



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.