourly billing rates, mix of staff and actual hours of performance. A low fee is not a bargain if adequate attention is not given to the client or the service is less than that which the professional should provide. We encourage you to call and discuss your business concerns with us. We will always let you know if a service is outside of the scope of our bid and will ask for your approval before we begin our work or bill you.

Partners, managers, or high-level seniors will perform a significant portion of the total hours. We believe this demonstrates our commitment to provide highly trained and experienced individuals to your engagement.

Hourly rates are noted below.

	Standard Hourly Rate	Quoted Hourly Rate
Partner	\$300	\$240
Manager	\$200	\$160
Supervisor	\$165	\$130
Staff	\$125	\$100



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Proposal for City of Geneva

- B. For each item in the “Scope of Audit,” include the estimated number of hours for each employee type.

Hours by staff level

Estimates of the time requirements to be provided by staff level are as follows:

	Partner	Manager	Senior	Staff	Totals
Phase I – Risk Assessment Documentation and Analysis					
Bank Reconciliation Procedures	3	4	15	-	22
Payroll Procedures	3	7	36	-	46
Accounts Payable/Credit Card Transactions Procedures	3	7	29	-	39
Meetings and wrap-up	2	2	-	-	4
Phase II – Additional Sampling Procedures					
Additional Sampling Performed Over Areas of Concern Identified During Engagement	2	6	30	24	62
Meetings and wrap-up	2	2	-	-	4
Total Hours	15	28	110	24	177

- C. The total cost for this project, including travel and other incidental costs.

Total Proposed Fee			
	Phase I	Phase II	Total
Total labor, travel and incidental costs	\$17,800	\$9,500	\$27,300

The hours and associated fees above are estimates based upon our understanding of the likely scope of the engagement. We understand that given the nature of this type of engagement, the scope of the project may change. As the project progresses, we will regularly meet with you and will not perform work resulting in additional hours without your written approval. Also, if the scope of work does not require the number of hours noted above, we will only bill you for actual hours worked.



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Proposal for City of Geneva

- D. Each proposal will clearly state the basis on which special audit or management services will be billed.

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with Baker Tilly's this proposal. Interim billing shall cover a period of not less than a calendar month. Terms will be net/60 days from receipt of invoice. A finance charge of 1.0% per month will be added to invoices over 60 days past due.



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RESOLUTION NO. 2012- 79

**RESOLUTION AUTHORIZING EXECUTION OF
AN AGREEMENT FOR AN INTERNAL CONTROLS AUDIT**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GENEVA, KANE COUNTY, ILLINOIS, as follows:

SECTION 1: That the City Administrator is hereby authorized to execute, on behalf of the City of Geneva, an Internal Controls Audit, in the form attached hereto as Exhibit "A", relating to the financial internal controls policies and procedures of the City.

SECTION 2: This Resolution shall become effective from and after its passage as in accordance with law.

PASSED by the City Council of the City of Geneva, Kane County, Illinois, this 20th day of August, 2012.

AYES: ____ NAYS: ____ ABSENT: ____ ABSTAINING: ____ HOLDING OFFICE: ____

Approved by me this 20th day of August, 2012.

Mayor

ATTEST:

City Clerk