

KENOSHA COUNTY, WISCONSIN
REQUEST FOR PROPOSALS
FOR
PROFESSIONAL AUDITING SERVICES

May 15, 2006

Kenosha County Division of Financial Services
1010 56TH STREET
KENOSHA, WISCONSIN 53140

Preproposal Conference (not mandatory): May 24, 2006
Deadline for submission of proposal: June 16, 2006
Contact Person: David Geertsen, CPA, 262-653-2700

KENOSHA COUNTY
REQUEST FOR PROPOSALS
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COUNTY OF KENOSHA

REQUEST FOR PROPOSALS FOR AUDIT SERVICES

I. INTRODUCTION

A. General Information

The County of Kenosha is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the Calendar year ending 2006, with the option of auditing its financial statements for each of the four subsequent calendar years. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the General Accounting Office's (GAO) Government Auditing Standards (2003), the provisions of the federal Single Audit Act of 1984 (amended as of 1996) and U.S. Office of Management and Budget (OMB) Circular A-133 Audits of State, Local Governments and Non-Profit Organizations as well as the requirements of the State Single Audit Guide, and requirements established by any State of Wisconsin statutes or regulations issued by any state departments having oversight responsibility for the audit of the County or for any programs administered by the County.

There is no expressed or implied obligation for the County of Kenosha to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

A preproposal conference for all the firms interested in submitting a proposal will be held at 10:00 AM on May 24th, 2006 at the Kenosha County Administration Building, 1010 56th Street, Kenosha WI in the 2nd floor Committee Room to answer questions about the engagement. The preproposal conference is not mandatory for firms wishing to submit a proposal. After this preproposal conference, any inquiries concerning the request for proposals should be addressed to David Geertsen.

To be considered, eight copies of a proposal must be received by David Geertsen, CPA at 1010 56th Street, Kenosha WI 53140 by 4:00 PM on June 16, 2006. The County of Kenosha reserves the right to reject any or all proposals submitted.

Proposals submitted will be evaluated by the County. During the evaluation process, the County of Kenosha reserves the right, where it may serve the County of Kenosha's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. At the discretion of the County of Kenosha, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

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

It is anticipated the selection of a firm will be completed by July 10, 2006. Following the notification of the selected firm it is expected a contract will be executed between both parties by July 31, 2006.

B. Term of Engagement

A five-year contract is contemplated, subject to the annual review and recommendation of the County, the satisfactory negotiation of terms (including a price acceptable to both the County and the selected firm), the concurrence of the County Finance Committee and the annual availability

of an appropriation. The County reserves the right to terminate the contract without cause with a 90 day notice. It is also contemplated that a contract extension beyond the initial 5-year term may be awarded at mutually acceptable terms upon the successful completion of the initial term of the contract.

C. Subcontracting

If subcontracting is to be done, that fact, and the name of the proposed subcontracting firms, must be clearly identified in the proposal. Following the award of the audit contract, no additional subcontracting will be allowed without the express prior written consent of the County of Kenosha.

D. Mistakes and Corrections

Report any mistakes in this RFP to David Geertsen, CPA. Corrections will be reported at the pre-proposal conference.

E. Public Information

All information contained in proposals is public information, and is subject to release after contract completion.

F. Evaluation Factors

The audit review committee will select a firm deemed to be most advantageous to the County. The review committee will take into account the firm's technical resources, cost of the proposal, and the firm's audit approach.

The County is not required to select an auditor through a competitive process. The County reserves the right to reject in whole or in part any and all proposals, to waive any formalities, and to accept the proposal determined to be the most advantageous to the County. This solicitation may also be canceled if determined to be in the best interests of the County. No respondent will be compensated for the proposal.

G. Amendments to Form of RFP

Firms submitting proposals will be allowed to use this RFP in an electronic format. In instances where a firm amends this original document without prior written authorization of the County, the original form of the RFP shall take precedence over amendments made by the proposer.

II. NATURE OF SERVICES REQUIRED

A. General

The County of Kenosha is soliciting the services of qualified firms of certified public accountants licensed to practice in the State of Wisconsin to audit its financial statements for the Calendar year ending 2006, with the option to audit the County of Kenosha's financial statements for each of the four subsequent Calendar years. These audits are to be performed in accordance with the provisions contained in this request for proposals.

B. Scope of Work to be Performed

The County of Kenosha desires the auditor to express an opinion on the fair presentation of its general purpose financial statements in conformity with generally accepted accounting principles. You may refer to the County website to review the 2003 and 2004 audits.

The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

The auditor is not required to audit the schedule of expenditures of federal awards. However, the auditor is to provide an "in-relationship to" report on that schedule based on the auditing procedures applied during the audit of the financial statements.

State of Wisconsin law requires that an opinion be made on Financial Report Form A. Proposals submitted under this RFP shall include the issuance of an opinion on this schedule.

C. Auditing Standards To Be Followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally accepting auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the U.S. General Accounting Office's Government Auditing Standards (2003), the provisions of the Single Audit Act of 1984 (as amended in 1996) and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. This audit shall also conform with requirements established by any State of Wisconsin Statutes or regulations issued by any state departments having oversight responsibility for the audit of the County or for any programs administered by the County (e.g. State Single Audit Guide, DOR report requirements).

D. Reports to be Issued

Following the completion of the audit of the Calendar year's financial statements, the auditor shall issue:

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles, including an opinion on the fair presentation of the supplementary schedule of expenditures of federal awards in relation to the audited financial statements.
2. A report on compliance and internal control over financial reporting based upon an audit of the financial statements.
3. A report on compliance and internal control over compliance applicable to each major federal program.
4. A report on Report Form A.
5. Supplemental reports currently included in the audit.
6. Any other report(s) required by law or GAAS.

In the required report[s] on compliance and internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions shall also exist in the event that there is a deficiency in management's ability to monitor and control the statutory adopted budget, the ability to conform with laws relative to the capital financing program, and the ability to conform with the requirements of State of Wisconsin tax rate limits.

Reportable conditions that are also material weaknesses shall be identified as such in the report. Nonreportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the report[s] on internal controls.

The reports on compliance and internal controls shall include all instances of noncompliance.

