

BOARD OF TRUSTEES
McHENRY COUNTY COLLEGE DISTRICT #528


September 22, 2008
6 p.m.

Board Room
8900 U.S. Highway 14
Crystal Lake, IL 60012

COMMITTEE OF THE WHOLE MEETING

AGENDA

1. Call to Order
- *RC 2. Roll Call*
3. Acceptance of Agenda
4. Acceptance of Minutes: Committee of the Whole Meeting August 25, 2008
 Closed Session, August 25, 2008
5. Open for Recognition of Visitors and Presentations
 Three (3) minutes per person or less.
6. Electronic Time Keeping Functionality in CampusManagement ERP System
7. FY 2008 Audit and Management Letter
8. University Center and Shah Center Update
9. Professional Services Recommendations
10. Open for Board Members
11. Closed Session
12. Future Agenda Items
13. Adjournment



Mary Miller
Chair

Date: September 18, 2008

To: Walt Packard

From: Ron Ally *Ron*

Re: Professional Services – Summary of Recommendations

Recommendations for Auditor Selection
(For additional information, see pages 3-4.)

- Issue an RFP for auditors for a five-year period, with the plan to appoint the auditors beginning with the FY 2009 audit. Continue the five-year cycle until further notice. This is consistent with GFOA's Recommended Practice. (See Attachment 7, pages 14-15.) Of course, if staff is dissatisfied prior to the five year period expiring, this could be revisited at that time.
- Include Sikich in the firms invited to submit proposals. The RFP should include language requesting the firm address MCC's procedure requiring the lead partner be rotated after seven years, with a timeout of two years. If Sikich were to be awarded a five-year contract, this clause would impact the final year.
- Have staff recommend one audit firm to the Board of Trustees for approval. Based upon the data, the majority of Illinois community colleges follow this model. (See Attachment 8, pages 16-17.) This would be a thorough process where a committee would be formed to make the recommendation, which ultimately would require approval by the Board of Trustees.

Recommendations for Attorney Selection
(For additional information, see pages 5-6.)

- Issue an RFP for a law firm, with the plan to appoint a firm at the April, 2009 Board meeting. The selected firm shall have experience and expertise with laws applicable to Illinois community colleges.
- Include both Caldwell, Berner, and Caldwell (CBC), and Robbins, Schwartz, Nicholas, Lifton and Taylor (RSNLT) in the firms invited to submit proposals.
- Have staff recommend one law firm to the Board of Trustees for approval. This would be a thorough process where a committee would be formed to make the recommendation, which ultimately would require approval by the Board of Trustees.

- Review the law firm on six year intervals. Of course, if staff is dissatisfied prior to the six year period expiring, this could be revisited at that time.

Recommendations for Architect Selection
(For additional information, see page 7.)

- Continue with Legat for the relatively small projects that occur in the normal course of business.
- When the College is approaching the time to revisit the Facilities Master Plan, issue an RFP for architects to coordinate that planning process. Barring any unforeseen circumstances, it is anticipated this same firm would serve as the College architects as we proceed to make that plan a reality.
- Have staff recommend one firm to the Board of Trustees for approval. This would be a thorough process where a committee would be formed to make the recommendation, which ultimately would require approval by the Board of Trustees.
- Review the architects on ten year intervals. This ten year period must be somewhat flexible, depending upon where in the process of planning, designing, construction, etc. of facilities is occurring at that time. Of course, if staff is dissatisfied prior to the ten year period expiring, this could be revisited at that time.

Additional Relevant Information

- Board Policies 1.8.5.2 – Specialized Resource Personnel, and 1.8.5.2.1 – Selection of Resource Personnel are the relevant policies relative to the selection of auditors, attorneys, and architects. (See Attachment 1, page 8.)

