

August 22, 2023

DuPage County

Proposal for professional auditing services

RFP 23-073-FIN

Contents

1. COVER LETTER.....	2
2. FIRM QUALIFICATIONS	4
3. KEY QUALIFICATIONS.....	21
4. PROJECT UNDERSTANDING	27
5. PRICE	44
APPENDIX I: RESUMES	47
APPENDIX II: REQUIRED FORMS	59



As a new audit client of Baker Tilly, my team and I are pleased with the onboarding process for a County of our size and complexity. Baker Tilly's team is professional, knowledgeable and has wide experience in accounting and auditing services. They provide us with prompt and expert advice throughout the fiscal year. Their ability to pull from their experience with other collar counties has been extremely helpful. Baker Tilly's understanding of current and new accounting standards is an important part of their audit approach and provides immense value to Lake County. I would highly recommend their firm based on their expertise, timeliness, and forward-thinking approach to the audit plan.

Melissa Gallagher, Deputy Finance Director | Lake County, IL



The information provided here is of a general nature and is not intended to address the specific circumstances of any individual or entity. In specific circumstances, the services of a professional should be sought. © 2023 Baker Tilly US, LLP.

Baker Tilly US, LLP, trading as Baker Tilly, is an independent member of Baker Tilly International. Baker Tilly International Limited is an English company. Baker Tilly International provides no professional services to clients. Each member firm is a separate and independent legal entity, and each describes itself as such. Baker Tilly US, LLP is not Baker Tilly International's agent and does not have the authority to bind Baker Tilly International or act on Baker Tilly International's behalf. None of Baker Tilly International, Baker Tilly US, LLP nor any of the other member firms of Baker Tilly International has any liability for each other's acts or omissions. The name Baker Tilly and its associated logo is used under license from Baker Tilly International Limited.

1. Cover letter

Baker Tilly US, LLP
 1301 W 22nd St, Suite 400
 Oak Brook, IL 60523
 T: +1 (630) 990 3131
 F: +1 (630) 990 0039
 bakertilly.com

August 22, 2023

Mr. Jeffrey Martynowicz, Chief Financial Officer
 DuPage County
 421 N County Farm Road
 Wheaton, IL 60187
Delivered electronically

Dear Mr. Martynowicz:

We would like to thank DuPage County (the County) for the opportunity to work with your team. It has been Baker Tilly US, LLP's (Baker Tilly or the firm) pleasure to develop a productive working relationship with your management team and to provide valuable insights and perspectives related to the County's financial and compliance audits.

DuPage County is one of the largest counties in the state, supporting critical services and infrastructure for nearly a million residents, not to mention area businesses and visitors. Based on our experience auditing the County and several other counties in the state, we are confident that we continue to be the right fit to serve the County with forward-thinking audit services — today, tomorrow and for many years to come.

Our proposal meets your request for proposal (RFP) requirements and describes our unique proposition to enhance and protect value while meeting the following key objectives:

- Gain assurance on the financial statements of the County, Clerk of the Circuit Court, Water and Sewerage System of DuPage County, Emergency Telephone System Board of DuPage County and Veterans Assistance Commission
- Gain assurance that the County's federal grant awards meet the necessary federal requirements
- Test and evaluate internal controls throughout the County's complex organizational structure and provide valuable insight and recommendations
- Receive timely and professional insight on complex transactions, new accounting standards and emerging technical areas from your audit team and other Baker Tilly specialists

Benefits of working with Baker Tilly include:

<p>Illinois county audit specialist</p> <p>Your proposed audit team has significant expertise in auditing counties in Illinois, including all five of the collar counties. We leverage this expertise on behalf of DuPage County, sharing with your team lessons learned and best practices from across this client base.</p>	<p>National firm, local client service</p> <p>The County benefits from the qualifications, technology tools and resources of our top 10 accounting firm. With our headquarters in Chicago and offices in Oak Brook, we also deliver personalized attention and responsive local service.</p>	<p>Trust and continuity</p> <p>The County will continue to work with a consistent and insightful team of auditors that you have come to know and trust. Your trust and satisfaction are key. We will continue to build on the confidence you have placed in us with meaningful conversations, responsiveness and forward-thinking services.</p>	<p>Value beyond the audit</p> <p>We'll continue to provide additional value to the County through proactive communication on industry changes and assistance with technical matters. We can also connect you to specialized public sector consultants on matters ranging from construction risk management to IRA funding and more.</p>
--	---	--	--

The value of DuPage County – Baker Tilly audit relationship

Your audit team members are dedicated to solving the County's most pressing challenges and helping seize new opportunities. We do this by gaining a clear understanding of your unique situation, leveraging vast experience and collaborating with you on forward-thinking options. Below we look back at some of the ways we've provided value in the past as well as how we plan to continue delivering value in the future.



Looking back ...

- ✓ Implementation assistance for GASB 84, *Fiduciary activities*, and GASB 87, *Leases*
- ✓ Water and sewerage system rate study
- ✓ Water and sewerage system ERP conversion assistance
- ✓ Agreed upon procedures for subrecipient monitoring



Looking ahead ...

- ✓ Implementation assistance for GASB 96, *Subscription-based information technology arrangements*
- ✓ Supporting your team through challenging times (for example, implementation of a new ERP system, departmental retirements or turnover and more)

What remains the same?

- A consistent team of Illinois county audit specialists supporting the County through challenges, both expected and unexpected
- Sharing information, consistent application of standards and operational best practices among the County and the other Illinois counties audited by Baker Tilly

I, Joseph Lightcap, am an authorized representative of Baker Tilly. Our proposal is conditioned upon being afforded the opportunity to propose additional terms and negotiate mutually agreeable revisions to the Sample Contract prior to executing a final contract. These revisions will be consistent with previously agreed terms.

The County will continue to be a valued client of Baker Tilly, and we will be personally involved in all aspects of our relationship, from planning through completion. Thank you for the opportunity. Our team is excited to continue our working relationship, and we look forward to discussing your questions and feedback.

Sincerely,

Joseph Lightcap, CPA, Managing Director
Baker Tilly US, LLP
+1 (630) 645 6215 | joe.lightcap@bakertilly.com

Michael Malatt, CPA, Partner
Baker Tilly US, LLP
+1 (630) 645 6226 | michael.malatt@bakertilly.com

2. Firm qualifications

We anticipate the County's needs by leveraging the industry expertise of professionals who have gained years of insights as your auditor and the auditor for all of the collar counties. We adapt our solutions to match your unique strategies, working together to overcome challenges and seize opportunities.

a) The firm's general qualifications such as size of the firm; size of the firm's government practice; location of office responsible for the engagement; etc.

Understanding your needs

We understand that the County seeks an audit of the fiscal years ending November 30, 2023, 2024, 2025 and 2026. The scope includes:

- Financial statement audits of the County, the Clerk of the Circuit Court, the Water and Sewerage System of DuPage County, the Emergency Telephone System Board of DuPage County (ETSB) and the Veterans Assistance Commission (VAC)
- Compliance audits of the County and Water and Sewerage System federal awards

The County deserves to work with a firm that understands its unique and complex operation. As your current auditor, we have that knowledge and will continue to serve the County with a consistent team of public sector auditors with deep experience auditing some of the largest counties in Illinois.

The following pages detail our specific qualifications that support our experience, expertise and credentials to continue providing the County with a high-quality, timely engagement that meets your requirements.

Offering our resources: Baker Tilly at a glance

We dedicate ourselves to delivering efficiency, quality, creativity, innovation and forward-thinking solutions to public sector clients. Baker Tilly is passionate about enhancing and protecting our clients' impact, which is a collective effort by everyone across our firm. **Our public sector team maintains a separate practice group of more than 350 team members devoted to serving clients like you.** The County will receive an exceptional experience for your organization. Below are some key facts about our firm and the resources we bring to your engagement.



10th
largest accounting
firm in the U.S.



6,500
team members



550
partners



2,000+
Certified Public
Accountants



\$1.3B
firm revenue
in FY2022



50+
U.S. office
locations



250+
workplace and
culture awards

COMPREHENSIVE EXPERIENCE TO SERVE YOU

The County will receive support and guidance from a respected firm that continues to grow — as evidenced by INSIDE Public Accounting naming Baker Tilly as the 10th largest accounting firm in the United States on their 2023 IPA Top 100 list.

Celebrating more than 90 years serving our valued clients

As a future-looking firm, we celebrate more than 90 years of dedication to our clients by honoring our roots and continuing to shape our future. We embrace the fact that organizations can't stand still — and we won't stand still. As we help our clients identify new needs and opportunities, we continuously innovate and evolve to work better.



Our roots took hold in 1931 in Waterloo, Wisconsin, where we began as a public accounting firm specializing in canning factory audits. Since that time, we have grown with more than 40 different business combinations, each with its own rich history, expanding our presence coast to coast and globally and expanding our scope across industries, services and areas of expertise. One thing has not changed over time: **our shared passion for supporting our clients in achieving their purpose.**

Delivering specialized expertise to our public sector clients

Unlike many other firms, Baker Tilly is organized by industry, not service line. What does this mean for the County? It means you will be served by a carefully selected team that blends our government-focused professionals with experienced specialists in the activities of the County. The County will work with a knowledgeable team that understands your specific challenges and provides innovative solutions to help you overcome them.

State and local government is a complex, unique environment shaped by fiscal, regulatory and operational considerations not found in other industries. Recognizing this complexity and eager to serve as a true valued advisor to the public sector, Baker Tilly formalized its dedicated public sector specialization more than 50 years ago. **Today, more than 350 Baker Tilly professionals — including nearly 30 partners — focus directly on serving governments and provide hundreds of thousands of client service hours annually to organizations like the County.**

Providing industry specialization

Baker Tilly has served state and local governments since our establishment more than 90 years ago. We are one of the few CPA firms with a practice group dedicated entirely to serving governmental clients.

2. FIRM QUALIFICATIONS

Nationwide, our public sector practice serves nearly 4,000 state and local governmental entities, including counties, utilities, municipalities, school districts, transit organizations, airports and special authorities. Several of these client groups are now served by dedicated specialists in distinct subpractices.

Public sector: Experience that matters



4,000+ public sector clients	90+ years of industry experience	Serving clients nationwide
-------------------------------------	---	-----------------------------------

COMMITMENT TO THE PUBLIC SECTOR

Baker Tilly has been in business for more than 90 years, and public sector entities were some of our first clients.