Irregularities and illegal acts. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the following parties: The County Executive, the Director of Administration, the County Finance Director, and the Finance Committee.

Reporting to the Finance Committee. Auditors shall assure themselves that the County of Kenosha Finance Committee is informed of each of the following:

1. The auditor's responsibility under generally accepted auditing standards
2. Significant accounting policies
3. Management judgments and accounting estimates
4. Significant audit adjustments
5. Other information in documents containing audited financial statements
6. Disagreements with management
7. Management consultation with other accountants
8. Major issues discussed with management prior to retention
9. Difficulties encountered in performing the audit

E. Special Considerations

1. The County of Kenosha currently anticipates it will prepare one or more official statements in connection with the sale of debt securities which will contain the general purpose financial statements and the auditor's report thereon. The auditor shall be required, if requested by the fiscal advisor and/or the underwriter, to issue a "consent and citation of expertise" as the auditor and any necessary "comfort letters. Also, excerpts of the financial statements may appear in the official statements.
2. For Federal single audit purposes, the United States Department of Human Services will function as the cognizant agency in accordance with the provisions of the Single Audit Act of 1984 (as amended in 1996) and U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations. For State single audit purposes, the cognizant agency is the Department of Health and Family Services.
3. The schedule of Expenditures of Federal and State awards, as well as the reports on compliance and internal controls are to be issued as separate reports. The auditor currently prepares this report, however, the County will consider alternate cost proposals if this report is to be prepared by the County. The County will handle the distribution of this report.

F. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years, unless the firm is notified in writing by the County of Kenosha of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees: County of Kenosha, U.S. General Accounting Office (GAO), Federal Department of Health and Human Services, State Department of Health and Family Services, parties designated by the federal or state governments or by the County of Kenosha as part of an audit quality review process, and auditors of entities of which the County of Kenosha is a subrecipient of grant funds. In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

III. DESCRIPTION OF THE GOVERNMENT

A. Primary Audit Contact

The primary audit contact is David Geertsen CPA, Director of Financial Services, Kenosha County, WI 53140. An organizational chart and a list of key personnel with the location of their principal offices can be found in the appendix.

B. Background Information

The County of Kenosha serves a population of 156,000 and is 272 square miles. Kenosha County is on a Calendar year. A typical biweekly payroll is about \$1.7 million for about 1,000 employees. Kenosha County is organized into 15 departments and agencies. The accounting and financial reporting functions of the County of Kenosha are decentralized. More information on the government and its finances, including the 2006 budget and the 2004 audit can be found at the County website: www.co.kenosha.wi.us. Contact David Geertsen, CPA to make arrangements if further due diligence is desired.

C. Fund Structure

The County of Kenosha uses the following fund types and account groups in its financial reporting:

<u>Fund Type/Account Group and Number of Individual Funds</u>	
General fund	1
Special revenue funds	6
Debt service funds	1
Capital projects funds	7
Enterprise funds	3
Internal service funds	4
Private Purpose trust funds	0
Pension trust funds	0
Agency funds	1

D. Budgetary Basis of Accounting

The County of Kenosha does prepare its budgets on a basis consistent with generally accepted accounting principles, except for certain proprietary funds. The County budgets equipment acquisition and debt issuance on a cash basis in these funds. However, it is not the practice of the County to include the statutory budget of the proprietary funds in the financial statements.

E. Federal and State Financial Assistance

See the Schedule of Federal and State Financial Assistance in the audit.

F. Pension Plans

Kenosha County is a participant in the Wisconsin Retirement System, which is part of the State of Wisconsin Department of Employee Trust Funds. This is a defined benefit retirement program

G. Component Units

The County of Kenosha is defined, for financial reporting purposes, in conformity with the Governmental Accounting Standards Board's Codification of Governmental Accounting and Financial Reporting Standards, Section 2100. Audit Note 1 A. reporting entity states that "this report does not contain any component units".

H. Joint Ventures

The County of Kenosha does participate in joint ventures with other governments. These include the Joint Services and the County Health Department. The Joint Services provides fleet maintenance, records management, and communications service to the City of Kenosha and the County of Kenosha.

I. Magnitude of Finance Operations

Audits are coordinated within the Financial Services Division, which is a part of Kenosha County Administrative Services. The Director of the Financial Services Division is David Geertsen, CPA. Financial Services has a staff of eight. Accounting, payroll, and accounts payable for the entire County are managed through this Division. Also, capital financing, audit, and the County budget are managed through this division. Purchasing and Information Systems report to the Director of Financial Services.

J. Computer Systems

Hardware: The primary CPU is an IBM I series. The County has an extensive network, with several PC's used as file and Novel servers, and over 1,000 PC's attached to the network. The auditors will be granted on-line access to the County financial system and the network.

Software: The County uses Oracle (formerly JD Edwards) software for payroll, general ledger, accounts payable, fixed assets, purchasing, and human resources. The County runs accounts receivable and tax systems on New World software. The auditors will be granted direct access to the software for audit purposes. JDE reports may be downloaded using Compleo to Excel or Word.

K. Internal Audit Function

The County of Kenosha does not have a formal internal audit function.

L. Availability of Prior Audit Reports and Working Papers

Interested proposers who wish to review prior years' audit reports and management letters should contact David Geertsen, CPA. Virchow Krause has indicated that they will make workpapers available to the successor auditor.

IV. TIME REQUIREMENTS

A. Proposal Calendar

The following is a list of key dates up to and including the date proposals are due to be submitted:

Request for proposal issued	May 15, 2006
Preproposal conference	May 24, 2006 10:00 AM 2 nd floor Kenosha County Admin Building Committee Room 1010 – 56 th Street, Kenosha WI
Due date for proposals	June 16, 2006 4:00 PM
Possible interview	Week of July 10th

B. Notification and Contract Dates

Selected firm notified	July 10, 2006
Contract date	July 31, 2006

C. Date Audit May Commence

Interim audit work is planned for December of 2006. Audit fieldwork for the 2006 Audit would normally be completed in May of 2007 at which time the County has completed lead schedules and the get-ready list. A draft of the pro-forma financial statements and the Report on Federal and State Awards is generally completed by mid-June. Kenosha County is willing to consider fieldwork as early as April if that approach works with the auditor.