Date: September 18, 2008

To: Walt Packard

From: Ron Ally *Ron*

Re: Auditor Selection Information and Recommendations

Auditor Background Information

- Sikich, LLP, is completing their third annual audit of the College. Their original appointment was for three years per Board Report #06-72. (See Attachment 2, page 9.)
- Board Procedure 2.1.9 requires rotation of the lead audit partner every seven years, with a timeout of two years. (See Attachment 3, page 10.) This is consistent with the National Association of College and University Business Officers (NACUBO) best practices.
- The FY 2007 Illinois Community College Audit Survey sorted by audit firm. This shows how many years each community college has had their audit firm. (See Attachment 4, page 11.)
- The FY 2007 Illinois Community College Audit Survey sorted by number of years with their audit firm. The average number of years the colleges have been with their auditors is 9.4 years. MCC has used Sikich for the last three years. (See Attachment 5, page 12.)
- The FY 2007 Illinois Community College Audit Survey sorted by total expenditures divided by audit fee. MCC is towards the low end as far as this “productivity” measure is concerned. For every dollar MCC spent for the audit, Sikich audited \$622 of expenditures. This is the sixth lowest in the state. The statewide average for dollars audited per audit dollar spent is \$1,141, with the weighted average \$952. (See Attachment 6, page 13.)
- The Government Finance Officers Association (GFOA) Recommended Practice relative to the hiring of auditors states that governmental entities “should enter into multiyear agreements of at least five years in duration when obtaining the services of independent auditors.” The recommended practice further states that governmental entities “should undertake a full-scale competitive process for the selection of independent auditors at the end of the term of each contract.” (See Attachment 7, pages 14-15.)
- The results of a September, 2008 survey show that of 18 Illinois community colleges who responded, the majority, 12 colleges, or 67% of those responding, rely on college staff to recommend the audit firm for the college. Four of the 18 colleges that responded, or 22%, have the auditors selected by the Board of Trustees. The remaining two colleges, or

11%, reported they recommend several firms to their Board, and the Board makes a selection from those recommended. (See Attachment 8, pages 16-17.)

- College staff has been satisfied with the audit work of Sikich.

Recommendations for Auditor Selection

- Issue an RFP for auditors for a five-year period, with the plan to appoint the auditors beginning with the FY 2009 audit. Continue the five-year cycle until further notice. This is consistent with GFOA's Recommended Practice. (See Attachment 7, pages 14-15.) Of course, if staff is dissatisfied prior to the five year period expiring, this could be revisited at that time.
- Include Sikich in the firms invited to submit proposals. The RFP should include language requesting the firm address MCC's procedure requiring the lead partner be rotated after seven years, with a timeout of two years. If Sikich were to be awarded a five-year contract, this clause would impact the final year.
- Have staff recommend one audit firm to the Board of Trustees for approval. Based upon the data, the majority of Illinois community colleges follow this model. (See Attachment 8, pages 16-17.) This would be a thorough process where a committee would be formed to make the recommendation, which ultimately would require approval by the Board of Trustees.

Date: September 18, 2008

To: Walt Packard

From: Ron Ally *Ron*

Re: Attorney Selection Information and Recommendations

Attorney Background Information

- MCC currently uses two law firms; Caldwell, Berner, and Caldwell (CBC), and Robbins, Schwartz, Nicholas, Lifton and Taylor (RSNLT).
 - CBC has been the general counsel for the College since 2002. Their representation is of a general nature and specifically does not include all matters related to revenues, such as tax levies, referenda, bond issues, and similar matters, or labor law issues, including such matters as prevailing wage compliance, EEOC, pensions and employee benefits, etc.
 - RSNLT has served the College for approximately 25 years. RSNLT is used for personnel matters and other specialized matters where the expertise of their firm is necessary.
- The results from a 2005 Illinois community college survey which shows the law firm(s) used by the various colleges. (See Attachment 9, pages 18-19.)
- The results of a September, 2008 survey show that of the 17 Illinois community colleges who responded, they used their law firm for an average of 15.5 plus years. (See Attachment 10, pages 20-21.) This demonstrates the relationship between a particular college and the attorneys who represent them are generally unique and longstanding. In our particular case, it is helpful that RSNLT has been involved with situations and they know the history of how and why things were handled as they were. This long-term continuity is invaluable.
- Working with two law firms is, at times, cumbersome and unwieldy. There have been occasions when both firms have spent time working on the same item. In these cases, there is the risk of the two firms not agreeing, or needing to communicate with one another to make sure they agree with one another. This causes additional billable time.

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Recommendations for Attorney Selection

- Issue an RFP for a law firm, with the plan to appoint a firm at the April, 2009 Board meeting. The selected firm shall have experience and expertise with laws applicable to Illinois community colleges.
- Include both Caldwell, Berner, and Caldwell (CBC), and Robbins, Schwartz, Nicholas, Lifton and Taylor (RSNLT) in the firms invited to submit proposals.
- Have staff recommend one law firm to the Board of Trustees for approval. This would be a thorough process where a committee would be formed to make the recommendation, which ultimately would require approval by the Board of Trustees.
- Review the law firm on six year intervals. Of course, if staff is dissatisfied prior to the six year period expiring, this could be revisited at that time.

Date: September 18, 2008

To: Walt Packard

From: Ron Ally *Ron*

Re: Architect Selection Information and Recommendations

Architect Background Information

- Legat Architects has served as MCC's architect of record for 20 years. The completion of buildings as originally conceived in a broad master plan concept is by design a process of many years. This timeframe could stretch into decades, particularly if referenda are required, priorities change, too much time elapses between planning and building, etc.