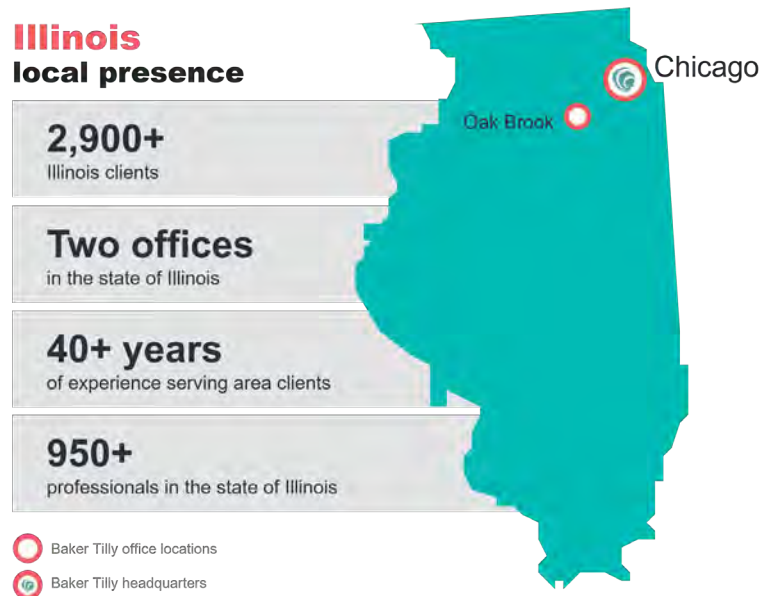
The County benefits from our industry focus and our public sector team members and partners in several specific ways:

- Specialized training and continuing education on governmental accounting topics
- Dedication to the public sector, working exclusively with the public sector year-round
- Industry involvement and thought leadership with national, regional and local governmental and accounting associations
- Shared resources, including webinars, workshops, newsletters and podcasts specific to state and local governments
- Available year-round for consultations, routine questions and pragmatic recommendations

Office serving the engagement

The County's engagement will continue to be served by team members based in our Oak Brook office.

Northern Illinois has one of the most diversified economies in the country and is a center for education, culture and innovation. It is also home to Baker Tilly's national headquarters and one of our largest offices in the United States. Our Illinois presence includes more than 950 professionals in two locations committed to helping clients in a wide range of industries enhance and protect their value. You will receive exceptional service from a qualified local team that can draw on our firm's broad national resources as your goals or needs evolve.



LOCAL PRESENCE AND EXPERTISE TO SUPPORT THE COUNTY

The County can count on Baker Tilly's Illinois presence to offer you an in-depth understanding of economic conditions, knowledge of regional and state regulations, and on-the-ground assistance whenever needed.

Serving Illinois communities through stewardship

Baker Tilly believes in the power of community and is committed to making a difference through collective acts of service. Our Illinois team members support dozens of local not-for-profit organizations to make our communities a better place to live and work, including the following:

- American Heart Association
- Anti-Cruelty Society
- Beyond Hunger, **recipient of a 2020 Baker Tilly Wishes Grant**
- Big Shoulders Fund
- Cara Chicago, **recipient of a 2021 Baker Tilly Wishes Grant**
- Chicago Public Schools
- Chicago Summer Business Institute
- Girl Scouts of Illinois
- Housing Forward, **recipient of a 2023 Baker Tilly Wishes Grant**
- Jewish Center for Youth Services
- Lurie Children's Hospital
- National Kidney Foundation
- Rainbows for All Children
- Step Up Women's Network






2. FIRM QUALIFICATIONS

- b) The firm's relevant expertise as it relates to the scope and extent of services to be provided, including any recent experience with County government, Single Audits, Public Works, and/or Emergency Telephone System Boards (aka 9-1-1).
- c) Significant qualities that differentiate the firm from its competitors.

Relevant experience

Experience and capabilities auditing county governments

Besides our in-depth knowledge of the County's operations and experience gained from being the County's auditor for many years, Baker Tilly has extensive qualifications for auditing county governments, including six of the seven largest counties (by population) in Illinois. This depth of experience allows us to share relevant information, best practices and ideas, and help our clients with their individual needs. Baker Tilly provides financial and compliance audit service to the following county governments in the Midwest and beyond.

				
Illinois county clients	Iowa county clients	Minnesota county clients	Pennsylvania county clients	Wisconsin county clients
<ul style="list-style-type: none"> • DeKalb • DuPage • Kane • Lake • McHenry • Rock Island • Will • Winnebago 	<ul style="list-style-type: none"> • Scott 	<ul style="list-style-type: none"> • Dodge • Le Sueur • Olmsted • Renville • St. Louis • Steele • Stevens • Waseca 	<ul style="list-style-type: none"> • Columbia • Delaware • Lackawanna • Luzerne • Lycoming • McKean • Monroe • Tioga • Union 	<ul style="list-style-type: none"> • Ashland • Bayfield • Calumet • Dane • Dodge • Green • La Crosse • Lafayette • Marathon • Milwaukee • Price • Racine • Rock • Sauk • Shawano • Trempealeau • Walworth • Washington

COUNTY CLIENTS SERVED BY BAKER TILLY

We leverage our expertise to better serve the County, sharing best practices and lessons learned from our significant county client roster across the Midwest and beyond.

2. FIRM QUALIFICATIONS

Specialized expertise auditing counties in Illinois

As noted earlier, in addition to auditing DuPage County, Baker Tilly audits seven other counties in Illinois, including the four other collar counties. While each county has its own operational nuances and needs, each also shares similar regulatory challenges and opportunities. An overview of similar county audit engagements is detailed in the table below. We are immersed in the state-specific requirements of Illinois counties. For example, we are currently working with Lake County to establish the correct treatment of its VAC due to changes related to public act 102-0732.

	ACFR/ AFR	Single audit	Health dept.	Circuit Court Clerk	Public works	ETSB	VAC
DeKalb County							
Kane County							
Lake County							
McHenry County							
Rock Island County							
Will County							
Winnebago County							

Experience with other local governments in Illinois

The following list includes a sampling of our state and local government clients from Illinois. We are glad to provide contact information for any client on request.

ILLINOIS GOVERNMENT CLIENTS	
<p>Village clients Broadview Chicago Ridge Deerfield Glenview Hodgkins Lake Zurich Lemont Lincolnshire Lisle Mahomet Maywood McCook Northfield Oak Lawn Roselle Sauk Village Schaumburg</p> <p>Library clients Bedford Park Highland Park Hodgkins McCook</p>	<p>City clients Bloomington Blue Island Chicago Galesburg Highland Park Lake Forest Moline</p> <p>Other entities Chicago Teachers' Pension Fund Cook County Deferred Compensation Plan Greater Peoria Mass Transit District Hodgkins Park District Illinois Department of Human Services Illinois State Board of Education Lake County Forest Preserves Pace Suburban Bus Service Regional Transportation Authority Rockford Mass Transit District Springfield Mass Transit District</p> <p>School districts Baker Tilly audits more than 50 Illinois public schools, including Chicago Public Schools</p>

2. FIRM QUALIFICATIONS

ILLINOIS GOVERNMENT CLIENTS

Utility clients

DuPage County Water and Sewerage System
 Fox River Water Reclamation District
 Glenbard Wastewater Authority
 Metropolitan Water Reclamation District of
 Greater Chicago
 Illinois Municipal Electric Agency
 Thorn Creek Basin Sanitary District

Single audit experience

Since the passage of the Single Audit Act of 1984, Baker Tilly has recognized the importance of becoming specialists in this highly complex area. Our firm currently performs more than 700 single audits each year, ranking Baker Tilly in the top four nationally based on a number of audits conducted by CPA firms.

To stay on top of the changing requirements, our firm serves on various American Institute of Certified Public Accountants (AICPA) committees that study financial and single audit issues. We have been selected as speakers for nationally sponsored training courses, and we actively participate in industry events.

Our depth of experience with single audits places us in a unique position to perform the single audits for the County. Our firm is also asked to review and comment on various single audit documents created by the AICPA and OMB prior to their issuance. Below is a list of documents where we have provided contributions:

Single audit leadership

Baker Tilly conducts more than 700 single audits each year, ranking us in the top four, nationally, based on number of audits conducted by CPA firms.

DOCUMENT	YEARS	ORGANIZATIONS
AICPA Audit Guide — GAS and Single Audits	2005-2016, 2022	AICPA
OMB Compliance Supplement	2008-2021	OMB

AICPA study on single audit quality

The AICPA performed a study on single audit quality. The study showed three factors that directly correlate to the quality of the audit engagements:

- Size of the firm’s single audit practice
 - Baker Tilly has approximately 400 professionals performing single audits.
- Membership in the Government Audit Quality Center (GAQC)
 - Since the Center’s inception, Baker Tilly has been a member and has served multiple terms on the Executive Committee of the GAQC.
- Qualifications of the engagement partner
 - Joe Lightcap, managing director on your engagement team, leads more than a dozen single audit engagements annually, including the single audits for DuPage County and the Water and Sewerage System of DuPage County.

2. FIRM QUALIFICATIONS

Government Finance Officers Association (GFOA) Certificate of Achievement (COA) for Excellence in Financial Reporting

You require a firm whose clients excel in receiving the COA from the GFOA. Baker Tilly is that firm. We continue to be heavily involved with the GFOA award for excellence in financial reporting by volunteering as report reviewers for the GFOA. We will be responsible for the final technical review of your Annual Comprehensive Financial Report (ACFR). We audit clients around the country that receive this award every year, including approximately 20 counties.

GFOA CERTIFICATE OF ACHIEVEMENT AWARD RECIPIENTS			
Counties	Cities	Towns/Villages	Other entities
Dane, WI	Beloit, WI	Ashwaubenon, WI	Brazos River Authority (TX)
DeKalb, IL	Bloomington, IL	Bayside, WI	Brownsville Public Utilities Board (TX)
Delaware, PA	Brookfield, WI	Cave Creek, AZ	Chicago Public Schools (IL)
DuPage, IL	Buckeye, AZ	Chino Valley, AZ	Daisy Mountain Fire District (AZ)
Kane, IL	Bullhead City, AZ	Deerfield, IL	Ferguson Township (PA)
La Crosse, WI	Casa Grande, AZ	Dewey-Humboldt, AZ	Forest Preserve District of Cook County (IL)
Lake, IL	El Mirage, AZ	Florence, AZ	Grand Rapids Public Utilities Commission (MN)
Lycoming, PA	Fitchburg, WI	Germantown, WI	Guadalupe Blanco River Authority (TX)
Marathon, WI	Franklin, WI	Glenview, IL	Lake County Forest Preserves (IL)
McHenry, IL	Galesburg, IL	Grafton, WI	Metropolitan Water Reclamation District (IL)
Milwaukee, WI	Green Bay, WI	Lake Zurich, IL	Milwaukee Metropolitan Sewage District (WI)
Olmsted, MN	Highland Park, IL	Lemont, IL	Milwaukee Public Schools (WI)
Racine, WI	Janesville, WI	Lincolnshire, IL	New Braunfels Utilities (TX)
Rock Island, IL	Kingman, AZ	Lisle, IL	North Shore Fire Department (WI)
Sauk, WI	Lake Forest, IL	Marana, AZ	Northwest Fire District (AZ)
Scott, IA	Madison, WI	Northfield, IL	Oak Creek Water & Sewer Utilities (WI)
Walworth, WI	Mequon, WI	Oak Lawn, IL	Pace Suburban Bus Service (IL)