D. Schedule for the 2006 Calendar year Audit

Each of the following should be completed by the auditor no later than the dates indicated.

1. Interim Work
Interim work is completed in December.
2. Detailed Audit Plan
The auditor shall provide County of Kenosha a detailed audit plan and a list of all schedules to be prepared by the County 45 days prior to the date fieldwork is to commence.
3. Fieldwork
The auditor shall complete all fieldwork by June 30th. On-site fieldwork has been done in early May. The County will consider starting fieldwork in April.
4. Draft Reports
The auditor shall have drafts of the audit report[s] and recommendations to management available for review by the Finance Director by July 10.

E. Entrance Conferences, Progress Reporting and Exit Conferences

The auditors shall keep the Finance Director informed as to audit progress. Any event that could result in audit failure, or a delay in meeting audit deadlines shall be reported to the Finance Director immediately. The auditors shall conduct an audit progress review and a SAS 99 interview with the Finance Director during May fieldwork. After fieldwork is complete, the auditor shall keep the Finance Director informed of the progress of audit completion and partner review. Any deliverables that are due from the County and are necessary to complete the audit, but have not yet been delivered to the auditor in a timely manner shall be reported immediately to the Finance Director by the auditor. If the audit will not be complete and ready for delivery to the DOR by July 10 or thereabouts, the auditor shall contact the Finance Director and provide an estimated date of completion. If the Report on Federal and State Awards is not complete and ready for delivery at least 3 weeks prior to the required deadline, currently September 30, the auditors shall contact the Finance Director and provide a status report.

Upon completion of fieldwork, but prior to departure from on-site fieldwork, the auditor shall provide a status report and a summary of open issues with the Finance Director.

F. Date Final Report is Due

The County will provide a draft of the audit report by mid-June. The County currently prepares this report, but will consider having it prepared by the auditor as an alternate to the cost proposal. The auditor shall complete all levels of review by July 10th. All amendments to the draft reports shall be finalized and available by July 10th. All recommendations, suggestions for improvement, shall be available by July 10th. All communications with the auditors must be complete so as to permit release of the financial statements to the DOR by July 17th.

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

A. Financial Services, Other Fiscal Staff and Clerical Assistance

The Financial Services Division staff and fiscal staff in other County Departments will be available during the audit to assist the firm by providing information, documentation and explanations. Currently, it is the practice of the County to send out all confirmations. However, the Auditor coordinates this process, and assists in determining that all required confirmations are sent out, and that they are sent to the correct location. In addition, clerical support will be made available to the auditor for the preparation of routine letters and memoranda.

B. Internal Audit Staff Assistance

Kenosha County does not have an internal audit function.

C. Electronic Data Processing (EDP) Assistance

It is not presently the practice of the County to provide significant EDP staff time resources relative to the audit. The general ledger system will accommodate most reporting or on-line review without the need for specialized support by IS. Discuss whether your audit approach anticipates the need for County EDP staff relative programming or other system support needed to complete an audit. The County will provide a minimum of one terminal, and access to County systems, including internal e-mail, and all fiscal systems. It may be possible to provide more than one terminal if the audit approach would require this. Access will be inquiry only.

D. Statements and Schedules to be Prepared by Kenosha County

See appendix F for Prepared by Client list.

E. Work Area, Telephones, Photocopying and FAX Machines

The County of Kenosha will provide the auditor with reasonable work space, desks and chairs. The auditor will also be provided with access to telephone lines, photocopying facilities and FAX machines. The County requests that the auditor use cell phones, calling cards, or other means to make long distance calls.

F. Report Preparation

The Financial Statement Report preparation, editing and printing is currently done by the County. The auditor currently prepares and prints the Report On Federal and State Awards. However, the cost proposal requests a comparison of prepared by County to prepared by Auditor. See appendix E.

VI. PROPOSAL REQUIREMENTS

A. General Requirements

1. Preproposal Conference

A conference for firms interested in submitting proposals will be held on May 24th at 10:00 AM. The conference will be held in the Kenosha County Administration Building, 1010 56th Street, 2nd floor committee room. Both verbal and written questions will be accepted during the conference. **Attendance at the conference is not required to qualify to submit a proposal.**

2. Inquiries

Inquiries concerning the request for proposals must be made to:

David Geertsen, CPA, CFO
1010 56th Street, Kenosha WI 53140
262-653-2700
dgeertsen@co.kenosha.wi.us

CONTACT WITH PERSONNEL OF THE COUNTY OF KENOSHA OTHER THAN DAVID GEERTSEN REGARDING THIS REQUEST FOR PROPOSALS MAY BE GROUNDS FOR ELIMINATION FROM THE SELECTION PROCESS.

3. Submission of Proposals

The following material is required to be received by June 16, 2006 4:00 PM Central for a proposing firm to be considered:

a) A master copy (so marked) of a Technical Proposal and eight copies to include the following:

i. Title Page

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

ii. Table of Contents

iii. Transmittal Letter

A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for 180 days.

iv. Detailed Proposal

The detailed proposal should follow the order set forth in the Technical Proposal Section VI B of this request for proposals.

v. Proposer Guarantees and Proposer Warranties

Executed copies of documents are to be attached to your proposal (Appendix C and Appendix D)

b) The proposer shall submit an original and eight copies of a dollar cost bid in a separate sealed envelope marked as follows:

SEALED DOLLAR COST BID
PROPOSAL
FOR
County of Kenosha
FOR
PROFESSIONAL AUDITING SERVICES
2006

- c) **Proposers should send the completed proposal consisting of the two separate envelopes to the following address:**

Kenosha County Division of Financial Services
Director of Financial Services
1010 56th Street
Kenosha, WI 53140

B. Technical Proposal

1. General Requirements.

The purpose of the Technical Proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the County of Kenosha in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The Technical Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposals requirements.

THERE SHOULD BE NO DOLLAR UNITS OR TOTAL COSTS INCLUDED IN THE TECHNICAL PROPOSAL DOCUMENT.