Recommendations for Architect Selection

- Continue with Legat for the relatively small projects that occur in the normal course of business.
- When the College is approaching the time to revisit the Facilities Master Plan, issue an RFP for architects to coordinate that planning process. Barring any unforeseen circumstances, it is anticipated this same firm would serve as the College architects as we proceed to make that plan a reality.
- Have staff recommend one firm to the Board of Trustees for approval. This would be a thorough process where a committee would be formed to make the recommendation, which ultimately would require approval by the Board of Trustees.
- Review the architects on ten year intervals. This ten year period must be somewhat flexible, depending upon where in the process of planning, designing, construction, etc. of facilities is occurring at that time. Of course, if staff is dissatisfied prior to the ten year period expiring, this could be revisited at that time.

Board Policies Related to Resource Personnel

- 1.8.5.2 **SPECIALIZED RESOURCE PERSONNEL**
Specialized expertise will be sought for advice on labor relations, architectural, insurance, investment and other matters on a periodic basis.

- 1.8.5.2.1 **SELECTION OF RESOURCE PERSONNEL**
The Board may determine the timing of and specifications for seeking proposals necessary in selecting appropriate resource personnel by a vote by the entire Board at any regularly scheduled Board meeting.

McHenry County College

Board Report #06-72
April 27, 2006

Auditor Recommendation

Information:

The College's current audit agreement expired with the completion of the audit for the fiscal year ended June 30, 2005. The Finance Committee of the Board of Trustees drafted a Request For Proposals for Audit Services for the fiscal years ending June 30, 2006, 2007, and 2008. Five proposals were received from interested firms. They were Crowe Chizek and Company LLC, Eder, Casella and Company, Lindgren, Callihan, VanOsdol and Company, LTD, McGladrey and Pullen, LLP, and Sikich LLP. The firms of Crowe Chizek and Company LLC, McGladrey and Pullen, LLP, and Sikich LLP were interviewed by the Finance Committee on April 25, 2006. The Finance Committee unanimously recommended the firm of Sikich LLP to perform the audits for FY 2006, 2007, and 2008. This expense is budgeted in the Audit Fund.

Recommendation:

It is recommended that the Board of Trustees approves Sikich LLP, Aurora, IL, to perform the audits for FY 2006, 2007, and 2008 for a fee each year of \$64,400, \$66,654, \$68,987 respectively totaling \$200,041 over the three years.

Walter J. Packard
President

Board Policy

- 1.8.5.1 **AUDITOR**
On an annual basis, an independent audit of College fiscal operations is conducted by an impartial firm. In addition to validating financial transactions, this audit provides insight and assistance to the Board and College staff in further refining College business practices
- 2.1.9 **PREPARATION OF AN ANNUAL AUDIT**
Rev'd 11/2/05 The Board shall, as of the end of each fiscal year, cause an audit to be made by an accountant licensed to practice public accounting in Illinois. **(See Procedures Section.)**

Board Procedure

- 2.1.9 **PREPARATION OF AN ANNUAL AUDIT**
Rotation of lead audit partners will occur every seven years, with a timeout of two years. The examination and report shall include a verification of student enrollments and any other bases upon which claims are filed with the State.
- The audit report shall also include a statement of the scope and findings of the audit and a professional opinion signed by the auditor.

