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OFFICE OF THE AUDITOR GENERAL
FRANK J. MAUTINO

MEMORANDUM

TO: Prospective Bidders

FROM: Jane Clark, Director of Financial/Compliance Audits

DATE: March 20, 2018

RE: Amendment to RFP 18-16

On March 16, 2018, the Illinois Office of the Auditor General issued RFP 18-16 pertaining to the audit and attestation services of the Illinois Environmental Protection Agency, Environmental Protection Agency Trust Fund Commission and the Pollution Control Board.

Today, the Illinois Office of the Auditor General is making a correction to one page in the RFP as follows:

- Page 14, item c has been clarified (corrected page is attached)
- Page 14, item e has been removed (corrected page is attached)

See website at www.auditor.illiois.gov under Procurement Bulletin, Complete test of RFPs / IFBs.

11. Billing Procedures and Progress Billings. The contract will set forth the total financial obligation of the OAG and contractor must agree to fully complete the statement of work and all contractual obligations within that stated total consideration. Amendments will be permitted only at the OAG's discretion. Billings must be prepared in accordance with the Auditor General's procedures regarding the submission of vouchers or other documentation. The voucher must list a total of the actual professional hours utilized for the work performed (extended at the agreed contract average hourly rate if the contract is an hourly rate contract). If total billings are less than the total consideration allowable under the contract, only the lesser cost shall be paid by the OAG. If progress payments are permitted, the contract will so specify.

12. Special Provisions

a. The successful proposer will perform the following for fiscal year 2018:

1. A two-year compliance examination of the Environmental Protection Agency for the years ended June 30, 2018, which will cover all funds of the Agency both shared and non-shared.
2. A one-year financial statement audit of the Environmental Protection Agency's Water Revolving Fund (Fund 270) for the year ended June 30, 2018.
3. A two-year compliance examination of the Environmental Protection Agency Trust Fund Commission for the years ended June 30, 2018 and issue a separate report on the Commission's operations.
4. A two-year compliance examination of the Pollution Control Board for the years ended June 30, 2018 and issue a separate report on the Board's operations.

b. The successful proposer will perform the following for fiscal year 2019:

1. A one-year financial statement audit of the Environmental Protection Agency's Water Revolving Fund (Fund 270) for the year ended June 30, 2019.

c. The contractor will perform certain agreed upon procedures and will submit to the Office of the Auditor General a report applying agreed upon procedures to GAAP reporting forms as outlined in Chapter 27 (Exhibit 27-B) of the Office of the Auditor General's Audit Guide. ~~The agreed upon procedures should be concluded by October 24, 2018.~~ The initial draft of the agreed upon procedures (covering all funds of the agency) and the related forms should be submitted by October 30, 2018. This is a key and critical date. These agreed upon procedures (covering all funds of the Agency) will be required for each year under audit/examination.

d. For any proposals involving more than one firm (i.e. the primary contractor and subcontractor(s)) the primary contractor must perform at least 51% of the total professional audit/examination hours.

~~e.— Expanded Scope Information Systems Review: (Note: This is in addition to requirements set forth in the Auditing Standards.) The OAG requires all proposers to include in their technical proposal a block of hours to be devoted to an expanded scope Information Systems review of the Agency. The number of hours to be reserved for this purpose is 200 hours for the compliance examination for the period ended June 30, 2020. Proposers are required to provide information about staff who would be qualified and available to perform the expanded scope Information Systems review (See Part III and Sections A and B of Part IV) in the Technical Requirements portion of this RFP.~~

~~In performing the expanded scope Information Systems (IS) review aspect of this audit and attestation engagement, firms will be required to interact with and take general directions from an OAG Information Systems Audit Manager. The OAG IS Audit Manager will develop the specific scope of the IS review, based on background information developed and submitted by the firm in accordance with OAG directions. The OAG IS Audit Manager will provide the firm with a list of the selected IS controls and the hours to be allocated to each control, along with any associated requirements. The firm will be required to prepare a separate fieldwork summary for the expanded scope IS review and to maintain separate workpapers for this portion of the overall engagement. Any findings resulting from the expanded scope IS review will be included within the audit report or immaterial letter.~~