The Technical Proposal should address all the points outlined in the request for proposals (excluding any cost information which should only be included in the sealed dollar cost bid). The Proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals. While additional data may be presented, the following subjects, items Nos. 2 through 10, must be included. They represent the criteria against which the proposal will be evaluated.

2. Independence

The firm should provide an affirmative statement that it is independent of the County of Kenosha as defined by generally accepted auditing standards/the U.S. General Accounting Office's Government Auditing Standards (1994). The firm should also list and describe the firm's (or proposed subcontractors') professional relationships involving the County of Kenosha for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit. In addition, the firm shall give the County of Kenosha written notice of any professional relationships entered into during the period of this agreement.

3. License to Practice in Wisconsin

An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in Wisconsin.

4. Firm Qualifications and Experience

The proposer should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal auditor should be noted, if applicable.

The firm is also required to submit a copy of the report on its most recent external quality control review and letter of comments, with a statement whether that quality control review included a review of specific government engagements.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

5. Partner, Supervisory and Staff Qualifications and Experience

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether each such person is registered or licensed to practice as a certified public accountant in Wisconsin. Provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. Indicate how the quality of staff over the term of the agreement will be assured.

The proposer should identify the extent to which staff to be assigned to the audit reflect the County of Kenosha's commitment to Affirmative Action.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the County of Kenosha. However, in either case, the County of Kenosha retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for proposal can only be changed with the express prior written permission of the County of Kenosha, which retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

6. Prior Engagements with the County of Kenosha

List separately all engagements within the last five years, ranked on the basis of total staff hours, for the County of Kenosha by type of engagement (i.e., audit, management advisory services, other). Indicate the scope of work, date, engagement partners, total hours, the location of the firm's office from which the engagement was performed, and the name and telephone number of the principal client contact.

7. Similar Engagements With Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum - 5) performed in the last five years that are similar to the engagement described in this request for proposal.

These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact. Indicate whether your engagement is presently ongoing, or has been terminated.

8. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this request for proposal. In developing the work plan, reference should be made to such sources of information as County of Kenosha's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.

Proposers will be required to provide the following information on their audit approach:

- a) Proposed segmentation of the engagement
- b) Level of staff and number of hours to be assigned to each proposed segment of the engagement
NO DOLLARS SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL
- c) Sample size and the extent to which statistical sampling is to be used in the engagement
- d) Extent of use of EDP software in the engagement
- e) Type and extent of analytical procedures to be used in the engagement
- f) Approach to be taken to gain and document an understanding of the County of Kenosha's internal control structure
- g) Approach to be taken in determining laws and regulations that will be subject to audit test work
- h) Approach to be taken in drawing audit samples for purposes of tests of compliance.
- i) Indicate the approximate amount of on-site fieldwork you estimate will be required for this engagement.

9. Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the County of Kenosha.

10. Report Format

The proposal should include sample formats for required reports.
NO DOLLARS SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL

11. Sample Audit Agreement

Include a specimen audit agreement that your firm typically uses in audit engagements with local governments. Indicate whether you require non-compete agreements. Indicate whether you place contractual restrictions upon audit distribution or portions thereof. Indicate whether you permit your proposal without amendment to the original form of the RFP (unless approved in writing by the County) to be incorporated into the agreement.

C. Sealed Dollar Cost Bid

1. Total All-Inclusive Maximum Price

The sealed dollar cost bid shall contain all pricing information relative to performing the audit engagement as described in this request for proposal. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses. See appendix E.

The County of Kenosha will not be responsible for expenses incurred in preparing and submitting the technical proposal or the sealed dollar cost bid. Such costs should not be included in the proposal. The first page of the sealed dollar cost bid should include the following information:

- a) Name of Firm
- b) Certification on your letterhead and format that the person signing the proposal is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with the County of Kenosha.
- c) Your total base proposal **All-Inclusive** Maximum Price for the 2006 engagement (Appendix E) in which the County prepares and prints the Financial Statements and the auditor prepares and prints the Report on Federal and State Awards.
- d) Alternate A – Total All-inclusive Maximum Price for 2006 engagement if the auditor prepares and prints both the Financial Statements and the Report on Federal Awards. You may modify or footnote Appendix E or attach a separate schedule to show additional hours required above your base estimate.
- e) Alternate B – Total All-Inclusive Maximum Price for 2006 engagement if the County prepares and prints both the Financial Statements and the Report on Federal Awards. You may modify or footnote the form, or attach a separate schedule to document reduction in hours from your base estimate.
- f) Maximum percentage increase for each of the following 4 years to be audited as shown on Appendix E.

2. Rates by Partner, Specialist, Supervisory and Staff Level Times Hours Anticipated for Each.

The sealed dollar cost bid should include a schedule of professional fees and expenses, presented in the format provided in the attachment (Appendix E), which supports the total all-inclusive maximum base price. The cost of special services described in section IIE of this request for proposal should be included as part of the total all-inclusive maximum price.

- 3. Out-of-pocket Expenses Included in the Total All-inclusive Maximum Price and Reimbursement Rates.** All estimated out-of-pocket expenses to be reimbursed should be presented on the schedule in the format provided in the attachment (Appendix E). All expense reimbursements will be charged against the total all-inclusive maximum price submitted by the firm.

In addition, costs must be included (on Appendix E) in the sealed dollar cost bid listing the reimbursement rates the firm will charge for travel, lodging and subsistence.

4. Rates for Additional Professional Services

If it should become necessary for County of Kenosha to request the auditor to render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between County of Kenosha and the firm. Include and attach to Appendix E a listing of fees for additional services that will differ from fees included on Appendix E.

Please itemize fees and costs for common additional work your firm considers not to be part of the audit engagement that you may charge additional fees for in order to complete an audit, if any.

5. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost bid proposal. Interim billing shall cover a period of not less than a calendar month. Ten percent (10%) may be withheld from each billing pending delivery of the firm's final reports. Payment shall be due 45 days from receipt of the invoice.

VII. EVALUATION PROCEDURES

A. Selection Committee

Proposals submitted will be evaluated by a Selection Committee consisting of members of the County fiscal staff, and the Finance Committee.