Illinois Community Colleges
 FY 2007 Audit Survey
 Sorted by Audit Firm

#	District	Auditors	Audit Fee	Number of Years	Total Expenditures	Total Expenditures Divided by Audit Fee
515	Prairie State	Altschuler, Melvojn & Glasser				#DIV/0!
530	John A. Logan	Cindy A. Bobell	\$ 15,000	7	\$ 41,421,822	\$ 2,761
536	Lewis & Clark	CJ Schlosser	32,000	23	102,695,035	3,209
508	Chicago	Deloitte & Touche	638,163	3	325,318,882	510
522	Southwestern	Kerber, Eck & Braeckel	35,750	4	99,488,327	2,783
505	Parkland	Martin, Hood, Friese LLC	62,705	1	76,609,451	1,222
537	Richland	May, Cocagne & King	37,800	2	22,750,127	602
540	Heartland	McGladrey & Pullen	35,000	1	31,830,000	909
520	Kankakee	Payne, Gray, Groskreutz & Schmidt	45,800	11	32,890,566	718
510	South Suburban	PT&W				#DIV/0!
525	Joliet	Virchow Krause	62,600	5	82,438,516	1,317
517	Lake Land	West & Company	57,000	6	48,998,723	860
533	Southeastern	Kemper CPA	25,175	39	16,317,756	648
531	Shawnee	Kemper CPA				#DIV/0!
512	Harper	KPMG LLP	87,300	10	117,955,950	1,351
532	Lake County	KPMG LLP				#DIV/0!
513	Illinois Valley	Gordon Stockman and Waugh	27,000	2	29,648,752	1,098
539	John Wood	Gordon, Stockman & Waugh	28,700	9	19,916,327	694
534	Spoon River	Gordon, Stockman & Waugh	20,690	18	15,689,580	758
526	Lincoln Land	Crowe Chizek	46,000	2	45,633,518	992
504	Triton	Crowe Chizek	55,000	3	70,000,000	1,273
524	Moraine Valley	Crowe Chizek	67,000	26	79,807,594	1,191
527	Morton	Crowe, Chizek				#DIV/0!
518	Carl Sandburg	Lindgren, Callihan, VanOsdol	48,300	1	26,605,280	551
503	Blackhawk	Lindgren, Callihan, VanOsdol	34,000	4	57,521,969	1,692
523	Kishwaukee	Lindgren, Callihan, VanOsdol	31,500	4	16,610,183	527
519	Highland	Lindgren, Callihan, VanOsdol	32,500	25	20,909,203	643
501	Kaskaskia	Clifton Gunderson				#DIV/0!
506	Sauk Valley	Clifton, Gunderson	30,000	4	22,237,151	741
507	Danville	Clifton, Gunderson	38,500	11	21,000,000	545
529	Illinois Eastern	Clifton, Gunderson	39,000	11	42,000,000	1,077
521	Rend Lake	Clifton, Gunderson	31,800	23	33,120,000	1,042
514	Illinois Central	Clifton, Gunderson				#DIV/0!
511	Rock Valley	Sikich Gardner	71,136	2	67,791,242	953
535	Oakton	Sikich Gardner	77,900	4	69,832,748	896
502	DuPage	Sikich Gardner	77,228	5	168,546,616	2,182
509	Elgin	Sikich Gardner	66,680	5	78,927,260	1,184
528	McHenry	Sikich, Gardner	66,654	2	41,427,774	622
516	Waubensee	Sikich, Gardner	63,897	27	61,488,696	962

Illinois Community Colleges
 FY 2007 Audit Survey
 Sorted by Number of Years with Firm

#	District	Auditors	Audit Fee	Number of Years	Total Expenditures	Total Expenditures Divided by Audit Fee
505	Parkland	Martin, Hood, Friese LLC	\$ 62,705	1	\$76,609,451	\$ 1,222
518	Carl Sandburg	Lindgren, Callihan, VanOsdol	48,300	1	26,605,280	551
540	Heartland	McGladrey & Pullen	35,000	1	31,830,000	909
511	Rock Valley	Sikich Gardner	71,136	2	67,791,242	953
513	Illinois Valley	Gordon Stockman and Waugh	27,000	2	29,648,752	1,098
526	Lincoln Land	Crowe Chizek	46,000	2	45,633,518	992
537	Richland	May, Cocagne & King	37,800	2	22,750,127	602
528	McHenry	Sikich, Gardner	66,654	2	41,427,774	622
504	Triton	Crowe Chizek	55,000	3	70,000,000	1,273
508	Chicago	Deloitte & Touche	638,163	3	325,318,882	510
503	Blackhawk	Lindgren, Callihan, VanOsdol	34,000	4	57,521,969	1,692
506	Sauk Valley	Clifton, Gunderson	30,000	4	22,237,151	741
522	Southwestern	Kerber, Eck & Braeckel	35,750	4	99,488,327	2,783
523	Kishwaukee	Lindgren, Callihan, VanOsdol	31,500	4	16,610,183	527
535	Oakton	Sikich Gardner	77,900	4	69,832,748	896
502	DuPage	Sikich Gardner	77,228	5	168,546,616	2,182
509	Elgin	Sikich Gardner	66,680	5	78,927,260	1,184
525	Joliet	Virchow Krause	62,600	5	82,438,516	1,317
517	Lake Land	West & Company	57,000	6	48,998,723	860
530	John A. Logan	Cindy A. Bobell	15,000	7	41,421,822	2,761
539	John Wood	Gordon, Stockman & Waugh	28,700	9	19,916,327	694
512	Harper	KPMG LLP	87,300	10	117,955,950	1,351
507	Danville	Clifton, Gunderson	38,500	11	21,000,000	545
520	Kankakee	Payne, Gray, Groskreutz & Schmidt	45,800	11	32,890,566	718
529	Illinois Eastern	Clifton, Gunderson	39,000	11	42,000,000	1,077
534	Spoon River	Gordon, Stockman & Waugh	20,690	18	15,689,580	758
521	Rend Lake	Clifton, Gunderson	31,800	23	33,120,000	1,042
536	Lewis & Clark	CJ Schlosser	32,000	23	102,695,035	3,209
519	Highland	Lindgren, Callihan, VanOsdol	32,500	25	20,909,203	643
524	Moraine Valley	Crowe Chizek	67,000	26	79,807,594	1,191
516	Waubonsee	Sikich, Gardner	63,897	27	61,488,696	962
533	Southeastern	Kemper CPA	25,175	39	16,317,756	648
501	Kaskaskia	Clifton Gunderson				#DIV/0!
510	South Suburban	PT&W				#DIV/0!
514	Illinois Central	Clifton, Gunderson				#DIV/0!
515	Prairie State	Altschuler, Melvoin & Glasser				#DIV/0!
527	Morton	Crowe, Chizek				#DIV/0!
531	Shawnee	Kemper CPA				#DIV/0!
532	Lake County	KPMG LLP				#DIV/0!

