



## Legislation Details (With Text)

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**Title:** Proposed Audit Fee Change Order for the FY 2017 Audit

**Sponsors:** Nicolette Bateson

**Indexes:** Finance

**Code sections:**

**Attachments:** 1. GLWA Incremental Billing 7-19-18

Date	Ver.	Action By	Action	Result
8/8/2018	1	Board of Directors Workshop Meeting	Approved	Pass

### Proposed Audit Fee Change Order for the FY 2017 Audit

Agenda of: August 8, 2018  
Item No.: **2018-879**  
Amount: \$48,500

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

**FROM:** Sue F. McCormick  
Chief Executive Officer  
Great Lakes Water Authority

**DATE:** August 8, 2018

**RE:** **Proposed Audit Fee Change Order for the FY 2017 Audit**

### MOTION

Upon recommendation of Nicolette N. Bateson, Chief Financial Officer/Treasurer, The Board of Directors (Board) of the Great Lakes Water Authority (GLWA), **approve a change order for audit services contract with Rehmann Robson in the amount of \$48,500 for the FY 2017 audit**; and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

### **BACKGROUND**

The firm of Rehmann Robson was selected as auditors for the Great Lakes Water Authority (GLWA) in January 2017.

The audit for FY 2017 was started in October 2017. Audit fieldwork and draft financial statements were largely completed in November 2017. Concurrently, discussions related to a Memorandum of Understanding (MOU) with the Detroit Water & Sewerage Department (DWSD) were underway. While it was anticipated that there would be a financial impact, the dollar amount was not determinable until April 2018 when the boards for both entities approved an MOU Term Sheet. The technical nature of the MOU, inefficiencies from the delay, and related additional effort by all parties translate into a reasonable request by Rehmann Robson for additional compensation. Attached is an analysis from the auditors providing an additional request for \$48,500 which is net of a negotiated discount of 7.5%.

### **BUDGET IMPACT**

To the extent that there are not savings in the Financial Reporting & Accounting cost center, a budget amendment from unallocated reserve would be required. There are sufficient funds in that budget reserve.

### **COMMITTEE REVIEW**

This matter was reviewed by the Audit Committee at its meeting on July 20, 2018. The Audit Committee unanimously recommended that the GLWA Board adopt the resolution as presented.