B. Review of Proposals

The Audit Selection Committee will use a point formula during the review process to score proposals. Each member of the Audit Committee will first score each technical proposal by each of the criteria described in Section VII C below. The full Audit Selection Committee will then convene to review and discuss these evaluations and to combine the individual scores to arrive at a composite technical score for each firm. At this point, firms with an unacceptably low technical score will be eliminated from further consideration.

After the composite technical score for each firm has been established, the sealed dollar cost bid will be opened and additional points will be added to the technical score based on the price bid. The maximum score for price will be assigned to the firm offering the lowest total all-inclusive maximum price. Appropriate fractional scores will be assigned to other proposers.

The County of Kenosha reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

C. Evaluation Criteria

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications and price. The following represent the principal selection criteria which will be considered during the evaluation process.

(1) Mandatory Elements

- a) The audit firm is independent and licensed to practice in Wisconsin
- b) The firm has no conflict of interest with regard to any other work performed by the firm for the County of Kenosha
- c) The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal
- d) The firm submits a copy of its last external quality control review report and management letter and the firm has a record of quality audit work.

(2) Technical Quality: (Maximum Points - 600)

a) Expertise and Experience

- (1) The firm's past experience and performance on comparable government engagements
- (2) The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation
- (3) Experience with Wisconsin Counties
- (4) Experience with Single Audit

b) Audit Approach

- (1) Adequacy of proposed staffing plan for various segments of the engagement (includes ability to properly staff 2006 engagement)
- (2) Adequacy of sampling techniques
- (3) Adequacy of analytical procedures
- (4) Efficiency of plan as measured by work load of County staff.

(3) Price: (Maximum Points - 400)

D. Oral Presentations

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

E. Final Selection

The final selection of an auditor will be made by the County Board. It is expected that a recommendation for auditor will be made to the Finance Committee through this RFP process. However, the County reserves the right to select the proposal it deems most advantageous. See section I-F. The Finance Committee will recommend an auditor to the County Board.

It is anticipated that a firm will be selected by July 10, 2006. Following notification of the firm selected, it is expected a contract will be executed between both parties by July 31, 2006.

F. Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the County of Kenosha and the firm selected. The County of Kenosha reserves the right without prejudice to reject any or all proposals.

APPENDIX A

Budget and Departmental Listing

A summary of all County Departments and information you may wish to review relative to your pre-engagement due diligence can be found at the Kenosha County website, and in the link to the Kenosha County budget:

http://www.co.kenosha.wi.us/admin/finance/BudgetBook2006_final.pdf

Appendix B

Contact Information

All contacts relative to this request for proposals shall be made to the Finance Director.

David M. Geertsen, CPA
Director, Kenosha County Division of Financial Services
1010 – 56th Street, Kenosha, WI 53140
262-653-2700
dgeertsen@co.kenosha.wi.us

APPENDIX C
PROPOSER GUARANTEES

The proposer certifies it can and will provide and make available, as a minimum, all services set forth in Section II, Nature of Services Required.

Name of Official: _____

Title _____

Firm _____

Date _____

Signature of Official _____

Appendix D
PROPOSER WARRANTIES

- A. Proposer warrants that it is willing and able to comply with State of Wisconsin laws with respect to foreign (non-state of WI) corporations.
- B. Proposer warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts or omissions of any officers, employees or agents thereof.
- C. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the County of Kenosha.
- D. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Name of Official: _____

Title _____

Firm _____

Date _____

Signature of Official _____

Appendix E

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR THE AUDIT OF THE 2006 FINANCIAL STATEMENTS

Include pricing for all audit services on this form. Include price to perform all audit services described in the RFP including but not limited to preparation of the general purpose financial statements, notes, combining and fund schedules, schedule of State and Federal Financial Assistance, and Schedule A. Attach separate sheets as needed to fully explain required cost and fee arrangements. However, total price must be shown on this schedule. The total base proposal in column (D) assumes the County produces and prints the Financial Statements report, which includes the MD&A, the GASB 34 reports, Fund Financial Statements, Notes, and supplemental information. It assumes the Auditor prepares and prints the Report on Federal and State Awards Alternate A column (E) requests a total cost proposal if the auditor prepares and prints both the Financial Statements and the Report on Federal Awards. Alternate B column (F) requests a total cost proposal if the County prepares both the Financial Statements and the Report on Federal and State Awards.

	(A) Hours	(B) Standard Hourly Rate	(C) Quoted Hourly Rate	(D) Total Base Proposal	(E) Alternate Proposal A	(F) Alternate Proposal B
Partners						
Manager						
Supervisory Staff						
Staff						
Other (specify)						
Subtotal						
Out-of-pocket costs:						
Meals and Lodging						
Transportation						
Other (specify)						
Total all-inclusive maximum price for 2006 audit						

Indicate in this section	Year Audited	
your not-to-exceed percentage increase	2007	
for each of the succeeding 4 years of the	2008	
audit engagement, including your Base	2009	
Proposal, and Alternates A and B.	2010	

Note: Total all-inclusive maximum price for the 2006 audit shall not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price. The amount shown on this page is a not-to exceed fixed price.

On occasion, the County may request advice regarding certain accounting practices and other matters that relate to this audit engagement. Attach a schedule to this pricing sheet explaining to what degree the County would be charged a fee for this occasional consulting.

Attach signed statement on your firms letterhead attesting that you have authority to represent your firm relative to this cost proposal.

EXHIBIT F AUDIT PREPARATION GET READY LIST

Kenosha County currently prepares the Financial Statements. The Auditors prepare and print the Report on Federal and State Awards.

Below is the Get Ready list.