Number of Years

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Illinois Community Colleges
 FY 2007 Audit Survey
 Sorted by Total Expenditures Divided by Audit Fee

#	District	Auditors	Audit Fee	Number of Years	Total Expenditures	Total Expenditures Divided by Audit Fee	Rank
508	Chicago	Deloitte & Touche	\$ 638,163	3	\$ 325,318,882	\$ 510	1
523	Kishwaukee	Lindgren, Callihan, VanOsdol	31,500	4	16,610,183	527	2
507	Danville	Clifton, Gunderson	38,500	11	21,000,000	545	3
518	Carl Sandburg	Lindgren, Callihan, VanOsdol	48,300	1	26,605,280	551	4
537	Richland	May, Cocagne & King	37,800	2	22,750,127	602	5
528	McHenry	Sikich, Gardner	66,654	2	41,427,774	622	6
519	Highland	Lindgren, Callihan, VanOsdol	32,500	25	20,909,203	643	7
533	Southeastern	Kemper CPA	25,175	39	16,317,756	648	8
539	John Wood	Gordon, Stockman & Waugh	28,700	9	19,916,327	694	9
520	Kankakee	Payne, Gray, Groskreutz & Schmidt	45,800	11	32,890,566	718	10
506	Sauk Valley	Clifton, Gunderson	30,000	4	22,237,151	741	11
534	Spoon River	Gordon, Stockman & Waugh	20,690	18	15,689,580	758	12
517	Lake Land	West & Company	57,000	6	48,998,723	860	13
535	Oakton	Sikich Gardner	77,900	4	69,832,748	896	14
540	Heartland	McGladrey & Pullen	35,000	1	31,830,000	909	15
511	Rock Valley	Sikich Gardner	71,136	2	67,791,242	953	16
516	Waubonsee	Sikich, Gardner	63,897	27	61,488,696	962	17
526	Lincoln Land	Crowe Chizek	46,000	2	45,633,518	992	18
521	Rend Lake	Clifton, Gunderson	31,800	23	33,120,000	1,042	19
529	Illinois Eastern	Clifton, Gunderson	39,000	11	42,000,000	1,077	20
513	Illinois Valley	Gordon Stockman and Waugh	27,000	2	29,648,752	1,098	21
509	Elgin	Sikich Gardner	66,680	5	78,927,260	1,184	22
524	Moraine Valley	Crowe Chizek	67,000	26	79,807,594	1,191	23
505	Parkland	Martin, Hood, Friese LLC	62,705	1	76,609,451	1,222	24
504	Triton	Crowe Chizek	55,000	3	70,000,000	1,273	25
525	Joliet	Virchow Krause	62,600	5	82,438,516	1,317	26
512	Harper	KPMG LLP	87,300	10	117,955,950	1,351	27
503	Blackhawk	Lindgren, Callihan, VanOsdol	34,000	4	57,521,969	1,692	28
502	DuPage	Sikich Gardner	77,228	5	168,546,616	2,182	29
530	John A. Logan	Cindy A. Bobell	15,000	7	41,421,822	2,761	30
522	Southwestern	Kerber, Eck & Braeckel	35,750	4	99,488,327	2,783	31
536	Lewis & Clark	CJ Schlosser	32,000	23	102,695,035	3,209	32
515	Prairie State	Altschuler, Melvoin & Glasser				#DIV/0!	
510	South Suburban	PT&W				#DIV/0!	
531	Shawnee	Kemper CPA				#DIV/0!	
532	Lake County	KPMG LLP				#DIV/0!	
527	Morton	Crowe, Chizek				#DIV/0!	
501	Kaskaskia	Clifton Gunderson				#DIV/0!	
514	Illinois Central	Clifton, Gunderson				#DIV/0!	