2. FIRM QUALIFICATIONS

GFOA CERTIFICATE OF ACHIEVEMENT AWARD RECIPIENTS

Counties	Cities	Towns/Villages	Other entities
Washington, WI	Middleton, WI	Oro Valley, AZ	Park Employees' Benefit and Annuity Fund of Chicago (IL)
Waukesha, WI	Milwaukee, WI	Paradise Valley, AZ	Rockford Public Schools (IL)
Will, IL	Moline, IL	Roselle, IL	San Antonio River Authority (TX)
Winnebago, IL	Neenah, WI	Schaumburg, IL	San Antonio Water System (TX)
	Oconomowoc, WI		St. Paul Public Housing Agency (MN)
	Prescott, AZ		Thom Creek Basin Sanitary District (IL)
	Rosemount, MN		VIA Metropolitan Transit (TX)
	Safford, AZ		VIA Metropolitan Transit Retirement Plan (TX)
	Sun Prairie, WI		
	Tolleson, AZ		
	West Bend, WI		

GFOA COA program reviewers

Members of your engagement team, including **Joe Lightcap, Jason Coyle, Michael Malatt and Amanda Blomberg**, are among the 16 Baker Tilly professionals who perform COA reviews for GFOA. Below is the complete list of current Baker Tilly GFOA report reviewers:

BAKER TILLY GFOA REVIEWERS

Amanda Blomberg, Managing Director	Brian Hemmerle, Partner
Sommer Cannon, Director	Steve Henke, Senior Manager
John Compton Jr., Partner	Cailee Lewis, Senior Manager
Jason Coyle, Partner	Joseph Lightcap, Managing Director
Jodi Dobson, Partner	Michael Malatt, Partner
Paul Frantz, Partner	Amanda Mboga, Senior Manager
Nick Goeman, Senior Manager	John Rader, Managing Director
Sheanne Hediger, Partner	Wendi Unger, Partner

2. FIRM QUALIFICATIONS

Implementing new Governmental Accounting Standards Board (GASB) standards

In recent years, we have assisted the County with the implementation of GASB 84, *Fiduciary Activities*, and GASB 87, *Leases*. We anticipate we can provide assistance to the County on the impending implementation of GASB 96, *Subscription-based Information Technology Arrangements*. We will also provide preliminary insights and guidance on the newest standards issued such as GASB 101, *Compensated Absences*.

In addition to these recently issued GASB statements, other GASB standards and exposure drafts outstanding are expected to significantly impact current reporting practices. Baker Tilly follows these closely and often prepares comment letters to GASB on behalf of the profession to raise items of potential concern before the standards are finalized. We continuously monitor GASB pronouncements — both issued and proposed — to evaluate how they will impact our clients. The impacts will be discussed with the County through various phases of the audit (planning, fieldwork, audit completion).

We routinely assist our government clients with implementing new accounting standards. To keep our clients up-to-date on the latest government accounting issues, Baker Tilly provides leadership to industry organizations through our involvement as authors, speakers, trainers and promoters of government accounting and auditing advancement.

For each new GASB standard, we provide tools and templates that help our clients with implementation. **Many of these tools and templates are available at bakertilly.com.**

2. FIRM QUALIFICATIONS

Providing the County with exceptional service

As a public sector organization, the County deserves to work with dedicated public sector specialists who go far beyond simply putting the right numbers in the right boxes. You require a dedicated team who will support your goals and who will offer audit services that meet your needs now and as they evolve.

DuPage County is an important client to Baker Tilly, we apply experience-based insight to help solve problems and look ahead to opportunities. The following table details how we plan to address your needs in a valuable way.

WHAT WE UNDERSTAND YOU NEED	HOW BAKER TILLY WILL MEET YOUR NEEDS
DuPage County and Illinois county specialists	<ul style="list-style-type: none"> • A team of professionals who have a long and successful track record of working with County management and staff members and providing support during transitional periods in the department • In-depth understanding of the unique nature of your organization and ability to share insights and best practices from our work with the largest counties in Illinois, including implementation of new GASB statements, establishment of new reporting for VACs and state reporting requirements
Public sector industry specialization	<ul style="list-style-type: none"> • Specialized knowledge and direct experience gained from serving nearly 4,000 public sector clients, including all five collars and six of the seven largest counties in the state • Support from 350+ team members who are deeply entrenched in the public sector, providing assurance and advisory services to meet the full spectrum of needs for public sector agencies
A depth of resources to meet your evolving needs	<ul style="list-style-type: none"> • Ability to offer a bench strength of 6,500+ professionals, including 550 partners, as the 10th largest accounting firm in the United States • Added value with the “best of both worlds;” we provide a smaller firm focus supported by large firm resources
Value for fees paid	<ul style="list-style-type: none"> • Competitive fee arrangement; we do not bill for every question, comment or concern • Significant partner, managing director and senior manager involvement to deliver timely, responsive service • Year-round training, education and insight at no additional cost • Streamlined approach that pairs technical expertise with innovative technology to add efficiencies

2. FIRM QUALIFICATIONS

Sharing complimentary educational resources to keep the County informed

Baker Tilly's position of leadership, significant involvement in the accounting profession, and deep industry and service specialization translates into knowledge we will share with the County. We are committed to delivering additional value by informing and educating your staff and supporting your operations. Complimentary educational opportunities include:

- **Meaningful, timely and realistic guidance** and responses to routine questions throughout the year at no additional charge.
- **Regular webinars** on topics such as fraud, understanding financial reports, new GASB reporting standards, grant-related topics and cost reduction/revenue maximization. These webinars are free to our clients and qualify for continuing professional education (CPE) credits. Webinar recordings are available on our website and can be viewed anytime.
- **Web-based resources**, including our [Inflation Reduction Act Resource Center](#), are available to Baker Tilly clients and feature educational materials, tools and resources on topics important to governments.
- Our **CommuniTIES Connection newsletter** features industry and accounting updates.
- Our weekly **CommuniTIES podcast series** features public sector leaders from across the firm providing practical guidance to help governmental entities navigate challenges and seize opportunities.
- **Timely alerts** provide updates on laws, regulations or decisions with an immediate or near-future impact on local government clients.

CPE opportunity for DuPage County staff

In addition to the resources and webinars available on our website, we'd like to offer a half-day of complimentary CPE-eligible training for County staff on topics that would be of interest.



An ESG primer for state and local government leaders

Click the images above to view our most recent resources designed to address trending topics for local governments. Additional webinars and on-demand videos are available at bakertilly.com/industries/state-and-local-government.

2. FIRM QUALIFICATIONS

d) The firm's most recent peer review with a statement as to whether it included reviews of any government engagements, and, if so, if there were any comments related to these engagements.

Receiving another “pass” report: Baker Tilly’s peer review

Our most recent peer review was completed in October 2021. **As with previous peer reviews, Baker Tilly received a “pass” report — the highest level of confidence we can obtain regarding our firm’s system of quality control.** No letter of comments was issued. In our more than 90 years of business, Baker Tilly has never had disciplinary action taken against our firm by the AICPA or any state boards or regulatory agencies. The peer review included government engagements.



MOSSADAMS

Report on the Firm’s System of Quality Control

October 28, 2021

To the Partners of Baker Tilly US, LLP and the
National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Baker Tilly US, LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2021. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm’s Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer’s Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm’s compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans; audits performed under FDICIA; audits of broker-dealers; and examinations of service organizations [SOC 1® and SOC 2® engagements].

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Baker Tilly US, LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2021, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Baker Tilly US, LLP has received a peer review rating of *pass*.



2. FIRM QUALIFICATIONS

e) Circumstances involving any state regulatory agency or professional organization and status of disciplinary action taken, or pending, against the firm during the past three years.

Staying in compliance: No disciplinary actions

Baker Tilly's auditing procedures and working papers are compliant with applicable AICPA, PCAOB, Generally Accepted Government Auditing Standards (GAGAS) and SEC standards, and federal and state laws. Our work is regularly evaluated through AICPA peer review, PCAOB inspections and other regulatory oversight.

We are pleased to report that our firm has never received disciplinary action by any state accountancy boards, the AICPA, the PCAOB, nor any other agency.

f) Availability of internal resources relative to government compliance.

Industry involvement fosters knowledge we share with you

To help you prepare for and respond to change, we are actively involved in local and national associations, keeping us on the leading edge of what is happening in our industry. Our memberships in the following organizations and our involvement as authors, speakers, trainers and promoters of governmental accounting and auditing help us actively assist you with implementing new regulations or adopting new standards. Because of this active involvement, we are able to provide the County with timely and relevant industry information. It also allows us to be a sound resource to the County as complex or routine accounting and auditing issues arise.

BAKER TILLY IS INVOLVED WITH THE FOLLOWING INDUSTRY ASSOCIATIONS:

- | | | |
|---|---|--|
| <ul style="list-style-type: none">• American Institute of Certified Public Accountants (AICPA)• American Public Power Association• American Water Works Association• American Women's Society of Certified Public Accountants• Association of Certified Fraud Examiners | <ul style="list-style-type: none">• Association of Government Accountants• Government Finance Officers Association• Illinois Association of School Business Officials• Illinois CPA Society (ICPAS)• Illinois Government Finance Officers Association (IGFOA)• Illinois Municipal Treasurers Association | <ul style="list-style-type: none">• Information Systems Audit and Control Association• International City/County Management Association• National Association of Municipal Advisors• National Association of Professional Women |
|---|---|--|

Baker Tilly does not just belong to these organizations. We are active members who serve on committees and support the organizations with our time and funds. For example:

- Partner Jason Coyle is chair of the ICPAS Governmental Executive Committee. He is also a member of the IGFOA Technical Accounting Review Committee.
- Partner Michael Malatt is on the IGFOA Professional Education Committee.
- Baker Tilly's professional practice partner for the public sector, Jodi Dobson, was appointed last year to the AICPA's State and Local Government Expert Panel.

2. FIRM QUALIFICATIONS

We are often called upon by different local government associations to analyze proposed changes and to provide recommendations to improve these proposals and/or to identify elements within the proposed changes that impact our clients and their operations. In recent years, Baker Tilly has conducted training or developed educational programs on GASB pronouncements, budgeting, taxation, local income taxes (LIT) and other legislative impacts, as well as various other topics where significant changes have occurred.

