



## Legislation Details (With Text)

<b>File #:</b>	2022-147	<b>Version:</b>	1	<b>Name:</b>	
<b>Type:</b>	Resolution	<b>Status:</b>		Passed	
<b>File created:</b>	4/22/2022	<b>In control:</b>		Board of Directors	
<b>On agenda:</b>	4/27/2022	<b>Final action:</b>		4/27/2022	
<b>Title:</b>	Contract No. 2104125 External Auditor Services				
<b>Sponsors:</b>	Nicolette Bateson				
<b>Indexes:</b>	Finance				
<b>Code sections:</b>					
<b>Attachments:</b>	1. 7A1 2022 Auditor RFP Board Letter Cover, 2. 7A3 2104125 Procurement Board Report-RFP				

Date	Ver.	Action By	Action	Result
4/27/2022	1	Board of Directors	Approved	Pass
4/22/2022	1	Audit Committee	Recommended for Approval	Pass

### Contract No. 2104125 External Auditor Services

Agenda of: April 27, 2022  
Item No.: **2022-147**

**TO:** The Honorable  
Board of Directors  
Great Lakes Water Authority

**FROM:** Brian Baker  
Audit Committee Chairman  
Great Lakes Water Authority

**DATE:** April 27, 2022

**RE:** **Contract No. 2104125**  
**External Auditor Services**  
**Vendor: Baker Tilly US, LLP**

### MOTION

Pending recommendation of the Audit Committee, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), authorizes a contract in an amount not to exceed Eight Hundred Thousand and 00/100 Dollars (\$800,000.00) which includes \$201,500 for the audit of the annual financial statements for FY 2022, \$211,500 for FY 2023, \$222,000 for FY 2024, and \$165,000 for other technical services, between the GLWA and Baker Tilly US, LLP to serve as the External

Auditor of the GLWA for a term of three (3) years, and authorizes the Interim CEO to take such other action as may be necessary to accomplish the intent of this vote.

### **BACKGROUND**

According to the Articles of Incorporation, Article 7J, the Audit Committee shall, once every three (3) years, recommend three (3) independent certified public accounting firms that, in the judgment of the Audit Committee, possess sufficient resources and qualifications to conduct annual financial audits of the accounts of the Authority. From the three recommendations of the Audit Committee, the Board may select the independent certified public accounting firm with whom the Authority shall execute an agreement to conduct annual financial audits for the succeeding three (3) fiscal years of the accounts of the Authority.

### **JUSTIFICATION**

Subject to a request for proposal process facilitated by GLWA Procurement, two qualified proposals were received on March 28, 2022 for external auditor services. Those proposals were reviewed to ensure that all minimum criteria was met and the written proposals were scored. Oral presentations were received on April 14, 2022 and a final scoring was then tabulated. As required by the Articles, the Audit Committee has reviewed and is forwarding the two (2) firms for consideration by the full Board in selecting the External Auditor for GLWA.

See attached Procurement Report and related supporting documents. All materials related to the proposal, proposal responses, and presentations are posted at [www.glwater.org](http://www.glwater.org) in the Audit Committee binder for the meeting on April 22, 2022.

### **FINANCIAL PLAN IMPACT**

**Summary:** Annual financial auditing services is included in the financial plan.

**Funding Source:** Operations & Maintenance (O&M) Budget

**Cost Center(s):** Financial Reporting & Accounting... Administrative Services 884111

**Expense Type(s):** Auditing (611200) (Including annual external audit and other technical services)

### **Estimated Cost by Year and Related Estimating Variance:**

<b><u>Fiscal Year</u></b>	<b><u>Amount</u></b>
FY 2023 Budget	\$307,200.00
FY 2024 Financial Plan	313,400.00
FY 2025 Financial Plan	<u>316,600.00</u>
Total Financial Plan Forecast	\$937,200.00
Proposed Contract Amount	<u>\$800,000.00</u>
Forecast Variance (positive/ (negative))	\$137,200.00

### **COMMITTEE REVIEW**

This matter was reviewed at the Audit Committee on April 22, 2022. The Audit Committee unanimously recommended that the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), authorizes a contract in an amount not to exceed Eight Hundred Thousand and 00/100

Dollars (\$800,000.00) which includes \$201,500 for the audit of the annual financial statements for FY 2022, \$211,500 for FY 2023, \$222,000 for FY 2024, and \$165,000 for other technical services, between the GLWA and Baker Tilly US, LLP to serve as the External Auditor of the GLWA for a term of three (3) years, and authorizes the Interim CEO to take such other action as may be necessary to accomplish the intent of this vote.

### **SHARED SERVICES IMPACT**

This item does not impact the shared services agreement between GLWA and DWSD.