Average \$ 1,141
 Weighted Average # 952

GFOA Recommended Practice**Audit Procurement (1996 and 2002)**

Background. The Government Finance Officers Association (GFOA) has long recommended that state and local governmental entities obtain independent audits of their financial statements performed in accordance with the appropriate professional auditing standards. Properly performed audits play a vital role in the public sector by helping to preserve the integrity of the public finance functions and by maintaining citizens' confidence in their elected leaders.

Recommendation. GFOA makes the following recommendations regarding the selection of auditing services:

- The scope of the independent audit should encompass not only the fair presentation of the basic financial statements, but also the fair presentation of the financial statements of individual funds and component units. The cost of extending full audit coverage to the financial statements of individual funds and component units can be justified by the additional degree of assurance provided. Nevertheless, the selection of the appropriate scope of the independent audit ultimately remains a matter of professional judgment. Accordingly, those responsible for securing independent audits should make their decision concerning the appropriate scope of the audit engagement based upon their particular government's specific needs and circumstances, consistent with applicable legal requirements.
- Governmental entities should require in their audit contracts that the auditors of their financial statements conform to the independence standard promulgated in the General Accounting Office's *Government Auditing Standards* even for audit engagements that are not otherwise subject to generally accepted government auditing standards.
- Governmental entities should enter into multiyear agreements of at least five years in duration when obtaining the services of independent auditors. Such multiyear agreements can take a variety of different forms (e.g., a series of single-year contracts), consistent with applicable legal requirements. Such agreements allow for greater continuity and help to minimize the potential for disruption in connection with the independent audit. Multiyear agreements can also help to reduce audit costs by allowing auditors to recover certain "start-up" costs over several years, rather than over a single year.
- Governmental entities should undertake a full-scale competitive process for the selection of independent auditors at the end of the term of each audit contract, consistent with applicable legal requirements. Ideally, auditor independence would be enhanced by a policy requiring that the independent auditor be replaced at the end of the audit contract, as is often the case in the private sector. Unfortunately, the frequent lack of competition among audit firms fully qualified to perform public-sector audits could make a policy of mandatory auditor rotation counterproductive. In such cases, it is recommended that a governmental entity actively seek the participation of all qualified firms, including the current auditors, assuming that the past performance of the current auditors has proven satisfactory. Except in cases where a multiyear agreement has taken the form of a series of single-year contracts, a contractual provision for the automatic renewal of the audit contract (e.g., an automatic second term for the auditor upon satisfactory performance) is inconsistent with this recommendation.

- Professional standards allow independent auditors to perform certain types of nonaudit services for their audit clients. Any significant nonaudit services should always be approved in advance by a governmental entity's audit committee. Furthermore, governmental entities should routinely explore the possibility of alternative service providers before making a decision to engage their independent auditors to perform significant nonaudit services.
- The audit procurement process should be structured so that the principal factor in the selection of an independent auditor is the auditor's ability to perform a quality audit. In no case should price be allowed to serve as the sole criterion for the selection of an independent auditor.

References:

- *Audit Management Handbook*, Stephen J. Gauthier, GFOA, 1989.
- *An Elected Official's Guide to Auditing*, Stephen J. Gauthier, GFOA, 1992.
- *Governmental Accounting, Auditing and Financial Reporting (GAAFR)*, Stephen J. Gauthier, GFOA.
- Model Audit RFP Diskette, GFOA.
- *CPA Audit Quality: A Framework for Procuring Audit Services*, General Accounting Office, August 1987.

Approved by the Committee on Accounting, Auditing and Financial Reporting

June 15, 2002

Adopted by Executive Board, October 25, 2002

Illinois Community College Chief Financial Officers (ICCCFO)
Auditor Survey
September, 2008

<u>Dist. #</u>	<u>Community College</u>	<u>Does staff recommend one audit firm to the Board for approval?</u>	<u>Does staff recommend several audit firms to the Board to choose from?</u>	<u>If #2 is yes, how many firms are recommended?</u>	<u>How often do you issue an RFP or otherwise formally review this?</u>	<u>Comments</u>
503	Blackhawk	Yes	No	N/A	Every 3-5 years	
504	Triton	No	Yes	3 to the Finance Committee; then 1 to the full Board	As needed, average every 6 years	
505	Parkland	Yes	No	N/A	Every 3-5 years	
507	Danville	Yes	No	N/A	Every 5 years	
508	Chicago City Colleges	Yes	No	N/A	About every 5 years	
511	Rock Valley	Yes	No	N/A	Every 3 years, with three additional one-year extensions if mutually agreeable	
513	Illinois Valley	No	No	N/A	Every 3 years (with an optional 3-year renewal)	The Finance Committee issues RFP's and makes a decision. The CFO and Contoller also review the responses.
515	Prairie State	No	No	N/A	Typically every 3 years	Staff summerizes the proposals, but the Board makes the decision

