



Meeting Date: 10/22/12
Agenda Item: #6f

Mission Statement

Delivering quality services in a courteous, cost-effective and efficient manner.

VILLAGE BOARD MEETING STAFF REPORT

REPORT TO: President Burt McIntyre and Village Board of Trustees
REPORT FROM: Chris Haltom, Director of Administrative Services
AGENDA ITEM: Review and Take action on proposal for auditing services for the years ending December 31, 2012, 2013, 2014 with options years for 2015 and 2016

POLICY ISSUE

Does the Village Board desire to approve a proposal for auditing services that will cover the years 2012 through 2014 with options for 2015 and 2016?

RECOMMENDED ACTION BY VILLAGE BOARD

Village staff recommends the Village Board approve the proposal for Erickson and Associates, S.C.. If the Board agrees, the following motion could be made:

"I move to approve the audit proposal from Erickson & Associates, S.C. for the years 2012-2014 with options for years 2015 and 2016."

POLICY ALTERNATIVE(S)

- The Village Board could approve a proposal from a different firm.

FINANCIAL INFORMATION

FISCAL IMPACT:

1. Is There A Fiscal Impact? Yes
2. Is it Currently Budgeted? Yes
3. If Budgeted, Which Line? Admin Sycs- Professional Services (General Fund), Contracted Services in Utilities, Golf Course and Capital Projects

FISCAL SYNOPSIS:

Costs associated with the audit contract are included in the budget for 2011 and 2012. The proposals fall within the budgeted amount as the fees are allocated to several funds and the lowest proposal is less than the budgeted amount.

BACKGROUND INFORMATION

The village ordinances require the village to obtain an annual audit of the financial statements in accordance with generally accepted accounting principles. For the past 20 years, the Village has obtained proposal from accounting firms for the audit services that covered a three year period. The most recent proposals were reviewed in 2007 with a three year contract and two option years; the options were exercised and the contract has now expired with the completion of the 2011 audit.

In the hopes of obtaining a new contract at the lowest possible price, staff emailed request for audit proposals (RFP's) to eight accounting firms in the hopes of obtaining proposals from each of them. Audit proposals were required to be returned to the village hall by 4pm on October 17, 2012. Five of the firms have offices within an hour of Green Bay area; two are from the Madison area, and one from Iowa. The village received six proposals from the eight firms contacted (no responses from Baker Tilly of Madison and Wipfli, Ullrich Bertelson, LLP, a Howard firm). Here is a summary of the proposed audit pricing:

Firm Name	City of Origin	2012	2013	2014	Subtotal	2015	2016	Total
Erickson & Assoc., S.C.	Appleton	\$19,000	\$19,800	\$20,600	\$ 59,400	\$21,400	\$22,000	\$ 102,800
Kerber, Rose & Assoc.	Shawano	\$21,200	\$21,700	\$22,350	\$ 65,250	\$22,950	\$23,525	\$ 111,725
Schenck S.C.	Green Bay	\$21,575	\$21,950	\$22,425	\$ 65,950	\$22,900	\$23,375	\$ 112,225
Hawkins, Ash, Baptie & Co.	Manitowoc	\$21,800	\$22,200	\$22,600	\$ 66,600	\$23,100	\$23,600	\$ 113,300
Wagner, CPAs	Madison	\$27,560	\$27,560	\$27,560	\$ 82,680	\$27,560	\$27,560	\$ 137,800
Eide Bailly	Dubuque, Iowa	\$30,500	\$31,850	\$33,450	\$ 95,800	\$35,050	\$45,150	\$ 176,000

Most of these firms promote their government auditing services at seminars held throughout the state and were also required to submit references of local governments they provide similar services. The village has used Schenck S.C., Kerber Rose & Associates (with a Howard branch office) and Baker Tilly (formerly Virchow Krause with offices throughout the state) and found each of these firms to be competent. The contract price for Schenck S.C. for the 2011 audit was \$23,600 but they only charged the village \$22,700.

The lowest priced proposal was obtained from Erickson and Associates, S.C. Their proposal contained six references three of which were Wisconsin communities (Combined Locks, Kimberly and Winchester), one was the Outagamie County Housing Authority and two were sewage districts (Waverly and Heart of the Valley Metropolitan). I attempted to contact all of their references and spoke with three individuals who each gave great reviews of the firm. One of their clients has used their firm for 21 years and was very happy with the services they provide. I also spoke with the manager from Erickson & Assoc., Jason Vollrath, to ask about the training they obtain for governmental audits and a few other questions which he was able to answer to my satisfaction.

The RFP and the proposals obtained are in my office and can be made available to anyone that desire to review the documents. I did not copy these items and include in the packet due to the large size of these materials.