Single audit and uniform guidance resources

Baker Tilly has significant expertise in performing compliance audits for organizations that receive funding from the federal government. We serve on various AICPA committees studying audit issues and serving as thought leaders to the profession as rules, regulations and audit requirements are contemplated. Our current leadership and involvement include:

- Amanda Blomberg, Managing Director, is an AICPA single audit advance certificate holder and is an AICPA peer review oversight reviewer for single audits.
- Blaine Jasper, Director, sits on the Executive Committee for the AICPA's Government Audit Quality Center (GAQC). Blaine, along with Manager Stephanie Jacobs, also works closely with the AICPA to design compliance audit templates that will be included with their Dynamic Audit Solution (DAS).

These individuals are directly available to your engagement team and to you to consult on complex matters or questions that may arise during the County's audit.

Involvement in AICPA committees and initiatives important to governments

Baker Tilly professionals are among the most influential in the accounting and advisory industry, with Baker Tilly thought leaders directly involved with issues shaping our industry.

To help you respond to and prepare for change, Baker Tilly professionals are actively involved in various AICPA committees and initiatives. This involvement keeps us on the leading edge of what is happening in our industry. The following are a few of AICPA boards and committees we are involved in that are relevant to the County.

INITIATIVE	PURPOSE	DATES
Governmental Audit Quality Center (GAQC)	Promotes the importance of quality governmental audits, serves as a resource to member firms, provides members with online tools for sharing ideas and recognizes CPA firms that demonstrate a commitment to governmental audit quality	Since its inception
Governmental Audit Quality Center (GAQC) Executive Committee	Governs the GAQC, develops the policies of the GAQC and oversees GAQC activities; also meets twice annually in conjunction with the Single Audit Roundtable (SART), which includes federal inspectors general, federal agencies and CPA firms	2021-present 2012-2015
Technical Issues Committee (TIC)	Volunteers on a committee of CPA practitioners who represent the views of local firms and small-to-medium-size governments in the standards setting process	2013-2019

2. FIRM QUALIFICATIONS

INITIATIVE	PURPOSE	DATES
State and Local Government Expert Panel	Serves the needs of AICPA members regarding financial and business reporting and audit and attest matters; protects the public interest by bringing together knowledgeable parties in the state and local government industry to deliberate and come to agreement on key state and local government issues	2021-present
		2012-2020
		2004-2008
Auditing Standards Board (ASB)	AICPA's senior committee for auditing, attestation and quality control applicable to the performance and issuance of audit and attestation reports for nonissuers	2015-2019
		2010-2013
Peer Review Oversight Reviewer — Single Audits	Monitors the quality of peer reviews performed on OMB single audits	2014-present
Peer Review Board	Promulgates the peer review standards and oversees the administration of the peer review program	2017-present
National Peer Review Committee (NPRC)	Administering entity for all firms that are required to be registered and inspected by the PCAOB or for firms that perform work under PCAOB standards	2011-2019

g) Conflict of interest statement stating that the firm is independent of the County, its agencies, elected officials, and/or employees, as defined by generally accepted auditing standards.

Ensuring independence

Baker Tilly and our partners and staff are independent with respect to the County as defined by generally accepted auditing standards (GAAS) and the Government Auditing Standards set forth by the U.S. Government Accountability Office (GAO). We will maintain an independent attitude and appearance through the full term of the engagement.

Formal independence guidelines are contained in our employee handbook based on rules and regulations established by the Comptroller General of the United States and the AICPA.

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

2. FIRM QUALIFICATIONS

h) List of three (3) government references, preferably current clients similar in size and scope to the County, including the name of the governmental entity; a contact name, title, email address, and telephone number; and a brief profile of the engagement.

Demonstrating successful relationships with similar clients

We encourage you to connect with the clients below to learn more about the value of their relationship with Baker Tilly. Each client will offer a different perspective as you consider your own needs.

WILL COUNTY (GFOA COA AWARD WINNER)			
Name	Karen Hennessy	Title	Finance Director
Phone	[REDACTED]	Email	khennesy@willcountyillinois.com
Services	Baker Tilly has provided annual audit services to the County since 2010. This includes audits of the County's ACFR and the single audit.		

KANE COUNTY (GFOA COA AWARD WINNER)			
Name	Amy Ramer-Holmes	Title	Finance Manager
Phone	[REDACTED]	Email	RamerHolmesAmy@co.kane.il.us
Services	Baker Tilly has provided annual audit services to the County since 2014. This includes audits of the County's ACFR, single audit and Circuit Court Clerk.		

LAKE COUNTY (GFOA COA AWARD WINNER)			
Name	Patrice Sutton	Title	Chief Finance Officer
Phone	[REDACTED]	Email	psutton@lakecountylvil.gov
Services	Baker Tilly provided annual audit services to the County from 2004-2016 and again beginning in 2022, as well as the Circuit Court Clerk from 2004-present. This includes audits of the County's ACFR, single audit, health department reports, Circuit Court Clerk, Public Works, Veteran's Assistance Commission, Solid Waste Agency and ETSB.		

PROVIDING VALUABLE PERSPECTIVES FROM CURRENT CLIENTS

At Baker Tilly, relationships matter. Our team has a record of successfully enhancing and protecting similar clients' goals — resulting in experience-based insights for the County.

3. Key qualifications

The County will continue to work with a committed and consistent team of public sector auditors who have a deep understanding of your organization.

a) Affirmation that all assigned key professional staff are licensed to practice as a certified public accountant in the State of Illinois.

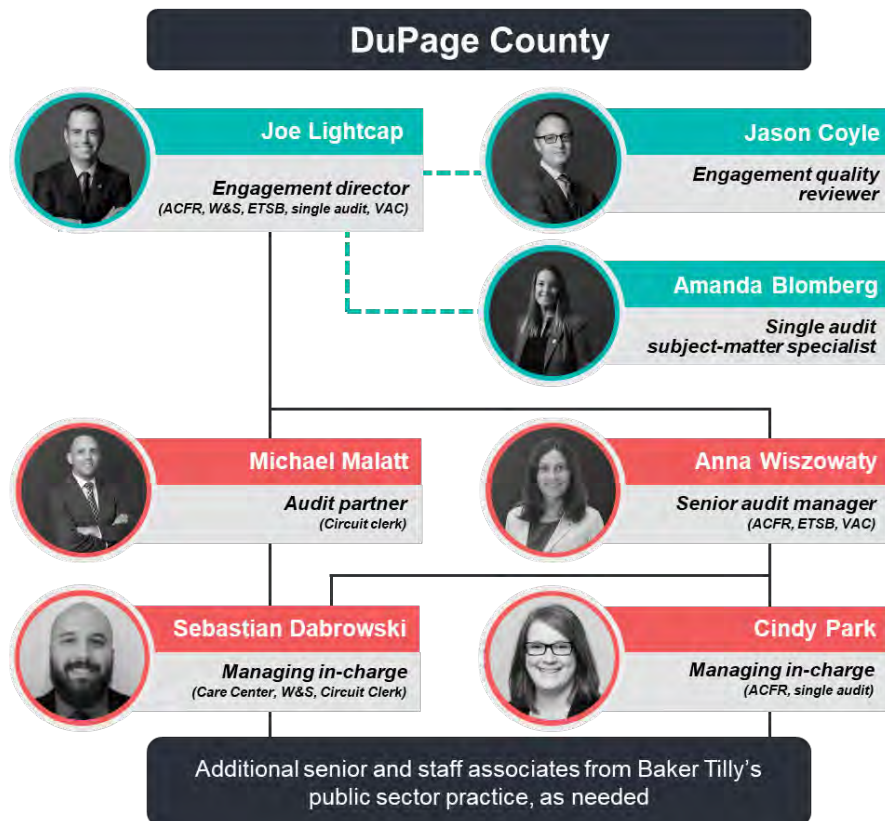
Licensed CPAs in Illinois

All key partners and managers assigned to the County’s audit are licensed to practice as certified accountants in the State of Illinois.

b) Recent government auditing experience of all professional staff assigned to the engagement, including the name of the governmental entity; the staff’s level of responsibility for the engagement; the number of years the staff has worked on the engagement; etc.





Aligning key engagement team members with your goals

Your handpicked team of professionals offers a collaborative focus supported by the breadth and depth of our firm’s national resources. We believe in strong personal relationships, and this means a personal interest in the County from some of our most experienced team members.






3. KEY QUALIFICATIONS

Engagement team members are introduced below, and complete resumes are available in **Appendix I**.

INTENTIONALLY SELECTED ENGAGEMENT TEAM FOR THE COUNTY		
	Joseph Lightcap, CPA — Managing director	
	Role: Engagement director, ACFR, Water and Sewerage System, single audit, ETSB and VAC	Similar engagements
	<p>Joe will continue to oversee the entire engagement to make sure the County receives a meaningful, genuine experience. He will work with the audit team to provide a seamless and well-planned engagement process, valuable solutions and technically accurate final deliverables to achieve your goals. He will also collaborate with Jason Coyle to ensure that the health department audit is seamlessly integrated into the County ACFR. Joe is committed to the County's success and satisfaction with our services; he will collaborate with you and the team to meet your deadlines and exceed expectations.</p>	<ul style="list-style-type: none"> • McHenry County (Partner 2020-2021) • McLean County (Partner 2016-2018; Manager 2013-2015) • Will County (Manager 2011-2015)
	Michael Malatt, CPA — Partner	
	Role: Audit partner for the Circuit Clerk	Similar engagements
	<p>Michael will make sure the County's Circuit Clerk audit is completed according to plan and that our team is timely, meets your quality standards and exceeds your expectations.</p>	<ul style="list-style-type: none"> • DeKalb County (Partner 2022-Present) • Kane County (Senior manager/Partner 2014-Present) • Rock Island County (Partner 2022-Present)
	Jason Coyle, CPA — Partner	
	Role: Engagement quality reviewer	Similar engagements
	<p>Jason leads Baker Tilly's public sector audit group in Illinois. He will help make sure that quality, integrity and satisfaction are maintained at all times during the engagement. Jason is also the partner-in-charge of the County's health department audit engagement.</p>	<ul style="list-style-type: none"> • Kane County (Partner 2014-2021) • Lake County (Partner 2022-Present) • City of Chicago (Partner 2020-Present)
	Amanda Blomberg, CPA — Managing director	
	Role: Single audit subject-matter specialist	Similar engagements
	<p>Amanda specializes in providing single audits and consulting services to state and local governments. She will be available to the County and your audit team to consult on technical or complex matters related to the single audit.</p>	<ul style="list-style-type: none"> • City of Chicago (Director and Senior manager 2006-Present) • Lake County (Director 2022-Present; Manager/Senior manager 2007-2016)

3. KEY QUALIFICATIONS

INTENTIONALLY SELECTED ENGAGEMENT TEAM FOR THE COUNTY		
	Anna Wiszowaty, CPA — Senior manager	
	Role: Audit senior manager for the ACFR, ETSB and VAC	Similar engagements
	Anna will coordinate project management and communication between the County and Baker Tilly to deliver a seamless, collaborative audit engagement. She will gain an in-depth understanding of your processes to effectively guide the County through complex or unusual transactions and answer day-to-day questions.	<ul style="list-style-type: none"> Will County (Manager/ Senior manager 2017-Present)
	Cindy Park — Senior associate	
	Role: Managing in-charge for the ACFR and single audit	Similar engagements
	Cindy will oversee planning, fieldwork and reporting for the single audit and assist Anna in other areas of the County's audit, as needed. She will be responsible for the senior and staff associates during the audit process. Cindy is also the in-charge of the County's health department audit engagement.	<ul style="list-style-type: none"> DeKalb County (In-charge 2022-Present) Kane County (Single audit in-charge 2018-2021) Village of Schaumburg (In-charge 2020-Present)
	Sebastian Dabrowski — Senior associate	
	Role: Managing in-charge for the Water and Sewerage System, DuPage Care Center and the Circuit Clerk audit	Similar engagements
	Sebastian will oversee planning, fieldwork and reporting related to the Water and Sewerage, DuPage Care Center and the Circuit Clerk audit. He will be responsible for the senior and staff associates during the audit process.	<ul style="list-style-type: none"> Kane County (In-charge 2017-Present) Lake County (Health department in-charge 2022-Present)

THE COUNTY WILL RECEIVE TANGIBLE RESULTS WITH BAKER TILLY

All engagement team members are committed to the County's success. Their industry experience and service expertise translate into tangible results for the County.