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<u>Dist. #</u>	<u>Community College</u>	<u>Does staff recommend one audit firm to the Board for approval?</u>	<u>Does staff recommend several audit firms to the Board to choose from?</u>	<u>If #2 is yes, how many firms are recommended?</u>	<u>How often do you issue an RFP or otherwise formally review this?</u>	<u>Comments</u>
519	Highland	Yes	No	N/A	It has been many years due to satisfaction and ability to change audit partner.	
520	Kankakee	No	No	N/A	Have used a local firm for over 20 years	Typically have three or four year engagement letter
521	Rend Lake	Yes	No	N/A	Rarely	
523	Kishwaukee	Yes	No	N/A	Every 5-6 years	
525	Joliet	No	Yes	3	3-5 years	
526	Lincoln Land	Yes	No	N/A	Every 5 years	
528	McHenry	No	No	N/A		
530	John A. Logan	Yes	No	N/A	Approximately every 6 years (2 cycles of 3 years)	
532	Lake County	Yes	No	N/A	No certain time period	Just hired a new firm - the first change in over 5 years
537	Richland	Yes	No	N/A	Unknown	

Summary
 Yes/No - 12
 No/Yes - 2
 No/No - 4

Ronald Ally

Attachment 9

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From: Ryan, Thomas [Ryanth@cdnet.cod.edu]
Sent: Friday, May 27, 2005 4:50 PM
To: CFO+ List
Subject: Law Firms
Attachments: icc law firms.xls

Here is a list of law firms used by each community college. Thanks to all those who replied.

Tom

Legal Firms Used by Illinois Community Colleges		
Institution	Firm Used	Notes
Black Hawk College	Pappas & Schnell	
Carl Sandburg	"a local attorney"	
College of Lake County	Hinshaw and Culbertson	General
	Robbins Schwartz, Nicholas, Lifton, and Taylor	Collective Bargaining/HR
Danville Area Community College	Davis and Delanios	General Matters
	Seyfarth and Shaw	Personnel/Negotiations
Elgin Community College	Franczek Sullivan, P.C.	Negotiations
	Early, Collison, Tousey, Regan, & Morrow	Other Matters
Heartland Community College	Brown, Hay, & Stephens	
Harper Community College	Robbins, Schwartz, Nicholas, Lifton, and Taylor	
Illinois Eastern	Seyfarth and Shaw	
Illinois Valley Community College	Franczek, Sullivan, P.C.	
Joliet Junior College	McKeowen, Fitzgerald, Zollner, Hutchison, & Ruttie	
John Logan Community College	Gilbert, Kimmel, Huffman, Prosser & Hewson, LTD	

Kankakee Community College	Seyfarth and Shaw	
Kishwaukee Community College	Seyfarth and Shaw	
Lakeland Community College	Robbins, Schwartz, Nicholas, Lifton, and Taylor	
Lincoln Land Community College	Brown, Hay, and Stephens	
McHenry Community College	Robbins, Schwartz, Nicholas, Lifton, and Taylor	Personnel Matters
	Caldwell, Berner and Caldwell	All other matters
Moraine Valley Community College	Rosenthal Murphey and Coblentz	
Morton Community College	Swanson, Martin, & Bell LLP	(didn't differentiate what
	Odelson & Sterk, Lts.	they use each for)
Oakton Community College	Robbins, Schwartz, Nicholas, Lifton, and Taylor	
Richland Community College	Franczek, Sullivan, P.C., Chicago	HR/Personnel
	Samuels, Miller, Jackson, & Sly	Contracts/Board
	Chapman & Cuttler	Financing/Bonds
Prairie State	Robbins, Schwartz, Nicholas, Lifton, and Taylor	
Rend Lake Community College	Seyfarth and Shaw	
Rock Valley College	Kostantacos & Reuterfors, P.C.	General
	Robbins, Schwartz, Nicholas, Lifton, and Taylor	Employment Matters
Sauk Valley Community College	Ward, Murray, Pace and Johnson	
Southwestern Illinois College	Becker Paulson, Hoener, & Thompson, P.C.	
South Suburban College	Kusper and Raucci	
Spoon River College	Froehling, Weber & Evans	General
	Davis & Campbell	Employment Matters
Waubensee Community College	Scariano, Himes, and Petrarca	

