



Legislation Text

File #: 2022-0276, **Version:** 0

Title

FY2021 Audit Engagement Letter - Approval

History

The Village Board approved a 5-year contract with BKD. Since that time, a number of auditing and accounting standards have been added and/or updated. The attached engagement letter spells out the various items that are required to conduct the audit of the Village's financial statements for 2021.

The fee includes the following:

- Village Annual Comprehensive Financial Report, \$50,235 (original contract amount per the request for proposals)
- Compliance Audit in accordance U.S. Office of Management and Budget OMB Compliance Supplement, \$6,600 (single audit if required, included in original request for proposals)
- Assistance with the preparation of the draft Annual Comprehensive Annual Financial Report, \$7,000 (first contract amendment, approved in by the Village Board in 2020)
- Report on Illinois Grant Accountability and Transparency Act (GATA), \$3,000 (new legal requirement implemented by the State of Illinois)
- Assistance in reconciling accounts related to IMRF Pension Plan and the Village's Police Pension Plan in accordance with the provisions of GASB 68, Accounting and Financial Reporting for Pensions, \$3,500 (new accounting standard with formal guidance provided after the original request for proposals)
- Re-evaluation of the Village's 457 Plan and 401(a) Plan that was consolidated in 2021 under GASB Statement No. 84 Fiduciary Activities, \$3,000 (required due to the change in plan documents and structure of 457 and - 401(a) plans)
- Research, consultation and report changes related to the consolidation/combination of the Orland Park Open Lands Corporation to the Village's General Fund, \$3,000 (required due to change from component unit to part of the Village)

If a Single Audit is required and more than one major program is required to be tested, the cost per major program will be an additional \$5,000.

Financial Impact

The total cost for audit services will be \$76,335 with a single audit and one major program being tested. Without the single audit, the total cost will be \$69,735.

Recommended Action/Motion

I move to authorize the Village Manager to sign the engagement letter with BKD CPAs & Advisors, dated February 7, 2022, for a cost of \$69,735 plus single audit fees if a single audit is required.