KENOSHA COUNTY		
Audit Preparation		
December 31, 2005		
I Please e-mail the following reports on April 15, 2006:		
1	2006 disbursements journals: please print/download a disbursements journal for 1/1/2006 to 1/31/2006 showing checks over \$20,000; 2/1/2006 to 2/29/2006 showing checks over \$25,000 and 3/1/2006 to 4/14/2006 showing checks over \$30,000. (Bernice Miner has a report set up, Detail Report of Payments to Vendors by Amount) Include the memo and account number in this report.	
2	2006 receipt listing: please download the receipts listing for 1/1/2006 to 1/31/2006 showing receipts over \$20,000; 2/1/2006 to 2/29/2006 showing receipts over \$25,000 and 3/1/2006 to 4/14/2006 showing receipts over \$30,000. Include the memo and account number in this report.	
Please have the following ready for final fieldwork beginning May 8, 2006. If this information is not in the conference room on the first day we will come around and ask for it. By providing us with all the information at the same time will save you and us time and unnecessary distractions. Please provide all information on disk or by e-mail when ever possible (word, excel or text files).		
II Accounting Printouts, also have available on disk.		
1	X100 Balance Sheet by Fund with comparison to prior year balance.	
2	Revenue vs. Budget For the Twelve Months Ending 12/31/2005.	
3	Obligations vs. Budget For the Twelve Months Ending 12/31/2005 - by fund and dept.	
III Supporting Documentation for Account Balances at 12/31/2005		
A. Cash		
1	Treasurer's Reconciliation	
	Bank to Cash Book reconciliation	
	List of outstanding checks	
	Support for deposits in transit	
	Copy of the December 2005 and January 2006 bank statements	
2	Cash Reconciliation: December 2005 Between Treasurer's Cash and JD Edwards.	
3	Housing Authority Reconciliation of Bank Account No 140-441	

		List of outstanding checks	
		Support for deposits in transit	
		Copy of the 1993 Rehab Account RLF Journal and 1993 Rehab Account Escrow Journal.	
		Copy of the December 2005 and January 2006 bank statements	
	4	Copy of December 2005 Local Government Investment Pool Statement.	
	5	Copy of December 2005 Dana Investment Statement by Bank One.	
	6	Copy of Dana Investment Advisors, Inc. Accrued Interest (Cash Ledger) as of 12/31/2005.	
	7	Copy of December 2005 AIM investment statement and consolidate shareholder report.	
	8	Schedule of Miscellaneous Agency Fund Checking Account Balances at 12/31/2005.	
III	Supporting Documentation for Account Balances at 12/31/2005 (cont.)		
	A.	Cash (cont.)	
	9	List of Cash Accounts Not in Treasurer's Cash at end of year. Along with copies of the Sheriff Cash Account reconciliations for 12/31/2005 and December 2005 and January 2006 bank statements for each.	
	10	Copy of KCCALTC Trust Account Bank Reconciliation for December 2005 and December 2005 and January 2006 bank statements.	
	11	Copy of DSS Proof of Cash for Trust Account and Protective Payee Account for 2005.	
	12	Circuit Court Schedules of Minor Settlements Accounts by bank.	
		Please be sure to include the minor trust and sheriff accounts on the bank confirmations that you complete.	
	13	Copy of District Attorney Account reconciliation for December 2005 and bank statements for December 2005 and January 2006.	
	14	Copies of Circuit Court Bank Account reconciliations (KIDS and CCAP)	
		List of outstanding checks	
		Support for deposits in transit	
		Copy of the December 2005 and January 2006 bank statements	
	15	Signed copy of all collateral and insurance agreements with banks and financial institutions.	
	16	Please complete the attached schedule (Cash Cut-off Info) for the last check and receipt numbers in 2005 and first check and receipt numbers for 2006 for ALL checking accounts and separate receipting systems.	
	17	Please complete the attached cash and investment footnote schedule.	
		GASB 40 Considerations	
		Also see the attached GA-12B GASB 40 Client Data Collection.xls file.	
		A. For any investments other than financial institution deposits, US government obligations or obligations explicitly guaranteed by the US government, provide a list of the investments and the rating by each of the applicable nationally recognized rating agencies as of 2005. This includes any external investment pools, money market funds, bond mutual funds or other fixed income investment pools.	
		B. Identify collateral agreements with financial institutions and specify if the collateral securities are held by the government or its agent in the government's name, the financial institution in the government's name or by the financial institution, its trust department or agent but not in the government's name.	
		C. Specify if investments are held by a counterparty or their trust department or agent but not in the government's name.	

		D. Does any one issuer of securities make up 5% or more of your investment portfolio? If so, please identify.
		E. Please prepare a summary of all investments and their exposure to interest rate risk based on one of the allowed methods noted in GASB 40. [The client data collection form in excel provides samples for the specific identification, segmented time distribution and weighted average maturity methods. If you want to use the duration or simulation model methods refer to the GASB statement No. 40]
		F. Are there any investments where the interest rate is variable or highly sensitive to changes in the interest rate market? Please provide the terms of such investments.
III Supporting Documentation for Account Balances at 12/31/2005 (cont.)		
A. Cash (cont.)		
		GASB 40 Considerations
		G. Are there any deposits or investments that are sensitive to changes in foreign currency exchange rates? Please provide the terms of such investments.
		H. Does the entity participate in any security lending transactions?
		I. Does the entity have any repurchase agreements? If so the information in items A and C-G above must be provided for the securities underlying the repurchase agreement.
		J. Provide a copy of any adopted investment policy that discusses the following:
		a. allowed security investments
		b. maximum depository levels at any financial institutions
		c. required levels for collateral agreements with financial institutions
		d. restrictions as to how much of the investment portfolio can be held by the counterparty or the counterparty's trust department or agent but not in the government's name
		e. how the government addresses the risk that changing interest rates will effect the market value of its investment portfolio
B. Taxes		
		Please pull the tax folders for all municipalities for the 2004 tax roll, collectible in 2005.
	18	County Clerk's Apportionment of State & County Property Taxes & Charges for 2005 Statement of Taxes.
	19	Tax Districts Treasurer's Settlements, 2004 Tax Roll.
	20	2005 Tax Apportionment folder, maintained by Joyce.
	21	Schedule of 2005 Tax Certificates Held by Kenosha County by Years.
	22	Schedule of 2005 Tax Certificates by District.
	23	Schedule of 2005 Sewer and Special Certificates Held by County by Years.
	24	Schedule of 2005 Specials Due to Districts by District.
	25	Summary schedule of taxes receivable, showing fund number and amount from the general ledger reconciled to County Clerk's Apportionment of State and County Property Taxes and Charges.
	26	Deferred revenue/TVAC calculation.
	27	Copy of the TVAC amount from State Website.
	28	Copy of the Operating and Debt Levy Rate Calculation sheet for 2005 tax roll.
C. Accounts Receivable		
	29	Schedules of Sundry Accounts Receivable by account by fund as of 12/31/2005.
	30	Schedules of Accounts Receivable-Government by account by fund as of 12/31/2005. Please note if any receivables are not expected to be collected with in one year.

