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Title: 1900933 External Auditor Services

Sponsors: Nicolette Bateson

Indexes: Finance

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Attachments: 1. Procurement Report - External Auditor.pdf, 2. External Auditor Evaluation Tabulation and Fees 6.12.2019.pdf, 3. Vendor Response - External Auditor.pdf

Date	Ver.	Action By	Action	Result
6/12/2019	1	Board of Directors Workshop Meeting	Approved	Pass

1900933 External Auditor Services

Agenda of: June 12, 2019
Item No.: **2019-228**

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Robert J. Daddow
Audit Committee Chairman
Great Lakes Water Authority

DATE: **June 12, 2019**

RE: **Contract No. 1900933**
External Auditor Services
Vendor: Baker Tilly Virchow Krause, 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 Seven Hundred Six Thousand, Eight Hundred Eighty-Eight and 00/100 Dollars (\$706,888.00) which includes \$189,400 for the audit of the annual financial statements**

for FY 2019, \$195,296 for FY 2020, \$201,192 for FY 2021, \$21,000 allowance for costs for consent letters at \$7,000 per bond transaction, and \$100,000 for other technical services, between the GLWA and Baker Tilly Virchow Krause, LLP to serve as the External Auditor of the GLWA for a term of three (3) years, and authorizes the 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

As required by the Articles, the Audit Committee has reviewed and is forwarding the following three (3) 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 in the Audit Committee binder for the meeting May 29, 2019.

BUDGET IMPACT

The procurement of annual financial auditing services is included in the biennial FY 2018 and FY 2019 budget and related five year financial plan for external auditing services in the cost center for Finance 884111) in the amount of \$350,000.00 per year.

COMMITTEE REVIEW

The vendors were interviewed, and the qualifications and audit approach were discussed at the May 29, 2019 special Audit Committee meeting. The Audit Committee has scheduled a special Meeting for June 12, 2019, prior to the GLWA Board meeting to finalize its recommendation.

SHARED SERVICES IMPACT

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