We strive to keep engagement teams intact and provide continuity for the County, especially at the leadership level. If in the future, however, there is a desire to have a fresh perspective, we can leverage our deep bench of experienced public sector auditors to make that happen.

3. KEY QUALIFICATIONS

c) List of any relevant and current continuing professional education and/or memberships in professional organizations for all professional staff assigned to the engagement.

Continuing professional education (CPE) and professional memberships

A listing of CPE and memberships in professional organizations can be found in each team member's resume (see **Appendix I**).

Baker Tilly is committed to supporting our team members' professional growth, including helping them use formal learning opportunities in a way that makes the most sense for their development needs and schedule.

To keep their skills up-to-date, our team members must complete 120 hours of CPE each three-year rolling cycle with a minimum of 20 credits each year. This rolling triennial period creates flexibility for our team members in deciding how to pursue CPE learning opportunities (more some years, less others) to meet their needs and overall CPE requirements. This also aligns our firm with the AICPA's identified best practice.

CPE courses and events in 2022

In 2022, Baker Tilly sponsored over 1,600 CPE-eligible courses and events. Internal participation in these events resulted in more than 165,000 CPE credits being awarded.

Our firm additionally contracts with third-party vendors who provide over 1,100 courses to our staff in subjects including general skills, accounting and auditing, financial services, leadership, tax and personal development.

3. KEY QUALIFICATIONS










Any professional staff assigned to the engagement may be replaced at the auditor's discretion provided he/she has substantially the same, or better, qualifications and/or experience.

Creating an engaging culture to offer a familiar and consistent public sector audit team that will continue to serve you for many years

We view our commitment to staff continuity as the cornerstone of building a lasting relationship with the County. You can expect to see the same engagement team members every year and avoid the time and cost of onboarding a new team.

Exceptional professionals thrive at Baker Tilly because we foster an engaging culture through diversity and inclusion, work-life balance, continuous learning opportunities, career advancement and employee recognition. As evidence of our team member-focused culture, Baker Tilly proudly presents a variety of recognitions and awards.

EVIDENCE OF OUR TEAM MEMBER-FOCUSED CULTURE AND COMMITMENT TO EXCELLENCE

<p>Baker Tilly was included in People Magazine's 2022 Companies That Care list, which recognizes companies who put their employees and communities first</p> 	<p>Recognized as one of America's Best Large Employers in 2021 and 2022 by Forbes</p>  	<p>Received 250+ culture awards and workplace recognitions firmwide</p>     
<p>Ranked as a top 10 accounting and advisory firm for workplace prestige and quality on Vault Accounting's Accounting 50 list; culture is the number one reason that team members join our ranks and stay at our firm</p> 	<p>Baker Tilly has again been certified as one of the Best Workplaces in Consulting and Professional Services – one of only 25 companies recognized on this list</p> 	<p>BEST PLACES to work in PA 2022 BUSINESS JOURNAL BUSINESS</p>  <p>BEST PLACES TO WORK</p>     

ADVANCING AN ENGAGING CULTURE

Our commitment to attracting and retaining a top-quality workforce benefits the County through engaged team members and staff continuity.

3. KEY QUALIFICATIONS

Managing turnover and finding replacements

As part of our replacement strategy, we use a regional workforce planning manager to:

- Monitor job-needs requirements and staffing
- Communicate with all staff levels
- Resolve conflicts
- Generate and review reports
- Maintain client and team member information

When turnover happens, this manager evaluates staffing needs and establishes the level of expertise required to quickly find suitable replacements. Our firm's engagement partners and managers are responsible for onboarding replacements and minimizing any disruption to an engagement.

Offering a consistent team for the County

We guarantee the same team members will serve the County throughout the engagement (subject to team members being promoted or leaving our firm). In some instances, they may alternate roles; however, all team members will have a strong knowledge of your operations.

4. Project understanding

Our relationship-driven approach is powered by technology and led by professionals who deliver a cost-effective, quality engagement for the County. We will deliver audit solutions specifically tailored to address the public sector's underlying complexities and your unique opportunities.

Describes the auditor's interest in performing the Scope of Services in this RFP; the auditor's understanding of the services to be provided; and clearly outlines the firm's audit approach, including, but not limited to, a schedule for performing and completing the engagement.

Understanding the County's needs

You have requested audit proposals for fiscal years ending November 30, 2023, 2024, 2025 and 2026. The scope of our audit includes a financial audit of the basic financial statements and a compliance audit of the County's federal awards. Our audit will meet or exceed all performance specifications listed in the request for proposals.

Our audit will be made in accordance with GAAS as promulgated by the AICPA; the AICPA audit guide, Audits of State and Local Governmental Units; Government Auditing Standards issued by the U.S. GAO; and OMB Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), if required.

The primary purpose of the audit is to express an opinion on the financial statements of the entity subject to the audit. Such an audit is subject to the inherent risk that errors or irregularities may not be detected. If conditions are discovered that lead to the belief that material errors, defalcations or other irregularities may exist, or if any other circumstances require extended services, Baker Tilly will promptly advise an appropriate management level.

Scope of services

The County

- 1. Financial statement audit of the *Annual Comprehensive Financial Report DuPage County, Illinois (ACFR)*.** In addition to the audit procedures, Baker Tilly will prepare the **Financial Section** of the *ACFR*, excluding the following *Notes to Financial Statements*, which County staff shall prepare, and Baker Tilly will review for accuracy and completeness:
 - Deposits and Investments
 - Deficit Balances
 - Receivables
 - Net Position Fund Balance — Governmental Funds
 - Capital Assets — Component Unit
 - Interfund Receivables/Payables/Transfers
 - Long-Term Obligations
- 2. County staff will prepare the introductory and statistical sections of the *ACFR*, which Baker Tilly will read for consistency, and the *Management's Discussion and Analysis*, on which the auditor shall perform limited procedures.**
- 3. Baker Tilly will prepare the *ACFR* in a form comparable to the prior fiscal year's report.**

4. PROJECT UNDERSTANDING

4. Baker Tilly will also be responsible for performing certain limited procedures on the Required Supplementary Information, which includes the *Historical Pension and OPEB Information*; *Budgetary Comparison Information*; and *Notes to Required Supplementary Information*.
5. We will express an opinion on the fair presentation of the financial position of the governmental activities; business-type activities; the discretely presented component unit; any major fund included in this RFP; the aggregate remaining fund information; and the respective changes in financial position, and, where applicable, cash flows, in accordance with accounting principles generally accepted in the United States of America.
6. We will express an “in relation to” opinion on the County’s combining statements and individual fund financial statements and schedules included in the Supplementary Information Section of the *ACFR*.
7. Baker Tilly will issue a *Communication to Those Charged with Governance and Management* letter to County management.
8. Baker Tilly will prepare the GASB No. 34 adjustment schedule and the related conversion entries between the fund financial statements and the governmentwide financial statements.

County grant programs

Single audit

1. **Single audit of the County’s federal award programs.** In addition to the audit procedures, Baker Tilly will prepare all reports and schedules included in the *DuPage County, Illinois Report on Federal Awards* (except for those noted in #2 below) and the *Notes to Schedule of Federal Awards*.
2. County staff shall prepare the *Schedule of Expenditures of Federal Awards* and the *Corrective Action Plan*.
3. Baker Tilly will prepare the *DuPage County, Illinois Report on Federal Awards* in a form comparable to the prior fiscal year’s report.
4. Baker Tilly will express an opinion on the County’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the major federal programs.
5. Baker Tilly will express an “in relation to” opinion on the *Schedule of Federal Awards*.
6. Baker Tilly will file Form SF-SAC and the Single Audit Reporting Package with the Federal Audit Clearing House no later than thirty (30) days after the receipt of the auditor’s reports.
7. There were four (4) major federal programs in the prior year.

Consolidated Year-End Financial Report

1. **Audit procedures on the Consolidated Year-End Financial Report (CYEFR).** Baker Tilly will prepare all reports and schedules as required by the state of Illinois.
2. County staff shall prepare the *CYEFR* and upload into the Grant Accountability and Transparency Act portal, along with the *Peer review* letter and *Communication to Those Charged with Governance and Management* letter no later than thirty (30) days after the SF-SAC and Single Audit Reporting is received by the Federal Audit Clearing House.
3. Baker Tilly will express an “in relation” to opinion on the *CYEFR*.

Clerk of the Circuit Court*

1. **Financial statement audit of the Clerk of the Circuit Court.** In addition to the audit procedures, Baker Tilly will prepare all sections of the *DuPage County Clerk of the Circuit Court Financial Statement*, except for *Report J-Annual Financial Report*, which shall be prepared by the Clerk of the Circuit Court department.
2. The audited financial statement will be in a form comparable to the prior fiscal year’s financial statement.
3. Baker Tilly will express an opinion on the fair presentation of the assets and liabilities of the DuPage County Clerk of the Circuit Court Agency Fund in accordance with accounting principles generally accepted in the United States of America.
4. Baker Tilly will express an “in relation to” opinion on the *Combining Schedule of Changes in Fiduciary Assets and Liabilities* and *Report J-Annual Financial Report*.

4. PROJECT UNDERSTANDING

5. Management has typically omitted the *Management's Discussion and Analysis* from the Required Supplementary Information Section of the *DuPage County Clerk of the Circuit Court Financial Statement*.

