



Board of Education

Office of the Board
1 North Dearborn Street
Suite 950
Chicago, IL 60602

Board Report

24-1101-PR2

Agenda Date: 11/1/2024

AUTHORIZE THE FIRST RENEWAL AGREEMENT WITH BAKER TILLY US, LLP FOR EXTERNAL AUDITING SERVICES

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize the first renewal agreement with Baker Tilly US, LLP for External Auditing Services to at an estimated annual cost set forth in the Financial Section of this report. A written document exercising this option is currently being negotiated. No payment shall be made to Vendor during the option period prior to execution of the written document. The authority granted herein shall automatically rescind in the event a written document is not executed within 90 days of the date of this Board Report. Information pertinent to this option is stated below.

VENDOR:

- 1) Vendor # 89952
BAKER TILLY US, LLP
PO BOX 78975
Milwaukee, WI 53278-8975

Coyle, Jason
630 645-6216

Ownership: No Partner Has More Than A Two Percent Stake In The Firm

USER INFORMATION:

Project Manager: 12410 - Accounting
42 West Madison Street
Chicago, IL 60602

Li, Dongmei
773 553-2710

ORIGINAL AGREEMENT:

The original Agreement (authorized by Board Report 22-0223-PR3) in the amount of \$2,500,000 is for a term commencing April 1, 2022 and ending March 31, 2025, with the Board having two (2) options to renew for one (1) year terms. The original agreement was awarded on a competitive basis pursuant to Board Rule 7-3.

OPTION PERIOD:

The term of this agreement is being renewed for one (1) year commencing April 1, 2025 and ending March 31, 2026.

OPTION PERIODS REMAINING:

There is one (1) option period for one (1) year remaining.

SCOPE OF SERVICES:

Vendor will continue to provide annual independent audits for the Board which will include:

- A financial audit in accordance with generally accepted auditing standards and government auditing standards;
- A Federal Single Audit in accordance with the U.S. Government Accountability Office, Government; Accounting Standards, as amended (also known as the Yellow Book);
- Review of internal controls;
- Review of computer systems and related databases;
- Management Letter of Recommendations that contains findings and best practices noted during the audit;
- Review of the Illinois State Board of Education District Annual Financial Report; and
- Review of the State of Illinois Consolidated Year End Financial Report.

DELIVERABLES:

Vendor will continue to provide the following reports and deliverables:

- Independent auditors' report on the basic financial statements performed in accordance with generally accepted auditing standards and government auditing standards.
- Independent auditors' report on compliance with requirements applicable to each major program and on internal control over compliance in accordance with Federal Uniform Grant Guidance, Title 2, Subtitle A, Chapter II Part 200 (and the State of Illinois Equivalent).
- Independent auditors' reports on internal controls over financial reporting and compliance, including other matters, based on an audit of financial statements performed in accordance with government auditing standards.
- Presentation of audit results including required auditor communications to the Board Members.
- Certification of the Illinois State Board of Education District Annual Financial Report (AFR) Audit to ensure it was prepared in accordance with applicable standards and requirements per 23 Illinois Administrative Code Part 100.
- Management Letter of Recommendations including status of items reported in previous Management Letter; process and procedure improvements noted during the audits; and responses and action plans from management.
- In relation to opinion over the State of Illinois Consolidated Year End Financial Report.
- Other deliverables as agreed to in writing by the Controller or Deputy Controller.

OUTCOMES:

Vendor's services will continue to result in the issuance of opinion letters in accordance with generally accepted auditing standards (GAAP) and the standards applicable to financial audits contained in Government Auditing Standards. The annual audit will result in a letter of recommendation commenting on an assessment of risk controls to

identify and evaluate the effectiveness of internal controls and management risks within the key business processes.

AUTHORIZATION:

Authorize the General Counsel to include other relevant terms and conditions in the written option document. Authorize the President and Secretary to execute the option document. Authorize the Chief Financial Officer or designee to execute all ancillary documents required to administer or effectuate this option agreement.

AFFIRMATIVE ACTION:

Pursuant to the Remedial Policy for Minority-Owned Business Enterprise (MBE) and Women-Owned Business Enterprise (WBE) policy participation in Goods and Services contracts, with aspirational goals of 30% MBE and 7% WBE. The vendor has committed to the aspirational goals of 30% MBE and 7% WBE with their strategic plan and subcontractor(s).

The following firms have been scheduled:

Total MBE: 30%

Prado and Renteria

1837 S. Michigan Ave.

Chicago, IL 60616

Ownership: Maria de J. Prado

Total WBE: 7%

Pilar Financial Practice Management, LLC.

852 Madison Street

Oak Park, IL 60302

Ownership: Courtney Hayes

Velma Butler & Co.

6 East Monroe Street, suite 400

Chicago, IL 60603

Ownership: Velma Butler

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Fund 115, Unit 12410 - Accounting,

FY26 - \$810,000

Not to exceed \$810,000 for the one (1) year term. Future year funding is contingent upon budget appropriation and approval

GENERAL CONDITIONS:

The agreement shall contain general conditions including but not limited to the following: Inspector General provision, in accordance with 105 ILCS 5/34-13.1; Conflicts provision, in accordance with 105 ILCS 5/34-21.3; Indebtedness provision, in accordance with the Board's Indebtedness Policy adopted June 26, 1996 pursuant to Board Report 96-0626-PO3; Ethics provision, in accordance with the Board's Ethics Code as amended; and, Contingent Liability provision.

Approved for Consideration:



PATRICIA HERNANDEZ
Chief Procurement Officer

Approved:



PEDRO MARTINEZ
Chief Executive Officer

Approved as to Legal Form: 



RUCHI VERMA
General Counsel