		For both of the above we will need a detail list of receipts and batches that make up the total in the G/L. We will also need to be able to select individual receipts from the total to view the support for the entry.
III	Supporting Documentation for Account Balances at 12/31/2005 (cont.)	
	C. <u>Accounts Receivable (cont.)</u>	
	31	2006 receipt listing: please download the receipts listing from 4/15/2006 to 5/9/2006 showing receipts over \$30,000. Including the memo and account number.
	32	Access to the New World System for 2006 receipts (with ability to print).
	D. <u>Other Assets</u>	
	33	Detail list that supports balance in Miscellaneous Receivables account (108590).
	34	Support for Assets held for Resale account (113000).
	E. <u>Accounts Payable</u>	
	35	Open A/P Detail by Supplier - As of 12/31/2005. Please print (or have available in an <u>electronic format</u>) by supplier total, not by fund. The total needs to match the Open A/P Sum total.
	36	Open A/P Sum - As of 12/31/2005 which shows the total accounts payable by supplier (in total) <u>by fund</u> . Please print (or have available in an electronic format) The total needs to match the Open A/P Detail by Supplier total.
	37	Schedules of Manual Accounts Payable Accounts (Gov and Non-Gov), by fund. Please include a copy of the journal entries and support that created the accounts payable. The total of the schedule should equal the year to date JDE amount.
	38	Check/Disbursements journal for checks written from 4/15/2006 through 5/8/2006 for check amounts greater than \$30,000.
		-For all accounts payable accounts, we need to be able to tie the list or schedule of AP (invoices and JE's) to the G/L by fund. Also we need to be able to select individual invoices and JE's for testing.
	39	List of all open construction contracts, please list payable due at end of year, retainage and amount left on contract to complete.
	F. <u>Other Liabilities</u>	
	40	Schedule showing computation of Accrued Compensation. Have available all payroll registers/journals for the 2006 payroll checks that include Dec 2005 pay periods.
	41	2005 Schedules for Vacation and Casual Day Accrual, Casual Time Left, Casual Time to be Paid in 2006. FICA should be included in the total.
	42	2005 Vacation Time Carry Over or Left-Cash Out schedule.
		A. Schedule of the increases and decreases in <u>accumulated vacation</u> and <u>vested sick leave</u> and the related year-end balances, with subtotals by function (general government, public safety, etc.). The increases, decreases and year-end balances should include any salary related amounts, such as retirement and the employer's share of FICA and Medicare.
		B. In addition, estimate the amount of the year-end balance that is payable in less than one year and payable in more than one year.
	43	County paid retiree health insurance schedule for 2005.
		A. Schedule of the increase and decrease in the liability and the related year end balance, with subtotals by function.
		B. In addition, estimate of the amount that is payable in less than one year and the amount payable in more than one year.
	44	Copy of Insurance Premium rates for retirees health insurance for 2005.
	45	Copy of County's W-3 for 2005 to determine total county wages.
III	Supporting Documentation for Account Balances at 12/31/2005 (cont.)	

F. Other Liabilities (cont.)		
46	Department of Employee Trust Funds, Wisconsin Employee Benefit System - Employer Annual Contribution Statement for 2005.	
47	Review Payroll Withholding (liability) accounts for reasonableness.	
48	Support for Life Insurance Clearing account (226750).	
49	Res-Wolf/Lillie Judgment (acct 100-231150). Any changes in this account?	
50	Detailed list and support for the amounts in Unearned Revenue (237400). Please request the support for the journal entries in this account from the other departments (including highway and police).	
51	Schedule of what makes up the balance of deferred revenue in the governmental fund types. The schedule should be broken down by the following categories, property taxes, loans receivable (e.g., economic development loans, housing rehabilitation loans), investment interest, special assessments, grants and other sources of revenue that do not meet the availability criteria, and advances on reimbursement type grants.	
52	Agency fund schedule with detail of groupings by agency.	
G. Long-Term Debt		
53	List of and repayment schedule for any new capital lease agreements.	
54	Have available the debt documents for all 2005 borrowings.	
55	Schedule of outstanding debt, reconciled to the G/L.	
56	Schedule of 2005 long-term debt principal and interest payments, reconciled by fund to the G/L.	
57	Schedule of defeased debt to be used for the debt footnote.	
58	Amount of non-capital related proceeds received during the year. In addition, please prepare/update a schedule of non-capital debt outstanding from prior years.	
59	Provide amortization schedules for the debt discount, debt premium and for debt issuance costs for new debt issued during the year including any prior year amortizations.	
60	Summary of the outstanding principal and interest due in each of the next 5 years and in 5 year increments after that. The summary should include separate totals for governmental activities and business-type activities.	
61	Schedule of accrued interest and interest expense (calculated on the full accrual basis) for all governmental debt.	
62	Who is monitoring the compliance with arbitrage laws? How?	
IV Other Items		
1	Please provide a memo commenting on the status of the 2004 internal control letter comments.	
2	Have available the list of people/dept heads authorized to sign checks, for all departments.	
3	Copy of summary of 2005 budget carryovers, by fund. Copy of resolution approving the carryovers.	
4	Copy of 2005 budget amendments and have available the resolutions approving the amendments.	
5	Schedule of supplemental appropriations.	
	Please provide the original and amended budgeted income statement by fund for 2005. Used to determine supplemental appropriations.	
IV Other Items (cont.)		
6	We will send the State Payments Register after we receive it, please fill in the account number(s) where the amount was recorded.	
7	Schedule of Operating Transfers In and Out, including purpose of the transfer.	