*Beginning with the County's 2022 year-end, changes in the Circuit Clerk Audit Guidelines, as adopted by the Administrative Office of the Illinois Courts, modified the Clerk of the Circuit Court's reporting format and level of assurance required by its auditor. Baker Tilly will continue to provide the same level of assurance and assistance in relation to the Clerk of the Circuit Court as was provided in 2022.

Water and Sewerage System of DuPage County

1. **Financial statement audit of the Water and Sewerage System of DuPage County, Illinois, (aka Public Works).** In addition to the audit procedures, Baker Tilly will prepare all sections of the *Water and Sewerage System of DuPage County, Illinois Financial Statements*, except for the *Management's Discussion and Analysis*, which shall be prepared by Public Works staff.
2. Baker Tilly will prepare the *Five-Year Summary of Debt Service Coverage Ratios* that is included in the Other Information Section of the financial statements.
3. The audited financial statements shall be in a form comparable to the prior fiscal year's audited financial statements.
4. Baker Tilly will express an opinion on the fair presentation of the financial position of the Water and Sewerage System of DuPage County, Illinois, in accordance with accounting principles accepted in the United States of America.
5. Baker Tilly will express an "in relation to" opinion on the financial information listed as supplementary information.
6. Baker Tilly will issue a *Communication to Those Charged with Governance and Management* letter to Public Works' management.
7. Baker Tilly will incorporate the Water and Sewerage System's audited financial statements into the County's *ACFR* as an enterprise fund of the County.
8. Single audit
 - a) **Single audit of the Water and Sewerage System's federal award programs.** In addition to the audit procedures, Baker Tilly will prepare all reports and schedules included in the *Water and Sewerage System of DuPage County Report on Federal Awards* (except for those noted in #b below) and the *Notes to Schedule of Federal Awards*.
 - b) Public Works staff shall prepare the *Schedule of Expenditures of Federal Awards* and the *Corrective Action Plan*.
 - c) Baker Tilly will prepare the *Water and Sewerage System of DuPage County, Illinois Report on Federal Awards*.
 - d) Baker Tilly will express an opinion on the County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the major federal programs.
 - e) Baker Tilly will express an "in relation to" opinion on the *Schedule of Expenditures of Federal Awards*.
 - f) Baker Tilly will file Form SF-SAC and the Single Audit Reporting Package with the Federal Audit Clearing House no later than thirty (30) days after the receipt of the auditor's reports.
 - g) There were two Illinois Water Revolving Fund (Fund) loans funded through federal programs in the prior year.

Emergency Telephone System Board of DuPage County

1. **Financial statement audit of the Emergency Telephone System Board of DuPage County (ETSB).** In addition to the audit procedures, Baker Tilly will prepare all sections of the *Emergency Telephone System Board of DuPage County Financial Statements*, except for the *Management's Discussion and Analysis* and the Capital Assets and Commitments and Contingencies footnotes, which shall be prepared by ETSB staff.
2. The audited financial statements shall be in a form comparable to the prior fiscal year's audited financial statements.

4. PROJECT UNDERSTANDING

3. Baker Tilly will perform certain limited procedures on the *Management's Discussion and Analysis* and the schedules in the Required Supplementary Information Section of the audited financial statements.
4. Baker Tilly will express an opinion on the fair presentation of the financial position of the governmental activities and each major fund of the Emergency Telephone System Board of DuPage County in accordance with accounting principles generally accepted in the United States of America.
5. Baker Tilly will issue a *Communication to Those Charged with Governance and Management* letter to ETSB's management.
6. Baker Tilly will incorporate the *Emergency Telephone System Board of DuPage County Financial Statements* into the County's *ACFR* as a discreetly presented component unit of the County.

Veterans Assistance Commission (VAC)

1. **Financial statement audit of the VAC of DuPage County.** In addition to the audit procedures, Baker Tilly will prepare all sections of the *Veterans Assistance Commission of DuPage County Financial Statements*, except for the *Management's Discussion and Analysis* and the Capital Assets and Commitments and Contingencies footnotes, which shall be prepared by VAC staff.
2. The audited financial statements shall be in a form comparable to the prior fiscal year's audited financial statements.
3. Baker Tilly will perform certain limited procedures on the *Management's Discussion and Analysis* and the schedules in the Required Supplementary Information Section of the audited financial statements.
4. Baker Tilly will express an opinion on the fair presentation of the financial position of the governmental activities and each major fund of the VAC of DuPage County in accordance with accounting principles generally accepted in the United States of America.
5. Baker Tilly will issue a *Communication to Those Charged with Governance and Management* letter to VAC's management.
6. Baker Tilly will incorporate the *Veterans Assistance Commission of DuPage County Financial Statements* into the County's *ACFR* as appropriate.

DuPage County Health Department

1. The **Health Department's financial statement audit** is a separate engagement, and, therefore, is not included in this RFP.
2. Baker Tilly will incorporate the Health Department's audited financial statements into the County's *ACFR* as a blended component unit of the County as follows:
 - General Fund-Major Special Revenue Fund
 - Social Security Fund-Special Revenue Fund
 - Illinois Municipal Retirement Fund-Special Revenue Fund
 - Infrastructure Fund-Capital Projects Fund

DuPage Airport Authority

1. The **DuPage Airport Authority's financial statement audit** is performed by another auditor, and, therefore, is not included in this RFP.
2. Baker Tilly will incorporate the *DuPage Airport Authority Financial Statements* into the County's *ACFR* as a discreetly presented component unit of the County.

Audit approach

Introducing Global Focus US, our proprietary audit methodology with benefits for the County

You need confidence financial statements are fairly stated, focus areas are aligned with your industry and internal controls are effective.

Baker Tilly meets all of these expectations with **Global Focus US, our proprietary audit methodology that incorporates industry-specialized forms, templates, processes and content to create an exceptional audit product for the County.**



Key features

- Efficient
- Risk focused
- Industry specialized
- Technology enabled
- Scalable across geographies
- Communication based

Global Focus US is one of our key differentiators: a compilation of the required standards with our industry knowledge and auditing best practices to streamline the delivery of your services — making them nimble, risk-focused and, above all, collaborative. By leveraging a range of leading technology tools along the way, we strengthen communication, build connections between team members and eliminate errors through data visualization.

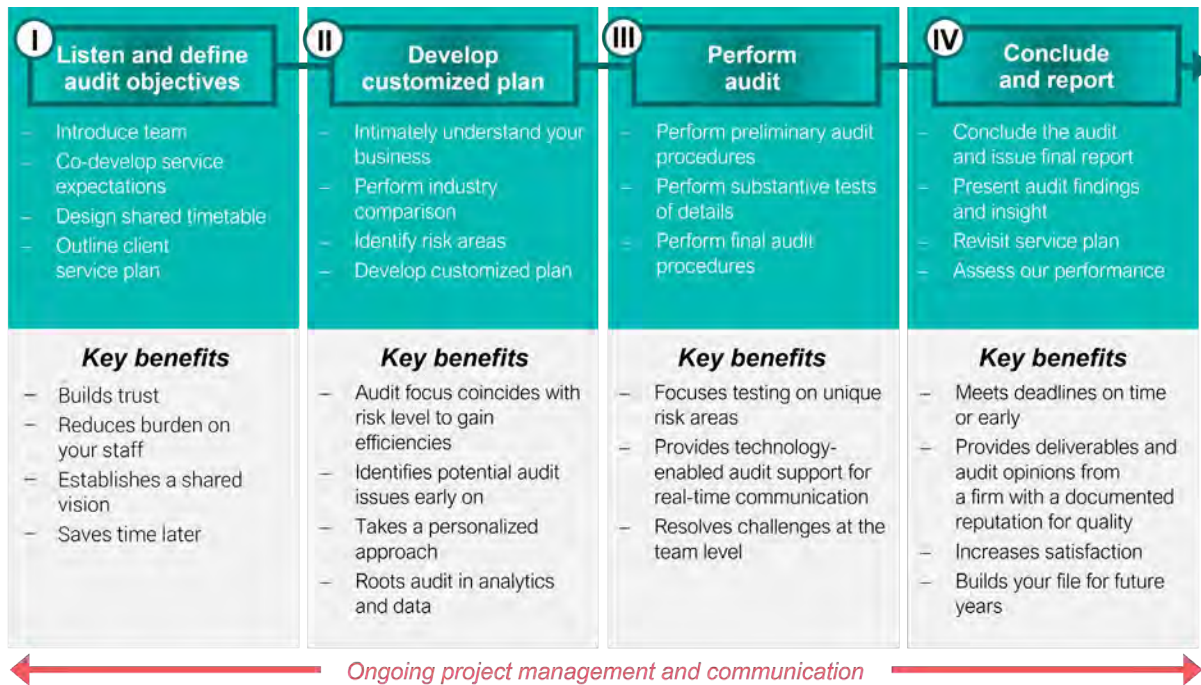
Outlining our “right-sized,” phased audit approach

Our audit approach for the County adheres to the highest professional standards. We will provide services that are collaborative, industry-specialized, advisory-based and considerate of your management and governance team every step of the way. We will use our operational knowledge from experience serving organizations like yours to recommend specific management ideas throughout the process. Whether you are a new or continuing client, each audit team member comes prepared with a level of understanding of your industry, which helps them identify relevant risks and scope the audit.

Using a phased, risk-based approach, we will develop a detailed understanding of the County’s organizations and internal controls. Our service teams use the latest in audit technology to identify exceptions, perform high-end analytics and adapt our audit as technology evolves. These tests form the basis for the opinions we provide on financial statements. They also give us valuable perspectives we apply in helping you better manage your business.

Our audit is rooted in a foundation of communication and executed in four phases. An overview of our approach is below.

4. PROJECT UNDERSTANDING



TAILORED AUDIT APPROACH

A high-touch audit service model assures the County of accessibility, reliability and a tailored approach.

Segmentation of the engagement

We have a proven audit approach that is tailored to the County and includes 10 work segments of the audit. Those segments, along with the anticipated audit procedures for each segment, have been customized for the County and are discussed below.