Illinois Community College Chief Financial Officers (ICCCFO)
Attorney Survey
September, 2008

Dist. #	Community College	Do you have staff attorney(s)?	If yes, how many?	How many law firms do you use?	What law firm(s) do you use?	How many years have you been with each firm?	If you use more than one law firm, what are the different assignments/functions for each particular firm?	Does staff recommend the law firm(s) to the Board for approval?	Does staff recommend several law firms to the Board to choose from?	If yes, how many firms are recommended?	How often do you issue an RFP or otherwise review this?
503	Blackhawk	No	N/A	1	Pappas & Schnell	15+ years	N/A	No	N/A	N/A	Recently did RFP for the first time, but kept the current firm
504	Triton	No	N/A	1	Kusper & Raucci	15-20+ years	N/A	Yes	No	N/A	Reviewed annually, but no RFP in many years
505	Parkland	No	N/A	1	Meyer, Capel, LLC	30+ years	N/A	-	-	-	Stay with same firm
507	Danville	No	N/A	2	Seyfarth, Shaw, LLP Davis and Delanios, LLP	Over 20 years	Seyfarth, Shaw, LLP - HR items (bargaining), employee contract issues, general employment and personnel issues. Davis and Delanios, LLP - general items	N/A	N/A	-	Have not used RFP in at least 25 years
508	Chicago City Colleges	Yes	4	20		Not sure		Yes	Not sure	N/A	Not sure
511	Rock Valley	No	N/A	3	Kostantacos Robbins, Schwartz, Nickolas, Lifton and Taylor (RSNLT) Dow Lohnes & Albertson (DLA)	43+ years 10+ years 5+ years	Kostantacos - General RSNLT - Contract and Personnel DLA - Information Technology and Compliance issues	Yes	Yes	Firms used based on expertise	Not in recent years.
513	Illinois Valley	No	N/A	2	Zukowski & Associates Franczek-Sullivan	20+ years 10 years	Zukowski - General matters Franczek-Sullivan - personnel issues	N/A	N/A	N/A	Do not issue an RFP for legal services
515	Prairie State	No	N/A	1	DeI Galdo Law Group LLC	Newly hired	N/A	No	No	N/A	Approximately every 3 years

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Dist. #	Community College	Do you have staff attorney(s)?	If yes, how many?	How many law firms do you use?	What law firm(s) do you use?	How many years have you been with each firm?	If you use more than one law firm, what are the different assignments/functions for each particular firm?	Does staff recommend the law firm(s) to the Board for approval?	Does staff recommend several law firms to the Board to choose from?	If yes, how many firms are recommended?	How often do you issue an RFP or otherwise review this?
519	Highland	No	N/A	2	Franczek-Sullivan	10+ years	Franczek-Sullivan - Tort and SURS issues	Yes	No	N/A	Review for satisfaction, do not do an RFP
					Ward, Murray, Pace	7 years	Ward, Murray, Pace - General				
520	Kankakee	No	N/A	2	Seyfarth Shaw	8 years	Seyfarth Shaw - Personnel matters	No	No	N/A	No RFP issued, Board reviews annually
					Robert LaBeau	3 years	Robert LaBeau - General				
521	Rend Lake	No	N/A	2	Gilbert, Huffman, Proesser (GHP)	7 years	GHP - General	Yes	No	N/A	Rarely
					Campbell, Black Carmine (CBC)	17+ years	CBC- contracts and leases				
523	Kishwaukee	No	N/A	1	Seyfarth and Shaw	24 years	N/A	Yes	-	-	Never
525	Joliet	No	N/A	1	McKeowen Law Firm	10+ years	N/A	No	No	N/A	Not done on a regular interval
526	Lincoln Land	No	N/A	1	Brown, Hay & Stephens	30+ years	N/A	-	-	-	Never
530	John A. Logan	No	N/A	1	Gilbert, Huffman, Proesser, Hewson & Barke	30 years	N/A	No	No	N/A	Never
532	Lake County	No	N/A	2	RSNLT	A long time for both firms	RSNLT - employee issues and union negotiations	No	No	N/A	Not in the last decade
					Hinshaw & Culbertson	A long time for both firms	Hinshaw and Culbertson - contracts				
537	Richland	-	-	More than 1	Local firm	10 years	Local firm - contracts and school law	-	-	-	
					Chicago firm		Chicago firm - labor law, etc.				

Yes - 1
No - 15

1 - 8
2 - 6
3 - 1
> 1 - 1
20 - 1

Aug = 15.5 + years

Yes - 6
No - 6

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