	8	Schedule of Interfunds (Due To/From Other Funds), including purpose of the interfund and note if any is not expected to be collected with in one year.
	9	2006 minutes for the County board.
	10	Download of Journal Entries posted in Nov and Dec 2005.
	11	Returned Related Party Questionnaires and list of people the questionnaires were sent to (please send the same memo as in prior years to the dept heads and board members).
	12	Please complete the attached County Audit Questionnaire and the Other Questions for Client (2 adobe files).
	13	Copy of the State Report Form A filed with the state.
	14	Copy of the Amended State Repot Form A filed with DOR.
	15	Schedule of any fund balance, net asset, retained earnings restatements.
	16	Major fund determination
	17	Please prepare a list of all attorneys providing services in 2005.
	18	Does the county have a master disaster recovery plan? If yes, please provide us with a copy.
V	Financial Reporting	
	1	Paper and electronic copy of the fund and government wide statements and footnotes available during fieldwork.
	2	Identify any funds previously reported as non-major which qualify as major funds this year (or vise-versa).
	3	Identify any revenues or expenditures that quality as extraordinary or special.
		Extraordinary: Significant transactions or other events that are unusual in nature and infrequent in occurrence.
		Special: Significant transactions or other events within the control of management that are either unusual in nature or infrequent.
VI	General Fixed Assets - Please have available during the first week of final fieldwork	
	1	Provide a fixed asset policy that addresses general capital assets, infrastructure, works of art and historical treasurers (including depreciation method, a determination of useful lives, capitalization thresholds, salvage values and classes of assets). Only needed if updated since last audit.
	2	Summary schedule of capital assets, including beginning balance, additions, deletions and ending balance with subtotals by asset category (land, construction in progress, buildings, improvements other than buildings, machinery and equipment, roads, bridges, etc.). There should be a separate summary for capital assets used in governmental activities and business-type activities
	3	Listing of capital asset additions and deletions for the year. Identify any donated assets received during the year (these should be included in the schedule of capital asset additions and in the summary schedule of capital assets).
	4	Reconcile capital asset additions to the capital outlay accounts.
	5	Summary schedule of accumulated depreciation, including beginning balance, additions, deletions and ending balance with subtotals by asset category. There should be a separate summary for accumulated depreciation for capital assets used in governmental activities and used in business type activities.
VI	General Fixed Assets - Please have available during the first week of final fieldwork (cont.)	
	6	Summary of depreciation expense by function. There should be a separate summary for governmental activities and for business-type activities.
	7	Provide supporting documentation for all capital assets added and retired during the year including construction work in progress.

	8	If there are any infrastructure networks being reported that were not included in the prior year, then provide a policy describing what infrastructure networks are/are not being capitalized, the method used to determine the network inventory.
	9	Calculation and support for the amount Invested in Capital Assets Net of Related (unspent) Debt.
	10	Pull the remaining invoices that were selected during preliminary fieldwork. (Rachelle gave list to Kim)
VII	Open Items from Preliminary Fieldwork	
		None
VIII	Internal Service Funds send over his information for the week of field work May 8	
	1	Complete attached Risk Management Questionnaire for all types of self-insurance or prepare the Self Insurance Unpaid Claims summary as done in prior year.
	2	Copy of Wisconsin Municipal Mutual Insurance Company Self-Insurance Retention Account for 12/1/05 to 12/31/05.
	3	Kenosha County Workers' Compensation Liability Summary, IBNR.
	4	Copy of WMMIC reserve analysis as of 12/31/05, summary of required reserves.
	5	Copy of the Millimans report to support unpaid claims amount outstanding at year end.
	6	DHS and Job Center fixed asset additions, deletions, and depreciation.
	7	DHS calculation of bond interest payable.
	8	Schedule of Calculation of Safety Building Rental Rate.
		Internal Service Fund Information for the conversion entry for the government wide statements.
	9	Summary of internal charges for services and external charges for services.
	10	Determine the actual costs of services to external parties using a known percentage, or if not known, calculate the costs based on the revenue allocation.
	11	Summary of non-operating revenues and expenses (interest income, interest expense, operating grants, etc.)
	12	Summary of internal charges for services by function (general government, public safety, public works, etc.) and calculate the proportionate amount for each function. Apply those percentages to the internal service fund's net income (loss) to determine the "look back" adjustment for the Statement of Activities.
IX	After fieldwork	
	1	After the audit (and all entries have been posted), please send us a copy of:
		A. Draft copy of the revised fund financial statements
		B. GPFS Reconciliation to G/L
		C. Draft copy of the government wide financial statements
		E. Detailed report of governmental funds - GASB Code Detail govt type no internal (DETAILNOIS).
		F. Schedule of and support for all the conversion entries.
		G. Summary of governmental revenues by program revenues (charges for services, operating grants and contributions, or capital grants and contributions) with subtotals by function.
		All other governmental fund revenues are general revenues (property taxes, state shared revenue, investment income, etc.).
IX	After fieldwork (cont.)	
	1	After the audit (and all entries have been posted), please send us a copy of: (cont.)

		H. Draft of the footnotes to the financial statements.	
		I. Fund Balance Analysis (Designations/Reservations)	
		J. X100 Balance Sheet by Fund.	
		K. Revenue vs. Budget For the Twelve Months Ending 12/31/2005.	
		L. Obligations vs. Budget For the Twelve Months Ending 12/31/2005.	
	2	Copy of revised State Report Form A.	
	3	Draft of the MD&A	
X		Highway (Have available at the highway May 15)	
	1	Provide a copy of the 2005 Highway Department Annual Report.	
	2	Provide a copy of all receivable, payable and fixed asset inventory schedules as of December 31, 2005.	
	3	Provide a copy of the final parts and supplies inventory list which would include the number of units on hand, unit price and the extension. This list should agree with the amount on the county's general ledger printout.	
	4	Provide a copy of the State DOT 2005 Field Small Tools and 2005 Fringe Benefit Worksheets.	
	5	Have available the minutes of the Highway Commission.	
	6	Have available union contracts in effect during 2005.	
	7	Support for accrued payroll and unused casual hours.	
	8	Status of payable that is being disputed.	
XI		Golf Course (Have available May 15)	
	1	List of Golf course fixed asset additions and list of deletions.	

APPENDIX G 2003 AND 2004 COUNTY AUDITS

You may review the County audits at the County website:

<http://www.co.kenosha.wi.us/admin/finance/audit.phtml>