1. Engagement planning and administration

- Prepare client information forms, obtain signed engagement letters and complete independence procedures
- Review previous audit reports and internal control reports
- Prepare memorandum regarding overall County operations for permanent file records
- Complete staffing and scheduling summary
- Hold planning conference with engagement partner and in-charge auditors
- Hold planning and progress conferences with the County as needed
- Obtain all documents and information required for permanent file
- Read minutes of the County board meetings
- Perform various testing of compliance with laws and regulations
- Develop and approve audit programs
- Accumulate points to be included in management letter and draft letter
- Review working papers for completeness
- Undergo partner-level working paper reviews
- Hold exit conference with key County personnel
- Make presentations to the Finance Committee, Public Works Committee and Emergency Telephone System Board

4. PROJECT UNDERSTANDING

2. Risk assessment and internal controls

- Perform entitywide risk assessment procedures
- Conduct fraud interviews
- Determine major transaction cycles
- Perform evaluations of internal controls over major transaction cycles
- Complete information technology risk assessment
- Test internal controls as applicable
- Determine reliance on internal controls and resulting substantive audit procedures

3. Cash and investments

- Review ledger account entries and compare cash account balances
- Confirm year-end cash and investment balances with depositories
- Obtain bank reconciliations and substantiate reconciling items
- Substantiate cash cut-offs and interbank transfers
- Test investment transactions and interest earned
- Test market values of applicable investments
- Audit financial statement disclosures

4. Revenue

- Compare revenues to prior-year actual, current budget or other expectations
- Analyze accounts with significant variations
- Confirm or otherwise validate accounts receivable and taxes receivable
- Confirm and reconcile state aids
- Reconcile other revenues to claims and invoices filed
- Perform a search for unrecorded receivables
- Review functional classifications of revenues for government-wide financial statements
- Test capital contributions
- Analyze allowances for uncollectibles

5. Expenditures

- Compare expenditures to prior years, budgeted amounts or other expectations
- Analyze accounts with significant variations
- Review accounts payable listings, determine proper cut-offs and test for unrecorded liabilities
- Validate prepaid items
- Verify vested compensated absence liabilities
- Test insurance-related accruals or IBNRs
- Determine the appropriateness of other liability accounts, including accrued payrolls and related withholdings, retainages and other liabilities
- Test pension information and disclosures
- Test other post-employment liabilities

4. PROJECT UNDERSTANDING

6. Property

- Obtain capitalization policy for capital assets and infrastructure
- Obtain summary schedules of capital assets and infrastructure, including additions, retirements and accumulated depreciation
- Test capital assets and infrastructure additions and deletions
- Test capital assets and infrastructure depreciation/amortization calculations

7. Inventories

- Observe physical inventories, if material
- Test pricing, quantities and extensions of final inventories

8. Financing/equity

- Verify bond and note balances owed
- Obtain information on new issues, if any
- Trace transactions to the general ledger
- Recompute interest expense
- Determine the nature and appropriateness of net position and fund balance categories

9. Financial reporting

- Ascertain that all items of audit significance contained in the minutes have been considered and cross-referenced to the working papers
- Obtain a working trial balance
- Propose adjusting entries and obtain adjusted trial balance
- Draft applicable sections of the ACFR and other required reports and review the County-prepared sections
- Perform subsequent events review to the date of completion of fieldwork
- Obtain management and attorney representation letters
- Finalize required reports

10. Single audit

- Obtain a schedule of federal awards and review for accuracy and completeness
- Obtain a summary schedule of prior audit findings
- Determine major federal grant programs
- Review compliance requirements for major federal grants
- Test the County's internal control over compliance requirements that could have a direct and material effect on major programs
- Test compliance with laws and regulations governing the County's major federal grants
- Draft required single audit reports
- Draft schedule of findings and questioned costs
- Obtain responses to findings and the corrective action plan from the County, if needed
- Assist the County with completion and submission of the Data Collection Form after the County's review

4. PROJECT UNDERSTANDING

Approach taken in auditing departments

We understand that the activities of many County departments impact the annual financial statements. To provide proper audit coverage for these departments, we have designed a separate audit program for collecting and handling cash, invoicing and other financial procedures commonly found within County departments. Additionally, we will evaluate the results of our risk assessment processes to determine if any additional departments require audit emphasis each year.

SPECIFICALLY, WE PLAN TO:

- Send the identified departments an internal control questionnaire to document the existing controls
- Review these questionnaires to evaluate the sufficiency of the controls
- Visit the departments to perform “walk-throughs” as a test that the control exists and is functioning as intended
- Provide recommendations when control deficiencies are identified
- Evaluate the results of the departmental control analysis to determine the nature and extent of further audit procedures; this may include validation tests for specific revenue and expenditure accounts and testing of other source documents

The specific audit coverage each year is driven by the risk assessment process. Transaction cycles of the major financial process are evaluated each year to determine inherent risk and control risk. Many factors are included in this evaluation, such as materiality, the number of transactions, the experience of County staff, prior audit findings, nature of activity during the year, etc.

Once the significant cycles are identified and this risk assessment process is complete, we will customize our audit work programs to detail the specific audit coverage.

A critical component of the risk assessment process is the information accumulated through communications with the County’s management. Based on these communications and other assessments, we may deem certain department activities to be of higher or lower risk in any given year.

Studies on fraud have shown that auditor contact with departments can deter fraud. Therefore, we perform risk assessments on the County’s activities annually.

In addition to the procedures contained in the **Segmentation of the engagement** section, the following are some of the audit procedures we perform:

- Perform analytical review procedures
- Review cash receipting and disbursements processes
- Test for compliance with federal and state laws and regulations
- Test reconciliation procedures
- Test supporting billing records

We will perform the appropriate level of departmental audit procedures based on our risk assessments to meet the auditing requirements and provide recommendations for improvements.

Sample sizes and statistical sampling

We plan to use audit sampling throughout phases of our audit because we believe this allows us to perform an audit that is more cost beneficial to our clients. We have identified the following audit sampling tests that may be used on the County's audit. They include:

- Substantive tests of details of balance sheet accounts
- Tests of controls
- Tests of compliance with laws and regulations

After reviewing and evaluating the County's internal controls, we will decide the internal control procedures we intend to test. We will set the expected error rate, audit risk and tolerable error rate parameters to determine the sample size we will generate. We may perform these procedures in the following areas:

- Cash receipts
- Cash disbursements
- Payroll
- Journal entries

We also plan to use audit sampling to perform substantive tests of certain balance sheet accounts, including accounts receivable and recorded vouchers payable. Our firm has customized statistical sampling tools that are in full compliance with all professional standards.

We expect to use the following sample ranges; however, these may increase or decrease based on the results of our understanding of the County's internal controls:

TESTS OF CONTROLS	SAMPLE RANGES
Cash disbursements/expenditures	20-60 documents
Payroll	20-60 documents

Analytical procedures

Analytical procedures may range from simple comparisons to complex models involving many relationships and elements of data. GAAS require analytical procedures in all audits of financial statements.

Our analytical procedures are performed at three points during the audit process — during planning as a tool to assess risk, during fieldwork as a substantive test of account balances and transactions, and during the final review of the financial statements to evaluate overall financial presentation and disclosure.

They are performed during our planning to help us determine where we might need to focus additional attention.

Analytical procedures are performed as a substantive test using the County's trial balance and budget report before audit entries. In-charge auditors review the current-year information and compare it to prior-year actual amounts, the current budget and other expected results. Variances to our expectations — figures that exceed a predetermined threshold level, both from a percentage and dollar amount perspective — are highlighted for further investigation. This investigation includes reviewing detailed

4. PROJECT UNDERSTANDING

transactions, vouching a sample of transactions, discussions with management and validation techniques. Explanations of variances are documented in our file. The results are used to determine the extent of any additional audit testing.

The final analytical review takes place after all audit entries are posted during the preparation of the financial statements. Variances in financial statement line items are analyzed to evaluate the consistency of financial statement presentation and disclosures.

Understanding the County's internal controls

Our audit process stresses the importance of evaluating internal controls, especially under the risk assessment standards. We perform a thorough evaluation of your internal controls' effectiveness to perform risk assessments and design a risk-based audit program.

During preliminary work, we will update our understanding of your internal controls and evaluate and test internal controls over the significant accounting and reporting systems of the County. These evaluations will enable us to determine how much reliance we can place upon the systems for audit purposes and the amount of systems testing and account verification work required.

In addition, all significant suggestions, questions or other comments resulting from these evaluations will be discussed with appropriate personnel.

After we have evaluated the internal controls, we will test the flow of data through the systems to determine:

- Whether the data actually follow the prescribed procedures and controls within the system
- The degree of clerical accuracy achieved in recording and summarizing the data

Control deficiencies

In the required reports on internal control, we will communicate any control deficiencies found during the audit in our *Communication to Those Charged with Governance and Management* letter, per the following categories:

- A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis.
- A material weakness is a deficiency, or combination of defects, in internal control. There is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, detected and corrected on a timely basis.
- A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

If the County prepares official statements in connection with debt offerings, we will provide assistance as requested and consent to the inclusion of our report on the financial statements.

Determining laws and regulations subject to audit test work

Since the County and Water and Sewerage System are required to have single audits, the audit scope regarding compliance with laws and regulations is substantially broader than a standard audit conducted according to GAAS. We have developed our own approach to satisfying the single audit and GAAS requirements.

Compliance testing approach

Uniform Guidance requires that we test for compliance with laws and regulations that could have a material effect on the allowability of program expenditures. Therefore, we will test financial transactions as well as specific program requirements.

After determining which federal programs are major, we will develop the approach to test a specific program. We know certain programs incur administrative costs, consisting primarily of salaries, wages and fringe benefits. We will randomly select a representative sample of payroll costs to test for these programs. Our sample will be derived from the personnel assigned to that particular program.

Other programs, however, do not have substantial personnel costs. Those programs involve purchasing goods or services from outside sources, including vendors and not-for-profit agencies. Our approach to these types of programs would be to select a representative sample of charges to that program from the County's transaction history reports.

For programs that involve both significant personnel costs and costs from outside sources, our approach would combine the procedures identified above.

Because we also are testing for compliance with administrative laws and regulations, we will be testing representative samples from each major program. Most of our testing will involve the eligibility of persons assisted by that program. We will select case files to review from the County's records of clients served during the period.

OMB's Compliance Supplement identifies 12 significant areas that may apply to each federal award subject to the 6-requirement mandate. We have developed our own work programs tailored for the County.

Audit conducted according to GAAS requirements

Our dedicated team is immersed in the industry and has substantial knowledge of various laws and regulations dealing with government accounting, budgeting, financing and reporting. We developed our own audit work program with this knowledge, which we will use in the audit. The work program covers such areas as:

- Authorization of depositories and types of allowable investments
- Arbitrage compliance and rebate requirements
- Budgeting procedures and reporting requirements
- Restrictions on expenditures and matching requirements
- Taxing and debt limits

In addition, we will obtain information from the management of the County on other significant laws and regulations that could materially affect the basic financial statements in the event of noncompliance.

4. PROJECT UNDERSTANDING

Audit conducted according to single audit requirements and GAO standards

These standards require that we perform additional tests to provide reasonable assurance that federal and state award programs comply with laws and regulations governing those programs. We will test all major federal programs and non-major program transactions selected for other audit purposes.

We will use the following documents for guidance in determining the laws and regulations applicable to the County's federal award programs:

- Single Audit Act Amendments of 1996
- GAO Government Auditing Standards
- OMB Compliance Supplement
- Uniform Guidance for Federal Awards
- Code of Federal Regulations
- Catalog of Federal Domestic Assistance

As a practical matter, most of the significant laws and regulations that affect the County's single audit programs can be found in OMB's Compliance Supplement.

For any major federal program not listed in the Compliance Supplement, we will determine the significant compliance requirements by reading the applicable statutes grant agreements and policy manuals. We also will contact federal and state agencies for technical assistance if deemed necessary.

Approach to be taken in drawing audit samples for purposes of tests of compliance

Our testing of compliance and internal control over compliance will follow the requirements of the AICPA sampling guidance. Each major program tested during the single audit will have samples pulled for each applicable compliance requirement. The sample sizes will depend on the number of transactions in the population.

4. PROJECT UNDERSTANDING

Committing to year-round responsiveness and accessibility

The County can expect a genuine, meaningful relationship with Baker Tilly throughout the year — not just during the audit engagement. **We offer a high-touch service model with regular access to the partners and managers on your team. This assures the County, its management and governance team of responsiveness and a tailored audit approach that evolves with your changing needs.**

The lines of communication between Baker Tilly and the County are always open. You are encouraged to reach out to us at any time to discuss routine questions, concerns and operational challenges. Real-time communication and responsiveness are key to our relationship.

Your engagement team members will be available when you need us, where you need us, for as long as you need us — offering forward-looking recommendations to benefit your organization, insights on accounting standard changes, board governance techniques and education tools. We will make every effort to respond to your questions in a timely manner at no additional charge.



THE BEST WORK FOR THE COUNTY TAKES PLACE YEAR-ROUND

The County will receive relationship-driven, proactive communication — supported by responsiveness and accessibility.

Embedding innovation to add efficiencies and insight for the County

A key factor in your success is an ability to quickly adapt to innovations and adjust to changing regulatory environments. Our firm’s investment in technology is an investment in helping you do both.

Efficiency	Accuracy	Focus	Insight	Impact
We will spend more time on high-value activities because we can streamline workflows through automation and scripting.	Machines and programs process information consistently and comprehensively, providing a reliable check on human error.	Technology removes repetitive, low-value tasks from our work, so we can focus on creating custom solutions and tailored insights.	With analytics, data can be retrieved, sorted and analyzed in new ways to reveal trends and opportunities you may not have considered before.	We can provide the right tools to protect and enhance your value – making a lasting difference now and into the future.

INNOVATIVE TECHNOLOGIES IMPROVE THE COUNTY’S EXPERIENCE

The County, not Baker Tilly, is the true beneficiary of our technology investments. These technologies increase the value we deliver to you as our client because they improve the way we work and the results we deliver.

Powering the County’s audit with technology tools

Recognizing that audits are often viewed as a commodity, we differentiate ourselves in our ability to complete the audit with a focus on efficiencies and added value. Global Focus US technology helps our staff identify exceptions, perform high-end analytics and correctly audit your risks. **You will benefit from our streamlined, industry-tailored audit procedures providing greater insight into specific risks and a single point of entry for data, cutting out manual entry errors across the audit.**

TECHNOLOGY TOOL	BENEFITS TO THE COUNTY
ASSURANCE: Global Focus US is Baker Tilly’s proprietary version of CaseWare.	The County receives an exceptional work product with industry-specialized templates and content.
RESEARCH: Accounting Research Manager and Checkpoint help us research industry challenges and trends.	The County can expect us to stay up-to-date on relevant accounting pronouncements and how we can apply them to your organization.
DATA COMPILATION AND TESTING: TeamMate Analytics provides a risk-weighted selection of journal entries for our team to test based on key characteristics.	The County benefits from compatibility between your data and our systems to effectively compile information and from efficiencies gained in sampling and testing journal entries to determine unusual entries by analyzing the general ledger.
DATA ENTRY: Data Snipper is an Excel add-on that allows our team to easily extract information from reports, bank statements, invoices, etc.	The County can expect 40-50% in time savings on data entry as it relates to creating and maintaining our working papers.
SECURE COLLABORATION: Huddle makes it easy for our internal teams to collaborate while Microsoft Teams serves as our enterprise meeting platform.	The County can expect secure collaboration anywhere and anytime with remote presentations, document collaboration and check-ins — making it easy for our teams to come together, share and edit files, assign tasks and track activity in a secure environment.

Leading the way in developing a new standard for the future of auditing

Baker Tilly is dedicated to staying at the forefront of our profession and keeping the County one step ahead of changing standards. We are proud to announce our commitment to helping the American Institute of Certified Public Accountants (AICPA) develop a new standard for the future of auditing, [Dynamic Audit Solution](#) (DAS), based on the power of automation, data analytics and technology.



With technology poised to disrupt auditing, new opportunities exist for auditors to leverage artificial intelligence, automation and data analytics to provide high-quality audits more effectively, more efficiently and with greater value to you as our client. To achieve this vision, we must rethink the audit from the ground up, embracing technological disruptions and responding to the changing environment through the development of a comprehensive DAS.

The AICPA, CPA.com and participating firms from the AICPA Major Firms Group — which includes Baker Tilly — have set out to develop a transformational audit methodology to modernize and enhance the quality and value of audits. Baker Tilly is fully committed to these efforts and has made investments in the development of DAS, including contributing Baker Tilly talent to the project. We have several team members directly involved in DAS, including solution architects and developers. **In addition, Joe Lightcap has spent over 275 hours assisting the AICPA and their tailoring of DAS for public sector and single audit use.**

Participating in industry technology groups

Baker Tilly also participates in a number of committee working groups specializing in the advancement of data and technology within the profession:

- Rutgers AICPA Data Analytics Research (RADAR)
- PCAOB Data and Technology Task Force
- Center for Audit Quality (CAQ) Data and Technology Working Group
- Digital CPA.com

4. PROJECT UNDERSTANDING

Ensuring the audit timeline meets or beats the County's deadlines

Below is an overview of our customized approach to successfully deliver audit services for the County. During your client service plan development, we will collaborate with you to co-develop an agreed-upon service timeline that meets your needs and timing requirements.

ACTIVITY	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
Entrance conference										
Detailed audit plan, schedule and prepared-by-client list										
Preliminary financial audit fieldwork, VAC, ETSB, Circuit Clerk, and Water and Sewerage fieldwork										
Circuit Clerk final fieldwork entrance conference and final fieldwork										
Water and Sewerage final fieldwork entrance conference and final fieldwork										
County, VAC and ETSB final fieldwork entrance conference and final fieldwork begins										
County, VAC and ETSB audit fieldwork										
Review financials										
Audit revisions due										
Weekly status meetings and exit conference										
Final audit opinions and management letters issued										
Single audit fieldwork										
Single audit report and CYEFR opinion issued										
Auditor presentations										
Ongoing management support and progress conferences										

COMMITMENT TO SUCCESSFULLY DELIVER AUDIT SERVICES TO MEET COUNTY'S REQUIREMENTS

The County's time is valuable. We will work with you to ensure the established timeline continues to meet your needs.

5. Price

Value means more than simply checking boxes and meeting your requirements. Value means services that lead to meaningful insights, help improve efficiencies and direct more dollars and resources to achieving the County's objectives.

Is the annual All-Inclusive Maximum Price for each audit segment and Grand Total for the engagement. Pricing shall be provided using excel spreadsheet located in Appendix A - 23-073-FIN Professional Audit Services Proposal Pricing. The completed spreadsheet shall be placed into a sealed envelope.

Delivering a professional fee estimate for the County

We are excited about the opportunity to work with the County and have prepared the below fee estimate to meet the County's needs and objectives. Our fees allow for thorough and insightful advice from experienced professionals without unnecessary add-on charges.

We have completed Appendix A and provided it as a separate attachment. Hours and fees for the VAC have been included in the ACFR segment of Appendix A.

Avoiding surprises and a nickel-and-dime billing approach

Routine phone calls, emails and quick consultations are included in the County's fee estimate. We do not believe in billing for every question, comment or concern, and we encourage you to discuss any unusual transactions with us to gain efficiencies for year-end.

If an issue arises, your engagement team members will work with you to determine the level of assistance required and arrange an appropriate fee at that time. We will **always** tell you if the assistance you need is out of scope, and we **never** perform additional work without approval.

Detailing our assumptions

Our estimate is based on the below assumptions. Should any of these change during the engagement, we will contact the County immediately and prepare a change order detailing the new requirements and any corresponding budget impact.

- Adequate support, preparedness and cooperation from the County's management
- Organized books and records
- Fees based on current assurance standards
- No major changes in scope or organizational structure

Supporting you with our value-for-fees approach

We will provide the highest quality service for a fair and reasonable fee. Below is an overview of our value-for-fees approach and how it benefits you.

 <p>A team that works with DuPage County, and similar counties in Illinois and across the Midwest.</p>	 <p>Frequent check-ins and timely responses to your inquiries</p>	 <p>Controlled costs through a service approach designed for your organization; no surprise billing or add-on charges</p>	 <p>Knowledge retention through a commitment to staff continuity</p>	 <p>Proactive ideas and industry insight shared year-round via complimentary articles, toolkits, webinars, e-books, alerts, whitepapers and newsletters</p>
 <p>Support from the full breadth and depth of Baker Tilly's resources across the U.S.</p>	 <p>Practical, flexible and collaborative approach designed for your unique needs</p>	 <p>Full range of service solutions to grow with your needs</p>	 <p>Use of innovative technology and software tools to support real-time communication, efficiencies and compliance</p>	 <p>High level of experienced partner and manager involvement for a big-picture perspective</p>

COMMITMENT TO VALUE FOR FEES

The County can expect exceptional service paired with a fair, competitive fee arrangement that allows us to deliver continuous value throughout our relationship.

Additional services for our local government clients

Your team is ready to help you find solutions to overcome the obstacles that stand between you and your goals. We provide a full range of service offerings for state and local governments, including those listed below. We would be happy to connect you with specific subject-matter specialists if desired. All additional services are vetted to ensure independence as your auditor is maintained.

KEY SERVICE OFFERINGS FOR STATE AND LOCAL GOVERNMENTS	
Accounting services and assurance	Housing and economic development
Arbitrage/rebate regulatory compliance	Human capital services
Attestation services	Investment services**
Capital planning	Organizational management advisory
Cybersecurity consulting	Post-issuance compliance
Economic development	Public finance/bond issuance*
Efficiency studies	Process improvement
ERP implementation consulting	Rate and user fee studies
Federal funding advisory (IRA, IJJA, etc.)	Risk advisory and internal audit
Financial management services	Strategic planning
Financial reporting and GAAP services	

*Services provided by Baker Tilly Municipal Advisors, LLC, a registered municipal advisor and controlled subsidiary of Baker Tilly US, LLP, an accounting firm.

** Services provided by Baker Tilly Investment Services, a division of Baker Tilly Wealth Management, which is a registered investment advisor and subsidiary of Baker Tilly US, LLP.